

Annual Report

2014–2015



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The purpose of the Annual Report 2014–2015 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
- social wellbeing.

Welcome from the Mayor



Cr Mick Curran

I am proud to present Gympie Regional Council's Annual Report 2014-2015. It is a reminder of the great work achieved by our diverse organisation to provide the Gympie region with the very best in community programmes, facilities, capital works, infrastructure, beautification projects and environmental initiatives.

We have a great region with a broad array of natural assets and a community built on a foundation of confidence and resilience to overcome any adversity. The theme of serving our community is evident throughout this report – and indeed throughout the Gympie region.

This report outlines many examples of Council working with and within our community to provide significant results.

This report charts Council's progress against our Corporate Plan, with its vision to have:

- infrastructure that is planned, connected and safe;
- economic development that is cohesive, responsible and transparent;
- governance that is cohesive, responsible and transparent;

- an environment that is sustainable, managed and healthy; and
- social wellbeing that is active, diverse, creative and empowered.

I reserve a special thanks to the team we currently have at Council. In the current Councillors we have a team who are enthusiastic, challenging of the status quo and dedicated to progressing the region. The range of ideas from the Councillors are only as strong as the staff we have to plan and put them into practice.

I anticipate a positive year ahead as we work together with you to make the Gympie region the natural choice to live, work and play.

Cr Mick Curran, Mayor

Chief Executive Officer's overview



Bernard Smith

The Annual Report enables us to review the past financial year and reflect upon Council's achievements as an organisation. I am pleased to present to residents and ratepayers, Council's efforts to ensure the Gympie region strives towards its vision to be 'the natural choice to live, work and play.'

This shared vision and the corporate values of being accountable, consistent, appreciative, communicative and respectful underpin many of the initiatives, projects and activities progressed or finalised during the past 12 months.

Over the past year, Council has delivered both high quality services and facilities and focused on staying ahead of the times, continuously planning, growing and improving. We have undertaken significant strategic planning to increase efficiencies across the board but specifically in our technology and systems.

A few of the major outcomes and achievements outlined in this report are the installation of a new mapping system with accurate and more useable geographic information; implementation of an Asset Management System to guide Council's infrastructure management and investment; replacement of Gears Bridge on Cedar Pocket Road with a concrete structure; the redevelopment of the old Imbil Caravan Park into a District level

playground and park; the development of an Information Communication Technology strategic plan; the undertaking of a number of Town Centre Urban Design projects as part of an overall Town Centre Revitalisation Strategy and continuation of the "Our Towns Sustainable Centres Program".

As we look ahead to the coming year, we are reminded that every year brings its own set of challenges. Council's staff will continue to work positively and proactively to deliver quality services while planning for the future of our region. By working together, Councillors and staff can continue to provide the sort of outcomes expected by our community.

I would like to take this opportunity to thank the Mayor and Councillors for their ongoing support and Council's staff for their commitment and diligence in what has been another year of achievements for Council and the Gympie region.

Bernard Smith, CEO

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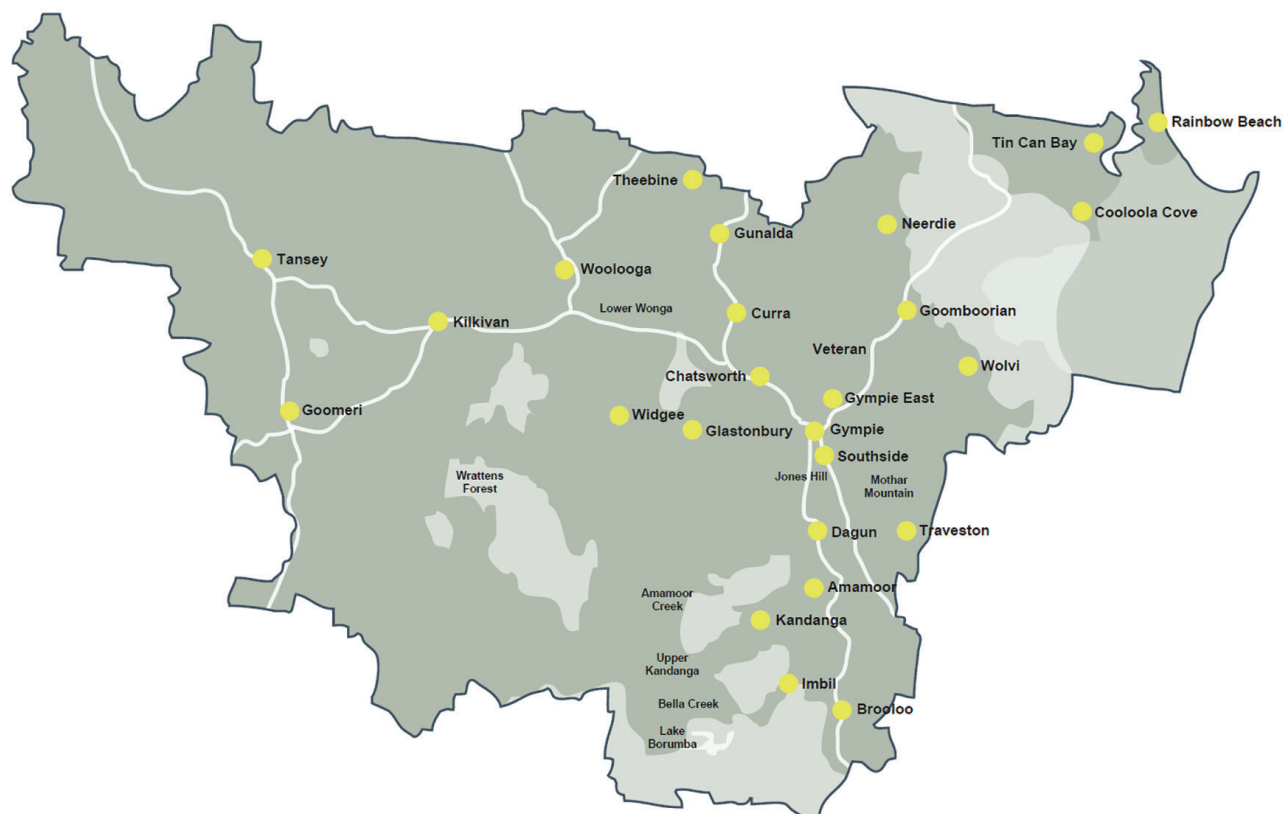
Our region

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 Woollooga.

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
- experiences planned growth through continued economic development.



Our vision and 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.* ”

Accountable:

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

Consistent:

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

Appreciative:

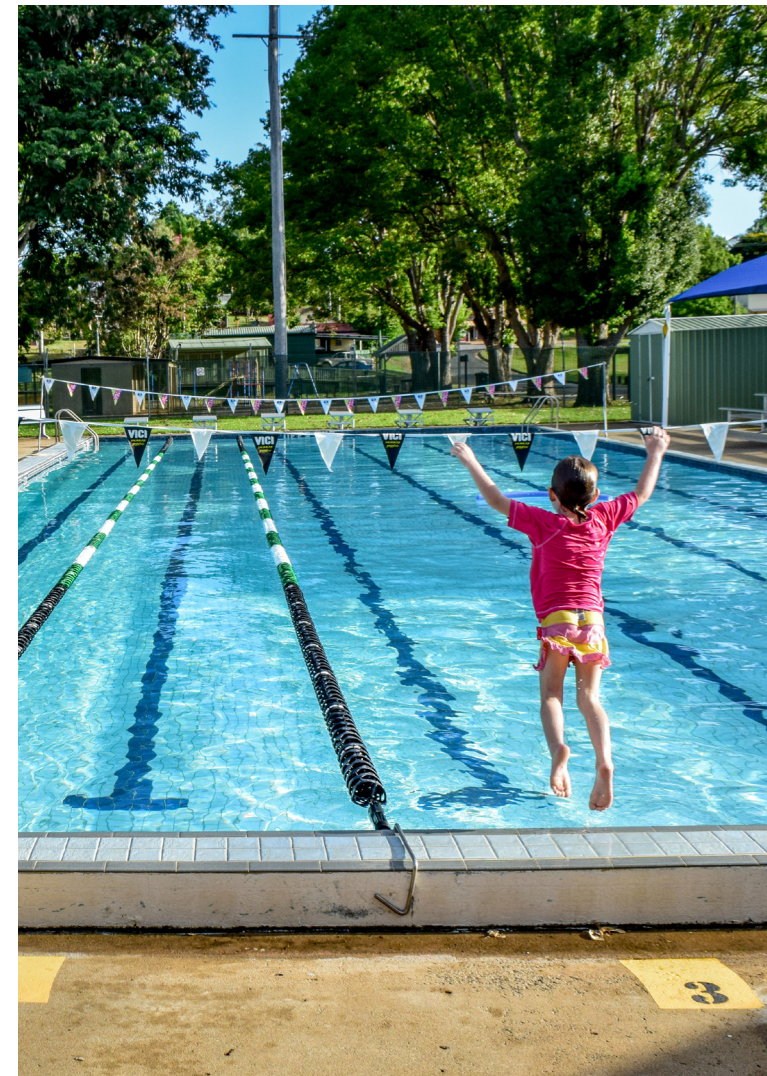
we value the opportunities we have, and look for the best in our people, our organisation and our community.

Communicative:

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

Respectful:

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



Infrastructure ... *planned, connected and safe*

Planned infrastructure that meets the needs of the community



Road asset maintenance

Council maintains 2316 kilometres of road infrastructure, 1284 kilometres of which is sealed, the balance of 1032 kilometres is unsealed. Council also maintains approximately 102 kilometres of constructed footpath, either asphalt or concrete. Council undertakes approximately 41 unique road, stormwater and footpath maintenance activities across a transportation network valued at \$760 million.

Highlighted projects

- Stage 4 of Southside sewerage, which included Luckona Court, Farmborough Court and Wadell Road.
- Construction of the Penny Road flood route from Gympie to Monkland.
- Upgrade of Drummond Drive at Monkland to an industrial standard and flood-free height.
- Upgrade of River Road near Gympie Central for improved traffic management in floods.
- Surfacing of the Gympie netball carpark.
- Further widening of the Moy Pocket Road heavy transport route.

- Replacement of Gears Bridge on Cedar Pocket Road with a concrete structure.
- Upgrade of Parsons Road, Gympie together with a new pathway.
- Installation of a new mapping system (IntraMaps) to help the public and Council staff with accurate and more useable geographic information.
- Purchase and installation of an Asset Management System to guide Council's infrastructure management and investment.
- Commissioning of a new water supply main for Tin Can Bay and Cooloola Cove to cater for growth.
- Relining of a considerable number of sewers in Gympie and Tin Can Bay to facilitate greater reliability.

Timber bridge maintenance

Eighty-nine timber bridges make up a significant portion of Council's road assets. Timber bridges across the region are generally old and their components are subject to rot, accident damage and wear and tear. Maintenance costs are significant as traffic volumes grow beyond what many of these structures were designed and built for.

In 2014/15, Council's bridge crew undertook five major bridge reconstruction projects and refurbished three bridges to keep them serviceable and safe. The Tandur Road Bridge project costing over \$200,000 was a major reconstruction which required careful planning to reduce impact on the users as well as the sensitive environment around it.

Disaster reconstruction

Council completed the design and construction of infrastructure damaged or lost as a result of the 2011 and 2013 flooding events in accordance with the requirements of the Natural Disaster Relief and Recovery Arrangements. The value of these works totalled approximately \$8.8 million.

A further flooding event occurred in February 2015 with approximately \$700,000 in emergent works and \$200,000 in restoration works undertaken. Further restoration work in the order of \$1 million is expected in coming years as a consequence of the 2015 flood event.

Backflow prevention audit program

This program commenced in late 2013 with Council's plumbing inspectors conducting an audit of all Council owned properties, identifying and tagging the location of backflow prevention devices.

As part of the program, inspectors identified 77 new devices that were required to be installed in order to bring Council infrastructure into compliance with the requirements of the *Plumbing and Drainage Act 2002*.

Council awarded the tender for the installation of these new devices to a local plumber in March 2015, and it is envisaged that the installations will be completed in 2015.

The second phase of the audit program started in November 2014 with Council plumbing inspectors commencing an audit of the private sector, namely commercial, industrial and multi-residential sites. The program has focused firstly on high risk buildings such as shopping centres, industrial sites and medical facilities.

To date, inspectors have audited 90 sites and identified 230 backflow devices that require installation. It is envisaged that this phase of the audit program will take approximately two years to complete.



Infrastructure ... *planned, connected and safe*



Plumbing applications

The Plumbing Services team assessed a total of 404 applications consisting of:

- Class 1 & 10 (dwellings and sheds) sewered sites 132;
- Class 1 & 10 (dwellings and sheds) non-sewered sites 202;
- Class 2–9 (commercial buildings) sewered sites 51;
- Class 2–9 (commercial buildings) non-sewered sites 17; and
- connect to sewer 2.

Notifiable work inspections

A total of 482 Form 4 (Notifiable Work) applications were lodged with the Queensland Building and Construction Commission by plumbers operating in the region. Council plumbing inspectors audited 33 of the sites or seven percent of the work.

Plumbing educational programmes

The Plumbing Services Team organised three training/information nights for plumbers and other professionals working in the industry. Guest speakers from Building Codes Queensland and the Queensland Building and Construction Commission presented at all the events, as did Council staff. At the last meeting, over 80 people were in attendance.

Building statistics 2014/2015

Since 2012, building activity within the Gympie region has been steadily increasing.

Data from the Australia Bureau of Statistics (ABS) for Queensland in 2014 confirms this trend with a 10.7 per cent increase in building activity over the twelve months, compared to 2013.

Over the last two years, the Building Services team has been working hard to increase its market share of the certification business within the Gympie region. This has been demonstrated in the recent monthly building statistics with the team increasing its market share to 28 per cent.

The team has also been diversifying its core business to provide building consultancy services.

Community focused facilities and service



Imbil playground and park development

\$660,000 was invested in the redevelopment of the old Imbil Caravan Park into a District level playground and park. The area, now named the Yabba Creek Parklands, includes new public amenities with accessible toilets with family room, a large playground with a separate toddler play area with shade, swings, sand play, and a fire truck themed multi-play item. A larger area of playground, targeting 5–12 year olds has swings, a slide, a multi-activity structure and additional items that will be inviting to that age group. The park also has barbecue, picnic facilities and disabled car parking.

Road side verge and intersection improvements

Improvement to our streetscapes is part of pride in the presentation of our region for our community as well as visitors. Some \$70,000 was spent in upgrading median strips in the Rainbow Beach business area with new trees and garden beds. To beautify the area and address traffic safety issues, hard landscaping was undertaken at the Sorensen/Groundwater Road roundabout which has improved its presentation and reduced ongoing maintenance needs.

Off-leash dog park

Parks and open spaces are an important part of the health and wellbeing of the community. This year, Council acknowledged the role dogs play in community recreation with the development of Gympie's first fenced off-leash dog park located within Archery Park. This allows dog owners to exercise their pets without a leash legally and in a controlled environment. This project, costing almost \$60,000, provides seats and shelter for owners and a large open grassed area for the dogs as well as a water point.



Infrastructure ... *planned, connected and safe*

Comprehensive community and corporate asset management



Disaster management

In February 2015, Gympie region's disaster management systems were again tested by the effects of Tropical Cyclone Marcia which resulted in major flooding with 12 businesses and one residence inundated by flood waters, the closure of the Bruce Highway and the loss of access to the west of the region. The Local Disaster Management Group coordinated the response and the recovery of the event through the Local Disaster Coordination Centre which has the role of managing the various emergency tasks with the responsible agencies. With Council resources and the cooperation of the community, Council was able to meet the primary goal of ensuring safety during the event and returning the community to its normal state as quickly as possible.

A key factor in disaster events is the resilience of the community in dealing with the event and its ability to recover when it's over. This year, with the assistance of the University of the Sunshine Coast, we conducted the first of a series of surveys to measure and monitor community resilience in the Gympie region.

The survey looked at three scales; individual households, community (multiple households) and Local Government (multiple communities). This information will assist in identifying how we can help the community prepare for disasters.

Fleet management

Council's maintenance and construction program requires a reliable fleet of plant and equipment. The current fleet has a wide variety of items and illustrates the breadth of works that Council undertakes. The current value of Council's fleet of plant and equipment is approximately \$28 million. The 2014/15 plant replacement budget was \$2,959,000.

There are over 700 significant plant items including:

- 67 Heavy plant
- 371 Light Plant
- 125 Light vehicles
- 70 Trucks
- 86 Trailers
- 39 miscellaneous.

Operating costs including repairs and maintenance for this year were approximately \$3,400,000.

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

Diverse regional business and industry development

Major achievements

Council provided support to regional businesses and entrepreneurs through a wide variety of business development workshops and events.

The 2014/15 financial year saw a focus on industry development activities and implementing recommendations and actions from the Economic Development Strategy.

Business development – focus on providing information and identifying opportunities for growth

Twelve forums/workshops/seminars held with over 289 participants, for example:

- Council partnered with the Queensland Government to host very well attended Tendering for Government Business workshops targeted at assisting businesses to compile and submit successful and professional tender documents
- Mentoring for Growth – Council hosted mentoring sessions focused on working with high growth businesses seeking to identify opportunities for growth
- Ideas to Innovation Forum – Focused on showcasing our regional businesses who are achieving growth through innovation in products, processes or services.



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

Industry development – partnerships in action



The 2014/15 financial year once again saw a focus on helping to develop innovation in our regional businesses and providing information and facilitation to help develop the capacity and capability of businesses to take advantage of opportunities to grow and develop.

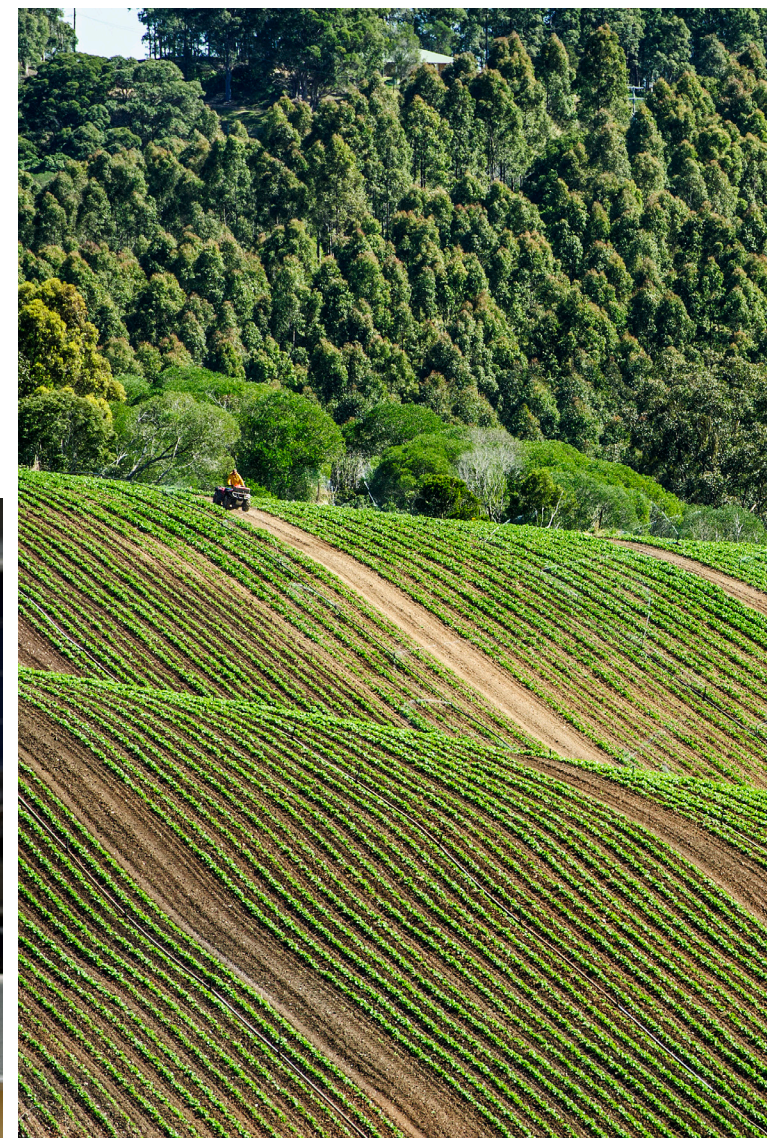
- Gympie Region Export Network – Based on support received from industry, an inaugural Export Network Meeting was hosted by Nolan Meats to discuss export market development and training opportunities. Support was given by attendees for the establishment of the Gympie Region Export Network.
- Manufacturing Industry Development Council partnered with the Queensland Government to host a Manufacturing Industry Best Practice network meeting which provided information to assist business to improve overall efficiency and reduce costs. The meeting was attended by some of our region's leading manufacturers.
- Gympie Region Economic Development Reference Group – Membership of this Group comprises Chamber of Commerce Presidents and business leaders from all localities and industry sectors in the Gympie region.

