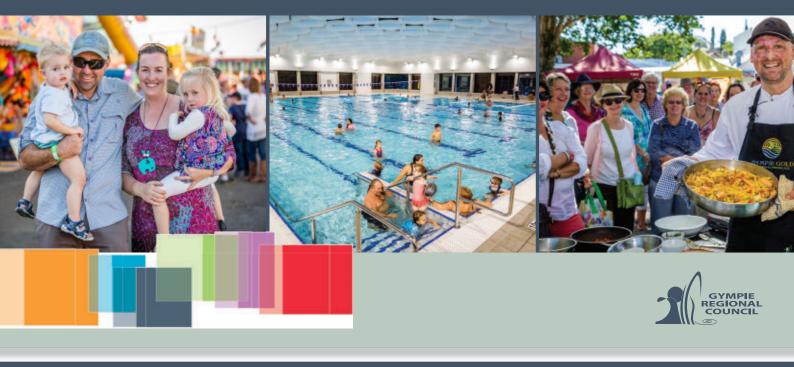
# Annual Report 2016–2017



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The purpose of the Annual Report 2016–2017 is to highlight a range of achievements and progress made across the period in furthering Council's vision, goals, strategies and outcomes as identified in the Corporate Plan 2014–2019 and associated planning documents.

The annual report is aligned to five key strategic themes that form the basis of Council's corporate and operational plans.

The key strategic themes are:

- infrastructure;
- economic development;
- governance;
- environment; and
- social wellbeing.

## Message from the Mayor



Over the past 12 months, Council has delivered significant infrastructure and key major projects across the Gympie region. The biggest infrastructure project during the 2016/17 year was the construction of the award-winning Gympie Aquatic Recreation Centre which brought employment opportunities, a boost to our local economy, and health and recreation opportunities for people of all ages in our community.

During the 2016/17 financial year, Council continued to help shape and mold our city and townships through strategic town planning and placemaking to enhance the lifestyle and business needs of our residents. We commenced the Smithfield Street Revitalisation Project and continued with the Our Towns implementation strategy at Cooloola Cove.

Over \$48 million was allocated in the capital works budget to provide safe and connected infrastructure through new and upgraded assets and renewed infrastructure across roads, water, sewerage, planning and development, and community services. Major projects included road upgrades to Moy Pocket Road, Neusavale Road and Noosa Road.

Council's Corporate Plan 2017-2022 was adopted in April and this strategic document will guide our decision-making to ensure we maintain a strong, inclusive and economically vibrant region. We have placed a strong focus on supporting new and established local businesses and rolled out the Startup Gympie Region program earlier this year. This program seeks to encourage innovation to strengthen and diversify the economy and create job opportunities.

Thank you to my fellow Councillors and Council staff who are committed to delivering the best services for our community. Together I know we can continue to work with our community, and realise our vision of the Gympie region being the natural choice to live, work and play.

Cr Mick Curran BM, Mayor

## Chief Executive Officer's overview



I often say that it is very easy to get caught up in the day to day but it is most important to step back occasionally and reflect on the fact that the organisation is continuing to change and evolve in a positive way and is delivering significant outcomes for the community, as well as recognise and acknowledge that the region is moving forward.

Regional local government is a very rewarding place to be. The local council has a significant impact on the wellbeing and liveability of the community, whether that be through the provision of key services such as libraries, facilities and events, or services that protect the amenity and safety of the community such as town and regional planning or environmental health. Every regional council also has the responsibility of placemaking, providing recreational and community facilities, and providing infrastructure which promotes visitation and general wellbeing. Gympie Regional Council, through the excellent work of its staff, is meeting these responsibilities.

Of significance is that the way Council is becoming more inclusive through better engagement and consultative processes to guide its decision-making. Today's community rightly expects a higher level of engagement and this has been recognised in the way projects are being delivered across the region.

This annual report is a snapshot of how Council has gone about its core responsibilities of delivering key services, providing good governance, and building the Gympie region of tomorrow.

Bernard Smith, CEO

## **Your Councillors**



Portfolio:
Governance, Finance, Disaster
Management
Contact:
0417 959 331
mayorcurran@gympie.qld.gov.au

Cr Mick Curran Mayor



Portfolio:
Planning and Development
Contact:
0439 001 170
mark.mcdonald@
gympie.qld.gov.au

Cr Mark McDonald Division 1



Portfolio: Economic Development Contact: 0437 722 931 glen.hartwig@gympie.qld.gov.au

Cr Glen Hartwig Division 2



Portfolio:
Business Activities

Contact:
0437 477 245
mal.gear@gympie.qld.gov.au

Cr Mal Gear Division 3



Portfolio: Environmental Sustainability and Special Projects Contact: 0499 080 164 daryl.dodt@gympie.qld.gov.au

Cr Daryl Dodt Division 4



Portfolio:
Social Wellbeing

Contact:
0499 081 404
dan.stewart@gympie.qld.gov.au

Cr Dan Stewart Division 5



Portfolio:
Water and Sewerage and Waste
Management
Contact:
0499 080 913
hilary.smerdon@gympie.qld.gov.au

Cr Hilary Smerdon Division 6



Portfolio: Infrastructure Services Contact: 0429 231 516 bob.leitch@gympie.qld.gov.au

Cr Bob Leitch Deputy Mayor, Division 7



Portfolio: Tourism, Sport and Recreation Contact: 0499 080 398 james.cochrane@ gympie.qld.gov.au

Cr James Cochrane Division 8

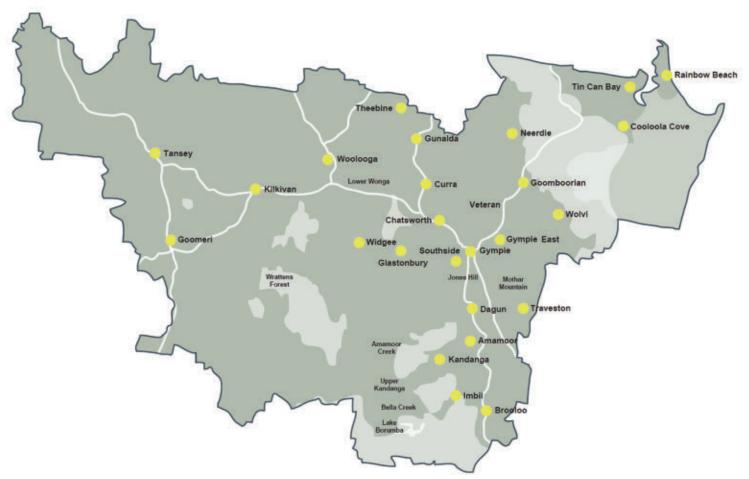
## Our region

Located in South-East Queensland, the Gympie region includes a combination of rural, urban and coastal areas across 6900 square kilometres. Gympie is the main population centre but a considerable proportion of the population live in many smaller communities. These include Amamoor, Cooloola Cove, Curra, Goomeri, Gunalda, Imbil, Kandanga, Kilkivan, Kybong, Miva, Rainbow Beach, Tin Can Bay, Traveston and Woolooga.

Approximately 50,000 residents live in the region, with an increase in population of more than 15,000 expected over the next 20 years. Agriculture remains a key industry, with a focus on beef production and forestry. The region has maintained tourism trade drawn to the unique heritage, scenic and coastal attractions of the area.

Our focus is to work with our community, provide strong leadership and certainty, and be accountable to our community to ensure our region:

- is friendly and a great place to live;
- provides people with access to vibrant towns, and rural and coastal lifestyle opportunities;
- is family oriented;
- maintains a strong culture and history;
- values and protects its natural environment;
- capitalises on its geographical location;
- enables quality infrastructure;
- supports established businesses and industry while developing opportunities for emerging industries; and
- experiences planned growth through continued economic development.



## Our vision and corporate values

Our vision for the region is to be the natural choice to live, work and play.

Our purpose is to actively serve our community and plan for the future of the region.

#### **Consistent:**

our actions will reflect Council's guidelines and practices at all times.

#### **Accountable:**

we take responsibility for our actions, we will be accessible and fair.

## CORPORATE VALUES

#### **Appreciative:**

we value the opportunities we have, and look for the best in our people, our organisation and our community.

#### Respectful:

we treat people with dignity, courtesy and respect. We recognise and support everyone's contributions.

#### Communicative:

we will keep people informed, consult with the community and will actively listen to and respond to their input.



## Infrastructure ... planned, connected and safe

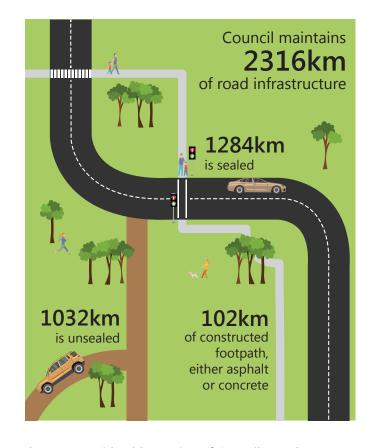
#### Road maintenance

Road maintenance is managed through a process of inspection and prioritisation. Road maintenance staff are involved in more than 30 different types of activities across the region. These activities are not only roadway specific but include other structures and roadside furniture assets.

#### These include:

- bus shelters/stops
- timber bridges
- timber walkways
- gross pollutant traps
- traffic signals.

Council is responsible for the maintenance of over 60 school bus shelters spread across the rural region in addition to 77 bus stops in the urban area; more than 50 of which also have shelters.



#### Timber bridge maintenance

Eighty-six timber bridges spread across the region make up a considerable portion of Council's road assets. Council has a dedicated bridge maintenance crew whose responsibility is inspecting and undertaking the maintenance and reconstruction of timber bridges. These bridges are inspected regularly with maintenance prioritised accordingly.

#### **Schacts Creek Bridge Reconstruction**

In August 2016, Council undertook the reconstruction of Schacts Creek Bridge. The existing structure was demolished and replaced with a new timber structure with concrete abutments. An interim side track was constructed to maintain access for key stakeholders during the works. Regeneration of the site was also carried out following completion. The bridge was opened prior to the 2016 Gympie Music Muster.

#### **Priddy Road Bridge Reconstruction**

Council undertook the reconstruction of the Priddy Road Bridge in August 2016. The bridge was opened on 27 January 2017. The existing structure was demolished and replaced with a new timber structure with concrete abutments. Council staff consulted with several agencies to ensure the preservation and protection of the endangered Giant Barred Frog and its habitat during the project.

#### Water and sewerage infrastructure

Council operates and maintains water supply schemes in Gympie, Imbil, Kandanga, Amamoor, Kilkivan, Goomeri, Tin Can Bay/Cooloola Cove and Rainbow Beach and sewerage schemes in Gympie, Imbil, Kilkivan, Goomeri, Tin Can Bay, Cooloola Cove and Rainbow Beach with a net infrastructure value of \$227 million.

This includes:

- 21 reservoirs/tanks
- eight water treatment plants
- six water pump stations
- seven wastewater treatment plants

- 74 sewerage pump stations
- 461km water mains
- 361km sewer gravity mains
- 61km sewer pressure mains.

In 2016/17, there were 14,453 properties connected to the water supply network in the Gympie region and 12,932 properties connected to the sewerage network.

#### **Moy Pocket Road**

In 2016/17, Council constructed a \$1.5 million upgrade project of Moy Pocket Road which widened the last single lane section of the road to a two lane standard. The project was jointly funded by the State Government and Council. This was the final project in a series of projects that Council has carried out over the past 10 years on Moy Pocket Road.

#### **New footpaths**

New concrete footpaths were constructed on Everson Road and Cogan Street in 2016/17 to improve pedestrian and cycle access to the Gympie Aquatic Recreation Centre and Gympie State High School.

#### **Imbil Lookout Upgrade**

Construction commenced on the Imbil Lookout upgrade on Elizabeth Street in April. The project works include improving car parking, installing new park furniture, constructing pathways, and landscaping. The works are designed to make the lookout more usable and attractive for locals and visitors, as well as making it easier for Council to maintain.

#### Playground and park development

Nine parks across the Gympie region had either new playgrounds installed or major refurbishments during the 2016/17 financial year including:

- All Abilities Playground Lake Alford
- Booubyjan Playground
- Crab Creek Park, Tin Can Bay
- Curra District Park
- Echelon Park Playground
- Fairway Park
- Goomeri Skate Park
- Nelson Reserve Playground
- Nelson Reserve Skate Park
- Henry Trigger Park Playground.





#### CBD bus and taxi facilities

The CBD bus stop and taxi rank outside the cinema on Monkland Street was upgraded in 2016/17. The works included a new custom built shelter, new concrete footpath, improved lighting and landscaping. The State Government funded the project.

#### **Gympie Aquatic Recreation Centre (ARC)**

The biggest infrastructure project in 2016/17 was the award-winning Gympie Aquatic Recreation Centre. After 17 months of construction, the state-of-the-art facility was officially opened on 1 April 2017 with more than 2000 people in attendance.

The modern, multi-purpose facility now plays an important role in our community by supporting health and social wellbeing. The centre includes a 50m outdoor regional competition pool which is capable of hosting regional events, a 25m heated indoor program pool to support all-year round activities, a zero depth leisure pool/splash pad/activity zone, dual water slides, seating for up to 600 spectators, a 52 bay car park, kiosk/café, a multi-purpose room, office space, and disability compliant spaces and amenities.

Council secured \$5 million from the Commonwealth Department of Infrastructure and Regional Development through the National Stronger Regions Fund for the \$22.2 million project.

#### River Road Marketplace upgrade

Council undertook landscape improvements at River Road Marketplace in August, making the space more inviting and user friendly for a range of community uses, such as the Growers Markets.

The plants that were selected provide shade and screening for users as well as enhancing the visual amenity of the area.

#### Tree management

Major tree works were undertaken on trees in Memorial Park, Nelson Reserve and Fern Street Park to manage risk and improve their health and condition. The works included the removal of dead and diseased wood, pruning to reduce limb loads and addressing structural defects.

A small number of trees were also removed because they had major structural weaknesses.

#### Major tree replacement in Mary Street

As part of Council's tree replacement program, two advanced Eumundi Quandongs (*Elaeocarpus eumundii*) were planted at locations in Mary Street. Planting trees of this size helps to maintain the tree presence in this high profile area and contribute to the visual amenity.

#### **Kybong Rural Fire Station**

During 2016/17, Council made the decision to provide a new rural fire station in Kybong. The existing Kybong Rural Fire Station is situated on a road reserve with no access to power.

Council will provide a new facility next to the existing Kybong Service Station, and has installed security fencing around the site and constructed a concrete drive access. The new station will enable a better response time and capacity to assist in Kybong during times of flood isolation.

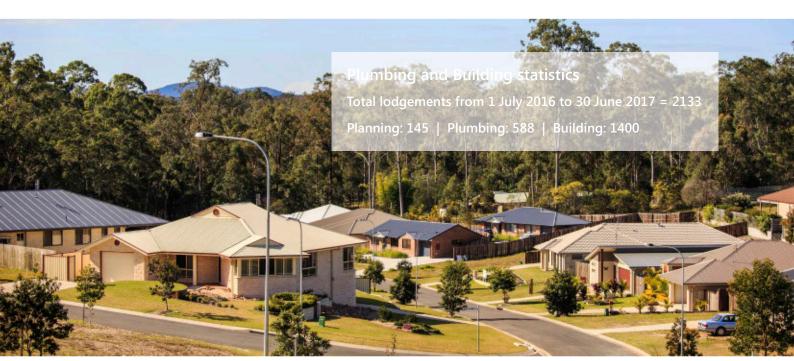
#### Upgrade of 2-way radio system

Council's existing 2-way radio system required a number of upgrades which included the provision of a new tower and solar power system at Mount Marcella. The project commenced during 2016/17 and will provide excellent communications into all areas of the region. It will assist normal operations but also provide crucial communications during disaster events.

#### Firebreak network

During 2016/17, Council conducted audits of Council-owned land and private properties to identify required fire breaks and fire hazard reduction activities undertaken. Cooloola Coast fire breaks were also completed and will now have regular maintenance. A number of controlled hazard reduction burns were also conducted in the coastal region. Through this process, Council undertook an environmental assessment and two new koala habitats were identified.

Council is also developing management plans to ensure these environmentally significant sites are correctly managed.



## Economic development ... vibrant, strong and resilient



## Wide Bay Burnett International Education Cluster

The Wide Bay Burnett International Education Cluster was established in 2016/17 which is a consortium of education providers and councils including Central Queensland University as the lead and project partners Bundaberg Regional Council, Queensland TAFE East Coast, University of the Sunshine Coast (Fraser Coast and Gympie campuses), Bundaberg Regional Council and Gympie Regional Council.

The Cluster is in the developmental stages and was formed with the purpose of developing and promoting opportunities for international students to study in the Wide Bay Burnett.

This significant project will ultimately contribute to diversifying the regional economy, promote educational opportunities and identify opportunities for employment growth.

The funding was received from the Queensland Government Department of Trade and Investment Queensland.

#### Regional Economic Development Advisory Committee

During 2016/17, Council continued its representation on the Regional Economic Development Advisory Committee.

The Committee advises and represents the interests of Wide Bay Burnett Regional Organisation of Councils (WBBROC) on matters related to economic development to improve the economic outlook and long-term sustainability of the Wide Bay Burnett region.

Five projects have been identified for delivery in the Gympie region:

- Liveable Cities Liveable Towns
- Digital Economy Support
- Regional Innovation Centre
- Experiential/Outdoor/Eco-Tourism
- Economic Scenario Planning

Being part of this group means that Council has the opportunity to work with neighbouring councils and stakeholders to develop and implement strategies focused on regional leadership and collaboration, infrastructure investment, employment and skills investment and strong business and industry.

#### **Advance Queensland Digital Champions**

As part of the State Government's Advance Queensland initiative, seven people from the Gympie region were nominated and accepted as Community Digital Champions in 2016/17. This opportunity provides a platform to share their experiences and encourage others in the community to explore the benefits that digital technologies can bring to their lives. Gympie Region Digital Champions provided workshops and seminars on topics such as social media, acted as a reference point for Council, and promoted the benefits of digital technologies through their own networks and social media platforms. Gympie was one of the highest participants in this initiative statewide with innovative and active business people operating in the digital space, and was applauded by the program coordinators.

#### **Regional Marketing**

The Gympie Region Investment Prospectus was revised and released to reflect the growing region. The document was promoted at tradeshows, workshops and other events, as well as being provided to clients who directly enquire with Council about doing business in the region. The Gympie Region Economic Profile at June 2017 was commissioned and endorsed, giving a snapshot of the region and a useful tool for planning for the future with trends and opportunities for growth highlighted. This publication was launched at the Grow Gympie Forum in June and has been a useful planning tool for Council and business.

#### **Business and industry development**

Council provides information and support to businesses in the region through workshops and events as well as other communications such as a monthly e-newsletter and active Facebook pages.

During the 2016/17 financial year, the Gympie Business and Industry page on Facebook grew to 1412 likes (an increase of 11 per cent) and the Gympie Gold Regional Produce Facebook page grew to 2083 likes (an increase of 50 per cent).

The total e-newsletter subscriber list for Economic Development grew by 20 per cent to 6458 active subscribers during the year. Council also organised and hosted 15 business events with more than 400 people attending.

#### Events included:

- Grow Gympie Region Forum
- Business 4 Breakfast at Tin Can Bay
- Food and Agribusiness Forum at Kandanga
- Round table events for the manufacturing and education industries.

Another significant event was the Chef's Famil of the Gympie region which saw visits from six high profile local and Sunshine Coast chefs. This successful event resulted in local food producers securing contracts to supply produce to restaurants outside the region, including the Noosa Boathouse.

#### StartUp Gympie Region program

Council was successful in gaining funding from Advanced Queensland for the Startup Gympie Region program which was launched in February 2017 at a breakfast event with over 55 attendees. The program aims to encourage new businesses, startups, and innovation for the profit and growth of business and the regional economy.

Two free networking events were held in Rainbow Beach and Kandanga which attracted over 40 people, and 25 people attended a workshop in Gympie on how to build a better startup business. The program is ongoing until the end of 2017 and further networking events and an Innovation Masterclass is planned. Building on this program is also the future development of a business case for an Innovation Hub or coworking space in Gympie.

