



# ANNUAL REPORT

2014 - 2015



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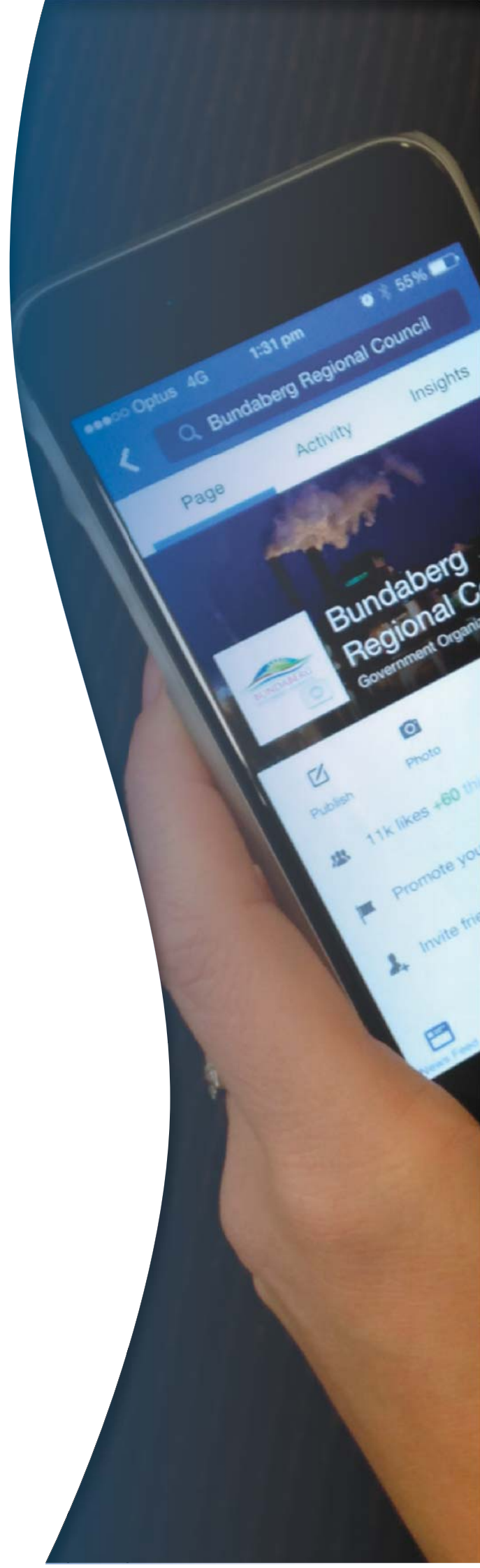
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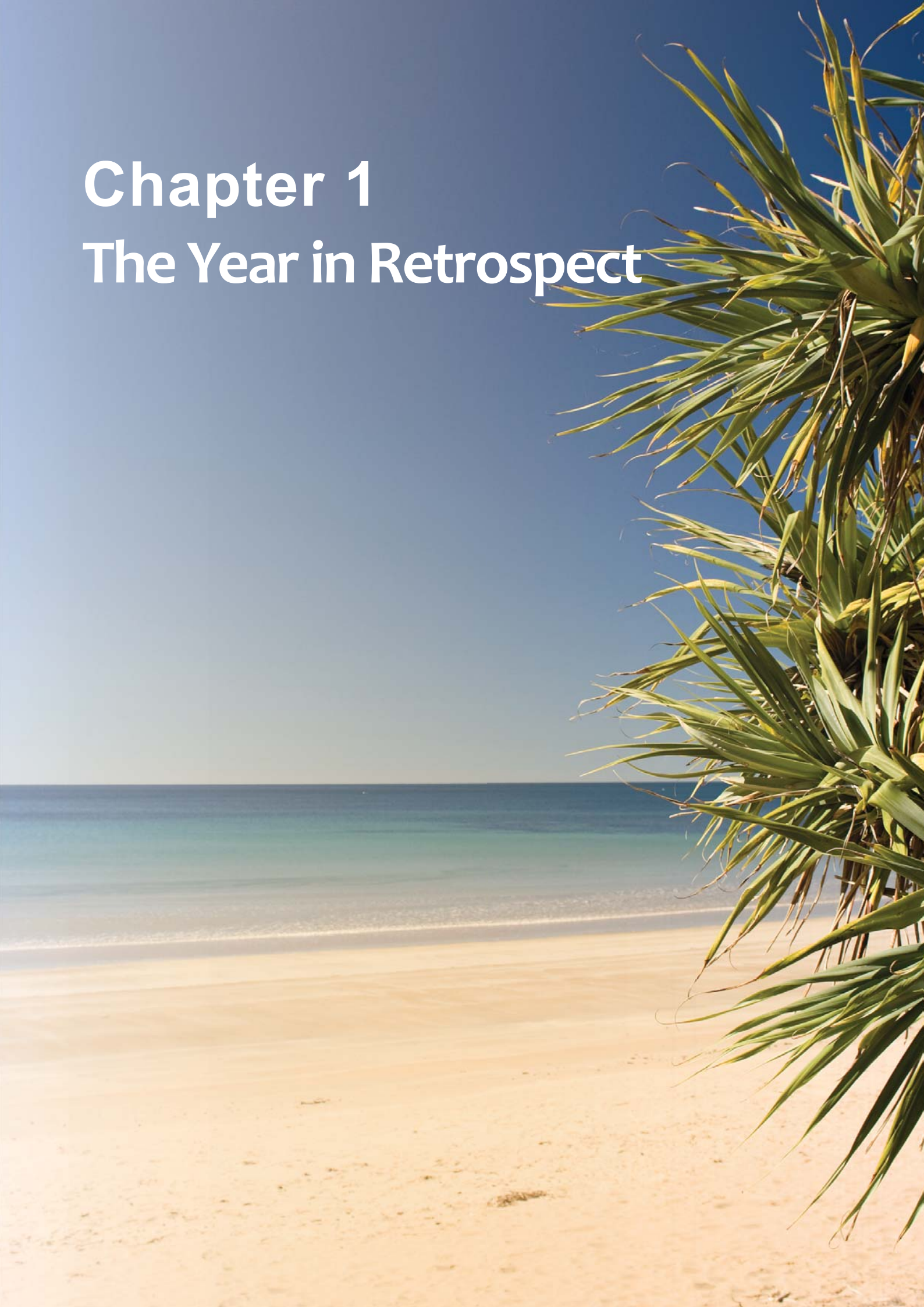
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# Chapter 1

## The Year in Retrospect



# Welcome to the Bundaberg Regional Council 2014-2015 Annual Report

This report details our performance in meeting the strategic priorities outlined in our 2014 – 2019 Corporate Plan.

The objectives of this Annual Report are to:

- Report on our performance in delivering the Corporate Plan;
- Provide financial results for the year;
- Share our Community's Vision - *Bundaberg Region 2013*;
- Promote our region to local, state, national and international stakeholders;
- Recognise the significant achievements of council; and
- Meet statutory requirements under the Local Government Act 2009 and Regulation 2012.

## How to read our Annual Report

The report is divided into four chapters.



## Our Stakeholders

The Annual Report is produced as a multipurpose report to benefit each of our stakeholders through the provision of comprehensive and accurate reporting on our strategic, operational and financial performance.

Our Stakeholders include:

- Our community, those who call the Bundaberg region home and those who visit us;
- Our ratepayers;
- Community groups and organisations;
- Local service providers;
- Investors in our Region - both current and future;
- Industry and commerce;
- Local, State and Federal Government bodies.

## Planning Framework

Our planning framework ensures that our strategies and financial resources are aligned to achieve Corporate Plan Outcomes and our Community's Vision for the future.

Figure 1. Planning Framework



These plans are available for viewing by following the 'Newsletters and Publications' link under the 'Council' tab on Council's website [www.bundaberg.qld.gov.au](http://www.bundaberg.qld.gov.au)

### Our Community's Vision

***In 2031 the Bundaberg Region will be known for its vibrant, inclusive and caring community, sustainable managed and healthy environment, strong and sustainable economy, responsive, cohesive, sustainable, ethical and accountable governance.***

### Council's Mission

***To connect, unite and inspire our communities through open, transparent, effective leadership and efficient management practices.***

# 1.1 MAYOR'S REPORT

Providing comment for Council's Annual Report is a personally satisfying task and one which provides the community with a snapshot of Council activities from my perspective as Mayor.

It is an appropriate time to pause and review outcomes and confirm that plans and projects remain on track while new initiatives are emerging into focus.

The vision for Council is definitely future focussed but looking back over the past 12 months is also a means of measuring just how far we have come.

During the past 12 months we have finalised our road maintenance, reconstruction and flood mitigation projects as funded under the Natural Disaster Relief and Recovery Arrangements (NDRRA).

I am particularly pleased that work has continued to refine our flood mapping and early warning systems to ensure our community remains on the front foot in preparedness for any future flood event.

The amount of interactive flood awareness material on Council's website is testament to the expertise of our staff who have proven themselves among the world leaders in developing software and visual imagery to simplify the technical nature of dealing with the impact of floods.

Investment in improved technology has been among the more important programs rolled out by Council over the past year. This is an essential investment, not only in monetary terms, but also in resources that make Council more effective and efficient and allows us to meet our regulatory requirements regarding record keeping.

Huge volumes of information are processed daily at Council and it is incumbent on us to have the capability to effectively manage that data.

These IT improvements have been quickly absorbed by staff to make the jobs of everyone, and especially those involved in Council's mobile workforce, far more efficient through an ability to report from the field.

This technological revolution at Council is essential given that the same processes have remained in place from the point of amalgamation in 2008.

Council has remained proactive in creating an environment for investment and development and it is satisfying that several major retailers have their sights on Bundaberg with several already committed to either enlarging their presence or building new stores. Local housing growth is another pleasing statistic and one which Council hopes will blossom in coming years, especially with the commencement of the multi-million dollar Rubyanna Wastewater Treatment Plant project.

This much anticipated Council project will cater to new development along the coastal strip between Burnett Heads and Elliott Heads and also facilitate growth at the Port of Bundaberg.

The Bundaberg Region from Childers to Gin Gin from Woodgate Beach to Lake Monduran continues to be a desirable location to live, work, play and invest.

It is a pleasure to place on record my appreciation of my Council team and the outcomes for our community that have been achieved through thoughtful input and robust debate.

I would also like to acknowledge the consistent support from our Chief Executive Officer Peter Byrne, our General Managers and staff at all levels. I am proud of the team effort and the willingness of Council employees to ensure quality service is delivered for the benefit of our residents.

**Cr Mal Forman**  
**Mayor - Bundaberg Regional Council**



# 1.2 OUR COUNCILLORS

## CR MAL FORMAN - MAYOR | 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 also a White Ribbon Ambassador.

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 Bundaberg VMR, Vice Patron of Qld Surf Life Saving, Patron TPI Association, Hon Vice President Bundaberg Clay Target Inc., Patron Bundaberg Canine Club Inc. and is the Rural Fire Warden for Ashfield/Windermere Rural Fire District. He is married to Joy and has 3 sons and 5 grandchildren.

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## CR DAVID BATT - DEPUTY MAYOR, Representative for Division 8 | Governance



David is a fifth 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 and has recently completed an Advanced Diploma of Public Safety (Emergency Management). 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 Community Services, Bundaberg PCYC, Bundaberg Netball Association and Across the Waves Sports Club.

Division 8 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 Business Bundaberg Advisory Committee, Audit & Risk Committee, Social Media & Communication Advisory Group and the Information Systems 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 ALAN BUSH, Representative for **Division 1 | 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.

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## CR TONY RICCIARDI, Representative for **Division 2 | 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. He 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.

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## CR WAYNE HONOR, Representative for **Division 3 | Health and Regulatory Services**



Cr Honor is Councillor for Division 3, covering an area of 3,749 square kilometres 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 four years as a Councillor in the previous Kolan Shire

Council working in the area of Community Services and Finance.

Wayne is actively involved in numerous community organisations, including the 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.

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## CR VINCE HABERMANN, Representative for **Division 4 | Waste and Recycling**



Cr Vince Habermann is a fifth generation Bundaberg resident, who has lived in Bundaberg all his life. Vince has had a varied career, including being 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 actively 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, as well as service to the community of Bundaberg. He won the Queensland Cricket Volunteer of the Year Award in 2007 and amongst many other honours, has been awarded two Bundaberg City Council Australia Day Sports Administration Awards. But by far his greatest honour was being elected on to Council in 2012. Vince is very devoted to serving not only the residents of Division 4, but the whole Bundaberg Region. In his spare time, he is still actively involved in sport, as a

participant and an administrator, and in a number of church, school, community and charitable organisations.

Division 4 covers a large area of Bundaberg. The division is bound by Walker and Duffy Streets, crosses the Burnett River taking in large parts of inner North Bundaberg, and crosses back over the river, running down Walla Street to Burnett Street then along Targo Street and back to Walker Street, including all of the CBD; Bundaberg hospitals; retirement villages and nursing homes; several major shopping centres; the traditional working-class inner city suburbs; two high schools, a number of primary schools and sporting and community organisations and sporting facilities.

Vince continues to devote himself 100 percent to the role of Division 4 Councillor, and will always be accessible and work very hard for the benefit of all people. His aim is to achieve the best possible outcome for all, do everything possible for the Council to foster Bundaberg businesses and bolster the local economy, and support sporting and community organisations. Vince is 54 years old, is married to Donna and has two stepdaughters.



CR GREG BARNES, Representative for **Division 5 | 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 he 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 four 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.

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CR DANNY ROWLESON, Representative for **Division 6 | Environment and Natural Resources**



The 2014 - 2015 financial year has been one of consolidation for Council and one that I believe has signalled a return of confidence for the community regarding the future of our region.

The last of the scheduled flood recovery works has been completed and an upsurge in business investment, particularly in Bundaberg, has clearly demonstrated that traders share positive

views concerning the economic future of the region with this investment translating into jobs.

There are currently many projects unfolding across the region which will result in positive impacts for Division 6.

The State Government has reaffirmed its commitment to the \$18 million gas pipeline to the Port of Bundaberg to cater to the construction of the \$70 million Knauf plasterboard manufacturing plant.

Council has supported this initiative by the government with substantial capital invested in extending water and sewerage infrastructure in the Burnett Heads area. It is essential that

these services are available to encourage development. Obviously one of the brightest beacons for development within the region has come in the form of the \$71 million Rubyanna Wastewater Treatment Plant. Future stages of the treatment plant will service new development in the coastal belt between Burnett Heads and Elliott Heads.

I have been excited by many of the wonderful projects that continue to unfold through my portfolio of Environment and Natural Resources. As a Council we continue to support projects that improve tranquil natural areas like Barolin Nature Reserve for residents and visitors to enjoy.

I am extremely proud that Council has taken up the cause of shorebirds nesting on Dr Mays Island at Elliott Heads and has sought to provide an undisturbed habitat for these birds that attract interest from around the world.

Council has been very successful reducing electricity consumption, resulting in a decrease to council's carbon footprint, and turtle lights continue to be installed in sensitive areas, which will result in improved nesting conditions along our coastline.



## CR ROSS SOMMERFELD, Representative for **Division 7 | Planning and Development**



Cr Sommerfeld was born and raised in Bundaberg. He has more than 25 years' experience as a Consulting Surveyor, 21 of those years as principal of his own business based in Bundaberg, before selling the 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 aligns with his previous role as a Consulting Surveyor. He says that although he represents Division 7, he is committed to the whole region along with his fellow Councillors.

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## CR. JUDY PETERS, Representative for **Division 9 | Community Services**



Division 9 covers parts of East 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 to the 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 unopposed in 2012 and currently responsible for the Community Services portfolio.

Judy is currently Patron to four organisations as well as an ordinary member to a number of other community organisations. Judy was previously involved in LGAQ Social Planning Reference Group and the State Advisory Committee for Disability. She continues to be a Council representative on the Local government/Art Queensland Arts Reference Group which enhances her knowledge at the local level as Chair of the Regional Arts Development Fund Committee.

Judy has held an executive positions with the Australian Local Government Women's Association (ALGWA) Queensland since 1995 having served as Zone 4 representative and State President for 4 years, as well as delegate to the ALGWA National Executive. Judy was awarded Life Membership in 2014 of ALGWA Queensland. In July 2011 she was welcomed as an associate member of the National Rural Women Coalition.

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

Judy was been 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.

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## CR LYNNE FORGAN, Representative for **Division 10 | Sport, Recreation & Venues**



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

The diversity of our region 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 two and grandmother of five, and married to Gilbert who is happy and proud to support her. From operating her own business, she brings to Council her 31 years of business knowledge and experience, understanding all facets of business operation,

and also holds a Certificate IV in Governance, a Diploma of Local Government Administration and an Advanced Diploma Disaster Management.

Lynne is actively involved in the community having served on many and varied organisations and taken many active roles 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; Patron of Special Olympics, along with being Council's appointed representative on several committees.

Lynne travels the region working with community organisations encouraging and helping to develop their strengths and opportunities to reach their full potential.

# 1.3 CHIEF EXECUTIVE OFFICER'S REPORT

The many significant achievements outlined in this Annual Report reflect Council's ongoing commitment to providing a comprehensive suite of cost effective services and infrastructure to meet the current and future needs of our growing community.

A feature of the year was the commencement of construction of the Rubyanna Wastewater Treatment Plant Project. This is the largest infrastructure project ever undertaken by Council and is the culmination of years of strategic planning to provide for the expected population growth in the eastern areas of the city and the adjacent coastal areas. The initial phase of this project was completed at a cost of \$7.8 million and involved the installation of a major transfer line between the existing East Wastewater Treatment Plant and the site of the new plant. Council also undertook a comprehensive tender process for the construction of the first stage of the new Wastewater Treatment Plant and it is anticipated that the successful tenderer will be announced in November 2015 with construction to commence early in the new year.

Other major infrastructure projects completed included:

**\$1.7 million**

Barolin Street upgrade Stage 1

**\$2.4 million**

Fairymead Road Evacuation Route

**\$1 million**

Bartholdt Drive Evacuation Route

**\$5.5 million**

Mt Perry Road Evacuation Route

**\$450,000**

Port Drainage System Stage 3

**\$1 million**

Footpaths across the region

**\$460,000**

Childers Streetscape Stage 1

**\$1.4 million**

Qunaba Landfill Facility upgrade

**\$1.8 million**

Windermere/Rifle Range Road Roundabout





It is pleasing to note that several of these Major projects were made possible through funding partnerships with either the State or Federal Governments. Other key community projects delivered utilising these partnership arrangements included a new boat ramp and associated carpark facilities at Fairymead on the Burnett River and a new \$2 million Netball facility which replaces the previous facility that had been severely inundated during two major flood events. Additionally, initiatives were undertaken to enhance public safety including a major upgrade of the CCTV system in the Bundaberg CBD precinct.

The remaining projects associated with the Natural Disaster Relief and Recovery (NDRRA) program were also finalised at a cost of \$28 million which takes the total expenditure on NDRRA projects over the past four years to approximately \$200 million. During these restoration works, Council allocated \$12 million to undertake improvements on critical sections of the affected road network providing for a higher level of resilience in the future.

To ensure Council remains well positioned to maximise the benefits of the anticipated population growth for the region, Council this year completed several strategic studies. These included the Riverside Masterplan for the city reaches of the Burnett River and the Bundaberg Central Business District Revitalisation study. The extensive community consultation process for the New Planning Scheme for the region was finalised and a critical milestone was achieved with the Minister advising that approval had been granted for Council to adopt the new scheme.

From a financial perspective, the 2014 - 2015 year was very successful with Council achieving an operational surplus of \$4.9 million. While Council's debt has increased, this has been necessary to meet the costs of providing essential infrastructure including the construction of two new wastewater treatment plants. The long-term financial forecasts indicate that Council's financial position is sound and it is well placed to meet the future needs of our community in a sustainable manner.

The operational capability of the organisation was further enhanced with the implementation of a new Electronic Document Records Management System and Standard Operating Environment. To support these initiatives and the roll out of the mobilisation program significant investment was

made to facilitate installation of new ICT hardware and supply of tablet devices. The focus within the Fleet Management section was on plant utilisation and rationalisation. GPS technologies were expanded across the fleet and the numbers of light vehicles and items of heavy earthmoving equipment were significantly reduced.

In August 2014, Council adopted a Clean Energy Strategy with one of its key goals being to reduce Council's overall energy consumption and related operational costs. In this regard, Council secured a contract which will deliver a \$1.3 million reduction in electricity charges over the next three years. Council also commenced implementation of a program aimed at identifying opportunities to improve energy efficiency and achieve further savings across the organisation.

Council continued its strong commitment to enhancing the creativity and vibrancy within its communities, and these qualities were evidenced in the conduct of the nationally recognised Childers Festival and the evolving Bundy Flavours Festival which highlights our Region's culinary delights. In an endeavour to grow the events on offer and expand tourism opportunities Council this year established an Iconic Events Advisory Committee with its focus being the development of a series of iconic events to showcase the uniqueness of our Region.

The Bundaberg Region has a bright future with several exciting developments coming to fruition in the year ahead. The commencement of construction of the New Multiplex Facility will deliver on Council's vision to have a venue able to cater for community and sporting activities, as well as provide a much needed facility capable of meeting the evacuation needs of the Region in time of natural disaster.

The positive outcomes achieved this year are evidence of the collaborative efforts of the Mayor, Councillors, Senior Management and Staff and I thank them, one and all, for their cooperation and support. I also acknowledge and thank the many government agencies, community and business groups who have worked so well with Council to enhance the wellbeing and prosperity of our Region.

Peter Byrne  
**CEO- Bundaberg Regional Council**

# 1.4 SIGNIFICANT EVENTS AND ACHIEVEMENTS

## Infrastructure and Planning

The 2014 - 2015 financial year, saw Bundaberg Regional Council finalise rehabilitation and betterment works on the road network ravaged by unprecedented flooding in 2013. This work was funded by the State Government and Australian Government under the Natural Disaster, Resilience and Recovery Arrangements (NDRRA) and reinstated assets to their pre-disaster condition. Additionally, evacuation routes were constructed along Bundaberg Gin Gin Road (locally known as Mount Perry Road), Fairymead Road and Bartholdt Drive. These flood resilience projects were identified in the Burnett River Floodplain Action Plan and were jointly funded by the State and Australian Governments and Bundaberg Regional Council. The upgraded road network will ensure the evacuation routes remain open up to the flood heights experienced in the 2013 flood.

A total of 5,292 requests were received by Roads & Drainage of which approximately half were maintenance jobs to maintain the 3,000 km of road network in our region. A restructure of the Roads & Drainage operational crews was undertaken to minimise costs and improve efficiencies in maintaining and upgrading the road and drainage assets.

The region's road network was upgraded with the construction of a \$1.8 million roundabout at the junction of Windermere / Back Windermere / Rifle Range Roads to improve the safety of this intersection and in preparation for the extension of Hughes Road, Bargara. Hughes Road will be extended from Watsons Road to Back Windermere Road in the future. Construction of this extension will be completed in stages as future development demand increases. \$1.7 million was expended on the staged upgrade of Barolin Street. This upgrade provided road widening and a central median to address safety and capacity concerns with existing traffic flows.

Access was improved for the Booyal and Morganville communities with the upgrade of Booyal Crossing. This access link will now remain open during minor flooding events and during controlled releases from Paradise Dam. The need for improved access at Booyal Crossing was also recognised by the Burnett River Floodplain Action Plan.

ROADS & DRAINAGE





A \$15 Million upgrade of the Thabeban Wastewater Treatment Plant was completed and commissioned in the 2014 - 2015 year. Planning was completed for construction of a new regional wastewater treatment plant at Rubyanna; this being the cornerstone infrastructure of a 60 year sewer strategy to sewer East Bundaberg, Port Bundaberg and coastal communities stretching from Burnett Heads to Elliott Heads. This new sewer infrastructure in conjunction with the proposed gas main (to be constructed by the State Government) will facilitate economic growth at Port Bundaberg. Expressions of Interest have been called for the design, construction, operation and maintenance of the new regional Wastewater Treatment Plant. In the 2014 - 2015 financial year, 5.4 km of sewer rising main and 2.7 km of sewer outlet pipeline have been constructed as part of Stage One Program of Works for Rubyanna Wastewater Treatment Plant.

Bundaberg Regional Council remains committed to providing water and sewerage services to Port Bundaberg to service proposed industrial, commercial and residential developments. Significant progress has been made on the construction of this infrastructure.

Design of sewerage infrastructure to Innes Park and Coral Cove is well advanced and it is planned to make sewerage services available to new developments in this coastal area in the 2016 - 2017 financial year and replace the aged package treatment plant in service at Coral Cove.

Additionally, there has been a focus on managing Trade Waste commercially to ensure a fair and equitable cost of waste treatment across our communities.

## MAJOR PROJECTS

This section of Infrastructure & Planning focused on the delivery of projects across a wide range of assets. A significant deliverable from this financial year was the Bundaberg Super Park Netball Complex funded by the State Government, Department of National parks, Recreation, Sport and Racing, with contributions from Bundaberg Netball and Bundaberg Regional Council. This project included the design and construction of a new purpose built netball facility comprising a new club house, 12 sports surfaced netball courts and a bitumen car park.

Bundaberg Regional Council engaged our community to raise awareness of the draft Planning Scheme for Bundaberg Regional Council. As a result, 315 submissions were received during the public notification period. The amended plan was forwarded to State Government for approval in April, 2015. In addition, a local heritage study was undertaken for the region. This study recommended 70 places of heritage significance to be included in a heritage overlay in the new planning scheme. Detailed master planning of the Bargara Priority Infrastructure Area was also undertaken. This master plan will guide land use and provision of infrastructure in the area bounded by Hughes/Watson/Seaview and Bargara Roads.

A total of 466 Development Applications were processed and 377 compliance issues were investigated. Major development applications included Kepnock District Shopping Centre, redevelopment of the former Bunnings site for a new Coles supermarket, the Friendlies Medical Clinic, Stage 2 of the Belle Eden Estate, Stages 23 and 32-34 of Coral Cove Estate and a 181 lot subdivision by Investec at Bargara.

As part of Council's strategy to increase utilisation and availability of its plant fleet, Council mobilised three fleet workshops to enable its mechanics to repair and maintain Council's fleet in the field. The Fleet Workshop was also extended at the Bundaberg Operations Centre to facilitate 'on demand' repairs to minimise down time of heavy plant and equipment.

The Kolan River Early Flood Warning System was upgraded under the management of Design Services. Additional rain gauges were installed and the river monitoring stations were upgraded to provide real time information to the Bureau of Meteorology's alert technology.

## PLANNING & DEVELOPMENT

All 23 Actions in our strategic document Social Development Action Plan were accomplished through the delivery of Community Development services and programs.

### Community and Environment

As part of the Bundy Flavours celebrations, the very successful Farm Flavours Picnic was held for the first time.

The 'Friends of the Festival' community group was established. This group assists in the development of the Childers Festival.

Four new cabins at Burnett Heads Holiday Park were also completed this year and are now available for locals holidaymakers and visitors to our region.

## COMMUNITY DEVELOPMENT



Storm Tide Evacuation maps and information booklets were provided to approximately 8,000 properties, to help communities that may be affected to prepare for disasters.

Improved evacuation routes were established. Bundaberg Regional Council raised and improved a number of roads to create evacuation routes in North Bundaberg and Branyan areas. A flood levy was also constructed at Bundaberg North Technology Park to increase flood immunity for a section of Mount Perry Road.

Additionally, ongoing improvements to river and rain gauge networks were completed through the installation of additional rain gauges across the region. These gauges will enable improved access to the latest river and rain data in the event of a disaster.

The Red Cross publication *Preferred Sheltering Practices for Emergency Sheltering in Australia* was launched. The publication is an important resource for anyone involved in providing emergency shelter during times of disaster.

### **Flood restoration work**

Riverbank reinstatement and flood scour repairs were undertaken along the Riverside Walkway between Targo and Burrum Streets.

Queen's Park was officially reopened in September. Attending the opening was Deputy Premier Jeff Seeney, who said he was delighted to see NDRRA funds utilised in returning flood damaged public recreation areas to full community use.

\$2.8 million of flood betterment work was completed at Kendall Flat.