Outcomes of quarterly meetings focus on providing information to council about issues and opportunities impacting on industry sectors or locations.

- Gympie Gold Regional Produce (Agricultural value-adding and food processing industry development) – Established in 2010 by Council with the support of industry, this network has a focus on support of the region's producers and processors in the food industry continues with workshops/forums/events coordinated to promote the Gympie regions food and culinary tourism industry.
- Renowned chef Matt Golinski's role as the Gympie Region Food and Food Tourism Ambassador was supported to continue. Matt has had a long association with the Gympie region and our regional producers and is hard at work promoting the region.
- A first for the region during 2015 was the launch of Eat Local Month – Gympie Region GourMAY! Feedback from industry, residents and visitors regarding this event was very positive. May saw the launch of the Gympie Town Centre Grower's Markets, cooking classes, events and showcases of regional produce and producers.

- The Gympie region Farm to Business Directory was launched with the aim of promoting links between producers, the food service and hospitality industries and so promote the purchase and use of local produce in our businesses. The event was also attended by renowned chefs from restaurants on the Sunshine Coast and Brisbane.
- Our region and our region's food industry were showcased at events including:
 - The Tin Can Bay Seafood Festival
 - The 2015 Gympie District Show – The Economic Development Unit partnered with the Gympie Show Society to host a regional food precinct in the main pavilion. A very successful 'cook off' featuring local chefs and celebrities was hosted by Matt Golinski
 - The Goomeri Pumpkin Festival which once again featured cooking demonstrations hosted by Matt Golinski and featuring our Gympie region produce
 - Good Food and Wine Show at Brisbane Convention and Exhibition Centre, with an estimated attendance of 35,000.

- Mary Valley Economic Development – Council partnered with Mary Valley Country to host a Tourism Forum focused on seeking input and information to help shape the future of tourism in the Mary Valley. The forum included attendees from various industries including agribusiness, tourism, hospitality, retail and service industries.



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



Regional Economic Development

Gympie Regional Council's Economic Development Unit is part of the Wide Bay Burnett Regional Economic Development Advisory Committee and has been part of the development and delivery of projects targeted at growing our regional economy, diversifying and adding value to our regional business and refining the way we work together across our region.

- Regional Queensland Showcase – This inaugural event was held in Brisbane in June with the aim of promoting lifestyle and business opportunities in regional Queensland. Gympie Regional Council partnered with councils from the Wide Bay Burnett Region in a joint display. Feedback from event attendees was positive with the information from our Council in particular receiving very positive feedback.
- Independent Broadband Testing Report (January 2015) identified mobile telephone blackspots in the region to assist with lobbying for infrastructure upgrades by telecommunications carriers.
- Liveable Cities Liveable Towns project focused on regional promotion and branding to help increase awareness of the region and its lifestyle and business opportunities.
- Business Confidence Survey is regularly receiving on average over 200 responses from the business community. This biannual survey provides accurate and important information about our regional business health and identifies issues and opportunities impacting on the development of our region.
- Digital Economy – Digital technologies help create opportunities to overcome issues of remoteness and will enhance the delivery of services and facilitate trade throughout the region. Council was successful in applying for upgrades to mobile coverage at sites in Widgee, Glastonbury and Woolooga through the Australian Governments \$100 million Mobile Black Spot Programme.
- International Education Strategy – Council's Economic Development Unit is working closely with Trade and Investment Queensland, the Queensland Government, regional education providers and the University of the Sunshine Coast to promote the region's educational institutions and encourage specialist research opportunities in the region.

Gympie Town Centre Project

Implementation of the Gympie Town Centre Action Plan is showcasing and building pride in community assets, promoting and revitalising Gympie's Town Centre.

A dedicated Town Centre Project Officer has been appointed to focus on the implementation of this action plan in close liaison with local business owners, the community and regional event organisers.

The Gympie Town Centre branding and logo has been designed and implemented on banners, bus advertising, posters and event marketing materials. Additionally, the old Business Centre and other directional signage were replaced with new 'Town Centre' signage at each vehicular entry point. This was an easily achievable and highly effective action that will continue to inform and draw in traffic to Gympie's CBD.

The monthly Gympie Town Centre fresh and local produce markets commenced in May 2015 and are successfully filling a gap in the Town Centre's offer and attracting between 500-1,000 people. These markets also help promote 'market day specials' for Town Centre retailers, highlight local food producers and connect them with local businesses and residents.



Governance ... *cohesive, responsible and transparent*

Transparent and accountable service delivery



Customer Contact Centre

Gympie Regional Council's Customer Contact division has been established to build and enhance Council's relationship with customers and the community. Everyone in the community benefits when Local Government gets their commitment to service excellence right. Customer Contact acts as Council's front line to reinforce Council's purpose to actively serve our community and plan for the future.

During the period of 2014/2015, Council's Customer Contact received 43,450 calls with 74.19 per cent of calls answered in less than 30 seconds. Customer Contact Officers have been able to resolve customer enquiries in an average talk time of two minutes and 44 seconds.

Customer Contact continues to work toward becoming a "one-stop" shop for the community to deal with Council, with calls, online requests and counter enquiries to be dealt with by a dedicated team who are specially trained to resolve queries at first point of contact. This will enable Council to streamline customer's interactions and communicate with a 'unified voice'.

Information Communication Technology

ICT Strategic Plan

An ICT strategic plan was developed with extensive consultation with staff and vendors, identifying a comprehensive program of initiatives to be delivered over the next five years. Implementation of recommendations has commenced, including the establishment of an Information Steering Committee (ISC) and appointment of an ICT Project Manager. Development commenced of an ICT project management and governance framework, with business cases now being prepared for all ICT initiatives, which are then presented to the ISC for approval and prioritisation.

Infrastructure Upgrade

Council's core server and storage infrastructure was upgraded in Council's primary data centre and disaster recovery site. This has resulted in increased stability and performance for Council staff when using Council's computer systems.

New Telephone System

Telstra's telephony solution, TIPT, was implemented to replace a dated Custom Net solution. The solution has significantly improved call quality and is more configurable to meet our requirements.

An organisational culture of continuous improvement



Continuous improvement

Rapid growth in technology, the need for financial stability, and the desire for renewable energies are some of the many catalysts increasing community expectations. Local government will change more in the next five to 10 years than it has in the past 50 years in order to meet these expectations.

To achieve this in a relatively fast-changing environment, Council is working from the ground up to position our people for rapid change. Council is striving to empower staff to improve operational efficiency by eliminating waste, by focusing on business value, by increasing customer engagement, and by bringing expertise and experience together.

Council's people work collaboratively on a range of continuous improvement initiatives to help shape the council in which they work. These projects identify operational waste and determine solutions to eliminate it.

For example, we're working on reducing the cost of printing internally. Council is also working to further maximise the utilisation of our heavy duty plant, and to deliver a sustained reduction in our energy costs over a twelve month period.

In response to one of last year's continuous improvement projects, we've had a Project Management Framework and a tailored Certificate IV in Project Management developed which will significantly improve the planning, prioritisation and implementation of Council projects.

Business planning

Business managers have engaged with their teams in a business planning process to ensure they have an understanding of their customers' expectations, a clear value proposition, and a strategic focus that aligns with the overall organisational vision. Each business unit will be working hard over the 15-16 financial year to implement a number of goals and actions and achieve their 12 month vision.

Risk management

It has always been Council's policy to minimise risk while maximising opportunity. Regulatory requirements recently strengthened these processes to ensure consistency and transparency of decision making. Changes in the *Local Government Act 2009* (Act) strengthened reporting requirements in this area with the need for a formal Risk Management Plan and Risk Register. These address significant strategic risks, assigning roles and responsibilities for the tasks associated with risk management.

Lower level operational risk will continue to be managed within operational teams and management. Progress on risk management and emerging significant risks are reported to the Audit and Risk Management Committee.

Governance ... *cohesive, responsible and transparent*

Responsible employer



Human resources

Council strives to provide best practice HR strategies, frameworks and advice to the whole of the organisation. A consultative approach is key to being successful in this regard. This year has seen numerous policies and procedures introduced which provide further clarity concerning the organisation's responsibilities to our people, and our people's responsibilities to the community and the organisation. The forthcoming employee benefit programs will establish further positive engagement with our workers and local businesses throughout the Gympie region.

Work, Health and Safety

Council strives to achieve a number of positive work health and safety indicators annually; fortnightly team meetings with field staff, monthly team meetings with office staff, and 500 safety conversations across the organisation among other action planning strategies.

Council also tracks indicators such as days lost due to injury and lost time claims. The results for 2014-15 are outlined below.

Workers Compensation claims	25
Lost Time Injuries	12
Days lost due to injury	291
Lost time claims frequency rate	14.45/1,000,000hrs worked
Average duration rate	12.82 days

Recruitment

Council is now providing improved service to job applicants following the successful implementation of our recruitment software, SCOUT. Being an online platform with simple workflows, SCOUT provides Council with better reach to jobseekers, and provides jobseekers with a more accessible and easy to use application process. It also gives us the ability to inform candidates and give feedback throughout the recruitment process.

Payroll

Payroll continues to achieve administrative efficiency with increased numbers of employees receiving their payslips via email. The next challenge is reducing paper, aiming for a paperless office and electronic timesheets.

Environment ... *sustainable, managed and healthy*

Healthy and safe environment

Public swimming pools

- Goomeri – replacement of solar pool heating system and installation of new chlorine storage tank completed in January 2015.
- Gympie – installation of a Pelican Pool Hoist and Platypus Pool Wheel Chair completed at the beginning of the swimming season 2014.
- Tin Can Bay – installation of a new black chain wire fence completed prior to the commencement of the swimming season 2014.

Pensioner units

Council has finalised the contingent liability payment to the State and now owns its 32 pensioner units outright. The administration of these units will become the responsibility of the Corporate and Community Services Directorate.

Immunisations

Council continues to utilise the services of a local medical provider (Channon Street Medical Centre) to provide a childhood immunisation program for residents of the Gympie region. This has been a long standing arrangement with Council and the service provider and ensures that no resident is disadvantaged due to socio-economic circumstances. The total number of vaccinations administered in 2014/2015 exceeded 1370.

Food business licences

The total number of current food business licences issued under the *Food Act 2006* was 324.

Cemeteries

Gunalda Cemetery – pre-digging for a row of burial plots and installation of a concrete headstrip completed in the 2014/2015 financial year.



Environment ... *sustainable, managed and healthy*

Responsibly managed environmental practices



Microchipping program

The annual microchipping program conducted as a joint venture between Council and RSPCA was undertaken at Tin Can Bay, Rainbow Beach, Curra, Goomeri and Imbil in April 2015. An RSPCA veterinarian and nurse undertake the Prescribed Permanent Identification Device (PPID) implantation. Council provide venues and staff to assist on the designated days.

Animal de-sexing program

The animal de-sexing program is conducted as a joint venture between Council and the RSPCA, who negotiate with local veterinarians to provide a subsidised de-sexing program for cats and dogs.

Pets and People Education Program (PET PEP)

The Pets and People Education Program (PET PEP) is an initiative of Australian Veterinary Association and supported by Council and the RSPCA. This is a national community education program aimed at school children to aid understanding and appreciation regarding responsibilities towards pets. Council officers visit primary schools and present to school children aged four to twelve years. In 2014/2015, seven schools were visited with 642 students provided with information.

Waste management

The new regional waste contract commenced on the 1 July 2014 and provides kerbside recyclables collection to over 1200 properties which did not have access previously. Council now collects over 20,000 recycling bins fortnightly which allows households to conveniently recycle glass, paper, cardboard and a range of plastic containers to help reduce waste to landfill.

In acknowledging its environmental responsibility for waste disposed by the community in the past, Council has prepared Landfill Rehabilitation Plans for its active and closed landfills in the Gympie region. The aim is to control and mitigate adverse environmental impacts from past disposal operations and these rehabilitation plans will be implemented over coming years.

Protecting our environment from the impacts of waste requires us to understand more about the issues and how we can reduce the waste we produce. Council has this year increased its waste minimisation education program in schools, businesses and community groups to help reduce the financial and environmental costs to the community.

Lands protection

The Council Lands Protection team continued to implement a number of highly successful strategic programs to reduce the impact of high priority pests such as Parthenium, Giant Rat's Tail grass, fireweed and groundsel bush on the local economy. The team provided an extensive inspection service for local landholders throughout the region as well as best practice advice for pest plant and animal control options for the community.

Other significant and exiting projects undertaken throughout the year include:

- Facilitation of Wild Dog and Pest Animal Workshops focused on more effective control of pest animals regionally. These workshops were highly successful with more than 300 local attendees at Tansey, Wolvi and Kandanga
- Management and action program for Class 1 and 2 declared plants on the road reserves throughout the region
- A key focus on better managing our Environmentally Significant Areas with weedy pine tree and other woody weeds removal along coastal areas
- Implementation of a proactive region-wide pest distribution survey targeting groundsel and other high priority species such as Giant Rat's Tail grass and Parthenium, resulting in the inspection of more than 300 individual land parcels
- Release of Salvinia biocontrol weevil via distribution in numerous identified infestations throughout the region.



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

An active community for all ages



Gympie Regional Council Arts and Cultural Plan

The Gympie Regional Council Arts and Cultural Plan was adopted in 2014/15. The plan provides an approach for Council and the community to support, celebrate and develop the creative and cultural life of the region.

Council engaged an events officer in January 2015 to work with new and emerging events as a point of call for event support within Council. The officer is responsible for the development and management of policy and procedures related to events. In an effort to build social and economic equity linked to events, the role is responsible for development and support of key festivals and events throughout the region and the administration and support of funding and sponsorship agreements with established events.

The Kilkivan Branch Office was given an allocation in the 2014/15 Capital Budget to install a generator for Kilkivan Disaster Coordination in order to power the office in times of power failure due to a disaster situation and to retain business continuity in all situations. The generator has been installed and tested in a real life situation where it performed impressively, retaining the business continuity on that day.

Gympie Town Centre urban design projects

A number of Town Centre Urban Design projects were undertaken as part of an overall Town Centre Revitalisation Strategy. Aimed at supporting the Town Centre's strategic future as the heart of the Gympie region, the plans will deliver significant infrastructure, including a future transit facility, a pedestrian plaza for Mary Street and more pedestrian friendly streets.

The projects consist of an overall Gympie Town Centre Streetscape and Urban Design Palette; a Concept Design for the section of Mary Street between Channon and Monkland Streets; a Smithfield Street Concept Design; a Master Plan for Nelson Reserve/Memorial Park and a Town Centre Parking Assessment

Extensive community engagement was undertaken throughout the preparation of the projects, inviting people to share their views. The next steps for these projects will see Council progressing with further detailed planning, consultation, concept refinement and implementation of high priority improvement activities into the 2015/16 financial year.

Gympie Town Centre branding and marketing strategy

The Gympie Town Centre Branding and Marketing Strategy was endorsed by Council in September 2014.

The strategy is the first step in revitalising the Gympie Town Centre. The project identifies ways to reinforce the Town Centre as the principal destination and primary retail, entertainment and service centre within the Gympie region.

It also aims to deliver opportunities for attracting new businesses and tourism opportunities. The strategy contains a three year action plan to deliver activities aimed at increasing the vibrancy and attractiveness of the town centre to residents and visitors.

A part-time Town Centre Project Officer has been appointed to coordinate and drive implementation priorities.

Implementation activities for the 2014/15 financial year delivered through the \$75, 000 budget allocation include Town Centre banners, monthly Town Centre Growers Markets, Town Centre promotion and advertising, late night shopping events for Christmas and Easter and Town Centre directional signage.



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

A vital community



Amamoor and Gungalda 'Our Towns' Projects

Part of the region-wide "Our Towns Sustainable Centres Program", these projects are aimed at developing an overall direction to guide future streetscape and public realm improvements, and to enhance the existing character and amenity of the townships.

Following extensive public consultation, the final Concept Master Plans and priority actions for the townships of Amamoor and Gungalda have been endorsed for progressive implementation.

Council has committed funding of \$400,000 to undertake detailed design and construction of a first round of implementation projects within both townships in the 2015/16 financial year. Amamoor will benefit from an enhanced hub around the General Store and integration with the Mary Valley Heritage Railway Station and the commercial area at Gungalda will be improved with streetscaping, footpath upgrading and formalised car parking.

Gympie Region Tracks and Trails Plan

Council has completed a whole-of-region plan for maximising opportunities for providing a network of off-road tracks and trails for walking, mountain biking and horse riding, aimed at maximising nature-based recreation and tourism opportunities in the Gympie region.

The plan incorporates a 10 year prioritised program of trail development activities.

Detailed trail development planning is to commence for key priorities in 15/16 financial year, including a Kilkivan – Kingaroy Rail Trail.

A region of education and learning



Libraries

Gympie Regional Libraries provide a community focused service to build family and digital literacy skills, foster life-long learning, connect people with information and ideas and preserve information and knowledge for future generations. Clients visit the library to read, learn, relax, study, work, play, connect with others and find the right answers to their questions.

In 2014/2015 a self-service machine was introduced at Tin Can Bay Library and a second machine began operation at Gympie Library. The option for people to check out their own library materials is helping us to remove service bottle-necks at these locations. Following community consultation, Gympie Library adopted extended operating hours. The earlier opening time is proving to be popular with a 10 per cent increase in visitation at Gympie Library last year. There has also been a 23 per cent increase in clients reserving items across the library service.

Gympie Regional Libraries receives financial assistance from the Queensland Government through State Library of Queensland and this year used this funding to further diversify the library collection by purchasing a great range of physical and 'e' library materials.

The library service also promotes the heritage of our region through social media, oral history interviews, school visits, liaising with other local history organisations and people who have a strong interest in our local heritage.

The Friends of Gympie Regional Libraries Inc. successfully secured a \$8,200 Gambling Community Benefit Fund Grant to purchase a smart table to encourage interactive play in the children's area of the library. During the last financial year, the Friends of the Library 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.

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



Gympie Regional Libraries encourages the development of childhood literacy skills across the region by offering Baby Bounce, Pre-School Rhyme Time sessions and school visits.

The library service has worked with community organisations and institutions including the Queensland Writers Centre, Gympie Community Gardens and the Gympie RSL Sub branch to provide a wide range of workshops and activities in 2014/2015 including:

- World War I research sessions
- Ancestry Workshops
- Book Launches
- Author Visits
- Writers Groups
- Book Clubs
- Educational Workshops
- Gympie Region Literary Awards proudly sponsored by Bendigo Bank
- Blogging workshops
- Community Garden Talks.

Number of Loans across Gympie Regional Libraries	
2012/2013	407,236
2013/2014	407,382
2014/2015	409,335

Visits to Gympie Regional Libraries	
2012/2013	236,586
2013/2014	243,616
2014/2015	264,789

Website traffic	
2012/2013	55,311
2013/2014	80,209
2014/2015	95,415

A valued heritage and creative community



Gallery

The Gympie Regional Gallery continued to deliver a variety of experiences for the local, regional and touring visitors during 2014-15. Amongst the 35 exhibitions shown, there were several stand-outs including the Cherbourg: That's My Home, which was the result of collaboration between the Gallery and the Cherbourg Ration Shed Museum. The Gallery was fortunate to receive two travelling exhibitions from the Queensland Art Gallery of Modern Art; Ah Xian and Ever Present, and the impressive Creative Power: The Art of George Baldessin touring retrospective exhibition from Maitland Regional Gallery. The Gallery's biannual exhibition from the College of art continues, and the Gallery Selection Committee initiated our first climate change exhibition Six Degrees of Separation.

This year the Gallery had a small ceramic prize, The Bryan Moore Inglewood Hill Ceramic Prize, to honour a past Gympie artist. This will combine with the annual Gold Rush Art Competition. The Gallery continually supports local artists, community art groups and artists of the Gympie region, not only with the exhibitions, workshops and talks, but through the Creative Unlimited website and database, and the very successful Suitcase Markets held three times a year.

The Gallery provided for all ages through various educational programs such as TinyTots Artplay, FOGlets, Holiday Fun workshops, Youth Connect Project and after school events, Alzheimers Tours, and workshops connected to the exhibitions. Our 50+ volunteers were acknowledged during National Volunteers Week with a special lunch.

The Gympie Regional Gallery started the Suitcase Markets in June 2012 to be held three times a year as a strategy to attract new audiences to the Gallery. They have proved very successful and grow bigger with each market to now filling up our Gallery car park and verandahs. It has had the unexpected benefit of drawing creatives out of the community who may never have been to the Gallery before, and forming networks and friendships. The Gallery has supported these micro businesses to help them expand and grow and test their markets.

Gallery visitors	12,063
Gallery Volunteer hours	4,516
Number of Exhibitions	35
Recreational Workshops and Events held on Council premises (Includes openings and gallery generated workshops)	60
School holiday events	41
Number of young people participating in school holiday activities	515

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.

