

VML:SLD
Vicki Lukritz
07 3810 6221

NOTICEBOARD

25 January 2018

NOTICE OF MEETING

Notice is hereby given that the Ordinary Council Meeting is to be held on **Tuesday, 30 January 2018** at 9.00 am in the Council Chambers, on the 2nd Floor of the Administration Building, 45 Roderick Street, Ipswich.

The business papers for the meeting are attached to this notice.

BUSINESS

- A. OPENING OF MEETING:
- B. WELCOME TO COUNTRY OR ACKNOWLEDGEMENT OF COUNTRY:
- C. OPENING PRAYER:
- D. APOLOGIES AND LEAVE OF ABSENCE:
- E. CONDOLENCES AND MEMORIALS:
- F. PETITIONS AND PRESENTATIONS:
- G. CONFIRMATION OF MINUTES:
1. Ipswich City Council – Minutes of Meeting of 5 December 2017
Ipswich City Council – Minutes of Special Meeting of 19 January 2018
- H. RECEPTION AND CONSIDERATION OF COMMITTEE REPORTS:
2. Infrastructure and Emergency Management Committee's Report
 3. Works, Parks and Sport Committee's Report
 4. Conservation and Environment Committee's Report
 5. Libraries and Tourism Committee's Report
 6. Arts and Community Development Committee's Report
 7. Health, Security and Community Safety Committee's Report
 8. Planning, Development and Heritage Committee's Report
 9. Economic Development and Digital City Committee's Report
 10. City Management, Finance and Community Engagement Committee's Report
- I. CONSIDERATION OF NOTIFIED MOTIONS:
- J. RECEPTION OF NOTICES OF MOTION FOR FUTURE MEETINGS:
- K. QUESTIONS:
- L. OFFICERS' REPORTS:
- M. CONSIDERATION OF ITEMS PLACED ON THE AGENDA BY A COUNCILLOR IN ACCORDANCE WITH SECTION 6 AND 8 OF THE SUBORDINATE LOCAL LAW (2.1 COUNCIL MEETINGS):
- Auditor General's Observation Report

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MINUTES OF COUNCIL ORDINARY MEETING

5 DECEMBER 2017

Held in the Council Chambers, Administration Building

The meeting commenced at 9.00 am

ATTENDANCE AT COMMENCEMENT	Councillor Antonioli (Mayor), Morrison, Tully, Silver, Stoneman, Wendt (Deputy Mayor), Bromage, Martin, Pisasale, Ireland and Pahlke
ACKNOWLEDGEMENT OF COUNTRY	Councillor Silver
OPENING PRAYER	Councillor Martin
APOLOGIES AND LEAVE OF ABSENCE	Nil

CONDOLENCE MOTIONS

MARJORIE ELIZABETH LUCY BOSTOCK	<p>Moved by Councillor Pahlke:</p> <p>That Council convey condolences, on behalf of the citizens of the City of Ipswich, to the family of the late Marjorie Elizabeth Lucy Bostock who passed away peacefully on 1 October 2017.</p> <p>Seconded by Councillor Antonioli (Mayor).</p> <p>The motion was put and carried with one minutes silence observed to mark the passing of Marjorie Elizabeth Lucy Bostock.</p>
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PETITIONS AND PRESENTATIONS

BOOK TITLED "A SCHOOLIE REMEMBERS"	Councillor Pahlke presented a copy of the book titled "A Schoolie Remembers" written by Allen Evans for placement in the Ipswich Library history room.
LIFE WITHOUT BARRIERS	Certificate of Appreciation to Ipswich City Council for the support given to the event <i>Transition 2 Independence</i> .
IPSWICH WEST STATE SCHOOL	Certificate of Appreciation to Mayor Andrew Antonioli for the support given to Ipswich West State School in 2017.
GIVING WITH LOVE GROUP	Certificate of Appreciation to Mayor Andrew Antonioli for the support given to the Giving with Love Group Goodna.

PLANNING INSTITUTE OF AUSTRALIA Award for Planning Excellence for the Project *Transforming John Street, Rosewood* in the Category of Best Planning Ideas (Small Project) was presented to Ipswich City Council.

CONFIRMATION OF MINUTES

CONFIRMATION OF MINUTES OF ORDINARY MEETING Moved by Councillor Pisasale:

That the Minutes of the Council Ordinary Meeting held on 14 November 2017 be confirmed.

Seconded by Councillor Silver.

The motion was put and carried.

RECEPTION AND CONSIDERATION OF COMMITTEE REPORTS

INFRASTRUCTURE AND EMERGENCY MANAGEMENT COMMITTEE Moved by Councillor Bromage:

That the Infrastructure and Emergency Management Committee Report No. 2017(03) of 27 November 2017 be received and adopted.

Seconded by Councillor Stoneman.

CONFLICT OF INTEREST ITEM 6
Councillor Pahlke In accordance with section 173 of the *Local Government Act 2009*, Councillor Pahlke informed the meeting that he has, or could reasonably be taken to have, a perceived conflict of interest in Item 6 titled Rosewood Library Concept Design Package – Division 10.

The nature of the interest is that he has a property that shares a 10% boundary at the rear with the proposed site.

Councillor Pahlke came to the conclusion that because of the relatively minor nature of the perceived conflict, he can properly participate in the discussion of the matter.

The motion was put and carried.

Councillor Pahlke and the majority of Councillors entitled to vote, voted for the recommendation

WORKS, PARKS AND SPORT COMMITTEE Moved by Councillor Antoniolli (Mayor):

That the Works, Parks and Sport Committee Report No. 2017(03) of 27 November 2017 be received and adopted with the exclusion of Item 5.

Seconded by Councillor Wendt.