### **Recovery Final Report**

The road to recovery for the Bundaberg Region following the tornadoes and flood of 2013 has been carefully and comprehensively documented in a 148 page report adopted at an Ordinary meeting of Council, in December 2014. The report provides an insight into the group dynamics and fundamental workings of the four pillars associated with the region's disaster recovery. Four community based groups were established - Environmental, Economic, Human and Social and Infrastructure - under the chairmanship of local Councillors, to process information and to deliver recommendations and outcomes to assist with community recovery. The document was adopted by Council and provided to the former Minister for Local Government, Community Recovery and Resilience David Crisafulli.

## Community and Environment

The Airport undertook an extensive review of energy consumption in 2014 - 2015 and has introduced a number of measures to reduce energy usage and expenditure, including:

- The installation of LED lights to upgrade flood lighting and illuminate wind indicators,
- The installation of sensors on interior lights to reduce usage,
- Rescheduling of public car park lighting to align with off-peak times, saving about 27,000w per day, and
- In partnership with Bundaberg North Burnett Tourism, Council developed and installed a large 'Welcome to the Bundaberg Region' mural in the airport terminal. This initiative will highlight the many iconic tourism attractions and things to do while visiting the region.

## AIRPORT





### **Harnessing Global Relationships**

Council partnered with Central Queensland University to host our inaugural study tour by Guangxi University students. The tour showcased and promoted the region's capability for international students.

Council worked collaboratively with a number of partners to host a visit by food science students from Hong Kong IVC. Students were apprised of food production and export opportunities from the region.

### **Investment Attraction**

Council added to its online economic development toolkit including the Invest Bundaberg portal. Invest Bundaberg will enhance awareness of investment opportunities in the region via a user-friendly 'one-stop shop' for prospective investors and proponents alike.

Council conducted a comprehensive Short-Stay Accommodation Demand Study, in order to better promote the potential for investment into the hotel and accommodation sector.

### **Bundaberg Digital Enterprise Program**

With assistance from the Australian Government, Council assisted small and medium sized enterprises across the region to better understand how technology can improve their online presence and business outcomes. 216 unique organisations were assisted via 40 group workshops and 154 one-on-one mentoring sessions

### **Clean Energy Strategy**

Following the adoption by Council of their Clean Energy Strategy in 2014 -2015 we have transitioned 23 high energy consumption sites to the contestable electricity market saving approximately \$536,000 through to July 2015.

### **Tourism**

At Hinkler Hall of Aviation: Council installed a new 'Fly like Bert' exhibition comprising of 3 flight simulators. The 3 simulators represent various periods of aviation history with link to Bert Hinkler's life.

At Fairymead House a new commercial kitchen was installed to complement our community conference and event facilities. The facility now has the capacity to host gatherings of up to 100 people.



## Community and Environment

Our Be Active Be Alive program continued to be well supported in 2014-2015. The average participation rate was 387 people per week. Pool activities were the most popular.

A number of successful Sporting Championships were held in our region, including:

- Bundaberg & District Bowls: 2015 Queensland Junior Lawn Bowls Championships,
- Bowls Past Presidents Association: 2015 Queensland Friendship Carnival of Bowls, and
- Queensland Gymnastics (Gymfinity Bundaberg) : 2015 Queensland State Grand Prix.

## NATURAL RESOURCE MANAGEMENT

The Community Energy Efficiency Program project reduced Council's energy consumption by 297,000kWh pa and carbon emissions by 309 tonne per annum.

Natural Area bushwalking trails at Vera-Scarth Johnson Wildflower Reserve, Coonarr, and Barolin Nature Reserve, Bargara were extended by 1.5 km and 2.5 km respectively.

A Giant Rat's Tail Grass biological control research project was completed. This joint research project between Bundaberg Regional Council, NSW Department of Primary Industry, and the University of Queensland, was finalised, paving the way for further funding and research opportunities to assist in the sustainable control of this highly invasive pest grass.

## PARKS SPORTS & NATURAL AREAS

Park projects delivered this year included:

- Redevelopment of Millennium Park, Crescent Street Childers, including extension to park, pathways, new playground, new gardens, barbecues and picnic shelters,
- Development of new enclosures and additions at Alexandra Park Zoo and the adjacent Finemore Park,
- 3 new shelters and a new BBQ at Elliott Heads Esplanade,
- New shade sails over the Gin Gin Skate Bowl, and
- New 2 lane boat ramp and car park at Fairymead.

## ENVIRONMENTAL HEALTH

The new Eat Safe Bundaberg Region Food Rating Scheme was implemented and proved very successful. More than half of the original 0 to 2 Star premises improved their rating to 3 or above, with 5 being the highest rating for performing over and above legislative requirements.

During 2014 - 2015 Environmental Health also implemented a new Littering and Illegal Dumping Policy and Surveillance Program across the region.





## Community and Environment

Bundaberg Regional Arts Gallery (BRAG) and Childers Arts Space (ChArts) delivered a running series of popular exhibitions including: *Foreign Land*- 30 emotional journeys drawn from immigrants living in the Bundaberg Region; *Collectomania*- a showcase

of amazing objects and the unique stories of their collectors, and *Emerge*- a combined high schools' exhibition that explored social issues and offered insight into student perspectives and creativity. Participation in our community Arts programs was also up compared to the previous year.

'Boutiquing' of the adult non-fiction collection in the Bundaberg library and replacement of old shelving created 'lounge' areas and 'user-friendly' spaces. Our Childers Branch Library was also renovated.

Moncrieff Entertainment Centre backstage dressing rooms were renovated and modernised

Stage 1 of the Qunaba Waste Management Master Plan was completed.

## WASTE SERVICES

## Organisational Services

## STAKEHOLDER ENGAGEMENT

Bundaberg Regional Council continued to build its social media presence during 2014 - 2015 through the use of Facebook, Twitter, YouTube and Instagram, while embracing new interactive engagement tools, such as online videos. At the end of the financial year Council's Facebook page had attracted about 11,200 likes, or more than 10 per cent of the local population.

## INFORMATION SYSTEMS

Council's new Electronic Digital Record Management System - *Objective* was implemented over a 12 month project period. The new system aims to introduce more efficient information management handling along with automated document centric processes to improve transparency and increase customer services levels.

## Staff and Council Awards

### 2014 LGM Queensland Risk Management Excellence Awards

Bundaberg Regional Council was the 'Joint Winner of the 2014 LGM Queensland Risk Management Excellence Awards'. Council's winning entry was for the Re-Invigorated Risk Management Program. Council acknowledges the good work of Risk & Insurance Officer Laura Nicholls and managers and staff across Council in the achievement of this award.

### Environmental Health Professional of the year

Council's Coordinator Environmental Health Services, David Zorzan was awarded the Environmental Health Professional of the year at the State Environmental Health Australia Conference in Toowoomba. This award recognises the Environmental Health Officer who has achieved the highest professional standing in Queensland.

### Engineering Excellence Award for Innovation

Bundaberg Regional Council was awarded the 2014 IPWEAQ (State) Engineering Excellence Award for Innovation in recognition of the Burnett River Flood Gauge Mapping System, an automated tool available on Council's website to look up the likely flood inundation of properties in the Burnett River floodplain. This automated mapping system was developed by Council's Manager Design Services, Dwayne Honor and GIS Coordinator, Steven Bowden along with spatial analysts from AAM Group and GHD flood engineers. It is based on the outcomes of the Burnett River Floodplain Risk Management Study. The flood gauge mapping system is the first of its kind in Australia.

### Floodplain Management Association & NRMA Insurance Excellence Award

Bundaberg Regional Council was awarded the Floodplain Management Association & NRMA Insurance Excellence Award for the Burnett River Floodplain Action Plan.

### Young Institute of Public Works Engineering Australasia, Emerging Leader Award

Dwayne Honor (Manager, Design), was awarded the Young Institute of Public Works Engineering Australasia, Emerging Leader Award, in recognition of his leadership development skills.



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Bundaberg's Boreham Park redevelopment was recognised for innovative design and planning. Bundaberg Regional Council received three Awards of Excellence at the 2015 Parks and Leisure Australia Regional Awards for Queensland.

Excellence Award Leisure and/or Open Space  
Excellence Award Planning Playspace: minor (< \$0.5m)  
Excellence Award Research Project: Active by Community Design

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#### Obesity Prevention Implementation and Evaluation Award

The above project, also won a national Obesity Prevention Implementation and Evaluation Award, in the Queensland award categories of Research; Playspace; Leisure and Open Space Planning.

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#### National Award for Sister City relationships

The 16 year relationship between Bundaberg and Chinese Sister City Nanning attracted one of the highest Chinese National Awards for Sister City relationships. The award, presented by the Chinese People's Association for Friendship with Foreign Countries (CPAFFC), recognises the best Sister City Relationship programs in the country, acknowledging the strong relationship between Nanning Municipal People's Government and Bundaberg Regional Council for the achievements in civic, cultural, educational, trade and tourism exchanges. Council's Sister Cities Program Senior Development Officer Mr Haiyi Wu, says the Bundaberg Region is well placed to benefit from the relationship in areas of aviation, learning, machinery production and port-to-port trade.

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# 1.5 PERFORMANCE REPORT

The 2014 - 2015 Bundaberg Regional Council Performance Report is divided into four key areas which reflect our community Values as described in *Bundaberg Region 2031*. Key Performance Indicators within this section report and monitor the work of Council, and also provide trend and base-comparison data, which supports management to improve the efficiency and effectiveness of Council's operations. The following performance report demonstrates Bundaberg Regional Council's practical commitment to uphold our community's Vision towards Bundaberg Region 2031.

## The Bundaberg Region 2031 Community Plan Vision and Values

<p>A <b>Community</b> which is vibrant, inclusive &amp; caring</p>
<p>An <b>Environment</b> which is sustainable managed &amp; healthy</p>
<p>An <b>Economy</b> which is strong &amp; sustainable</p>
<p><b>Governance</b> which is responsive, cohesive, sustainable, ethical &amp; accountable</p>

Indicator	Status	Indicator meaning
	<b>On track</b>	initiative is proceeding to plan with no indication of future impediments
	<b>Completed</b>	initiative has been completed
	<b>Monitor</b>	Progress is not as expected but action is being/has been taken and is expected to be back on track within the next financial year.
	<b>Action required</b>	Progress is significantly behind schedule or is rated 'closely monitor'. Decisive action is required to get back on track.

NB. Unless otherwise stated targets are annual objectives.

## OUTCOME 1.1 A safe active and healthy community

### STRATEGY

#### 1.1.2 Support preventative public health programs to minimise the exposure of the community to health risks

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Parks, Sport & Natural Areas	Sport: Physical Activity & Preventative Health	Number of physical activity and preventative health initiatives delivered by Council.	100	✓ 115	Initiatives included the Recreate Newsletter, weekly Enews, Moveit campaign, ongoing support/liaison with sporting organisations, and promotion of sporting events. On average 30 physical activity and preventative health initiatives were delivered each quarter.
Waste & Health Services	Environmental Health: Environmental Monitoring & Community Preparedness	Percentage Environmental Monitoring and Community Preparedness programs have been effectively completed. Programs include: Vector and Environmental monitoring and Disaster Management preparations.	100%	✓ 100%	Council's Vector Monitoring Program commenced in November and concluded in early May. There was an increased demand for vector monitoring during the year, compared to the previous year.

### STRATEGY

#### 1.1.3 Support a safe living environment for the community through public safety initiatives and measures

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Waste & Health Services	Environmental Health: Licencing Assessment & Approvals: Health Licencing Inspections	Percentage of inspections completed against the anticipated number of inspections for the year.	98%	✓ 95%	Licencing Assessment & Approvals include Environmentally Relevant Activities (ERAs), Personal Appearance Service and Eat Safe inspections, and Local Law Approvals. In total 603/633 Inspections of all annual licensed activities were completed.
Waste & Health Services	Waste: Community Education & Public Relations	Number of community education activities undertaken.	70	✓ 81%	37 Media Releases were made, 2 Community Events were held and 42 Material Recovery Facility tours were completed during the year.
Water & Wastewater	Wastewater Systems: Reportable Incidents	Number of reportable incidents.	<12	✓ 6	A total of 6 minor incidences occurred during the year. This figure is well within acceptable industry standards.
Water & Wastewater	Water Supply Systems: Reportable Incidents	Number of reportable incidents.	<12	✓ 6	A total of 6 minor incidences occurred during the year. This figure is well within acceptable industry standards.
Water & Wastewater	Water Supply Systems: Drinking water microbiological compliance	Percentage drinking water is compliant.	98%	✓ 100%	100% microbiological compliance is expected and was achieved throughout the year

### STRATEGY

#### 1.1.5 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

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Community Development	Community Events: Iconic & Community Events	Number of community events held.	30	✓ 30	A total of 30 community events were supported by Council during the year. Events included <i>Australia Day</i> celebrations, <i>ANZAC Commemoration Services</i> , <i>Argotrend</i> , <i>Event Boot-camp</i> , <i>Bundaberg Super-park Netball Complex Opening &amp; Bargarra Memorial Dedication</i> .
Community Development	Social Development Action Plan	Number of Social Actions addressed. There are a total of 23 Actions to be implemented over a 3 year period. Priorities include: <i>Safeguarding our wellbeing</i> ; <i>Connecting our community</i> ; <i>Enhancing our affordable and quality lifestyle and Celebrating our diversity</i> .	20	✓ 23	All 23 Action Plan Actions were effectively implemented. Highlights included the <i>Betterman</i> program (training for the youth sector); coordinated <i>Neighbour Day</i> events across the region, and combined partnership on the Community Conversations- <i>Building Resilience</i> project.

**STRATEGY**

**1.1.5 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**

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Community Care	Children & Family Support Programs	Percentage programs are demonstrating compliance with standards and meeting funding targets. Programs include: Neighbourhood Centres; Outside School Hours Care; Resource and Toy Libraries; Community Workshops and Playgroups.	98%	100%	All <i>Outside School Hours Care</i> , <i>Neighbourhood Centre</i> and <i>Child and Family Support</i> Programs met obligations and funding requirements under standards and service agreements.
Community Care	Home & Community Care Services (Isis, South Kolan and Gracie Dixon)	Percentage services are demonstrating compliance with standards and meeting funding targets. Services include: transport; home maintenance; domestic cleaning; in-home respite; social support; centre-based respite; personal care and meals.	98%	80%	<i>Care Services</i> were compliant with standards and met funding obligations. Currently, both over and under 65's Care Services are under capacity

**OUTCOME 1.2 Equitable access to adequate services and well maintained facilities**

**STRATEGY**

**1.2.1 Plan, provide and maintain or facilitate a range of leisure, physical activity and recreation services and facilities to help meet basic community needs**

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Community & Development	Venues & Facilities: Maintenance	Percentage of capital and maintenance projects completed.	100%	90%	Capital and Maintenance Projects included: Construction of Burnett Heads Holiday Park Effluent disposal, Gin Gin Swimming Pool Filter System Renewal and Powerhead replacements at various Holiday Parks. The end of year result is within operational tolerance limits.
Community Care	Senior's Housing (68 units)	Percentage services are demonstrating compliance with standards and meeting funding targets.	98%	100%	All available units were tenanted during the year. <i>Seniors' Housing</i> met all obligations under standards and service agreements.
Parks, Sport & Natural Areas	Parks: Maintenance: Meeting agreed service standards	Percentage service levels have been met. Services include: cleaning and inspections of playgrounds, boat ramps, toilet facilities and BBQs, and mowing and edging of grass.	98%	85%	On average service levels were met 85% of the time during the year. A high growth season impacted Parks ability to meet service standards.



## OUTCOME 1.2 Equitable access to adequate services and well maintained facilities

### STRATEGY

#### 1.2.2 Advocate for such services and facilities with other government and private sector stakeholders

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Parks, Sport & Natural Areas	Sport: Youth Representatives & Sport Organisations	Number of successful grants applications in support of individual sportspeople and sport organisations.	80	✓ 143	A total of 143 successful sport grant applications were lodged during the year.

## OUTCOME 1.3 A culture of learning

### STRATEGY

#### 1.3.1 Plan and advocate for a better quality of life for the community through facilitating learning opportunities for the community

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Libraries, Arts & Theatre	Libraries: Children & Youth Services	Number of children and youth activities facilitating the development of our region as a learning community.	140	✓ 147	Weekly <i>Babytime</i> , <i>Toddler Time</i> and <i>Story Time</i> programs were well attended. (Over 370 children participate in these activities on a regular basis). <i>Family Flourish Day</i> , <i>National Simultaneous Story-time</i> and coordinated visits from several Childcare Centres to the Bundaberg and Childers Libraries were also popular. On average 37 programs were delivered each quarter.
Libraries, Arts & Theatre	Libraries: Community Connectivity: Digital Literacy	Number of participants in our Digital Literacy programs.	280	✓ 276	Technology lessons are introductory in nature and include <i>Computer Basics</i> , <i>iPad</i> , <i>Google</i> , <i>Facebook</i> , <i>Email</i> , and <i>Android</i> Tablets. Throughout the year, attendance was steady for most classes/sessions. A total of 276 community members attended sessions, which was just under our overall target for the year.

### STRATEGY

#### 1.3.3 Use our libraries as key resource centres and agents for promoting the value of life-long learning for our community opportunities for the community

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Libraries, Arts & Theatre	Libraries: Community Services: Library Usage	Number of patrons using our libraries.	75,000 each quarter	✓ 75,694 average	This figure represents the number of visitors to the library branches at Gin Gin, Woodgate, Childers and Bundaberg.

**OUTCOME 1.4 A community that values the arts and culture**

**STRATEGY**

**1.4.1 Support and extend opportunities for community engagement and connectedness through partnerships and networking**

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Libraries, Arts & Theatre	Arts & Culture: Community Participation	Number of participants in our Arts and Culture programs. Programs include: Visual Arts education and workshops; professional development workshops for artists and educators; Artists in Residence program; school holiday programs & community group programs.	800	✓ 1,505	Collaborative events with Libraries and Moncrieff Entertainment Centre increased overall community participation during the second half of the financial year. On average, 376 community members participated in Arts and Culture programs each quarter.

**STRATEGY**

**1.4.2 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**

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Libraries, Arts & Theatre	Arts and Culture: Community Engagement: Visitation to our region's Art Galleries	Number of visitors to BRAG and ChARTs.	26,000	✓ 27,962	BRAG's visitation numbers for 2014-2015 increased by 14.5% from 2013 - 2014. Popular exhibitions included the <i>Foreign Land</i> in May 2015, <i>Collectomania</i> in October 2014 and <i>Traversing Antarctica</i> in July 2014. The 15th anniversary of the Backpacker fire also brought a significant number of interstate and overseas visitors to the Childers' Palace Memorial and Arts Space. On average 6,865 community members and tourists visited our Regional Galleries each quarter.
Libraries, Arts & Theatre	Arts & Culture: Stakeholder Partnerships	Number of strategic partnerships developed or purposefully maintained (with the aim of generating greater community involvement and meaningful participation).	40	✓ 52	BRC Galleries has maintained a diverse range of partnerships with various media outlets, artist groups, individual artists and art organisations. The opportunity to increase the number of business partnerships is a strategic focus moving into the coming year.
Libraries, Arts & Theatre	Theatre: Community Participation	Number of local stories told: Stage One 'Voices in the Dark' Project.	40%	n/a	This project has been scaled back due to state government reviews in funding arrangements. This component of the project will not be undertaken

**OUTCOME 1.5 An affordable, quality lifestyle**

**STRATEGY**

**1.5.1 Advocate for and a better quality of life for the community through relevant, affordable services, programs and facilities**

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Libraries, Arts & Theatre	Libraries: Community Services: Community Engagement	Number of participants in our community programs. Programs include: Author events and guest speakers, library tours and media events.	1,000	✓ 1,205	Attendance to events increased during the latter part of the year. Author visits were well attended and included, Graeme Simson and Thea Hayes, as well as the launch of local photographer Sabrina Lauriston's book.

**OUTCOME 1.6 Our culture, identity and heritage being valued, documented and preserved**

**STRATEGY**

**1.6.1 Promote cultural development through understanding, recognising, recording and preserving the region's heritage, diversity, arts and culture**

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Libraries, Arts & Theatre	Arts & Culture: Culture & Identity	Number of Culture & Identity projects/programs delivered. A Culture & Identity project/program develops and promotes our local regional identity. It may include representations about our regional identity from individual, community, national and/or global perspectives.	16	✓ 22	The community has shown great support for projects that revolve around the culture and identity topic and the Galleries will be looking at ways to further increase their presence in the programming of exhibitions and events. Successful exhibitions included <i>Black and White</i> , <i>Foreign Land</i> and <i>From Wallum to Wynnum: A Coralie Busby Retrospective</i> . 2 projects involved work at the Childers Arts Space and included restoration and maintenance of the Backpacker Memorial.
Libraries, Arts & Theatre	Libraries: Local History: Recording and preserving our region's heritage	Number of images, recordings and items documented, catalogued or posted to our website (i.e. in Picture Bundaberg, Bundaberg Stories or History Bytes).	800	✓ 893	The <i>Picture Bundaberg</i> project commenced in 2009 scanning and cataloguing images of our region donated by residents. There are currently over 4,000 images available to view via the Bundaberg Regional Libraries website.

**STRATEGY**

**1.6.2 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**

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Libraries, Arts & Theatre	Theatre: Building our Profile Nationally	Percentage Stage One Voices in the Dark achieved (including debut preparations).	100%	✓ 70%	This project was scaled back during the year in lieu of funding opportunities.



## OUTCOME 2.1 A natural environment that is valued and sustainable

### STRATEGY

2.1.1 Provide a range of community awareness activities and programs that enable the community to support the preservation of the region's natural environment

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Parks, Sports & Natural Areas	Natural Resource Management: Public Awareness & Education	Number of public awareness and education programs and activities. Programs include: field days, community events, brochures, workshops and signage.	32	✓ 40	Participants in our activities and programs included, university students, other Queensland Councils, community volunteers and volunteer groups, such as the Green Army. 2 feral animal control workshops and a rainforest plant identification day held in February were particularly well attended (140 and 90 participants respectively).

### STRATEGY

2.1.3 Within resources and in partnerships with key stakeholders, effectively and efficiently manage, rehabilitate and preserve the environment amenity of our region

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Parks, Sport & Natural Areas	Natural Resource Management: Natural Areas Operational Plan	Percentage of actions undertaken.	75%	✓ 80%	The Natural Areas Operational Plan is a long-term plan that aims to ensure Bundaberg region's natural environment is valued and managed sustainably. Priority areas include the management of Land Resources; Water Resources; Coastal, Estuarine & Marine Systems; Land & Freshwater Ecosystems; Regional Landscapes and Natural & Cultural Values. Operational Plan Actions across all priority areas continue to be progressively implemented.

### STRATEGY

2.1.4 Develop and implement plans underpinned by the principles of sustainable development

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Development	Policy Development Implementation	Bundaberg Regional Planning Scheme adopted.	100%	★ 95%	The Bundaberg Regional Council Planning Scheme has been completed and sent to the Minister for approval.

## OUTCOME 2.2 A quality, aesthetically pleasing built environment that meets basic community needs current and future needs

### STRATEGY

2.2.2 Enable, support and manage our built environment so that it embraces the identity and liveability of individual communities

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Parks, Sport & Natural Areas	Infrastructure Provision: Requirements & Provision	Number of public open space areas upgraded with new infrastructure.	6	✓ 9	9 projects were undertaken that have improved parks, cemeteries, foreshores and boat ramps by installation of new infrastructure. Projects included a new boat ramp and car park at Fairymead, new solar lights at 3 boat ramps, new ashes walls and gardens at Bundaberg Cemetery, new picnic shelters and playground at Millenium Park Childers, extensions at Bundaberg Zoo, shade sail over Gin Gin skate park and storage/ depot shed at Bundaberg Racecourse.
Parks, Sport & Natural Areas	Asset Maintenance & Renewal: Requirements & Provision	Number of identified priority capital projects completed to maintain and renew existing infrastructure.	20	✓ 20	20 projects were completed that renewed parks, and boat ramps assets in areas across the region.

**OUTCOME 2.3 The provision of infrastructure fit for purpose that meets the region's current and future needs**

**STRATEGY**

**2.3.1 Ensure a coordinated and integrated approach to regional infrastructure, implementation and maintenance**

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Development	Development Assessment: 10 days or less	Percentage of total development applications issued with a decision within 10 days.	30%	✓ 38%	29 applications had a decision stage of 10 days or less for the quarter. Consistently, throughout the year, 38% of applications were processed within 10 days.
Development	Development Assessment: 40 days or less	Percentage of total development applications issued with a decision within 40 days.	85%	✓ 86.3%	On average, during the year 86.3% of applications were processed within 40 days.
Development	Development Assessment: Negotiated Requests	Percentage of development approvals that have a negotiated request.	<10%	✓ 2.8%	On average, during the year 2.8% of Development approvals had a Negotiated Request.
Development	Policy Development and Implementation	Local Government Infrastructure Plan adopted for the Bundaberg region.	20%	★ 20%	Tenders for preparation and review of our Local Government Infrastructure Plan were issued 11 June. Tenders closed 7 July.
Information Systems	Planning & Development: Long-term Planning: Operations against Capital	Percentage of expenditure on operations against expenditure on capital.	Trend	47%	Capital investment is high with projects such the Electronic Document Records Management System (EDRMS) and Mobility progressing within management timeframes. These projects are expected to significantly improve record management and operational processes across council.
Roads & Drainage	Construction: Management & delivery of Annual Capital Works Program	Percentage of works completed.	95%	✓ 96%	The roads and drainage capital program was delivered within the target limits this year, with 97% completion on roads projects, 87% completion on stormwater projects and 94% completion on pathway projects. There were minimal days lost to bad weather, which enabled the increased capital program, including the evacuation route projects, to be delivered on time.
Roads & Drainage	Maintenance: Outstanding Defects	Percentage increase or decrease of outstanding defects (i.e. maintenance work to be completed).	-2.5%	✗ +31.3%	The increase in reported defects reflects the transition from a reactive to pro-active maintenance operation. Defects are prioritised as high (hazard), medium and low risk. All high risk defects (hazards) are attended to as soon as possible with the remainder being done as planned area-based maintenance operations.
Support Services	Asset Maintenance: Advice, Planning & Design	Percentage of internal client survey results satisfactory or above.	75%	✓ 86%	On average, during the year, 86% of internal client survey responses for Support Services Asset Maintenance were satisfactory or above.
Support Services	Asset Maintenance: Maintenance Delivery: Planned Maintenance	Percentage of Priority 1 & 2 work tickets raised against the total number tickets.	Trend	28%	The ticket system commenced in the 2nd quarter. On average 28% of tickets raised during the year were Priority 1 & 2. Priority 1 & 2 work is primarily reactive maintenance. A high level will indicate a high focus on reactive rather than preventative maintenance. Asset Maintenance's long-term objective is to increase planned and preventative maintenance.
Support Services	Asset Maintenance: Maintenance Delivery: Requested Maintenance	Number of Priority 1 & 2 work tickets raised against the number of works completed.	95%	✓ 92.4%	On average during the year 92.4% of Priority 1 & 2 were completed within designated timeframes.
Support Services	Design: Technical Advice: Provision of quality technical advice across Council Departments	Percentage of internal client survey results satisfactory or above.	75%	✓ 98%	On average during the year, 98% of internal client survey results rated Design's support services as satisfactory or above.
Support Services	Fleet Maintenance: Availability of Plant, Vehicle & Equipment	Percentage of overall plant, vehicle and equipment availability.	95%	✓ 97%	Availability is measured during normal working hours Monday to Friday between 7am - 4pm. On average during the year, plant, vehicle and equipment was available 97% of the time.
Support Services	Fleet Maintenance: Utilisation of Plant, Vehicle & Equipment	Percentage user departments have met minimum utilisation targets.	90%	📍 84.84%	During the year there were significant variation in the utilisation of plant, vehicle and equipment. In the 2nd quarter there was an increased demand for availability due to work being undertaken outside of regular hours. Conversely, increased contract work in the 3rd quarter decreased demand. On average during the year utilisation of equipment was 84.84 %.