#### Industry events, promotion and trade shows

- Gympie Gold Regional Produce was promoted during 2016/17 at the Regional Flavours event in Brisbane's South Bank which had over 80,000 people in attendance.
- Two successful Gympie Gold Regional Produce industry development events were held in Kandanga and Goomborian.
- The region was also represented at other events such as Tin Can Bay Seafood Festival with Matt Golinksi demonstrating recipes using local produce.
- GourMAY 2017 included over 27 events with an audience of over 10,000 people.
- Roundtable discussions were held about the issues and opportunities in the region for manufacturing and education.
- Twenty-five stakeholders attended a timber industry meeting in Gympie.
- A Food Safety Labelling Workshop was hosted by Council.
- Business 4 Breakfast events were held throughout the region including Kilkivan and Tin Can Bay and were well supported.
- Over 60 local business people attended the Grow Gympie Forum to learn about innovation in business.

#### **Eat Local Month**

In May 2017, Eat Local Month celebrations were held in the Gympie region. The month's activities continue to grow each year, with increased participation from local businesses and visitors to the region. It continues to provide Gympie Gold Regional Produce the opportunity to leverage on existing events and to further promote food related ideals, products and experiences to both residents of the region and visitors. The event was coordinated to include three major annual events in the region; the Gympie District Show, Gympie Garden Expo and Goomeri Pumpkin Festival. Event organisers partnered with Council to promote these events under the Eat Local Month banner.

The signature event of Eat Local Month in May 2017 was the 5 Chef's Long Table Lunch held at Kandanga Hall. Showcasing local and regional chefs and the Gympie region's produce, the event was attended by 95 people with some travelling from the Gold Coast and Brisbane to attend.

Key events in 2017 which contributed to Eat Local Month's success included:

- Chefs famil
- 5 Chefs Long Table Lunch
- Local Signature Dishes promotion

- Growers Markets and cooking demonstrations
- Farm visits/events led by local agri-businesses.



#### Food and Food Tourism Ambassador

Matt Golinski continued in his role as Ambassador for our region over the 2016/17 financial year. He appeared at five regional events and two metropolitan festivals in his professional capacity as a chef at events throughout Australia.

Matt continued his role as an advocate, supporter and mentor for our region's food and food tourism sector.

#### Food businesses

There were 335 food businesses licensed in the Gympie region at as 30 June 2017. Food business licence inspections were carried out at the Gympie District Show, Goomeri Pumpkin Festival, Gympie Music Muster, Mitchell Creek Rock 'n' Blues Festival and Tin Can Bay Food Festival.

There are now 24 food premises within the region that also have food safety programs.

#### **Tourism**

Key achievements over 2016/17 for Destination Gympie Region included:

- An increase in the economic impact of tourism in the region with some operators reporting over 20 per cent growth in revenue from last year;
- Images of Rainbow Beach headlining campaigns across Germany with Cathay Pacific Airways and Explorer Fernreisen – a large German-based travel company and throughout New Zealand with Air New Zealand and Tourism and Events Queensland;
- The second largest representation at Australian
   Tourism Exchange for a Local Tourism Organisation in Queensland;
- A significant shift in conversation with Inbound Tourism Operators from "who are you?", "what do you have?" to "how do we work the region into an itinerary?"; and
- An increase in media and industry visits with 18 different groups visiting the region.

## Governance ... cohesive, responsible and transparent

#### Corporate Plan 2017-2022

In April, Council adopted its Corporate Plan 2017-2022 which will position the Gympie region for future growth over the next five years. The Corporate Plan is the lead strategic planning document that drives Council's fundamental decision-making, reporting framework, annual budget and operational planning process. The Corporate Plan 2017-2022 was built on feedback from more than 70 community groups and organisations, as well as members of the general public. The Corporate Plan reinforces Council's vision for the future and commitment to a range of projects including the CBD and sporting facilities, as well as a greater emphasis on rural roads and marketing the region.

Three key projects were approved for further investigation and planning:

- A new library
- Further development of a jetty at Tin Can Bay
- A new equestrian centre at Kilkivan.

#### Information and Communication Technology (ICT)

In addition to providing ICT support to over 350 council officers across 30 sites, a number of ICT initiatives have been delivered across Council's branches and business units, contributing to the corporate plan objective of improving efficiency and effectiveness of Gympie Regional Council's processes and services.

During the year, a key initiative completed was the replacement of over 100 print devices with 51 multifunction devices, reducing print costs. Another key initiative was the configuration and implementation of a solution to capture all requests from customers, and work flow these to the relevant work team for actioning.



Other initiatives nearing completion include the configuration and implementation of a solution to manage and track invasive plants and animals, and a solution to support traffic control and ensure safety at road work sites.

Council has also commenced its rollout of NBN and WiFi services to its buildings and continues to capture and digitise records with the aim of meeting legislative requirements for their disposal and to reduce storage space.

#### **Customer Contact Centre**

Council's Customer Contact Centre focuses on the provision of consistent and timely information and quality service. During 2016/17, the Customer Contact Centre continued to develop as a "one-stop" shop for the community.

In May 2017, Council's Customer Contact Centre closed its doors at 242 Mary Street, and relocated to Town Hall at 2 Caledonian Hill, Gympie. The move to the ground floor of Town Hall provides better parking options and access for the community.

During the period of 2016/17, Council's Customer Contact Centre received 50,700 calls with 78.7 per cent of calls answered in less than 30 seconds.

The Centre has maintained its first contact resolution rate at more than 70 per cent this year and the skilled Customer Contact team are able to utilise a comprehensive knowledge base maintained with up to date information to enable them to resolve the majority of customer's queries during their first contact. The team welcomes your feedback on how we can improve services to our customers.





#### **Water Business Unit**

Council restructured the water and sewerage branch to form a Water Business Unit in September following a review of water and sewerage operations.

The Water Business Unit focuses on the areas of asset management, strategic planning and legislative requirements. It operates within the context of Council's commitment to meet our customer service standards and obligations under the *Water Supply (Safety and Reliability) Act 2008* and the Council's Environmental Authority.

The establishment of the Water Business Unit enables alignment with commercial principles and that risks are managed effectively.

For the financial period 2016/17, the operating expenditure for the Water Business Unit was \$15.3 million and capital projects in progress of \$10.2 million.

Another outcome of the review was the establishment of a Technical Advisory Group. This group will provide assistance, advice and support to Council and management in relation to the services associated with water and sewerage.

#### **Human Resources**

An initiative of business partnering was implemented which has provided each of the Directorates and their respective teams with an assigned Human Resources Advisor who provides all generalist Human Resources support.

This approach has improved the response and support of HR across the organisation.

#### Work Health and Safety

During 2016/17 Council undertook a Safety Culture Audit. This provided employees from across the organisation the opportunity to provide feedback around our Safety Culture. Whilst we, like all organisations, have a Safety System it is beneficial to know how well this system is embedded into our organisation, understanding where our safety culture is working well and areas for improvement.

The results will continue to be worked on over the course of 18 months and we anticipate we will then undertake another audit to see how well we have progressed.

#### Recruitment

In various areas of the organisation we have rolled out more practical recruitment methods in addition to the standard interview method. This is seen in the form of assessment centres and technical assessments which allow for potential candidates to demonstrate their level of knowledge, technical capability and team fit. This is an area we will continue to grow and develop.

Gympie Regional Council remains one of the largest employers in the region with 470 staff (full-time, part-time, casual) across areas such as:

- Customer Service
- Economic Development
- Communications
- Libraries, Galleries, Communities, Events
- Lands Protection
- Parks and Gardens
- Roads

- Information Technology
- Record Management
- Human Resources
- Safety
- Pest Management
- Planning and Development
- Compliance

#### **Payroll**

With a highly manual and resource intensive payroll system, the payroll team have undertaken various process improvement projects to assist in gaining greater efficiencies and continual accuracy.

#### Continuous improvement

Council encourages staff to engage in cross-functional projects that focus on improving a problem. During 2016/17, three teams across the organisation focused on reducing the cost and time taken in delivering traffic management, traffic control, and staff uniforms. Council is currently implementing the recommendations from the team.

A significant improvement project that was achieved during 2016/17 was the printer fleet project. Council reduced its printer fleet from 105 printers to 51 printers. The new printer fleet has increased print capability and allows staff to print anywhere across the network. Prior to the project, the average colour print cost per page was 12 cents. By removing small and costly standalone printers, and by renegotiating contract arrangements for a new fleet, colour printing costs are just under 8 cents per page. Council is now focused on reducing the volume of pages printed.

Council also introduces new employees to the principles of continuous improvement through a simulated problem-solving exercise at 'Summer Bay City Council'. During the exercise, staff learn that a methodical approach to problem-solving, starting with properly defining and understanding the issues, is the key to determining lasting solutions. They leave empowered to challenge the status quo at work and with the tools to improve how they do their work for the community.

## Environment ... sustainable, managed and healthy



#### Waste management transfer stations

Landfills in Goomeri, Kilkivan and Tin Can Bay closed during 2016/17 and were converted into transfer stations. The community now has safe all-weather access for disposal of domestic waste, green waste, bulky waste, scrap metal and recyclables.

#### Landfill rehabilitation

Council prepared rehabilitation plans for closed landfills in at Rainbow Beach, Goomeri and Kilkivan Landfills that included construction of engineered capping to prevent rainwater infiltration resulting in reduced leachate generation, full containment of waste and also control of landfill gas migration.

The engineered landfill caps were constructed at Rainbow Beach, Goomeri and Kilkivan Landfills. The works included reshaping to achieve suitable grades, placement of soil cover, installation of landfill gas venting system, installation of LLDPE Geomembrane, placement of protective soil cover and topsoil and revegetation.

#### **Garage Sale Trail**

Council hosted the 2016 Garage Sale Trail in October. The National Garage Sale Trail aims to encourage people to declutter, reuse and engage. From the 153 councils that participated, Gympie Regional Council won the Garage Sale Trail Community Engagement Award for the 'smart, committed and energetic way in which Council embraced the program locally'. More than 120 stalls were registered including private sales, schools, community groups and businesses.

#### Minimise to the Max Education Program

From July to December 2016, Council carried out 12 visits to schools, early learning centres and kindergartens as part of the Minimise to the Max Education Program. The program aims to provide ongoing education about personal, school and community strategies for reducing our global footprint.

As part of the program, Council also conducted 10 community presentations with more than 200 participants in total.

Special information displays were held at:

- Artisan Bazaar Festival Kia Ora Community Hall
- Early Years Networking Forum
- Goomeri Show
- Gympie District Show display and recycling knowledge competition
- Gympie Garden Expo
- Imbil Show
- Jones Hill State School Fete
- Little Kids Day Out

- Gympie's Greatest Garage Sale
- Mary River Festival display at festival and guest speaker at Yabba Yarning Tent
- Tin Can Bay Seafood Festival
- World Environment Day display at Bunnings
- Connecting Communities Expo
- Foodie Forum
- Clean Up Australia Day.

#### **National Recycling Week**

To raise awareness of National Recycling Week (7 to 13 November) throughout the Gympie region, Storytime sessions were held throughout Council's six library branches. A story about recycling was shared with youngsters who then were able to undertake a reuse activity following the story.

An information session for adults was also held at the Gympie Town Library during National Recycling Week. Gympie Regional Council and Cleanaway's Education Coordinator will continue to work together to establish the format and timing for valuable community communication and education.

#### Weed identification workshop

In November, Council hosted a Weed Identification Workshop in partnership with Biosecurity Queensland – Department of Agriculture and Fisheries and the Weed Spotters Network. More than 50 participants from industry attended the professional development session. The intent is to hold more workshops across the region for professional development. These workshops form part of Council's broader Environmental Strategy which aims to increase education around weed identification.





#### 2016 Parthenium Field Day

In November, Council hosted a Parthenium Field Day which provided information about the impacts of the invasive plant Parthenium.

It also covered the responsibility of landholders to prevent or minimise the risks associated with the plant.

More than 25 landholders participated on the day including commercial producers, local farmers and residents.

Council will continue to monitor affected properties providing information on control and ensuring landholders take adequate control action on their land

## Wild Dog Abatement Project for koala population

From July to September 2016, a Wild Dog Abatement Program was rolled out for areas around Section C of the Bruce Highway construction phase.

The program was designed to reduce the numbers of wild dogs in the Gympie region.

It was also developed to help reduce predatory stress and impacts on local koala populations that may be effected by the highway construction works

The work was conducted by Council's Pest Animal Control Contractors in conjunction with Lands Protection staff.

Over the four-month period, 50 wild dogs were removed from the area.

Council also conducted a post-project survey of relevant landholders to assist with decision-making for ongoing broad scale management of wild dogs in the region.

The removal of Wild Dogs benefits not only native fauna, but landholders with livestock in the area.

#### Case study for feral Rusa Deer

During March to June 2017, a case study was conducted for Feral Rusa Deer in the Widgee – Lower Wonga area of the Gympie region. This was to gather and collate information to assist with decision-making around the potential management of the pest animal.

Localised community consultation was also carried out to seek feedback on the location, interactions and number of the Feral Rusa Deer in the area. The recommendations from the report are being considered by Council.

#### **Environment Strategy 2017-2022**

During 2016/17, the Environment Strategy 2012-2017 was reviewed and a consultant engaged to assist Council with the redrafting. Meetings were held with Council employees, State Government representatives and local natural resource management community groups to gain input into the Environment Strategy and action plan. The purpose of the Environment Strategy is to guide Council and community action in responsible environmental management, sustainability and stewardship of the Gympie region to ensure that it is preserved for future generations. The Environment Strategy 2017-2022 is currently in draft format.

#### Water and sewerage

During 2016/17, the Water Business Unit completed the following projects:

- Construction of gravity sewer main extensions as part of the Southside Sewerage Program (Stage 6 and part of Stage 7);
- Replacement of 610 water meters with smart meters as part of the Water Meter Replacement Program;
- Installation of a new water standpipe at Corella Road, Gympie and the Imbil Showgrounds;
- Network modelling for Gympie water supply and sewerage schemes; and
- Modelling for Gympie, Rainbow Beach, Tin Can Bay, Cooloola Cove, Goomeri and Kilkivan for sustainability of effluent re-use schemes.



## Social wellbeing ... active, diverse, creative and empowered

#### **Gympie Regional Libraries**

In 2016/17, Council's library branches were visited more than 271,000 times and more than 450,000 items borrowed from its collections. This was an increase of nearly eight per cent on the previous year's borrowings.

Gympie Regional Libraries attained eSmart Library status in January 2017. eSmart Libraries, a partnership between the Alannah and Madeline Foundation and the Telstra Foundation is one of the most significant community cyber safety initiatives undertaken in Australia. eSmart training has enabled staff to deliver programming and support to encourage responsible use of technology. The library service has integrated cyber safety into its procedures and public training, assisting our customers to use technology confidently and safely.

Further funding received through the State Library of Queensland First Five Forever and Coding and Robotics grants has enabled Early Years Learning staff to increase outreach and onsite programming across the region. Storytime sessions which were held at library branches, playgroups, schools, and in partnership with community organisations, along with coding and robotics sessions held at our libraries and in the community were attended by almost 15,000 children across the region which is an increase of 37% in participation compared to last year.

A Coding and Robotics Club at was also established at Gympie Library where children can learn about robotics and coding using Lego Mindstorm, Ozobots, Sphero, Cubetto, Beebots, Little Bits and Scratch.

The Friends of Gympie Regional Libraries Inc. currently has over 90 members who contributed 2,468 volunteer hours during the last financial year. Friends also assisted in research and organisation of the materials in the Local History room and supported the Home Library Service, selecting and delivering books to people in

the community and contributed to a Queensland State Archives project to index early mining claims registers.



#### **G150** Celebrations

The year-long celebration of the Gympie region's 150th anniversary (G150) commenced in January. Residents and tourists were encouraged to enjoy a host of ongoing activities including races, sailing, films, music and food. As part of the celebrations, Gympie Regional Gallery displayed the G150 Now and Then exhibition, which was curated by Judy Barrass, and involved six local artists and three museums.

The exhibition started the G150 celebrations for the region, and supported our local heritage through visual means. It was accompanied by the exhibition and book launch of Edward Bytheway, the man responsible for raising funds in 1905 for the original building that now houses the Gympie Regional Gallery.

#### **Gympie Regional Gallery**

The Gympie Regional Gallery provided a range of exhibitions and activities for locals and visitors to the region over 2016/17. Stand-out exhibitions included *Shaun Tan: Waking Dreams* and our biannual Climate Change exhibition – *Sensory Ecology*, curated by Dr Leah Barclay.

Twenty-nine exhibitions including national touring, regional and local artists, community exhibitions and in house curated, were shown. *My Country* from the Queensland Art Gallery of Modern Art touring program and the biannual exhibition from the Queensland College of Art *Points of Reflection* were



also exhibited. Local artists were well represented, as was the community through the Rush Art Competition, the Heritage Art Competition and the HiArtworks exhibition.

Floor talks, curators' talks, and workshops value added to many of the exhibitions, and the new program Art Chat was initiated to encourage discussions about art in a social atmosphere. Council acknowledged the support of more than 50 volunteers in the Gallery during National Volunteers Week with a breakfast and guest speakers. During 2016/17, a number of the "Friends of the Gallery" also branched out to establish the Quartz Hub, a community arts space with funding support through Council's Community Grants program.

#### **Rush Festival 2016**

The Rush Festival was held throughout the month of October to celebrate creativity, arts, culture and heritage through colour, music, dance, art, theatre, film, and poetry. The festival's diverse collaborative program included grassroots events and celebrations with the internationally acclaimed Heart of Gold International Short Film Festival, Gold Rush Festival, and Widgee Bush Balladeers. Council partnered with 31 community-based organisations to hold 30 events involving 116 individual artistic

and creative sessions which attracted 30,865 attendees.

#### Arts programs and projects

Public art projects were introduced to the Gympie region during 2016/2017, with the installation of the Lady Mary statue in Mary Street, two works at the Aquatic Recreation Centre (ARC), and two works in Smithfield Street. Art education and public programming activities were also held including:

- Art Stars (for 5-10 year and 10-13 year age groups)
- Tiny Tots Artplay (for 18 months to three years)
- Zed Zone (for teenagers)
- Holiday Fun
- Art and Alzheimers Tours
- Life Drawing
- Youth Connect (mentoring project with youth and local artists).



#### **RADF Funding**

The Regional Arts Development Fund continued to support the local creative community through grant funding. Eight community projects (totalling \$19,534) and three Council-initiated projects (including a Youth Arts Production and a G150 exhibition) received funding.

#### **Events Development**

Council's Community Event Organiser's Professional Development Series commenced in 2016 and was attended by 226 participants. The program aimed to assist, inspire and support local event organisers to build their events, ensure maximum community impact, increase sustainability and create a cultural legacy for the region.

#### **Major events**

Australia Day 2017 was celebrated with a free community concert held at Nelson Reserve. The event featured water slides, kids' games, activities, BBQs, food and licenced area and included performances from Shannon Noll and The Tim Freedman Trio. Approximately 2000 people participated in the family fun day.

Council also provided funding and support to signature and major events including the Gympie Music Muster, Goomeri Pumpkin Festival, Gympie District Show, Heart of Gold International Short Film Festival and Rainbow Beach Fishing Classic and regional events such as the Career's Expo, Mary River Festival, and the Tin Can Bay Seafood Festival.

#### **Community events**

Council hosted the 124th Queensland Eisteddfod in April 2017 at the Gympie Civic Centre. A local working group was formed to coordinate and deliver the event. The Eisteddfod attracted more than 1000 competitors from throughout the state, providing important and valuable performance opportunities for aspiring and established artists across a range of disciplines including choral, vocal, speech and instrumental.

Council supported in excess of 120 community activities and events to encourage residents to get involved and connected in their local community. Highlights included:

- Movies in the Park which continues to offer families a fun night out in local parks;
- Seniors Week celebrating the contributions of our seniors citizens at the Annual Concert and Award Ceremony and the all abilities Duck Pond Dash;
- Youth Week activities engaging teenagers in a BMX, Scooter and Skate competition, dance workshops and roller skating.

Council also collaborated with a range of community organisations and networks to raise awareness of important national social issues affecting our communities. The One Million Stars to End Violence project involved residents and groups weaving 3974 hand-made stars for an installation as part of the Gold Coast 2018 Commonwealth Games. Council also co-hosted the White Ribbon Day public event at Memorial Park with local police, councillors, media personalities, former Brisbane Broncos players and service providers taking a pledge to end violence against women.

Community organisations and sporting clubs were supported by Council in the critical role they play in community life, with 129 people taking advantage of the free upskilling and training sessions for volunteers, community grants and governance support.