**CONFLICT OF INTEREST
ITEM 4**

Councillor Pahlke

In accordance with section 173 of the *Local Government Act 2009*, Councillor Pahlke informed the meeting that he has, or reasonably be taken to have a perceived conflict of Interest in Item 4 titled Building Better Regions Funds Submission.

The Nature of Councillor Pahlke's interest is that he owns a building in John Street Rosewood where the revitalisation project is being undertaken.

Councillor Pahlke came to the conclusion that because of the relatively minor nature of the perceived conflict, he can properly participate in the discussion of the matter and vote in the public interest.

The motion was put and carried.

Councillor Pahlke and the majority of Councillors entitled to vote, voted for the recommendation.

**WORKS, PARKS AND
SPORT COMMITTEE
ITEM 5**

Moved by Councillor Wendt:

That Item 5 of the Works, Parks and Sport Committee Report No. 2017(02) of 27 November 2017 be received and adopted.

Seconded by Councillor Silver.

**CONFLICT OF INTEREST
ITEM 5**

Councillor Stoneman

In accordance with section 173 of the *Local Government Act 2009*, Councillor Stoneman informed the meeting that she has, or could reasonably be taken to have, a perceived conflict of interest in Item 5 titled Tender No. 10999 – Georgie Conway Leichhardt and Bundamba Swim Centre Management Agreements Tender Award.

The nature of Councillor Stoneman's interest is that she had a meeting with one of the applicants where matters relating to the tender were discussed.

Councillors Stoneman came to the conclusion that because of the nature of the perceived conflict, she will exclude herself from the meeting while this matter is debated and the vote is taken.

At 9.21 am Councillor Stoneman left the meeting room (including any area set aside for the public) and stayed out of the meeting room while the item was being discussed and voted on.

**CONFLICT OF INTEREST
ITEM 5**

Councillor Pisasale

In accordance with section 173 of the *Local Government Act 2009*, Councillor Pisasale informed the meeting that he has, or could reasonably be taken to have, a perceived conflict of interest in Item 5 titled Tender No. 10999 – Georgie Conway Leichhardt and Bundamba Swim Centre Management Agreements Tender Award.

The nature of Councillor Pisasale's interest is that he is a Patron of the Railway Swim Club and he has had a meeting with one of the applicants where matters relating to the tender were discussed.

Councillors Pisasale came to the conclusion that because of the nature of the perceived conflict, he will exclude herself from the meeting while this matter is debated and the vote is taken.

At 9.22 am Councillor Pisasale left the meeting room (including any area set aside for the public) and stayed out of the meeting room while the item was being discussed and voted on.

**CONFLICT OF INTEREST
ITEM 5
Councillor Bromage**

In accordance with section 173 of the *Local Government Act 2009*, Councillor Bromage informed the meeting that she has, or could reasonably be taken to have, a perceived conflict of interest in Item 5 titled Tender No. 10999 – Georgie Conway Leichhardt and Bundamba Swim Centre Management Agreements Tender Award.

The nature of Councillor Bromage's interest is that she is a Patron of the Western Aquatics Swim Club and she has had a meeting with one of the applicants where matters relating to the tender were discussed.

Councillor Bromage came to the conclusion that because of the nature of the perceived conflict, she will exclude herself from the meeting while this matter is debated and the vote is taken.

At 9.23 am Councillor Bromage left the meeting room (including any area set aside for the public) and stayed out of the meeting room while the item was being discussed and voted on.

**CONFLICT OF INTEREST
ITEM 5
Councillor Antonioli**

In accordance with section 173 of the *Local Government Act 2009*, Councillors Antonioli (Mayor) informed the meeting that he has, or could reasonably be taken to have, a perceived conflict of interest in Item 5 titled Tender No. 10999 – Georgie Conway Leichhardt and Bundamba Swim Centre Management Agreements Tender Award.

The nature of Councillor Antonioli's (Mayor) interest is that he had a meeting with one of the applicants where matters relating to the tender were discussed.

Councillors Antonioli (Mayor) came to the conclusion that because of the nature of the perceived conflict, he will exclude themselves from the meeting while this matter is debated and the vote is taken.

ASSUMING THE CHAIR

Councillor Antonioli (Mayor) asked Councillor Wendt (Deputy Mayor) to assume the Chair.

At 9.23 am Councillor Antonioli (Mayor) left the meeting room (including any area set aside for the public) and stayed out of the meeting room while the item was being discussed and voted on.

At 9.24 am Councillor Wendt (Deputy Mayor) assumed the Chair.

The motion was put and carried.

The majority of Councillors entitled to vote, voted for the recommendation.

RESUMING THE CHAIR

At 9.25 am Councillor Antonioli (Mayor) returned to the meeting room and resumed the Chair.

Councillors Bromage, Stoneman and Pisasale also returned to the meeting room.

CONSERVATION AND ENVIRONMENT COMMITTEE

Moved by Councillor Silver:

That the Conservation and Environment Committee Report No. 2017(03) of 27 November 2017 be received and adopted.

Seconded by Councillor Bromage.

The motion was put and carried.

LIBRARIES AND TOURISM COMMITTEE

Moved by Councillor Pahlke:

That the Libraries and Tourism Committee Report No. 2017(03) of 27 November 2017 be received and adopted.

Seconded by Councillor Ireland.

The motion was put and carried.

ARTS AND COMMUNITY DEVELOPMENT COMMITTEE

Moved by Councillor Stoneman:

That the Arts and Community Development Committee Report No. 2017(03) of 27 November 2017 be received and adopted.

Seconded by Councillor Martin.

The motion was put and carried.

HEALTH SECURITY AND COMMUNITY SAFETY COMMITTEE

Moved by Councillor Ireland:

That the Health, Security and Community Safety Committee Report No. 2017(03) of 28 November 2017 be received and adopted.