It is noted that former Mayor Ron Dyne resigned from his position on Council in December 2014 due to ill health. A by-election for Mayor of Gympie Regional Council was held in February 2015 with Cr Mick Curran, the then sitting Division 7 Councillor, elected to the position of Mayor. Former Deputy Mayor and Division 6 Councillor Tony Perrett automatically resigned from Council as required following his election as the Member for Gympie at the January 2015 state election. In accordance with the provisions of s 166 of the Act, Council appointed Councillor Ray Currie and Cr William (Bob) Leitch to the positions of Councillor for Division 6 and Division 7 respectively. Both appointments were made effective from 22 April 2015.

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 facilities and equipment provided to Councillors are contained within the Councillor Expenses Reimbursement Policy which is available from Council's website.

Remuneration for the period 1 July 2014 to 30 June 2015					
COUNCILLOR	SALARY	REMUNERATION NETT	SUPER	REIMBURSEMENTS	GROSS TOTAL
DYNE	\$56,501.44	\$56,501.44	\$6780.17	\$0.00	\$63,281.62
PERRETT	\$39,551.16	\$39,551.16	\$4746.14	\$0.00	\$44,297.30
CURRAN	\$81,927.02	\$81,927.02	\$9831.24	\$25.00	\$91,783.26
CURRIE	\$11,286.15	\$11,286.15	\$1354.34	\$0.00	\$12,640.48
FRISKE	\$66,375.06	\$66,375.06	\$7965.01	\$250.50	\$74,590.56
GÂTÉ	\$62,434.00	\$62,434.00	\$7492.08	\$1179.69	\$71,105.77
LEITCH	\$11,286.15	\$11,286.15	\$1354.34	\$0.00	\$12,640.48
McDONALD	\$62,434.00	\$62,434.00	\$7492.08	\$0.00	\$69,926.08
PETERSEN	\$62,434.00	\$62,434.00	\$7492.08	\$92.63	\$70,018.71
SACHS	\$62,434.00	\$62,434.00	\$7492.08	\$0.00	\$69,926.08
WALKER	\$62,434.00	\$62,434.00	\$7492.08	\$0.00	\$69,926.08

Meetings attended

The number of local government meetings that each Councillor attended during the financial year is recorded in accordance with s 186(c) of the Regulation. One special meeting was held during the period.

COUNCILLOR	ORDINARY MEETINGS	SPECIAL MEETINGS	TOTAL MEETINGS
DYNE	4		4
PERRETT	8	1	9
CURRAN	16	1	17
CURRIE	2		2
FRISKE	14	1	15
GÂTÉ	16	1	17
LEITCH	3		3
McDONALD	11		11
PETERSEN	16	1	17
SACHS	15	1	16
WALKER	15		15

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	NIL
(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	NIL
(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	TWO
(vii)	The number of complaints assessed by the Council CEO as being about corrupt conduct under the Crime and Corruption Act	ONE
(viii)	The number of complaints heard by a regional conduct review panel	ONE
(ix)	The number of complaints heard by the tribunal	NIL
(x)	The number of complaints to which s 176C(6) of the Act applied	NIL

Organisational reporting requirements

Executive remuneration

In accordance with s 201 of the Act, the total of remuneration packages payable to senior management during the period was \$1,327,085.

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

For the purposes of s 201 of the Act, senior management refers to Council's CEO and Directors only.

Particular resolutions

As required by s 185 of the Regulation, please see Appendix A.

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. Significant work has commenced toward the development and adoption of a Customer Service Charter with an associated Customer Service Standard.

In combination with a major review of ICT systems and a corporate focus on customer service, initiatives are being 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, 17 administrative action complaints were received with 16 of those complaints being fully resolved.

One complaint received during the period remained outstanding as at 30 June 2015. There were no complaints received in a prior financial year that were left unresolved.

Further detailed information in relation to Council's complaints management processes is available from our website.

Overseas travel

No overseas travel was undertaken by any Councillor or employee in an official capacity during the financial year. (Refer s 188 of the Regulation).

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
- Restricted Dogs Register
- Road Register.



Organisational reporting requirements

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	
Access Advisory Committee	\$2200
Cooloola Human Services Network	\$400
Early Childhood Teachers Association	\$1500
Gunalda and District Campdraft Association	\$5000
Gunalda Hall Committee Inc.	\$990
Gympie and District Hockey Association Inc.	\$5000
Gympie and District Home for the Aged	\$2408
Gympie Family History Society	\$770
Gympie Poultry Club	\$3000
Hope Reins	\$3000
Kilkivan Endurance Riders Club	\$4000
Kilkivan Show and Campdraft Association	\$3122
Little Haven Palliative Care	\$2750
Mary Valley Artslink Inc.	\$2900
Saint Vincent de Paul Society	\$4109
Tin Can Bay Resource and Referral Association Inc.	\$5000
TOTAL	\$46,149

COMMUNITY EQUIPMENT GRANTS	
Kilkivan Endurance Riders Club	\$1000
Baseball Gympie Inc.	\$1000
CoolArts Gympie	\$500
Gympie and District Hockey Association	\$1034
Gympie Field Archers	\$1000
Gympie Karate Club	\$1000
Wolvi and District War Memorial Hall Inc.	\$699
TOTAL	\$6233
NEW AND EMERGING EVENTS GRANTS	
Rainbow Beach Progress Association	\$2400
Friends of Kandanga Inc.	\$1000
Kilkivan Endurance Riders Club	\$3000
Far-A-Way Endurance Riders Association	\$630
Australian Pensioners and Superannuants League Qld Inc.	\$850
Mary Valley RSL Sub Branch Inc.	\$2000
QCWA	\$2000
Rainbow Beach Surf Life Saving Club	\$5000
Friends of Kandanga Inc.	\$1000
The Albert Bowls Club Inc.	\$400
Tin Can Bay Country Club Inc Ladies Bowls Club	\$250
Widgee District Hall and Recreation Association	\$450
Gympie Bowls Club	\$900
TOTAL	\$19,880

REGIONAL ARTS DEVELOPMENT FUND GRANTS	
Gympie and District Woodworkers	\$10,500
Friends of the Gympie Regional Gallery	\$9325
Friends of Amamoor	\$4975
Early Childhood Teachers Association	\$4768
Gympie Garden Expo	\$4571
Gympie and District Historical Society	\$5500
Heart of Gold International Film Festival	\$5920
Mary Valley Artslink Inc.	\$9550
Tin Can Bay Quilters	\$1330
Thread and Fibre Group	\$1137
Individual Artist Grants (10 grants awarded)	\$12,129
TOTAL	\$69,705
COMMUNITY FACILITIES GRANT	
Gympie and District Tennis Association	\$5500
Baseball Gympie Inc.	\$5000
Cooloola BMX	\$4000
Cooloola Trail Care Alliance	\$1000
Gympie and District Historical Society	\$2883
Gympie Horse and Rodeo Association	\$9592
Long Flat Hall Committee	\$4510
Mothar Mountain Hall Committee	\$1000
Kia Ora and Districts Sports and Progress Association	\$8773
Wolvi Memorial Hall	\$8620
Widgee and District Hall and Recreation Association	\$4752
TOTAL	\$55,630
TOTAL OF COMMUNITY ASSISTANCE GRANTS	\$197,597

The tables below include details of event sponsorship and grants made under Council's Distribution of the Environment Levy for Community Group Grants Policy.

EVENT SPONSORSHIP	
Apex Santa Fair	\$5757
Carols by Candlelight	\$2000
Gold Rush	\$11,229
Tin Can Bay Seafood Festival	\$3900
Kilkivan Horse Ride	\$3717
Mary Valley Tomato Festival	\$500
New Years Eve Celebration	\$2500
Gympie Music Muster	\$50,000
Gympie Show	\$17,000
Gympie Eisteddfod	\$4000
Goomeri Pumpkin Festival	\$14,000
Mary River Festival	\$1250
Rainbow Beach Fishing Classic	\$13,000
Rainbow Beach Nippers Carnival	\$1000
Heart of Gold	\$33,000
Relay for Life	\$1850
TOTAL	\$164,703

COMMUNITY SUPPORT PAYMENTS	
Community Halls (32 halls)	\$32,000
Senior Citizens Centre	\$15,000
Gympie Showgrounds	\$65,000
Kilkivan Museum	\$15,200
Woodworks Museum	\$20,000
Helicopter Rescue	\$20,000
TOTAL	\$167,200
COMMUNITY GROUPS GRANTS (Environment Levy Distribution)	
Australian Macadamia Society Ltd	\$13,472
Cooloola City Farm Nurseries Inc.	\$20,000
Cooloola Coastcare Association Inc.	\$6000
Gympie and District Landcare Group Inc.	\$58,435
Mary River Catchment Coordinating Committee	\$29,000
TOTAL	\$126,907
TOTAL OF COMMUNITY ORGANISATION GRANTS/SUPPORT AND EVENT SPONSORSHIP FOR 2014-2015	\$656,407



Organisational reporting requirements

Annual strategic review

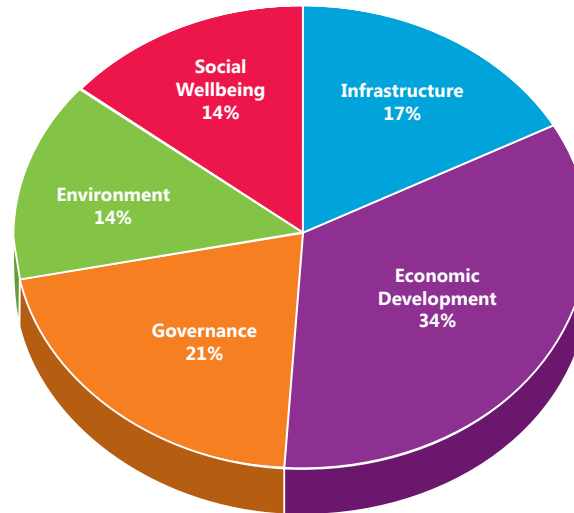
In accordance with s 190(1)(a) of the Regulation, the Chief Executive Officer must provide an assessment of the local government's progress towards implementing its 5-year corporate plan and annual operational plan.

Council's corporate and operational plans are structured around a framework based on the following five key strategic themes:

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

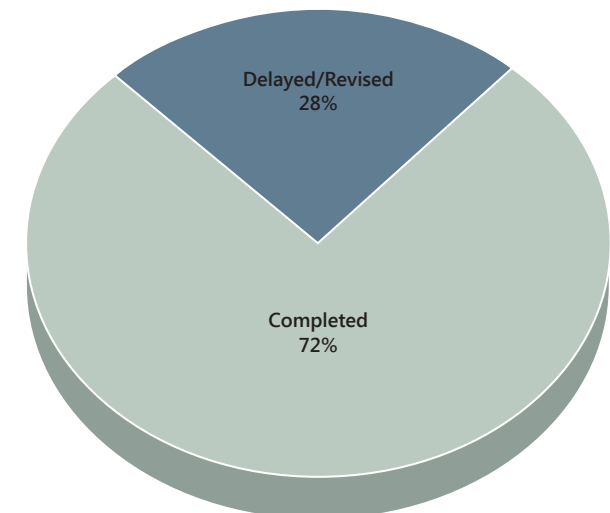
The Corporate Plan 2014–2019 articulates 31 strategic 5-year actions that the organisation used to guide the delivery of 95 targeted service activities and projects across the period as identified in the Operational Plan 2014–2015.

The following diagram displays the percentage breakdown of these activities grouped into the core strategic themes.



As at 30 June 2015, 72 per cent of planned operational activities and projects were categorised as 'completed'. The remaining twenty eight per cent of activities were categorised as 'delayed/revised' due to a range of factors such as budgetary constraints, resource limitations, and changes in priorities or ownership of the activities.

It should be noted that during the period Council reviewed its corporate plan along with the format and focus of its operational plan. A number of additional complementary initiatives are underway including a major review of ICT and corporate reporting systems together with the introduction of business plans for key functional areas of Council.



The move to an action based corporate plan and an associated focus on non-business as usual activities in the operational plan has resulted in more transparent public reporting of true progress being made toward the implementation of Council's 5-year corporate plan.

Overall Council has largely achieved its planned operational activities across the period which are designed to progress the vision and key strategic objectives of the corporate plan.

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 strong operational performance and the progress made toward achieving our core objectives.

A number of initiatives have been established from a technology, systems and customer service perspective to better enable the organisation to respond to the changing expectations of our residents and customers.

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 B 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 2014-2015 Financial Statements include a specific note to the accounts on National Competition Policy. Please refer to the audited Financial Statements.

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 \$133,405 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.

Organisational reporting requirements

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 2014-2015 was \$630,825.

Deferment of liability to pay rates

No such expenditure was incurred in 2014-2015. 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. Five per cent discount applied if all rates and charges are paid within 30 days of the issue date. Total expenditure for 2014-2015 was \$2,507,051.

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

Section 105 of the *Local Government Act 2009* requires that each local government must establish an internal audit function.

The functions and responsibilities of the internal audit function and of the audit committee are set out in Chapter 5, Part 11 of the *Local Government Regulation 2012*.

Internal Audit operates as an independent function within Council, reporting directly to the Chief Executive Officer and the Audit and Risk Management Committee with respect to audit and investigation findings.

The primary role of the internal audit function is to assist the Local Government, Chief Executive Officer, management team and the Audit and Risk Management Committee to meet their obligations relating to corporate governance, the system of internal controls and to identify more efficient, effective and economical processes. The system of internal control includes all methods and procedures adopted by management and includes management policies for the safeguarding of assets, the prevention and detection of fraud or error, the accuracy and completeness of accounting records and the timely preparation of reliable financial information.

The majority of internal audit's effort is directed towards providing assurance that the Gympie Regional Council's network of risk management, control and governance processes, as designed and represented by management, is adequate and functioning in a manner that ensures:

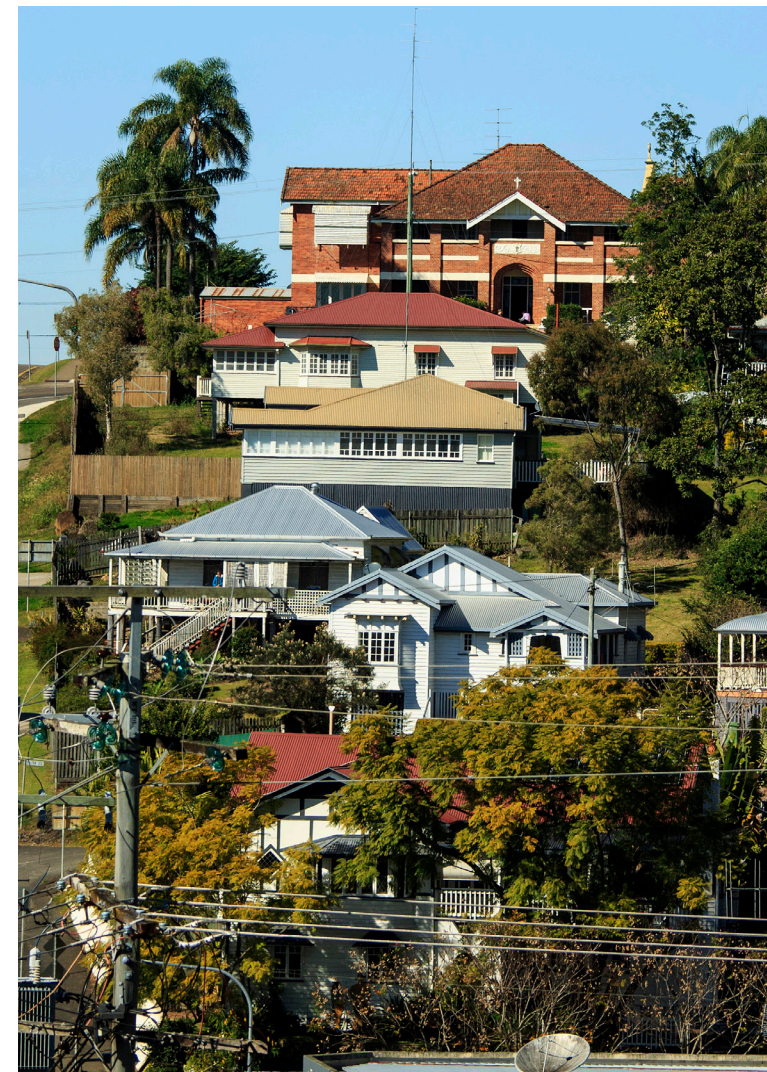
- risks are appropriately identified and managed
- interaction with the various governance groups occurs as needed
- significant financial, managerial and operating information is accurate, reliable and timely
- activities and actions are in compliance with policies, standards, procedures and applicable laws and regulations
- resources are economically acquired, efficiently used and adequately protected
- quality and continuous improvements are fostered in Council's control processes
- significant legislative or regulatory issues impacting Council are recognised and addressed properly
- opportunities for improving management control, sound resource management, and the Council's image are communicated to the appropriate level of management.

The Queensland Audit Office released its report on Fraud Management in Local Government in June 2015. Council recognises the importance of adopting a Fraud and Corruption Prevention and Control Policy together with an effective Prevention and Control Plan. Work has commenced in this area as a priority project. This includes planned participation in a policy work group to be formed from regional councils interested in ensuring the strongest possible outcomes are achieved from the development and implementation of appropriate policies and control plans.

During the 2014-2015 financial year, internal audit conducted a number of reviews and investigations as well as providing advice on a range of issues.

It is noted that the number and extent of these reviews were impacted by the retirement of Council's long term Internal Auditor and delays experienced in finding a suitable permanent replacement for the position.

Various matters were identified and have been, or are currently being addressed. Internal Audit, the Chief Executive Officer and the Audit and Risk Management Committee continue to monitor any unresolved issues.



Community financial report

The Community Financial Report is presented in accordance with s179 of the *Local Government Regulation 2012* 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 2015.

The report highlights areas of importance to allow interested stakeholders the opportunity to make their own informed decisions. The four key financial statements for 2015 and the key performance indicators are described as follows.

- Statement of Comprehensive Income – shows revenue, expenses and asset revaluation adjustments for the 2014/2015 year.
- Statement of Financial Position – shows the assets and liabilities which make up the community equity as at 30 June 2015.
- 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 council's financial performance for the year. It reflects how the money received from council operations is spent providing services to the community.

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, 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.

During the 2012/2013 financial year, flood damage grants received were reported as operating income, and flood expenditure was treated as operating expenditure. Both are treated as net capital items in subsequent years.

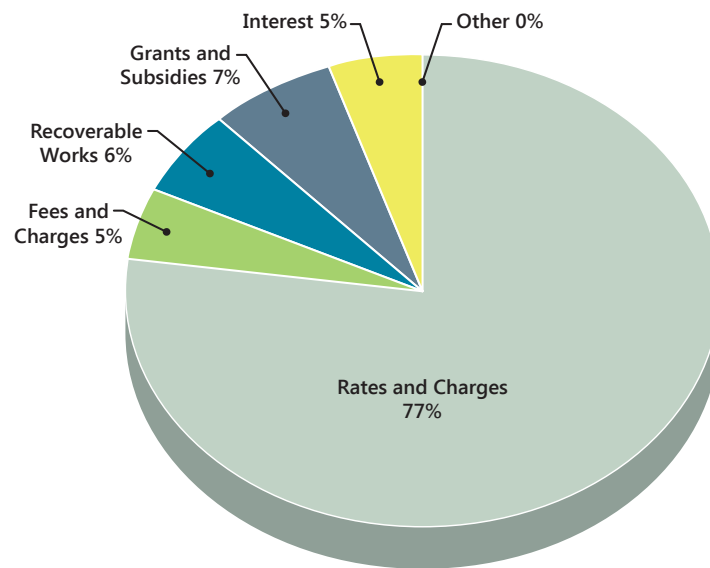
Revenue in - Expenses out = Result for the year			
	2014-2015	2013-2014	2012-2013
Operating Revenue	\$81,161,851	\$79,228,690	\$96,574,084
Operating Expenses	-\$77,401,397	-\$76,749,876	-\$86,589,200
Operating Result	\$3,760,454	\$2,478,814	\$9,984,884
Net Capital Items	-\$4,648,388	\$13,791,960	\$5,631,295
Net result attributable to Council	-\$887,934	\$16,270,774	\$15,616,179
Asset Revaluation in period	-\$9,474,755	\$14,271,394	\$94,248,632
Total comprehensive income for the period	-\$10,362,689	\$30,542,168	\$109,864,811

Council's Revenue

Operating Revenue	2014-2015	2013-2014	2012-2013
Rates and charges	\$62,782,812	\$61,726,179	\$57,867,843
Fees and other income	\$8,967,764	\$8,232,155	\$8,558,711
Interest received	\$3,649,111	\$3,907,574	\$4,178,675
Grants and subsidies	\$5,762,164	\$5,362,782	\$25,968,855
Total	\$81,161,851	\$79,228,690	\$96,574,084

Total income (revenue) for 2014/2015 was \$92 million, being \$81 million from operations and \$11 million from capital sources. The major source of operating revenue were rates and utility charges of \$63 million or around 77 per cent of the total. The number of rateable properties in the region was 24,688 (compared to 24,418 in 2013-2014).