#### Active and healthy lifestyles

During 2016/17 Council was successful in gaining funding from Primary Health Network (PHN)
Central Qld, Wide Bay and Sunshine Coast to implement a range of active and healthy programs.
The Go Mumma Gympie Region program offers Mums with young children the opportunity to participate in free or low cost activities such as yoga, boot camp and dance fitness.

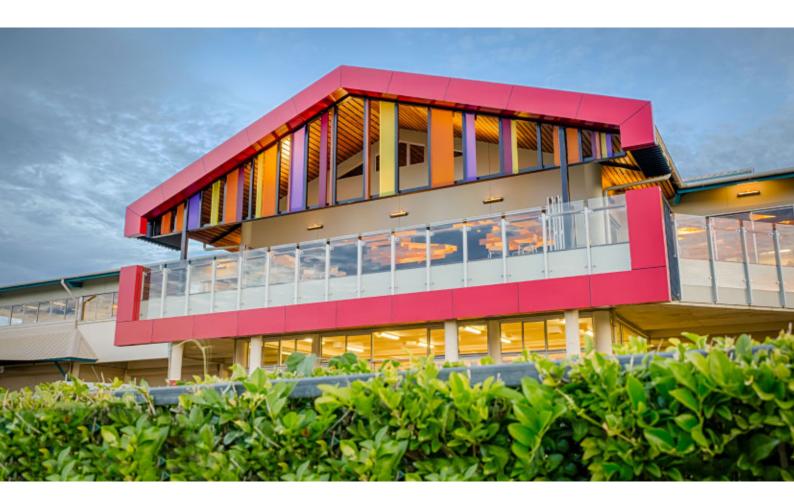
Volunteer walk organisers were recruited to lead eight new Heart Foundation Walking Groups across the region, with Holiday Fun activities having a greater emphasis on active and healthy lifestyles with children and young people enjoying Healthy Cooking Classes, Stand Up Paddle Boarding and Learn to Surf.

Council's partnership with the Brisbane Broncos enabled the Building Better Communities Program to be delivered in primary and secondary schools across the region.

The program provides life skills education to students with a focus on positive health and relationship choices and leadership. A Youth Mentoring Pilot Program was funded by Council and delivered by the Gympie Region Volunteer Centre, recruiting and training volunteer mentors to support young people at local schools.

#### **Pavilion refurbishment**

The Pavilion Indoor Sports and Reception Centre underwent a major \$1 million renovation during 2016/17. Council was successful in receiving grant funding for half of the project through the 2016 National Stronger Regions Fund. Refurbishments included modernising the fit out and improvements for all abilities access (installation of a compliant lift and single level dance floor and function space on the upper level). By improving both the capacity and look of this facility, the centre can better meet the event and venue needs of our growing region.



## Councillor reporting requirements

#### Remuneration

In accordance with s 186 of the *Local Government Regulation 2012* (Regulation), annual reports for a financial year must contain particulars of the total remuneration, including superannuation contributions, paid to each Councillor during the financial year as well as expenses incurred by, and the facilities provided to, each Councillor during the financial year under the local government's expenses reimbursement policy.

Councillors are provided with access to appropriate information technology and communications equipment, use of a Council supplied vehicle, and reimbursement of relevant travel and accommodation related expenses incurred while performing their duties on behalf of the Council.

Full details of the basis of expenses reimbursement including the facilities and equipment provided to Councillors are contained within the Councillor Expenses Reimbursement Policy which is available from Council's website.

In accordance with the Expenses Reimbursement Policy, Councillors can nominate to use their own privately supplied vehicle in lieu of using a Council supplied vehicle for all Council business.

The payment of an annual vehicle allowance applies under such circumstances. Cr Hartwig has taken up this option as indicated in the table below.

	Remuneration for the period 1 July 2016 to 30 June 2017						
COUNCILLOR NAME	SALARY	COSTS OF COUNCIL VEHICLE PROVIDED	VEHICLE ALLOWANCE	REMUNERATION NETT	SUPER	PHONE/IPAD NETWORK AND CALL COSTS	GROSS TOTAL
CURRAN	\$122,631.08	\$12,076.32	\$0.00	\$134,707.40	\$14,715.74	\$1,772.84	\$151,195.98
LEITCH	\$76,644.10	\$7,973.04	\$0.00	\$84,617.14	\$9,197.50	\$1,380.40	\$95,195.04
COCHRANE	\$65,146.90	\$7,973.04	\$0.00	\$73,119.94	\$7,817.68	\$1,385.28	\$82,322.90
DODT	\$65,146.90	\$6,638.64	\$0.00	\$71,785.54	\$7,817.68	\$1,385.28	\$80,988.50
GEAR	\$65,146.90	\$7,973.04	\$0.00	\$73,119.94	\$7,817.68	\$1,385.28	\$82,322.90
HARTWIG	\$65,146.90	\$0.00	\$7,999.94	\$73,146.84	\$7,817.68	\$1,385.28	\$82,349.80
McDONALD	\$65,146.90	\$7,973.04	\$0.00	\$73,119.94	\$7,817.68	\$1,415.88	\$82,353.50
SMERDON	\$65,146.90	\$7,973.04	\$0.00	\$73,119.94	\$7,817.68	\$1,768.05	\$82,705.67
STEWART	\$65,146.90	\$7,973.04	\$0.00	\$73,119.94	\$7,817.68	\$1,385.28	\$82,322.90

#### Meetings attended

The number of local government meetings that each Councillor attended during the financial year is recorded in the adjacent table in accordance with s 186(c) of the Regulation. Council does not have any Standing Committees. Sixteen Ordinary Meetings and two Special Meetings were held during the period.

COUNCILLOR	ORDINARY MEETINGS	SPECIAL ORDINARY MEETINGS	TOTAL MEETINGS
CURRAN	16	2	18
LEITCH	15	2	17
COCHRANE	15	2	17
DODT	15	1	16
GEAR	16	2	18
HARTWIG	14	1	15
McDONALD	15	2	17
SMERDON	15	2	17
STEWART	15	2	17

#### **Complaints about Councillors**

The table below provides information about complaints received regarding the performance or conduct of Councillors in accordance with the requirements of s186 (d), (e) and (f) of the Regulation.

(i)	The number of orders and recommendations made under s 180(2) or (4) of the Act	ONE
(ii)	The number of orders made under s 181 of the Act	NIL
(iii)	The number of complaints made about the conduct or performance of a Councillor for which no further action was taken under s 176C(2) of the Act	FOUR
(iv)	The number of complaints referred by the Council CEO to the department's chief executive under s 176C(3)(a)(i) of the Act	NIL
(v)	The number of complaints referred to the Mayor under s 176C(3)(a)(ii) or (b)(i) of the Act	NIL
(vi)	The number of complaints referred to the department's chief executive under s 176C(4)(a) of the Act	NIL
(vii)	The number of complaints assessed by the Council CEO as being about corrupt conduct under the Crime and Corruption Act	NIL
(viii)	The number of complaints heard by a regional conduct review panel	NIL
(ix)	The number of complaints heard by the tribunal	ONE
(x)	The number of complaints to which s 176C(6) of the Act applied	NIL

As required under s186(e) of the Regulation it is noted that the Local Government Remuneration and Discipline Tribunal issued an order against Cr Dan Stewart in response to a complaint alleging misconduct by the Councillor. The complaint alleged that the Councillor publicly released information that he should have known was confidential to Council. The Tribunal determined that the allegation was sustained and ordered that Cr Stewart make a public apology in relation to the matter at the next available Ordinary Meeting of Council.

#### **Executive remuneration**

In accordance with s 201 of the Act, the total of remuneration packages payable to senior management during the period was \$998,135. For the purposes of s 201 of the Act, senior management refers to Council's CEO and Directors only.

REMUNERATION BAND	NO. SENIOR MANAGEMENT EMPLOYEES IN REMUNERATION BAND
\$100,000-\$199,999	3
\$200,000-\$299,999	2

#### Particular resolutions

References to the various resolutions mentioned in s 185 of the Regulation are as identified below.

#### **Councillor Expenses Reimbursement Policy**

The Councillor Expenses Reimbursement Policy (GRC011) was last amended by Council at its Ordinary Meeting held on 16 June 2016 via minute M07/06/16. A full copy of the Councillor Expenses Reimbursement Policy is available from Council's website under the Publication Scheme and also as the attachment document to minute M07/06/16 available from the Minutes section of our website.

#### Valuation of non-current physical assets

No resolutions were passed during the period in relation to s 206(2) of the Regulation which deals with setting an amount for each different type of non-current physical asset below which the value of an asset of the same type must be treated as an expense.

#### Administrative action complaints

Gympie Regional Council is committed to providing a level of customer service that does not attract complaints. Council acknowledges the public's right to provide feedback on our services, both positive and negative, including the right to lodge a complaint about a decision or other action Council has taken, or failed to take, where considered appropriate to do so.

In response to s 187 of the Regulation, an Administrative Action Complaints Process has been developed and implemented which is designed to assist Council manage complaints efficiently, effectively, objectively and fairly. A Customer Service Charter has been adopted by Council during the period which provides guidance across the organisation in relation to the standard of customer service the public can rightfully expect in their dealings with Council. Our Complaint Management System was recently externally audited by the Queensland Ombudsman with the recommendations stemming from that review having now been implemented.

In combination with a major ongoing review of ICT systems and a corporate focus on customer service, initiatives continue to be established that will better help Council identify, manage, monitor and respond to customer service issues. This includes dealing promptly and appropriately with all complaint related matters.

During the period, 39 Administrative Action Complaints were received with 23 of those complaints being fully resolved. Sixteen complaints received during the period remained outstanding as at 30 June 2017. It is noted that seven of these outstanding complaints were received in either May or June 2017. There were no complaints received in a prior financial year that were left unresolved.

The above statistics highlight that Council's Administration Action Complaints Process is proving effective in having a majority of complaint matters formally considered, investigated and resolved within the financial year period. Further detailed information in relation to Council's complaints management processes is available from our website.

#### Overseas travel

Further to the requirements of s 188 of the Regulation it is noted that no overseas travel was undertaken by Councillors or staff in an official capacity across the period.

#### Registers

In accordance with s 190(1)(f) of the Regulation, below is a list of the registers kept by Council:

- Asset Register
- Building Statistics of Monthly Approvals
- Contact with Lobbyists Register
- Contracts Register
- Councillor Complaints Register
- Cost Recovery Fees Register
- Delegations Register
- Fees and Charges Register
- Gifts/Hospitality Register
- Local Heritage Register
- Local Laws Register
- Register of Development Applications
- Register of Environmentally Relevant Activities
- Register of Impounded Dogs
- Register of Interests (Councillor and senior executive employees)
- Register of Pre-Qualified Suppliers
- Reportable Loss of Assets Register
- Restricted Dogs Register
- Road Register.

## Expenditure on grants to community organisations

As stipulated by s 189 of the Regulation, the following tables outline a summary of the funds supplied through community grants in accordance with Council's Community Assistance Grants Policy. There were no Councillor discretionary funds established during the period in accordance with s 109 of the Act.

CAPACITY BUILDING GRANT	
Lower Wonga Hall and Recreational Association	\$5,000
Cooloola Coast Youth Activity Project	\$3,800
Rotary Club of Gympie Cooloola	\$2,500
Sporting Shooters Association Australia - Tin Can Bay Branch	\$3,942
Gympie Communication and Electronic Group	\$2,968
Gympie Clay Target Club	\$4,160
Friends of Gympie Regional Art Gallery	\$4,000
parkrun Australia	\$5,000
Rainbow Beach Surf Life Saving Club	\$3,000
Gympie State High School P&C Association	\$2,488
TOTAL	\$36,858

COMMUNITY EQUIPMENT GRANTS	
Nashville Scout Group	\$2,480
Dagun Community Group	\$2,500
GUSTO - Gympie Ukulele (auspiced by AICM)	\$2,484
Gympie Volunteer First Aid Services	\$2,482
Gympie Songbirds	\$1,674
Tin Can Bay Resource and Referral Association	\$1,154
Cooloola Coast Medical Transport	\$2,500
Gympie Theatre Association	\$2,500
Gympie Hammers Rugby Club	\$2,395
TOTAL	\$20,169

COMMUNITY EVENT GRANTS	
Gympie Municipal Horticultural Society	\$1,000
TOTAL	\$1,000
COMMUNITY FACILITIES GRANTS	
Gympie Hammers Rugby Club	\$10,000
Kandanga Tennis Club	\$710
Weeroona Association	\$9,090
Guides Queensland - Gympie District	\$5,285
Kandanga Public Hall Association	\$2,950
Kilkivan Touch Football Association	\$3,937
Widgee Pony Club	\$10,000
Cooloola Trail Care Alliance	\$2,092
One Mile Sports Association	\$3,300
Gympie and District Riding for Disabled Association	\$8,492
Tin Can Bay Fishing Club	\$5,250
Widgee District Hall and Recreation Association	\$1,222
Little Guppies Playgroup Tin Can Bay	\$5,087
Langshaw Hall Association	\$5,000
Friends of Amamoor	\$495
Gympie and District Pony Club	\$9,750
Cooloola Trail Care Alliance (CTCA)	\$6,975
Gympie Junior Rugby League	\$4,000
TOTAL	\$93,635

QUICK RESPONSE	
Far-A-Way Riders Association	\$1,200
JKS Australia	\$1,000
Tin Can Bay Community and Men's Shed	\$3,000
Cooloola Coast Kart Club	\$2,500
TOTAL	\$7,700

REGIONAL ARTS DEVELOPMENT FUND GRANTS		
Motoyuki Niwa	\$6,400	
Early Childhood Teachers' Association	\$3,034	
Heart of Gold International Film Festival	\$2,200	
Gayle Robinson	\$1,900	
Gympie Bone Museum	\$1,500	
Holly Hughes	\$1,500	
Pat Cale	\$1,500	
Robin Hines	\$1,500	
TOTAL	\$19,534	

TOTAL OF COMMUNITY ASSISTANCE	\$178,896
GRANTS	

EVENTS SPONSORSHIP	
Apex Santa Fair	\$5,500
Ministers Network	\$4,200
Goldrush	\$6,000
Tin Can Bay Seafood Festival	\$5,400
Kilkivan Great Horse Ride	\$4,000
Far-A-Way Riders Easter Endurance Carnival	\$3,000
New Year's Eve Celebrations Gympie	\$13,000
Gympie Show	\$24,500
Gympie and District Eisteddfod	\$6,000
Goomeri Pumpkin Festival	\$10,500
Mary River Festival	\$4,000
Rainbow Beach Fishing Classic	\$10,000
Rainbow Beach Surf Lifesaving Nippers Carnival	\$1,800
Goomeri New Years Eve Rodeo	\$500
Heart of Gold Film Festival	\$35,000
Relay for Life	\$3,000
NAIDOC Week Celebrations	\$700
Gympie Music Muster (inc \$210k loan write-off)	\$360,000
Historic Auto Club Swap Meet	\$2,000
Gympie Garden Expo	\$1,000
Australian Off-road Championships	\$5,000
Wolvi Machinery Day	\$200
TOTAL	\$505,300

## Organisational reporting requirements

G150	
Wood N Music Festival (auspiced by AICM)	\$10,000
Gympie District Show Society	\$10,000
Gympie Saloon Car Club	\$3,000
Lower Wonga Hall and Recreational Association	\$2,000
Shawn Jarvey (auspiced by CoolArts)	\$5,000
Heart of Gold International Short Film Festival	\$3,000
Gympie and District Historical Society	\$1,700
Gympie Municipal Horticultural Society	\$540
Early Childhood Teachers Association	\$9,115
TOTAL	\$44,355

EVENTS DEVELOPMENT 2016/17	
U15 Womens State Hockey Championship	\$5,000
2016 Cycle Queensland	\$10,000
Guardian User Group Conference	\$5,000
2017 Surf Lifesaving QLD Ocean Roar IRB Series	\$5,000
124th Queensland Eisteddfod	\$9,000
TOTAL	\$34,000

TOTAL OF EVENT SPONSORSHIP	\$583,655
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COMMUNITY SUPPORT PAYMENTS	
Community Halls	\$30,000
Senior Citizens Centre	\$15,000
Gympie Showgrounds	\$65,000
Woodworks Museum	\$10,000
Australian Volunteer Coast Guard	\$35,000
Life Flight	\$30,000
TOTAL	\$185,000

COMMUNITY GROUP GRANTS (Environment Levy Distribution)	
Gympie Landcare	\$67,000
Cooloola Coastcare	\$19,000
Cooloola City Farm	\$29,000
MRCCC	\$47,000
Australian Native Animal Rescue	\$2,800
Koala Action Group (special funding round)	\$2,000
Surfrider Foundation	\$1,000
Private Forestry Southern Queensland (special funding round)	\$36,000
TOTAL	\$203,800

TOTAL OF COMMUNITY	\$1,151,351
ORGANISATION GRANTS/SUPPORT	
AND EVENT SPONSORSHIP FOR	
2016-17	

#### Annual strategic review

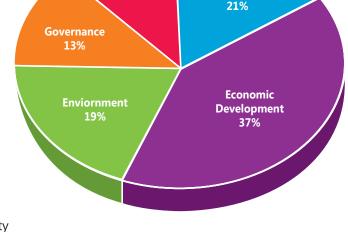
In accordance with s 190(1)(a) of the Regulation, the Chief Executive Officer must provide an assessment of the local government's progress towards implementing its 5-year corporate plan and annual operational plan. During the period Council adopted a new Corporate Plan 2017-2022 in April 2017. As the corporate plan is tied to the annual budget the new corporate plan came largely into practical effect upon the adoption of the 2017-2018 annual budget. The Operational Plan 2016-2017 remained tied to the five core themes from the former Corporate Plan 2014-2019 which are:



- Economic Development
- Governance
- Environment
- Social Wellbeing.

The achievement of Council's corporate plan remains a primary focus for both Councillors and staff under the respective core responsibilities imposed by the *Local Government Act 2009*.

A graphical representation of the percentage of operational plan activities aligned to the five core themes is presented adjacent.



**Infrastructure** 

**Social** 

Wellbeing

**10%** 

Data presented in the quarterly updates and activity

reports to Council across the period demonstrates that Council has largely achieved the various performance measures identified within the Operational Plan 2016-2017. Council has maintained a focus on non-business as usual activities within its operational plan, concentrating on progressing activities that directly further the vision and strategic objectives of the corporate plan.

The continuation of the development and review of business planning across more than 20 functional areas of Council has been a notable project during the period. When fully established, this additional level of planning will further support the implementation of the corporate plan and the development of future operational plans. Business plans are targeting all key business units of Council and include activity milestone schedules, goals and targets that are aligned with the vision and strategic directions of the corporate plan.

Council continues to review and monitor the effectiveness of its various key strategic plan formats and public reporting processes with a goal of maximising the practical outcomes achieved. A review of the quantitative and qualitative nature of Council's public reporting on operational plan and other related matters is scheduled for 2017-2018 with a view toward improving the quality and relevance of Council's performance reporting.

#### Local government operations

Aligned with the requirements of s 190(1)(b) of the Regulation, the welcome message from the Mayor and the Chief Executive Officer's overview at the beginning of this document incorporate an informed assessment of the local government's operations and performance across the period. In addition, the annual strategic review featured earlier in the report articulates Council's operational performance and the progress made toward achieving our vision and key strategic objectives.

The organisation continues to plan for, and respond to the changing expectations of our residents and customers and the challenging business environment within which local government operates.

Council's ongoing commitment to an organisation wide continuous improvement approach has helped us strive to do our work in the best way possible.

#### Beneficial enterprises

Further to the requirements of s 41 of the Act, Council's involvement with the following companies has been noted as conducting a beneficial enterprise.

- Mary Valley Community Holdings Ltd.
- Rattler Railway Company Ltd.

#### List of business activities

Section 45(a) of the Act requires that the annual report contain a list of all the business activities the local government conducted during the financial year. This list is presented in Appendix A of the report. Council did not undertake any 'significant business activities' during this period in accordance with the legislative definition of same.

#### Commercial business units

In line with s 190(1)(c) of the Regulation and the threshold limits set for significant business activities, Council did not operate any commercial business units during the period. The 2016-2017 Financial Statements include a specific note to the accounts on National Competition Policy. Please refer to the audited Financial Statements.

### Summary of rate rebates and concessions

As required by s 190(1)(g) of the Regulation, the following concessions were applied.