Seconded by Councillor Martin.

**CONFLICT OF INTEREST ITEM 1
Councillor Antonioli (Mayor)**

In accordance with section 173 of the *Local Government Act 2009*, Councillor Antonioli (Mayor) informed the meeting that he has, or could reasonably be taken to have, a perceived conflict of interest in Item 1 titled Cooperative Desexing Program.

The nature of the interest is that he was formerly a Director of RSPCA Qld.

Councillor Antonioli (Mayor) came to the conclusion that because of the relatively minor nature of the perceived conflict, he can properly

participate in the discussion of the matter and vote in the public interest.

**CONFLICT OF INTEREST
ITEM 6**

**Councillors Ireland,
Morrison, Tully, Silver,
Stoneman, Wendt
(Deputy Mayor),
Bromage, Pisasale and
Antoniolli (Mayor)**

In accordance with section 173 of the *Local Government Act 2009*, Councillors Ireland, Morrison, Tully, Silver, Stoneman, Wendt (Deputy Mayor), Bromage, Pisasale and Antoniolli (Mayor) informed the meeting that they have, or could reasonably be taken to have, a perceived conflict of interest in Item 6 titled Entertainment Venue Councillor Working Group Recommendations.

The nature of Councillor Ireland's interest is that she has received passes and hospitality to Willowbank Raceway, Ipswich Turf Club, Ipswich Show Society and Queensland Raceway.

The nature of Councillor Morrison's interest is that he is a director of Ipswich Motorsport Park Pty Ltd, has received free passes to Ipswich Turf Club, hospitality from Ipswich Show Society and free passes and an annual pass to Willowbank Raceway.

The nature of Councillor Tully's interest is that he is a director of Ipswich Motorsport Park Pty Ltd, has received admission passes and hospitality from Ipswich Turf Club and admission passes from Willowbank Raceway.

The nature of Councillor Silver's interest is that she has received hospitality from Ivory's Rock Conference and Event Centre and Ipswich Show Society, complimentary tickets to Willowbank Raceway and passes and hospitality from Ipswich Turf Club.

The nature of Councillor Stoneman's interest is that she has received hospitality from Ipswich Turf Club and Ipswich Show Society and complimentary passes to Willowbank Raceway and Ipswich Turf Club.

The nature of Councillor Wendt's (Deputy Mayor) interest is that he is the shareholders representative of Ipswich Motorsport Park Pty Ltd and has received hospitality from Ipswich Show Society and complimentary passes to Ipswich Turf Club.

The nature of Councillor Bromage's interest is that she is an honorary life member of Ipswich Show Society, has received hospitality from Ipswich Show Society, complimentary yearly passes to Ipswich Turf Club and complimentary annual passes to Willowbank Raceway.

The nature of Councillor Pisasale's interest is that he has received complimentary passes and hospitality from Ipswich Show Society, annual passes to Willowbank Raceway, hospitality and passes to Ipswich Turf Club and hospitality from Ivory's Rock Conference and Event Centre.

The nature of Councillor Antoniolli's (Mayor) interest is that he has received complimentary passes to Willowbank Raceway and Ipswich Turf Club and is an honorary member of the Ipswich Show Society.

Councillors Ireland, Morrison, Tully, Silver, Stoneman, Wendt (Deputy Mayor), Bromage, Pisasale and Antoniolli (Mayor) came to the conclusion

that because of the relatively minor nature of the perceived conflict, they can properly participate in the discussion of the matter.

**CONFLICT OF INTEREST
AND MATERIAL
PERSONAL INTEREST
ITEM 6
Councillor Pahlke**

In accordance with section 173 of the *Local Government Act 2009*, Councillor Pahlke informed the meeting that he has, or could reasonably be taken to have, both a perceived conflict of interest and a material personal interest in Item 6 titled Entertainment Venue Councillor Working Group Recommendations.

The nature of the perceived conflict of interest is that he has received hospitality from Ivory's Rock Conference and Event Centre, hospitality and passes to Willowbank Raceway, Queensland Raceway, Ipswich Turf Club and Ipswich, Rosewood and Marburg Show Societies and is a Patron of the Rosewood Show Society.

The nature of the material personal interest is that he is a part owner of a hotel in Rosewood.

Councillor Pahlke came to the conclusion that because of the nature of the material personal interest, he will exclude himself from the meeting while this matter is debated and the vote is taken.

At 9.37 am Councillor Pahlke left the meeting room (including any area set aside for the public) and stayed out of the meeting room while the item was being discussed and voted on.

The motion was put and carried.

The majority of councillors entitled to vote, voted for the recommendation including those Councillors who declared a conflict of interest.

At 9.51 am Councillor Pahlke returned to the meeting room.

**PLANNING,
DEVELOPMENT AND
HERITAGE COMMITTEE**

Moved by Councillor Morrison:

That the Planning, Development and Heritage Committee Report No. 2017(12) of 28 November 2017 be received and adopted.

Seconded by Councillor Silver

The motion was put and carried.

**ECONOMIC
DEVELOPMENT AND
DIGITAL CITY
COMMITTEE**

Moved by Councillor Tully:

That the Economic Development and Digital City Committee Report No. 2017(03) of 28 November 2017 be received and adopted subject to the amendment of Recommendation B in Item 1 by replacing the word "determined" to "recommended" and after Division 1 add "and an appropriate motion be put on notice for the Council Ordinary Meeting of 30 January 2018.

Seconded by Councillor Wendt.