## Sustainable environmental planning and design recognising local character, prioritising regional infrastructure

### OUTCOME 2.3 The provision of infrastructure fit for purpose that meets the region's current and future needs

#### STRATEGY

##### 2.3.1 Ensure a coordinated and integrated approach to regional infrastructure, implementation and maintenance

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Water & Wastewater	Plumbing Services: Inspections	Number of inspections (i.e. ensuring compliance with building codes).	Trend	2,445	A total of 2,445 inspections were carried out during the year.
Water & Wastewater	Wastewater Systems: Sewer main blockages	Number of sewer main blockages per 100km (indicative of processes).	<30	✓ 3.33	Results only reflect sewer main blockages and excludes data from the Hinterland area. On average during the year 3.33 sewer main blockages occurred per 100km. This figure is well within industry standards.
Water & Wastewater	Wastewater Supply Systems: Water main leaks	Number of water main leaks per 100km (indicative of infrastructure).	<20	✓ 1.5	This data does not include the Hinterland area or service leaks. Water Main breaks occurred in the City and Coastal area, which has a water mains length of 742 km. On average during the year 1.5 water main leaks per 100km occurred. This figure is well within industry standards.
Water & Wastewater	Water Supply Systems: Water usage	Water usage per head of population for Bundaberg Region.	<300 litres	✓ 297	The measurement refers to raw water as opposed to treated water. An average of 297 litres of water was used per head of population during the year.
Water & Wastewater	Water Supply Systems: Water usage vs. allocation	Water usage as a percentage of allocation for Bundaberg Region.	90%	✓ 57%	Water usage was within normal expected limits. On average during the year 57% of allocated water allocated for the region was used.

#### STRATEGY

##### 2.3.2 Support the rehabilitation and/or the preservation of the environmental amenity of the region

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Waste & Health Services	Waste: Resource Recovery: Municipal solid waste diverted from landfills	Percentage of waste diverted to be reused.	30%	✓ 23%	Currently 23% of the Municipal Collections from the wheelee bin service is 'recycle' product which is handled by the Material Recycling Facility. This percentage result is within target tolerances.

#### STRATEGY

##### 2.3.4 Apply financial sustainability principles in planning, funding, creating and maintaining infrastructure

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Projects	Recoveries: Work hour recovery from Capital Works	Percentage of recoveries as a proportion of operational work hours.	75%	✓ 96%	Recoveries were finalised at 96% of budgeted wage recoveries from capital projects. This tracks in line with actual wage expenditure which finished at 94% of budgeted wage expenditure.
Support Services	Asset Management: Asset Valuation & Revaluation	Revaluation of infrastructure assets: Percentage revaluation has been completed.	90%	★ 57%	Asset Revaluation of passive Water and Wastewater Infrastructure classes has been completed and shall be processed into the Asset Register in July 2015.
Water & Wastewater	Project Planning & Delivery: Delivery of annual new and replacement Capital Works	Percentage of works completed against the Annual Capital Works program.	95%	★ 100%	All 2014-2015 Water & Wastewater Capital Works were completed. Projects included the Mellifont Water Transfer Main; Port Water & Wastewater; Miller Street 'C' SPS Upgrade; Woongarra Scenic Dr 'A' SPS Upgrade; Holland street SPS Upgrade; Woodgate Water Transfer Main; Gin Gin WTP Upgrade; Sludge Dry Beds (NDRRA Project); Rocky Road WTP Upgrade; Heap Street Reservoir and Hughes Road.

**OUTCOME 3.1 Diversified, prosperous and innovative industry sectors**

**STRATEGY**

**3.1.1 Implement and action the regional economic development strategy**

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Commercial Business & Economic Development	Economic Development Strategy (EDS)	Percentage EDS priorities have been implemented. EDS is a 10 year blueprint for sustainable economic growth.	50%	✓ 100%	The EDS Implementation Plan has been updated and provided to all members of the Business Bundaberg Advisory Committee. Their feedback and input has now been included in the plan. Paths to a sustainable economic future prioritised in the plan include Strong economic leadership and collaboration; Infrastructure investment and development; Industries of tomorrow; Harnessing our global relationships, and Investing in our people.

**STRATEGY**

**3.1.2 Support, market and promote the region**

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Commercial Business & Economic Development	Tourism Development and Services: Bundaberg North Burnett Tourism (BNBT) Partnership Agreement	Percentage BNBT progress reports have been satisfactory completed.	100%	★ 100%	Agreement includes the development of a new Digital Platform Tourism app; installation of visitor display monitors in strategic locations; relocation of the Tourist Information Centre; and management/coordination of all visitor services and visitor centres. All milestones in the Partnership Agreement with Bundaberg North Burnett Tourism (BNBT) were achieved in the 2014 - 2015 year.

**OUTCOME 3.2 Support and facilitate employment opportunities for the community**

**STRATEGY**

**3.2.1 Promote and support initiatives designed to enhance increased local employment and training**

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Commercial Business & Economic Development	Employment Rate	Unemployment rate for the Bundaberg region	<6.4%	✗ 9.6%	The unemployment rate in the Bundaberg Region increased by 0.9 percentage points to 9.6% in the December quarter 2014. Our aspirational target (6.4%) is a BRC 2014-24 Economic Development Strategy goal which will bring our region in line with the Queensland average. A number of job creation projects have been initiated and we anticipate that the figure will begin to improve towards the end of the 2015- 2016 financial year.

**STRATEGY**

**3.2.2 Promote and support initiatives designed to enhance increased local employment and training**

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Commercial Business & Economic Development	Bundaberg Regional Airport	Number of passengers processed through the Bundaberg Regional Airport terminal.	120,000	✓ 145,442	There was a reasonable drop-off of passenger numbers for the month of June. Overall however, there was an upward trend during the year. An average of 38,480 passengers were processed through Bundaberg Regional Airport terminal each quarter.
Commercial Business & Economic Development	Bundaberg Regional Airport	Number of Regular Public Transport (RPT) services.	1,526	✓ 1,822	Number of Regular Public Transport (RPT) services has increased during the year due to a smaller configuration of Qantaslink aircraft. The increase may also be contributed to declining services in adjoining resource communities. On average, 480 RPT services were delivered each quarter.

## OUTCOME 3.3 Foster a flexible, supportive and inclusive business environment and future needs

### STRATEGY

#### 3.3.1 Promote the vision that encourages business enterprises relocating to, expanding within, or establishing in the region

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Commercial Business & Economic Development	Economic Development: Networks & Partnerships: Support to existing business	Number of direct contacts with existing businesses, providing information and referrals.	120	✓122	On average 30 meetings were held each quarter to assist local businesses.

### STRATEGY

#### 3.3.2 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

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Commercial Business & Economic Development	Economic Growth: Gross Regional Product	Percentage growth in our region's Gross Regional Product (GRP).	5%	✗-7.2%	The Bundaberg local government area Gross Regional Product for 2013 - 2014 decreased by 7.2%. This negative result can be attributed to a new statistical modelling system at the Australian Bureau of Statistics, as well as the strong growth in our local economy for the prior year, as a result of the 2013 floods and the resultant rebuilding work.
Commercial Business & Economic Development	Export Growth	Value of goods exported from the Bundaberg Region.	\$1.8 B	📍\$1.2 B	Bundaberg Region recorded annual exports at \$1.2B for the 2013 - 2014 year. The numbers for 2014 - 2015 will be available in November. This aspirational target of \$1.8B by 2024 is proposed in the BRC 2014-24 Economic Development Strategy.

## OUTCOME 3.4 Attract and support the enhancement, retention, education and employment opportunities for key demographic groups

### STRATEGY

#### 3.4.1 Encourage, promote and support innovation and learning within the community

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
People & Culture	Human Resources: Community Support: Education, Work Experience & Employment	Number of Community Support activities undertaken (includes work experience, traineeships, apprenticeships, scholarships, and cadetships).	50	✓55	Council employed 8 trainees, 5 apprentices and provided work placements for a total of 8 participants in the CQU Engineering Co-op Program; the GenR8 program for Year 12 high school students and the MRAEL program for high school students. Council also provided work experience for 34 members of the community.

### STRATEGY

#### 3.4.2 Encourage environmentally sustainable development opportunities

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Commercial Business & Economic Development	Clean Energy Strategy (CES)	Percentage CES priorities have been implemented.	Biannually 100%	✓70%	The Clean Energy Strategy plan is on track, and has delivered substantial cost savings through related initiatives including: transitioning select Council assets to the contestable electricity market; sensor technology and operational changes at the Regional Airport, and ongoing installation of sensors, solar lighting, and LED across various Council assets. Site assessments have yielded recommendations for energy efficiency opportunities.



## OUTCOME 4.1 Listening and communicating

### STRATEGY

#### 4.1.2 Proactively seek community engagement within the community

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Stakeholder Engagement	Social Media Engagement: Community engagement through social media platforms	Stakeholder Engagement: Social Media Engagement: Community engagement through social media platforms: Number of views - Twitter, Facebook and YouTube.	250,000 each quarter	✓ 383,521 Average	Community engagement through social media platforms exceeded expectations and maintained high interaction and reach throughout the year.

## OUTCOME 4.2 Open and transparent leadership

### STRATEGY

#### 4.2.2 Support an open and accountable governance framework

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Internal Ombudsman	Community Access	Right to Information (RTI) and Privacy (IP) Applications received and processed within applicable timeframes.	90%	✓ 100%	A total of 22 Right to Information Applications and 2 Information Privacy Applications were received and processed during the 2014-2015 financial year.
Internal Ombudsman	Governance: Administrative Reviews	Number of Administrative Reviews received and processed within applicable timeframes.	Trend	9	A total of 9 Administrative Action Complaints, 2 Ombudsman/ Office of Information (OIC) reviews and 2 Crime and Corruption Commission investigations were received and processed during the 2014-2015 financial year.
Internal Ombudsman	Insurance	Number of Insurance Claims processed within timeframes (General Insurance and Public Liability Claims).	95%	✓ 100%	A total of 43 motor vehicle claims, 3 industrial special risk claims, 7 public liability claims and 56 possible internal claims were received and processed within timeframes in the 2014-2015 financial year.

## OUTCOME 4.3 Strong regional advocacy

### STRATEGY

#### 4.3.2 Represent and promote the interests of the community through key regional stakeholders

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Commercial Business & Economic Development	Economic Development: Networks & Partnerships: Investment in business attraction	Number of meetings held with key regional development agencies.	20	✓ 52	There was a greater number of meetings held with key economic development stakeholders than usual during the 4th quarter. Projects such as the Bundaberg Port Gas Pipeline, CBD Riverfront Master Plan, Bundaberg Port and BNBT Bundaberg North Burnett Tourism Projects, necessitated increased meetings to progress shared economic objectives. The number of meetings during the 2nd quarter was similarly high. In total 52 meetings with key regional development agencies and stakeholders were held during the year.
Stakeholder Engagement	Media Communications: Representing & communicating the interests of regional stakeholders	Number of media releases including releases, statements and web-site posts.	150 each quarter	✓ 163	On average 163 media releases and statements were made each quarter during the year. A high percentage were published by local media outlets, indicating high engagement with key regional stakeholders.

**OUTCOME 4.4.1 Provide friendly, respectful and proactive customer service delivery, consistent with our values**

**STRATEGY**

**3.3.1 Promote the vision that encourages business enterprises relocating to, expanding within, or establishing in the region**

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Development	Community & Internal Customer Services	Percentage planning searches are issued within statutory and corporate time frames.	95%	✓ 97.5%	On average during the year, planning searches were processed within statutory and corporate timeframes 97.5% of the time.
Financial Services	Customer Service: Customer Request Management (CRM)	Percentage of CRMs outstanding across council in relations to the timeframes assigned.	<15%	✓ 17%	There was a significant increase in demand for Customer Requests during the 3rd quarter. 4th quarter results indicated staff were successful in processing both overdue and current requests. A number of Departments are currently reviewing categories of request and workflow processes.
Information Systems	Efficient Operations: Support Requests	Number of internal support requests (data provides comparison).	Quarter trend	980	During the year, an average of 980 requests were made across council each quarter. There has been a notable decrease in requests since the introduction of the Standard Operating Environment (SOE)
Information Systems	Efficient Operations: Resolved Support Requests	Percentage of internal requests resolved within service level standards.	98%	📍 83%	On average during the year 83% of Information Systems support requests were closed within allocated timeframes.
Roads & Drainage	Group: Customer Services: Response to complaints and community requests for works and advice	Percentage of Customer Requests (CRMs) completed within allocated time periods.	80%	✓ 78%	On average, 78% of Customer Requests were completed within the allocated time. A particularly high number of requests were made during the 3rd quarter. This average % is within allowed tolerances - level/complexity of maintenance requested varies.
Support Services	Fleet: Management: Administration: Internal client satisfaction	Percentage of internal client survey results satisfactory or above.	75%	✓ 85%	85% of internal client survey results during the 4th quarter rated the support services of Fleet as satisfactory or above.
Water & Wastewater	Plumbing Services: Approvals	Percentage of approvals processed within allocated time period.	95%	✓ 96.5%	On average during the year, 96.5% of Approvals were processed within allocated time periods.
Water & Wastewater	Plumbing Services: Inquiries	Number of inquiries.	Quarter trend	1595	5,989 inquiries to Plumbing Services were made during the year. The highest number of inquiries occurred in 2nd and 4th quarters.

**STRATEGY**

**4.4.3 Continue to develop a more cohesive workplace culture with a strong customer focus**

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Financial Services	Customer Service: Call Centre: Call Management	Percentage of calls effectively processed at point of contact.	Quarterly 90%	✓ 97%	Response to customer contact within the Call Centre base has exceeded expected standards. On average during the year, calls were successfully processed at point of contact 96% of the time.

## OUTCOME 4.5 Responsible financial management and efficient operations

### STRATEGY

#### 4.5.1 Maintain a long-term financial sustainability strategy

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Sustainable Finance	Budget: Operating Surplus	Ratio is between 0 and 15% of total operating revenue.	95%	✓ 97.5%	The budget predicted a 3.4% Operating Surplus. Council is on target to achieve this forecast.
Sustainable Finance	Financial Forecasting: Asset Sustainability Ratio	Capital expenditure on replacement assets is greater than 90% of depreciation.	<15%	✓ 17%	The budget predicted an Asset Sustainability Ratio in excess of 100%. Council is on target to achieve this forecast.

### STRATEGY








#### 4.5.2 Drive the region's strategic direction on behalf of the community through effective and responsible policy, planning and decision making

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Development	Development Compliance	Enforcement actions are taken within statutory timeframes (includes actions against breaches and unlawful use of land, defective or illegal building works).	100%	✓ 100%	Throughout the year all enforcement actions were applied within statutory timeframes.
Financial Services	Financial Accounting: Cash Flow	Level of funds available greater than \$30m at the end of the financial year.	\$40 M	✓ \$80 M	Cash held at the end of the financial year was approximately \$80m. This includes loan monies of \$23m, which were drawn down in June.
Financial Services	Procurement: Strategic Supply: Spend under Management	Percentage of spend under management. i.e. management of expenditure through a defined procurement process	60%	✓ 60%	Overall, there has been a 5% increase in spend under management during the year.
Roads and Drainage	Planning: Adoption of our rolling 3 Year Capex Program	Percentage the program has been developed and is ready for adoption by Council.	100%	★ 100%	The 3 Year Forward Works Program has been adopted by Council and included in Roads and Drainage forward financial planning.
Support Services	Asset Management: Strategic Implementation: Review Corporate Asset Management Policy	Percentage the review has been completed.	95%	★ 95%	The Asset Management Policy has been drafted for consideration by Executive Team and adoption by Council.
Support Services	Asset Management: Reconciliation of assets and infrastructure against long-term sustainability	Percentage the reconciliation process has been completed.	100%	★ 100%	The 2014 - 2015 capital recognition processes and end of financial year reconciliation has been completed.
Support Services	Design: Delivery of Civil Design Program	Percentage of Design Projects delivered against the revised capital budget. (Goal is to increase the implementation Civil Design Programs across Council)	100%	✓ 100%	100% of designs for the 2014 - 2015 financial year for the Roads & Drainage and Water & Wastewater Capital Programs were delivered.
Support Services	Fleet: Acquisition and Disposal	Percentage the annual plant replacement program has been committed by the end of the third Quarter.	95%	📍 90.66%	Due to the changing needs and requirements of Council's operating groups, the plant replacement program was delayed.
Sustainable Finance	Budget: Loan indebtedness	Loan indebtedness does not exceed 60% of Gross Operating Expenses.	10%	✓ 30%	The Budget predicted 14.7%. However, due to an increase in Refuse Tip Provision, 30% loan indebtedness is the revised estimate.

**OUTCOME 4.5 Responsible financial management and efficient operations**

**STRATEGY**

**4.5.3 Apply effective knowledge management practices in our service delivery to our community**

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Financial Services	Accounts Payable: Creditor Invoices: Process all creditor invoices, credit notes & payments within payment terms	Number of payments outside of terms.	< 90 each quarter	 72	On average during the year the number of payments made outside of terms each quarter was 72. The number of invoices paid short is dependent upon Council staff returning invoices to Accounts Payable to effect payment. All endeavours are made by Accounts staff to finalise paperwork by the end of each month. Follow up processes are in place to ensure short paid invoices are paid within the ensuing month.
Financial Services	Audits	Prepare unaudited Annual Financial Statements in accordance with the applicable accounting standards and forward to the external auditors within legislative timeframe.	100% by the end of 2nd quarter	 100%	The 2014 - 2015 Annual Financial Statements were prepared in accordance with the applicable accounting standards and within the legislative timeframe. No significant audit issues were identified.
Financial Services	Financial Assets: Overall Condition	Number of assets with an overall condition index of 7 (very poor condition) or worse, unless asset is to be decommissioned.	<250	 3117	The increase in conditions scores is due to an annual impairment review of Council's Non-Current Assets. Roads saw a decrease overall in assets in condition 7 or greater due to processing of Natural Disaster Relief and Recovery Authority (NDRRA) capital work orders. There was an increase in assets in condition 7 or greater in regard to Water & Wastewater Active Assets, due to the upcoming construction of Rubyanna Wastewater Treatment Plant and the replacement of the Gregory River Water Treatment Plant.
Financial Services	Investments	Minimum return on investments is 1% (Percentage is calculated above the target cash rate).	1%	 0.97%	From 1 January 2015, a new international regularly framework for banks, entitled Basel III was introduced. This framework was developed to strengthen regulation, supervision and risk management of the banking sector. The introduction of this regulation has seen a significant decrease in interest rates.
Financial Services	Taxation: Compliance with Taxation legislation	Percentage taxation requirements have been completed (includes GST, BAS & Payroll).	100%	 100%	All taxation requirements were met within applicable timeframes and legislative requirements.
Information Systems	Projects	Percentage of projects on schedule and on budget (Total number of current projects is 30 projects, including EDRMS- Steam 1, Mobilisation, Exchange Server Upgrade, General Ledger Work Order Budgeting and Geocortex Implementation).	95%	 95%	The majority of projects for the 2014 - 2015 financial year have been completed on time and within budget. Only 2 projects out of 30 have exceeded timeframes. The Objective Electronic Digital Records Management (EDMS) project extended 4 weeks into July and the CCTV project has been pushed back until August.
Information Systems	Efficient Operations: Systems Availability	Percentage Information and Technology systems are available (availability indicates there is no interruption to business operations).	98%	 92%	A number of systems outages caused this figure to drop during the 4th quarter. Plans are in place to rebuild a number of systems over the next 12 months.

**OUTCOME 4.6 A common sense approach to planning, coordination and consultation**

**STRATEGY**

**4.6.2 Provide strong governance and leadership that includes open, timely and transparent communication and responsible decision making**

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Financial Services	Revenue: Rates	Outstanding Rates as a percentage of rates levied at the end of the financial year.	<5%	✓ 4.5%	At the end of the financial year Gross rates debt (excluding pre-payments) was 4.5% of levy, and net rates debt (including pre-payments) was 1.07% of levy.
Internal Ombudsman	Risk Management: Adoption and integration of risk management processes & procedures	Percentage processes and procedures have been integrated in operational activities across Council.	90%	✓ 100%	19 of 19 identified Branches Operational Risk Assessments have been undertaken and approved.
Regulatory Services	Regulated Parking: Debt Recovery: SPER	Number of parking infringement notices forwarded to SPER for debt recovery (SPER – Penalties Enforcement Agency).	Trend each quarter	231	An average 231 parking infringements were sent to SPER each quarter.

**OUTCOME 4.7 A valued workforce committed to the region delivering quality services**

**STRATEGY**

**4.7.2 Facilitate the development and maintenance of a workforce that embraces innovation and improved service delivery**

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
People & Culture	Human Resources: Training & Development: Staff satisfaction	Percentage of all staff satisfaction with training.	80%	✓ 86%	During the year, 86.5% of surveys for Training and Development rated the quality of training as satisfactory or above.
People & Culture	Workplace Health & Safety: Hazard Inspections: Timeliness of hazard inspections	Percentage of inspections carried out on time.	100%	📍 72%	The WHS team is working closely with teams to improve the timeliness of inspections through electronic checklists and simplifying checklists.

**OUTCOME 4.7 A valued workforce committed to the region delivering quality services**

**STRATEGY**

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

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
Internal Ombudsman	Governance: Organisational Governance Awareness	% of staff trained in Governance Compliance and Risk Management processes and procedures (Right To Information (RTI) and Risk Management (IP) training).	90%	✓ 93%	525 of 563 eligible employees have completed Right to Information and Risk training.
People & Culture	Workplace Health & Safety: Lost Time Injury Frequency Rate: Industry standard measurement	Number of injuries per number of hours worked (all employees across whole organisation).	<17.9 Industry standard	📍 23.4	2014-2015 began well with a comparatively low number of injuries but there was an increase over April – June. Incident management meetings have been introduced to help reduce injuries occurring in the first place.

**OUTCOME 4.7 A valued workforce committed to the region delivering quality services**

**STRATEGY**

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

Department	Service Area	Performance Indicators	Target	Actual	Status/Comment
People & Culture	Workplace Health & Safety: Days Lost	Number of days leave taken as a result of injury.	<588	1164	This figure includes a number of pre-existing claims which have resulted in long term absences from work.
People & Culture	Workplace Health & Safety: Lost Time Injuries	Number of people injured requiring leave of duties.	<24	34	There was a spike in numbers in the 4th quarter. 10 Lost Time Injuries (LTIs) were recorded in May and June. However, the total number of LTIs has reduced from last year (down from 39). There were no common casual factors evident.
People & Culture	Workplace Health & Safety: Notifiable incidents	Number of notifiable incidents.	4	6	3 notifiable incidents were a consequence of contractor's actions. No incidences resulted in enforcement action by Workplace Health and Safety Queensland.
People & Culture	Workplace Health & Safety: Training and Development	Percentage attendance to mandatory WHS training.	98%	94%	Multiple opportunities for mandatory staff training are scheduled during the year. Unforeseen operational demands and work requirements impacts attendance.



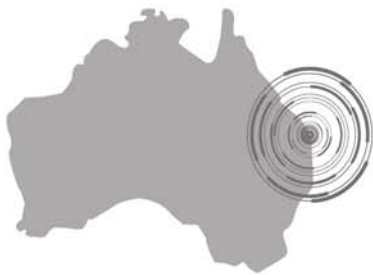
# Chapter 2

## Our Region



# 2.1 REGIONAL FACTS AND FIGURES

The Bundaberg Region is situated at the southern end of the Great Barrier Reef and is only 4 hours drive or a 45 minute flight from Queensland's capital, Brisbane. Our Region includes the economic centres of Bundaberg City, Bargara, Childers, Woodgate and Gin Gin, and boasts many diverse natural areas and first-rate facilities.



**643,564 ha**

Conservation & natural environments **65,920 ha**

Irrigated agriculture & plantations **82,873 ha**



**97,000**

Population estimate

Population is expected to **GROW TO 141,000** in the next 20 years



Summer day average **20°C to 30°C**

Winter day average **10.2°C to 21.2°C**

**1,031.0 mm** Average rainfall

**JANUARY** Wettest month

**177.5mm** Average rainfall



latitude **24.9°S**

longitude **152.40° E**





# BUNDABERG

Our region's name Bundaberg is a combination of *bunda* - the Kalki Aboriginal word for *important man*, and the German suffix *berg* - indicating *mountain*.



**160km** coastline between Walkers Point in the south and Winfield in the north

**5 beaches** with regular lifeguard patrols. Additional areas are monitored by roving lifeguards and jetski patrols



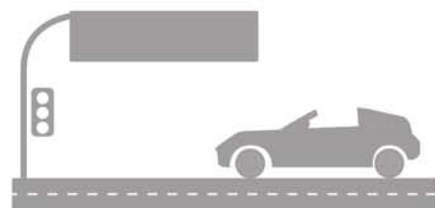
**5** major rivers: Burnett, Kolan, Elliott, Isis, & Gregory Rivers

- 1** recreational precinct
- 3** major sporting complexes
- 4** swimming pools
- 7** skate bowl facilities
- 19** boat ramps

- 2** pontoons
- 34** sport and recreation facilities



What you may not have known about the Bundaberg Region...



- 158 km** of footpaths
- 1896 km** of sealed roads
- 1114 km** of unsealed roads



- 897.4 km** of water mains
- 60** water reservoirs
- 31,600** water connections
- 10** chlorine dosing station facilities
- 3** re-chlorination facilities

- 658 km** of sewerage mains
- 101** pump stations
- 10** wastewater treatment plants
- 10** chlorine dosing station facilities
- 24,623** sewerage connections



- 653 ha** natural area estate
- 1** botanic garden
- 6** holiday parks
- 350** recreational parks
- 41,516** waste bins
- 21,068** recycle bins serviced weekly
- 41,925** waste bins serviced weekly



- 2** art galleries
- 3** libraries & 1 library outlet
- 3** cultural centres
- 4** administration centres
- 4** museums
- 6** depots
- 6** community buildings
- 70** public toilet facilities
- 12** cemeteries

- 27** community halls
- 68** community housing properties



Our community vision... 2031 Community Plan... *vibrant, progressive, connected and sustainable*

# 2.2 OUR GOVERNANCE HISTORY AND REGIONAL HERITAGE

**Bundaberg Regional Council was formed on 15 March 2008 as a result of the merging of Bundaberg City Council, Burnett Shire, Isis Shire and Kolan Shire Councils.**

## Bundaberg

Local Government in the Bundaberg area began with the formation of the Bundaberg Progress Committee in 1873. In 1881, Bundaberg was gazetted a municipality and a Municipal Council was elected. During the same year Bundaberg's first railway station was built and growth in the region led to the construction of several schools and churches. Bundaberg was gazetted a town during 1902 and a city in 1913.

During this early settlement period, local newspapers and various government departments, including customs, police, courts, post and telegraph were established. Port facilities on the Burnett River were also developed within reach of the town. In the years that followed the city continued to flourish. Health care provided by the original Cottage Hospital in 1881 was further advanced by the Base Hospital in 1915. Cultural and recreational activities also progressed as the population increased. The Paramount Theatre commenced operations in 1911, and community Railway Picnics to Bargara began in 1922.

Between the two World Wars Bundaberg City Council embarked on two major projects. During 1928, all city streets were sealed with bitumen. Bundaberg was the first non-metropolitan Queensland town or city to use special surfacing equipment and bitumen. The second project was the construction of a sewerage system. Except for one small area, the city was sewered when World War II commenced. This meant that Bundaberg was one of, if not the most, progressive town or city in Queensland at the time. By this time, the city's population had reached 13,000.

Historical Bundaberg residents of distinction include Bert Hinkler pioneer aviator and Australia's 'Queen of Song' Gladys Moncrieff.



## Childers

European settlement first came to the Childers area in the 1850s. The first permanent cattle properties in the area were "Eureka" in 1854 and "Agnes Vale" in 1855. The town largely developed around the rail head which was established in 1887. The rich fertile volcanic soils proved highly suitable for cultivation and sugar quickly became the key crop grown in the area. The district mill at Isis Central first began crushing in 1897.

The Isis Division was established on 1 January 1887 under the Divisional Boards Act 1887, on land which was previously part of the Burrum Division. On 31 March 1903, under the Local Authorities Act 1902, Isis Division became the Shire of Isis.