#### Pensioner remissions

Council's pensioner rate remission to eligible pensioners was allowed under s 120(1)(a) of the Regulation. The pensioner remission is \$160 per annum. Total expenditure for 2016-17 was \$634,000.

#### Deferment of liability

No such expenditure was incurred in 2016-17. In accordance with s 125 of the Regulation, Council may grant a deferral of the time in which to make payments of overdue rates in respect of:

- A dwelling in which the applicant resides as his/her principal place of residence; or;
- All other land, where it can be substantiated in writing to the Chief Executive Officer's satisfaction that the applicant will not be able to pay all rates and charges within the prescribed period. The Chief Executive Officer shall be authorised to request further evidence that may be necessary in order to substantiate any such claim.

#### Early payment discount

Discounts for prompt payments were allowed on the rates and charges stipulated in Council's Revenue Statement, as such discounts were allowed pursuant to s 130 of the Regulation. The following discount applied if all rates and charges are paid within 30 days of the issue date:

- First rate notice 5 per cent
- Second rate notice 10 per cent.

Total expenditure for 2016-17 was \$4,560,000.

## Details of special rates and charges

Further to s 190(1)(d) of the Regulation, Council does not have any agreement in place for conducting a joint government activity for which special rates or charges were levied during the period.

A Rural Fire Brigade Levy—as authorised under s 94(1)b) of Act and ss 106 and 128A of the Fire and Emergency Services Act 1990—in the amount of \$25 applies to all rateable properties not situated in an urban fire brigade area (as defined by the Queensland Fire and Rescue Service).

Moy Pocket Road Maintenance Charge in the amount of \$137,044 applies to rateable land described as Lot 4 on Registered Plan 159242, Lot 2 on Registered Plan 187563 and Lot 1 on Survey Plan 221900, Parish of Brooloo, County of March to fund the cost of road maintenance on Moy Pocket Road.

#### **Contracts**

As stipulated by s 190(1)(e) of the Regulation, the number of invitations to change tenders under s 228(7) during the financial year was NIL.

## Competitive neutrality

In accordance with s 190(1)(i) and ( j) of the Regulation, there were no investigation notices for competitive neutrality complaints nor any required response to the Queensland Competition Authority.

## Internal audit report

Internal audit is an integral part of Council's assurance and governance framework. It is designed to provide Council with independent assurance that business processes, work practices and internal control systems are operating appropriately and effectively in accordance with organisational and legislative requirements.

It reports directly to the Chief Executive Officer and the Audit and Risk Management Committee on opportunities for improvement to business practices. Internal audit activities are delivered through the internal audit unit supported by specialist external service providers.

In the conduct of its activities, internal audit plays an active role in:

- Developing and maintaining a culture of effective corporate governance, accountability and integrity;
- Facilitating the integration of risk management into day-to-day business activities and processes; and
- Promoting a culture of cost-consciousness, self-assessment and adherence to high ethical standards.

Council's internal audit plan for each financial year is developed having regard to current strategic and operational risks and is reviewed by the Audit and Risk Management Committee to ensure it remains relevant. Internal audit activities include compliance, financial and performance audits as well as advisory services ranging from advice on new systems and processes, assisting in identifying risks and risk mitigation strategies and monitoring and reporting on the implementation and maintenance of Council's fraud and corruption prevention control plan.

Internal audit is also responsible for:

- Assisting the Audit and Risk Management Committee to discharge its responsibilities;
- Monitoring the implementation of agreed internal and external audit recommendations; and
- Disseminating across the Council better practice and lessons learnt from its audit activities.

The internal audit activities for 2016-17 included a review of the following:

- Administration and control of portable and attractive assets;
- Fraud management framework; and
- Maturity of Council's risk management framework.

Council maintains a zero tolerance approach to fraud and corruption across the organisation. All allegations of fraudulent or corrupt conduct by elected members, employees, contractors or volunteers are thoroughly investigated. Where allegations lead to a reasonable suspicion that a complaint, information or matter involves, or may involve, corrupt conduct the matter is automatically referred to the relevant oversight agencies including the Crime and Corruption Commission Queensland and the Queensland Police Service as required.



## Community financial report

The Community Financial Report is presented in accordance with the Local Government Regulation 2012, s179, which requires that this report accompany the Financial Statements in the Annual Report. The Community Financial Report is intended to simplify complex financial information, assisting readers to evaluate Council's financial performance and financial position in a form which is easily understood by the community. The General Purpose Financial Statements are a record of Council's financial performance for the year ended 30 June 2017. The report highlights areas of importance to allow interested stakeholders the opportunity to make their own informed decisions.

The four key financial statements for 2016-2017 and the key performance indicators are described as follows:

- Statement of Comprehensive Income shows revenue, expenses and asset revaluation adjustments for the 2016-2017 year.
- Statement of Financial Position shows the assets and liabilities which make up the community equity as at 30 June 2017.
- Statement of Changes In Equity shows the movement in total community equity.
- Statement of Cash Flows shows the nature and amount of Council's cash inflows and outflows from all activities.
- Financial Sustainability Ratios for reviewing Council performance and sustainability.

## Statement of Comprehensive Income

This statement shows the Council's financial performance for the year. It reflects how the money received from Council operations is spent providing services to the community.

Revenue in - Expenses out = Result for the year							
	2016-2017	2015-2016	2014-2015				
Operating Revenue	\$85,181,000	\$79,891,000	\$81,162,000				
Operating Expenses	\$-84,858,000	\$-85,066,000	\$-77,401,000				
Operating Result	\$323,000	\$-5,175,000	\$3,761,000				
Net Capital Items	\$15,036,000	\$7,451,000	\$-4,649,000				
Net Result Attributable to Council	\$15,359,000	\$2,276,000	\$-888,000				
Asset Revaluation in Period	\$-4,152,000	\$21,976,000	\$-9,475,000				
Total comprehensive income for the period	\$11,207,000	\$24,252,000	-\$10,363,000				

The Statement of Comprehensive Income includes both operating revenue and expenses, and capital revenue and expenses.

Operating revenue is income from Council's day to day operations, such as rates, fees and charges, rentals, interest, sales of contract and recoverable works, grants, subsidies, contributions and donations, etc.

Operating expenses are the day to day costs of running the organisation, such as wages, maintenance, materials, depreciation and finance costs.

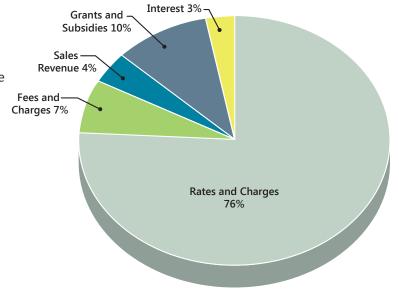
Capital revenue includes grants and developer contributions for funding capital construction projects. Capital expenditure is monies spent on assets and infrastructure, such as parks, roads, water and sewerage, land, buildings, plant and equipment.

## Council's Revenue

Total income (revenue) for 2016-2017 was \$101.7 million, being \$85 million from operations and \$16.5 million from capital sources. The major source of operating revenue was rates and utility charges of \$65 million or around 76 per cent of the total. The number of rateable properties in the Region was 24,977 (2015-2016 24,757).

<b>Operating Revenue</b>	2016-2017	2015-2016	2014-2015
Rates and charges	\$64,981,000	\$62,212,000	\$62,552,000
Fees and other income	\$9,764,000	\$9,016,000	\$9,199,000
Interest received	\$2,252,000	\$2,986,000	\$3,649,000
Grants and subsidies	\$8,184,000	\$5,677,000	\$5,762,000
Total	\$85,181,000	\$79,891,000	\$81,162,000

As rates and charges make up 76 per cent of operating revenue, Council has a low reliance on external funding – this provides Council with financial flexibility and assists in determining its rates and charges income and not have significant reliance on grants and subsidies which is out of its control.



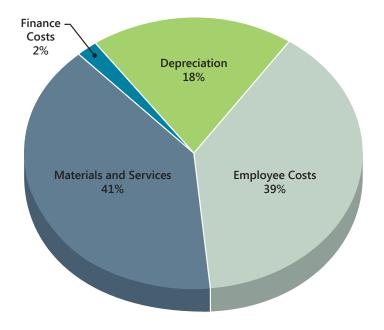
## Council's Expenses

Council provides a wide range of more than 100 different services to the community. Work is completed by Council staff and contractors. Council policy is to encourage the use of local suppliers, where possible, so that the money stays within our community and boosts the local economy.

Services provided by Council include planning and development, economic development, tourism, recreation and sport, airport, saleyards, community and culture, health and environment, waste management, water and sewerage, and roads infrastructure.

Operating Expenses	2016-2017	2015-2016	2014-2015
Employee costs	\$33,718,000	\$29,742,000	\$29,114,000
Materials and services	\$34,759,000	\$37,402,000	\$30,938,000
Depreciation	\$14,895,000	\$16,252,000	\$15,779,000
Finance costs and other	\$1,486,000	\$1,670,000	\$1,570,000
Total	\$84,858,000	\$85,066,000	\$77,401,000

Depreciation is the annual consumption of assets or the decline in value of the assets controlled by Council. Council needs to raise sufficient revenue each year to cover the amount of depreciation so that the future replacement of those assets can be funded. Council has achieved this through the reporting of an operating surplus.



#### Statement of Financial Position

The Statement of Financial Position shows what Council owns (assets), what Council owes (liabilities) and our net community wealth (equity).

#### Council's Assets

The total value of assets was \$1,194 million (2015-2016 \$1,188m). Council's assets include land and buildings, roads, water and sewerage infrastructure, other infrastructure, plant and equipment and intangibles. In addition, Council holds other short term assets including cash held in bank accounts and has investments of approximately \$56.9 million to assist with the funding of future operations of Council including the provision of infrastructure projects.

The value of community assets has increased due to revaluations, replacements and assets being provided to support the growing population. Council's funding of these assets is provided through cash resources, grants, contributions and where appropriate, loan funding.

#### Council's Liabilities

The total liabilities of Council were \$50 million (2015-2016 \$55m). Council's liabilities include amounts owing to employees for annual leave, long service leave and sick leave entitlements of \$12.3 million (2015-2016 \$12.4m), amounts payable to suppliers and contractors \$3 million (2015-2016 \$4m), monies paid in advance to Council \$2.3 million (2015-2016 \$2m) and loans \$20.5 million (2015-2016 \$21.7m). Affordability indicators show that Council is well placed to service its debt position.

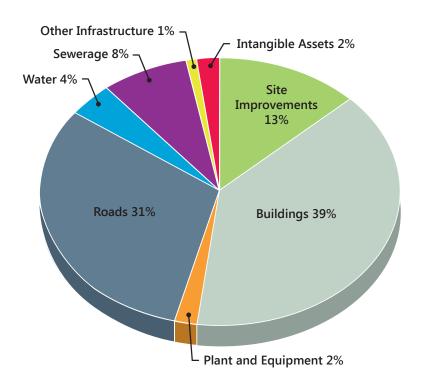
#### **Council's Community Equity**

Council's Community Equity is the wealth of the region (what our community owns). It is the result of Council's assets less Council's liabilities. In 2016-2017, our Community Equity was \$1,144 million (2015-2016 \$1,133 million).

	2016-2017	2015-2016	2014-2015
Assets	\$1,194,415,000	\$1,188,018,000	\$1,167,535,000
Less Liabilities	\$-50,167,000	\$-54,977,000	\$-58,746,000
Equity	\$1,144,248,000	\$1,133,041,000	\$1,108,789,000
Represented by:			
Retained Surplus/Deficit	\$718,300,000	\$702,941,000	\$632,934,000
Asset Revaluation Surplus	\$425,948,000	\$430,100,000	\$408,124,000
General Reserves	\$0	\$0	\$67,731,000
	\$1,144,248,000	\$1,133,041,000	\$1,108,789,000

## Council's Capital Works

Council's investment in community infrastructure or completed Capital Works was \$42 million (2015-2016 \$32m).



#### **Statement of Cash Flows**

The Statement of Cash Flows shows how Council receives and spends money during the year. Council's cash held at the end of the reporting period was \$56.9 million (2015-2016 \$71.3m). Cash on hand consists of:

- Working capital cash to meet the day to day funding requirements; and
- Restricted cash funds set aside by Council to meet grant and contribution obligations as well as its own requirements for future identified capital and operating projects.

	2016-2017	2015-2016	2014-2015
Cash Opening Balance	\$71,342,000	\$84,357,000	\$88,251,000
Plus Cash Received	\$104,573,000	\$97,416,000	\$100,020,000
Less Cash Spent	\$-119,002,000	\$-110,431,000	\$-103,914,000
<b>Cash Closing Balance</b>	\$56,913,000	\$71,342,000	\$84,357,000

## Council's Financial Sustainability

#### **Relevant Measures**

Council's key measure of sustainability revolves around the maintenance of its capital value and capacity.

Council's Financial Statements and Long Term Financial Forecast are prepared on the consistent basis of identifying its capital value and monitoring the maintenance of that value. The main indicator that capital capacity is being maintained is the achievement of an operating surplus for the reporting period. The Financial Statements for the year to June 2017 show the net operating result, which is prior to capital grants and contributions being included, as a surplus of \$0.323 million. For the year ended June 2016, the net operating result was a deficit of \$5.17 million. Council's capital value at June 2017 was \$1.122 million compared to \$1,099 million at June 2016, with further increases expected over the next 10 years.

#### **Financial Management Strategy**

Council's financial management strategy is focused on the maintenance of the capital value required to deliver community services at a sustainable level into the future.

The asset management plans forecast replacement and renewal costs over the next 10 years. Funds required to cover this expenditure are compared to the funds provided from the funding of depreciation expense on existing assets. If a shortfall (gap) is identified then alternative strategies are investigated to bridge this funding gap. These include:

- 1. Surplus funds that may exist from current operating surpluses;
- 2. Increasing pricing for services rendered;
- 3. Rescheduling of maintenance and capital works;
- 4. Long term borrowing;
- 5. Evaluating the level of service that is affordable.

These strategies are applied within individual business units, e.g. water and sewerage and the rest of Council programs.

## Council's Financial Sustainability Ratios

Asset Sustainability Ratio	Capital expenditure on replacement assets divided by depreciation expense	<ul> <li>Indicator suggests percentage should be &gt;60 per cent</li> <li>This indicator should be averaged over at least 10 years. Not an annual expectation.</li> <li>Shows the amount spent on replacement/renewal assets compared to the annual depreciation of those assets.</li> </ul>
Operating Surplus Ratio	Net operating result divided by total operating revenue	<ul> <li>Guidance range is 0 per cent to 10 per cent.</li> <li>Indicates ability to maintain and expand Council's capital value and services from own resources.</li> </ul>
Net Financial Liability Ratio	Total liabilities less current assets divided by total operating revenue	<ul> <li>Guidance range is – not greater than 60 per cent.</li> <li>Gympie Regional Council has a negative percentage because current assets exceed total liabilities. This indicates a very strong financial position.</li> </ul>

		Actual	Results	Long Term Financial Plan Projections - Budget Years								
Ratio	Target	2015- 2016	2016- 2017	2017- 2018	2018- 2019	2019- 2020	2020- 2021	2021- 2022	2022- 2023	2023- 2024	2023- 2024	2024- 2025
Asset Sustainability	>60%	107.19%	144.23%	90.56%	75.27%	78.21%	70.25%	59.32%	61.92%	60.23%	64.98%	64.98%
Operating Surplus	0% - 10%	-6.48%	0.38%	1.84%	3.58%	3.34%	2.40%	1.43%	3.27%	3.22%	4.34%	4.99%
Net Financial Liability	<60%	-42.44%	-25.61%	-62.45%	-56.08%	-35.24%	-38.11%	-42.80%	-42.73%	-45.80%	-52.16%	-68.24%

## Appendix A: List of business activities

Further to the requirements of s45(a) of the Act the following list of business activities is presented as aligned to the key strategic themes of Council's Corporate Plan 2014-2019.

Infrastructure	Aerodromes	Parks
planned, connected and safe	Asset construction Caravan parks Community facilities Depot and workshop operations Design Disaster management Engineering operations and administration Fleet/plant operations Footpaths, verges and non-developed land Foreshores Main roads (contract work) Other recoverable works	Public amenities Quarry strategy and operations Saleyards Sewerage administration, planning and design Sewerage maintenance Sewerage operations Swimming pools Water administration, planning and design Water maintenance Water operations
Economic development vibrant, strong and resilient	Development assessment and compliance Destination Gympie Region Economic development	Events and festivals Industry development Strategic and regional planning
Governance cohesive, responsible and transparent	Asset Management System Business continuity Capital works Change management Community engagement Council business operations Council executive management Councillor support services Customer contact Election services Financial accounting Geographical Information Systems Governance – Legal Information and communication technology system	Insurance Internal audit Internal systems Management accounting Media and public relations People and organisational development Procurement management and stores Property management Rating Records management Right to Information and Privacy related Risk management Work health and safety
Environment sustainable, managed and healthy	Animal control services Energy efficiency Environmental health regulation Building regulatory services Cemetery management Environmental planning	Environmental protection Environmental services Lands protection Local Law services Plumbing regulatory services Waste management
Social wellbeing active, diverse, creative and empowered	Art Gallery Arts and culture Community development Gympie Aquatic Recreation Centre Heritage facilities and museums Heritage planning and awareness Libraries	Open space and recreation Cultural development Social Planning Community Facilities Management Club Development Community Grants Venues

## Appendix B: Financial statements

## **Gympie Regional Council**

General Purpose Financial Statements for the year ended 30 June 2017

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### Gympie Regional Council Statement of comprehensive income For the year ended 30 June 2017

			2017	2016
		Note	\$000	\$000
Ir	ncome			
	Recurrent Revenue Rates, Levies and Charges	3(a)	64 001	62 242
	Fees and Charges	3(a) 3(b)	64,981 5,604	62,212 4,958
	Rental Income	3(0)	247	284
	Interest and Investment Revenue	3(c)	2,252	2,986
	Sales Revenue	3(d)	3,285	3,356
	Other Income	5(5)	628	418
	Grants, Subsidies, Contributions and Donations	4	8,184	5,677
	Total Recurrent Revenue	-	85,181	79,891
		_		
	Capital Revenue	1		
	Grants, Subsidies, Contributions and Donations	4	15,242	14,394
	Other Capital Income Total Capital Revenue	5 _	1,343 <b>16,585</b>	14,394
T	otal Income	_	101,766	94,285
Е	xpenses			
	Employee Benefits	6(a)	33,718	29,742
	Materials and services	6(b)	34,759	37,402
	Finance costs	2.5	1,486	1,670
	Depreciation and amortisation		14,895	16,252
	Total Recurrent Expenses	_	84,858	85,066
	0 *15			
	Capital Expenses			
	Loss on disposal of property, plant and equipment and intangibles	7	1,549	6,943
	Total Capital Expenses	. –	1,549	6,943
		-		
T	otal Expenses	_	86,407	92,009
		_		
	*.			
N	et Result	_	15,359	2,276
_	What			
U	Other comprehensive income			
	Items that will not be reclassified to operating capability			
	Increase/(decrease) in asset revaluation surplus	16	(4,152)	21,976
To	otal other comprehensive income for the year	_	(4,152)	21,976
	Total comprehensive income	_	44.000	04.050
	Total comprehensive income	_	11,207	24,252