Rates and charges make up 77 per cent of operating revenue, which means Council has a low reliance on external funding. This provides Council with financial flexibility, as Council determines its rates and charges income and does not have a significant reliance on grants and subsidies, which it cannot control.



Operating Revenue 2014/2015



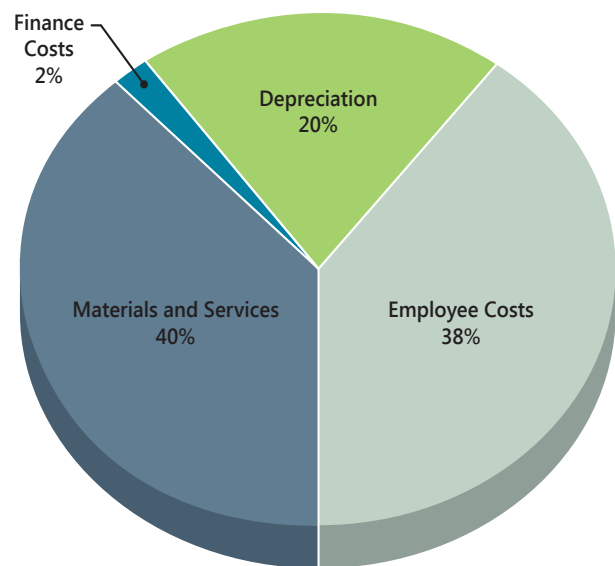
Community financial report

Council's Expenses

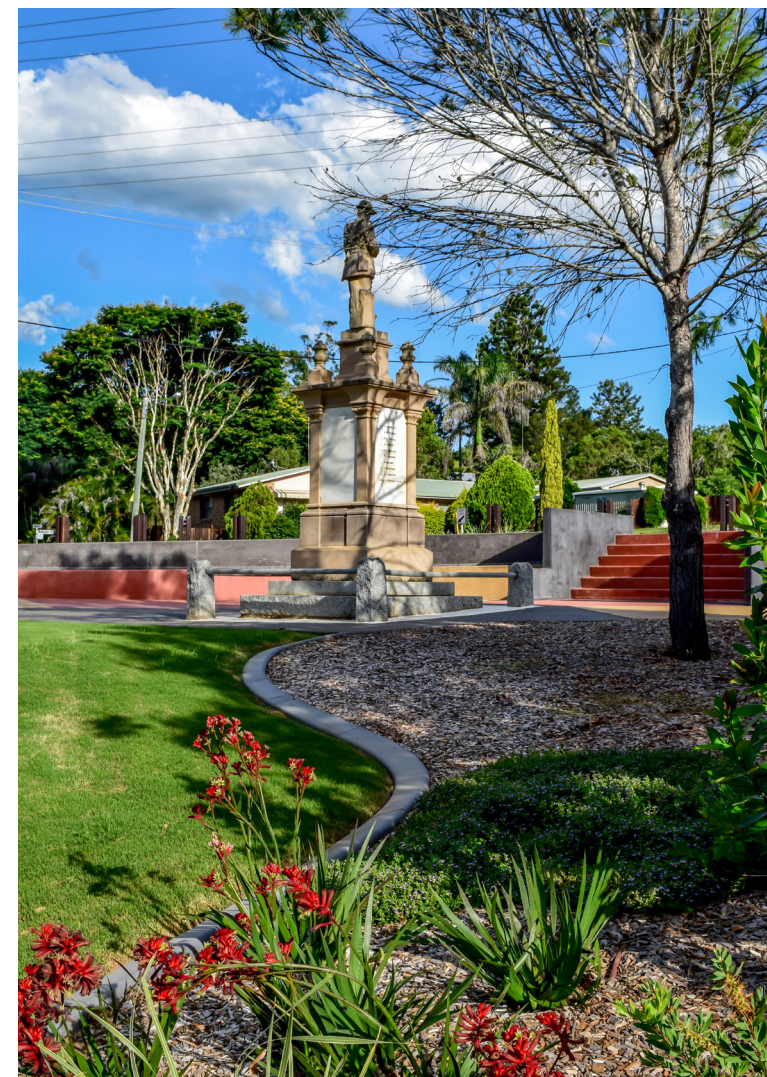
Operating Expenses	2014-2015	2013-2014	2012-2013
Employee costs	\$29,114,293	\$29,475,202	\$30,053,904
Materials and services	\$30,937,726	\$30,454,235	\$41,862,400
Depreciation	\$15,779,518	\$15,113,448	\$13,422,710
Finance costs and other	\$1,569,860	\$1,706,991	\$1,250,186
Total	\$77,401,397	\$76,749,876	\$86,589,200

Council provides a wide range of more than 100 different services to the community. The work is done 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.

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.



Operating Expenses 2014/2015



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 \$1.168 billion (2013-2014 \$1.159 billion). Council's assets include land and buildings, roads, water and sewerage infrastructure, and plant and equipment. In addition, Council holds other short term assets including cash held in bank accounts and has investments of approximately \$84 million. These cash reserves fund 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 \$58.7 million (2013-2014 \$39.8 million). Council's liabilities include amounts owing to employees for annual leave, long service leave and sick leave entitlements of \$11.3 million (2013-2014 \$11.3 million), amounts payable to suppliers and contractors of \$3.5 million (2013-2014 \$3.5 million), monies paid in advance to Council of \$0.215 million (2013-2014 \$0.229 million) and loans of \$22.9 million (2013-2014 \$24.1 million). Affordability indicators show that Council is well placed to service its debt position.

Council's Community Equity

Council's Community Equity is the result of Council's assets less council's liabilities; the wealth of the region or what our community owns.

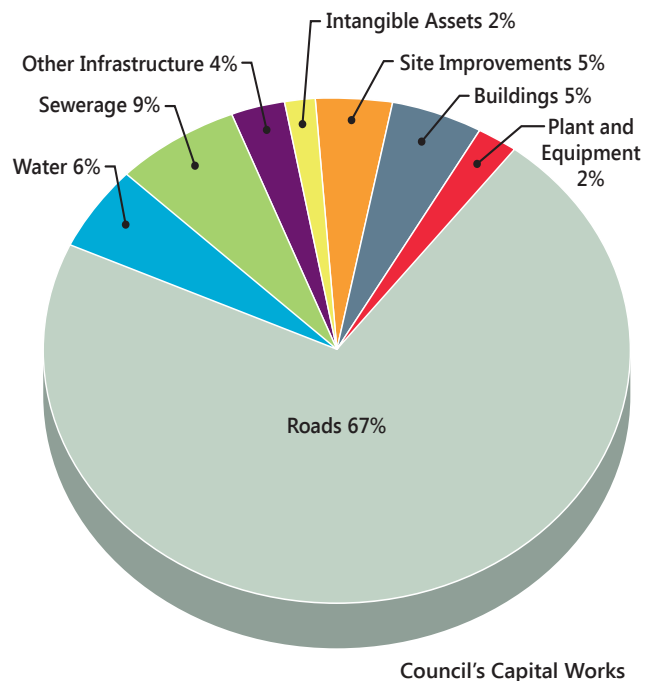
The Community Equity was \$1.108 billion (2013-2014 \$1.119 billion).

	2014-2015	2013-2014	2012-2013
Assets	\$1,167,534,506	\$1,158,992,574	\$1,130,477,447
Less Liabilities	-\$58,745,922	-\$39,841,301	-\$41,868,342
Equity	\$1,108,788,584	\$1,119,151,273	\$1,088,609,105
Represented by:			
Retained Surplus/Deficit	\$0	\$681,453	\$393,907
Council Capital	\$632,933,750	\$615,988,922	\$597,546,651
Asset Revaluation Surplus	\$408,123,763	\$417,598,518	\$403,327,124
General Reserves	\$67,731,071	\$84,882,380	\$87,341,423
	\$1,108,788,584	\$1,119,151,273	\$1,088,609,105

Community financial report

Council's Capital Works

Council's investment in community infrastructure or completed Capital Works was \$36 million (2013-2014 \$37 million).



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 \$84.3 million (2013-2014 \$88.3 million).

Cash on hand consists of:

- working capital cash to meet the day to day funding requirements; and
- reserves; funds set aside by council to meet future identified capital and operating projects.

	2014-2015	2013-2014	2012-2013
Cash Opening Balance	\$88,252,164	\$93,526,760	\$83,902,216
Plus Cash Received	\$96,019,828	\$103,902,234	\$107,658,120
Less Cash Spent	-\$99,914,631	-\$109,176,830	-\$98,033,576
Cash Closing Balance	\$84,357,360	\$88,252,164	\$93,526,760

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 2015 show an operating surplus of \$3.76 million and for the year to June 2014 \$2.478 million. It is forecast that operating surpluses will continue to be achieved each year.

Council's capital value at June 2015 was \$1.06 billion compared to \$1.05 billion at June 2014, with further increases 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 ten 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.



Community financial report

Council's Financial Sustainability Ratios

Asset Sustainability Ratio	<i>Capital expenditure on replacement assets divided by depreciation expense</i>	<ul style="list-style-type: none"> ■ Indicator suggests percentage should be >90 per cent. ■ This indicator should be averaged over at least 10 years. Not an annual expectation. ■ Shows the amount spent on replacement/renewal assets compared to the annual depreciation of those assets.
Asset Consumption Ratio	<i>Written down value of infrastructure assets divided by gross replacement cost of those assets</i>	<ul style="list-style-type: none"> ■ Indicator range is between 40 per cent and 80 per cent. ■ The lower the percentage the older the assets and therefore closer to replacement.
Interest Coverage Ratio	<i>Net interest expense on debt service divided by total operating revenue</i>	<ul style="list-style-type: none"> ■ Indicator range is between 0 per cent and 5 per cent. ■ This shows Council's capacity to fund additional borrowings. ■ Gympie Regional Council has greater interest income than expense, hence the negative percentage result.
Working Capital Ratio	<i>Current assets divided by current liabilities</i>	<ul style="list-style-type: none"> ■ Guidance range is 1:1 to 4:1. ■ Indicates ability to fund current liabilities from current asset sources.
Operating Surplus Ratio	<i>Net operating result divided by total operating revenue</i>	<ul style="list-style-type: none"> ■ Guidance range is 0 per cent to 10 per cent. ■ Indicates ability to maintain and expand Council's capital value and services from own resources.
Net Financial Liability Ratio	<i>Total liabilities less current assets divided by total operating revenue</i>	<ul style="list-style-type: none"> ■ Guidance range is not greater than 60 per cent. ■ Gympie Regional Council has a negative percentage because current assets exceed total liabilities. This indicates a very strong financial position.

		Actual Results		Long Term Financial Plan Projections – Budget Years									
Ratio	Target	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2023-2024
Asset Sustainability	>90%	190.41%	170.15%	146.7%	91.9%	73.0%	81.7%	65.7%	48.8%	48.7%	50.6%	53.7%	55.5%
Asset Consumption	40% - 80%	78.16%	77.94%	80.5%	78.4%	78.0%	76.4%	75.6%	74.9%	73.8%	73.1%	72.3%	71.6%
Interest Coverage	0% - 5%	-2.92%	-2.62%	-2.7%	-1.4%	-0.7%	-0.7%	-1.0%	-1.4%	-2.0%	-2.7%	-3.5%	-4.2%
Working Capital	1:1 - 4:1	5.6:1	3.7:1	3.8:1	3.5:1	3.5:1	3.7:1	4.0:1	4.6:1	5.4:1	6.2:1	7.0:1	8.0:1
Operating Surplus	0% - 10%	3.13%	4.63%	1.0%	1.5%	2.1%	3.7%	5.4%	7.3%	9.3%	11.4%	13.5%	15.6%
Net Financial Liability	<60%	-81.77%	-51.78%	-34.5%	-23.4%	-15.6%	-22.0%	-33.3%	-45.4%	-62.7%	-80.8%	-99.3%	-118.4%



Appendix A: Minutes extract

Councillor Expenses Reimbursement Policy

The Councillor Expenses Reimbursement Policy (GRC011) was last amended by Council at its Ordinary Meeting held on 19 February 2014 via minute M06/02/14.

No resolutions were passed in relation to this policy during the 2014-2015 period. A full copy of the Councillor Expenses Reimbursement Policy is available from Council's website under the Publication Scheme.

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.

Appendix B: 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 ... planned, connected and safe	Aerodromes 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 Parks 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 Industry development	Strategic and regional planning
Governance ... cohesive, responsible and transparent	Asset Management System Business continuity Capital works Change management Community/regional 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	Public amenities Plumbing regulatory services Waste management
Social wellbeing ... active, diverse, creative and empowered	Art Gallery Arts and culture (RADF) Community development	Heritage facilities and museums Heritage planning and awareness Libraries	Open space and recreation

Appendix C: Report on water and sewerage services 2014/15

Introduction

The *Water Supply (Safety and Reliability) Act 2008* requires registered service providers to prepare an annual report on their Customer Service Standard (CSS). This annual report provides a comparison of actual performance against targets set in the CSS.

Overview of services

Council operates and maintains water supply schemes in Gympie, Imbil, Kandanga, Amamoor, Kilkivan, Goomeri, Rainbow Beach and Tin Can Bay/ Cooloola Cove, as well as sewerage schemes in Gympie, Imbil, Kilkivan, Goomeri, Rainbow Beach, Tin Can Bay and Cooloola Cove. Summaries of scheme statistics are shown in the following tables.

Table 1: Water Supply Summary

Number of assessments	12,263
Total water used (ML)	3669.50
Average metered yearly water use per assessment (kL)	303.30
Total length of water mains (km)	433.80

Table 2: Sewerage Summary

Number of assessments	11,608
Total waste water stream (ML)	2407.90
Average yearly flow per assessment (kL)	207.40
Total length of sewer mains (km)	416.10

Performance assessment

A summary of performance indicators, targets, actual performance and confidence levels for Council's water supply and sewerage schemes are presented in Table 3.

The confidence levels (reliability and accuracy bands) used in our annual report are based on those in the Department of Environment and Resource Management's Guidelines for Preparing Strategic Asset Management Plans. An excerpt explaining the application of these confidence levels is included at the end of this report.

Improvements in 2014-2015

Improvements to service performance compared to 2014/15 include:

- a number of sewerage pump stations have been upgraded and refurbished
- an ongoing CCTV program has identified areas where preventative and remedial action would be beneficial
- a sewer main relining program has commenced in Gympie and towns of the Cooloola Coast, which has reduced intrusion of saline groundwater to collection systems.

Table 3: Water services performance assessment

Performance Indicator	Target	Actual	Target Reached Yes/No	Confidence Reliability	Grading Accuracy
Continuity of your water supply					
Planned interruptions per 100km of water main/year (incidents)	<10	11.1	N ^{*(2)}	B	5
Unplanned interruptions per 100km of water main/year (incidents)	<10	6.9	Y	B	5
Unplanned interruptions per 1000 connections/year	<5	2.4	Y	B	5
Response/reaction time to all incidents	<90 min	85.3	Y	B	5
Adequacy and quality of normal supply					
Minimum water pressure expectation at boundary: • Demand Flow • Constant Flow	>12m head >12m head	100 per cent	Y	A	1
Minimum flow: • Demand Flow • Constant Flow	20L/minute 1L/minute	100 per cent	Y	A	1
Compliance with NHMRC Guidelines (physical, chemical, microbiological)	>98 per cent	99 per cent ^{*(1)}	Y	A	2
Drinking water quality complaints per 1000 connections/year	<10	1	Y	B	5
Continuity of sewerage					
Number of sewer main breaks and chokes per 100km mains/year	<25	40	N ^{*(3)}	B	3
Total sewage overflow incidents per year	<10	51	N ^{*(3)}	B	3
Restoration of services	90 per cent within 5 hours	126 minutes	Y	B	5
Response time to all incidents	<90 minutes	61.8	Y	B	3
Total water and sewerage complaints per 1000 properties	<100	24.5	Y	B	3

^{*(1)} Some water supplies have hardness which is slightly above the Aesthetic Guideline Limit. All results complied with the guidelines for health based physical and chemical parameters.

^{*(2)} Interruptions to water services were increased due to the number of upgrades to services carried out as part of infrastructure upgrades.

^{*(3)} Council has commenced a program of relining of sewers which have had main breaks and chokes. This should reduce chokes and incidents over the next few years.

Further information in relation to Water and Sewerage performance is published annually on Council's website gympie.qld.gov.au/water-and-sewerage.

Appendix C: Report on water and sewerage services 2014/15

Confidence gradings for levels of service data

A service provider should assign a “confidence grading” when reporting the actual level of service achieved against the level of service standards.

The “confidence grading” should identify a “reliability band” and an “accuracy band” for each item of data.

Reliability Bands		
A	Highly reliable	Data is based on sound records, procedures, investigations or analyses that are properly documented and recognised as the best available assessment methods.
B	Reliable	Generally as in “A”, but with minor shortcomings e.g. some of the documentation is missing, the assessment is old, or some reliance on unconfirmed reports, or there is some extrapolation are made (e.g. extrapolations from records that cover more than 50 per cent of the service provider’s system).
C	Unreliable	Generally as in “A” or “B”, but data is based on extrapolations from records that cover more than 30 per cent (but less than 50 per cent) of the service provider’s system.
D	Highly unreliable	Data is based on unconfirmed verbal reports and/or cursory inspections or analysis, including extrapolations from such reports/inspections/analysis.

Accuracy Bands	
1	+/- 1 per cent
2	+/- 5 per cent
3	+/- 10 per cent
4	+/- 25 per cent
5	+/- 50 per cent
6	+/- 100 per cent

For example: In reporting on achievement against the level of service target for the number of interruptions per ‘000’ connections, the confidence grading assigned was A2. That is, the data was based on sound records (Highly Reliable – Band A) estimated to be within +/- 5 per cent (Accuracy Band – 2). The grading assigned depends on the type and sophistication of monitoring systems that are in place. For example, system water loss could be measured by comprehensive metering (higher grading) or simply by a drop test (lesser grading). The feasibility and efficacy of employing different measurement tools will vary between service providers depending on the size, nature and complexity of the system and available resources.