**CONFLICT OF INTEREST
ITEM 2**

**Councillors Silver,
Stoneman, Wendt
(Deputy Mayor),
Martin, Pisasale,
Ireland, Pahlke and
Antoniolli (Mayor)**

In accordance with section 173 of the *Local Government Act 2009*, Councillors Silver, Stoneman, Wendt, Martin, Pisasale, Ireland, Pahlke and Antoniolli (Mayor) informed the meeting that they have, or could reasonably be taken to have, a perceived conflict of interest in Item 2 titled Event Sponsorship of 2018 Australia Day Celebrations.

The nature of Silver, Martin and Ireland, Pahlke and Councillor Antoniolli's (Mayor), interest is that they are social members of Brothers Leagues Club.

The nature of Councillor Stoneman, Wendt (Deputy Mayor) and Pisasale's interest is that they are members of Brothers Leagues Club.

Councillors Silver, Stoneman, Wendt, Martin, Pisasale, Ireland, Pahlke and Antoniolli (Mayor) came to the conclusion that because of the relatively minor nature of the perceived conflict, they can properly participate in the discussion of the matter and vote in the public interest.

The motion was put and carried.

The majority of councillors entitled to vote, voted for the recommendation including those Councillors who declared an interest.

**CITY MANAGEMENT,
FINANCE AND
COMMUNITY
ENGAGEMENT
COMMITTEE**

Moved by Councillor Wendt (Deputy Mayor):

That the City Management, Finance and Community Engagement Committee Report No. 2017(12) of 28 November 2017 be received and adopted subject to the deletion of Recommendations A and B in Item 16 and replaced with a new recommendation that reads:

16. IPSWICH CENTRAL CBD – AGREEMENT FOR LEASE

RECOMMENDATION

That the report be deferred for further consideration at the City Management Finance and Community Engagement Committee Meeting in January 2018.

Further the amendment of Item 17 by renumbering the existing recommendation to A and the addition of Recommendation B as follows:

17. ADOPTION OF IPSWICH CITY COUNCIL'S 2016-2017 ANNUAL REPORT

RECOMMENDATION:

- A. That the 2016–2017 Annual Report, as detailed in Attachment A to the report by the Chief Executive Officer dated 23 November 2017, be adopted.

- B. That the 2016-2017 Audited Annual Financial Statements, as detailed in Attachment B to the report by the Chief Executive Officer dated 23 November 2017, be adopted and tabled at the meeting.

Copy of report tabled at Council:



Item 17

Seconded by Councillor Ireland.

**CONFLICT OF INTEREST
ITEM 13
Councillor Bromage**

In accordance with section 173 of the *Local Government Act 2009*, Councillor Bromage informed the meeting that she has, or could reasonably be taken to have, a perceived conflict of interest in Item 13 titled Insurance Claims over \$15,000.00.

The nature of the interest is that her staff member's son is married to the daughter of the family identified in Claim No. 3397 in Agenda Item 13.

Councillor Bromage came to the conclusion that because of the nature of the perceived conflict, she will exclude herself from the meeting while this matter is debated and the vote is taken.

At 10.15 am Councillor Bromage left the meeting room (including any area set aside for the public) and stayed out of the meeting room while the item was being discussed.

**CONFLICT OF INTEREST
ITEM 14
Councillors Morrison,
Tully, Wendt (Deputy
Mayor) and Antonioli
(Mayor)**

In accordance with section 173 of the *Local Government Act 2009*, Councillors Morrison, Tully, Wendt (Deputy Mayor) and Antonioli (Mayor) informed the meeting that they have, or could reasonably be taken to have, a perceived conflict of interest in Item 14 titled Deputations.

The nature of Councillor Morrison's interest is that he is a director of Ipswich Motorsport Park Pty Ltd.

The nature of Councillor Tully's interest is that he is a director of Ipswich City Properties Pty Ltd, Ipswich City Developments Pty Ltd, Ipswich City Enterprises Pty Ltd, Ipswich City Enterprises Investments Pty Ltd and Ipswich Motorsport Park Pty Ltd.

The nature of Councillor Wendt's (Deputy Mayor) interest is that he is the shareholders representative of Ipswich City Properties Pty Ltd, Ipswich City Developments Pty Ltd, Ipswich City Enterprises Pty Ltd and Ipswich Motorsport Park Pty Ltd.

The nature of Councillor Antonioli's (Mayor) interest is that he is a director of Ipswich City Properties Pty Ltd.

Councillors Antonioli (Mayor), Wendt (Deputy Mayor), Tully and Morrison came to the conclusion that because of the relatively minor nature of the

perceived conflict, they can properly participate in the discussion of the matter and vote in the public interest.

Councillors Morrison, Tully, Wendt (Deputy Mayor) and Antoniolli (Mayor) and the majority of councillors entitled to vote, voted for the recommendation.

**CONFLICT OF INTEREST
ITEM 16**

**Councillors Tully,
Wendt (Deputy Mayor)
and Antoniolli (Mayor)**

In accordance with section 173 of the *Local Government Act 2009*, Councillors Tully, Wendt (Deputy Mayor) and Antoniolli (Mayor) informed the meeting that they have, or could reasonably be taken to have, a perceived conflict of interest in Item 16 titled Ipswich Central CBD – Agreement for Lease.

The nature of Councillor Tully and Antoniolli's (Mayor) interest is that they are directors of Ipswich City Properties Pty Ltd.

The nature of Councillor Wendt's (Deputy Mayor) interest is that he is the shareholders representative of Ipswich City Properties Pty Ltd.

Councillors Antoniolli (Mayor), Wendt (Deputy Mayor) and Tully came to the conclusion that because of the relatively minor nature of the perceived conflict, they can properly participate in the discussion of the matter and vote in the public interest.

Councillors Tully, Wendt (Deputy Mayor) and Antoniolli (Mayor) and the majority of councillors entitled to vote, voted for the recommendation.