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

## Gympie Regional Council Statement of financial position As at 30 June 2017

Current assets         8         56,913         71,342           Trade and Other Receivables         9         12,147         13,297           Inventories         10         2,921         4,248           Inventories         9         71,981         88,881           Non-current assets           Trade and Other Receivables         9         -         240           Properly, plant and equipment         11         1,121,500         1,097,851           Intangible asset         12         934         1,046           1,122,434         1,099,137           Total assets         1,194,415         1,188,018           Current liabilities           Trade and Other Payables         13         9,816         10,177           Borrowings         14         1,132         1,251           Provisions         15         4,969         7,178           Other liabilities         2,315         2,003           Non-current liabilities         3         179         122           Borrowings         14         19,403         20,478           Borrowings         14         19,403         20,478           Borrowings         14		Note	2017 \$000	2016 \$000
Trade and Other Receivables   9   12,147   13,297   10   2,921   4,242   71,981   88,881	Current assets			
Inventories   10   2,921   4,242   71,981   88,881   71,981   88,881   88,881   71,981   88,881   88,881   71,981   88,881   71,981   88,881   71,981   88,881   71,981   88,881   71,981   88,881   71,981   71	Cash and Cash Equivalents	8	56,913	71,342
Non-current assets         71,981         88,881           Trade and Other Receivables         9         240           Property, plant and equipment Intangible asset         12         934         1,046           Intangible asset         12         934         1,046           1,122,434         1,099,137           Total assets         1,194,415         1,188,018           Current liabilities           Trade and Other Payables         13         9,816         10,177           Borrowings         14         1,132         1,251           Provisions         15         4,969         7,178           Other liabilities         2,315         2,003           Non-current liabilities           Trade and Other Payables         13         179         122           Borrowings         14         19,403         20,478           Provisions         15         12,353         13,768           Provisions         15         12,353         13,768           Trade and Other Payables         13         179         122           Borrowings         14         19,403         20,478           Provisions         15         12,353	Trade and Other Receivables	9	12,147	13,297
Non-current assets   9	Inventories	10	2,921	4,242
Trade and Other Receivables       9       -       240         Property, plant and equipment       11       1,121,500       1,097,851         Intangible asset       12       934       1,046         1,122,434       1,099,137         Total assets       1,194,415       1,188,018         Current liabilities         Trade and Other Payables       13       9,816       10,177         Borrowings       14       1,132       1,251         Provisions       15       4,969       7,178         Other liabilities       2,315       2,003         Non-current liabilities       13       179       122         Borrowings       14       19,403       20,478         Provisions       15       12,353       13,768         Provisions       15       12,353       13,768         Total liabilities       50,167       54,977         Net Community Assets       1,144,248       1,133,041         Community Equity       Asset Revaluation Surplus       16       425,948       430,100         Retained Surplus       718,300       702,941		_	71,981	88,881
Property, plant and equipment Intangible asset       11       1,121,500       1,097,851         Intangible asset       12       934       1,046         1,122,434       1,099,137         Total assets       1,194,415       1,188,018         Current liabilities         Trade and Other Payables       13       9,816       10,177         Borrowings       14       1,132       1,251         Provisions       15       4,969       7,178         Other liabilities       2,315       2,003         Non-current liabilities       3       179       122         Borrowings       14       19,403       20,478         Provisions       15       12,353       13,768         Provisions       15       12,353       13,768         Total liabilities       50,167       54,977         Net Community Assets       1,144,248       1,133,041         Community Equity       Asset Revaluation Surplus       16       425,948       430,100         Retained Surplus       718,300       702,941	Non-current assets			
Intangible asset   12   934   1,046     1,122,434   1,099,137	Trade and Other Receivables	9	-	240
1,122,434 1,099,137   Total assets   1,194,415 1,188,018	Property, plant and equipment	11	1,121,500	1,097,851
Total assets	Intangible asset	12	934	1,046
Current liabilities         Trade and Other Payables       13       9,816       10,177         Borrowings       14       1,132       1,251         Provisions       15       4,969       7,178         Other liabilities       2,315       2,003         Non-current liabilities         Trade and Other Payables       13       179       122         Borrowings       14       19,403       20,478         Provisions       15       12,353       13,768         31,935       34,368         Total liabilities       50,167       54,977         Net Community Assets       1,144,248       1,133,041         Community Equity       Asset Revaluation Surplus       16       425,948       430,100         Retained Surplus       718,300       702,941		_	1,122,434	1,099,137
Current liabilities         Trade and Other Payables       13       9,816       10,177         Borrowings       14       1,132       1,251         Provisions       15       4,969       7,178         Other liabilities       2,315       2,003         Non-current liabilities         Trade and Other Payables       13       179       122         Borrowings       14       19,403       20,478         Provisions       15       12,353       13,768         31,935       34,368         Total liabilities       50,167       54,977         Net Community Assets       1,144,248       1,133,041         Community Equity       Asset Revaluation Surplus       16       425,948       430,100         Retained Surplus       718,300       702,941		(Y)	= = =	
Trade and Other Payables       13       9,816       10,177         Borrowings       14       1,132       1,251         Provisions       15       4,969       7,178         Other liabilities       2,315       2,003         Non-current liabilities         Trade and Other Payables       13       179       122         Borrowings       14       19,403       20,478         Provisions       15       12,353       13,768         31,935       34,368         Total liabilities       50,167       54,977         Net Community Assets       1,144,248       1,133,041         Community Equity       Asset Revaluation Surplus       16       425,948       430,100         Retained Surplus       718,300       702,941	Total assets	_	1,194,415	1,188,018
Trade and Other Payables       13       9,816       10,177         Borrowings       14       1,132       1,251         Provisions       15       4,969       7,178         Other liabilities       2,315       2,003         Non-current liabilities         Trade and Other Payables       13       179       122         Borrowings       14       19,403       20,478         Provisions       15       12,353       13,768         31,935       34,368         Total liabilities       50,167       54,977         Net Community Assets       1,144,248       1,133,041         Community Equity       Asset Revaluation Surplus       16       425,948       430,100         Retained Surplus       718,300       702,941	Current liabilities			
Borrowings		13	9.816	10.177
Provisions         15         4,969         7,178           Other liabilities         2,315         2,003           Non-current liabilities           Trade and Other Payables         13         179         122           Borrowings         14         19,403         20,478           Provisions         15         12,353         13,768           Total liabilities         50,167         54,977           Net Community Assets         1,144,248         1,133,041           Community Equity         Asset Revaluation Surplus         16         425,948         430,100           Retained Surplus         718,300         702,941				1.000
Other liabilities         2,315         2,003           Non-current liabilities         Trade and Other Payables         13         179         122           Borrowings         14         19,403         20,478           Provisions         15         12,353         13,768           31,935         34,368           Total liabilities         50,167         54,977           Net Community Assets         1,144,248         1,133,041           Community Equity         425,948         430,100           Retained Surplus         718,300         702,941		15		
18,232 20,609           Non-current liabilities           Trade and Other Payables         13         179         122           Borrowings         14         19,403 20,478           Provisions         15         12,353 13,768           31,935 34,368           Total liabilities         50,167 54,977           Net Community Assets         1,144,248 1,133,041           Community Equity         425,948 430,100           Retained Surplus         718,300 702,941				
Trade and Other Payables       13       179       122         Borrowings       14       19,403       20,478         Provisions       15       12,353       13,768         31,935       34,368         Total liabilities       50,167       54,977         Net Community Assets       1,144,248       1,133,041         Community Equity         Asset Revaluation Surplus       16       425,948       430,100         Retained Surplus       718,300       702,941		_		
Trade and Other Payables       13       179       122         Borrowings       14       19,403       20,478         Provisions       15       12,353       13,768         31,935       34,368         Total liabilities       50,167       54,977         Net Community Assets       1,144,248       1,133,041         Community Equity         Asset Revaluation Surplus       16       425,948       430,100         Retained Surplus       718,300       702,941	Non-current liabilities			
Borrowings		13	179	122
Provisions         15         12,353         13,768           31,935         34,368           Total liabilities         50,167         54,977           Net Community Assets         1,144,248         1,133,041           Community Equity         425,948         430,100           Retained Surplus         718,300         702,941				
Total liabilities 50,167 54,977  Net Community Assets 1,144,248 1,133,041  Community Equity  Asset Revaluation Surplus 16 425,948 430,100  Retained Surplus 718,300 702,941	states and the state of the sta		MARTIN STREET,	
Net Community Assets         1,144,248 1,133,041           Community Equity         425,948 430,100           Retained Surplus         718,300 702,941	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	_		
Net Community Assets         1,144,248 1,133,041           Community Equity         425,948 430,100           Retained Surplus         718,300 702,941	Takel Belefik	_	50.407	F4.077
Community Equity           Asset Revaluation Surplus         16         425,948         430,100           Retained Surplus         718,300         702,941	l otal liabilities	-	50,167	54,977
Asset Revaluation Surplus       16       425,948       430,100         Retained Surplus       718,300       702,941	Net Community Assets	-	1,144,248	1,133,041
Asset Revaluation Surplus       16       425,948       430,100         Retained Surplus       718,300       702,941	Community Equity			
		16	425,948	430,100
Total Community Equity 1,144,248 1,133,041	Retained Surplus		718,300	702,941
	Total Community Equity	_	1,144,248	1,133,041

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

## Gympie Regional Council Statement of Changes in Equity For the year ended 30 June 2017

	Asset Revaluation Surplus	Retained Surplus	Other Reserves	Total Equity
	\$000	\$000	\$000	\$000
2017				
Opening Balance	430,100	702,941	-	1,133,041
Net Operating Surplus for the Year		15,359	N=	15,359
Other Comprehensive Income	(4,152)	-	-	(4,152)
Total Comprehensive Income	(4,152)	15,359		11,207
Equity Balance as at 30 June 2017	425,948	718,300		1,144,248
	Asset Revaluation Surplus	Retained Surplus	Other Reserves	Total Equity
	\$000	\$000	\$000	\$000
2016 Opening Balance	408,124	632,933	67,732	1,108,789
Net Operating Surplus for the Year	3,	2,276	-	2,276
Other Comprehensive Income	21,976	•	-	21,976
Total Comprehensive Income	21,976	2,276		24,252
Transfers to Reserves	-	(214)	214	-
Transfers from Reserves		67,946	(67,946)	-

430,100

Equity Balance as at 30 June 2016

702,941

1,133,041

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

## Gympie Regional Council Statement of Cash Flows For the year ended 30 June 2017

	Note	2017 \$000	2016 \$000
Cash flows from Operating Activities	20		
Receipts from Customers Payments to Suppliers and Employees		76,655 (68,309) 8,346	73,404 (72,305) 1,099
Receipts Investment and Interest Revenue Received Non Capital Grants and Contributions		2,311 8,873	3,006 4,988
Payments Borrowing Costs	-	(1,486)	(1,670)
Net Cash Inflow from Operating Activities		18,044	7,423
Cash flows from Investing Activities			
Receipts: Sale of Property, Plant and Equipment Grants, Subsidies, Contributions and Donations		1,429 15,305	1,137 14,881
Payments: Purchase of Property, Plant and Equipment		(48,013)	(35,235)
Net Cash Outflow from Investing Activities	- NF	(31,279)	(19,217)
Cash Flows from Financing Activities			
Payments: Repayment of Borrowings and Advances		(1,194)	(1,221)
Net Cash Outflow from Financing Activities	,	(1,194)	(1,221)
Net Increase/(Decrease) for the year Cash and Cash Equivalents at beginning of the financial year		(14,429) 71,342	(13,015) 84,357
Cash and Cash Equivalents at end of financial year	8	56,913	71,342

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

#### 1 Significant accounting policies

#### 1(a) Basis of preparation

These general purpose financial statements are for the year 1 July 2016 to 30 June 2017 and have been prepared in compliance with the requirements of the Local Government Act 2009 and the Local Government Regulation 2012.

These financial statements have been prepared under the historical cost convention except as stated.

#### 1(b) Statement of compliance

These financial statements have been prepared in accordance with all Australian Accounting Standards and Interpretations.

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

#### 1(c) Constitution

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

#### 1(d) 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(e) Rounding and comparatives

Amounts included in the financial statements are rounded to the nearest thousand (\$000) unless otherwise stated.

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

#### 1 Significant accounting policies (continued)

#### 1(f) New and revised accounting standards

In the current year, the Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (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 the Council's accounting policies.

Some Australian Accounting Standards and Interpretations have been issued but are not yet effective. Those standards have not been applied in these financial statements. Council will implement them when they are effective.

Effective for annual report periods beginning on or after:

AASB 9 Financial Instruments (December 2009)

1 January 2018

AASB 15 Revenue from Contracts with Customers

1 January 2018

AASB 16 Leases

1 January 2018

#### 1(g) Use of estimates and judgements

The financial statements are subject to the use of estimates and judgements. The estimates and judgements that have a risk of causing an adjustment to the carrying amounts of assets and liabilities relate to:

- Valuation, Impairment and Depreciation of Property, Plant and Equipment Note 11
- Provisions Note 15
- Contingent Liabilities Note 18

#### 1(h) Taxation

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

#### 2 Analysis of Council results by Function

Details relating to the Council's functions / activities as reported in Note 2(b) are as follows:

#### 2(a) Council Functions

#### OFFICE OF THE CEO

Ensures the Council is open, accountable and transparent by setting goals and objectives to benefit the citizens of the Gympie Region. Providing direction, support, co-ordination and a sound resource management policy, it allows for effective and efficient management of the Council's assets and resources.

Elected members are also part of the Office of the CEO.

#### **DIRECTORATE OF CORPORATE & COMMUNITY SERVICES**

To enhance and preserve the lifestyle of all the Gympie Region's residents and visitors by providing services and facilities for recreation, leisure, sport and cultural enrichment and preserving the entire Region's heritage. Additionally, this Directorate provides sound resource management policy through effective and efficient management of Council's assets and resources.

#### DIRECTORATE OF INFRASTRUCTURE

To provide well-constructed, safe and efficient infrastructure networks and engineering services that will meet community needs.

#### **DIRECTORATE OF PLANNING & DEVELOPMENT**

To provide a planning framework that stimulates and co-ordinates investments in the Region while respecting the environmental values, community values and infrastructure needs to enhance the lifestyles of residents.

#### **WATER BUSINESS UNIT**

To meet the community needs for potable water by efficient purchase, treatment, storage and distribution of water to consumers. Additionally, to protect public health, safety and the environment by the provision of an efficient system for safe collection, transportation, treatment and disposal of sewerage waste.

#### **WASTE PROGRAM**

To protect and support our community and natural environment by sustainably managing refuse which includes collection, recycling and disposal of domestic, commercial and industrial solid waste and planning for, delivering and maintaining the community's solid waste infrastructure.

Gympie Regional Council Notes to and forming part of the financial statements For the year ended 30 June 2017

2 Analysis of Council results by Function

2(b) Summary of revenues, expenses, assets and capital expenses by function

Functions		Gross Progra	ram Income			<b>Gross Progr</b>	Gross Program Expenses				
	Recurrent	rrent	Cap	Capital		Recurring	Capital		Net Result		
2017	Subsidies and grants	Other	Subsidies and grants	Other	Total Income	Expenses	Expenses by program	Expenses	rrom Recurring Operations	Net Result	Iotal assets by program
	\$.000	\$.000	\$,000	\$,000	\$.000	\$,000	\$,000	\$,000	\$.000	\$,000	\$,000
Office of the CEO	66	85	2,820	•	3,004	5,780	)	5,780	(5,596)	(2,776)	676
Directorate of Corporate & Community Services	5,308	39,601	394		45,303	20,617	•	20,617	24,292	24,686	128,074
Directorate of Infrastructure	2,737	4,216	6,591	3,744	17,288	27,477	1,405	28,882	(20,524)	(11,594)	711,630
Directorate of Planning & Development	40	3,467	1,898	•	5,405	7,095	•	7,095	(3,588)	(1,690)	31,428
Water Business Unit		20,933	•	1,138	22,071	15,346	144	15,490	5,587	6,581	237,321
Waste Program	1	8,695	1	•	8,695	8,543		8,543	152	152	13,306
Total	8,184	76,997	11,703	4,882	101,766	84,858	1,549	86,407	323	15,359	1,122,435

Functions		Gross Prog	Gross Program Income			Gross Progra	Gross Program Expenses				
	Recu	Recurrent	Cal	Capital		Recurring	Capital		Net Result		
2016	Subsidies and grants	Other	Subsidies and grants	Other	Total Income	Expenses	Expenses by program	Total	from Recurring Operations	Net Result	Total assets by program
	\$.000	\$,000	\$.000	\$.000	\$.000	\$,000	\$.000	\$.000	\$.000	\$.000	\$.000
Office of the CEO	94	92	ı		170	6,410		6,410	(6,240)	(6,240)	251
Directorate of Corporate & Community Services	356	35,139	5	41	35,514	19,815	450	20,265	15,680	15,249	215,532
Directorate of Engineering	5,119	76	6,891	932	13,018	10,272	5,428	15,700	(5,077)	(2,682)	12,365
Directorate of Infrastructure	94	4,085	5,357	104	9,640	18,334	101	18,435	(14,155)	(8,795)	707,958
Directorate of Planning & Development	e	3,239	86	6	3,337	7,188		7,188	(3,949)	(3,851)	5,072
Water Program	3	9,991	,	436	10,427	6,260	324	6,584	3,731	3,843	93,339
Sewerage Program	1	11,242	556		11,798	7,623	640	8,263	3,619	3,535	143,523
Waste Program	ř	10,381	,	•	10,381	9,164	•	9,164	1,217	1,217	8,978
Total	5,663	74,229	12,907	1,486	94,285	85,066	6,943	92,009	(5,174)	2,276	1,188,018

#### 3 Revenue

Rates, levies, grants and other revenue are recognised as revenue on receipt of funds or earlier upon unconditional entitlement to the funds.

#### 3(a) Rates and utility charges

Revenue for rates and utility charges is recognised at the commencement of the rating period. For rate monies received prior to the commencement of the rating/levying period, the amount is recognised as revenue in the period in which they are received and includes utility charges such as water and sewerage.

Rates and Utility Charges	2017 \$'000	2016 \$'000
General Rates	35,141	33,177
Separate Rates	3,625	5,684
Special Levies	2,018	401
Water	9,823	8,835
Water Consumption, Rental and Sundries	726	733
Sewerage	11,177	10,572
Garbage Charge	7,665	7,425
Total rates and utility charge revenue	70,175	66,827
Less: Discounts given	(4,560)	(3,984)
Pensioner remissions	(634)	(631)
TOTAL RATES, LEVIES AND CHARGES	64,981	62,212

#### 3 Revenue (continued)

#### 3(b) Fees and charges

Fees and charges are recognised upon unconditional entitlement to the funds. This is generally upon lodgement of the relevant applications or documents, issuing of the infringement notice or when the service is provided.

		2017 \$'000	2016 \$'000
	Search Fees	406	339
	Building Fees and Charges	398	385
	Development Fees	314	284
	Animal Registrations	135	114
	Inspection Fees	776	743
	Fines and Infringements	14	12
	Licences and Permits	98	20
	Parking Fees and Fines	108	123
	Other Statutory Fees	995	689
	User Fees and Charges	2,360	2,249
	TOTAL FEES AND CHARGES	5,604	4,958
3(c)	Interest revenue		
	Interest received is accrued over the term of the investment.		
	Interest Received from Investments	1,736	2,674
	Interest from Overdue Rates and Utility Charges	516	312
	TOTAL INTEREST AND INVESTMENT REVENUE	2,252	2,986

#### 3 Revenue (continued)

#### 3(d) Sales Revenue

Revenue from services is recognised when the service is rendered.

Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. This revenue and the associated costs are recognised by reference to the stage of completion of the contract activity at the reporting date.

Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed.

	Notes	2017 \$'000	2016 \$'000
Transport and Main Roads		3,153	3,058
Other		132	298
TOTAL SALES REVENUE		3,285	3,356

#### 4 Grants, subsidies, contributions and donations

Donations, contributions, subsidies and grants that are non-reciprocal in nature are recognised as revenue when Council obtains control over them, which is usually upon receipt of the funds. Granted assets are normally recognised upon the earlier of their receipt or prior notification that the grant has been secured.

Non-cash contributions are recognised as revenue and either non-current assets or expense according to Council's threshold for recognition of non-current assets. Physical assets contributed to Council by developers in the form of road works, stormwater, water and wastewater infrastructure and park equipment are recognised as revenue when the development becomes "on maintenance" i.e.. Council obtains control of the asset and is liable for any ongoing maintenance.

Developers also pay infrastructure charges for trunk infrastructure such as pumping stations, treatment works, mains, sewers and water pollution control works. Infrastructure charges are recognised as income when received.

Contributions that have not yet been received and where the revenue recognition criteria has been satisfied, are recognised as receivables.

Capital revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets. It also includes non-cash contributions which are usually infrastructure assets received from developers. All other revenue is classified as operating.