Appendix D: Financial statements

GYMPIE REGIONAL COUNCIL

Financial Statements

For the year ended 30 June 2015

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Appendix D: Financial statements

GYMPIE REGIONAL COUNCIL

Statement of Comprehensive Income

For the year ended 30 June 2015

	Note	2015 \$	2014 \$
Income			
Revenue			
Recurrent revenue			
Rates and levies	3 (a)	62,782,812	61,726,179
Fees and charges	3 (b)	3,771,196	3,099,597
Rental and levies		340,173	288,781
Interest received	3 (c)	3,649,111	3,907,574
Sales of contract and recoverable works	3 (d)	4,668,421	4,630,369
Other recurrent income		187,974	213,408
Grants, subsidies, contributions and donations	4 (i)	5,762,164	5,362,782
Total operating revenue		81,161,851	79,228,690
Capital revenue			
Grants, subsidies, contributions and donations	4 (ii)	10,994,156	16,603,108
		10,994,156	16,603,108
Total income	2 (b)	92,156,007	95,831,798
Expenses			
Recurrent expenses			
Employee benefits	6	(29,114,293)	(29,475,202)
Materials and services	7	(30,937,726)	(30,454,235)
Finance costs		(1,569,860)	(1,706,991)
Depreciation	15	(15,779,518)	(15,113,448)
Total operating expenses		(77,401,397)	(76,749,876)
Capital expenses			
Other capital expenses	8	(15,642,544)	(2,811,148)
Total expenses	2 (b)	(93,043,941)	(79,561,024)
Net result		(887,934)	16,270,774
Other comprehensive income			
Items that will not be reclassified to net result			
Increase / (decrease) in asset revaluation surplus		(9,474,755)	14,271,394
Total other comprehensive income		(9,474,755)	14,271,394
Total comprehensive income for the period		(10,362,689)	30,542,168

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

GYMPIE REGIONAL COUNCIL

Statement of Financial Position

As at 30 June 2015

	Note	2015 \$	2014 \$
Current Assets			
Cash assets and cash equivalents	10	84,357,360	88,252,164
Cash investments	14	-	4,000,000
Trade and other receivables	11 (a)	13,689,513	10,611,725
Inventories	12	2,728,592	1,762,928
		<u>100,775,465</u>	<u>104,626,817</u>
Non-current Assets			
Trade and other receivables	11 (b)	288,986	288,985
Property, plant and equipment	15	1,066,470,055	1,054,076,772
		<u>1,066,759,041</u>	<u>1,054,365,757</u>
TOTAL ASSETS		<u>1,167,534,506</u>	<u>1,158,992,574</u>
Current Liabilities			
Trade and other payables	17	14,233,947	9,913,389
Provisions	18	7,027,757	3,972,587
Borrowings	19	1,235,875	1,168,265
Other	20	606,366	228,606
		<u>23,103,945</u>	<u>15,282,847</u>
Non-current Liabilities			
Trade and other payables	17	115,594	137,101
Provisions	18	13,812,255	1,464,505
Borrowings	19	21,714,128	22,956,848
		<u>35,641,977</u>	<u>24,558,454</u>
TOTAL LIABILITIES		<u>58,745,922</u>	<u>39,841,301</u>
NET COMMUNITY ASSETS		<u>1,108,788,584</u>	<u>1,119,151,273</u>
Community Equity			
Council capital	21	632,933,750	615,988,922
Asset revaluation surplus	22	408,123,763	417,598,518
Retained surplus (deficiency)	23	-	681,453
Reserves	24	67,731,071	84,882,380
TOTAL COMMUNITY EQUITY		<u>1,108,788,584</u>	<u>1,119,151,273</u>

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

Appendix D: Financial statements

GYMPIE REGIONAL COUNCIL

Statement of Changes in Equity For the year ended 30 June 2015

	Note	Total		Retained surplus (deficit)		Reserves		(i) Asset revaluation Surplus		Council Capital	
		2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$
Balance at beginning of period		1,119,151,273	1,088,609,105	681,453	393,907	84,882,380	87,341,423	417,598,518	403,327,124	615,988,922	597,546,651
Net result		(887,934)	16,270,774	(887,934)	16,270,774	-	-	-	-	-	-
Other comprehensive income for the period											
Revaluations											
Property, plant & equipment	15	(9,474,755)	14,271,394	-	-	-	-	(9,474,755)	14,271,394	-	-
Total comprehensive income for period		(10,362,689)	30,542,168	(887,934)	16,270,774	-	-	(9,474,755)	14,271,394	-	-
Transfers (to) from retained earnings to capital	23	-	-	7,162,689	(2,265,197)	-	-	-	-	(7,162,689)	2,265,197
Transfers (to) from retained earnings and recurrent reserves	23	-	-	(1,194,222)	9,647,670	1,194,222	(9,647,670)	-	-	-	-
Transfers (to) from capital reserves and capital	21	-	-	(5,761,986)	(23,365,701)	(18,345,531)	7,188,627	-	-	24,107,517	16,177,074
Net transfers in the period		-	-	206,481	(15,983,228)	(17,151,309)	(2,459,043)	-	-	16,944,828	18,442,271
Balance at end of period		1,108,788,584	1,119,151,273	-	681,453	67,731,071	84,882,380	408,123,763	417,598,518	632,933,750	615,988,922

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

GYMPIE REGIONAL COUNCIL

Statement of Cash Flows

For the year ended 30 June 2015

	Note	2015 \$	2014 \$
Cash flows from operating activities			
Receipts			
General rates and utility charges		62,601,931	61,390,802
Rental and levies, fees and charges		3,922,761	2,998,616
Other income		4,204,421	8,079,460
GST received		5,761,635	5,401,320
Receipts from customers		76,490,748	77,870,198
Operating grants, subsidies and contributions		5,762,164	5,362,782
Interest received		3,736,980	3,905,770
Total operating receipts		85,989,892	87,138,750
Payments			
Payments for materials and services		(31,046,203)	(30,665,848)
Payment to employees		(28,997,488)	(30,058,595)
GST paid		(5,744,736)	(5,850,976)
Payments to suppliers and employees		(65,788,427)	(66,575,419)
Interest expense		(1,525,169)	(1,592,965)
Total operating payments		(67,313,596)	(68,168,384)
Net cash inflow (outflow) from operating activities	30	18,676,296	18,970,366
Cash flows from investing activities			
Commonwealth government grants		594,232	-
State government subsidies and grants		6,914,374	14,271,145
Capital contributions		1,638,619	1,112,065
Payments for property, plant and equipment		(35,425,925)	(35,638,048)
Net transfer (to) from cash investments	14	4,000,000	(4,000,000)
Proceeds from sale of property, plant and equipment		882,711	1,380,274
Net movement in loans to community organisations		(1)	(270,433)
Net cash inflow (outflow) from investing activities		(21,395,990)	(23,144,997)
Cash flows from financing activities			
Repayment of borrowings	19	(1,175,110)	(1,099,965)
Net cash inflow (outflow) from financing activities		(1,175,110)	(1,099,965)
Net increase (decrease) in cash and cash equivalents held		(3,894,804)	(5,274,596)
Cash and cash equivalents at beginning of the financial year		88,252,164	93,526,760
Cash and cash equivalents at end of the financial year	10	84,357,360	88,252,164

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

Appendix D: Financial statements

GYMPIE REGIONAL COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2015

1 Significant accounting policies

1.1 Basis of preparation

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

These financial statements have been prepared under the historical cost convention, except for the following:

- financial assets and liabilities, certain classes of property, plant and equipment and investment property which are measured at fair value;
- assets held for sale which are measured at fair value less cost of disposal.

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

The Council uses the Australian dollar as its functional currency and its presentation currency.

The financial statements have been rounded to the nearest \$1.

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

Recurrent/capital classification

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

Capital Revenue includes grants, subsidies and contributions 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.

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

- disposal of non-current assets
- discount rate adjustments to restoration provisions
- revaluations of investment property and property, plant and equipment.

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

1.2 Statement of compliance

These general purpose financial statements comply with all accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to Council's operations and effective for the current reporting period. Because the Council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS), to the extent these inconsistencies are applied, 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 the recognition of non-reciprocal grant revenue.

1.3 Basis of consolidation

Information about controlled entities that have not been consolidated, because they are not considered material, is included in note 31.

1.4 Date of authorisation

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

GYMPIE REGIONAL COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2015

1. 5 Adoption of new and revised Accounting Standards

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new suite of consolidation standards has not resulted in any material changes to Council's accounting policies.

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

At the date of authorisation of the financial report, the new or amended Australian Accounting Standards with future commencement dates are not likely to have a material impact on the financial statements.

1. 6 Critical accounting judgements and key sources of estimation uncertainty

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

Judgements, estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

Valuation and depreciation of property, plant and equipment - note 1.13 and note 16.
Impairment of property, plant and equipment - note 1.14 and note 15.
Provisions - note 1.19 and note 18(a) and 18(b).
Contingencies - note 27.

1. 7 Revenue

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

1. 7 (a) Rates and levies

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

1. 7 (b) Grants and subsidies

All grants, subsidies and contributions are non-reciprocal in nature and are recognised as revenue in the year in which Council obtains control over them. An equivalent amount is transferred from retained earnings to the relevant reserve until the funds are expended. Unspent non-reciprocal capital grants are placed in the constrained grants, subsidies and contributions reserve.

NDRRA flood grants are reported as capital income with the corresponding flood expenditure being capitalised into the asset class affected by the flood. Assets that are damaged by the flood are written off in the year the event occurs.

Recurrent grants received and unspent at the end of the financial year are transferred to a recurrent reserve as restricted funds to meet future specific operating activities.

Where grants and contributions are received that are reciprocal in nature, revenue is recognised as the various performance obligations under the funding agreement are fulfilled.

Where Council has undertaken works that will be funded through the Queensland Restoration Authority (QRA) funding program, Council recognises the income in the financial year that the works are undertaken and where a funding agreement has been executed.

Appendix D: Financial statements

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Notes to the Financial Statements

For the year ended 30 June 2015

1. 7 (c) Non-cash contributions

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

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. the Council obtains control of the assets and becomes liable for any ongoing maintenance) and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. All non-cash contributions are recognised at the fair value of the contribution received on the date of acquisition.

1. 7 (d) Cash contributions

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

1. 7 (e) Sales revenue

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

The council generates revenues from a number of services including contracts for road and earthworks. Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. Contract revenue and associated costs are recognised by reference to the stage of completion of the contract activity at the reporting date. Revenue is measured at the fair value of consideration received or receivable in relation to that activity. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed.

1. 7 (f) Fees and Charges

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

1. 8 Financial assets and liabilities

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

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

Financial assets

Cash and cash equivalents (note 1.9)

Receivables - measured at amortised cost less any impairment (note 1.10)

Financial liabilities

Payables - measured at amortised cost (note 1.16)

Borrowings - measured at amortised cost (note 1.18)

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

All other disclosures relating to the measurement and financial risk management of financial instruments are included in note 32.

1. 9 Cash and cash equivalents

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

GYMPIE REGIONAL COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2015

1. 10 Receivables

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

Receivables are assessed for impairment for impairment and bad debts have been written off where applicable.

All known bad debts were written-off prior to 30 June.

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 any rate receivables.

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

1. 11 Inventories

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.

1. 12 Investments

Term deposits in excess of three months are reported as investments, with deposits of less than three months being reported as cash equivalents.

1. 13 Property, plant and equipment

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. Items of plant and equipment with a total value of less than \$5,000, and infrastructure assets and buildings with a total value of less than \$5,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

The classes of property plant and equipment recognised by the council are reported in note 15.

1. 13 (a) Acquisition of assets

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

Property, plant and equipment received in the form of contributions, are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value is the price that would be received to sell the asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

1. 13 (b) Capital and operating expenditure

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

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

Expenditure incurred in accordance with Natural Disaster Relief and Recovery Arrangements on road assets is analysed to determine whether the expenditure is capital in nature. The analysis of the expenditure requires Council engineers to review the nature and extent of expenditure on a given asset. For example, expenditure that patches a road is generally maintenance in nature, whereas a kerb to kerb rebuild is treated as capital. Material expenditure that extends the useful life or renews the service potential of the asset is capitalised.

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Notes to the Financial Statements

For the year ended 30 June 2015

1. 13 (c) Valuation

Land and improvements, buildings, major plant and all infrastructure assets are measured on the revaluation basis, at fair value, in accordance with AASB 116 Property, Plant & Equipment and AASB 13 Fair Value Measurement. Other plant and equipment and work in progress are measured at cost.

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers to determine the fair value for each class of property, plant and equipment assets at least once every 3 years. This process involves the valuer physically sighting a representative sample of Council assets across all asset classes and making their own assessments of the condition of the assets at the date of inspection.

In the intervening years, Council uses internal engineers and asset managers to assess the condition and cost assumptions associated with all infrastructure assets, the results of which are considered in combination with an appropriate cost index for the region. Together these are used to form the basis of a management valuation for infrastructure asset classes in each of the intervening years. With respect to the valuation of the land and improvements, buildings and major plant asset classes in the intervening years, management engage independent, professionally qualified valuers to perform a "desktop" valuation. A desktop valuation involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

An analysis performed by management has indicated that, on average, the variance between an indexed asset value and the valuation by an independent valuer when performed is not significant and the indices used by Council are considered to be sound and result in a reasonable estimate of fair value.

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

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

1. 13 (d) Capital work in progress

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

GYMPIE REGIONAL COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2015

1. 13 (e)

Depreciation

Land is not depreciated as it has an unlimited useful life. Depreciation on other property, plant and equipment assets is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to the Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

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

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

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

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

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

Details of the range of estimated useful lives for each class of asset are shown in note 15.

1. 13 (f)

Land under roads

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

Land under the road network within the Council area that has been dedicated and opened for public use under the Land Act 1994 or the Land Title Act 1994 is not controlled by council but is controlled by the state pursuant to the relevant legislation. Therefore this land is not recognised in these financial statements.

1. 14

Impairment of non-current assets

Each non-current physical and intangible asset and group of assets is assessed for indicators of impairment annually.

1. 15

Leases

Operating leases

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

1. 16

Payables

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

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Notes to the Financial Statements

For the year ended 30 June 2015

1. 17 Liabilities - employee benefits

(a) Salaries and wages

A liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date. This liability represents an accrued expense and is included in note 17 as a payable.

(b) Annual leave

A liability for annual leave is recognised. Amounts expected to be settled within 12 months are calculated on current wage and salary levels and includes related employee on-costs. Amounts not expected to be settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values.

As council does not have an unconditional right to defer this liability beyond 12 months annual leave is classified as a current liability.

This liability represents an accrued expense and is reported in Note 17 as a payable.

(c) Sick leave

A liability for sick leave is recognised where this entitlement is vested to the employee under their employment contract. The current portion (based on the expected payment date) is calculated on current wage and salary levels and includes related employee on-costs. The non-current portion is calculated on projected future wage and salary levels and related employee on-costs, discounted to present values. This liability represents an accrued expense and is reported in note 17 as a payable.

(d) Superannuation

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

Details of those arrangements are set out in note 28.

(e) Long service leave

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The full entitlement for employees with 7 years service or more is treated as current and for those employees with less than 7 years service, 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 cash outflows to their present value.

This liability is reported in note 18 as a provision.

1. 18 Borrowings and borrowing costs

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these liabilities are measured at amortised cost

In accordance with the Local Government Regulation 2012 council adopts an annual debt policy that sets out council's planned borrowings for the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

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

GYMPIE REGIONAL COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2015

1. 19 Restoration provision

A provision is made for the cost of restoration in respect of land fill sites (refuse sites) and quarries where it is probable the Council will be liable, or required, to incur such a cost on the cessation of use of these facilities. The provision is measured at the expected cost of the work required, discounted to current day values using the interest rates attaching to Commonwealth Government guaranteed securities with a maturity date corresponding to the anticipated date of the restoration.

Restoration on land controlled by Council

Costs incurred in developing land fill sites that are situated on Council controlled land are classified as other infrastructure assets. The future costs to be incurred (make good asset) to satisfy the provision for restoration obligation, are also discounted to current day values and capitalised to infrastructure assets. All capitalised land fill related costs are amortised over the expected useful life of the site.

Changes in the provision not arising from the passing of time are added to or deducted from the asset revaluation surplus for infrastructure assets. If there is no available revaluation surplus, an increase in the provision is treated as a capital expense in the statement of comprehensive income. A subsequent decrease in the provision, if any, will first recover any capital expense incurred, the balance, if any, credited to the asset revaluation income account for other infrastructure.

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

The council has the following restoration provisions:

(a) Landfill sites

The provision represents the present value of the anticipated future costs associated with the closure of the landfill sites, decontamination and monitoring of historical residues and leaching on these sites.

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

The provision recognised for landfill sites is reviewed at least annually and updated based on the facts and circumstances available at the time. Management estimates that the restoration of landfill sites will occur progressively over the next six years.

(b) Quarry sites

The provision represents the present value of the anticipated future costs associated with the closure of the quarry sites, and restoring these sites.

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

The provision recognised for quarry sites is reviewed at least annually and updated based on the facts and circumstances available at the time. Management estimates that the restoration of quarry sites will occur progressively over the next two years.

1. 20 Council capital

In accordance with AASB101 paragraphs 5 and 6 the following disclosure is provided as the council considers such presentation is relevant to the understanding of the council's financial performance.

The Council's capital account at the reporting date, represents the amount the community has invested in capital assets to deliver future services, plus any equity and property investments it holds, less the amount it has borrowed to fund these assets. At the creation of the council any operating assets and liabilities that required to be recognised, were brought to account through the capital account.

The maintenance of the Council's capital (physical operating capability) is fundamental to its long term sustainability to continue to deliver essential services to the community, it has therefore been separately identified and the change in value is reported in the Statement of Changes in Equity and note 21. The balance of the asset revaluation surplus also forms part of the physical operating capability that must be maintained.

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GYMPIE REGIONAL COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2015

1. 21 Asset revaluation surplus

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

Increases and decreases on revaluation 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.

1. 22 Retained surplus (deficit)

The retained surplus represents that part of the Council's equity, that corresponds to the amount of cash (reported within cash and cash equivalents) that is held for this purpose, and has not been restricted to meet specific future funding needs at the reporting date. These funds are available as a general funding source in future years. A retained deficit represents an overall funding shortfall which needs to be recovered in future years to maintain a fully funded position.

1. 23 Reserves held for funding future capital expenditure

These are cash backed reserves and represent funds, from revenue sources, that are accumulated to meet anticipated future capital asset funding requirements. In each case the amount relates to a perceived future requirement which is not currently a liability.

Future capital sustainability reserve

Where the council has accumulated unspent cash arising from the funding of depreciation, (i.e. revenues have been received to fund the write down in the capital assets value through use (depreciation)), but this cash has not been reinvested in capital assets at the reporting date; the council restricts the future use of this cash to capital asset purchases or debt reduction only, to ensure the maintenance its capital capacity to deliver future services. (future sustainability). The amounts reported in this reserve at balance date correspond to the amount of cash (reported within cash and cash equivalents) that is held for this purpose. Should the asset management plans indicate a shortfall in funding, additional funding can be transferred from the retained surplus account. The timing of future expenditure from this reserve is based on the council's 10 year asset management plans.

Further details can be found in note 24 (a).

Constrained grants and subsidy contributions reserve

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

Grants, subsidies and contributions reimbursed reserve

This reserve is credited with grants, subsidies and contributions of monetary revenue received during the reported period which the council has identified as being a reimbursement of capital funds expended in a prior period.

Capital projects reserve

This reserve was established for the purpose of accumulating funds, allocated by the council, for funding specific capital projects in the future.

GYMPIE REGIONAL COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2015

Sewerage reserve

This reserve was established to provide funds for future extensions to Council's Sewerage System.

Water reserve

This reserve was established to provide funds for future water reticulation services.

Constrained flood grants reserve

This reserve was created and holds NDRRA grant funds received for the reimbursement of flood damage and which was unexpended at the reporting date.

Special projects reserve

This reserve was created and holds funds allocated by the council to contribute to the funding of contingent expenditure, (e.g., disaster management), that will arise from time to time.

1. 24 Reserves held for funding future recurrent expenditure

These are cash backed reserves and represent funds that are accumulated within the Council to meet anticipated future recurrent or operating expenditure needs. In each case the amount relates to a perceived future requirement which is not currently a liability.

Operational reprovion reserve

This reserve was created to transfer unspent operational funds from 2014/2015 to fund operational projects that are carried over to the new financial year.

Unspent grants reserve

This reserve was created to preserve operational grant monies received for specific projects and was unexpended at the reporting date.

1. 25 National competition policy

The Council has reviewed its activities and has identified 3 activities that are business activities. Details of these activities can be found in note 33.

1. 26 Trust funds held for outside parties

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

For details see note 29.

1. 27 Taxation

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

The Council pays payroll tax to the Queensland Government on certain activities.

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For the year ended 30 June 2015

2 (a) Components of council functions

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

Office of the CEO

The Office of the CEO ensures 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 Council's assets and resources.

The branches within the Office of the CEO are: Audit and Risk, Governance, People and Development, Media Communications, Destination Gympie and Economic Development. 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.

The branches within the Directorate of Corporate and Community Services are: Finance, Procurement, Information and Communication Technology, Library Services, Property Management, Customer Service, Community Facilities, Art Gallery, Records and Branch Services.

Directorate of Engineering

To provide and preserve a safe and attractive natural and built environment by preservation, protection, maintenance and development of the Region's open spaces and foreshores in accordance with community needs. To provide opportunities for the Region's residents and visitors to access information that will enhance quality of life and facilitate life long learning.

The branches within the Directorate of Engineering are: Design Services, Water and Sewerage.

Directorate of Infrastructure

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

The branches within the Directorate of Infrastructure are: Lands Protection, Depot Operations, Disaster Management, Parks, Waste and Construction and Maintenance.

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.

The branches within the Directorate of Planning and Development are: Strategic Planning, Environmental Planning, Building and Plumbing, Local laws, Regulatory Services and Compliance.

Water Program

To meet the community needs for potable water by the efficient purchase, treatment, storage and distribution of water to consumers.

Sewerage Program

To protect public health, safety and the environment by the provision of an efficient system for safe collection, transportation, treatment and disposal of sewage waste.

Waste

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, planning for and delivering solid waste infrastructure and maintenance of the community's solid waste infrastructure.