**CONFLICT OF INTEREST
ITEM 15**

Councillor Pisasale

In accordance with section 173 of the *Local Government Act 2009*, Councillor Pisasale informed the meeting that he has, or could reasonably be taken to have, a real conflict of interest in Item 15 titled Proposed Acquisition by Ipswich City Properties Pty Ltd of 2 Bell Street Ipswich (Ipswich City Plaza) described as Lot 1 RP 157021, County of Stanley, Parish of Ipswich – Division 7.

The nature of the interest is that he is the sole director of a business "Beauty on Belle" in the Ipswich CBD.

Councillor Pisasale came to the conclusion that because of the nature of the real conflict, he will exclude himself from the meeting while this matter is debated and the vote is taken.

Councillor Pisasale left the meeting room at 10.16 am (including any area set aside for the public) and stayed out of the meeting room while the item was being discussed and voted on.

**CONFLICT OF INTEREST
ITEM 15**

**Councillors Tully,
Wendt (Deputy Mayor)
and Antoniolli (Mayor)**

In accordance with section 173 of the *Local Government Act 2009*, Councillors Tully, Wendt (Deputy Mayor) and Antoniolli (Mayor) informed the meeting that they have, or could reasonably be taken to have, a perceived conflict of interest in Item 15 titled Proposed Acquisition by Ipswich City Properties Pty Ltd of 2 Bell Street Ipswich (Ipswich City Plaza) described as Lot 1 RP 157021, County of Stanley, Parish of Ipswich – Division 7.

The nature of Councillor Tully and Antonioli's (Mayor) interest is that they are directors of Ipswich City Properties Pty Ltd.

The nature of Councillor Wendt's (Deputy Mayor) interest is that he is the shareholders representative of Ipswich City Properties Pty Ltd.

Councillors Tully, Wendt (Deputy Mayor) and Antonioli (Mayor) came to the conclusion that because of the relatively minor nature of the perceived conflict, they can properly participate in the discussion of the matter and vote in the public interest.

**CONFLICT OF INTEREST
ITEM 10
Councillor Antonioli
(Mayor)**

In accordance with section 173 of the *Local Government Act 2009*, Councillor Antonioli (Mayor) informed the meeting that he has, or could reasonably be taken to have, a perceived conflict of interest in Item 10 titled Proposed Mayoress Administration and Expenses Policy.

The nature of the interest is that the matter relates to his wife.

Councillor Antonioli (Mayor) came to the conclusion that because of the nature of the perceived conflict, he will remain in the meeting, participate in the debate but not vote.

The motion was put and carried.

The majority of Councillors entitled to vote voted for the recommendation including those Councillors who declared a conflict of interest.

Councillor Antonioli (Mayor) did not take part in the vote on this matter.

At 10.20 am Councillors Bromage and Pisasale returned to the meeting room.

**CONSIDERATION OF
NOTIFIED MOTIONS:**

Moved by Councillor Wendt (Deputy Mayor):

That Council delegate authority to the Mayor and Acting Chief Executive Officer to take all, and any steps, and make decisions as necessary concerning the employment of officers currently suspended from Council's employ.

Copy of notice:



[Notice of Motion](#)

Seconded by Councillor Antonioli (Mayor).

It was moved by Councillor Antonioli (Mayor), seconded by Councillor Wendt (Deputy Mayor) and carried "That in accordance with section 275(1)(a) of the *Local Government Regulation 2012*, the committee resolve to move into closed session at this time to discuss the notified

motion.

The meeting moved into closed session at 10.21 am.

It was moved by Councillor Antonioli (Mayor), seconded by Councillor Wendt (Deputy Mayor) and carried that the meeting move into open session. The meeting moved into open session at 10.54 am.

Moved by Councillor Tully:

That the motion be amended to include the words “(excluding termination of employment)” after the word “necessary”. Motion to then read as:

That Council delegate authority to the Mayor and Acting Chief Executive Officer to take all, and any steps, and make decisions as necessary (excluding termination) concerning the employment of officers currently suspended from Council’s employ.

The mover and seconder of the original motion accepted the incorporation of the proposed amended in the original motion.

The motion was put and carried.

MEETING CLOSED

The meeting closed at 10.56 am

“These minutes are subject to confirmation at the next scheduled Council Ordinary Meeting”

City Management, Finance & Community Engagement Committee	
Mtg Date: 27/11/16	OAR: YES
Authorisation: Gary Kellar	

23 November 2017

MEMORANDUM

TO: THE MAYOR AND MEMBERS OF THE CITY MANAGEMENT, FINANCE AND COMMUNITY ENGAGEMENT COMMITTEE

FROM: CHIEF EXECUTIVE OFFICER

RE: ADOPTION OF IPSWICH CITY COUNCIL'S 2016-2017 ANNUAL REPORT

INTRODUCTION:

This is a report by the Chief Executive Officer dated 23 November 2017 concerning the adoption of Ipswich City Council's 2016-2017 Annual Report.

BACKGROUND:

The 2016-2017 Annual Report has been prepared in accordance with section 182 of the *Local Government Regulation 2012* (the Regulation) titled 'Preparation of annual report'.

Amended at Council Ordinary Meeting of 5 December 2017. tb

The 2016-2017 Annual Report (Attachment A) has been produced for adoption in grayscale. The annual financial statements ([Attachment B](#)) will be included with the Annual Report, pursuant to section 183 of the Regulation. An enhanced graphical version will be produced in colour by the Marketing Branch. To comply with the Regulation, the 2016-2017 Annual Report will be available on Council's website within 2 weeks of its adoption.

CONCLUSION:

The 2016-2017 Annual Report provides a high level of information about Ipswich City Council activities and performance throughout the financial year. It concludes much of the external reporting requirements for the 2016-2017 financial year in accordance with the *Local Government Regulation 2012*.