	Notes	2017 \$'000	2016 \$'000
Donations			
For capital purposes (non-cash/assets)		833	608
		833	608
Contributions			
For operating purposes		12	14
For capital purposes		2,706	2,064
		2,718	2,078
Subsidies and grants	80	2	
For operating purposes		8,172	5,663
For capital purposes		11,703	11,722
		19,875	17,385
Total Grants, subsidies, contributions and donations		23,426	20,071

5

## 4 Grants, subsidies, contributions and donations (continued)

Conditions over Contributions		2017 \$'000	2016 \$'000
Contributions recognised as income during the report they be expended in a manner specified by the contri			
Developer Contributions for Infrastructure		2,706	1,998
		2,706	1,998
Contributions recognised as income during a previous current reporting period:	s reporting period that wer	re obtained in respect of	of the
Non-Reciprocal Grants for Expenditure on Infrastruct	ure	_	5,215
Developer Contributions Expended on Infrastructure		921	1,026
		921	6,241
Capital Income			
Provision for restoration of land (Quarries)			
Write down of rehabilitation provision			
Capital Income - Quarries		1,174	
		1,174	15
Loss / Profit on disposal of non-current assets			
Proceeds from the Disposal of Property, Plant			
and Equipment		515	660
Less: Book Value of Property, Plant and Equipment Disposed			
_qa,pa.n 2.5p65554	11	(482)	(590)
		33	70
Proceeds from Other Assets - Other Non-			
Current Assets Less: Book Value of Other Non-Current		759	632
Assets Disposed	11	(623)	(1,139)
		136	(507)
Profit on disposal of non-current assets		169	(437)
TOTAL CAPITAL INCOME / (LOSS)		1,343	(437)

6	Expenses
n	EXDEDSES

6(a)	Employee Benefits
------	-------------------

*	Note	2017 \$'000	2016 \$'000
Wages and salaries		24,560	21,121
Annual, Sick and Long Service Leave Entitlements		6,401	5,970
Superannuation		4,934	3,992
Councillors Remuneration		681	642
Other Employee Related Expenses		904	819
		37,480	32,544
Less: Capitalised Employee Expenses		(3,762)	(2,802)
TOTAL EMPLOYEE BENEFITS		33,718	29,742

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

Additional	Information:	
Additional	millormation.	

	<del></del>	
Total Elected Members	9	9
Total Employee Headcount	496	463
Depot and Outdoors Staff	180	220
Administration Staff	316	243
lotal Employees at year end		

#### 6 Expenses (continued)

#### 6(b) Materials and services

	2017	2016
	\$'000	\$'000
Audit of Annual Financial Statements by Auditor-General Qld	90	70
Office of the CEO	2,361	2.773
		and the second
Directorate of Corporate and Community Services	8,573	10,807
Directorate of Engineering	0	1,500
Directorate of Infrastructure	8,484	7,215
Directorate of Planning and Development	2,711	3,110
Water Program	2,829	2,324
Sewerage Program	2,694	2,604
Waste	7,017	6,999
Total materials and services	34,759	37,402

Materials and services expenses will be disclosed only by activity from 2017-18. Note 6(b.1) shows the breakdown for the 2016-17 year.

#### 6(b.1) Materials and services

Total materials and services	34,759	
Other Materials and Services	9,791	
Travel & Accommodation	81	
Audit of Annual Financial Statements by Auditor-General Qld	90	
Advertising & Marketing Expense	193	
Profess M'ship & Subscript	273	
Professional Development, Training	343	
Licences	534	
Communication & IT	764	
Donations Sponsorships & Grants	805	
Insurance Costs (Premium & Excess)	831	
Consultancies	1,531	
Repairs & Maintenance	1,537	
Agency Personnel Costs	2,022	
Energy (Elec & Gas)	2,085	
Plant Hire	6,582	
Contract Expenditure	7,297	

#### 7 Capital Expenses

#### Loss on disposal of Non Current Assets

Loss on Write-Off of Assets	11	1,549	6,506
TOTAL CAPITAL EXPENSES		1,549	6,506

#### 8 Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash on deposit and other cash equivalents which are readily convertible to cash on hand and are used in the cash management function on a day-to-day basis. They are net of borrowings that are integral to the cash management function and which are not subject to a term facility.

Cash is held with the Commonwealth Bank in a business cheque account and in short term deposits with the Queensland Treasury Corporation and various financial institutions.

	2017 \$'000	2016 \$'000
Cash at bank and on hand	2,104	983
Cash equivalent Assets <sup>1</sup> :		
Deposits at Call	51,809	65,359
Short Term Deposits	3,000	5,000
Total Cash Assets, Cash Equivalents and Investments	56,913	71,342

<sup>1</sup> Those investments where time to maturity (from date of purchase) is < 3 months

#### Restricted Cash, Cash Equivalents and Investments

Council's Cash and Cash Equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary future use. These include:

Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:

Unspent Government Grants and Subsidies	11,629	1,735
Unspent Developer Contributions	3,459	10,632
Total External Restrictions	15,088	12,367
Internally imposed Expenditure Restrictions at the reporting date:		
Future Capital Works	28,912	47,551
Total Internal Restrictions	28,912	47,551
Total Unspent restricted cash, cash equivalents and investments	44.000	59.918

#### 8 Cash and cash equivalents continued

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012*, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties.

Funds held in the Trust account include those funds from the sale of land for arrears in rates, security deposits lodged to guarantee performance and unclaimed monies (e.g. unidentified deposits). Gympie Regional Council performs only a custodial role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in these financial statements.

#### Trust funds held for outside parties

Monies collected or held on behalf of other entities yet to		
be paid out to or on behalf of those entities	406	289
Security Deposits	1,619	1,515
Total Trust Funds held for outside parties	2,025	1,804

#### 9 Trade and Other Receivables

Receivables are amounts owed to council at year end. They are recognised at the amount due at the time of sale or service delivery. Settlement is required within 30 days after the invoice is issued.

Debts are assessed regularly for collectability and allowance is made, where appropriate for impairment. All known bad debts were written-off at 30 June. If an amount is recovered in a subsequent period, it is recognised as revenue.

Because Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, Council does not impair rate receivables.

Loans and advances are recognised in the same way as other receivables.

	2017	2016
Note	\$'000	\$'000
Current		
Rateable Revenue and Utility Charges	6,567	7,515
Fees and Charges	3,019	364
Other debtors	183	2,106
Accruals	1,508	10-
GST Recoverable	832	962
Loans and Advances to Controlled Entities and Associates - Current	-	30
Accrued Revenues - Interest on Investments	126	185
Govt. Grants, Subsidies, Contributions and Donations	_	2,260
Prepayments		(6)
Less Impairment Provision	(88)	(119)
TOTAL CURRENT TRADE AND OTHER RECEIVABLES	12,147	13,297
Non-current		
Loans and Advances to Controlled Entities and Associates - Non Current  9	-	240
TOTAL NON-CURRENT TRADE AND OTHER RECEIVABLES	-	240

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

Loans relate to an advance made to the Gympie Muster Group. Loans to various community groups and sporting bodies arise from time to time and are subject to negotiated interest rates. The credit risk on these loans is considered low.

Movement in	Provision	for Im	pairment	of	Receivables
-------------	-----------	--------	----------	----	-------------

Opening balance at 1 July	(119)	-
Impairment debts written off	31	(119)
Closing balance at 30 June	(88)	(119)

#### 10 Inventories

Stores, raw materials are valued at the lower of cost or net realisable value and include, where applicable, direct material, direct labour and an appropriate portion of variable and fixed overheads.

Costs are assigned on the basis of weighted average cost.

Inventories held for distribution are:

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

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

Land acquired by Council with the intention of reselling it (with or without further development) is classified as inventory. This land is valued at the lower of cost or net realisable value. As an inventory item, this land held for resale is treated as a current asset. Proceeds from the sale of this land will be recognised as sales revenue on the signing of a valid unconditional contract of sale.

	2017 \$'000	2016 \$'000
(a) Inventories held for distribution		
Quarry and Road Materials	1,867	3,360
Stores and Materials	993	821
	2,860	4,181
(b) Land purchased for development and sale		
Land purchased for development and sale	61	61
TOTAL INVENTORIES	2,921	4,242

Gympie Regional Council Notes to and forming part of the financial statements For the year ended 30 June 2017

11 Property, Plant and Equipment

30-Jun-17		Land and Site Improvements	Buildings	Plant and Equipment	Heavy Plant	Road, Bridge and Drainage	Water	Sewerage	Other	Works in Progress	Total
		\$.000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
Measurement Basis	Note	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost/FV	
Opening Gross Balance		76,147	123,940	9,212	9,200	776,816	155,963	185,782	12,919	21,643	1,371,622
Correction to Opening Balance				1			,	,	•	,	
Additions*			•	1,069	1,692	801	11	22	•	41,642	45,237
Disposals	2	(73)		(818)	(264)	ī		•	Î		(1,455)
Write-Offs	7			1)	•	(2,492)	(192)	(169)		,	(2,855)
Revaluation Decrements to Equity (ARS)	16	e		,	•	(4,109)	1		1	,	(4,109)
Revaluation Increments to Equity (ARS)	16			e	•	•	324	188	•	•	512
Work in Progress Transfers		10	23,059		,	6,789	1,253		,	(31,111)	(0)
Total Gross Value of Property, Plant and Equipment		76,084	146,999	9,463	10,328	777,805	157,359	185,823	12,919	32,174	1,408,954
Opening Accumulated Depreciation		2,021	26,023	3,503	3	122,036	67,332	51,274	1,579		177,872
Depreciation Expense		259	1,633	886	754	6,106	2,280	2,658	208	,	14,784
Disposals	2			(336)	(13)			ı	•		(351)
Write-offs	7	r		1	6	(1,089)	(63)	(154)		•	(1,306)
Revaluation Decrements to Equity (ARS)	16	C	•	15	C	500	,	351		E	260
Revaluation Increments to Equity (ARS)	16		•	-	•	C	(9)	1		t	(9)
Total Accumulated Depreciation and Impairment Property, Plant and Equipment		2,280	27,656	4,053	744	127,262	69,543	54,129	1,787	,	287,454
Total Fair Book Value of Property, Plant & Equipment		73,803	119,343	5,410	9,584	650,543	87,815	131,694	11,132	32,174	1,121,500
Residual Value											
Range of estimated useful life in years		Land not depreciated. Site imprymts 6 - 210	12 -200	1.25	5 - 20	20 - 180	10 - 100	5 - 100	17 - 120	Not depreciated	
	The same of the same of										
*Asset Additions Comprise:											
Asset Renewals		£		1,069	1,692	801	11	22		17,888	21,483
Other Additions		٠				,	,	,		25,604	25,604
Total Asset Additions				1,069	1,692	801	11	22		43,492	47,087

Gympie Regional Council Notes to and forming part of the financial statements For the year ended 30 June 2017

11 Property, Plant and Equipment (continued)

30-Jun-16		Land and Site Improvements	Buildings	Plant and Equipment	Heavy Plant	Road, Bridge and Drainage	Water	Sewerage	Other Infrastructure	Works in Progress	Total
Measurement Basis	Note	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	CostFV	
Opening Gross Balance		73,103	119,439	7,814	21,695	779,263	146,427	153,522	11,937	30,586	1,343,786
Correction to Opening Balance		1	(43)	•	4	(2,288)	(568)	(2,247)	•	ı	(4,847)
Additions*				1,388	1,778	548		45		31,546	35,305
Disposals	S	(518)	*	(1,087)	(1,494)	1	,	1	•	•	(3,099)
Write-Offs	7	•	(167)	٠	•	(9,154)	(330)	(959)	,	,	(10,307)
Revaluation Decrements to Equity (ARS)	16	1	•		(12,722)	(20,506)	•		٠	,	(33,228)
Revaluation Increments to Equity (ARS)	16	787	3,045		•		9,201	31,313	763	•	45,109
Work in Progress Transfers		2,682	1,666	1,040		28,969	1,012	3,805	219	(40,491)	(1,098)
Adjustments and Other Transfers		93		57	(57)	(16)	(78)	•	,		(1)
Total Gross Value of Property, Plant and Equipment		76,147	123,940	9,212	9,200	776,816	155,963	185,782	12,919	21,641	1,371,620
Opening Accumulated Depreciation		1,430	24,484	3,000	7,702	136,335	63,545	39,841	980	-	77,317
Correction to Opening Balance			(43)			(2,288)	(269)	(2,247)			(4,847)
Depreciation Expense		176	1,815	996	1,963	6,587	2,188	2,305	199		16,199
Disposals	2			(497)	(874)						(1,371)
Write-offs	7	8	(52)			(3,727)	(9)	(16)			(3,801)
Revaluation Decrements to Equity (ARS)	16	C			(8,755)	(14,870)		,		,	(23,625)
Revaluation Increments to Equity (ARS)	16	414	(181)				1,874	11,390	400	,	13,897
Adjustments and Other Transfers	16	7		34	(34)		1		,	,	
Total Accumulated Depreciation and Impairment Property, Plant and Equipment		2,020	26,023	3,503	2	122,037	67,332	51,273	1,579	•	273,769
Total Fair Book Value of Property, Plant and Equipment		74,127	716,76	5,709	9,198	624,779	88,631	134,509	11,340	21,641	1,097,851
Residual Value											
Range of estimated useful life in years		Land not depreciated. Site Imprymts 6 - 210	12 -200	1-25	5 - 20	20 - 180	10 - 100	5 - 100	17 - 120	Not depreciated	
* Asset Additions Comprise:											
Asset Renewals				1,388	1,778					14,254	17,420
Other Additions		,				548		45	•	17,292	17,885
Total Asset Additions		,	•	1,388	1,778	548		45		31,546	35,305

#### 11 Property, plant and equipment

#### 11(a) Recognition

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

A complex asset is a physical asset capable of disaggregation into significant components, such as road infrastructure where the components may include initial earthworks, formation, pavement, seal, kerb and channelling, road furniture and footpaths.

Land under the roads and reserve land which falls under the *Land Act 1994* or the *Land Title Act 1994* is controlled by the Queensland Government pursuant to the relevant legislation. As such, this land is not recognised in these financial statements

#### 11(b) Capital and operating expenditure

Direct labour and materials and an appropriate portion of overheads expenditure incurred in the purchase or construction of assets are treated as capital expenditure.

Expenditure necessarily incurred in either maintaining the operational capacity or useful life of assets is considered maintenance and is treated as an expense as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised. Prefeasibility project costs which may involve research and development are also treated as an expense in the year they are incurred.

#### 11(c) Acquisition

Acquisitions of property, plant and equipment are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees, engineering design fees and all other establishment costs.

Donated items of property, plant and equipment, except reserve land, are recognised as assets and revenue at fair value.

#### 11(d) Valuation

Land and site improvements, buildings, plant and equipment and all infrastructure assets are measured on a valuation basis at fair value. Capital work in progress is measured at cost.

Non-current physical assets measured at fair value are revalued as necessary so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date.

For non-infrastructure assets, revaluations are generally performed by independent, professionally qualified valuers engaged to determine the fair value for each class. At least once every 5 years, the valuer physically sights a representative sample of Council assets across all asset classes and assesses the condition of the assets at the date of inspection. In the intervening years, a desktop or management valuation is performed which involves management updating information regarding any additions, deletions and changes in assumptions such as useful life, residual value and condition rating. A valuer, if used, then determines suitable indices to apply to each of these assets.

#### 11 Property, plant and equipment

#### 11(d) Valuation (continued)

For infrastructure assets, at least every 5 years civil engineering consultants are engaged to provide replacement cost unit rates for infrastructure assets based on standard drawings. These unit rates are then applied to the surveyed quantities of assets to derive a replacement cost value. Council engineers determine remaining service potential based on condition assessments and this is used to determine fair value. In the intervening years, internal engineers and asset managers assess the asset condition and remaining life of all infrastructure assets, the results of which are considered in combination with the most appropriate cost index movement for the period. Together these are used to form the basis of a management valuation.

For 2016/2017, management has sourced an assessment of market movements across all asset classes from a valuation firm, APV Valuers and Asset Management.

An analysis has indicated that on average, across all classes, the market movement in unit rates is not significant. Given that a comprehensive valuation was most recently completed in 2015/2016 for most asset classes, on the basis of materiality, no indice adjustment has been applied in 2016/2017. Materiality concepts are considered in determining whether the difference between the carrying amount and the fair value of an asset is material (in which case revaluation is warranted).

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

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

#### 11(e) Impairment of non-current assets

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

#### 11 Property, plant and equipment (continued)

#### 11(f) Fair value measurement

#### (1) Recognised fair value measurements

The Council measures and recognises the following assets at fair value on a recurring basis: Property, Plant and Equipment:

- Land and Site Improvements
- Buildings
- Heavy plant
- Roads, bridges and drainage
- Water
- Sewerage
- Other Infrastructure

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

The 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 14 is provided by the Queensland Treasury Corporation and represents the contractual undiscounted cash flows at balance date (Level 2).

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

The Council also has assets measured at fair value on a non-recurring basis as a result of being reclassified as land held for development and sale. These comprise land previously used as a depot as disclosed in note 10. 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 (Level 2)".

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.

#### 11 Property, plant and equipment (continued)

#### 11(f) Fair value measurement

#### (1) Recognised fair value measurements (continued)

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.

The following table presents all assets and liabilities that have been measured and recognised at fair value:

Fair Value Measurement using:

	Level 2	Level 3	Total
	Significant observable inputs	Significant observable inputs	
2017	\$'000	\$'000	\$'000
Property, Plant and Equipment			
- Land and Site Improvements	63,427	10,378	73,805
- Buildings - Pensioner Units	372	2,960	3,332
- Buildings - Other	162	115,849	116,011
- Heavy Plant	9,584	0	9,584
- Roads, Bridges and Drainage	2	650,543	650,543
- Water	-	87,816	87,816
- Sewerage	2	131,694	131,694
- Other Infrastructure		11,131	11,131
Total Property, Plant and Equipment	73,545	1,010,371	1,083,916
2016 Property, Plant and Equipment	\$'000	\$'000	\$'000
- Land and Site Improvements	63,500	10.627	74,127
- Buildings - Pensioner Units	375	3,025	3,400
- Buildings - Other	165	94,352	94,517
- Heavy Plant	9,197	54,002	9,197
- Roads, Bridges and Drainage	5,157	654,779	654,779
- Water		88,632	88,632
- Sewerage	_	134,508	134,508
- Other Infrastructure	2	11,339	11,339
Total Property, Plant and Equipment	73,237	997,262	1,070,499
rotar rioperty, riant and Equipment	10,201	331,202	1,070,433

There were no transfers between Level 2 and Level 3 during the year.

#### 11 Property, plant and equipment (continued)

#### 11(f) Fair value measurement

(2) Valuation techniques used to derive Level 2 and Level 3 Fair Values

Land and Site Improvements (Level 2)

Land fair values were determined by independent valuer, APV Valuers & Asset Management effective 30 June 2016. The assets in this class were physically inspected in October 2014.

Level 2 valuation inputs were used to value land in freehold title (investment and non-investment) as well as 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.

Land and Site Improvements (Level 3)

Site Improvements fair values were generated using the cost approach by APV Valuers & Asset Management effective 30 June 2016. This included a full physical inspect in April 2016.

The approach estimated the replacement cost for each building by componentising the site improvement where applicable into significant parts with different useful lives and taking into account a range of factors. These include: actual construction or purchase prices for recent projects paid by the specific entity; reference to appropriate APV database where actual costs from recent projects are sourced directly from clients with preference to nearby locations; Rawlinson's Construction Guide or similar guides such as Cordells, and; benchmarking against other valuations.

The unobservable inputs (such as estimates of useful life, pattern of consumption and asset condition and its relationship to the assessed level of remaining service potential of the depreciable amount) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

The changes in land and site improvements (level 3) are detailed in note 11 (property, plant and equipment).

#### 11 Property, plant and equipment (continued)

#### 11(f) Fair value measurement

(2) Valuation techniques used to derive Level 2 and Level 3 Fair Values (continued)

Land and Site Improvements (Level 3) (continued)

Significant Unobservable Range of input	Range of Inputs	Relationship of unobservable inputs to fair value
Asset Condition	0 lowest to 5 (highest)	The lower the asset condition, the higher the remaining life and therefore a higher fair value
Remaining useful lives	2 - 210 years	The higher the assessment of remaining life, the higher the fair value of the asset

Buildings (Level 2 and 3)

Fair values were determined by an independent valuer, APV Valuers & Asset Management effective 30 June 2016 via desktop valuation. The assets in this class were physically inspected in October 2014. Where there is a market for Council building assets, fair value has been derived from the sales prices of comparable properties after adjusting for differences in key attributes such as property size. The most significant inputs into this valuation approach were price per square metre.

Where Council buildings are of a specialist nature and there is no active market for assets, fair value has been determined on the basis of replacement with a new asset having similar service potential including allowances for preliminaries and professional fees. The gross current values have been derived from reference to market data for recent projects and costing guides issued by the Australian Institute of Quantity Surveyors, Rawlinson's (Australian Construction Handbook). Where a depth in market can be identified, the net current value of a building asset is the difference between the market value of the asset as a whole (including land) and the market value of the land component. Where there is no depth of market, the net current value of a building asset is the gross current value less accumulated depreciation to reflect the consumed or expired service potential of the asset.