GYMPIE REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2015

2 Analysis of results by program

(b) Income and expenses defined between recurring and capital, and assets are attributed to the following programs:-

	Gross program income										Total income	Gross program expenses		Total expenses	Operating surplus/(deficit) from recurrent operations	Net result for period	Assets
	Recurrent revenue			Capital revenue				Recurrent	Capital								
	Grants		Other	Grants		Other											
	2015	2015		2015	2015												
Programs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Office of the CEO	29,207	95,702	-	-	-	124,909	(6,612,173)	-	-	(6,612,173)	(6,487,264)	(6,487,264)	80,739				
Directorate of Corporate & Community Services	3,800,679	34,140,890	68,184	-	-	38,009,753	(15,634,962)	(98,807)	(98,807)	(15,733,769)	22,306,607	22,275,984	219,014,391				
Directorate of Engineering	-	13,282	5,242,638	1,913,145	-	7,169,065	(2,931,096)	-	-	(2,931,096)	(2,917,814)	4,237,969	19,089,739				
Directorate of Infrastructure	1,902,106	7,864,728	2,082,339	322,040	-	12,171,213	(26,826,259)	(4,237,115)	(4,237,115)	(31,063,374)	(17,059,425)	(18,892,161)	704,785,700				
Directorate of Planning & Development	-	2,677,833	115,445	-	-	2,793,278	(5,954,703)	-	-	(5,954,703)	(3,276,870)	(3,161,425)	4,906,704				
Water Program	-	9,868,124	-	-	528,382	10,396,506	(5,095,574)	(301)	(301)	(5,095,875)	4,772,550	5,300,631	87,992,673				
Sewerage Program	-	10,482,659	-	-	721,983	11,204,642	(7,081,141)	-	-	(7,081,141)	3,401,518	4,123,501	122,049,183				
Waste	-	10,286,641	-	-	-	10,286,641	(7,265,489)	(11,306,321)	(11,306,321)	(18,571,810)	3,021,152	(8,285,169)	9,615,377				
Total	5,731,992	75,429,859	7,508,606	3,485,550	-	92,156,007	(77,401,397)	(15,642,544)	(15,642,544)	(93,043,941)	3,760,454	(887,934)	1,167,534,506				

For the year ended 30 June 2014

	Gross program income						Total income	Gross program expenses		Total expenses	Operating surplus/(deficit) from recurrent operations	Net result for period	Assets
	Recurrent revenue			Capital revenue									
	Grants	Other		Grants	Other								
	2014	2014	2014	2014	2014	2014							
Programs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Office of the CEO	36,459	73,083	-	50,100	-	-	159,642	(6,128,278)	-	(6,128,278)	(6,018,736)	(5,968,636)	-
Directorate of Corporate & Community Services	1,749,127	32,971,024	47,000	69,460	-	-	34,836,611	(8,734,308)	(2,503,633)	(11,237,941)	25,985,843	23,598,670	152,535,124
Directorate of Engineering	850,900	705,531	1,339,581	3,400,451	-	-	6,296,463	(3,182,706)	-	(3,182,706)	(1,626,275)	3,113,757	-
Directorate of Infrastructure	2,040,891	7,427,877	10,684,984	122,500	-	-	20,276,252	(30,903,877)	-	(30,903,877)	(21,435,109)	(10,627,625)	676,846,804
Directorate of Planning & Development	543,386	2,547,609	66,150	-	-	-	3,157,145	(6,468,986)	-	(6,468,986)	(3,377,991)	(3,311,841)	118,752,647
Water Program	-	9,677,305	255,124	-	-	-	9,932,429	(6,079,071)	(270,889)	(6,349,960)	3,598,234	3,582,469	89,012,940
Sewerage Program	-	10,384,379	567,758	-	-	-	10,952,137	(7,317,797)	(36,626)	(7,354,423)	3,066,582	3,597,714	121,845,059
Waste	-	10,221,119	-	-	-	-	10,221,119	(7,934,853)	-	(7,934,853)	2,286,266	2,286,266	-
Total	5,220,763	74,007,927	14,271,145	2,331,963	-	-	95,831,798	(76,749,876)	(2,811,148)	(79,561,024)	2,478,814	16,270,774	1,158,992,574

Appendix D: Financial statements

GYMPIE REGIONAL COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2015

		2015	2014
	Note	\$	\$
3 Revenue analysis			
(a) Rates and levies	1.7(a)		
General rates		32,208,175	31,129,971
Separate rates		5,624,838	5,600,048
Special Levies		291,249	298,648
Water		8,964,167	8,780,447
Water consumption, rental and sundries		640,786	629,250
Sewerage		10,073,094	9,924,737
Sewerage trade waste		229,936	233,949
Garbage charges		7,858,410	8,151,646
Rates and utility charge revenue		65,890,655	64,748,696
Less: Discounts		(2,483,306)	(2,411,419)
Less: Pensioner remissions		(624,537)	(611,098)
Net rates and utility charges		62,782,812	61,726,179
(b) Fees and Charges	1.7(f)		
Statutory fees and charges include			
Search fees		313,232	280,019
Building fees & charges		290,841	229,684
Development fees		137,934	89,629
Animal registrations		100,632	132,139
Inspection fees		472,973	531,536
Licences and permits		85,091	77,525
Fines and infringements		3,022	10,481
Parking fees and fines		86,916	88,929
Other statutory fees		588,851	460,064
User fees and charges		1,691,704	1,199,591
		3,771,196	3,099,597
(c) Interest received	1.7		
Investments		3,000,501	3,220,900
Overdue rates and utility charges		648,610	686,674
		3,649,111	3,907,574
(d) Sales of contract and recoverable works	1.7(e)		
Transport and Main Roads		4,539,735	4,529,282
Other		128,686	101,087
		4,668,421	4,630,369

The amount recognised as revenue from contract works during the period is the amount receivable in respect of invoices issued during the period.

There are no contracts in progress at the period end.

The contract work carried out is not subject to retentions.

GYMPIE REGIONAL COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2015

		2015	2014
	Note	\$	\$
4 Grants, subsidies, contributions and donations	1.7(b)		
(i) Recurrent - grants, subsidies, contributions and donations are analysed as follows:			
General purpose grants		5,226,472	2,600,027
State government subsidies and grants		505,520	2,620,736
Donations		28,354	-
Contributions		1,818	142,019
Total recurrent revenue		<u>5,762,164</u>	<u>5,362,782</u>
(ii) Capital - grants, subsidies, contributions and donations are analysed as follows			
(a) Monetary revenue designated for capital funding purposes			
Commonwealth government grants		594,232	-
State government subsidies and grants		6,914,374	14,271,145
Contributions		3,485,550	1,322,835
		<u>10,994,156</u>	<u>15,593,980</u>
(b) Non-monetary revenue received is analysed as follows:-	1.7(c)		
Developer assets contributed by developers at fair value		-	967,128
Donations from third parties at fair value		-	42,000
		<u>-</u>	<u>1,009,128</u>
Total capital revenue		<u>10,994,156</u>	<u>16,603,108</u>
(iii) Conditions over contributions			
Non-reciprocal grants and contributions which were recognised as revenues during the reporting period and which were obtained on the condition that they be expended in a general specified manner (eg. headworks) by the contributor but had not been expended at the reporting date.			
Grants for infrastructure		-	4,900,000
Contributions for infrastructure		3,485,550	1,165,818
		<u>3,485,550</u>	<u>6,065,818</u>
Non-reciprocal grants and contributions which were recognised as revenues during a previous reporting period and were expended during the current reporting period.			
Grants for infrastructure		4,642,593	887,945
Contributions for infrastructure		1,634,463	1,794,013
		<u>6,277,056</u>	<u>2,681,958</u>
5 Gain (loss) on the disposal of capital assets			
(a) Proceeds from the sale of plant and equipment		579,142	587,037
Less: Book value of plant and equipment sold		(624,249)	(619,070)
		<u>(45,107)</u>	<u>(32,033)</u>
(b) Proceeds from sale of other non-current assets		303,569	793,237
Less: Book value of other non-current assets sold		(832,070)	(1,288,698)
		<u>(528,501)</u>	<u>(495,461)</u>
Total gain (loss) on the disposal of capital assets	8	<u>(573,608)</u>	<u>(527,494)</u>

Appendix D: Financial statements

GYMPIE REGIONAL COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2015

		2015	2014
	Note	\$	\$
6 Employee benefits			
Total staff wages and salaries		20,297,351	20,942,548
Councillors' remuneration		579,083	600,650
Annual, sick and long service leave entitlements		5,080,225	5,129,286
Superannuation	28	3,363,287	3,368,724
		<u>29,319,946</u>	<u>30,041,208</u>
Other employee related expenses		845,496	788,918
		<u>30,165,442</u>	<u>30,830,126</u>
Less: Capitalised employee expenses		(1,051,149)	(1,354,924)
		<u>29,114,293</u>	<u>29,475,202</u>
Councillor remuneration represents salary and other allowances paid in respect of carrying out their duties.			
Total Council employees at 30 June		2015	2014
Elected members		9	9
Administration (Inside) staff		242	240
Depot and outdoors staff		204	207
Total full time equivalent employees		<u>455</u>	<u>456</u>
7 Materials and services			
Audit of annual financial statements by the Auditor-General of Queensland		83,938	74,088
Office of the CEO		2,375,112	1,491,380
Directorate of Corporate & Community Services		6,430,840	3,818,356
Directorate of Engineering		893,782	951,412
Directorate of Infrastructure		10,709,257	10,428,467
Directorate of Planning and Development		1,810,028	1,789,152
Water Program		1,868,539	2,659,115
Sewerage Program		2,007,440	2,444,235
Waste		4,758,790	6,798,030
		<u>30,937,726</u>	<u>30,454,235</u>
8 Capital expenses			
Loss on the sale of capital assets	5	573,608	527,494
Loss on write-off of capital assets	9	1,901,526	2,283,654
Recognition of the rehabilitation provision requiring future expenditure		13,167,410	-
Total capital expenses		<u>15,642,544</u>	<u>2,811,148</u>
9 Loss on write-off of capital assets			
Buildings		98,807	-
Road, bridge and drainage		1,663,507	1,976,139
Water		301	270,889
Sewerage		-	36,626
Other Infrastructure		138,911	-
	8	<u>1,901,526</u>	<u>2,283,654</u>

GYMPIE REGIONAL COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2015

		2015	2014
	Note	\$	\$
10 Cash assets and cash equivalents	1.9		
Cash at bank and on hand		1,948,475	803,279
Deposits at call		77,408,885	84,448,885
Term deposits		5,000,000	3,000,000
Total cash and cash equivalents per cash flow statement		<u>84,357,360</u>	<u>88,252,164</u>
Cash investments held	14	-	4,000,000
Total cash assets		<u>84,357,360</u>	<u>92,252,164</u>

Councils cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:

Unspent government grants and subsidies	24 (a) (iii)	1,698,004	6,340,597
Unspent developer contributions	24 (a) (iii)	14,150,433	12,299,346
Internally imposed expenditure restrictions at the reporting date relate to the following cash assets			
Funds set aside by council and held in reserves for future projects		<u>51,882,634</u>	<u>66,242,437</u>
Total unspent restricted cash held in reserves	24	<u>67,731,071</u>	<u>84,882,380</u>

Cash and deposits at call are held in the Commonwealth Bank in a normal business cheque account and by investment with QTC and various Financial Institutions.

11 Trade and other receivables	1.10		
(a) Current			
Rateable revenue and utility charges		7,365,032	7,184,151
Fees and charges		911,570	746,926
Accrued capital contributions		2,057,701	210,770
Accrued interest		205,391	293,260
GST recoverable		726,220	743,119
Other debtors		2,004,758	1,001,309
Less: Impairment provision		-	(50,249)
		<u>13,270,672</u>	<u>10,129,286</u>
Prepayments		407,827	471,425
Loans and advances to community organisations		11,014	11,014
		<u>13,689,513</u>	<u>10,611,725</u>
(b) Non-current			
Loans and advances to community organisations		288,986	288,985
		<u>288,986</u>	<u>288,985</u>

Interest is charged on outstanding rates at a rate of 11% per annum.

All loans and advances relate to loans made to various community bodies. These loans arise from time to time and are subject to negotiated interest rates. The credit risk on these loans is considered low.

Movement in accumulated impairment losses (trade and other receivables)

Opening balance	50,249	-
Impairment adjustment in period	<u>(50,249)</u>	<u>50,249</u>
Closing balance	<u>-</u>	<u>50,249</u>

Appendix D: Financial statements

GYMPIE REGIONAL COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2015

		2015	2014
	Note	\$	\$
12 Inventories	1.11		
Current			
Inventories for internal use			
Quarry and road materials		1,888,624	856,643
Stores and materials		778,768	845,085
		<u>2,667,392</u>	<u>1,701,728</u>
Valued at cost, adjusted when applicable for any loss of service potential.			
Land purchased for development and sale	13	61,200	61,200
		<u>2,728,592</u>	<u>1,762,928</u>
13 Land purchased for development and sale			
Balance at beginning of the financial year		61,200	61,200
Balance at end of the financial year		<u>61,200</u>	<u>61,200</u>
Land purchased for development and sale is valued at the lower of cost and net realisable value.			
14 Cash investments			
In 2013/2014, fixed term held with other institutions realisable between 3 and 12 months - unrestricted. This year, all term deposits were less than 3 months and therefore, reported as cash assets.		-	4,000,000
		<u>-</u>	<u>4,000,000</u>

GYMPIE REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2015

15 Property, plant and equipment

Note	Land and Site Improvements	Buildings	Plant and equipment	Heavy plant	Road, bridge and drainage	Water	Sewerage	Other Infrastructure	Other Assets	Works in progress	Total
	Valuation 2015	Valuation 2015	Cost 2015	Valuation 2015	Valuation 2015	Valuation 2015	Valuation 2015	Valuation 2015	Valuation 2015	Cost 2015	2015
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Values											
Opening gross value as at 1 July 2014	71,430,149	114,232,446	7,289,384	21,088,243	749,050,546	144,527,703	153,931,869	11,285,249	-	36,437,743	1,309,273,532
Additions at cost	-	-	1,489,059	1,826,421	-	-	-	-	-	35,637,765	38,953,245
Internal transfers from work in progress	1,215,621	1,590,387	149,769	10,165	25,529,943	4,525,023	2,992,612	5,472,898	-	(41,487,718)	-
Disposals	-	-	(1,149,212)	(1,991,450)	-	-	-	-	-	-	-
Write-offs	-	(102,816)	-	-	(2,670,313)	(527)	-	(141,655)	-	-	(3,140,662)
Revaluation adjustment to other comprehensive income. (refer the ARS*)	457,885	(2,311,919)	-	762,386	162,835	-	-	492,584	-	-	(2,915,211)
Internal transfers between asset classes	-	6,029,792	35,037	-	7,189,334	(2,626,165)	(3,403,026)	(7,224,372)	-	-	(436,229)
Recognition/changes of future rehabilitation costs	-	-	-	-	-	-	-	2,052,156	-	-	-
Closing gross value as at 30 June 2015	73,103,655	119,438,690	7,814,037	21,695,765	779,262,245	146,426,334	153,521,455	11,936,860	-	30,587,790	1,343,786,831
Accumulated depreciation and impairment											
Opening balance as at 1 July 2014	1,422,942	13,332,196	2,654,026	6,577,923	129,228,159	62,538,123	37,667,879	1,775,512	-	-	255,196,760
Depreciation provided in period	164,879	1,100,341	871,488	1,860,168	7,209,722	2,096,511	2,326,348	150,061	-	-	15,779,518
Depreciation on disposals	-	-	(524,963)	(1,159,380)	-	-	-	-	-	-	(1,684,343)
Depreciation on write-offs	-	(3,809)	-	-	(1,006,906)	(226)	-	(2,744)	-	-	(1,013,685)
Revaluation adjustment to other comprehensive income. (refer the ARS*)	(157,578)	8,812,013	-	423,353	-	-	-	(39,262)	-	-	9,038,526
Internal transfers to other asset classes	-	1,244,658	-	-	903,517	(1,090,095)	(153,964)	(903,516)	-	-	-
Accumulated depreciation as at 30 June 2015	1,430,243	24,484,799	3,000,551	7,702,064	136,334,492	63,544,313	39,840,263	980,051	-	-	277,316,716
Total written down value as at 30 June 2015	71,673,412	94,953,891	4,813,486	13,993,701	642,927,753	82,882,021	113,681,192	10,956,809	-	30,587,790	1,066,470,055
Residual value	-	-	30,637	234,600	-	-	-	-	-	-	265,237
Range of estimated useful life in years	10 - 150	12 - 200	1 - 25	5 - 20	7 - 100	10 - 150	5 - 80	15 - 100	7 - 100	-	-
Addition of renewal assets	-	-	1,469,948	1,826,421	-	-	-	-	-	23,552,573	26,848,942
Total additions in period	-	-	19,111	-	-	-	-	-	-	12,085,192	12,104,303
* ARS denotes - Asset Revaluation Surplus	-	-	1,489,059	1,826,421	-	-	-	-	-	35,637,765	38,953,245

Appendix D: Financial statements

GYMPIE REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2015

15 Property, plant and equipment - prior year

	Land and Site Improvements		Buildings		Plant and equipment		Heavy plant		Road, bridge and drainage		Water		Sewerage		Other Infrastructure		Other Assets		Works in progress		Total	
	Valuation 2014	\$	Valuation 2014	\$	Cost 2014	\$	Valuation 2014	\$	Valuation 2014	\$	Valuation 2014	\$	Valuation 2014	\$	Valuation 2014	\$	Valuation 2014	\$	Cost 2014	\$	2014	\$
Basis of measurement																						
Asset Values																						
Opening gross value as at 1 July 2013	71,285,071		113,976,227		6,858,760		25,809,216		731,736,375		138,599,224		149,310,776		8,347,650		575,187		19,627,238		1,266,125,724	
Additions at cost	3,091		-		1,397,138		3,492,073		-		-		-		-		-		30,745,746		35,638,048	
Contributed assets at valuation	-		42,000		-		-		798,980		17,365		150,783		-		-		-		1,009,128	
Internal transfers from work in progress	1,563,093		1,430,824		194,986		-		5,117,063		2,148,762		2,188,413		1,492,100		-		(13,935,241)		(6,746,285)	
Disposals	-		-		(1,187,100)		(5,559,185)		-		-		-		-		-		-		(3,089,722)	
Write-offs	-		-		-		-		(2,625,336)		(416,398)		(47,988)		-		-		-		16,336,639	
Revaluation adjust to other comprehensive income. (refer the ARS*)	(69,592)		(1,216,405)		-		(2,653,861)		13,972,312		4,178,750		2,329,885		(204,450)		-		-		-	
Internal transfers between asset classes	(1,151,514)		-		25,600		-		51,152		-		-		1,649,949		(575,187)		-		-	
Closing gross value as at 30 June 2014	71,430,149		114,232,646		7,289,384		21,088,243		749,050,546		144,527,703		153,931,869		11,285,249		-		36,437,743		1,309,273,532	
Accumulated depreciation and impairment																						
Opening balance as at 1 July 2013	1,346,515		13,325,074		2,397,352		14,298,417		117,375,692		58,568,338		34,632,697		1,656,218		42,349		-		245,662,652	
Depreciation provided in period	202,805		1,034,118		811,286		1,598,070		6,961,595		2,000,557		2,311,939		185,154		7,924		-		15,113,448	
Depreciation on disposals	-		-		(568,030)		(4,270,487)		-		-		-		-		-		-		(4,838,517)	
Depreciation on write-offs	-		-		-		-		(649,197)		(145,509)		(11,362)		-		-		-		(806,068)	
Revaluation adjust to other comprehensive income. (refer the ARS*)	(104,633)		(1,026,996)		-		(5,048,077)		5,539,796		2,114,737		714,605		(124,187)		-		-		2,065,245	
Internal transfers	(21,745)		-		13,418		-		273		-		-		58,327		(50,273)		-		-	
Accumulated depreciation as at 30 June 2014	1,422,942		13,332,196		2,654,026		6,577,923		129,228,159		62,538,123		37,667,879		1,775,512		-		-		255,196,760	
Total written down value as at 30 June 2014	70,007,207		100,900,450		4,635,358		14,510,320		619,822,387		81,989,580		116,263,990		9,509,737		-		36,437,743		1,054,076,772	
Range of estimated useful life in years	0 - 60		30 - 100		3 - 20		5-10		10 - 100		20 - 80		12 - 100		40 - 50		7 - 100					
* ARS denotes - Asset Revaluation Surplus																						

16 Fair value measurements

(i) Recognised fair value measurements

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

- Property, plant and equipment
 - Land and Site Improvements
 - Buildings
 - Heavy plant
 - Road, bridge and drainage
 - Water
 - Sewerage
 - Other Infrastructure

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

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

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in note 19 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).

Council also has assets measured at fair value on a non-recurring basis as a result of being reclassified as assets held for sale. These comprise land previously used as a depot as disclosed in note 15. 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.

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.

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GYMPIE REGIONAL COUNCIL Notes to the Financial Statements For the year ended 30 June 2015

16 Fair value measurements

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

	Note	Level 2 (Significant other observable inputs)		Level 3 (Significant unobservable inputs)		Total	
		2014 \$	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$
Recurring fair value measurements							
Property, plant and equipment	15						
- Land and Site Improvements		61,394,078	62,417,125	8,613,129	9,256,287	70,007,207	71,673,412
- Buildings - pensioner units		360,000	354,209			360,000	354,209
- Buildings - other				100,540,450	94,599,682	100,540,450	94,599,682
- Heavy plant		496,649	436,554	14,013,671	13,557,147	14,510,320	13,993,701
- Road, bridge and drainage				619,822,387	642,927,753	619,822,387	642,927,753
- Water				81,989,580	82,882,021	81,989,580	82,882,021
- Sewerage				116,263,990	113,681,192	116,263,990	113,681,192
- Other Infrastructure				9,509,737	10,956,809	9,509,737	10,956,809
		<u>62,250,727</u>	<u>63,207,888</u>	<u>950,752,944</u>	<u>967,860,891</u>	<u>1,013,003,671</u>	<u>1,031,068,779</u>

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

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

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

Council adopted AASB13 Fair Value Measurement for the first time last financial year and has reviewed each valuation to ensure compliance with the requirements of the new standard. There have been no changes in valuation techniques as a result of this review.