Childers today is well known for its historic buildings. The local administration building in Churchill Street (now the Bundaberg Regional Council Childers Service Centre) is a heritage structure which was opened on Anzac Day 1926. Adjoining this building is an ex-First World War German canon, gifted and railed to Childers in 1922 to honour local soldiers. Other key facilities in the Childers area include the Childers hospital, the show grounds, first used in 1903, and the Paragon theatre which opened in 1928.

Historical Childers residents of distinction include Premier of Queensland, Jack Pizzey and Dame Annabel Rankin, the first woman from Queensland to sit in the Parliament of Australia.

## Gin Gin formerly Kolan Shire

The Gin Gin district was originally settled in 1847 when Gregory Blaxland and William Forster moved into the area with sheep and cattle. The site where the town now stands was once part of the sprawling Gin Gin Station owned by Sir Thomas McIlwraith, who was Premier of Queensland three times between 1879 and 1893.

In 1879 Gin Gin became the administrative centre for the Kolan local-government division. At about that time copper mining began in the west of the division and Mount Perry emerged as an important mining centre. A railway line from Bundaberg to Mount Perry was built between 1881 and 1884, passing through Gin Gin in 1881.

Primary schools opened in the Gin Gin area in 1882 and 1883, and a Catholic church and an Oddfellows Lodge hall were opened in 1889. Early pioneers engaged in beef-cattle grazing, maize growing, timber milling and sugar-cane cultivation. Maize and timber were transported in large quantities by railway, but from 1876, cane was crushed locally at a central mill.

By 1904 there was sufficient diversity in Gin Gin's economy for the formation of an agricultural, pastoral and industries society. Between 1901 and 1911 Gin Gin's population more than tripled. A hospital was opened in 1915. The interwar years saw a decline in population, but post-war prosperity enabled the connection of reticulated electricity in 1952 and a town sewerage scheme in 1967. A high school was opened in 1973.

The Gin Gin town centre today has the former Kolan Shire offices, a heritage-listed railway station (since the 1960s), a hospital, bowling club, golf and swimming facilities, state primary and high schools (established in 1881 and 1972 respectively), three motels and local shops. There is also a visitor information centre and a historical society museum.

Famous historical Gin Gin residents include Queensland Premiers Sir Thomas McIlwraith and Arthur Palmer. The notorious bushranger James McPherson, the 'Wild

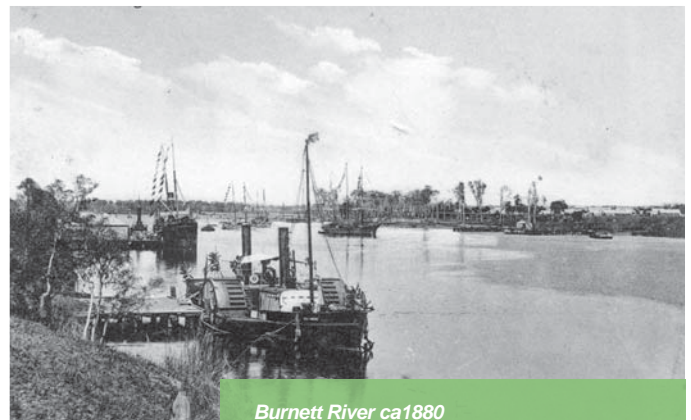
Scotchman', was captured on Monduran Station 13 km north of town in 1866.

## Burnett

The Shire of Burnett was a local government area located in the Bundaberg region. It completely surrounded, but did not include, the regional city of Bundaberg. It existed as a local government entity through the amalgamation of the Shire of Gooburrum and the Shire of Woongarra in 1994 until 2008. In 2008 the Shire of Burnett amalgamated with the City of Bundaberg and other councils in the region to form the Bundaberg Regional Council.



Main St, Childers looking to Cafe



Burnett River ca1880



Bank of NSW Gin Gin premises 1918

Sources: Centre for the Government of Queensland: The University of Queensland: Bundaberg/ Childers/ Kolan Shire; The State of Queensland (Queensland Treasury and Trade); Bundaberg Libraries: Local History Features; & Gin Gin & District Historical Society.

Pictures courtesy of Picture Bundaberg



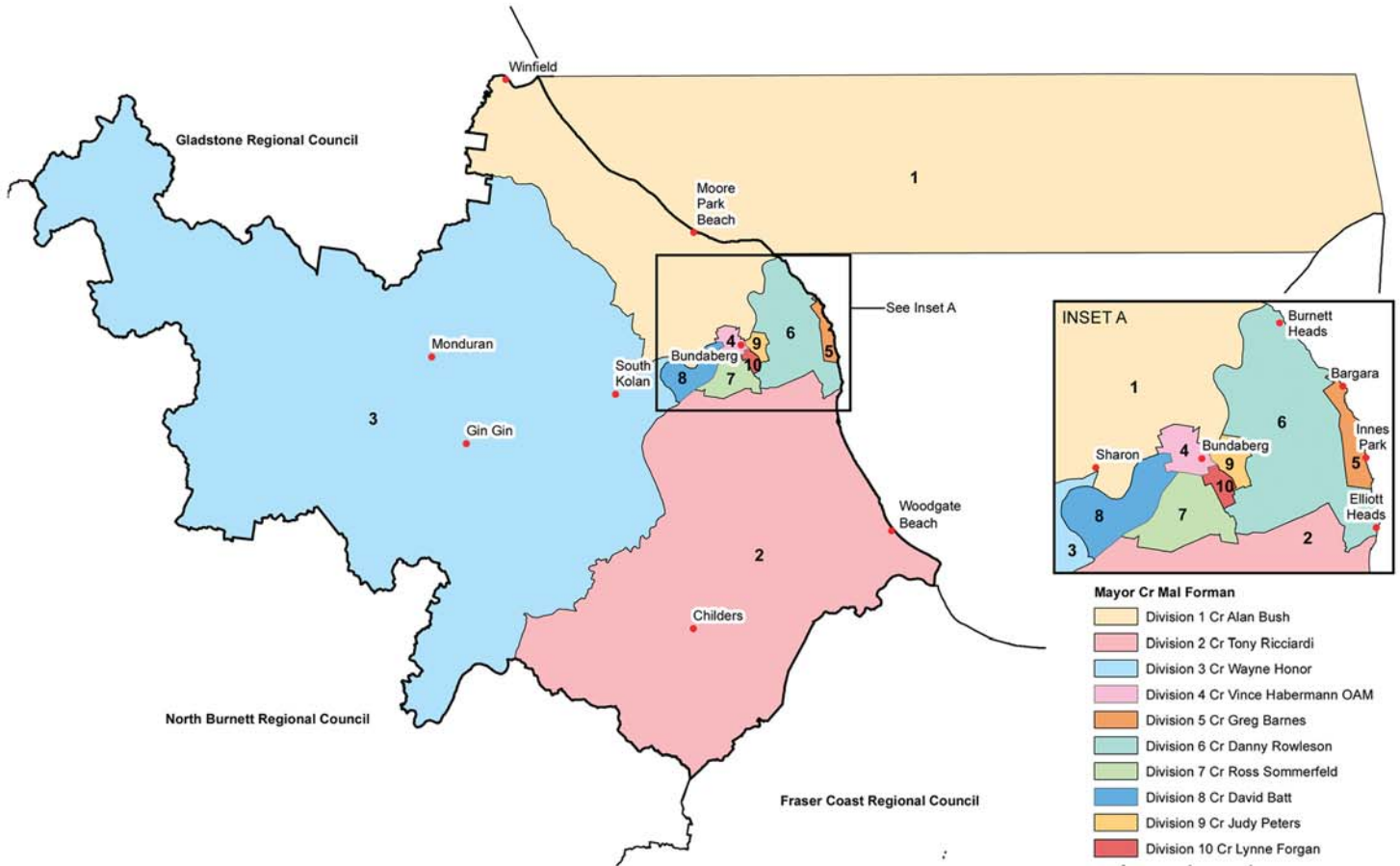
# Chapter 3

## Governance



# 3.1 DEMOCRATIC GOVERNANCE

## Electoral Divisions



### 3.1.1 Democratic Governance: Representing the Interests of the community

The Bundaberg Regional Council's local government area comprises 10 divisions. At local government elections every four years, voters chose a councillor to represent their division, as well as the mayor. Our Mayor and Councillors were elected on 28 April 2012.

Our Mayor and Councillors are committed to representing the current and future interests of the residents of the Bundaberg Region. They are accountable to the community for the Council's performance and provide quality leadership to the community through their participation in council meetings, policy development and decision-making on behalf of their constituents.

#### Revenue for works and services

Council's main source of revenue comes from rates, charges and fees which go towards carrying out the

services and works that are required by the community. Council obtains other sources of funds from Financial Assistance Grants from the State and Federal Government, and the raising of loans for capital work such as water treatment and wastewater treatment plants.

#### Meetings

Council holds an Ordinary Meeting every three weeks, at which the Mayor, Mal Forman, is Chairman. A Planning Committee similarly meets every three weeks. The Portfolio Councillor Cr Ross Sommerfeld is Chairman at these meetings. Community members are most welcome to attend Ordinary and Planning meetings, which are held at Council's Chambers situated at 190 Bourbong Street Bundaberg. Meeting times and dates can be found on Council's website.

# 3.2 MAYOR AND COUNCILLORS (LEGISLATIVE REQUIREMENTS)

## 3.2.1

The Local Government Regulation 2012(s 186) requires Council to disclose the particulars of the total remuneration, including superannuation contributions, paid to each one of their councillors during the financial year. Pursuant to Regulation 2012 (s186) (b) the expense incurred by councillors, under our Expenses Reimbursement Policy is also stated in the adjacent table.

### Remuneration of the Mayor and Councillors

Councillor	Gross salary	Super contributions	Training, conferences & travel	Home internet mobile phone	Mileage	Total
Cr M Forman ***	\$139,558.90	\$16,747.12	\$11,112.87	\$536.66	\$11,335.56	\$179,291.11
Cr AG Bush***	\$80,797.08	\$9,695.66	\$2,254.00	\$2,027.10	\$11,335.56	\$106,109.40
Cr AL Ricciardi ***	\$80,797.08	\$9,695.66	\$1,517.47	\$2,876.73	\$10,693.16	\$105,580.10
Cr WA Honor ***	\$80,797.08	\$9,695.66	\$2,786.58	\$2,054.75	\$10,693.16	\$106,027.23
Cr VJ Habermann***	\$80,797.08	\$9,695.66	\$3,228.53	\$1,750.29	\$10,693.16	\$106,164.72
Cr GR Barnes	\$80,797.08	\$9,695.66	\$1,087.87	\$2,125.13	\$9,358.43	\$103,064.17
Cr DE Rowleson ***	\$80,797.08	\$9,695.66	\$0.00	\$911.68	\$12,293.20	\$103,697.62
Cr CR Sommerfeld***	\$80,797.08	\$9,695.66	\$2,588.40	\$2,348.66	\$10,693.16	\$106,122.96
Cr DJ Batt***	\$91,815.10	\$11,017.76	\$4,800.43	\$3,404.87	\$10,693.16	\$121,731.32
Cr JA Peters ***	\$80,797.08	\$9,695.66	\$4,385.75	\$1,437.65	\$10,693.16	\$107,009.30
Cr LG Forgan***	\$80,797.08	\$9,695.66	\$1,788.64	\$3,083.78	\$10,693.16	\$106,058.32
<b>Total</b>	<b>\$958,547.72</b>	<b>\$115,025.82</b>	<b>\$35,550.54</b>	<b>\$22,557.30</b>	<b>\$119,174.87</b>	<b>\$1,250,856.25</b>

## 3.2.2

### Expenses Reimbursement Policy

Bundaberg Regional Council's *Reimbursement of expenses and provision of facilities for councillors – Governance Policy*, ensures that the Mayor, Deputy Mayor and Councillors receive reimbursement of reasonable expenses and are provided with necessary facilities in performance of their role. Our policy states that 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.

A full copy of our policy is available on request (reference no. GP-3-047).

## 3.2.3

### Assets Recognition Policy

Bundaberg Regional Council's *Non-current Asset Recognition Policy*, was reviewed and updated 20 May 2014. No resolutions were made during the financial year under Section 206(2) of the Local Government Regulation 2012.

## 3.2.4

The attendance of Councillors to Ordinary, Planning Committee and Special and Budgetary Meetings is detailed in the adjacent table.

### Attendance at Council Meetings

Meeting Type	Cr M Forman	Cr AG Bush	Cr AL Ricciardi	Cr WA Honor	Cr VJ Habermann	Cr GR Bames	Cr DE Rowleson	Cr CR Sommerfeld	Cr DJ Batt	Cr JA Peters	Cr LG Forgan
Ordinary Meetings	15	14	15	15	15	15	14	15	15	15	14
Planning Committee Meetings	13	12	14	14	14	14	13	14	14	14	13
Special & Budgetary Meetings	2	1	3	3	3	3	3	3	3	3	3
<b>Total</b>	<b>30</b>	<b>27</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>30</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>30</b>

## 3.2.5

### Overseas travel

A delegation of Councillors and staff visited Sister City Nanning, China for the 11th China- ASEAN Expo between 19 September and 22 September 2014. Expenses for accommodation and local transport incurred by delegates Mayor Cr M Forman, Cr A Bush, and Chief Executive Officer, Mr Peter Byrne, were funded by the Nanning Municipal People's Government. Bundaberg Regional Council incurred the following costs for Senior Development Officer Mr Haiyi Wu.

Councillor/staff name	Destination	Purpose	Cost
Mr H. Wu <i>Senior Development Officer: Sister Cities Program</i>	Nanning, China	11th China- ASEAN Expo	\$2,220.00

## 3.2.6

### Councillors' conduct and performance - 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: [www.bundaberg.qld.gov.au/council/councildocuments/policies](http://www.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 2009. Accordingly, there are no particulars to record pursuant to Section 186 of the Local Government Regulation 2012.

# 3.3 CORPORATE GOVERNANCE: ORGANISATIONAL STRUCTURE AND MANAGEMENT

## 3.3.1 Executive leadership team



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 21 year's 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.

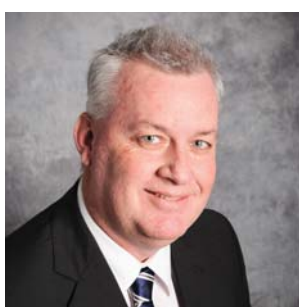
Andrew focuses on facilitating efficient and cost effective delivery of utility services and infrastructure together with land use planning outcomes that foster a prosperous and sustainable community.



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. Now as a General Manager of Bundaberg Regional Council, Glenn's focus is 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)*

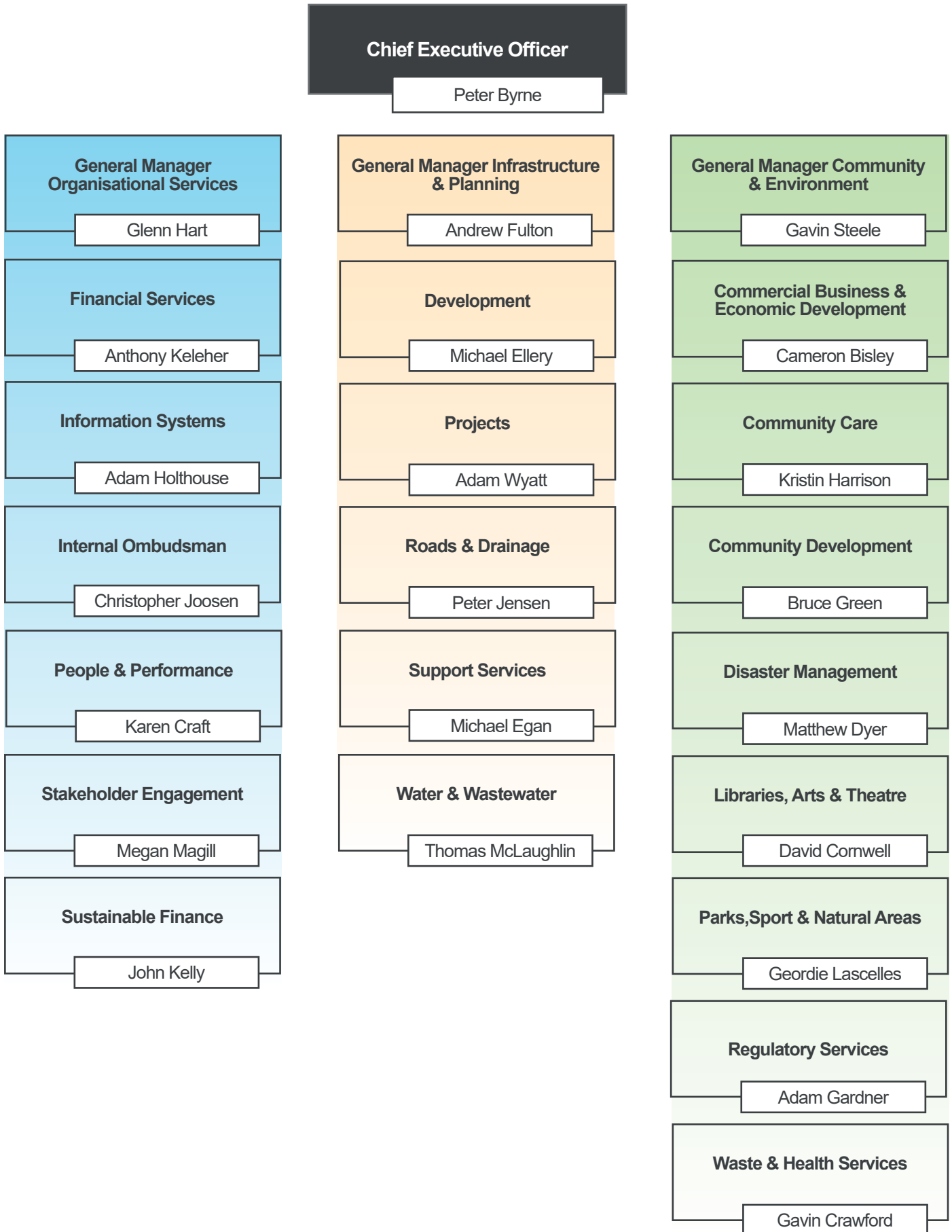
Gavin has 18 years' experience in State and Local Governments in Queensland working with the Brisbane City Council, Queensland Government Department of Public Works, Rockhampton City Council and the Rockhampton Regional Council. He has held numerous Director and General Manager positions since 2005 across a wide range of portfolios. Gavin commenced work with Bundaberg Regional Council in June 2012.



# 3.3.2

## Our Organisational Structure and Management

Figure 2. Organisational Structure



# 3.3.3 Integrated Planning and Reporting

Council undertakes an integrated approach to planning and reporting and views long-term planning as a valuable process to ensure the sustainability of our community's resources.

During 2014 -2015 Department Business Plans and Key Performance Indicators were updated to ensure ongoing alignment with our Strategic Plans and Operational Plan priorities.

Council is committed to the continual review of our planning, reporting and operational processes, to ensure the best possible value-for-money services and governance results are delivered to our community.

## Organisational Planning and Financial Management

Figure 3. Organisational Planning & Financial Management



Figure 4. Integrated Planning & Reporting



## 3.3.4 Risk Management

Council has embraced Risk Management since amalgamation in 2008. However, in recent years significant emphasis has been placed on ensuring full integration of a standardised risk management program throughout Council that can be applied to everyday Council business.

In 2013, Council adopted an Integrated Risk Management Framework that promotes a standard and systematic approach to risk management throughout Council in accordance with AS/NZS ISO 31000:2009. This is a foundational risk management document that clearly articulates Council's risk and opportunity tolerances (Risk appetite), context for risk assessments, risk management implementation plan, risk responsibilities, escalation and committee structures, risk management processes, recording of risk data and key risk management tools.

The Risk Management Implementation Plan is designed to support full implementation across the organisation over a period of four years. This Implementation Plan is reviewed and adjusted based on annual self-assessments and review of progression at the strategic and operational levels.

Extensive risk management education is undertaken throughout Council and is a part of all staff inductions.

Risk Assessment Workshops have been conducted at Branch and Executive Level to ensure ongoing review of the identified Corporate Risks and to capture and manage identified Operational Risks within Council. All identified risks are monitored on a regular basis and reviewed or escalated for review within internally prescribed timeframes. Corporate Risks are reviewed annually. Operational Risks applicable at Department Level are reviewed biennially.

Operational Risk Analysis also now forms part of every Department Business Plan.

A Risk Sub-Committee within Council has been established for the purpose of assisting any ongoing risk management review/analysis processes.

Risk Management is a standing agenda item at the Executive Team Meetings, Corporate Safety Committee and Audit & Risk Committee. This ensures regular monitoring, review and where appropriate refinement of the Risk Management Program which ultimately provides for a more holistic approach to Risk Management.

Key Risk Management Projects are identified annually through Executive and Department level consultation. The 2015 Risk Management Projects commencing January 2016 are:

- Event Management
- Fraud & Corruption
- Business Continuity Plans
- Major Projects – Project Decision Framework.



# 3.4 CORPORATE GOVERNANCE LEGISLATIVE REQUIREMENTS

## 3.4.1 Code of competitive conduct for business activities

The National Competition Policy (NCP) requires that the competitive neutrality principle be applied to government businesses so that they do not attract any net competitive advantage over their competitors as a result of public sector ownership. 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 to its significant business activities.

### Significant Business Activities

Pursuant to Section 45(b) of the Local Government Act 2009, the following business activities have been identified as being financially significant:

- Water and Wastewater
- Waste and Recycling

In accordance with Section 45(c) of the Local Government Act 2009, the competitive neutrality principle has been applied to these businesses. Both significant business activities were conducted in the preceding year.

### Business Activities

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

- Caravan Parks;
- Bundaberg Airport; and
- Building Certification.

### Competitive Neutrality Complaints

No competitive neutrality complaints were received during the reporting period



## 3.4.2

### Remuneration of senior management

A number of factors are taken into consideration in determining the level of remuneration for our senior executives, including the complexity of their positions, external market benchmarks and the skills needed to deliver value-for-money services to our community. The remuneration level shown adjacent includes superannuation, motor vehicle and communications equipment.

No. of executives	Salary range
4	240,000- 340,000

## 3.4.3

### Administrative Action Complaints

Council has established a comprehensive and flexible framework to ensure that complaints are addressed in a responsive and responsible manner. This framework includes the position of Internal Ombudsman. Our Internal Ombudsman oversees the process by which complaints are investigated and through proactive management also seeks to identify trends to minimize the likelihood of future complaints. A major review of Council's administrative actions policies and processes was undertaken during 2013 - 2014 and a more fluid policy and comprehensive support processes were introduced. These have given additional support and direction to the way reviews are undertaken.

In the 2014 - 2015 year council received nine (9) administrative action complaints, five (5) related to the activities of the Department of the Community & Environment, three (3) to the Department of Infrastructure and Planning and one (1) to the Department of Organisational Services. Reviews tested processes and departmental systems and some recommendations were made to review certain practices or processes.

By way of comparison the preceding year 2013 - 2014 saw seven (7) complaints reviewed under this process. In that year one (1) related to the activities of the Department of the Community and Environment, two (2) to the Department of Infrastructure and Planning and four (4) to the Department of Organisational Services.

## 3.4.4

### Equal opportunity in employment

Council is committed to providing equal employment opportunity to its employees and prospective employees. Council recognises and encourages employees on the basis of their skills, experience, qualifications and performance at all stages of their career.

#### Gender Status of Workforce

Gender	Full-time	Part-time	Casual	Total
Female	176	46	47	269
Male	571	8	36	615
<b>Total</b>	<b>747</b>	<b>54</b>	<b>83</b>	<b>884</b>

#### Age Group of Workforce

Gender	<24 years	25 to 34	35 to 44	45 to 54	55 to 65	> 65	Total
Female	22	60	64	69	46	8	269
Male	40	70	125	202	166	12	615
<b>Total</b>	<b>62</b>	<b>130</b>	<b>189</b>	<b>271</b>	<b>212</b>	<b>20</b>	<b>884</b>

NB. figures in tables are exclusive of Councillors

#### Work Experience Placements

Placements	No. Traineeships	No. Scholarships CQU (Bundaberg campus)	No. Apprenticeships
34	8	2	5

Throughout the year, Council has taken the opportunity to reduce the number of staff through natural turnover, so if an employee retires or resigns, where possible the role has not been replaced to minimise the pressure of staff costs on future rates increases. Council still remains the largest employer in the region with a diverse range of roles and career opportunities.

During the year Council continued to provide support to community members starting their careers through:

- Hosting unpaid work experience for 34 individuals;
- Sponsoring 2 places in the CoOp Engineering Program with the Bundaberg campus of the Central Queensland University, which provides paid employment for Engineering students;
- Hosting Year 11 and 12 students in the Bundaberg Talent Program to give them exposure to trades in the workplace;
- Hiring eight trainees who achieve a Certificate III qualification; and
- Hiring five apprentices who achieve a Certificate IV qualification.

For the first time, we participated in the GenR8 program with the Queensland Department of Education and Training where we provided 20 days work experience to a Year 12 student to help them achieve a Certificate II in Transport and Logistics. This program was very successful and we will participate again in 2015 - 2016.

# 3.4.5

## Summary of concessions for rates and charges

### Pensioner rebates

Pensioners who are either registered owners or life tenants of their principal place of residence and who hold a Queensland Pensioner Concession Card or a Repatriation Health Card, are eligible to claim a State Government Pensioner Rate Subsidy and a Council pensioner remission. The Council pensioner rate remission during 2014 - 2015 was \$140.00 per annum for rates and charges.

### Discount on general rates

A discount of 10 percent of the current year's Council general rates is conditional on the payment of current rates, service charges and all arrears by the due date stated on the rate notice, which is at least 30 clear days from the issue date of the rate notice. This discount is granted for prompt payment. Council's pension remission is not a payment and is therefore deducted from the general rate before discount is applied.

### Community concessions

Council recognises the following not-for-profit organisations as providing a service to the community by encouraging community and cultural development. During 2014 - 2015 Council contributed up to a maximum \$1,500.00 per annum, towards the payment of rates and charges (with the exception of water consumption) for the following facilities and organisations:

- Apple Tree Creek Memorial Hall
- Burnett Heads Progress Hall
- Burnett Heads Kindergarten
- Bucca Hall
- Kepnock Progress Association Hall
- Childers Kindergarten, Pizzev Street
- Bullyard Hall
- North Bundaberg Progress Association Hall
- Forestview Community Kindergarten
- Drinan Hall
- CWA Hall Bargara
- Gin Gin Kindergarten
- Gin Gin & District Historical Society Hall
- CWA Hall Bundaberg
- South Kolan Kindergarten
- Pine Creek Hall
- CWA Hall Yandaran
- Wallaville Kindergarten
- Sharon Hall
- CWA Hall Childers
- Bundaberg & District Air Sea Rescue
- Tegege Hall
- CWA Oakwood
- Sandy Hook Ski Club
- Avenell Heights Progress Association Hall
- CWA Wallaville
- Avondale Football Club
- Booyal Hall
- Bundaberg Kindergarten, Electra Street

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

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

### Natural Disaster Rates Relief

Ratepayers who suffered financial loss as a result of the 2013 natural disasters were considered to have a diminished capacity to pay their rates. Council provided relief to ratepayers affected by the natural disasters based on confirmation of individual circumstances.

### Other concessions

Council has a Water Leak Relief Policy which provides relief for ratepayers who experience a large and undetectable water leak that results in a large unbudgeted water bill. If ratepayers have the water leak repaired within seven (7) days of its discovery and apply for relief within thirty (30) days after having the leak repaired, Council charges the water consumption at the first step in the water tariff, which in 2014-15 was \$1.10, instead of the second tier tariff, which was \$1.80. Ratepayers were assisted in 2014-15, to a value of \$115,843.15.