In determining the level of accumulated depreciation the asset has been disaggregated into significant components which exhibit useful lives. Allowance has been made for the typical asset life cycle and renewal treatments of each component, residual value at the time the asset is considered to be no longer available for use and the condition of the asset. Condition was assessed taking into account both physical characteristics as well as holistic factors such as functionality, capability, utilisation and obsolescence. Refer to the condition rating table in site improvements for remaining service potential relating to each condition score for each of the patterns of consumption utilised.

While the unit rates based on square metres can be supported by market evidence (level 2), specialised buildings were valued by estimating the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metres could be supported from market evidence (level 2) other inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. Where these other inputs are significant to the valuation the overall valuation has been classified as level 3.

#### 11 Property, plant and equipment (continued)

#### 11(f) Fair value measurement

Heavy Plant (Level 2)

The fair value of heavy plant is measured at current market value as at 30 June 2016 as independently determined by APV Valuers & Asset Management. The assets in this class were physically inspected in April 2016.

Major plant assets have generally been derived from comparable sales and relevant industry market price reference guides and have been classified as being valued at level 2. The most significant inputs into this valuation approach are the make, size, year of manufacture and condition. Evidence of market value was obtained from sales evidence of similar or reference assets. This may include reference to relevant industry guides such as Glasses. The asset was assessed in terms of the factors relevant to a market participant and a value determined after adjusting for the difference in these factors embodied within the asset and the reference assets.

Infrastructure assets (Level 3)

All Council infrastructure assets were fair valued by AssetVal Pty Ltd at 30 June 2016 using written down current replacement cost (CRC). A sample inspection was completed as part of this process in December 2015. This valuation comprises the asset's current replacement cost (CRC) less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. 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.

Specific valuation techniques used to value Council infrastructure assets comprise:

#### Roads

Current replacement cost:

The Council categorises its road infrastructure into urban and rural roads and the further sub-categorises these into sealed and unsealed roads. Urban roads are managed in segments of 200m, while rural roads are managed in 2km segments. Roads are split into segments which vary in length depending on the attributes of each segment and the previous construction history – as described below. The Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

A new road segment is recorded whenever a change occurs in any one of the following:

- · Surface type (chip sealed, asphalt, concrete, gravel, formed)
- · Pavement type (flexible, semi-rigid, concrete, gravel, formed)
- Pavement/seal widths
- · Pavement depths (base, sub-base, semi-rigid, concrete, gravel)
- Construction/Rehabilitation/Reseal date
- · Traffic carrying assessment
- · Hierarchy classification

CRC was calculated by reference to asset linear and area specifications, estimated labour and material inputs, services costs, and overhead allocations. Segment lengths and widths and pavement depths are actual where known from design plans and/or construction records, or are confirmed by field measure. Unconfirmed pavement depths are assumed constructed to 200mm for sealed roads and 50mm for unsealed roads. Council also assumes that all raw materials can be sourced from local quarries. For internal constructions estimates, material and services prices were based on existing supplier contract rates and supplier price lists while labour wage rates were based on Council's Certified Agreement (CA). 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.

#### 11 Property, plant and equipment (continued)

#### 11(f) Fair value measurement

(2) Valuation techniques used to derive Level 2 and Level 3 Fair Values (continued)

Infrastructure assets (Level 3) (continued)

#### Accumulated depreciation:

In determining the level of accumulated depreciation, roads are summarised into one lump sum item. Useful lives are an estimate of the total service capacity in years for that type of asset. The remaining useful life of the asset is then calculated based purely on the time elapsed since the previous valuation, which indicates the remaining service capacity of the asset, and is determined using the useful lives adopted by council. The amount of life that has expired is applied in the calculation of accumulated depreciation representing the expired service potential of the asset using industry standard practices and past experience, supported by maintenance programs. Regular inspections are performed as part of the maintenance program to identify road infrastructure that varies from the expected consumption pattern. These inspections are performed by the same officer on a quarterly cycle and contribute to the annual maintenance program.

#### Bridges

Current replacement cost:

Each bridge is assessed individually, with the valuation varying according to the material type used for construction, the deck area, condition and size. Construction estimates were determined on a similar basis to roads.

#### Accumulated depreciation:

In determining the level of accumulated depreciation, bridges are summarised into one lump sum item. Useful lives are an estimate of the total service capacity in years for that type of asset. The remaining useful life of the asset is then calculated based purely on the time elapsed since the previous valuation, which indicates the remaining service capacity of the asset, and is determined using the useful lives adopted by council. The amount of life that has expired is applied in the calculation of accumulated depreciation representing the expired service potential of the asset using industry standard practices and past experience. This is also supported by a yearly visual bridge condition inspections using a 1-5 rating scale and further supported by a more detailed criteria analysis rating system between 1-100 every 2-3 years with consideration given to a number of factors affecting the bridge including, physical environmental features, bridge structure and load defections.

#### Drainage

Current replacement cost:

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 materials, 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.

#### Accumulated depreciation:

In determining the level of accumulated depreciation, drainage structures were disaggregated into significant components which exhibited different useful lives. Useful lives are an estimate of the total service capacity in years for that type of asset. The remaining useful life of the asset is then calculated based purely on the time elapsed since the previous valuation, which indicates the remaining service capacity of the asset, and is determined using the useful lives adopted by council. The amount of life that has expired is applied in the calculation of accumulated depreciation representing the expired service potential of the asset using industry standard practices and past experience, supported by maintenance programs.

All pipes have been valued at replacement pipe rates and lives as no relining of pipes has commenced on the network.

#### 11 Property, plant and equipment (continued)

#### 11(f) Fair value measurement

#### Water and Sewerage Infrastructure

#### Current replacement cost:

Water and sewerage infrastructure fair values were reviewed with no indexation required for this asset class. CRC was calculated based on expected replacement costs. In all cases the assets were disaggregated to component level to ensure a reliable measure of cost and service capacity and deterioration of estimated remaining life.

The Council region is split in to 4 distinct areas based on geographic (Gympie/Cooloola Coast/ Mary Valley/Kilkivan and Goomeri) and environmental factors (sand; acid sulphate soil; soft rock; and hard rock). Council assumes that these factors are consistent across each of the 4 regions and that costs of labour are consistent within each of these regions, depending on the materials used.

#### Accumulated depreciation

In determining the level of accumulated depreciation, both water and sewerage assets were disaggregated into significant components which exhibited different useful lives. Useful lives are an estimate of the total service capacity in years for that type of asset. Where site inspections were not conducted (passive assets) the remaining useful life of the asset is then calculated based purely on the time elapsed since the previous valuation, which indicates the remaining service capacity of the asset, and is determined using the useful lives adopted by council. The amount of life that has expired is applied in the calculation of accumulated depreciation representing the expired service potential of the asset using industry standard practices and past experience, supported by maintenance programs. These calculations are also evaluated against required repairs (breakages) to ascertain if any variances are present that would require different values being applied.

The following tables present the changes in Level 3 Fair Value Asset Classes.

	Heavy Plant	Buildings	Land & Site Improv'mts	Total
	\$'000	\$'000	\$'000	\$'000
Opening Balance - 1/7/15	13,558	94,599	9,255	117,412
Transfers from/(to) Level 2 FV hierarchy	(13,558)	(115)	+	(13,673)
Purchases (GBV)-	=	1,666	2,187	3,853
Disposals and Write-Offs (WDV)		(158)		(158)
Depreciation and Impairment	-	(1,805)	(176)	(1,981)
Revaluation adjustment in period	-	3,190	(639)	2,551
Closing Balance - 30/6/16		97,377	10,627	108,004
Transfers from/(to) Level 2 FV hierarchy	-	· · · · · · · · · · · · · · · · · · ·	72	-
Purchases (GBV)-	-	23,059	10	23,069
Disposals and Write-Offs (WDV)			1.50	
Depreciation and Impairment	-	(1,626)	(259)	(1,885)
Revaluation adjustment in period	72		3	_
Closing Balance - 30/6/17		118,810	10,378	129,188

12	Intangible Assets	Note	2017	2016
			\$'000	\$'000
	Intangible assets with a cost or other value exceeding \$50,000 are recognised as intangible assets in the financial statements, items with a lesser value, being expensed.			
	Opening Gross Balance - at Cost		1,098	-
	Additions*		+	-
	Disposals		250	-
	WIP Transfer	2	-	1,098
	Closing Gross Carrying Value	-	1,098	1,098
	Accumulated Amortisation			
	Opening Accumulated Amortisation		52	
	Amortisation Expense		112	52
	Total Amortisation in the period		164	52
	Net Carrying Value at end of Financial Year		934	1,046

#### 13 Trade and Other Payables

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

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

As the Council does not have an unconditional right to defer settlement of the annual leave beyond twelve months after the reporting date, annual leave is classified as a current liability.

The Council has an obligation to pay sick leave on termination to certain employees and therefore a liability has been recognised for this obligation.

Current	2017 \$'000	2016 \$'000
Creditors and Accruals	3,052	3,580
Employee Related Accruals	609	502
Superannuation Defined Contributions	-	-
Annual Leave	3,411	3,311
Sick Leave Current Leave	2,440	2,450
Other Entitlements	304	334
TOTAL CURRENT TRADE AND OTHER PAYABLES	9,816	10,177
Non-Current		
Sick Leave - Non current	179	122
TOTAL NON-CURRENT TRADE AND OTHER PAYABLES	179	122

#### 14 Borrowings

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Thereafter, they are measured at amortised cost. Principal and interest repayments are made quarterly in arrears.

All borrowings are in \$A denominated amounts and interest is expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 15 June 2027 to 15 June 2030 (Available from QTC Maturity Analysis). There have been no defaults or breaches of the loan agreement during the period.

The Council adopts an annual debt policy that sets out the council's planned borrowings for the next nine years. The Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

	Note	2017 \$*000	2016 \$'000
Current			
Loans - Queensland Treasury Corporation Current		1,132	1,251
TOTAL CURRENT BORROWINGS		1,132	1,251
Non-current			
Loans - Queensland Treasury Corporation Non current		19,403	20,478
TOTAL NON-CURRENT BORROWINGS		19,403	20,478
TOTAL BORROWINGS		20,535	21,729

The QTC loan market value at the reporting date is \$25.195 million (2016: \$27.913 million). This represents the value of the debt if the Council repaid at that date. As it is the intention of the Council to hold the debt for its term, no provision is required to be made in these accounts.

No assets have been pledged as security by the Council for any liabilities, however all loans are guaranteed by the Queensland Government.

#### Reconciliation of Loan Movements for the year

Book Value at end of financial year	20,535	21,729
Principal repayments	(1,194)	(1,221)
Year	21,120	22,000
Opening Balance at Beginning of Financial	21.729	22.950

#### 15 Provisions

#### Long service leave

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

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

#### Refuse dump restoration and quarry rehabilitation

A provision is made for the cost of restoring refuse dumps and quarries where it is probable the Council will be liable, or required, to do this when the use of the facilities is complete.

The provision for refuse restoration is calculated as the present value of the anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates.

These uncertainties may result in future actual expenditure differing from amounts currently provided.

Due to the long term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred.

The provision recognised for landfill sites is reviewed at least annually and updated based on the facts and circumstances available at the time.

As landfill sites are on state reserves which the Council does not control, the provision for restoration is treated as an expense in the year the provision is first recognised. Changes in the provision are treated as an expense or income.

#### 15 Provisions (continued)

The provision for quarry rehabilitation represents the present value of the anticipated future costs associated with the closure of the quarries, filling the basin, and reclamation and rehabilitation of 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 facts and circumstances available at the time. The provision recognised for quarry rehabilitation is reiewed at least annually and updated based on the facts and circumstances available at the time.

Quarries are situated on Council controlled land and are classified as land and improvement assets. The provision for restoration is, therefore, included in the cost of the land and amortised over the expected useful life of the quarry. Changes in the provision arising from the passing of time are added to or deducted from the asset revaluation surplus for land. If there is no available revaluation surplus, increases in the 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.

Current		Note		2017 \$'000	2016 \$'000
Quarry Sites         116         100           Landfill Sites         845         2,695           TOTAL CURRENT PROVISIONS         4,969         7,178           Non-current         Use of the provisions of the provision of the	Current				1 7550
Non-current	Long service leave	*		4,008	4,383
Non-current   Non-current   Long service leave   1,344   1,402   1,0525   10,525	Quarry Sites			116	100
Non-current           Long service leave         1,344         1,402           Quarry Sites         484         1,841           Landfill Sites         10,525         10,525           TOTAL NON-CURRENT PROVISIONS         12,353         13,768           TOTAL PROVISIONS         17,322         20,946           Leave         Service Leave         Landfill Sites         Total           Details of Movements in Provisions         \$'000         \$'000         \$'000         \$'000           Balance at beginning of year         5,785         1,941         13,220         20,946           Provisions recognised/(derecognised)         (1,174)         (1,174)         (1,174)           Payments made         (433)         (167)         (1,850)         (2,450)           Balance at end of year         5,352         600         11,370         17,322           Prior Year 2015/2016         Long Service Leave         Sites         Landfill Sites         Total           Details of Movements in Provisions         \$'000         \$'000         \$'000         \$'000           Balance at beginning of year         5,620         2,000         13,220         20,840           Provisions recognised/(derecognised)         881	Landfill Sites			845	2,695
1,344   1,402     Quarry Sites   484   1,841     Landfill Sites   10,525   10,525     TOTAL NON-CURRENT PROVISIONS   12,353   13,768     TOTAL PROVISIONS   17,322   20,946     Long Service Leave   Sites   Landfill Sites   Total     Details of Movements in Provisions   \$'000   \$'000   \$'000   \$'000     Balance at beginning of year   5,785   1,941   13,220   20,946     Provisions recognised/(derecognised)   (1,174)   (1,174)     Payments made   (433)   (167)   (1,850)   (2,450)     Balance at end of year   5,352   600   11,370   17,322     Prior Year 2015/2016   Long Service Leave   Sites     Details of Movements in Provisions   \$'000   \$'000   \$'000     Balance at beginning of year   5,620   2,000   13,220   20,840     Provisions recognised/(derecognised)   881   (59)   - 822     Payments made   (716)   - (716)   - (716)	TOTAL CURRENT PROVISIONS			4,969	7,178
Quarry Sites         484         1,841           Landfill Sites         10,525         10,525           TOTAL NON-CURRENT PROVISIONS         12,353         13,768           TOTAL PROVISIONS         17,322         20,946           Leave         Sites         Landfill Sites         Total           Details of Movements in Provisions         \$'000         \$'000         \$'000         \$'000           Balance at beginning of year         5,785         1,941         13,220         20,946           Provisions recognised/(derecognised)         (1,174)         (1,174)         (1,174)           Payments made         (433)         (167)         (1,850)         (2,450)           Balance at end of year         5,352         600         11,370         17,322           Prior Year 2015/2016         Long Service Leave         Sites         Landfill Sites         Total           Details of Movements in Provisions         \$'000         \$'000         \$'000         \$'000           Balance at beginning of year         5,620         2,000         13,220         20,840           Provisions recognised/(derecognised)         881         (59)         -         822           Payments made         (716)         -         -	Non-current				
Landfill Sites   10,525   10,525   10,525   10,525   10,525   10,525   12,353   13,768   12,353   13,768   12,353   13,768   17,322   20,946   17,322   20,946   17,322   20,946   17,322   17,322   17,322   17,322   17,322   17,322   17,322   17,322   17,323   17	Long service leave			1,344	1,402
TOTAL NON-CURRENT PROVISIONS   12,353   13,768   12,353   13,768   17,322   20,946   17,322   20,946   17,322   20,946   17,322   20,946   17,322   20,946   17,322   20,946   17,322   20,946   17,322	Quarry Sites			484	1,841
TOTAL PROVISIONS         Long Service Leave         Quarry Sites         Landfill Sites         Total           Details of Movements in Provisions         \$'000         \$'000         \$'000         \$'000           Balance at beginning of year         5,785         1,941         13,220         20,946           Provisions recognised/(derecognised)         (1,174)         (1,174)         (1,174)           Payments made         (433)         (167)         (1,850)         (2,450)           Balance at end of year         5,352         600         11,370         17,322           Prior Year 2015/2016         Long Service Leave         Quarry Sites         Landfill Sites         Total           Details of Movements in Provisions         \$'000         \$'000         \$'000           Balance at beginning of year         5,620         2,000         13,220         20,840           Provisions recognised/(derecognised)         881         (59)         -         822           Payments made         (716)         -         -         (716)	Landfill Sites		3	10,525	10,525
Long Service Leave   Sites   Landfill Sites   Total	TOTAL NON-CURRENT PROVISIONS			12,353	13,768
Service Leave   Sites   Landfill Sites   Total	TOTAL PROVISIONS		_	17,322	20,946
Balance at beginning of year       5,785       1,941       13,220       20,946         Provisions recognised/(derecognised)       (1,174)       (1,174)         Payments made       (433)       (167)       (1,850)       (2,450)         Balance at end of year       5,352       600       11,370       17,322         Details of Movements in Provisions       \$'000       \$'000       \$'000       \$'000         Balance at beginning of year       5,620       2,000       13,220       20,840         Provisions recognised/(derecognised)       881       (59)       -       822         Payments made       (716)       -       -       (716)		Service		Landfill Sites	Total
Provisions recognised/(derecognised)         (1,174)         (1,174)           Payments made         (433)         (167)         (1,850)         (2,450)           Balance at end of year         5,352         600         11,370         17,322           Prior Year 2015/2016         Long Service Leave         Quarry Sites         Landfill Sites         Total           Details of Movements in Provisions         \$'000         \$'000         \$'000         \$'000           Balance at beginning of year         5,620         2,000         13,220         20,840           Provisions recognised/(derecognised)         881         (59)         -         822           Payments made         (716)         -         -         (716)	Details of Movements in Provisions	\$'000	\$'000	\$'000	\$'000
Payments made         (433)         (167)         (1,850)         (2,450)           Balance at end of year         5,352         600         11,370         17,322           Prior Year 2015/2016         Long Service Leave         Quarry Sites         Landfill Sites         Total           Details of Movements in Provisions         \$'000         \$'000         \$'000         \$'000           Balance at beginning of year         5,620         2,000         13,220         20,840           Provisions recognised/(derecognised)         881         (59)         -         822           Payments made         (716)         -         -         (716)	Balance at beginning of year	5,785	1,941	13,220	20,946
Balance at end of year         5,352         600         11,370         17,322           Prior Year 2015/2016         Long Service Leave         Quarry Sites         Landfill Sites         Total           Details of Movements in Provisions         \$'000         \$'000         \$'000         \$'000           Balance at beginning of year         5,620         2,000         13,220         20,840           Provisions recognised/(derecognised)         881         (59)         -         822           Payments made         (716)         -         -         (716)	Provisions recognised/(derecognised)		(1,174)		(1,174)
Prior Year 2015/2016         Long Service Leave         Quarry Sites         Landfill Sites         Total           Details of Movements in Provisions         \$'000         \$'000         \$'000         \$'000           Balance at beginning of year         5,620         2,000         13,220         20,840           Provisions recognised/(derecognised)         881         (59)         -         822           Payments made         (716)         -         -         (716)	Payments made	(433)	(167)	(1,850)	(2,450)
Prior Year 2015/2016         Service Leave         Quarry Sites         Landfill Sites         Total           Details of Movements in Provisions         \$'000         \$'000         \$'000         \$'000           Balance at beginning of year         5,620         2,000         13,220         20,840           Provisions recognised/(derecognised)         881         (59)         -         822           Payments made         (716)         -         -         -         (716)	Balance at end of year	5,352	600	11,370	17,322
Balance at beginning of year       5,620       2,000       13,220       20,840         Provisions recognised/(derecognised)       881       (59)       -       822         Payments made       (716)       -       -       (716)	Prior Year 2015/2016	Service		Landfill Sites	Total
Provisions recognised/(derecognised)         881 (59)         - 822           Payments made         (716)         (716)	Details of Movements in Provisions	\$'000	\$'000	\$'000	\$'000
Payments made (716) (716)	Balance at beginning of year	5,620	2,000	13,220	20,840
2014 From United Antispersory	Provisions recognised/(derecognised)	881	(59)	-	822
Balance at end of year 5,785 1,941 13,220 20,946	Payments made	(716)	-	-	(716)
	Balance at end of year	5,785	1,941	13,220	20,946

#### 16 Asset revaluation surplus

The asset revaluation surplus comprises adjustments relating to changes in value of property, plant and equipment that do no 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 are offset within a class of assets.