16 Fair value measurements

Specific valuation techniques used to value Council assets comprise:

Property, plant and equipment

Land and Site Improvements (level 2)

Land fair values were determined by independent valuer, APV Valuers & Asset Management effective 30 June 2015. 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 with a sensitivity of plus or minus 2.5% for unobservable market inputs.

Land and Site Improvements (level 3)

Site Improvements fair values were generated using the cost approach by APV Valuers & Asset Management effective 30 June 2015. The assets in this class were physically inspected in February 2014, with a desktop valuation applying as at 30 June 2015.

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, appropriate APV database where actual costs from recent projects that are source directly from clients with preference to nearby locations. Rawlinson's Construction Guide or similar guides such as Cordells and benchmarking against other valuation.

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 table below summarises the effect the changes in the most significant unobservable inputs would have on the valuation with a sensitivity of plus or minus 2.5% for unobservable market inputs:

The changes in land and site improvements (level 3) are detailed in note 15 (property, plant and equipment).

<u>Significant unobservable input</u>	<u>Range of inputs</u>	<u>Relationship of unobservable inputs to fair value</u>
Asset condition	0H/0M (lowest) to 5H/5M (highest)	The lower the asset condition, the higher the remaining life and therefore a higher fair value.
Remaining useful lives	2-112 years	The higher the assessment of remaining life, the higher the fair value of the asset.

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Buildings - pensioner units (level 2 and 3)

The fair values of buildings were also determined by independent valuer APV Valuers & Asset Management effective 30 June 2015. 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.

The table below summarises the effect the changes in the most significant unobservable inputs would have on the valuation with a sensitivity of plus or minus 2.5% for unobservable market inputs.

<u>Significant unobservable input</u>	<u>Range of inputs</u>	<u>Relationship of unobservable inputs to fair value</u>
Remaining useful lives	2 - 160 years	The higher the assessment of remaining life, the higher the fair value of the asset.

16 Fair value measurements

Heavy plant (level 2 and 3)

The fair value of major plant is measured at current market value as at 30 June 2015 as independently determined by APV Valuers & Asset Management. The assets in this class were physically inspected in March 2014, with a desktop valuation applying as at 30 June 2015.

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.

Some items of plant however are unique in design or there was insufficient observable market evidence to support the valuation. As a result the valuation was performed using the cost approach. The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on similar capacity 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. As such these assets were classified as having been valued using level 3 valuation inputs. 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.

The table below summarises the effect the changes in the most significant unobservable inputs would have on the valuation with a sensitivity of plus or minus 2.5% for unobservable market inputs.

<u>Significant unobservable input</u>	<u>Range of inputs</u>	<u>Relationship of unobservable inputs to fair value</u>
Asset condition	0H/0M (lowest) to 5H/5M (highest)	The lower the asset condition, the higher the remaining life and therefore a higher fair value.
Remaining useful lives	1 - 20 years	The higher the assessment of remaining life, the higher the fair value of the asset.
Residual value	\$0 - \$234,600	The higher the residual value the higher the fair value.

Appendix D: Financial statements

Infrastructure assets (level 3)

All Council infrastructure assets were fair valued using written down current replacement cost (CRC). 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:

1(a) Road, bridge and drainage - calculation of current replacement cost

Roads

Current replacement cost:

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. 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

16 Fair value measurements

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.

The last full valuation of road infrastructure was undertaken effective 30 June 2013. A review was undertaken with no indexation being required for this assets class. A full valuation of road infrastructure is planned in 2016.

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, supported by maintenance programs. Regular inspections are performed as part of the maintenance program to identify and road infrastructure that is varying 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:

The last full valuation of bridge infrastructure was undertaken effective 30 June 2013. A review was undertaken with no indexation being required for this asset class. 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 deflections.

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Drainage

Current replacement cost:

The last full valuation of drainage infrastructure was undertaken effective 30 June 2013. A review was undertaken with no indexation being required for this assets class. A full valuation of road infrastructure is planned in 2016.

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.

1(b) Roads, drainage and Bridge network – Sensitivity of valuation to unobservable inputs

As detailed above Council's roads, drainage and bridge network has been valued using written down current replacement cost. This method utilises a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made with the greatest care, and based upon years of experience, different judgements could result in a different valuation. The table below summarises the effect that changes in the most significant unobservable inputs would have on the valuation:

<u>Significant unobservable input</u>	<u>Range of inputs</u>	<u>Relationship of unobservable inputs to fair value</u>
Number of Labour hours	5-100 hr./unit	The higher the labour hours, the higher the fair value
Raw material usage quantities	Varies dependant of type and application	The higher the usage quantities, the higher the fair value
Remaining useful life	1 - 100 years	The longer the remaining useful life, the higher the fair value.

2(a) Water, Sewerage and Other Infrastructure – Calculation of written down current replacement cost

Water and sewerage infrastructure

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

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/Cooloolia 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.

Appendix D: Financial statements

2(b) Water and Sewerage Infrastructure – Sensitivity of valuation to unobservable inputs

The method used to value councils' water and sewerage assets utilises a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made with the greatest care, and based upon years of experience, different judgements could result in a different valuation. The table below summarises the effect the changes in the most significant unobservable inputs would have on the valuation with a sensitivity of plus or minus 2.5% for unobservable market inputs.

<u>Significant unobservable input</u>	<u>Range of inputs</u>	<u>Relationship of unobservable inputs to fair value</u>
Number of Labour hours	5-100hrs/linear metre or sqm	The higher the labour hours, the higher the fair value
Standard material usage quantities	Varies depending upon the type of material	The higher the usage quantities, the higher the fair value
Remaining useful life	1 - 85 years	The longer the remaining useful life, the higher the fair value.

3(a) Other Infrastructure – Calculation of written down current replacement cost

Current replacement cost:

Other Infrastructure fair values were generated using the cost approach by APV Valuers & Asset Management effective 30 June 2015. The assets in this class were physically inspected in February 2014, with a desktop valuation applying as at 30 June 2015.

The approach estimated the replacement cost for each asset by componentising the other infrastructure 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, appropriate APV database where actual costs from recent projects that are source directly from clients with preference to nearby locations. Rawlinson's Construction Guide or similar guides such as Cordells and benchmarking against other valuation.

Accumulated depreciation:

In determining accumulated depreciation, assets were either subject to a site inspection or an assessment to determine remaining useful life. Where site inspections were conducted (i.e. for active assets), the assets were allocated a condition assessment, which was used to estimate remaining useful life. Refer to the condition rating table shown in site improvements.

3(b) Other Infrastructure – Sensitivity of valuation to unobservable inputs

The method used to value councils' other infrastructure assets utilises a number of inputs that require judgement and are therefore classed as unobservable.

While these judgements are made with the greatest care, and based upon years of experience, different judgements could result in a different valuation. The table below summarises the effect that changes in the most significant unobservable inputs would have on the valuation:

<u>Significant unobservable input</u>	<u>Range of inputs</u>	<u>Relationship of unobservable inputs to fair value</u>
Asset condition	0H/0M (lowest) to 5H/5M (highest)	The lower the asset condition, the higher the remaining life and therefore a higher fair value.
Remaining useful lives	6 - 85 years	The higher the assessment of remaining life, the higher the fair value of the asset.

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Condition Rating Table

Description	Consumption score	% RSP of depreciable amount				
		Straight-line	Low	Moderate	High	Extreme
New or very good condition - very high level of remaining service potential.	0	100%	100%	100%	100%	100%
Not new but in very good condition with no indicators of any future obsolescence and providing a high level of remaining service potential.	1	85%	92%	94%	98%	100%
Aged and in good condition, providing an adequate level of remaining service potential. No signs of immediate or short term obsolescence.	2	50%	65%	75%	85%	99%
Providing an adequate level of remaining service potential but there are some concerns over the asset's ability to continue to provide an adequate level of service in the short to medium term. May be signs of obsolescence in short to mid-term.	3	25%	40%	54%	70%	90%
Indicators showing the need to renew, upgrade or scrap in near future. Should be reflected by inclusion in the Capital Works Plan to renew or replace in short-term. Very low level of remaining service potential.	4	10%	20%	34%	45%	70%
At intervention point. No longer providing an acceptable level of service. If remedial action is not taken immediately the asset will need to be closed or decommissioned.	5	0%	0%	0%	0%	0%
Theoretical end of life.	6	Fully Written Off				

16 Fair value measurements

(iii) Changes in Fair Value Measurements using significant unobservable inputs (level 3)

The changes in level 3 assets with recurring fair value measurements are detailed in note 15 (property, plant and equipment). However, since the land and improvements, buildings and major plant disclosed in those notes comprise both level 2 and level 3 assets, the movement in level 2 and 3 residential buildings are detailed below.

There have been no transfers between level 1, 2 or 3 measurements during the year.

	2015		2014	
	Level 2 assets \$	Level 3 assets \$	Level 2 assets \$	Level 3 assets \$
Changes in land and site improvements				
Asset value				
Opening balance	61,394,285	10,035,864	61,253,771	10,031,300
Additions in period	632,251	583,370	248,131	1,118,053
Transferred in period	-	-	-	(1,151,514)
Revaluation adjustment in period	390,800	67,085	(107,617)	38,025
Gross closing balance Buildings	62,417,336	10,686,319	61,394,285	10,035,864
Accumulated depreciation				
Opening balance	207	1,422,735	-	1,346,515
Depreciation in current period	66	164,813	-	202,805
Transferred in period	-	-	-	(21,745)
Revaluation adjustment in period	(62)	(157,516)	207	(104,840)
Closing balance of accumulated depreciation	211	1,430,032	207	1,422,735
Written down (fair value) at reporting date	62,417,125	9,256,287	61,394,078	8,613,129

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	2015		2014	
	Level 2 assets	Level 3 assets	Level 2 assets	Level 3 assets
	\$	\$	\$	\$
Changes in buildings				
Asset value				
Opening balance	522,845	113,709,801	522,845	113,453,382
Additions in period	-	1,590,787	-	1,472,824
Disposals and write-offs in period	-	(102,616)	-	-
Transferred in period	1	6,029,791	-	-
Revaluation adjustment in period	-	(2,311,919)	-	(1,216,405)
Gross closing balance Buildings	522,846	118,915,844	522,845	113,709,801
Accumulated depreciation				
Opening balance	162,845	13,169,351	162,845	13,162,229
Depreciation in current period	5,794	1,094,547	5,794	1,028,324
Accum. depreciation on disposals and write-offs in period	-	(3,809)	-	-
Transferred in period	(1)	1,244,059	-	-
Revaluation adjustment in period	(1)	8,812,014	(5,794)	(1,021,202)
Closing balance of accumulated depreciation	168,637	24,316,162	162,845	13,169,351
Written down (fair value) at reporting date	354,209	94,599,682	360,000	100,540,450

16 Fair value measurements

	2015		2014	
	Level 2 assets	Level 3 assets	Level 2 assets	Level 3 assets
	\$	\$	\$	\$
Changes in heavy plant				
Asset value				
Opening balance	515,497	20,572,746	2,194,549	23,614,667
Additions in period	10,165	1,826,421	18,848	3,473,225
Disposals and write-offs in period	(57,600)	(1,933,850)	(117,160)	(5,442,025)
Revaluation adjustment in period	(29,142)	791,528	(1,580,740)	(1,073,121)
Gross closing balance Buildings	438,920	21,256,845	515,497	20,572,746
Accumulated depreciation				
Opening balance	18,848	6,559,075	1,766,292	12,532,125
Depreciation in current period	38,479	1,821,689	163,279	1,434,791
Accum. depreciation on disposals and write-offs in period	(3,841)	(1,155,539)	(92,498)	(4,177,989)
Revaluation adjustment in period	(51,120)	474,473	(1,818,225)	(3,229,852)
Closing balance of accumulated depreciation	2,366	7,699,698	18,848	6,559,075
Written down (fair value) at reporting date	436,554	13,557,147	496,649	14,013,671

(iv) Valuation processes

Council's valuation policies and procedures are set by the financial services section which is comprised of the Director of Corporate and Community Services and the Financial Services Manager. They are reviewed annually taking into consideration an analysis of movements in fair value and other relevant information. Non-recurring fair value measurements are made at the point of reclassification by a registered valuer.

Appendix D: Financial statements

GYMPIE REGIONAL COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2015

		2015	2014
	Note	\$	\$
17 Trade and other payables	1.16		
Current			
Accruals		4,385,283	47,788
Creditors	1.16	3,527,320	3,499,215
Employee related accruals		215,385	227,784
Superannuation defined contributions		100,794	-
Annual leave	1.17(b)	3,161,131	3,414,487
Sick leave		2,388,286	2,306,938
Other entitlements		455,748	417,177
		<u>14,233,947</u>	<u>9,913,389</u>
Non-current			
Sick leave		115,594	137,101
		<u>115,594</u>	<u>137,101</u>
Employee benefit expenses are calculated at current pay levels and adjusted for inflation and likely future changes in salary level.			
The non-current portion of long service leave is then discounted to the present value. Further details on employee entitlements are reported in Note 1.17			
18 Provisions			
Current			
Long service leave	1.17(e)	4,182,757	3,972,587
Property restoration:			
(i) Landfill sites	1.19	2,695,000	-
(ii) Quarry sites	1.19	150,000	-
		<u>7,027,757</u>	<u>3,972,587</u>
Non-Current			
Long service leave	1.17(e)	1,437,689	1,464,505
Property restoration			
(i) Landfill sites	1.19	10,524,566	-
(ii) Quarry sites	1.19	1,850,000	-
		<u>13,812,255</u>	<u>1,464,505</u>
Details of movements in provisions			
Long service leave			
Balance at beginning of the financial year		5,437,092	5,762,079
Amount provided for in the period		723,292	1,202,889
Amount paid in the period		(539,938)	(1,527,876)
Balance at end of the financial year		<u>5,620,446</u>	<u>5,437,092</u>
(i) Landfill sites			
Recognition of land fill sites		13,219,566	-
Balance at end of the financial year		<u>13,219,566</u>	<u>-</u>
Current portion		2,695,000	-
Non-current portion		10,524,566	-
		<u>13,219,566</u>	<u>-</u>
Cash funds committed to meet this liability at the reporting date are:			
		<u>9,121,246</u>	<u>-</u>
(ii) Quarry sites			
Recognition of quarry site		2,000,000	-
Balance at end of the financial year		<u>2,000,000</u>	<u>-</u>
Current portion		150,000	-
Non-current portion		1,850,000	-
		<u>2,000,000</u>	<u>-</u>

GYMPIE REGIONAL COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2015

	2015	2014
Note	\$	\$
19 Borrowings		
(a) Bank overdraft		
The council does not have a bank overdraft facility.		
(b) Unsecured borrowings		
Unsecured borrowings are provided by the Queensland Treasury Corporation. All borrowings are in \$A denominated amounts and carried at amortised cost, interest being expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 17 January 2017 to 18 June 2030.		
There have been no defaults or breaches of the loan agreement during the period.		
Principal and interest repayments are made quarterly in arrears.		
Borrowings at balance date are		
Current		
Queensland Treasury Corporation	1,235,875	1,168,265
Non-current		
Queensland Treasury Corporation	21,714,128	22,956,848
Movements in borrowings		
Queensland Treasury Corporation		
Balance at beginning of the financial year	24,125,113	25,225,078
Principal repayments	(1,175,110)	(1,099,965)
Balance at end of the financial year	22,950,003	24,125,113
Classified as		
Current	1,235,875	1,168,265
Non-current	21,714,128	22,956,848
	22,950,003	24,125,113
The loan market value at the reporting date was \$27,560,502.17. This represents the value of the debt if Council repaid it at that date. As it is the intention of 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.		
Borrowings are all in \$A and are underwritten by the Queensland State Government.		
20 Other liabilities		
Current		
Unearned revenue	606,366	228,606
	606,366	228,606

Appendix D: Financial statements

GYMPIE REGIONAL COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2015

		2015	2014
	Note	\$	\$
21 Council capital	1.20		
(i) Calculation of capital value and retained surplus			
Cash and cash equivalents		84,357,360	92,252,164
Less: restricted cash			
Reserves (excluding the asset revaluation)		(50,519,773)	(66,704,076)
Capital sustainability reserve		(17,211,298)	(18,178,304)
Revenue received in advance		(606,366)	(228,606)
Cash funds allocated for future rehabilitation costs		(9,121,246)	-
Working capital cash (including employee entitlements)		(6,898,677)	(6,459,725)
Retained surplus (deficit) available for distribution		0	681,453
Total council capital value	21 (ii)	632,933,750	615,988,922
Total capital and retained surplus at end of period		632,933,750	616,670,375
(ii) Movement in council capital account			
Balance at beginning of the financial year		615,988,922	597,546,651
Adjustments from (to) retained surplus			
Transfer of capital expenses in the period		(15,642,544)	(2,811,148)
Transfer of non-monetary capital revenue		-	1,009,128
Transfer of revenue expended on capital assets		-	4,067,217
Transfer of unspent capital revenue		(422,138)	-
Transfer of unfunded depreciation		(219,253)	-
Transfer of the working capital cash		9,121,246	-
Total transfers (to) from retained surplus		(7,162,689)	2,265,197
Transfer (to) from restricted reserves			
Net transfer (to) from Future capital sustainability reserve		967,006	(1,066,624)
Net transfer (to) from Unspent loan cash reserve		-	3,420,012
Grants, subsidies and contributions reserve		13,785,662	11,867,401
Transfer (to) from general reserves			
Capital projects reserve		8,884,132	319,790
Sewerage reserve		470,717	1,587,953
Water reserve		-	48,542
Total transfers (to) from reserves		24,107,517	16,177,074
Total council capital at end of the financial year		632,933,750	615,988,922
The amount by which the Council has increased (decreased) its capital capacity to deliver future services to the community before inflation adjustments		16,944,828	18,442,271
22 Asset revaluation surplus			
(i) Asset revaluation surplus			
Movements in the asset revaluation surplus			
Balance at beginning of the financial year		417,598,518	403,327,124
Adjustments to the property, plant and equipment through revaluations	15		
Land and Site Improvements		615,463	35,041
Buildings		(11,123,932)	(189,409)
Heavy plant		339,033	2,394,216
Road, bridge and drainage		162,835	8,432,516
Water		-	2,064,013
Sewerage		-	1,615,280
Other Infrastructure		531,846	(80,263)
Balance at end of the financial year		408,123,763	417,598,518

GYMPIE REGIONAL COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2015

		2015	2014
	Note	\$	\$
22 Asset revaluation surplus cont/d			
(ii) Asset revaluation surplus analysis			
The closing balance of the asset revaluation surplus is comprised of the following asset categories:			
Land and Site Improvements		29,933,584	29,318,121
Buildings		47,334,857	58,458,789
Heavy plant		3,600,659	3,261,626
Road, bridge and drainage		269,939,410	269,776,575
Water		27,837,371	27,837,371
Sewerage		26,461,625	26,461,625
Other Infrastructure		3,016,257	2,132,424
Other Assets		-	351,987
		<u>408,123,763</u>	<u>417,598,518</u>
23 Retained surplus	1.22		
Movement in retained surplus			
Balance at beginning of the financial year		681,453	393,907
Net result		(887,934)	16,270,774
		<u>(206,481)</u>	<u>16,664,681</u>
Transfers (to) from capital account		-	-
Transfer of capital expenses	8	15,642,544	2,811,148
Non-monetary capital revenue	4	-	(1,009,128)
General revenue used for capital funding purposes		-	(4,067,217)
Unspent capital revenue transferred from capital		422,138	-
Adjustment for unfunded depreciation		219,253	-
Transfer to adjust the working capital cash		(9,121,246)	-
Net capital account transfers		<u>7,162,689</u>	<u>(2,265,197)</u>
Transfers (to)/ from capital reserves for future capital project funding, or from reserves funds that have been expended			
Constrained grants and subsidy contributions reserve		(10,994,156)	(10,500,963)
Grants, subsidies and contributions reimbursed reserve		-	(157,017)
Capital projects reserve		(1,417,918)	-
Waste management levy reserve		7,121,246	(420,879)
Sewerage reserve		(1,735,005)	(1,182,430)
Water reserve		(1,822,585)	(1,349,637)
Constrained flood grants reserve		3,086,432	(10,347,413)
Special projects reserve		-	592,638
		<u>(5,761,986)</u>	<u>(23,365,701)</u>
Transfers (to) recurrent reserves for future project funding, or from reserves funds that have been expended			
Constrained flood grants reserve		-	5,447,413
Operational reprovision reserve		(996,397)	1,583,676
Grants received in advance reserve		-	2,674,081
Unspent grants reserve		(197,825)	(57,500)
		<u>(1,194,222)</u>	<u>9,647,670</u>
Balance at end of the financial year		<u>-</u>	<u>681,453</u>