#### Concessions to ratepayers for 2014 - 2015

Type of Organisation	Assistance Provided
Council Pensioner Rates Concessions	\$1,360,601.25
Rates Concessions to Community Organisations	\$430,042.58
Natural Disaster Rates Relief	\$4,264.71
Water Leak Relief	\$115,843.15
<b>Total</b>	<b>\$1,910,751.69</b>

#### Concessions to Community Organisations for 2014 - 2015

Type of Organisation	Assistance Provided
Reduced Rates and Charges to Community Organisations	\$44,600.18
Free Water Consumption Allocation to Unlicensed Sporting Bodies	\$109,924.20
Benefit from only charging Water Access Charges to Unlicensed Sporting Bodies for largest meter	\$6,195.00
60% reduction in Sewerage Charges to Community Organisations	\$269,323.20
<b>Total</b>	<b>\$430,042.58</b>

## 3.4.6

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

### Total of Community Organisations

Number	Type of Organisation	Annual Rates Levied	Assistance Provided	Average assist per organisation
19	Halls	\$32,496.20	\$22,807.20	\$1,200.38
7	Kindergartens	\$21,975.25	\$9,185.10	\$1,312.16
3	Surf Lifesaving Clubs	\$11,579.88	\$10,643.98	\$3,547.99
3	Community Organisations	\$2,061.55	\$1,963.90	\$687.18
<b>32</b>	<b>Total</b>	<b>\$68,112.88</b>	<b>\$44,600.18</b>	<b>\$6,747.71</b>

### Analysis of Concessions provided to Community Organisations

Type of Organisation	Assistance Provided
Reduced Rates and Charges to Community Organisations	\$44,600.18
Free Water Consumption Allocation to Unlicensed Sporting Bodies	\$109,924.20
Benefit from only charging Water Access Charges to Unlicensed Sporting Bodies for largest meter	\$6,195.00
60% reduction in Sewerage Charges to Community Organisations	\$269,323.20
<b>Total</b>	<b>\$430,042.58</b>

### Monthly Analysis of Disaster Relief

Month	Dollar Value	Month	Dollar Value
July 2014	\$0.00	January 2015	\$0.00
August 2014	\$374.21	February 2015	\$0.00
September 2014	\$0.00	March 2015	\$0.00
October 2014	\$0.00	April 2015	\$300.75
November 2014	\$3,589.75	May 2015	\$0.00
December 2014	\$0.00	June 2015	\$0.00
<b>Total</b>			<b>\$4,264.71</b>

### Expenditure on grants to community organisations

Pursuant to Section 189(a) of the Local Government Regulation 2012, Council's expenditure on grants to community organisations for the 2014-2015 financial year totalled \$ 318,552.69. Expenditure on grants during 2014 -2015 provided the following amounts to community groups and organisations.

Community Group/Program	Community Group/Program
Community Grants/Donations	Life Education
Community Events	Bundaberg Toy Library
PCYC	RSPCA
Careflight Helicopter	Mayors Christmas Appeal
Sport and Recreation	<b>TOTAL</b>
	<b>\$318,552.69</b>

## 3.4.7

### Changes to Council tenders

There were no changes to tenders pursuant to section 228(7) of the Local Government Regulations 2012 for the financial year 2014 - 2015.

## 3.4.8

### Council registers

Bundaberg Regional Council maintains registers for:

- Annual Reports
- Land Record of Rateable Land
- Corporate/Operational Plans
- Council Minutes
- Councillors' Register of Interests
- Council Policies
- Delegations of Authority
- Procurement Delegations Register
- Fees and Charges (Regulatory and other charges)
- Local Law and Subordinate Local Laws
- National Competition Policy Business Activities
- Hazard / Risk Register
- Corporate Risk Register
- Roads Register

## 3.4.9

### Report on the Internal Audit

Council's Audit and Risk Committee is an advisory committee established in accordance with its Charter, under Council's Internal Audit Governance Policy and in accordance with the Local Government 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 and Risk 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 (resignation from the Committee 9 July 2014).
- Mr B Grogan, External Community Representative (commenced with the Committee October 2014)

The Committee is also attended by the External Auditors, Chief Executive Officer, General Manager Organisational Services, Chief Financial Officer, 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 Audit and Risk Committee has held four (4) meetings for the year in which it reviewed and assessed the:

- Implementation of Risk Management Framework;
- Information Infrastructure Controls Policies;
- Audit and Risk Committee Charter;
- Residual Value for Infrastructure Assets Discussion Paper;
- Asset Revaluation Report 2014;
- Risk Management Updates;
- 2013 - 2014 Unaudited and Audited Financial Statements.

The Committee also reviewed the Queensland Treasury Corporation Credit Review Report on Council.

The Committee has reviewed the external audit management letter from the 2013 - 2014 completed audit of Council with the findings and recommendations listed on an issues register. All external audit issues for the 2013 - 2014 year have either been addressed or are in the process of being finalised by Management. Council continues to refine the Corporate Risk Register and this will be progressed further in the 2015 - 2016 year to ensure Council has appropriate Corporate Risk strategies in place.



# Chapter 4

## Financial Reports

- 4.1** Community Financial Report
- 4.2** Financial Statements
  - 4.2.1** Annual Financial Statements
  - 4.2.2** Management Certificate Financial Statements
  - 4.2.3** Independent Auditors Report
- 4.3** Financial Sustainability Statements
  - 4.3.1** Current Year Financial Sustainability Statement
  - 4.3.2** Management Certificate Current Year Sustainability Statement
  - 4.3.3** Independent Auditors Report: Sustainability Statement
  - 4.3.4** Long-term Financial Sustainability Statement
  - 4.3.5** Management Certificate Long-term Financial Sustainability Statement



# 4.1 COMMUNITY FINANCIAL REPORT

Section 179 of the Local Government Regulation 2012 requires Council to prepare a Community Finance Report to accompany the Audited Financial Statements in the Annual Report. The four (4) key financial statements of the annual report are often difficult for the general public to interpret. The aim of this Community Finance 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 (4) key financial statements for 2015 and the 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 2015.**
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.**

## 1. Statement of Comprehensive Income

The Total Comprehensive Income for the period was \$22.6 million. This increase in community equity includes several items, such as the movement in Asset Valuation which Council has little control over. 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. This provides a better indication of Council's ability to renew or upgrade existing assets, purchase new assets, repay debt and maintain service levels.

The Operating Surplus is calculated by subtracting the Recurrent Expenses of \$159.2 million from the Recurrent Revenue of \$164.1 million. This shows Council has made a surplus from recurrent activities of \$5 million. This surplus is consistent with Councils objective of financial sustainability whilst achieving the outcomes in the *Community Plan Bundaberg Region 2031*.

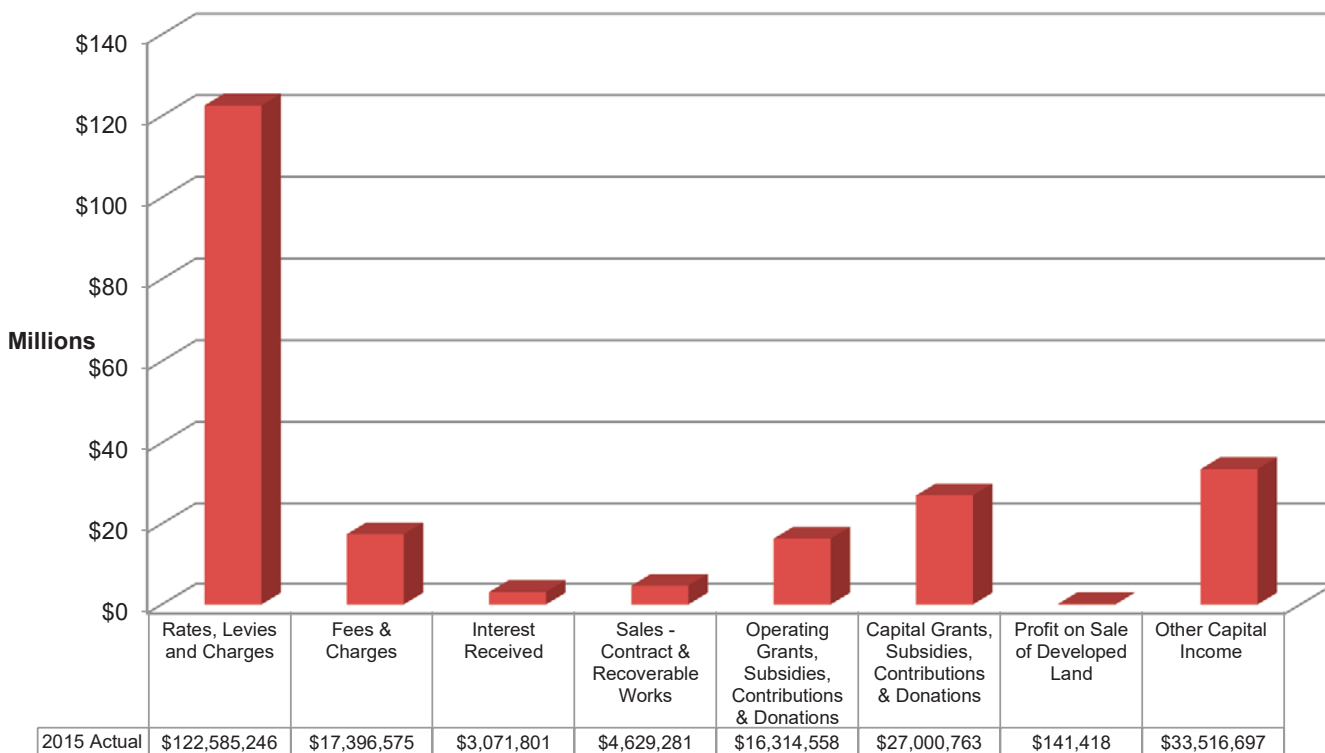
### Total Income \$225 million - where did this revenue come from?

Bundaberg Regional Council has a population of approximately 97,000 (Queensland Government Statisticians Office, 2015) and 41,482 rateable properties. The ratepayers contribute 75% of Council's recurrent income through rates and charges. Other major sources of recurrent income include fees and charges (11%) and grants, subsidies, contributions and donations (10%).

Total Income includes both Recurrent Revenue and Capital Revenue. In 2015, a significant portion of the Capital Revenue relates to the movement in landfill restoration provision of \$33.5 million.

This movement represents a reduction in the provision as a result of the a detailed cost analysis of all operational landfills, based on site closure plans. Council doesn't expect significant movements in this provision in future years.

## Revenue



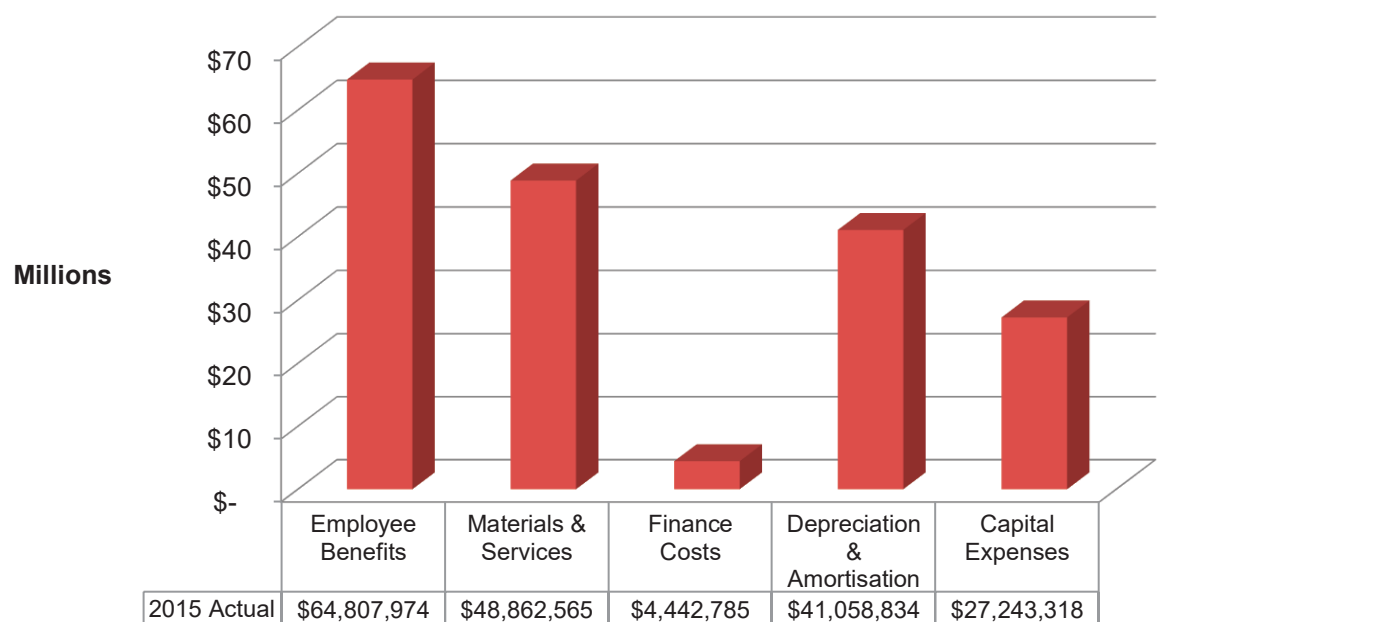
## Total Expenses \$184 million - what was this spent on?

A major component of Council's recurrent expenses is Employee Benefits, representing approximately 40%. Employee Benefits include employee salaries and wages, councillor's remuneration and superannuation. However, Employee Benefits exclude \$5 million in wages capitalised on asset construction which will form part of depreciation expensed over the life of the associated assets.

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

Council's depreciation expense is in excess of \$41 million. 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



The majority of Capital Expenses in the Statement of Comprehensive Income relate to a Loss on Disposal of Non-Current Assets of \$24.6 million. This loss primarily related to the renewal of flood affected road assets as part of the NDRRA program of works. Capital Expenses excludes funds invested in Assets (e.g. Property, Plant & Equipment) as these are recorded on the Statement of Financial Position in the first instance and depreciated over the life of the asset.

## 2. Statement of Financial Position

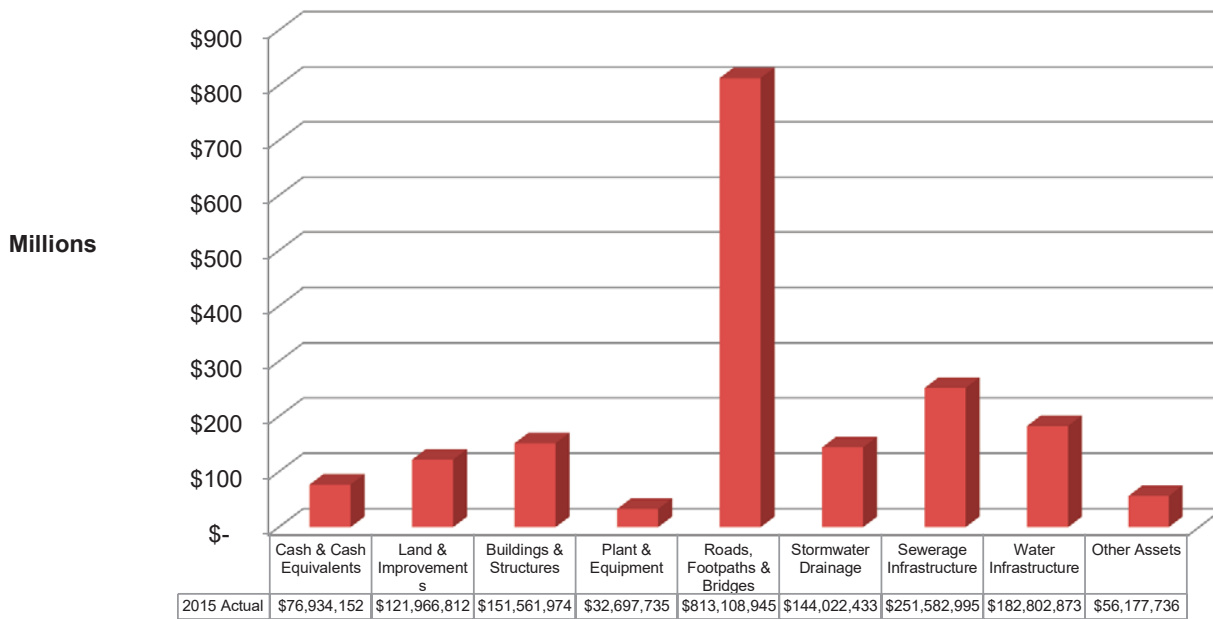
The Statement of Financial Position records the Community's assets and liabilities at the end of the financial year. The result of these two components determines the net worth of Council.

### Assets \$1.83 billion - what Council owned at 30 June 2015

The major investment for Council is in assets which provide essential services for a growing community, namely property, plant and equipment totalling \$1.73 billion. Cash represents 4% 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 \$813 million or 44% while Water and Sewerage Infrastructure account for approximately 24% of Council's assets. Council requires over \$41 million per annum to maintain the value in these assets.

## Assets

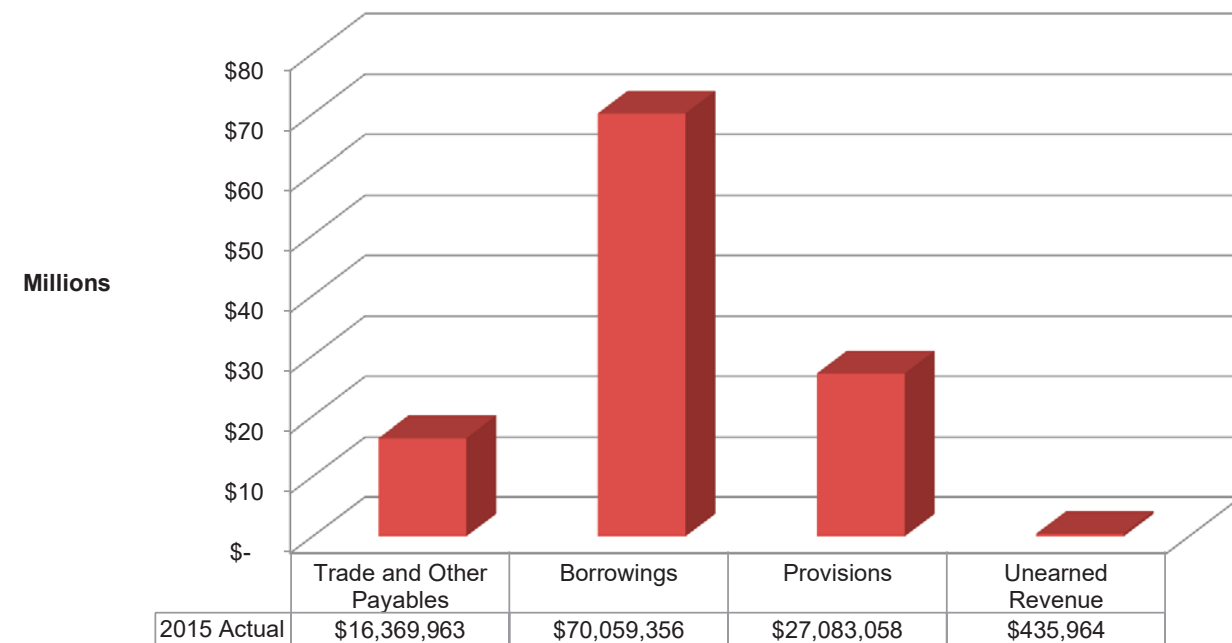


### Liabilities \$114 million - what Council owed at 30 June 2015

The majority of Council's liabilities consist of borrowings (62%), provisions (24%) and trade and other payables (14%). Provisions consist of long service leave payable to employees at 30 June 2015 (\$12.6 million) and costs that are expected to be incurred in restoring and monitoring of landfill sites administered by Council (\$14.5 million). Borrowings enable Council to provide timely essential services, such as the construction of the new Rubyanna Wastewater Treatment Plant and the upgrade to Thabeban Wastewater Treatment Plant, and assist Council to share the costs over the generations that benefit.

Trade and other payables are made up of day-to-day Creditors (\$11.7 million), for the purchase of items ranging from bitumen to stationery, and Employee Entitlements (\$4.7 million). Employee entitlements consist of annual leave amounts payable to employees at 30 June 2015.

## Liabilities



### 3. Statement of Cash Flows

This statement records the movement in cash holdings during the year. In 2015 the cash balance increase by \$14.6 million from \$62.3 million to a closing balance of \$76.9 million at year end.

Council's Cash is 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) and Working Capital Cash.

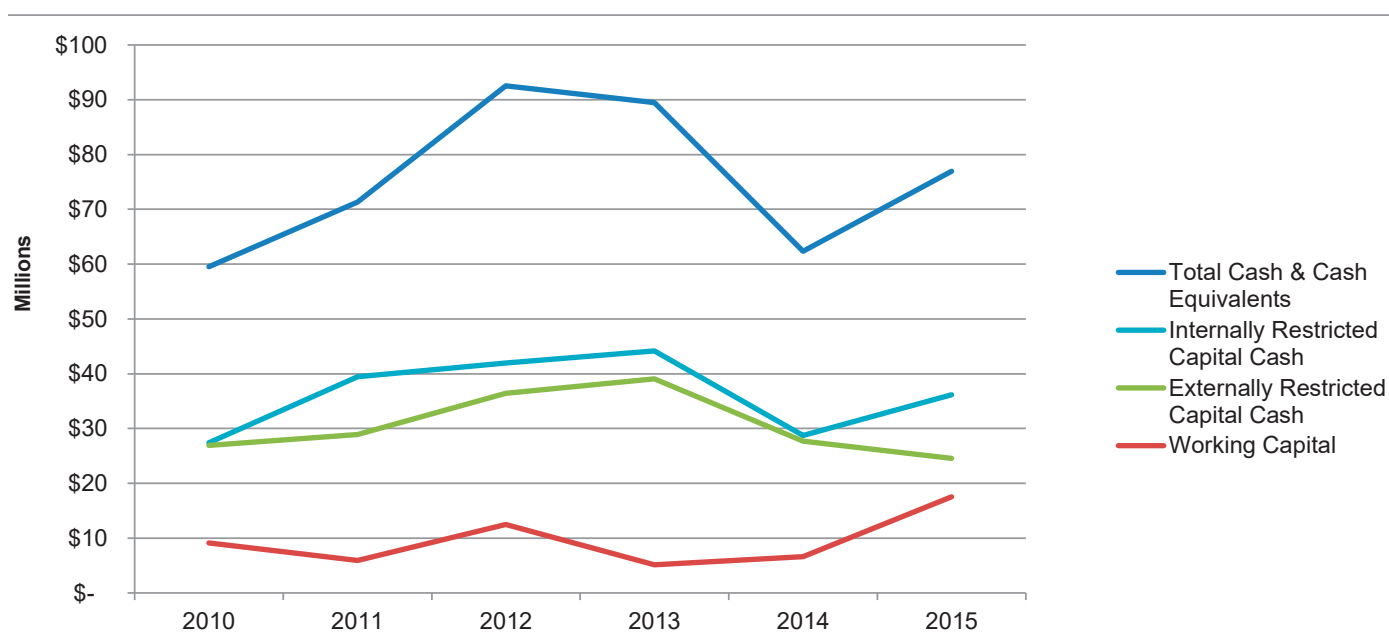
Council's cash flow from operating activities remains positive with surplus operating cash of \$56.5 million available for investing in assets and repayment of loans.

Council utilised \$90.8 million on asset renewals, upgrades, new purchases and loan redemption. This was funded from operating surplus, borrowings, asset sales, capital grants and contributions and Council reserves.

Internally Restricted Capital Cash represent funds that are set aside by Council to meet anticipated future needs. These consist of future capital works, asset acquisition, transport improvement, sewerage improvement and water improvement, and totals \$36.2 million.

Externally Restricted Capital Cash consists of unspent Developer contributions, Capital grants and subsidies and Borrowings totalling \$24.5 million at year end.

Council's minimum cash requirement at 30 June 2015 was estimated to be \$30 million. By maintaining this balance, possible shocks in the areas of Accounts Receivable, Accounts Payable and Inventory can be accommodated, significant capital expenditure outlays covered, allowing sufficient cash to be available between rating periods.



### 4. Statement of Changes in Equity

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

The Asset Revaluation Surplus consists of \$335 million in asset revaluation increases since amalgamation.

Retained Surplus of \$51.7 million represents restricted cash and the unallocated surplus/(deficit). At 30 June 2015 there was an unallocated deficit of \$1.3 million. An unallocated deficit represents the accumulative amount Council is required to recover before undertaking expenditure in the following year.

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

### 5. Financial Sustainability Ratios

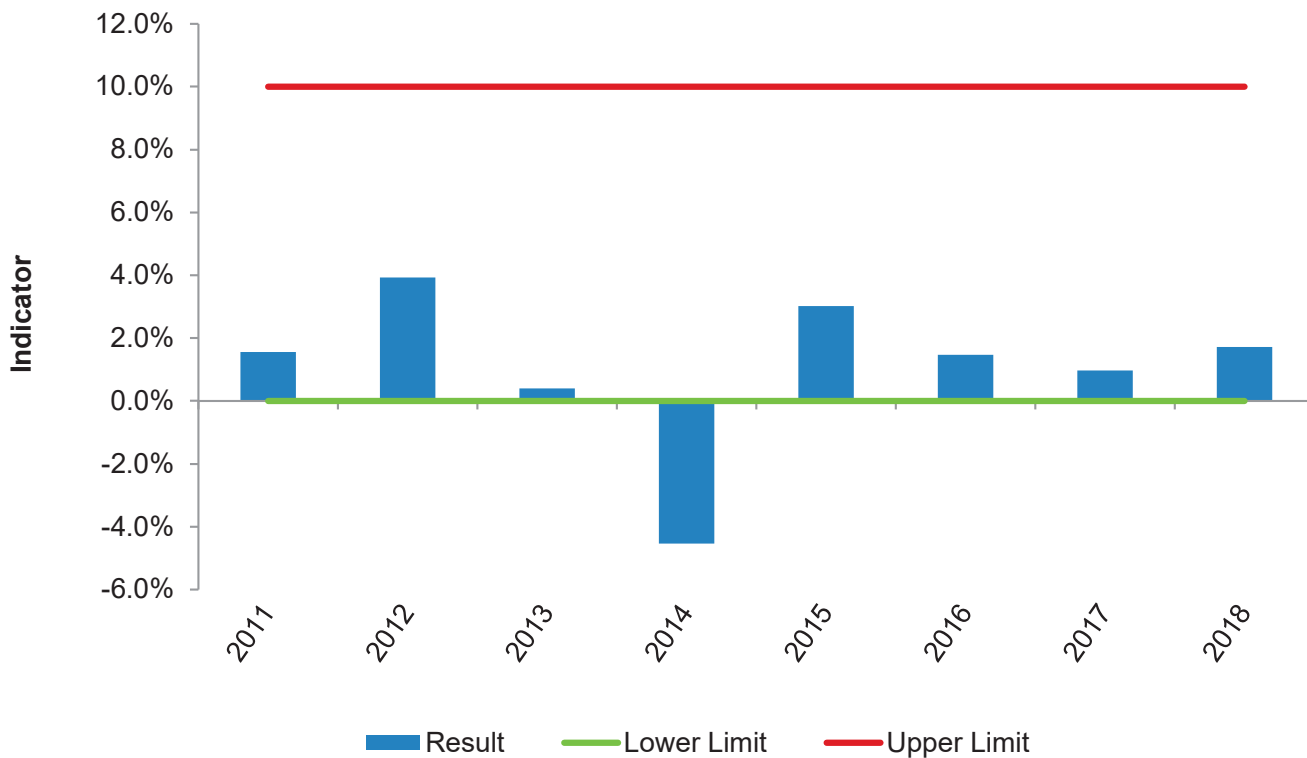
The Financial Sustainability of Council is now a cornerstone of the Local Government Act and a core responsibility of Councils across Queensland.