CONFIDENTIAL BACKGROUND PAPERS

Confidential Background Papers	Background papers
2016-2017 Annual Report	Attachment A Background papers
2016-2017 Audited Annual Financial Statements	Attachment B Part 1 Part 2

RECOMMENDATION:

Amended Council Ordinary Meeting of 5 December 2017

A. That the 2016–2017 Annual Report, as detailed in Attachment A to the report by the Chief Executive Officer dated 23 November 2017, be adopted.

B. [That the 2016-2017 Audited Annual Financial Statements, as detailed in Attachment B to the report by the Chief Executive Officer dated 23 November 2017, be adopted.](#)

Gary Kellar

ACTING CHIEF EXECUTIVE OFFICER

Ipswich City Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2017

**By 2031 Ipswich will be recognised
universally as a great place to live, work and
play.**



Ipswich City Council

General Purpose Financial Statements for the year ended 30 June 2017

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Ipswich City Council

Statement of Comprehensive Income for the year ended 30 June 2017

	Notes	Consolidated		Council	
		2017	Restated 2016	2017	Restated 2016
		\$'000	\$'000	\$'000	\$'000
Income					
Recurrent Revenue					
Rates, Levies and Charges	3a	178,190	164,261	178,976	164,741
Fees and Charges	3b	30,209	28,999	30,209	28,999
Interest and Investment Revenue	3c	5,501	5,088	5,609	9,405
Sales Revenue		5,389	5,647	3,430	4,083
Other Income	3d	31,005	24,064	46,464	36,797
Grants, Subsidies, Contributions and Donations	4a	22,310	18,989	22,310	18,989
Total Recurrent Revenue		272,604	247,048	286,998	263,014
Capital Revenue					
Grants, Subsidies, Contributions and Donations	4b	71,924	73,322	71,924	73,322
Capital Income		7	2,520	(193)	2,520
Total Income		344,535	322,890	358,729	338,856
Expenses					
Recurrent Expenses					
Employee Benefits	5	83,039	80,001	82,777	80,001
Materials and Services	6	101,026	93,325	96,341	88,988
Finance Costs	7	14,276	14,051	14,276	48,436
Depreciation and Amortisation	10 & 12	60,280	49,574	60,263	49,571
Total Recurrent Expenses		258,621	236,951	253,657	266,996
Capital Expenses		4,088	61,581	3,488	61,581
Total Expenses		262,709	298,532	257,145	328,577
Share of Comprehensive Income of Associates	21	35,621	28,383	-	-
Net Result		117,447	52,741	101,584	10,279
Other Comprehensive Income					
Amounts which will not be reclassified subsequently to the Net Result					
Increase/(Decrease) in Asset Revaluation Surplus	17	(21,302)	(91,358)	(16,712)	(91,358)
Share of Other Comprehensive Income of Associates	21	49	(34)	-	-
Total Comprehensive Income		96,194	(38,651)	84,872	(81,079)

Council has made a retrospective restatement as a consequence of a prior period adjustment and therefore, in accordance with AASB 101 Presentation of Financial Statements has presented a restated Statement of Comprehensive Income. Details are disclosed in Note 24.

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

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Ipswich City Council

Statement of Financial Position

as at 30 June 2017

	Notes	Consolidated		Council	
		2017	Restated 2016	2017	Restated 2016
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current Assets					
Cash and Cash Equivalents	8	114,376	101,419	108,751	97,969
Investments	8	75,000	52,000	75,000	52,000
Receivables	9	27,528	27,694	26,797	27,594
Inventories		3,583	2,970	1,070	897
Other Financial Assets		3,705	3,330	3,697	3,314
Non-Current Assets classified as Held for Sale		-	1,450	-	1,100
Total Current Assets		224,192	188,863	215,315	182,874
Non-Current Assets					
Investments	8	399,053	383,534	310,800	310,800
Receivables	9	-	-	41,801	40,761
Investment Property		2,000	2,600	-	-
Property, Plant and Equipment	10	2,222,364	2,157,130	2,195,075	2,126,136
Intangible Assets	12	26,851	27,854	26,851	27,854
Total Non-Current Assets		2,650,268	2,571,118	2,574,527	2,505,551
TOTAL ASSETS		2,874,460	2,759,981	2,789,842	2,688,425
LIABILITIES					
Current Liabilities					
Payables	13	46,452	30,917	44,141	30,339
Borrowings	14	19,372	17,902	19,372	17,902
Provisions	15	13,863	13,152	13,863	13,152
Other Liabilities	16	5,513	6,092	5,496	6,082
Total Current Liabilities		85,200	68,063	82,872	67,475
Non-Current Liabilities					
Payables	13	74	74	74	74
Borrowings	14	233,436	242,591	233,436	242,591
Provisions	15	1,724	2,871	1,724	2,871
Other Liabilities	16	74,372	62,922	74,372	62,922
Total Non-Current Liabilities		309,606	308,458	309,606	308,458
TOTAL LIABILITIES		394,806	376,521	392,478	375,933
Net Community Assets		2,479,654	2,383,460	2,397,364	2,312,492
COMMUNITY EQUITY					
Asset Revaluation Surplus	17	546,185	567,487	533,212	549,924
Retained Surplus/(Deficiency)		1,933,469	1,815,973	1,864,152	1,762,568
Total Community Equity		2,479,654	2,383,460	2,397,364	2,312,492