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

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

Dalance of

Net adjustment to non-current assets at end of period to reflect a change in current fair value:	Note	Balance at beginning of year \$'000	Movements \$'000	Balance at end of year \$'000
2017				
Land & Site Improvements		30,306	· -	30,306
Buildings		50,551		50,551
Road, Bridge and Drainage		264,305	(4,319)	259,986
Water		35,164	331	35,495
Sewerage		46,395	(164)	46,231
Other Infrastructure		3,379	-	3,379
	11	430,100	(4,152)	425,948
2016				
Land and Site Improvements		29,934	372	30,306
Buildings		47,335	3,216	50,551
Heavy Plant		3,601	(3,601)	-
Road, Bridge and Drainage		269,939	(5,634)	264,305
Water		27,837	7,327	35,164
Sewerage		26,462	19,933	46,395
Other Infrastructure		3,016	363	3,379
		408,124	21,976	430,100

No revaluation was undertaken in 2016/2017. Movements in the Asset Revaluation Reserve reflect updates to specific assets based on the application of prior period asset revaluation indices.

#### 17 Commitments

	2017	2016
Operating leases	\$'000	\$'000
Photocopier agreement - contract up to 5 years	144	
	144	
Contractual commitments for operating expenditure		
Contractual commitments at balance date but not provided for in the financial statements are payable as follows:		
Refuse Disposal per year (expiry June 2021)	3,271	3,271
Engineering Building Lease per year (expiry August 2018)	215	413
Belgravia - Pools Management (expiry 20/21)	714	-
	4,200	3,684
Contractual commitments for capital		
Capital expenditure contracted for at balance date but not provided for in the financial statements is payable as follows:		
Capital Infrastructure	18,319	12,562
	18,319	12,562

## 18 Contingent Liabilities 2017 2016 \$'000 \$'000

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

There are various claims pending against the Council. In the opinion of the Council's solicitor, the potential loss on all claims at 30 June 2017 should not exceed:

112 24

The Council has disclaimed liability and no provision has been made within the financial statements pertaining to these claims.

#### **Local Government Mutual**

The Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises.

As at 30 June 2016, the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

#### **Local Government Workcare**

The Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme, the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self-insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise.

The Council's maximum exposure to the bank guarantee is:

880

948

#### 19 Superannuation

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 Employee Benefits.

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.

The Scheme has three elements referred to as:

The City Defined Benefits Fund (CDBF) which covers former members of the City Super Defined Benefit Fund

The Regional Defined Benefits Fund (Regional DBF) which covers defined benefit fund members working for regional local governments; and

The Accumulation Benefits Fund (ABF)

The ABF is a defined contribution Scheme as defined in AASB 119. the Council has no liability to or interest in the ABF other than the payment of the statutory contributions as required by the Local Government Act 2009.

The 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.

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.

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 assets and there are no known requirements to change the rate of contributions.

Any amount by which either fund is over or under funded would only affect future benefits and contributions to the Regional DBF, and is not an asset or liability of the Council. Accordingly there is no recognition in the financial statements of any over or under funding of the scheme.

As at the reporting date, the assets of the scheme are sufficient to meet the vested benefits.

The most recent actuarial assessment of the scheme was undertaken as at 1 July 2016. The actuary indicated that "At the valuation date of 1 July 2016, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date."

In the 2016 actuarial report the actuary has recommended no change to the employer contribution levels at this time.

Under the Local Government Act 2009, the trustee of the scheme has the power to levy additional contributions on councils which have employees in the Regional DBF when the actuary advises such additional contributions are payable - normally when the assets of the DBF are insufficient to meet members' benefits.

There are currently 65 entities contributing to the Regional DBF plan and any changes in contribution rates would apply equally to all 65 entities. Gympie Regional Council made less than 4% of the total contributions to the plan in the 2016-17 financial year.

The next actuarial investigation will be made as at 1 July 2018.

	Notes	2017	2016
		\$'000	\$'000
The amount of Superannuation Contributions paid by Council to the Scheme in this period for the benefit of employees was:		3,919	3,992

## Reconciliation of Net Result for the year to Net Cash Inflow/(Outflow) from Operating Activities

	2017 \$'000	2016 \$'000
Net Operating Result from Income Statement	15,359	2,276
Non-Cash Items		
Impairment of Property, Plant and Equipment	0	367
Depreciation and Amortisation	14,895	16,252
Capital Revenue	(1,174)	0
	13,721	16,619
Investing and development activities		
Non-Cash Capital Grants and Contributions	(15,242)	(14,394)
Capital Expenses	1,549	6,576
-	(13,693)	(7,818)
Changes in operating assets and liabilities		
(Increase)/Decrease in Receivables	1,390	442
(Increase)/Decrease in Inventories	1,321	(1,513)
Increase/(Decrease) in Payables and Accruals	3,258	(4,086)
Increase/(Decrease) in Other Liabilities	312	1,397
Increase/(Decrease) in Other Provisions	(3,624)	106
	2,657	(3,654)
Net cash provided from/(used in) Operating Activities from the Statement of Cash Flows	18,044	7,423
-	,	.,.20

#### 21 Events Occurring After Balance Sheet Date

There were no material adjustments after the balance date.

#### 22 Financial instruments and financial risk management

#### Financial Assets and Financial liabilities

Gympie Regional Council has exposure to the following risks arising from financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

#### **Financial Risk Management**

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

The Council's executive committee, approves policies for overall risk management, as well as specifically for managing credit, liquidity and market risk.

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.

Gympie Regional Council does not enter into derivatives.

#### Credit Risk Exposure

Credit risk is the risk of financial loss if a counterpart to a financial instrument fails to meet its contractual obligations. These obligations arise principally from the Council's investments and receivables from customers.

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations. The carrying amount of financial assets represents the maximum credit exposure.

Investments in financial instruments are required to be made with Queensland Treasury Corporation (QTC) or similar State/Commonwealth bodies or financial institutions in Australia, in line with the requirements of the Statutory Bodies Financial Arrangements Act 1982.

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

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:

	Note	2017 \$'000	2016 \$'000
Financial Assets			
Cash and Cash Equivalents	8	56,913	71,342
Receivables - Rates	9	6,567	7,515
Receivables - Other	9	5,580	6,022
		69,060	84,879
Other Credit Exposures			
Guarantee - Local Government Workcare		880	948
Total Financial Assets		69,940	85,827

#### 22 Financial instruments and financial risk management (continued)

#### Cash and Cash Equivalents

The Council may be exposed to credit risk through its investments in the QTC Cash Fund and QTC Working Capital Facility. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed. Working Capital Facility deposits have a duration of one day and all investments are required to have a minimum credit rating of "A-", therefore the likelihood of the counterparty having capacity to meet its financial commitments is strong.

#### Trade and Other Receivables

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

In other cases, the Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

Aging of past due receivables and the am disclosed in the following table:	Note nount of any impairment, is	2017 \$'000	2016 \$'000
Fully Performing		4,572	5,271
Past due:			
Less than 30 days		95	39
31 - 60 days		88	
61 - 90 days		80	25
over 90 days		7,224	8,083
Impaired	9	88	119
		12,147	13,537

#### 22 Financial instruments and financial risk management (continued)

#### Liquidity Risk

Liquidity risk refers to the situation where the Council may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Council is exposed to liquidity risk through its trading in the normal course of business and borrowings from the Queensland Treasury Corporation for capital works or borrowings from other financial institutions.

Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows.

The following table sets out the liquidity risk in relation to financial liabilities held by the Council. It represents the remaining contractual cash flows (principal and interest) of financial liabilities at the end of the reporting period, excluding the impact of netting agreements:

	0-1 year	1 to 5 years	Over 5 years	Total Contractual Cash Flows	Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000
2017					
Financial liabilities					
Trade and Other Payables	3,052		-	3,052	3,052
Loans - QTC	2,443	9,772	18,397	30,612	20,535
	5,495	9,772	18,397	33,664	23,587
2016					
Financial liabilities					
Trade and Other Payables	4,082	-	-	4,082	4,082
Loans - QTC	2,633	9,772	20,840	33,245	21,729
	6,715	9,772	20,840	37,327	25,811

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

#### 22 Financial instruments and financial risk management (continued)

#### 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 the holdings of financial instruments.

#### Interest Rates Risk

Gympie Regional Council is exposed to interest rate risk through investments and borrowings with QTC and other financial institutions (as applicable).

The Council has access to a mix of variable and fixed rate funding options through QTC so that interest rate risk exposure can be minimised.

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 depicts what effect a reasonably possible change in interest rates (assumed to be 1%) would have on the profit and equity, based on the carrying values at the end of the reporting period. The calculation in interest rates would be held constant over the period.

			Effect on	Net Result	Effect or	n Equity
	Note	Net Carrying Amount \$'000	1% increase \$'000	1% decrease \$'000	1% increase \$'000	1% decrease \$'000
2017						-
QTC Cash Fund	6	51,809	518	(518)	518	(518)
Loans - QTC	14	(20,535)	-	-	-	-
Net		31,274	518	(518)	518	(518)
2016						
QTC Cash Fund	6	65,359	654	(654)	654	(654)
Loans - QTC	14	(21,729)	-	- 2	-	1 .4
Net		43,630	654	(654)	654	(654)

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

QTC Fixed Rate Loan - Financial instruments with fixed interest rates which are carried at amortised cost, are not subject to interest rate sensitivity.

This partially exposes clients to the level of interest rates at the time of rebalancing. Sensitivity on these products is provided by QTC through calculating the interest effect over the period.

#### Fair Value

The fair value of trade and other receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

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 disclosed in Note 14.

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.

#### 23 National competition policy

The Gympie Regional Council applies the competitive code of conduct to the following activities:

Building Certification Water and Sewerage Refuse Management Commercial business unit

Significant business activity full cost pricing Significant business activity full cost pricing

This requires the application of full cost pricing, identifying the cost of community service obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity.

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

The following activity statements are for activities subject to the competitive code of conduct:

	Building Certification \$'000	Water and Sewerage \$'000	Refuse Management \$'000
Revenue for services provided to the Council			-
Revenue for services provided to external clients	313	21,095	9,111
Community Service Obligations	y <del>.</del>	534	402
	313	21,629	9,513
Less: Expenditure	371	15,728	9,060
Surplus/(Deficit)	(58)	5,901	453

Description of CSO's provided to business activities:

Activities	CSO Description	Actual \$'000
Water and Sewerage	Council Services	534
Refuse Management	Cleaning and refuse collection services	402

#### 24 Controlled Entities that have not been Consolidated

Council has a number of controlled entities that are not consolidated because their size and nature means that they are not material to Council's operations.

A summary of those entities, their net assets and results for the year ended 30 June 2017 and 2016 follows:

Controlled Entities - Financial Results:

2017	Interest in Ownership %	Revenue \$'000	Expenses \$'000	Profit \$'000	Assets \$'000	Liabilities \$'000
Controlled entities						
<sup>1</sup> Mary Valley Community Holding Limited	100		24	(24)	170	· · · · · · · · · · · · · · · · · · ·
<sup>2</sup> Rattler Railway Company Limited	100	367	297	70	279	192
		367	321	46	449	192
2016	Interest in Ownership %	Revenue \$'000	Expenses \$'000	Profit \$'000	Assets \$'000	Liabilities \$'000
Controlled entities						
<sup>1</sup> Mary Valley Community Holding Limited	100	15.	24	(24)	194	-
<sup>2</sup> Rattler Railway Company Limited	100	40	26	14	18	
		40	50	(10)	212	

The Mary Valley Rattler Steam Train Tourism Venture did not operate during the year. Future operations are dependent upon the provision of State and Council funding.

<sup>&</sup>lt;sup>1</sup> Mary Valley Community Holding Limited owns the rolling stock assets and controls the leases for the Mary Valley Rattler Steam Train Tourism Venture and wholly owns the Rattler Railway Company Limited.

<sup>&</sup>lt;sup>2</sup> The Rattler Railway Company Limited operates the Mary Valley Rattler Steam Train Tourism Venture and is wholly owned by the Mary Valley Community Holding Limited

#### 25 Transactions with related parties

#### (a) Subsidiaries

The group consists of Gympie Regional Council and two subsidiaries, Mary Valley Community Holding Limited and the Rattler Railway Company Limited.

Details of the subsidiaries are disclosed in Note 24.

The following transactions occurred with subsidiaries:

Subsidiary	Grants and subsidies provided by council	Goods and services sup normal terms an	이름 ( ) 사는 ( ) 그리는 이 가득하는 이 사이를 하는 것이 되는 것이 되었다.
	\$'000	\$'000	\$'000
Mary Valley Community Holding Limited	-	-	
Rattler Railway Company Limited	589	231	Railway spraying, maintenance, seed funding and sundry
Total	589	231	

The Council provides goods and services to both Mary Valley Community Holding Limited and Rattler Railway Company Limited, which are dependent on Council. All funding support given to subsidiaries was agreed to by the Council for the 2016-17 financial year.

#### (b) Transactions with Key Management Personnel (KMP)

KMP include the Mayor, councillors, council's Chief Executive Officer and some executive management. The compensation paid to KMP for 2016/2017 comprises:

	\$'000
Short-Term employee benefits	1,533
Post-employment benefits	66
Long-Term Benefits	-
Termination benefits	14
Total	1,613

Detailed remuneration disclosures are provided in the annual report.

2017

#### (c) Transactions with other related parties

Other related parties include the close family members of the KMP and any entities controlled or jointly controlled by KMP or their close family members.

On the basis of materiality, no significant transactions were identified.

#### (d) Transactions with related parties that have not been disclosed

Most of the entities and people that are related parties of council, live and operate with the Gympie Region. Therefore, on a regular basis, ordinary citizen transactions occur between Council and its related parties. Some examples include:

- Payment of rates
- Use of the Gympie Aquatic Centre
- Dog Registration
- Borrowing books from a Council library

Council has not included these typse of transaction in its disclosure, where they are made on the same terms and conditions available to the general public.

#### Gympie Regional Council General Purpose Financial Statements For the year ended 30 June 2017

#### Management Certificate

for the year ended 30 June 2017

These General Purpose Financial Statements have been prepared pursuant to sections 176 and 177 of the Local Government Regulation 2012 (the Regulations) and other prescribed requirements.

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

- the prescribed requirements of the Local Government Act 2009 and Local Government Regulations 2012 for the establishment and keeping of accounts have been complied with in all material respects; and
- the General Purpose Financial Statements, as set out on pages herewith, present a true and fair view, in (ii) accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.

Cr Mick Curran

MAYOR

13 October 2017

Bernard Smith

CHIEF EXECUTIVE OFFICER

13 October 2017

#### INDEPENDENT AUDITOR'S REPORT

To the Councillors of Gympie Regional Council

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

#### **Opinion**

I have audited the financial report of Gympie Regional Council.

In my opinion, the financial report:

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

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

#### **Basis for opinion**

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

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

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

#### Other information

Other information comprises the information included in Gympie Regional Council's annual report for the year ended 30 June 2017, but does not include the financial report and my auditor's report thereon. At the date of this auditor's report, the other information was the Current Year Financial Sustainability Statement and Long-Term Financial Sustainability Statement.

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

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

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

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

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

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

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

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

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

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

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

#### Report on other legal and regulatory requirements

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

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

D A STOLZ

as Delegate of the Auditor-General

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Queensland Audit Office Brisbane

#### **Gympie Regional Council Current Year Financial Sustainability Statement** For the year ended 30 June 2017

Measures	of	Financial	Sustaina	bility
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Actual **Target** 2017

Performance Indicators

2017

1 Operating Surplus Ratio

Net Result (excluding Capital Items)

Total Operating Revenue (excluding Capital Items)

Between 0.38% 0-10%

An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes.

#### 2 Asset Sustainability Ratio

Capital Expenditure on the Replacement of Assets (renewals) Depreciation Expense

144.23%

Greater than 60%

An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.

#### 3 Net Financial Liabilities

**Total Liabilities less Current Assets** Total Operating Revenue (excluding capital items)

-25.61%

Less than 60%

An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.

#### Note 1 - Basis of Preparation

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

#### Gympie Regional Council Current Year Financial Sustainability Statement For the year ended 30 June 2017

#### Certificate of Accuracy

for the year ended 30 June 2017

This current-year financial sustainability statement has been prepared pursuant to Section 178 of the Local Government Regulation 2012 (the Regulation)

In accordance with Section 212(5) of the Regulation, we certify that this Current Year Financial Sustainability Statement has been accurately calculated.

Cr Mick Curran

MAYOR

13 October 2017

Bernard Smith

CHIEF EXECUTIVE OFFICER

13 October 2017

#### INDEPENDENT AUDITOR'S REPORT

To the Councillors of Gympie Regional Council

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

#### **Opinion**

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

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

#### Basis of opinion

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

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

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

#### Emphasis of matter - basis of accounting

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

#### Other information

Other information comprises the information included in Gympie Regional Council's annual report for the year ended 30 June 2017, but does not include the Current Year Financial Sustainability Statement and my auditor's report thereon. At the date of this auditor's report, the other information was the General Purpose Financial Report and Long-Term Financial Sustainability Statement.

My opinion on the Current Year Financial Sustainability Statement does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the General Purpose Financial Report.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is

materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

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

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

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

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

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

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

 Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

D A STOCZ

as Delegate of the Auditor-General

2 5 OCT 2017

AUDIT OFFICE

Queensland Audit Office Brisbane

Statemer
Sustainability
Long-Term Financial

Prepared as at 30 June 2017

Measures of Financial Sustainability	Tarret	Actual				2000					
Performance Indicators	2017	2017	2018	2019	2020	2021 2	2022	2023	2024	2025	-
1 Operating Surplus Ratio											
Net Result (excluding Capital Items) Total Operating Revenue (excluding Capital Items)	Between 0-10%	0.38%	1.84%	3.58%	3.34%	2.40%	1.43%	3.27%	3.22%	4.34%	4
An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes.											

4.99%

2026

# 2 Asset Sustainability Ratio

PORT	Capital Expenditure on the Replacement of Assets (renewals)  Depreciation Expense	Greater 1 than 60%	144.23%	90.56%	75.27%	78.21%	70.25%	59.32%	61.92%	60.23%	64.98%
2016	An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.										

# 3 Net Financial Liabilities

abilities less Current Assets	Less than	25 6104	62 A5%	56 DR94	25 24%	38 1104	42 BOOK	7027 61	45 BOOK	52 1604
evenue (excluding capital items)	%09	W 10.02-	-04.43	20.00.0	-33.5470	-30,1170	-47.00.70	-44.1370	40.00%	-35.107

-68.24%

64.98%

An indicator of the extent to which the net financial liabilities can be serviced by its operating

# Gympie Regional Council Financial Management Strategy

Council measures revenue and expenditure trends over time as a guide to future requirements and to make decisions about the efficient allocation of resources to ensure the most effective provision of services. Council ensures that its financial position whilst also being able to meet the community's current and future needs.

Council aims to operate within a set of conservative guide-posts to ensure we are financially sustainable in the short, medium and long term. As part of our financial strategy, we have guide-posts to ensure we are financially sustainability of all councils sectors that have been set by the Department of Local Government, Community Recovery and Resilience to help monitor the long-term sustainability of all councils across

In summary, we achieved or bettered two of the three financial targets, performing strongly in our ability to generate cash from day to day operations, meeting all financial commitments in the financial year, and keeping debt to conservative and making ongoing investment in community infrastructure.

Throughout the financial year, these indicators are calculated and reported on monthly at Council meetings, as part of a full suite of financial year, these indicators are calculated and reported on monthly at Council meetings, as part of a full suite of financial there be any deviation outside these parameters, the executive management and Council will be fully informed and may take corrective action as required.

#### Gympie Regional Council Long-Term Financial Sustainability Statement For the year ended 30 June 2017

#### Certificate of Accuracy

for the long-term financial sustainability statement prepared as at 30 June 2017

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

In accordance with Section 212(5) of the Regulation, we certify that this long-term financial sustainability statement has been accurately calculated.

Cr Mick Curran

MAYOR

13 October 2017

Bernard Smith

CHIEF EXECUTIVE OFFICER

13 October 2017



Gympie Regional Council 1300 307 800 2 Caledonian Hill (PO Box 155) Gympie QLD 4570 gympie.qld.gov.au