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

The three 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*

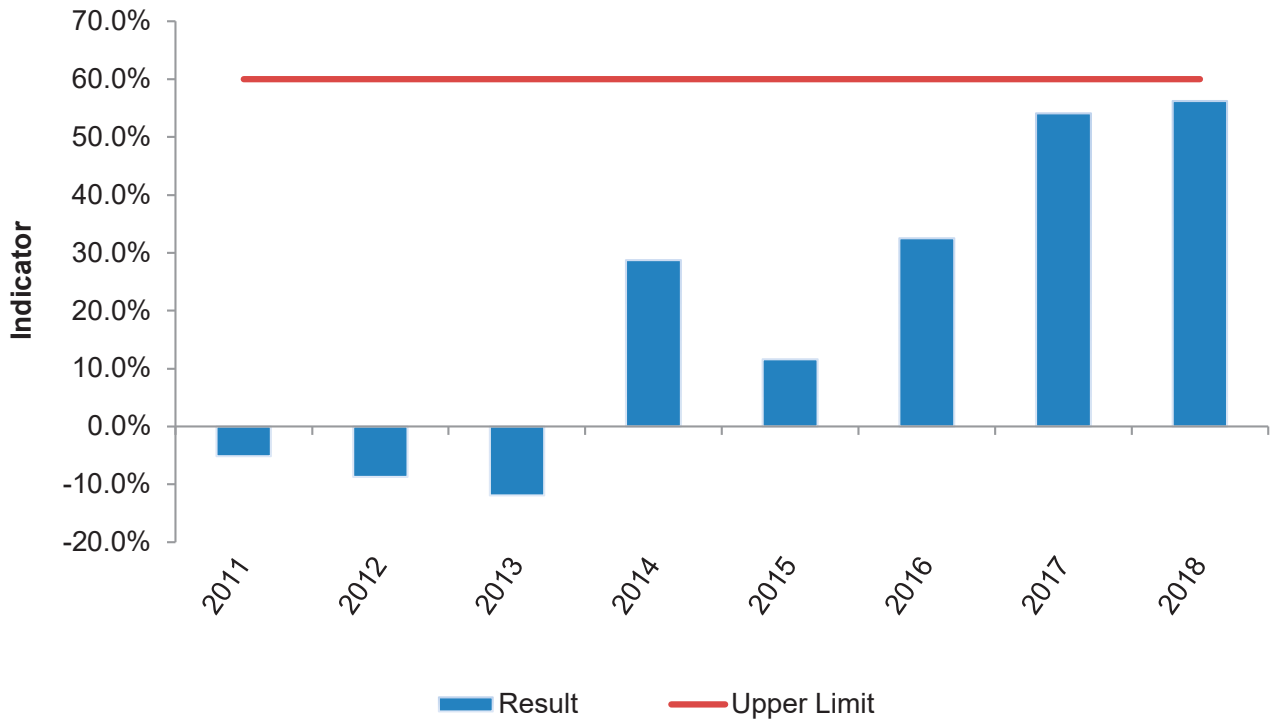
**TARGET** *Between 0% and 10%*

### Commentary

Council has consistently achieved an operating surplus result for all but the 2014 financial year. In 2014 the operating deficit occurred, mainly due to receipt-timing of the Federal Assistance Grant revenue and unanticipated changes in procedures and methodology relating to assets and depreciation.

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 10 year forecast budget.

## Net Financial Liabilities Ratio



### INDICATOR *Net Financial Liabilities Ratio (Financial)*

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

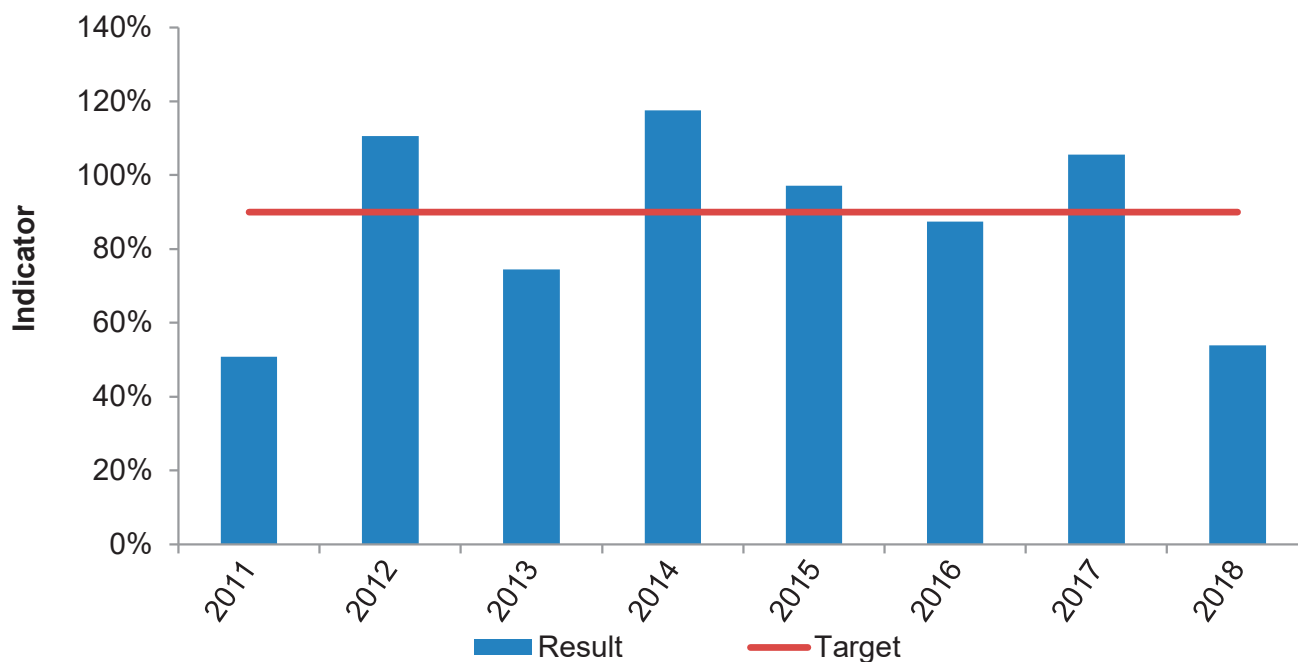
**TARGET** *Not greater than 60%*

### Commentary

Council has consistently had a ratio well below the upper threshold. In 2015 this ratio was 11.6% down from 28.7% the previous year. The decrease in the ratio was due to two factors; an increase in cash and a decrease in provisions made for landfill restoration.

The ratio is expected to increase as Council undertakes significant loan funded capital projects in Wastewater over the budget forecast period. This will limit Council's ability to increase its loan borrowings in following years.

## Asset Sustainability Ratio



### INDICATOR *Asset Sustainability Ratio*

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

**MEASURE** *Capital Expenditure on Renewals divided by Depreciation Expense.*

**TARGET** *Greater than 90%*

### Commentary

The Asset Sustainability ratio for the 2015 year has decreased to 97% compared to 118% in 2014. Capital Expenditure on renewals in 2011 and 2013 was impacted by the flood events where Council focused on emergent works.

This ratio is expected to decrease in 2018 when Council focuses capital expenditure on upgrading facilities. Whilst upgrades are not considered renewals in the context of the Asset Sustainability Ratio, in practice upgrades to assets consists of two parts - renewing the asset and upgrading the asset. These upgrades are consistent with Council's commitment to renewing existing assets as they reach the end of their useful lives.



# 4.2 FINANCIAL STATEMENTS

## 4.2.1 ANNUAL FINANCIAL STATEMENTS

### BUNDABERG REGIONAL COUNCIL

#### ANNUAL FINANCIAL STATEMENTS

For the year ended 30 June 2015

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# BUNDABERG REGIONAL COUNCIL

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2015

	Note	30-Jun-15 \$	30-Jun-14 \$
<b>Income</b>			
<b>Revenue</b>			
<b>Recurrent Revenue</b>			
Rates, levies and charges	3(a)	122,585,246	115,405,354
Fees and charges	3(b)	17,396,575	16,377,338
Interest received	3(c)	3,071,801	3,770,067
Sales - Contract and recoverable works		4,629,281	5,123,776
Grants, subsidies, contributions and donations	4(a)	16,314,558	6,713,369
Profit on sale of developed land held for resale		141,418	524,299
Total recurrent revenue		<u>164,138,879</u>	<u>147,914,203</u>
<b>Capital Revenue</b>			
Grants, subsidies, contributions and donations	4(b)	27,000,763	85,047,681
Total Revenue		<u>191,139,642</u>	<u>232,961,884</u>
Capital Income	5	33,516,697	253,237
<b>TOTAL INCOME</b>		<u>224,656,339</u>	<u>233,215,121</u>
<b>Expenses</b>			
<b>Recurrent Expenses</b>			
Employee benefits	6	(64,807,974)	(67,014,085)
Materials and services	7	(48,862,565)	(47,218,751)
Finance costs	8	(4,442,785)	(4,116,248)
Depreciation and amortisation	9	(41,058,834)	(36,282,218)
Total recurrent expenses		<u>(159,172,158)</u>	<u>(154,631,302)</u>
<b>Capital Expenses</b>			
Loss on sale of non-current assets held for sale		-	(37,314)
Loss on impairment of non-current assets held for sale		(47,534)	-
Increase in provision for land restoration	10	(293,277)	(36,453,480)
Loss on disposal of non-current assets	11	(24,602,507)	(15,441,778)
<b>TOTAL EXPENSES</b>		<u>(184,115,476)</u>	<u>(206,563,874)</u>
<b>NET RESULT</b>		<u>40,540,863</u>	<u>26,651,247</u>
<b>Other Comprehensive Income</b>			
<b>Items That Will Not Be Classified To Net Result</b>			
Increase/(decrease) in asset revaluation surplus	23	(17,898,804)	(34,555,721)
<b>Total Other Comprehensive Income</b>		<u>(17,898,804)</u>	<u>(34,555,721)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>22,642,059</u>	<u>(7,904,474)</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 2015

	Note	30-Jun-15 \$	30-Jun-14 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	12	76,934,152	62,325,663
Trade and other receivables	13	12,872,683	27,206,126
Inventories	14	4,147,768	4,298,738
Non-current assets held for sale	16	982,166	739,819
<b>Total Current Assets</b>		<b>94,936,769</b>	<b>94,570,346</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	17	1,729,029,424	1,723,542,396
Intangible assets	19	6,889,462	6,495,071
<b>Total Non-Current Assets</b>		<b>1,735,918,887</b>	<b>1,730,037,467</b>
<b>TOTAL ASSETS</b>		<b>1,830,855,655</b>	<b>1,824,607,813</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	20	16,369,963	21,479,701
Borrowings	21	8,006,603	6,477,883
Provisions	22	915,000	1,310,000
Unearned revenue		435,964	444,638
<b>Total Current Liabilities</b>		<b>25,727,530</b>	<b>29,712,222</b>
<b>Non-Current Liabilities</b>			
Borrowings	21	62,052,753	46,796,444
Provisions	22	26,168,058	60,520,000
<b>Total Non-Current Liabilities</b>		<b>88,220,811</b>	<b>107,316,444</b>
<b>TOTAL LIABILITIES</b>		<b>113,948,341</b>	<b>137,028,666</b>
<b>NET COMMUNITY ASSETS</b>		<b>1,716,907,314</b>	<b>1,687,579,147</b>
<b>Community Equity</b>			
Asset revaluation surplus	23	334,761,325	352,660,129
Retained surplus	24	51,717,681	55,676,948
Capital	25	1,330,428,308	1,279,242,070
<b>TOTAL COMMUNITY EQUITY</b>		<b>1,716,907,314</b>	<b>1,687,579,147</b>

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 2015

	Total	Asset Revaluation Surplus	Retained Surplus	Capital
		Note 23	Note 24	Note 25
	\$	\$	\$	\$
<b>Balances as at 1 July 2014</b>	1,687,579,147	352,660,129	55,676,948	1,279,242,070
Found assets not previously recognised	6,686,108	-	-	6,686,108
Net result	40,540,863	-	40,540,863	-
Total other comprehensive income				
Increase/(decrease) in asset revaluation surplus	(17,898,804)	(17,898,804)	-	-
<b>Total comprehensive income for the year</b>	22,642,059	(17,898,804)	40,540,863	-
<b>Transfers</b>				
Transfers to/from capital	-	-	(44,500,130)	44,500,130
<b>Total transfers</b>	-	-	(44,500,130)	44,500,130
<b>Balance at 30 June 2015</b>	1,716,907,314	334,761,325	51,717,681	1,330,428,308
<b>Balances as at 1 July 2013</b>	1,684,069,802	387,215,850	78,436,455	1,218,417,497
Found assets not previously recognised	11,413,819	-	-	11,413,819
Net result	26,651,247	-	26,651,247	-
Total other comprehensive income				
Increase/(decrease) in asset revaluation surplus	(34,555,721)	(34,555,721)	-	-
<b>Total comprehensive income for the year</b>	(7,904,474)	(34,555,721)	26,651,247	-
<b>Transfers</b>				
Transfers to/from capital	-	-	(49,410,754)	49,410,754
<b>Total transfers</b>	-	-	(49,410,754)	49,410,754
<b>Balance at 30 June 2014</b>	1,687,579,147	352,660,129	55,676,948	1,279,242,070

*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 2015

	Note	30-Jun-15 \$	30-Jun-14 \$
<b>Cash Flows from Operating Activities:</b>			
Receipts from customers		168,052,295	140,867,398
Payments to suppliers and employees		(128,183,591)	(118,005,904)
		<u>39,868,704</u>	<u>22,861,494</u>
Interest received		2,992,950	3,846,181
Proceeds from sale of developed land held for resale		181,818	717,273
Costs incurred on developed land held for resale		(15,133)	(56,949)
Non-capital grants, subsidies, contributions and donations		16,491,339	6,689,810
Borrowing costs		(3,019,478)	(3,284,285)
		<u>56,500,200</u>	<u>30,773,524</u>
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	31	<u>56,500,200</u>	<u>30,773,524</u>
<b>Cash Flow from Investing Activities:</b>			
Payments for property, plant and equipment		(83,945,006)	(132,432,504)
Payments for intangible assets		(635,442)	(143,506)
Proceeds from sale of non-current assets held for sale		800,000	360,909
Proceeds from sale of property, plant and equipment		3,372,734	1,636,268
Capital grants, subsidies, contributions and donations		21,779,051	78,776,097
		<u>(58,628,663)</u>	<u>(51,802,736)</u>
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>		<u>(58,628,663)</u>	<u>(51,802,736)</u>
<b>Cash Flow from Financing Activities :</b>			
Proceeds from borrowings		23,000,000	-
Repayment of borrowings		(6,263,046)	(6,154,173)
		<u>16,736,954</u>	<u>(6,154,173)</u>
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>		<u>16,736,954</u>	<u>(6,154,173)</u>
<b>Net Increase/(Decrease) in Cash Held</b>		14,608,491	(27,183,385)
Cash at beginning of reporting period		62,325,663	89,509,048
<b>Cash at End of Reporting Period</b>	12	<u><u>76,934,154</u></u>	<u><u>62,325,663</u></u>

*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 2015

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### 1 Summary of Significant Accounting Policies

#### 1.01 Basis of Preparation

These general purpose financial statements are for the period 1 July 2014 to 30 June 2015 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*. Consequently, these financial statements have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB).

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

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

Capital revenue includes grants, subsidies, contributions and donations received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investments in new assets. It also includes non-cash contributions which are generally infrastructure assets received from developers.

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

- disposal of non-current assets
- disposal of non-current assets held for sale
- adjustments to restoration provisions on land not controlled by Council

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

#### 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 2015

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### 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.

Council has chosen to early adopt the *Amendments to Australian Accounting Standards - Fair Value Disclosures for Not-for-Profit Public Sector Entities AASB 2015-7*.

#### AASB 2015-7 - Amendments to Australian Accounting Standards - Fair Value Disclosures for Not-for-Profit Public Sector Entities

AASB 2015-7 will be effective for Council's reporting period commencing 1 July 2016. Council has early adopted the requirements of AASB 2015-7.

The revised standard includes relief from certain disclosures about the fair value measurements of property, plant and equipment held for their current service potential rather than to generate net cash inflows. Fair value disclosures are outlined in note 18.

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

#### AASB 15 - Revenue from Contracts with Customers

Due to its recent release, Council is still reviewing the way that revenue is measured and recognised to identify whether AASB 15 *Revenue from Contracts with Customers* will have a material impact. To date no impact has been identified.

AASB 15 is effective from 1 January 2017 and will replace AASB 118 *Revenue*, AASB 111 *Construction Contracts* and a number of Interpretations. It contains a comprehensive and robust framework for the recognition, measurement and disclosure of revenue from contracts with customers.

#### AASB 124 - Related Party Disclosures

From 1 July 2016 AASB 124 *Related Party Disclosures* will apply to Council. This means that Council will disclose more information about related parties of Key Management Personnel (KMP) and transactions with those related parties. Council is currently preparing for this change by identifying its KMP. KMP will likely include the Mayor, Councillors and some senior Council staff. In addition the close family members of those people and any organisations they control or are associated with will be classified as related parties.



# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

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### 1 Summary of Significant Accounting Policies (Cont'd)

#### 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 1.15, 17 and 18) 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 1.15, 17 and 18)

\* Impairment of Non-Current Assets Held for Sale (Note 16)

\* Impairment of Receivables (Note 1.11 and 13)

\* Contingent Liabilities (Note 27)

\* Employee Provisions (Note 1.20 and 22)

\* Restoration Provisions (Note 1.22 and 22)

#### 1.08 Revenue

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

##### (i) Rates, levies and charges

Where rate monies are received prior to the commencement of the rating period, the amount is recognised as revenue in the period in which they are received, otherwise rates are recognised at the date they are levied.

##### (ii) Grants, subsidies, contributions and donations

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them. Council only receives grants, subsidies and contributions that are non-reciprocal in nature.

##### (iii) 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 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.

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

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### 1 Summary of Significant Accounting Policies (Cont'd)

#### 1.08 Revenue (Cont'd)

(v) 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 unearned revenue and is recognised as revenue in the period when the service is performed.

The amount recognised as revenue for contract revenue during the period is the amount receivable in respect of invoices issued during the period. The contract work carried out is not subject to retentions.

(vi) 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 1.19)

Borrowings - measured at amortised cost (note 1.21)

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

All other disclosures relating to the measurement and financial risk management of financial instruments are included in Note 33.

#### 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 and 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.



# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

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### 1 Summary of Significant Accounting Policies (Cont'd)

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

Because Council has the power under the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, Council generally does not impair any rate receivables. However, where a lessee of a property is responsible for the rates on a property in accordance with formal lease conditions, Council cannot recover any debt under the *Local Government Act 2009* by way of sale as the debt is not recorded with the owner of the property. When the debt becomes unrecoverable, it is impaired.

All known bad debts were written-off at 30 June.

#### 1.12 Inventories

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 resale is detailed in note 1.13.

#### 1.13 Land Purchased for Development and Resale

Land acquired with the intention of reselling it (with or without further development) and land transferred from Property, Plant and Equipment for development and sale is classified as inventory. 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 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 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 2015

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### 1 Summary of Significant Accounting Policies (Cont'd)

#### 1.15 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.

##### (i) Capital and Operating Expenditure

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

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

Expenditure incurred in accordance with Natural Disaster Relief and Recovery Arrangements on road assets is analysed to determine whether the expenditure is capital in nature. The analysis of the expenditure requires Council engineers to review the nature and extent of expenditure on a given asset. For example, expenditure that patches a road is generally maintenance in nature, whereas a kerb to kerb rebuild is treated as capital. Material expenditure that extends the useful life or renews the service potential of the asset 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 is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.



# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

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### 1 Summary of Significant Accounting Policies (Cont'd)

#### 1.15 Property, Plant and Equipment (Cont'd)

##### (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* and AASB 13 *Fair Value Measurement*. 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 assess cost assumptions associated with infrastructure assets and may engage independent valuers to provide desktop valuations by indexation. Where the indices indicate a material movement in the fair value of a subclass of assets, all assets within that subclass, other than assets constructed or gifted during the year, will be revalued by the applicable indice.

On revaluation, 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 18.

##### (iv) 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.



# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

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### 1 Summary of Significant Accounting Policies (Cont'd)

#### 1.15 Property, Plant and Equipment (Cont'd)

(v) Depreciation

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

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

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

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

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

Depreciation methods, estimated useful lives and residual values of 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 17.

(vi) Land Under Roads

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.

#### 1.16 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 and estimated useful lives 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 19.



# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2015

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### 1 Summary of Significant Accounting Policies (Cont'd)

#### 1.17 Impairment of Non-current Assets

Each non-current physical and intangible asset is assessed for indicators of impairment on an annual basis.

#### 1.18 Operating Leases

Leases of property, plant and equipment where substantially all the risks and benefits remain with the lessor, are classified as 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.

#### 1.19 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 and other than contingent discounts. Amounts owing are unsecured and are generally settled on 30 day terms from the end of the month.

#### 1.20 Liabilities - Employee Benefits

##### (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 20.

##### (ii) Annual Leave

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

As Council does not have an unconditional right to defer this liability beyond 12 months annual leave is classified as a current liability. This liability represents an accrued expense and is reported in Note 20.

##### (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 29.

##### (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 based on increases in the EBA and averaged CPI for years beyond the EBA and 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 Bond Yields at the reporting date are used to discount the estimated future cash outflows to their present value. This liability is reported in Note 22.



# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

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### 1 Summary of Significant Accounting Policies (Cont'd)

#### 1.21 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.

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

#### 1.22 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 significant operational landfills. Details can be found in Note 22.

The provision is measured at the expected cost of the work required by applying averaged CPI and discounted to current day values using an appropriate rate. 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 landfills, 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.

In prior years Council used internal technical staff to assess the cost assumptions associated with landfill restorations. In 2013-14 Council engaged AECOM to finalise site closure plans and provide a cost analysis of all operational landfills based on these plans. This provided Council with a comprehensive analysis of the restoration work required based on site development plans.

In 2014-2015 Council resolved to undertake a program of restoration based on the landfills which are required to be restored under Court Order and which are considered significant landfills. Council engaged AECOM to further refine their analysis based on this decision. The remaining operational landfills subsequently had their provisions wound back and a disclosure made in Note 27 Contingent liabilities.

In addition to the restoration costs, ongoing water monitoring after closure of the sites for a period of 30 years will be undertaken in accordance with reports provided by GHD. The provision includes those estimated costs.



# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2015

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### 1 Summary of Significant Accounting Policies (Cont'd)

#### 1.22 Restoration Provisions (Cont'd)

(i) Restoration on land not controlled by Council

Where the restoration site is on State reserves which Council does not control, the cost of the provisions for restoration of these sites is treated as an expense in the year the provision is first recognised. Changes in the provision not arising from the passing of time are treated as capital income or capital expense.

(ii) Restoration on land controlled by Council

Where the restoration site is on Council controlled land, the cost of the restoration provision is added to the cost of the land as an improvement and depreciated over the expected useful life of the landfill. Changes in the provision not arising from the passing of time are added to or deducted from the asset revaluation surplus for land and improvements. If there is no available revaluation surplus increases in provision are treated as an expense and recovered out of future decreases (if any).

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

#### 1.23 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.

#### 1.24 Retained Surplus

Retained surplus represents restricted cash as outlined in Note 12 along with the remaining (unallocated) funds that are available to meet specific future funding needs. An unallocated surplus represents the accumulative amount available to Council that may be used to offset against expenditure in the following year. An unallocated deficit represents the accumulative amount Council is required to recover before undertaking expenditure in the following year.

#### 1.25 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.

#### 1.26 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.

#### 1.27 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.

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

### 2 Analysis of results by function

#### (a) Component functions of Council

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

#### Council departments

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

Department	Objectives	Service delivery programs
Organisational Services	Responsive and responsible support to internal and external stakeholders.	Stakeholder Engagement; Internal Ombudsman; Financial Services; Sustainable Finance; People & Culture; Information Systems; and Administration
Executive Support	Effective and ethical governance.	Chief Executive Officer; Mayor; and Councillors
Community and Environment	Fostering a vibrant economy & innovation; ensuring sustainable environmental planning and design; providing a healthy natural environment; connecting the community; empowering creativity.	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	Ensuring sustainable environmental planning and design; providing infrastructure fit for purpose.	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 2015

#### 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	33,578,705	84,135,227	117,713,932	117,152,209	561,723	1,329,974,403
Waste services	-	51,125,647	51,125,647	17,941,793	33,183,854	16,189,667
Wastewater services	278,384	26,722,320	27,000,704	23,594,156	3,406,548	282,710,797
Water services	23,000	28,793,056	28,816,056	25,427,318	3,388,738	201,980,788
<b>Total</b>	<b>33,880,089</b>	<b>190,776,250</b>	<b>224,656,339</b>	<b>184,115,476</b>	<b>40,540,863</b>	<b>1,830,855,655</b>

#### For the year ended 30 June 2014

Functions	Grant Revenue \$	Other Revenue \$	Total Revenue \$	Total Expenses \$	Net Result \$	Assets \$
Council departments	79,034,749	83,711,090	162,745,839	105,446,228	57,299,611	1,279,257,761
Waste services	-	17,411,747	17,411,747	53,474,035	(36,062,288)	16,577,560
Wastewater services	1,653,630	24,597,094	26,250,724	22,467,058	3,783,666	287,970,958
Water services	11,931	26,794,880	26,806,811	25,176,553	1,630,258	240,801,534
<b>Total</b>	<b>80,700,310</b>	<b>152,514,811</b>	<b>233,215,121</b>	<b>206,563,874</b>	<b>26,651,247</b>	<b>1,824,607,813</b>

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

	Note	30-Jun-15 \$	30-Jun-14 \$
<b>3 Revenue analysis</b>			
<b>(a) Rates, levies and charges</b>			
General rates		68,897,003	65,719,869
Waste collection		12,568,952	11,879,200
Water		24,755,610	23,239,459
Wastewater		23,174,236	21,039,770
Special rates and charges		371,856	371,139
Total rates and utility charge revenue		<u>129,767,657</u>	<u>122,249,437</u>
Less: Discounts		(5,821,810)	(5,510,718)
Less: Pensioner remissions		(1,360,601)	(1,333,365)
Net rates and utility charges		<u>122,585,246</u>	<u>115,405,354</u>
<b>(b) Fees and charges</b>			
Events, tourism and the arts		714,281	707,312
Community care and aged care fees		391,783	388,604
Cemetery fees		392,798	353,682
Hire of facilities and rental income		2,029,503	1,756,625
Airport fees		3,632,940	3,114,570
Fines, penalties and infringements		353,544	324,646
Health, licenses and registrations		1,009,029	725,849
Waste and recycling fees		3,053,066	3,245,252
Building, planning and plumbing fees		2,758,357	2,532,030
Holiday park income		2,019,481	2,021,438
Rate search fees		531,704	554,379
Other fees and charges		510,089	652,951
		<u>17,396,575</u>	<u>16,377,338</u>
<b>(c) Interest received</b>			
Interest received from investments		2,356,244	3,003,313
Interest from overdue rates and utility charges		713,412	762,062
Interest received from unpaid bonds		2,145	4,692
		<u>3,071,801</u>	<u>3,770,067</u>



# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

	Note	30-Jun-15 \$	30-Jun-14 \$
<b>4 Grants, subsidies, contributions and donations</b>			
<b>(a) Recurrent</b>			
Recurrent grants, subsidies, contributions and donations are analysed as follows:			
Grants and subsidies		16,050,768	6,428,823
Contributions and donations		263,790	284,546
		<u>16,314,558</u>	<u>6,713,369</u>
<b>(b) Capital</b>			
Capital grants, subsidies, contributions and donations are analysed as follows:			
(i) Monetary revenue received:			
Grants and subsidies*		17,829,321	74,271,487
Infrastructure charges		3,580,246	3,073,696
Other capital contributions		379,086	586,289
		<u>21,788,653</u>	<u>77,931,472</u>
(ii) Non-Monetary revenue received:			
Donated assets contributed by developers at fair value		5,187,110	7,116,209
Non-Infrastructure assets donated		25,000	-
		<u>5,212,110</u>	<u>7,116,209</u>
		<u>27,000,763</u>	<u>85,047,681</u>

\* Includes \$8,887,492 (2014 - \$69,833,222) of NDRRA funding relating to restoration of flood affected assets.



# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

	Note	30-Jun-15 \$	30-Jun-14 \$
<b>4 Grants, subsidies, contributions and donations</b>			
<b>(c) Conditions over contributions</b>			
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 <sup>1</sup>		307,176	9,320,263
Infrastructure charges <sup>2</sup>		3,580,246	3,073,696
Other capital contributions <sup>3</sup>		16,998	-
		<u>3,904,420</u>	<u>12,393,959</u>

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 <sup>4</sup>		9,348,716	13,913,696
Infrastructure charges <sup>5</sup>		5,410,981	3,835,586
Other capital contributions <sup>6</sup>		-	33,729
		<u>14,759,697</u>	<u>17,783,011</u>

<sup>1</sup>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.