Appendix D: Financial statements

GYMPIE REGIONAL COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2015

		2015	2014
	Note	\$	\$
24 Reserves	1.23		
(a) Restricted capital reserves			
(i) Future capital sustainability reserve			
This cash forms part of council's capital value as the balance represents accumulated funded unspent depreciation cash plus additional cash funding, if required, to maintain the council's capital value under its' long term asset management plans.			
Balance at beginning of the financial year		18,178,304	17,111,680
Funded depreciation on capital assets in period		15,560,265	15,113,448
Less: Funds utilised in the period		(16,527,271)	(14,046,824)
Balance at end of the financial year		17,211,298	18,178,304
(ii) Unspent loan cash reserve			
This cash forms part of council's capital value as the balance represents loan cash drawn down but unspent at balance date. The cash is restricted to specific project funding.			
Balance at beginning of the financial year		-	3,420,012
Loan cash expended in period.		-	(3,420,012)
Balance at end of the financial year		-	-
(iii) Constrained grants and subsidy contributions reserve			
Balance at beginning of the financial year		18,639,943	20,006,381
Transfer from retained earnings non reciprocal grants, subsidies and contributions received and allocated to specific capital projects		10,994,156	10,536,963
Transfers to the capital account funds expended in the period		(13,785,662)	(11,867,401)
Transfer to retained earnings funds expended		-	(36,000)
Balance at end of the financial year		15,848,437	18,639,943
Total restricted capital reserves		33,059,735	36,818,247
(b) Other reserves			
(1) Summary of capital reserves held for funding future projects			
(i) Grants, subsidies and contributions reimbursed reserve		157,017	157,017
(ii) Capital projects reserve		17,038,045	24,504,259
(iii) Waste management levy reserve		-	7,121,246
(iv) Sewerage reserve		2,947,349	1,683,061
(v) Water reserve		4,816,222	2,993,637
(vi) Constrained flood grants reserve		7,260,981	10,347,413
(vii) Special projects reserve		1,200,000	1,200,000
		33,419,614	48,006,633
(2) Summary of recurrent reserves held for funding future projects			
(i) Constrained flood grants reserve		-	-
(ii) Operational reprovision reserve		996,397	-
(iii) Grants received in advance reserve		-	-
(iv) Unspent grants reserve		255,325	57,500
		1,251,722	57,500
Total other reserves		34,671,336	48,064,133
Total reserves		67,731,071	84,882,380

GYMPIE REGIONAL COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2015

	2015	2014
Note	\$	\$
24 Reserves cont/d		
(1) Movements in capital reserves		
(i) Grants, subsidies and contributions reimbursed reserve		
Balance at beginning of the financial year	157,017	-
Transfer from retained earnings grants, subsidies and contributions received in the period which are a reimbursement	-	157,017
Balance at end of the financial year	157,017	157,017
(ii) Capital projects reserve		
Balance at beginning of the financial year	24,504,259	24,824,049
Transfer from retained earnings for future expenditure	1,662,028	-
Transfer to the capital account funds expended in the period	(8,884,132)	(319,790)
Transfer to retained earnings funds expended	(244,110)	-
Balance at end of the financial year	17,038,045	24,504,259
(iii) Waste management levy reserve		
Balance at beginning of the financial year	7,121,246	6,700,367
Transfer from retained earnings for future expenditure	-	420,879
Transfer to retained earnings funds expended	(7,121,246)	-
Balance at end of the financial year	-	7,121,246
(iv) Sewerage reserve		
Balance at beginning of the financial year	1,683,061	2,088,584
Transfer from retained earnings for future expenditure	1,735,005	1,182,430
Transfer to the capital account funds expended in the period	(470,717)	(1,587,953)
Balance at end of the financial year	2,947,349	1,683,061
(v) Water reserve		
Balance at beginning of the financial year	2,993,637	1,692,542
Transfer from retained earnings for future expenditure	1,822,585	1,349,637
Transfer to the capital account funds expended in the period	-	(48,542)
Balance at end of the financial year	4,816,222	2,993,637
(vi) Constrained flood grants reserve		
Balance at beginning of the financial year	10,347,413	-
Transfer from retained earnings for future expenditure	-	10,347,413
Transfer to retained earnings funds expended	(3,086,432)	-
Balance at end of the financial year	7,260,981	10,347,413
(vii) Special projects reserve		
Balance at beginning of the financial year	1,200,000	1,792,638
Transfer to retained earnings funds expended	-	(592,638)
Balance at end of the financial year	1,200,000	1,200,000

Appendix D: Financial statements

GYMPIE REGIONAL COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2015

		2015	2014
	Note	\$	\$
24 Reserves cont/d			
(2) Movements in recurrent reserve			
(i) Constrained flood grants reserve			
Balance at beginning of the financial year		-	5,447,413
Transfer to retained earnings funds expended		-	(5,447,413)
Balance at end of the financial year		-	-
(ii) Operational reprovision reserve			
Balance at beginning of the financial year		-	1,583,676
Transfer from retained earnings for future expenditure		996,397	-
Transfer to retained earnings funds expended		-	(1,583,676)
Balance at end of the financial year		996,397	-
(iii) Grants received in advance reserve			
Balance at beginning of the financial year		-	2,674,081
Transfer to retained earnings funds expended		-	(2,674,081)
Balance at end of the financial year		-	-
(iv) Unspent grants reserve			
Balance at beginning of the financial year		57,500	-
Transfer from retained earnings for future expenditure		993,177	57,500
Transfer to retained earnings funds expended		(795,352)	-
Balance at end of the financial year		255,325	57,500
25 Commitments for expenditure			
Contractual commitments			
Contractual commitments at balance date but not recognised in the financial statements			
Contract for Refuse Disposal - expires June 2021 - per year		3,271,000	3,271,000
Outstanding Purchase Orders as at balance date		4,600,381	960,459
		7,871,381	4,231,459
Capital commitments			
Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities			
Infrastructure & Other infrastructure		-	3,121,032
		-	3,121,032
These expenditures are payable			
Within one year		-	3,121,032
Later than 1 year but not later than 5 years		-	-
Later than 5 years		-	-
		-	3,121,032
26 Events after balance date			
There were no material financial adjusting events after balance date.			

GYMPIE REGIONAL COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2015

	2015	2014
Note	\$	\$
27 Contingent liabilities		
Details and estimates of maximum amounts of contingent liabilities.		
The various claims are pending against the Council. In the opinion of the Councils solicitor that the potential loss on all claims at 30 June 2015 should not exceed:		
The Council has disclaimed liability and no provision has been made within the financial statements pertaining to these claims.	60,156	62,905
<u>Local Government Workcare.</u>		
The Gympie Regional Council is a member of the Queensland local government workers compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided 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:	1,023,169	1,191,766
<u>Local Government Mutual.</u>		
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 2015 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.		
28 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 Benefits 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. 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.		
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.		

Appendix D: Financial statements

GYMPIE REGIONAL COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2015

	2015	2014
Note	\$	\$
28 Superannuation cont/d		
<p>To ensure the ongoing solvency of the Regional DBF, the scheme's trustee can vary the rate of contributions from relevant local government employers subject to advice from the scheme's actuary. As at the reporting date, no changes had been made to prescribed employer contributions which remain at 12% of employee assets and there are no known requirements to change the rate of contributions.</p> <p>Any amount by which the fund is over or under funded would only affect future benefits and contributions to the Regional DBF, and is not an asset or liability of the Council. Accordingly there is no recognition in the financial statements of any over or under funding of the scheme.</p> <p>As at the reporting date, the assets of the scheme are sufficient to meet the vested benefits.</p> <p>The most recent actuarial assessment of the scheme was undertaken as at 1 July 2012. The actuary indicated that "the Regional DBF is currently in a satisfactory but modest financial position and remains vulnerable to adverse short and medium term experience."</p> <p>Following the previous actuarial assessment in 2009, councils were advised by the trustee of the scheme, following advice from the scheme's actuary, that additional contributions may be imposed in the future at a level necessary to protect the entitlements of Regional DBF members. In the 2012 actuarial report the actuary has recommended no change to the employer contribution levels at this time.</p> <p>Under the 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.</p> <p>There are currently 71 councils contributing to the Regional DBF plan and any changes in contribution rates would apply equally to all 71 councils. Gympie Regional Council made less than 4% of the total contributions to the plan in the 2013-14 financial year.</p> <p>The next actuarial investigation will be conducted as at 1 July 2015.</p> <p>The amount of superannuation contributions paid by Gympie Regional Council to the scheme in this period for the benefit of employees was:</p>	3,363,287	3,368,724

GYMPIE REGIONAL COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2015

		2015	2014
	Note	\$	\$
29 Trust funds	1.26		
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:		264,136	279,892
Security deposits:		1,546,012	1,140,619
		<u>1,810,148</u>	<u>1,420,511</u>
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 brought to account in these financial statements.			
30 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities			
Net result		(887,934)	16,270,774
Non-cash operating items			
Impairment of receivables and bad debts written-off		-	71,514
Depreciation and amortisation		15,779,518	15,113,448
		<u>15,779,518</u>	<u>15,184,962</u>
Investing and development activities			
Capital grants, subsidies and contributions	4	(10,994,156)	(16,603,108)
Capital expenses	8	15,642,544	2,811,148
		<u>4,648,388</u>	<u>(13,791,960)</u>
Changes in operating assets and liabilities			
(Increase) decrease in receivables		(1,294,455)	2,063,707
(Increase) decrease in inventories (excluding land)		(965,664)	175,897
Increase (decrease) in payables		835,329	(380,666)
Increase (decrease) in provisions		183,354	(547,725)
Increase (decrease) in other liabilities		377,760	(4,623)
		<u>(863,676)</u>	<u>1,306,590</u>
Net cash inflow from operating activities		<u>18,676,296</u>	<u>18,970,366</u>

Appendix D: Financial statements

GYMPIE REGIONAL COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2015

		2015	2014
	Note	\$	\$
31 Controlled entities that have not been consolidated			
Gympie Regional 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 2015 follows:			
Controlled Entity	Ownership Interest		
Mary Valley Community Holding Limited	100%		
Revenue		240,000	
Expenses		(22,000)	
Profit / (loss)		218,000	-
Assets		218,000	
Liabilities		-	-
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.			
Rattler Railway Company Limited	100%		
Revenue		41,090	
Expenses		(36,803)	-
Profit / (loss)		4,287	-
Assets		4,287	
Liabilities		-	-
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.			

GYMPIE REGIONAL COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2015

32 Financial Instruments

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

- credit risk
- liquidity risk
- market risk

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

Financial risk management

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

Council's management 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

Credit risk is the risk of financial loss if a counterparty 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	2015 \$	2014 \$
Financial Assets			
Cash and cash equivalents - Bank	10	1,948,475	803,279
Cash investments held with - QTC	10	77,408,885	84,448,885
Cash equivalents held with other institutions		5,000,000	3,000,000
Cash investments held with other approved deposit taking institutions	10&14	-	4,000,000
Receivables - rates	11	7,365,032	7,184,151
Receivables - other	11	6,205,640	3,245,134
Other credit exposure			
Guarantee	27	1,023,169	1,191,766
Total		98,951,201	103,873,215

Appendix D: Financial statements

32 Financial instruments - 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.

Other financial assets

Other investments are held with financial institutions, which are rated AAA to AA- based on rating agency ratings, and whilst not capital guaranteed, the likelihood of a credit failure is assessed as remote.

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.

By the nature of the Council's operations, there is a geographical concentration of risk in the Council's area. Because the area is largely (e.g. agricultural/mining), there is also a concentration in the (e.g. agricultural/mining) sector.

Ageing of past due receivables and the amount of any impairment is disclosed in the following table:

	Not past due	Past due			Less Impaired	Total
		31 to 60 days	61 to 90 days	Over 90 days		
	\$	\$	\$	\$	\$	\$
Receivables						
2015	4,159,206	555,195	8,746	8,847,525	-	13,570,672
2014	1,333,414	101,664	2,507	9,041,949	(50,249)	10,429,285

Liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Gympie Regional Council is exposed to liquidity risk through its normal course of business and through its borrowings with QTC and other financial institutions.

The 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.

These facilities are disclosed in note 19.

The council does not have any overdraft facilities at the reporting date.

32 Financial instruments cont/d

Liquidity risk cont/d

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

	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
2015					
Trade and other payables	8,228,782	-	-	8,228,782	8,228,782
Loans QTC	2,723,994	9,812,691	22,787,709	35,324,394	22,950,003
	10,952,776	9,812,691	22,787,709	43,553,176	31,178,785
2014					
Trade and other payables	3,774,787	-	-	3,774,787	3,774,787
Loans QTC	2,692,375	9,998,592	25,336,687	38,027,654	24,125,113
	6,467,162	9,998,592	25,336,687	41,802,441	27,899,900

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

Market risk

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

Interest rate risk

Gympie Regional Council is exposed to interest rate risk through investments with QTC and other financial institutions.

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

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 assumes that the change in interest rates would be held constant over the period.

	Net carrying amount	Change in profit & (loss) from		Change in equity from	
		1% increase	1% decrease	1% increase	1% decrease
	\$	\$	\$	\$	\$
2015					
Financial assets and liabilities that are held at variable interest rates total					
QTC cash funds	77,408,885	774,089	(774,089)	774,089	(774,089)
Loans - QTC at fixed and generic *	(22,950,003)	-	-	-	-
Loans - QTC at variable **	-	-	-	-	-
Net total	54,458,882	774,089	(774,089)	774,089	(774,089)
2014					
QTC cash funds	84,448,885	844,489	(844,489)	844,489	(844,489)
Loans - QTC at fixed and generic *	(24,125,113)	-	-	-	-
Loans - QTC at variable **	-	-	-	-	-
Net total	60,323,772	844,489	(844,489)	844,489	(844,489)

Appendix D: Financial statements

32 Financial instruments cont/d

Sensitivity cont/d

In relation to the QTC loans held by the 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.

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

**QTC Client Specific Pool - client specific pool products are often rebalanced to a target benchmark duration. 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.

The sensitivity analysis provided by QTC is currently based on a 1% change but this is subject to change.

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 discussed below and disclosed in note 19.

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.

GYMPIE REGIONAL COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2015

33 National Competition Policy

(a) Business activities to which the code of competitive conduct is applied

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

Building Certification
Water & Sewerage
Refuse Management

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

Revenue for services provided to the Council
Revenue for services provided to external clients
* Community service obligations

Less: Expenditure
Surplus (deficiency)

Building Certification	Water & Sewerage	Refuse Management
2015 \$	2015 \$	2015 \$
-	-	-
137,642	20,810,615	10,286,641
-	956,310	489,970
137,642	21,766,925	10,776,611
225,409	13,351,763	7,756,267
(87,767)	8,415,162	3,020,344

(c) Description of CSO's provided to business activities during the reporting period.

Activities	CSO description	Actual
Water & Sewerage	Council Services	956,310
Refuse Management	Cleaning and refuse collection services	489,970

Appendix D: Financial statements

GYMPIE REGIONAL COUNCIL

FINANCIAL STATEMENTS

For the year ended 30 June 2015

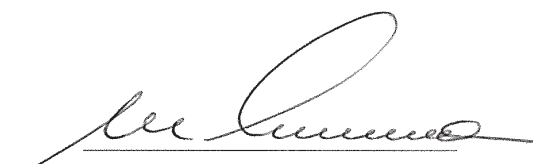
MANAGEMENT CERTIFICATE

For the year ended 30 June 2015

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

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

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



Mayor

Name: M W Curran

Date: 24 / 9 / 2015



Chief Executive Officer

Name: B J Smith

Date: 24 / 9 / 15

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Gympie Regional Council

Report on the Financial Report

I have audited the accompanying financial report of Gympie Regional Council, which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Mayor and the Chief Executive Officer.

The Council's Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Appendix D: Financial statements

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

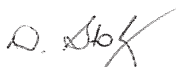
Opinion

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

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of Gympie Regional Council for the financial year 1 July 2014 to 30 June 2015 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

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


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



Queensland Audit Office
Brisbane



GYMPIE REGIONAL COUNCIL

For the year ended 30 June 2015

Current Year Financial Sustainability Statement

Certificate of Accuracy - for the Current Year Financial Sustainability Statement

Independent Auditor's Report (Current Year Financial Sustainability Statement)

Appendix D: Financial statements

GYMPIE REGIONAL COUNCIL

Current-year Financial Sustainability Statement For the year ended 30 June 2015

Measures of Financial Sustainability

- (i) **Operating surplus ratio**
Operating surplus (Net result excluding all capital items) divided by total operating revenue (excludes capital revenue).
- (ii) **Asset sustainability ratio**
Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.
- (iii) **Net financial liabilities ratio**
Total liabilities less current assets divided by total operating revenue.

Council's performance at 30 June 2015 against key financial ratios

	Operating surplus ratio	Asset sustainability ratio	Net financial liabilities ratio
Target	between 0% and 10%	greater than 90%	not greater than 60%
Actual	4.63%	170.15%	-51.78%

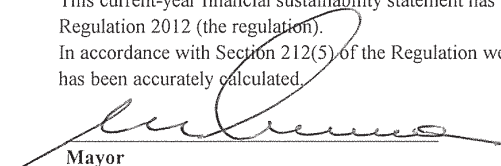
Note 1 - Basis of Preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2013. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2015.

Certificate of Accuracy For the year ended 30 June 2015

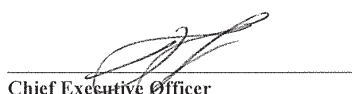
This current-year financial sustainability statement has been prepared pursuant to Section 178 of the Local Government Regulation 2012 (the regulation).

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


Mayor

Name: M W Curran

Date: 24 / 9 / 2015


Chief Executive Officer

Name: B J Smith

Date: 24 / 9 / 15

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Gympie Regional Council

Report on the Current-Year Financial Sustainability Statement

I have audited the accompanying current-year financial sustainability statement, which is a special purpose financial report of Gympie Regional Council for the year ended 30 June 2015 comprising the statement and explanatory notes, and certificates given by the Mayor and Chief Executive Officer.

The Council's Responsibility for the Current-Year Financial Sustainability Statement

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the statement.

My responsibility is to form an opinion as to whether the statement has been accurately calculated based on the Council's general purpose financial report. My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the Council's future sustainability.

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

Appendix D: Financial statements

Independence

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

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

Opinion

In accordance with s.212 of the *Local Government Regulation 2012*, in my opinion, in all material respects, the current-year financial sustainability statement of Gympie Regional Council, for the year ended 30 June 2015 has been accurately calculated.

Emphasis of Matter – Basis of Accounting

Without modifying my opinion, attention is drawn to Note 1 which describes the basis of accounting. The current-year financial sustainability statement has been prepared in accordance with the *Financial Management (Sustainability) Guideline 2013* for the purpose of fulfilling the Council's reporting responsibilities under the *Local Government Regulation 2012*. As a result, the statement may not be suitable for another purpose.

Other Matters - Electronic Presentation of the Audited Statement

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



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



Queensland Audit Office
Brisbane

GYMPIE REGIONAL COUNCIL

Long-Term Financial Sustainability Statement Prepared as at 30 June 2015

Measures of Financial Sustainability

(i) **Operating surplus ratio**

Operating surplus (Net result excluding all capital items) divided by total operating revenue (excludes capital revenue).

(ii) **Asset sustainability ratio**

Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.

(iii) **Net financial liabilities ratio**

Total liabilities less current assets divided by total operating revenue.

Council's performance at 30 June 2015 against key financial ratios

	Operating surplus ratio	Asset sustainability ratio	Net financial liabilities ratio
Target	between 0% and 10%	greater than 90%	not greater than 60%
Actuals at 30 June 2015	4.63%	170.15%	-51.78%
Projected for the years ended			
30 June 2016	1.00%	146.70%	-34.50%
30 June 2017	1.50%	91.90%	-23.40%
30 June 2018	2.10%	73.00%	-15.60%
30 June 2019	3.70%	81.70%	-22.00%
30 June 2020	5.40%	65.70%	-33.30%
30 June 2021	7.30%	48.80%	-45.40%
30 June 2022	9.30%	48.70%	-62.70%
30 June 2023	11.40%	50.60%	-80.80%
30 June 2024	13.50%	53.70%	-99.30%

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 management strategy is prudent and that its long-term financial forecast shows a sound financial position whilst also being able to meet the community's current and future needs.

The table below summarises how we performed against set targets for the seven key financial performance indicators established in our financial strategy. In summary, we achieved or bettered six of the 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 manageable levels. This was achieved while maintaining community services and making ongoing investment in community infrastructure. Our operating result in this period was adversely affected by the impacts of water reform and this issue is outlined in more detail in the coming pages.

Certificate of Accuracy

For the long-term financial sustainability statement prepared as at 30 June 2015

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.


Mayor

Name: M W Curran

Date: 24/9/2015


Chief Executive Officer

Name: B J Smith

Date: 24/8/15

Gympie Regional Council
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