Ipswich City Council

Statement of Changes in Equity for the year ended 30 June 2017

Consolidated		Asset Revaluation Surplus \$'000	Retained Surplus \$'000	Total Equity \$'000
	Notes			
2017				
Opening Balance (as per Last Year's Audited Accounts)		567,487	1,815,973	2,383,460
a. Net Operating Surplus for the Year		-	117,447	117,447
b. Other Comprehensive Income				
- Revaluations: Property, Plant and Equipment Asset Revaluation Surplus	17	(21,302)	-	(21,302)
- Share of Other Comprehensive Income of Associates	21	-	49	49
Total Comprehensive Income		(21,302)	117,496	96,194
Balance as at 30 June 2017		546,185	1,933,469	2,479,654
2016				
Opening Balance (as per Last Year's Audited Accounts)		658,845	1,772,749	2,431,594
a. Correction of Prior Period Errors	24	-	(9,483)	(9,483)
Revised Opening Balance (as at 1/7/15)		658,845	1,763,266	2,422,111
b. Net Operating Surplus for the Year (as per Last Year's Audited Accounts)		-	73,174	73,174
Correction of Prior Period Errors	24	-	(20,433)	(20,433)
Revised Net Operating Surplus for the Year		-	52,741	52,741
c. Other Comprehensive Income				
- Revaluations: Property, Plant and Equipment Asset Revaluation Surplus	17	(91,358)	-	(91,358)
- Share of Other Comprehensive Income of Associates	21	-	(34)	(34)
Total Comprehensive Income		(91,358)	52,707	(38,651)
Balance as at 30 June 2016		567,487	1,815,973	2,383,460

Ipswich City Council

Statement of Changes in Equity for the year ended 30 June 2017

Council		Asset Revaluation Surplus \$'000	Retained Surplus \$'000	Total Equity \$'000
	Notes			
2017				
Opening Balance (as per Last Year's Audited Accounts)		549,924	1,762,568	2,312,492
a. Net Operating Surplus for the Year		-	101,584	101,584
b. Other Comprehensive Income				
- Revaluations: Property, Plant and Equipment Asset Revaluation Surplus	17	(16,712)	-	(16,712)
Total Comprehensive Income		(16,712)	101,584	84,872
Balance as at 30 June 2017		533,212	1,864,152	2,397,364
2016				
Opening Balance (as per Last Year's Audited Accounts)		641,282	1,761,772	2,403,054
a. Correction of Prior Period Errors	24	-	(9,483)	(9,483)
Revised Opening Balance (as at 1/7/15)		641,282	1,752,289	2,393,571
b. Net Operating Surplus for the Year (as per Last Year's Audited Accounts)		-	30,712	30,712
Correction of Prior Period Errors	24	-	(20,433)	(20,433)
Revised Net Operating Surplus for the Year		-	10,279	10,279
c. Other Comprehensive Income				
- Revaluations: Property, Plant and Equipment Asset Revaluation Surplus	17	(91,358)	-	(91,358)
Total Comprehensive Income		(91,358)	10,279	(81,079)
Balance as at 30 June 2016		549,924	1,762,568	2,312,492

Ipswich City Council

Statement of Cash Flows for the year ended 30 June 2017

		Consolidated		Council	
		2017	2016	2017	2016
	Notes	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities					
Receipts from Customers		230,911	234,107	242,711	222,395
Payments to Suppliers and Employees		(158,991)	(185,513)	(172,712)	(172,242)
		71,920	48,594	69,999	50,153
Receipts:					
Interest and Investment Revenue		5,344	9,152	5,452	9,449
Grants, Subsidies and Contributions		22,310	18,989	22,310	18,989
QUU Tax Equivalents and Participation Return		33,789	25,928	33,789	25,928
Payments:					
Borrowing Costs		(14,367)	(13,080)	(14,367)	(13,080)
Net Cash - Operating Activities	23	118,996	89,583	117,183	91,439
Cash Flows from Investing Activities					
Receipts:					
Sale of Property, Plant and Equipment		2,649	9,473	1,898	9,473
Distributions Received from Controlled Entities		-	-	2,933	1,638
Grants, Subsidies, Contributions and Donations		21,946	24,716	21,946	24,716
Payments:					
Net transfer (to) from Cash Investment		(23,000)	(17,000)	(23,000)	(17,000)
Payments for Property, Plant and Equipment		(93,610)	(99,591)	(92,506)	(98,016)
Payments for Intangible Assets		(6,339)	(3,348)	(6,339)	(3,348)
Contributions Paid to Controlled Entities		-	-	(3,648)	(3,078)
Net Cash - Investing Activities		(98,354)	(85,750)	(98,716)	(85,615)
Cash Flows from Financing Activities					
Proceeds from Borrowings		10,000	25,000	10,000	25,000
Repayment of Borrowings		(17,685)	(16,055)	(17,685)	(16,055)
Net Cash Flow - Financing Activities		(7,685)	8,945	(7,685)	8,945
Net Increase/(Decrease) for the year		12,957	12,778	10,782	14,769
plus: Cash and Cash Equivalents - beginning		101,419	88,641	97,969	83,200
Cash and Cash Equivalents - closing	8	114,376	101,419	108,751	97,969

Ipswich City Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies

(1.a) Basis of preparation

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

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

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

(1.b) Statement of Compliance

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.

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

(1.c) Basis of Consolidation

The council and its controlled entities together form the economic entity which is referred to in these financial statements as the consolidated entity.

In the process of reporting the council as a single economic entity, all transactions with entities controlled by the council have been eliminated. In addition the accounting policies of all controlled entities have been adjusted, where necessary, on consolidation to ensure that financial report of the consolidated entity is prepared using accounting policies that are consistent with those of the council.

The financial results of Ipswich City Properties Pty Ltd, Ipswich City Enterprises Pty Ltd, Ipswich City Enterprises Investments Pty Ltd, Ipswich City Developments Pty Ltd and Ipswich Motorsport Park Pty Ltd have been consolidated into these financial statements as the transactions are considered material. Information about controlled entities that have not been consolidated, because they are not considered material, is included in note 27.