<sup>2</sup>Infrastructure charges received in the current year but not yet expended are to be spent in accordance with the *Sustainable Planning Act 2009*.

<sup>3</sup>Other capital contributions received in the current year but not yet expended are to be spent in accordance with the individual agreements entered into with those parties.

<sup>4</sup>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.

<sup>5</sup>Infrastructure charges received in a prior year but expended in the current year were spent in accordance with the *Sustainable Planning Act 2009*.

<sup>6</sup>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 Capital income

Decrease in provision for land restoration		33,456,516	253,237
Gain on sale of non-current assets held for sale		60,181	-
Total capital income		<u>33,516,697</u>	<u>253,237</u>

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

	Note	30-Jun-15 \$	30-Jun-14 \$
<b>6 Employee benefits</b>			
Staff wages and salaries		51,799,390	54,136,162
Councillors' remuneration		958,547	917,272
Annual, sick and long service leave entitlements		8,227,420	8,257,838
Superannuation	29	6,492,759	6,466,522
Other employee related expenses		2,308,590	2,566,558
<b>Total employee benefits</b>		<b>69,786,706</b>	<b>72,344,352</b>
Less: Capitalised employee expenses		(4,978,732)	(5,330,267)
<b>Net employee benefits</b>		<b>64,807,974</b>	<b>67,014,085</b>

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

## 7 Materials and services

Audit services	(i)	140,905	207,722
Grants, contributions and donations		1,648,463	1,634,505
Valuation fees		366,841	413,883
Public safety and security		1,533,452	1,293,794
Rentals - operating leases		360,910	183,311
Communications		1,311,397	1,346,778
Licences and subscriptions		1,277,006	1,138,137
Information technology hardware and software		773,049	584,574
Consumables		13,786,428	14,527,250
Insurance premiums		1,796,008	1,583,975
External plant hire		4,915,402	6,333,004
Professional services		1,666,972	1,498,561
External labour hire		655,228	777,208
Repairs and maintenance		5,782,669	5,750,192
Other material and services	(ii)	12,847,835	9,945,857
		<b>48,862,565</b>	<b>47,218,751</b>

(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 2015 is \$141,000 (2014 \$151,000) and remuneration for other audit services for the year ended 30 June 2015 is \$2,000 (2014 \$2,000). Other audit services comprises the audit of the Commonwealth Roads to Recovery program. Comparative information has been updated for actual audit costs incurred.

(ii) Includes costs associated with Mt Perry Road evacuation route for the year ended 30 June 2015 totalling \$3,626,785 (2014 \$0)

Includes costs associated with NDRRA works for the year ended 30 June 2015 totalling \$738,231 (2014 \$661,739)



# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

	Note	30-Jun-15 \$	30-Jun-14 \$
<b>8 Finance costs</b>			
Finance costs charged by the Queensland Treasury Corporation		3,067,553	3,282,287
Impairment of debts		143,088	324,691
Bank charges		256,235	261,793
Landfill restoration - change in provision over time	22	975,909	245,479
Interest payable on bond refunds		-	1,998
		<u>4,442,785</u>	<u>4,116,248</u>
<b>9 Depreciation and amortisation</b>			
<b>(a) Depreciation of non-current assets</b>			
Land and improvements		617,019	604,520
Buildings and structures		6,141,681	3,242,871
Plant and equipment		4,506,913	4,221,939
Roads, footpaths and bridges		19,348,594	18,440,260
Stormwater drainage		2,670,911	2,569,218
Water infrastructure		4,004,849	3,907,229
Wastewater infrastructure		3,499,776	3,037,878
Total depreciation of non-current assets	17	<u>40,789,743</u>	<u>36,023,915</u>
<b>(b) Amortisation of non-current assets</b>			
Intangible assets		<u>269,091</u>	<u>258,303</u>
Total amortisation of non-current assets	19	<u>269,091</u>	<u>258,303</u>
		<u>41,058,834</u>	<u>36,282,218</u>
<b>10 Increase in provision for land restoration</b>			
Due to change in discount rate		293,277	713,699
Due to change in restoration date		-	91,335
Due to estimate of future cost		-	35,648,446
		<u>293,277</u>	<u>36,453,480</u>
<b>11 Loss on disposal of non-current assets</b>			
Proceeds from disposal of property, plant and equipment		2,807,899	2,270,560
Book value of property, plant and equipment disposed		<u>(27,410,406)</u>	<u>(17,670,918)</u>
Loss on disposal of property, plant and equipment		<u>(24,602,507)</u>	<u>(15,400,358)</u>
Proceeds from disposal of intangibles		-	-
Book value of intangibles disposed		<u>-</u>	<u>(41,420)</u>
Loss on disposal of intangibles		<u>-</u>	<u>(41,420)</u>
Loss on disposal of non-current assets		<u>(24,602,507)</u>	<u>(15,441,778)</u>



# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

	Note	30-Jun-15 \$	30-Jun-14 \$
<b>12 Cash and cash equivalents</b>			
Cash at bank and on hand		1,134,152	925,663
Deposits at call		30,600,000	14,300,000
Short term money market instruments		45,200,000	47,100,000
Balance per statement of cash flows		<u>76,934,152</u>	<u>62,325,663</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. These restrictions are managed using internal management accounting functions.

Internally imposed expenditure restrictions at the reporting date	36,169,530	28,724,125
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Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:

Unspent capital grants, subsidies and contributions	364,174	9,388,715
Unspent infrastructure charges	16,521,935	18,352,670
Unspent loan monies	7,668,228	-
	<u>24,554,337</u>	<u>27,741,385</u>
Total unspent restricted cash for capital projects	<u>60,723,867</u>	<u>56,465,510</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.

### 13 Trade and other receivables

Rateable revenue and utility charges	6,268,263	7,164,400
Less impairment	-	(34,073)
Accounts receivable	4,773,065	19,484,282
Less impairment	(2,712)	(8,852)
GST recoverable	925,557	-
Prepayments	908,510	600,369
	<u>12,872,683</u>	<u>27,206,126</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	42,925	55,730
Impairment debts written off during the year	(34,073)	(32,276)
Additional impairments recognised	-	25,480
Impairments reversed	(6,140)	(6,009)
Closing balance at end of financial year	<u>2,712</u>	<u>42,925</u>



# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2015

	Note	30-Jun-15 \$	30-Jun-14 \$
<b>14 Inventories</b>			
Stores inventories		766,921	892,623
The value of inventory recognised as an expense during the period was \$3,290,830 (2014 \$3,686,411), which includes \$1,227 (2014 \$4,845) in stock write-offs.			
Land purchased for development and resale	15	3,380,847	3,406,115
<b>Total inventories</b>		<b>4,147,768</b>	<b>4,298,738</b>

### 15 Land purchased for development and resale

Opening balance		3,406,115	3,542,139
Additions		15,133	56,949
Less: Cost of developed land sold		(40,401)	(192,974)
<b>Closing balance at end of financial year</b>		<b>3,380,847</b>	<b>3,406,115</b>

### 16 Non-current assets held for sale

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

These properties will go to auction and/or listed for sale with local agents and are expected to settle within 12 months.

Internal transfer from buildings and structures	17	-	487,319
Internal transfer from land and improvements	17	1,029,700	252,500
Impairment adjustment in period		(47,534)	-
		<b>982,166</b>	<b>739,819</b>

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

Note 18 describes the valuation techniques that were used to determine the fair value of the land, which is categorised as a level 3 valuation.

Impairment of assets classified as held for sale arises when on transfer of land from property, plant and equipment it is no longer measured at its fair value but at fair value less disposal costs.

The impairment adjustment is the estimated amount of the disposal costs. These were estimated based on commission rates charged by the real estate agents that have been engaged, valuation and auction expenses incurred and estimated legal costs.

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

### 17 Property, plant and equipment

30 June 2015

Basis of measurement

#### Asset values

Opening gross value as at 1 July 2014

Assets not previously recognised

Additions at cost

Contributed assets

Internal transfers from work in progress

New land restoration provision

Disposals

Revaluation adjustment to the asset revaluation surplus

Assets transferred from/(to) intangible assets

Assets transferred from/(to) non-current assets held for sale

Prior year work in progress expensed

Other Internal transfers

Closing gross value as at 30 June 2015

	Land and improvements	Buildings and structures	Plant and equipment	Cultural assets	Roads, footpaths and bridges	Stormwater drainage	Wastewater infrastructure	Water infrastructure	Work in progress	Total
	Revaluation	Revaluation	Cost	Revaluation	Revaluation	Revaluation	Revaluation	Revaluation	Cost	
	30-Jun-15	30-Jun-15	30-Jun-15	30-Jun-15	30-Jun-15	30-Jun-15	30-Jun-15	30-Jun-15	30-Jun-15	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening gross value as at 1 July 2014	124,090,885	227,109,706	54,013,589	469,815	1,089,264,572	213,704,949	354,202,054	317,043,983	46,340,972	2,426,240,525
Assets not previously recognised	262,080	421,905	-	-	10,641,093	2,685	8,514	66,000	-	11,402,277
Additions at cost	986,995	7,948,803	4,074,958	7,554	36,328,352	664,101	9,061,769	1,866,924	23,355,819	84,295,274
Contributed assets	-	25,000	-	-	1,764,333	1,982,468	988,404	451,905	-	5,212,110
Internal transfers from work in progress	6,409	4,832,480	267,999	-	21,483,189	2,380,954	8,986,182	223,072	(38,180,285)	-
New land restoration provision	-	-	-	-	-	-	-	-	-	-
Disposals	(518,736)	(4,404,493)	(4,931,633)	-	(81,343,467)	(13,406)	(5,846,479)	(680,024)	-	(97,738,238)
Revaluation adjustment to the asset revaluation surplus	505,630	3,265,284	-	-	14,264,023	5,129,621	5,004,588	5,246,914	-	33,416,061
Assets transferred from/(to) intangible assets	-	-	-	-	-	(28,040)	-	-	-	(28,040)
Assets transferred from/(to) non-current assets held for sale	(1,029,700)	-	-	-	-	-	-	-	-	(1,029,700)
Prior year work in progress expensed	-	-	-	-	-	-	-	-	(708,218)	(708,218)
Other Internal transfers	-	2,421,293	17,002	-	(2,981,877)	2,337,808	(1,760,618)	(33,609)	-	(0)
Closing gross value as at 30 June 2015	124,303,563	241,619,978	53,441,916	477,369	1,089,420,219	226,161,139	370,644,413	324,185,166	30,808,288	2,461,062,052

#### Accumulated depreciation

Opening balance as at 1 July 2014

Assets not previously recognised

Depreciation provided in period

Depreciation on disposals

Revaluation adjustment to the asset revaluation surplus

Assets transferred from/(to) non-current assets held for sale

Other Internal transfers

Closing accumulated depreciation as at 30 June 2015

Total written down value at 30 June 2015

Residual value

Opening balance as at 1 July 2014	1,719,732	84,095,952	19,391,536	-	306,223,965	76,379,628	100,080,541	114,806,775	-	702,698,129
Assets not previously recognised	-	228,476	-	-	4,469,301	-	(8,008)	26,400	-	4,716,169
Depreciation provided in period	617,019	6,141,681	4,506,913	-	19,348,594	2,670,911	3,499,776	4,004,849	-	40,789,743
Depreciation on disposals	-	(3,114,901)	(3,154,268)	-	(58,929,795)	(4,285)	(4,792,186)	(332,397)	-	(70,327,832)
Revaluation adjustment to the asset revaluation surplus	-	2,722,745	-	-	5,183,259	3,092,452	20,138,688	23,019,273	-	54,156,419
Assets transferred from/(to) non-current assets held for sale	-	-	-	-	-	-	-	-	-	-
Other Internal transfers	-	(15,949)	-	-	15,949	-	142,607	(142,607)	-	-
Closing accumulated depreciation as at 30 June 2015	2,336,751	90,058,004	20,744,181	-	276,311,274	82,138,706	119,061,418	141,382,293	-	732,032,627
Total written down value at 30 June 2015	121,966,812	151,561,974	32,697,735	477,369	813,108,945	144,022,433	251,582,995	182,802,873	30,808,288	1,729,029,424
Residual value	-	-	10,597,800	-	-	-	-	-	-	10,597,800
Range of estimated useful life in years	Land not depreciated; Improvements 5-6 years	5-150	3-100	Not depreciated	10-100	60-80	20-90	10-80		

Council has plant and equipment with an original cost of \$38,863 and a written down value of zero still being used in the provision of services. 0% of these assets are expected to be replaced in 2015-2016 year.

Council has plant and equipment with an original cost of \$4,872,662 that has been written down to a residual value of \$3,861,262 still being used in the provision of services. 47% of these assets are expected to be replaced in the 2015-2016 year.

As at 30 June 2015, 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 2015

**17 Property, plant and equipment**

**30 June 2014**

Basis of measurement

**Asset values**

Opening gross value as at 1 July 2013

Assets not previously recognised

Additions at cost

Contributed assets

Internal transfers from work in progress

New land restoration provision

Disposals

Revaluation adjustment to the asset revaluation surplus

Assets transferred from/(to) intangible assets

Assets transferred from/(to) non-current assets held for sale

Prior year work in progress expensed

Other Internal transfers

Closing gross value as at 30 June 2014

	Land and improvements	Buildings and structures	Plant and equipment	Cultural assets	Roads, footpaths and bridges	Stormwater drainage	Wastewater infrastructure	Water infrastructure	Work in progress	Total
	Revaluation	Revaluation	Cost	Revaluation	Revaluation	Revaluation	Revaluation	Revaluation	Cost	
	30-Jun-14	30-Jun-14	30-Jun-14	30-Jun-14	30-Jun-14	30-Jun-14	30-Jun-14	30-Jun-14	30-Jun-14	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening gross value as at 1 July 2013	119,295,936	204,300,465	49,343,917	461,340	1,002,757,994	205,100,407	345,015,771	310,010,463	44,338,878	2,280,625,171
Assets not previously recognised	(429,300)	(69,400)	-	-	14,214,531	1,843,556	7,854	-	-	15,567,241
Additions at cost	2,737,193	2,574,973	9,887,746	8,475	85,372,749	446,657	3,893,449	1,564,591	30,895,386	137,381,219
Contributed assets	-	-	-	-	3,908,178	1,476,321	1,044,213	687,497	-	7,116,209
Internal transfers from work in progress	(73,930)	4,062,909	509,980	-	13,326,665	1,118,013	2,368,783	2,520,799	(23,833,219)	-
New land restoration provision	3,687,531	-	-	-	-	-	-	-	-	3,687,531
Disposals	(303,900)	(4,092,892)	(5,924,716)	-	(40,850,191)	(31,521)	(1,053,290)	(1,032,661)	-	(53,289,171)
Revaluation adjustment to the asset revaluation surplus	(745,093)	20,690,960	-	-	11,991,202	2,628,630	3,149,043	3,319,954	-	41,034,696
Assets transferred from/(to) intangible assets	(26,030)	-	-	-	(43,768)	-	-	-	-	(69,798)
Assets transferred from/(to) non-current assets held for sale	(252,500)	(500,000)	-	-	-	-	-	-	-	(752,500)
Prior year work in progress expensed	-	-	-	-	-	-	-	-	(5,060,073)	(5,060,073)
Other Internal transfers	200,978	142,691	196,662	-	(1,412,788)	1,122,886	(223,769)	(26,660)	-	-
Closing gross value as at 30 June 2014	124,090,885	227,109,706	54,013,589	469,815	1,089,264,572	213,704,949	354,202,054	317,043,983	46,340,972	2,426,240,525

**Accumulated depreciation**

Opening balance as at 1 July 2013

Assets not previously recognised

Depreciation provided in period

Depreciation on disposals

Revaluation adjustment to the asset revaluation surplus

Assets transferred from/(to) non-current assets held for sale

Closing accumulated depreciation as at 30 June 2014

Total written down value at 30 June 2014

Residual value

Opening balance as at 1 July 2013	12,489	37,526,016	19,099,494	-	309,225,234	72,565,612	76,005,811	108,126,653	-	622,561,309
Assets not previously recognised	-	(13,411)	-	-	3,962,718	204,115	-	-	-	4,153,422
Depreciation provided in period	604,520	3,242,871	4,221,939	-	18,440,260	2,569,218	3,037,878	3,907,229	-	36,023,915
Depreciation on disposals	-	(1,444,215)	(3,929,897)	-	(29,292,392)	89,163	(568,968)	(471,944)	-	(35,618,253)
Revaluation adjustment to the asset revaluation surplus	1,102,723	44,797,372	-	-	3,888,145	951,520	21,605,820	3,244,837	-	75,590,417
Assets transferred from/(to) non-current assets held for sale	-	(12,681)	-	-	-	-	-	-	-	(12,681)
Closing accumulated depreciation as at 30 June 2014	1,719,732	84,095,952	19,391,536	-	306,223,965	76,379,628	100,080,541	114,806,775	-	702,698,129
Total written down value at 30 June 2014	122,371,153	143,013,754	34,622,053	469,815	783,040,607	137,325,321	254,121,513	202,237,208	46,340,972	1,723,542,396
Residual value	-	6,441,866	10,207,452	-	270,335,551	3,342,654	141,654,706	45,637,151	-	477,619,380
Range of estimated useful life in years	Land not depreciated; Improvements 4-7 years	5-150	3-100	Not depreciated	10-150	80	20-90	15-100		

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

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### 18 Fair Value Measurements

#### (i) Recognised fair value measurements

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

- Property, plant and equipment
- Land and improvements
  - Cultural Assets
  - Buildings and other structures
  - Roads, footpaths and bridges
  - Stormwater drainage
  - Wastewater infrastructure
  - Water infrastructure

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

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

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in note 33 is provided by the Queensland Treasury Corporation and represents the contractual undiscounted cash flows at balance date (level 2).

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

Council also has assets measured at fair value on a non-recurring basis as a result of being classified as assets held for sale. These comprise land as disclosed in note 16. A description of the valuation techniques and the inputs used to determine the fair value of this land is included below under the heading "Land and improvements (level 3)".

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

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### 18 Fair Value Measurements (Cont'd)

#### (i) Recognised fair value measurements (Cont'd)

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

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

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

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



# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

### 18 Fair Value Measurements (Cont'd)

#### (i) Recognised fair value measurements (Cont'd)

The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2015.

At 30 June 2015

#### Recurring fair value measurements

	Note	Level 2		Level 3		Total	
		Significant other observable inputs		Significant unobservable inputs			
		2015	2014	2015	2014	2015	2014
		\$	\$	\$	\$	\$	\$
Land and improvements	17	-	-	119,432,985	119,220,307	119,432,985	119,220,307
Cultural assets	17	-	-	477,369	469,815	477,369	469,815
Buildings and structures	17						
Market Value		2,145,212	2,139,899	-	-	2,145,212	2,139,899
Specialised		-	-	149,416,762	140,873,854	149,416,762	140,873,854
Roads, footpaths and bridges	17	-	-	813,108,945	783,040,607	813,108,945	783,040,607
Stormwater drainage	17	-	-	144,022,433	137,325,323	144,022,433	137,325,323
Wastewater infrastructure	17	-	-	251,582,995	254,121,512	251,582,995	254,121,512
Water infrastructure	17	-	-	182,802,873	202,237,208	182,802,873	202,237,208
		2,145,212	2,139,899	1,660,844,362	1,637,288,626	1,662,989,574	1,639,428,525

#### Non-recurring fair value measurements

Land held for sale	16	-	-	982,166	252,500	982,166	252,500
Buildings held for sale	16	-	487,319	-	-	-	487,319
		-	487,319	982,166	252,500	982,166	739,819

There were no transfers between levels 1 and 2 during the year, nor between 2 and 3.

Council's policy is to recognise transfers in and out of the fair value hierarchy levels at the end of the reporting period.

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

### 18 Fair Value Measurements (Cont'd)

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

Specific valuation techniques used to value Council assets comprise:

#### Land and improvements - Current Replacement Cost (Level 3)

Land fair values were determined by independent and qualified Valuers, Australian Pacific Valuers (APV) effective 30 June 2015. During the 2012 comprehensive land valuation, level 2 valuation inputs were used to value land held in freehold title as well land used for special purposes which is restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre. Where there was no observable market evidence for a land asset due to its configuration, council zoning restrictions, contamination or similar factors that result in there being no directly comparable market evidence level 3 valuation inputs were used. For these assets significant assumptions needed to be made to determine the fair value. These were subsequently valued at the level 3 input hierarchy by using professional judgement. The 2015 desktop revaluation of Council's land assets required the valuer to rely on a number of assumptions. As each parcel is not individually valued and analysed by the valuer the subjectivity and reliance on assumptions is increased. Analysis of various land market sections within the region is based on the available sales evidence and evidence's usability to be graphed and analysed to determine market movement within each sector. Subsequently the desktop valuation has been determined to be at a level 3 valuation input hierarchy.

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

#### Fair value sensitivity to unobservable inputs

The following table provides a summary of the unobservable inputs and assessment of the sensitivity of these to the fair value measurement.

Asset	Unobservable Inputs	Sensitivity to Unobservable Market Inputs (%)		Amount of Potential Impact	
		Lower	Upper	Lower	Upper
Land and improvements					
Replacement cost	Price per Square Metre	-1.00%	1.00%	-\$ 1,194,330	\$ 1,194,330



## BUNDABERG REGIONAL COUNCIL

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

#### 18 Fair Value Measurements (Cont'd)

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

##### Cultural Assets - Current Replacement Cost (CRC) (Level 3)

Cultural fair values were determined by independent valuer, Australian Pacific Valuers (APV) effective 30 June 2013.

##### Fair value sensitivity to unobservable inputs

The following table provides a summary of the unobservable inputs and assessment of the sensitivity of these to the fair value measurement.

Asset	Unobservable Inputs	Sensitivity to Unobservable Market Inputs (%)		Amount of Potential Impact	
		Lower	Upper	Lower	Upper
Cultural Assets					
Replacement cost	Replacement Cost/Condition	-1.00%	1.00%	-\$ 4,774	\$ 4,774

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

Buildings fair values were determined by independent valuer, AssetVal effective 30 June 2015. The last comprehensive assessment for buildings and other structures was performed by AssetVal under the AASB 116 and AASB 13 standards as at 30 June 2014. The revaluation of the assets was assessed using the Cost Approach (Depreciated Replacement Cost) methodology which is a level 3 assessment. The indexation assessment has regard to the movement of costs of specified asset categories during the period 1 July 2014 to 30 June 2015 for buildings and other structures.

Further, the following process is adopted:

Buildings and Other Structures (level 3) were assessed by analysing data derived from Rawlinsons Australia Construction Handbook 2015, Costweb, Department of Natural Resources and Mines, the Australian Bureau of Statistics 2015, Australian Institute of Quantity Surveyors and the Housing Industry Association. The indexation assessment is based on inputs from producer price data, construction indices and recent construction cost guides. The 'buildings' and 'other structures' categories adopted a 1.5% increase. Indexation for buildings assessed on a market (level 2) basis at the original valuation has been undertaken with consideration of local market sales and general property movement in the region from 1 July 2014 to 30 June 2015. For the buildings - Level 2 category a 2% increase has been adopted.

Ponds assets were assessed with regard to indices developed from inputs extracted from producer price, local government and construction indices. The civil index is a composite index developed from combining the road and bridge index with the engineering design and management index. It is applied to those asset components predominately constructed from local materials and of a passive asset type. The 'Ponds' category adopted a -2% decrease. This decrease is reflective of a slowdown in mining activity throughout Central Queensland which has resulted in higher levels of competition when tendering from projects in other areas away from mining.

There have been no changes in valuation hierarchy levels from the full valuation report provided for the year ending June 30 2014.

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

### 18 Fair Value Measurements (Cont'd)

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

#### **Buildings and structures (Level 2 and 3) (Cont'd)**

##### **Fair value sensitivity to unobservable inputs**

The following table describes the significant unobservable inputs used in the valuation together with a description of the valuation's sensitivity to changes in those inputs.

<b>Asset Class</b>	<b>Significant unobservable Input</b>	<b>Input Range</b>	<b>Relationship of Unobservable inputs to Fair Value</b>
<b>Buildings</b>	Choice of Index rate	0-5%	The higher the index rate the higher the fair value
	Remaining Useful Life	1 - 65 Years	The longer the remaining useful life, the higher the fair value
<b>Other Structures</b>	Number of Labour hours	5-100hrs	The higher the labour hours, the higher the fair value
	Standard material usage quantities	Varies depending upon the type of material	The higher the usage quantities, the higher the fair value
	Condition rating (useful life)	As specified above - 0 (lowest) - 10 (highest)	The higher the condition rating, the lower the fair value
	Remaining Useful Life	5-100 Years	The longer the remaining useful life, the higher the fair value
	Residual Value	\$0-\$300,000 (by component)	The higher the residual value the higher the fair value



# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

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### 18 Fair Value Measurements (Cont'd)

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

##### Infrastructure Assets (Level 3)

All Council infrastructure assets were fair valued using a depreciated replacement cost (DRC) valuation technique. The DRC used was the asset's current replacement cost (CRC) less accumulated depreciation on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Council first determined the gross cost of replacing the full service potential of the asset and then adjusted this amount to take account of the expired service potential of the asset.

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

The unit rates (labour and materials) and quantities applied to determine the CRC of an asset or asset component were based on a "Greenfield" assumption meaning that the CRC was determined as the full cost of replacement with a new asset including components that may not need to be replaced, such as earthworks. The DRC was determined using methods relevant to the asset class as described under individual asset categories below.

##### Roads, Footpaths & Bridges - Current Replacement Cost (CRC)

Council categorises its road infrastructure in urban and rural roads and then further sub-categorises these into sealed and unsealed roads. All road segments are then componentised into formation, pavement and seal (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

CRC is calculated by reference to asset linear and area specifications, estimated labour and material inputs, service costs and overhead allocations. For internal construction estimates, material and services prices were based on existing supplier contract rates or supplier price lists and labour wage rates were based on Council's Enterprise Bargaining Agreement (EBA). All direct costs were allocated to assets at standard usage quantities according to recently completed similar projects. Where construction is outsourced, CRC was based on the average of completed similar projects over the last few years.

The last comprehensive valuation of the road infrastructure was undertaken by independent valuers Australian Pacific Valuers, (APV) effective 30 June 2012. In 2015, Council engaged APV to provide indices to determine whether there has been a material change in the assets current replacement cost over the index period. The indexation percentage for the construction of roads asset class has been derived from reference to costing guides issued by the Australian Institute of Quantity Surveyors, Rawlinson's Australian Construction Handbook 2015, construction data from the Australian Bureau of Statistics, previous valuations of Bundaberg Regional Councils infrastructure assets, the valuers own internal market research and analyses of project costs derived from neighbouring councils. APV has taken the location allowance of 7% above the base price of Brisbane into account when delivering the comprehensive revaluation and when applying the indices. A comprehensive revaluation for the roads class assets is scheduled for 30 June 2016.



# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

### 18 Fair Value Measurements (Cont'd)

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

#### Roads, Footpaths & Bridges - Current Replacement Cost (CRC) (Cont'd)

Average cost for each of the key components were:

Asset Category	Key Cost Components	Measurement Unit	Cost/Unit \$
Sealed Roads	Pavement - Urban	sq.m	\$52.48
	Pavement - Rural	sq.m	\$38.62
	Formation - Unsealed	sq.m	\$6.60
	Formation - Sealed	sq.m	\$8.76
	Spray Sealed - Urban	sq.m	\$10.57
	Spray Sealed - Rural	sq.m	\$8.79
	Asphalt Road Surface	sq.m	\$26.56
Footpaths	Asphalt	sq.m	\$56.85
	Concrete	sq.m	\$104.25
	Paved	sq.m	\$105.48
Kerb and Channel	Kerb & Channel	Linear metre	\$73.52
Bridges	Super Structure	sq.m	\$872 to \$3,271
	Sub Structure	sq.m	\$300 to \$1,163
	Rail	Linear metre	\$30 to \$116

#### Accumulated depreciation

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

Estimated useful lives and residual values are disclosed in note 17.

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

### 18 Fair Value Measurements (Cont'd)

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

##### Stormwater Drainage - Current Replacement Cost (CRC)

The last comprehensive valuation of stormwater drainage was undertaken by independent valuers Australian Pacific Valuers, (APV) effective 30 June 2012. In 2015, Council engaged APV to provide indices to determine whether there has been a material change in the assets current replacement cost over the index period. The indexation percentage for the construction of stormwater drainage assets has been derived from reference to costing guides issued by the Australian Institute of Quantity Surveyors, Rawlinson's Australian Construction Handbook 2015, construction data from the Australian Bureau of Statistics, previous valuations of Bundaberg Regional Councils infrastructure assets, the valuers own internal market research and analyses of project costs derived from neighbouring councils. APV has taken the location allowance of 7% above the base price of Brisbane into account when delivering the comprehensive revaluation and when applying the indices.

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

Average cost for each of the key components were:

Asset Category	Key Cost Components	Measurement Unit	Cost/Unit \$
Stormwater drainage	Pipes	Linear Meter per Diameter and depth	\$66 to \$7,761
	Pits	each	\$450 to \$7,800
	Channels	M <sup>2</sup> per type	\$33 to \$1,955

##### **Accumulated depreciation**

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

Estimated useful lives and residual values are disclosed in note 17.



# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

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### 18 Fair Value Measurements (Cont'd)

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

##### **Water and Wastewater Infrastructure - Current Replacement Cost (CRC)**

Water and wastewater passive asset's fair value were determined by independent valuers, AssetVal effective 30 June 2015. In 2015 Council engaged APV to provide indices to determine whether there has been a material change in the current replacement cost over the index period for the water and wastewater active assets. The indexation percentage for the construction of water and wastewater infrastructure assets has been derived from reference to costing guides issued by the Australian Institute of Quantity Surveyors, Rawlinson's Australian Construction Handbook 2015, construction data from the Australian Bureau of Statistics, previous valuations of Bundaberg Regional Councils infrastructure assets, the valuers own internal market research and analyses of project costs derived from neighbouring councils. APV has taken the location allowance of 7% above the base price of Brisbane into account when delivering the comprehensive revaluation and when applying the indices.

The current replacement cost of the water & wastewater mains was calculated by applying unit rates to the individual components. The unit rates applied are based on greenfield project costs and include all materials, labour and overheads. These unit rates are estimated using information supplied by BRC, unit rate databases, indices, Rawlinson's construction handbook and quotations. The sewer maintenance hole assets were valued with allowances for complexity, size, function and site factors. As a check these components are generally combined into a lump sum item and compared against recent similar projects and in-house databases.

An assessment of remaining useful life was made by the Valuer taking into consideration the construction date, evidence of recent repairs or capital works and the surrounding environmental factors. Where necessary, further guidance on remaining life was sort from council engineering staff.

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

### 18 Fair Value Measurements (Cont'd)

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

#### Water and Wastewater Infrastructure - Current Replacement Cost (CRC) (Cont'd)

Average cost for each of the key components were:

Asset Category	Key Cost Components	Measurement Unit	Cost/Unit \$
<b>Water Assets</b>			
Mains	Mains	per diameter ranging from 25mm to 750mm	\$52 to \$1,543
<b>Wastewater Assets</b>			
Mains	Gravity Mains	per diameter and depth range ranging from 100mm to 900mm diameter	\$122 to \$1,447
Sewer Maintenance Holes	Each	per diameter and depth ranging from 150mm to 1800mm diameter	\$2,363 to \$8,745

#### Accumulated depreciation

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

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

Estimated useful lives and residual values are disclosed in note 17.



# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

### 18 Fair Value Measurements (Cont'd)

#### (iii) Changes in Fair Value Measurements using significant unobservable inputs (Level 3 Assets)

The changes in level 3 assets with recurring fair value measurements are detailed in Note 17 (property, plant & equipment). However, since the non specialised buildings disclosed in those notes comprise of both level 2 and level 3 assets, the movement in level 3 non specialised buildings are detailed below. There have been no transfers between level 1,2 or 3 measurements during the year.

#### Changes in non specialised buildings (level 3)

	\$
<b>Asset Values</b>	
Opening gross value as at 1 July 2014	224,969,706
Assets not previously recognised	421,905
Additions	12,781,283
Contributed assets	25,000
Disposals	4,404,493
Revaluation adjustment	3,222,484
Transfers	2,421,293
Closing gross value as at 30 June 2015	<u>239,437,178</u>
<b>Accumulated depreciation</b>	
Opening balance as at 1 July 2014	84,095,852
Assets not previously recognised	228,476
Depreciation provided in period	6,104,931
Depreciation on disposals	3,114,901
Revaluation adjustment	2,722,008
Transfers	15,949
Closing accumulated depreciation as at 30 June 2015	<u>90,020,416</u>
Consolidated book value as at 30 June 2015	<u><b>149,416,762</b></u>

#### (iv) Valuation Process

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





# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

### 19 Intangible assets

30 June 2015

Basis of measurement

#### Asset values

Opening gross carrying value as at 1 July 2014

Additions at cost

Internal transfers from work in progress

Disposals

Prior year work in progress expensed

Assets transferred from/(to) property plant and equipment

Closing gross carrying value as at 30 June 2015

#### Accumulated amortisation

Opening balance as at 1 July 2014

Amortisation provided in period

Amortisation on disposals

Closing accumulated amortisation as at 30 June 2015

Total intangible assets at 30 June 2015

Computer Software	Easements	Land Lease	Water Rights	Work in progress	Total
Cost	Cost	Cost	Cost	Cost	
30-Jun-15	30-Jun-15	30-Jun-15	30-Jun-15	30-Jun-15	
\$	\$	\$	\$	\$	\$
2,685,506	162,558	311,000	4,346,253	289,108	7,794,425
91,967	-	-	-	568,408	660,375
243,148	-	-	-	(243,148)	-
(564,462)	-	-	-	-	(564,462)
-	-	-	-	(24,933)	(24,933)
-	28,040	-	-	-	28,040
2,456,160	190,598	311,000	4,346,253	589,435	7,893,446

1,299,354	-	-	-	-	1,299,354
269,091	-	-	-	-	269,091
(564,462)	-	-	-	-	(564,462)
1,003,984	-	-	-	-	1,003,984
1,452,176	190,598	311,000	4,346,253	589,435	6,889,462

Computer software 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 2015

### 19 Intangible assets

30 June 2014

Basis of measurement

#### Asset values

Opening gross carrying value as at 1 July 2013

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 2014

#### Accumulated amortisation

Opening balance as at 1 July 2013

Amortisation provided in period

Amortisation on disposals

Closing accumulated amortisation as at 30 June 2014

Total intangible assets at 30 June 2014

Computer Software	Easements	Land Lease	Water Rights	Work in progress	Total
Cost	Cost	Cost	Cost	Cost	
30-Jun-14	30-Jun-14	30-Jun-14	30-Jun-14	30-Jun-14	
\$	\$	\$	\$	\$	\$
2,353,622	92,760	311,000	4,346,253	549,484	7,653,119
-	-	-	-	143,506	143,506
403,882	-	-	-	(403,882)	-
(71,998)	-	-	-	-	(71,998)
-	69,798	-	-	-	69,798
2,685,506	162,558	311,000	4,346,253	289,108	7,794,425
1,071,629	-	-	-	-	1,071,629
258,303	-	-	-	-	258,303
(30,578)	-	-	-	-	(30,578)
1,299,354	-	-	-	-	1,299,354
1,386,152	162,558	311,000	4,346,253	289,108	6,495,071

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

	Note	30-Jun-15 \$	30-Jun-14 \$
<b>20 Trade and other payables</b>			
Creditors and accruals		11,711,153	16,802,420
Annual leave		4,658,810	4,677,281
		<u>16,369,963</u>	<u>21,479,701</u>
<b>21 Borrowings</b>			
<b>Current</b>			
Loans - Queensland Treasury Corporation		<u>8,006,603</u>	<u>6,477,883</u>
<b>Non-Current</b>			
Loans - Queensland Treasury Corporation		<u>62,052,753</u>	<u>46,796,444</u>
<b>Loans - Queensland Treasury Corporation</b>			
Opening balance		53,274,327	59,428,500
Loans raised		23,048,075	-
Principal repayments		<u>(6,263,046)</u>	<u>(6,154,173)</u>
Book value at end of financial year		<u>70,059,356</u>	<u>53,274,327</u>

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 18 June 2017 to 22 June 2035.

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 2015

	Note	30-Jun-15 \$	30-Jun-14 \$
<b>22 Provisions</b>			
<b>Current</b>			
Long service leave		915,000	1,310,000
<b>Non-Current</b>			
Landfill restoration		14,493,577	49,819,791
Long service leave		11,674,481	10,700,209
		<u>26,168,058</u>	<u>60,520,000</u>

### Details of movements in provisions:

#### (a) Landfill restoration provision

Opening balance		49,819,791	9,799,515
Initial Recognition of landfill restoration assets	17	-	3,687,531
Increase in provision - finance cost due to change in time	8	975,909	245,479
Increase/(decrease) in provision - change in discount rate		359,853	713,699
Increase/(decrease) in provision - change in restoration date		(2,599,308)	(161,902)
Decrease in provision for actual restoration expenditure		(297,331)	(112,977)
Increase/(decrease) in estimate of future cost		<u>(33,765,337)</u>	<u>35,648,446</u>
Balance at end of financial year		<u>14,493,577</u>	<u>49,819,791</u>

Further details in relation to the restoration provision are disclosed in note 1.23

#### (b) Long service leave provision

Opening balance		12,010,209	12,580,123
Additional provision made during the period		1,336,665	1,754,794
Amounts used during the period		(906,214)	(1,974,931)
Unused amounts reversed during the period		(73,378)	(79,032)
Change in discount and time		<u>222,199</u>	<u>(270,745)</u>
Balance at end of financial year		<u>12,589,481</u>	<u>12,010,209</u>

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

	Note	30-Jun-15 \$	30-Jun-14 \$
<b>23 Asset revaluation surplus</b>			
<b>(a) Movements in the asset revaluation surplus were as follows:</b>			
Balance at beginning of financial year		352,660,129	387,215,850
Net adjustment to non-current assets at end of financial year to reflect a change in fair value:			
Land and improvements		3,347,183	(1,847,816)
Buildings and structures		542,539	(24,106,412)
Cultural assets		-	-
Roads, footpaths and bridges		9,080,764	8,103,057
Stormwater drainage		2,037,169	1,677,110
Wastewater infrastructure		(15,134,100)	(18,456,777)
Water infrastructure		(17,772,359)	75,117
Increase/(decrease) in asset revaluation surplus		(17,898,804)	(34,555,721)
Balance at end of the year		334,761,325	352,660,129

### (b) Asset revaluation surplus analysis

The closing balance of the asset revaluation surplus is comprised of the following asset categories:

Land and improvements	28,804,646	25,457,463
Buildings and structures	24,437,386	23,894,847
Cultural assets	25,541	25,541
Roads, footpaths and bridges	105,744,466	96,663,702
Stormwater drainage	39,525,718	37,488,549
Wastewater infrastructure	82,156,925	97,291,025
Water infrastructure	54,066,643	71,839,002
	334,761,325	352,660,129



# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

	Note	30-Jun-15 \$	30-Jun-14 \$
<b>24 Retained surplus</b>			
<b>(a) Movement</b>			
Balance at beginning of financial year		55,676,948	78,436,455
Net result		40,540,863	26,651,247
Transfers (to)/from capital account for:			
Increase/(decrease) in internally restricted cash		7,445,405	(15,441,860)
Increase/(decrease) in unspent capital grants, subsidies and contributions		(9,024,541)	(4,627,161)
Increase/(decrease) in unspent infrastructure charges		(1,830,735)	(761,890)
Loss on disposal of non-current assets	11	24,602,507	15,441,778
Land restoration provision	10	293,277	36,453,480
Loss on impairment of non-current assets held for sale		47,534	-
Capital income	5	(33,516,697)	(253,237)
Loss on disposal of non-current assets held for sale		-	37,314
Capital interest		(428,727)	(495,280)
Sewerage rates set aside		(3,602,001)	(395,724)
Capital grants, subsidies and contributions	4	(21,788,653)	(77,931,472)
Capital funds used for operating purposes		-	5,679,507
Operating funds used for capital purposes		(1,485,389)	-
Donated assets	4	(5,212,110)	(7,116,209)
	25(a)	<u>(44,500,130)</u>	<u>(49,410,754)</u>
Balance at end of financial year		<u>51,717,681</u>	<u>55,676,948</u>
<b>(b) Composition</b>			
Internally restricted cash	12	36,169,530	28,724,125
Unspent capital grants, subsidies and contributions	12	364,174	9,388,715
Unspent infrastructure charges	12	16,521,935	18,352,670
Unallocated surplus/(deficit)		<u>(1,337,958)</u>	<u>(788,562)</u>
		<u>51,717,681</u>	<u>55,676,948</u>
<b>25 Capital</b>			
<b>Movement in capital account</b>			
Balance at beginning of financial year		1,279,242,070	1,218,417,497
Transfers (to)/from retained surplus	24(a)	44,500,130	49,410,754
Assets that were not previously recognised		6,686,108	11,413,819
Balance at end of financial year		<u>1,330,428,308</u>	<u>1,279,242,070</u>

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

	Note	30-Jun-15 \$	30-Jun-14 \$
<b>26 Commitments for expenditure</b>			
<b>(a) Operating leases</b>			
Minimum lease payments (GST exclusive) in relation to non-cancellable operating leases are as follows:			
Not later than one year		321,707	114,404
Later than one year but not later than five years		655,896	449,231
Later than five years		548,648	602,587
		<u>1,526,251</u>	<u>1,166,222</u>

Significant operating leases are held for the Bargara Beach Caravan Park, Printers and Salvation Army Building.

### *Bargara Beach Caravan Park*

An operating lease is 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 lease to renew, purchase or escalate the lease.

The lease 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.

### *Printers*

An operating lease is held with BOQ Asset Finance & Leasing Pty Limited over a Managed Print Services Agreement of 34 Printers. Lease payments are based on an agreed minimum volume at a minimum charge per unit over a three year period.

There are no options under the lease to renew, purchase or escalate the lease.

There are no restrictions imposed by the lease arrangements.

### *Salvation Army Building*

An operating lease is held with The Salvation Army (Queensland) Property Trust over the Salvation Army Building for temporary use by the PCYC. The lease payment is a fixed arrangement over a two year period.

There are no options under the lease to renew, purchase or escalate the lease.

There are no restrictions imposed by the lease arrangements.

All other operating leases are not considered significant leases.

## **(b) Contractual commitments**

Contractual commitments (GST exclusive) at the reporting date but not recognised as liabilities are as follows:

Bundaberg Airport security screening contract. Expired 1 July 2015.	-	652,044
Mount Perry evacuation route construction contract. Non-capital project	65,316	-
	<u>65,316</u>	<u>652,044</u>

## **(c) Capital commitments**

Major capital 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	1,666,530	25,053,052
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# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

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	Note	30-Jun-15 \$	30-Jun-14 \$
<b>27 Contingent liabilities</b>			

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

### Claims

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

### Landfills

Council has a number of operational and closed landfills throughout the region. Obligations for future remediation are determined annually, with the nature and extent of work required dependant on a condition assessment of the land and any proposed use of that land. The future use of the land has not yet been determined for closed landfills. Council has yet to make a determination on the closure of smaller operational landfills. As a consequence Council is unable to reliably estimate potential rehabilitation costs for these sites. A provision for restoration costs for larger operational landfills has been disclosed in note 22.

### Local Government Mutual

Council is a member of the local government mutual liability self-insurance pool, Queensland Local Government Mutual Liability Pool. In the event of the scheme being wound up or if it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual scheme members in the same proportion as their contribution is to the total scheme contributions, in respect to any year that a deficit arises. As at June 2014 the financial statements reported an accumulated surplus and it is not anticipated that any liability will arise.

### Local Government Workcare

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

Council's maximum exposure is:

2,427,523	3,024,106
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# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

	Note	30-Jun-15 \$	30-Jun-14 \$
<b>28 Expected operating lease income</b>			
<b>(a) Lease receipts</b>			
Future minimum lease payments (GST exclusive) are expected to be received in relation to non-cancellable operating leases are as follows:			
Not later than one year		163,964	40,364
Later than one year but not later than five years		497,764	43,727
Later than five years		576,687	-
		<u>1,238,415</u>	<u>84,091</u>
Council leases out the Norville Pool and the Kolan Gardens Aged Care Facility			
Council only discloses expected lease income associated with significant leases.			
<b>(b) Sub-Lease receipts</b>			
Future minimum lease payments (GST exclusive) are expected to be received in relation to non-cancellable sub-leases of operating leases are as follows:			
Not later than one year		215,025	160,155
Later than one year but not later than five years		756,717	672,896
Later than five years		886,901	1,079,276
		<u>1,858,643</u>	<u>1,912,327</u>
Council subleases out the Bargara Beach Caravan Park and an area along the Burnett Riverbank			
<b>(c) Contingent rent for the period</b>		<u>73,167</u>	<u>73,733</u>



# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

	Note	30-Jun-15 \$	30-Jun-14 \$
<b>29 Superannuation</b>			
<p>The Council contributes to the Local Government Superannuation Scheme (Qld) (the scheme). The scheme is a Multi-employer Plan as defined in the Australian Accounting Standard AASB119 <i>Employee Benefits</i>.</p> <p>The Queensland Local Government Superannuation Board, the trustee of the scheme, advised that the local government superannuation scheme was a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation.</p> <p>The scheme has three elements referred to as:</p> <p>The City Defined Benefits Fund (CDBF) which covers former members of the City Super Defined Benefits Fund.</p> <p>The Regional Defined Benefits Fund (Regional DBF) which covers defined benefit fund members working for regional local governments; and</p> <p>The Accumulation Benefits Fund (ABF)</p> <p>The ABF is a defined contribution scheme as defined in AASB 119. Council has no liability to or interest in the ABF other than the payment of the statutory contributions as required by the <i>Local Government Act 2009</i>. Council does not have any employees who are members of the CDBF and, therefore, is not exposed to the obligations, assets or costs associated with this fund.</p> <p>The Regional DBF is a defined benefit plan as defined in AASB119. The Council is not able to account for the Regional DBF as a defined benefit plan in accordance with AASB119 because the scheme is unable to account to the Council for its proportionate share of the defined benefit obligation, plan assets and costs. The funding policy adopted in respect of the Regional DBF is directed at ensuring that the benefits accruing to members and beneficiaries are fully funded as they fall due.</p> <p>To ensure the ongoing solvency of the Regional DBF, the scheme's trustee can vary the rate of contributions from relevant local government employers subject to advice from the scheme's actuary. As at the reporting date, no changes had been made to prescribed employer contributions which remain at 12% of employee salaries and there are no known requirements to change the rate of contributions.</p> <p>Any amount by which the fund is over or under funded would only affect future benefits and contributions to the Regional DBF, and is not an asset or liability of the Council. Accordingly there is no recognition in the financial statements of any over or under funding of the scheme.</p> <p>As at the reporting date, the assets of the scheme are sufficient to meet the vested benefits.</p> <p>The most recent actuarial assessment of the scheme was undertaken as at 1 July 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>There are currently 71 councils contributing to the Regional DBF plan and any changes in contribution rates would apply equally to all 71 councils. Bundaberg Regional Council made less than 4% of the total contributions to the plan in the 2014-15 financial year.</p> <p>The next actuarial investigation will be conducted as at 1 July 2015.</p>			
The amount of superannuation contributions paid by Council to the Superannuation Fund in this period for the benefit of employees was:		6,377,733	6,356,450
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:		115,026	110,072
<b>Total superannuation paid</b>	<b>6</b>	<b>6,492,759</b>	<b>6,466,522</b>

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

	Note	30-Jun-15 \$	30-Jun-14 \$
<b>30 Trust funds</b>			
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities:		3,218,345	4,470,051
Council performs only a custodial role in respect of these monies and because the monies cannot be used by Council, they are not brought to account in these financial statements.			
<b>31 Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities</b>			
Net result		40,540,863	26,651,247
Non-cash operating items:			
Depreciation and amortisation	9	41,058,834	36,282,218
Change in restoration provision to finance costs	8	975,909	245,479
Current cost of developed land sold	15	40,401	192,974
		42,075,144	36,720,671
Investing and financing activities:			
Change in restoration provision		(33,460,570)	36,087,266
Capital grants, subsidies, other contributions and donations	4	(27,000,763)	(85,047,681)
Loss on disposal of non-current assets held for sale		-	37,314
Loss on disposal of non-current assets	11	24,602,507	15,441,778
Loss on impairment of non-current assets held for sale		47,534	-
Gain on disposal of non-current assets held for sale	5	(60,181)	-
		(35,871,473)	(33,481,323)
Changes in operating assets and liabilities:			
(Increase)/decrease in receivables		13,778,210	(3,522,948)
(Increase)/decrease in inventories		110,569	123,295
Increase/(decrease) in payables		(4,703,711)	4,797,205
Increase/(decrease) in long service leave provision		579,272	(569,914)
Increase/(decrease) in unearned revenue		(8,674)	55,291
		9,755,666	882,929
<b>Net cash inflow from operating activities</b>		<b>56,500,200</b>	<b>30,773,524</b>

## 32 Events after the reporting period

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



# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

### 33 Financial instruments

#### 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 Councils 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	2015	2014
Cash and cash equivalents	12	76,934,152	62,325,663
Receivables - rates	13	6,268,263	7,130,327
Receivables - other	13	5,695,910	19,475,430
Other credit exposures - Guarantee	27	<u>2,427,523</u>	<u>3,024,106</u>
Total		<u>91,325,848</u>	<u>91,955,526</u>

## BUNDABERG REGIONAL COUNCIL

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

#### 33 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:

	2015	2014
Not past due	4,411,315	18,455,177
Past due less than 30 days	244,247	286,476
Past due 31-60 days	173,819	174,120
Past due 61-90 days	296,804	138,594
Past due more than 90 days	6,768,699	7,594,315
Impairment	(2,712)	(42,925)
Total	<u>11,892,172</u>	<u>26,605,757</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
	\$	\$	\$	\$	\$
<b>2015</b>					
Trade and other payables	11,711,153	-	-	11,711,153	11,711,153
Loans - QTC	11,637,615	35,910,964	45,017,142	92,565,721	70,059,356
	<u>23,348,768</u>	<u>35,910,964</u>	<u>45,017,142</u>	<u>104,276,874</u>	<u>81,770,509</u>
<b>2014</b>					
Trade and other payables	16,802,420	-	-	16,802,420	16,802,420
Loans - QTC	9,436,460	29,647,661	31,213,751	70,297,872	53,274,327
	<u>26,238,880</u>	<u>29,647,661</u>	<u>31,213,751</u>	<u>87,100,292</u>	<u>70,076,747</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 2015

### 33 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.

##### *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	
	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
Deposits	30,600,000	14,300,000	306,000	143,000	306,000	143,000
Other investments	45,200,000	47,100,000	452,000	471,000	452,000	471,000
Loans - QTC	(70,059,356)	(53,274,327)	(700,594)	(532,743)	(700,594)	(532,743)
	5,740,644	8,125,673	57,406	81,257	57,406	81,257

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 2015

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### 33 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	2015		2014	
		Carrying amount	Fair Value	Carrying amount	Fair Value
		\$	\$	\$	\$
Loans - QTC	21	70,059,356	76,442,326	53,274,327	59,267,512



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

34 National competition policy

**Business activities to which the code of competitive conduct is applied**

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

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

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

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

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

**Financial performance of activities subject to competition reforms:**

	Water	Wastewater	Waste Management
	2015	2015	2015
	\$	\$	\$
Revenue for services provided to Council	1,186,327	392,041	247,999
Revenue for services provided to external clients	24,802,047	23,300,356	15,260,022
Community service obligations	528,253	472,463	2,099,870
	<u>26,516,627</u>	<u>24,164,860</u>	<u>17,607,891</u>
Less: Expenditure	(16,197,224)	(13,580,025)	(15,835,354)
Surplus/(deficiency)	<u>10,319,403</u>	<u>10,584,835</u>	<u>1,772,537</u>

	Caravan Parks	Airport Operations	Building Certification
	2015	2015	2015
	\$	\$	\$
Revenue for services provided to Council	-	-	-
Revenue for services provided to external clients	2,320,674	3,885,142	119,445
Community service obligations	-	582,211	-
	<u>2,320,674</u>	<u>4,467,353</u>	<u>119,445</u>
Less: Expenditure	(1,886,372)	(3,474,964)	(338,100)
Surplus/(deficiency)	<u>434,302</u>	<u>992,389</u>	<u>(218,655)</u>



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

34 National competition policy (Cont'd)

Description of CSO's provided to business activities

Activities	CSO description	Actual
		\$
Water	Provision of water allocations to unlicensed sporting clubs free of charge	\$185,131
	Pension remissions	\$169,490
	Water leak relief	\$115,843
	Internal bulk water provisions	\$57,789
Wastewater	Providing pedestal discount for community and aged care facilities	\$261,714
	Clearance of private sanitary drains	\$4,480
	Pension remissions	\$206,269
Waste Management	Provision of bins and waste disposal for community events	\$129,025
	In-kind assistance - for charities	\$22,210
	Provision of wheelie bins and waste disposal for public spaces	\$324,147
	Unrecovered costs incurred in operating rural transfer stations	\$325,162
	Internal waste collection	\$1,110,098
	Pension remissions	\$189,228
Airport Operations	Access agreement	\$582,211



## 4.2.2 Management Certificate

### Management Certificate For the year ended 30 June 2015

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 57, 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: 08/09/2015

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

Date: 8/9/2015

# 4.2.3

## Independent Auditors Report

### 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 2015, 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 the 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 2014 to 30 June 2015 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.



A handwritten signature in black ink, appearing to read "D. Stolz".

D A STOLZ FCPA  
(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office  
Brisbane

# 4.3 FINANCIAL SUSTAINABILITY STATEMENTS

## 4.3.1 Current Year Financial Sustainability Statement

### BUNDABERG REGIONAL COUNCIL

#### CURRENT YEAR FINANCIAL SUSTAINABILITY STATEMENT

For the year ended 30 June 2015

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##### 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 2015.

##### Measures of Financial Sustainability

	How the measure is calculated	2015	Target
Council's performance at 30 June 2015 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	3%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	97%	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 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.

# 4.3.2

## Management Certificate Current Year Sustainability Statement

### Certificate of Accuracy For the year ended 30 June 2015

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: 08 / 09 / 2015



Chief Executive Officer

Date: 8 / 9 / 2015

## 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 2015, 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 2015, 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.

  
D A STOLZ FCPA  
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office  
Brisbane



# 4.3.4 Long-term Financial Sustainability Statement

## BUNDABERG REGIONAL COUNCIL

Measures of Financial Sustainability												
Future years ratios are from the Adopted Budget	Target	Audited Actuals	Original Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Asset Sustainability Ratio	> 90%	97.0%	84.3%	117.0%	122.2%	103.5%	102.6%	109.4%	106.7%	117.4%	108.4%	104.0%
<b>Capital expenditure on replacement assets divided by depreciation expense</b>												
Net Financial Liabilities Ratio	< 60%	11.6%	28.9%	53.8%	59.9%	51.3%	47.3%	41.5%	38.1%	34.9%	31.6%	28.7%
<b>Total liabilities less current assets divided by operating revenue</b>												
Operating Surplus Ratio	0% -15%	3.0%	2.5%	2.7%	3.6%	5.1%	6.0%	5.5%	5.6%	6.2%	6.9%	7.7%
<b>Net operating surplus divided by total operating revenue</b>												

### 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 2025 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 aging 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 2016/17, water charges have been achieved 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 (contractors) or investigating the divestment of all or parts of some activities.

## BUNDABERG REGIONAL COUNCIL

## LONG-TERM FINANCIAL SUSTAINABILITY STATEMENT

For the year ended 30 June 2015

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**Certificate of Accuracy**  
**For the year ended 30 June 2015**

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.

\_\_\_\_\_  
MayorDate: 18 / 11 / 2015\_\_\_\_\_  
Chief Executive OfficerDate: 18 / 11 / 2015

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