All of Council's controlled entities are audited by the Auditor-General of Queensland.

(1.d) Constitution

The Ipswich City Council is constituted under the Queensland *Local Government Act 2009* and is domiciled in Australia.

(1.e) Adoption of New and Revised Accounting Standards

This year Council has applied AASB 124 *Related Party Disclosures* for the first time. As a result Council has disclosed more information about related parties and transactions with those related parties. This information is presented in note 28.

Australian Accounting Standards and Interpretations that have recently been issued or amended, but are not yet effective and have not been adopted by Council for the year ended 30 June, are outlined below along with an assessment of the impact:

Effective for annual reporting periods beginning on or after 1 July 2018

AASB 9 *Financial Instruments*

AASB 9 replaces AASB 139 *Financial Instruments: Recognition and Measurement*, and will change the classification, measurement and disclosures of financial assets. AASB 9 must be applied retrospectively. As a result, Council will measure its financial assets at fair value. Council is still assessing the impact of measuring financial instruments at fair value and whether there will be any material impact arising from this standard.

Effective for annual reporting periods beginning on or after 1 July 2019

Ipswich City Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities and AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for Profit Entities

AASB 15 will replace AASB 118 *Revenue*, AASB 111 *Construction Contracts* and a number of Interpretations. AASB 1058 will replace AASB 1004 *Contributions*. AASB 2016-8 provides Australian requirements and guidance for not-for-profit entities in applying AASB 9 and AASB 15. Together they contain a comprehensive and robust framework for the recognition, measurement and disclosure of income including revenue from contracts with customers. Council is still reviewing the way that income is measured and recognised to identify whether there will be any material impact arising from these standards. As a result, the timing of the recognition of some grants and donations will be affected.

AASB 16 Leases

AASB16 replaces AASB 117 *Leases*. Council has some leases that are not on its balance sheet. These will need to be included on the balance sheet when this standard comes into effect. A lease liability will initially be measured at the present value of the lease payments to be made over the lease term. A corresponding right-of-use asset will also be recognised over the lease term.

The amended Australian Accounting Standards and Interpretations which were issued at the date of authorisation of the financial report, but have future commencement dates are likely to have a material impact on the financial statements. The impact upon council's future statements is still to be determined.

- contingent liabilities (note 19).

(1.g) Rounding and Comparatives

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

(1.h) Taxation

Ipswich City Council has exemption from the payment of Income Tax subject to Section 50–25 of the Income Tax Assessment Act 1997. Council incurs and collects Goods and Services Tax (GST) relating to goods and services, which are utilised and supplied in the normal course of conducting business. Council is also liable to pay Fringe Benefits Tax on applicable activities.

(1.f) Estimates and Judgements

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

- valuation and depreciation of property, plant and equipment (note 11)
- impairment of property, plant and equipment (note 10)
- provisions (note 15)
- commitments (note 18)

Ipswich City Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 2(a). Analysis of Results by Function

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

COUNCIL DEPARTMENTS

Comprise the following Departments which are primarily funded from general rate operations:

- **Arts, Social Development and Community Engagement Department's** primary objective is to strengthen and contribute to the sense of community, and to enhance the lives of the City's residents and visitors through implementation and development of innovative programs and services.
- **Health, Security and Regulatory Services Department's** objective is to ensure that the health, environment and safety of the City are protected and enhanced.
- **Infrastructure Services Department** plans, designs and delivers assets to ensure the community is serviced by high quality and effective transport, open space and built environment networks.
- **Finance and Corporate Services Department** provides administrative, financial, customer service, insurance, business services, procurement and information and communications technology expertise to the departments of Council.
- **Planning and Development Department's** objective is to effectively manage growth and development in order to create a socially, ecologically and economically sustainable environment.
- **Works, Parks and Recreation Department's** primary objectives is to provide strategic asset management, waste management services and planning for the City's sports, recreation and natural resources environment.
- **Office of the Chief Executive Officer Department** provides a support function for Council's internal audit, legal and executive branch.
- **Economic Development and Marketing Department's** primary objective is to develop, promote and implement innovative economic, marketing, communication, media, tourism and event initiatives.

IPSWICH WASTE SERVICES

Ipswich Waste Services is a commercialised Type 2 waste services business activity within Council. Primarily funded from the waste management utility charge, the overall objective is to provide commercially focused waste services to the community in accordance with the Charter and Establishment Agreement, the Customer Charter and the Annual Operating Agreement.

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2017

Note 2(b). Income and expenses defined between recurring and capital are attributed to the following functions:

Functions	Gross Program Income		Total Income	Gross Expenses	Total Expenses	Net Result	Total Assets
	Grants	Other					
2017	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Arts, Social Development and Community Engagement Department	2,503	2,929	5,432	(18,117)	(18,117)	(12,685)	6,430
Economic Development and Marketing Department	-	256	256	(7,753)	(7,753)	(7,497)	11
Infrastructure Services Department	-	59,013	59,013	(3,455)	(3,455)	55,558	87,923
Finance and Corporate Services Department	6,145	205,251	211,396	(69,983)	(69,983)	141,413	42,069
Works, Parks and Recreation Department	14,742	35,539	50,281	(131,989)	(131,989)	(81,708)	2,070,080
Health, Security and Regulatory Services Department	351	4,181	4,532	(12,600)	(12,600)	(8,068)	2,832
Planning and Development Department	40	16,443	16,483	(12,083)	(12,083)	4,400	1
Ipswich Waste Services	-	34,090	34,090	(23,920)	(23,920)	10,170	13,381
Other	-	(22,754)	(22,754)	22,755	22,755	1	567,115
Total Council	23,781	334,948	358,729	(257,145)	(257,145)	101,584	2,789,842
Controlled entities including eliminations	-	21,427	21,427	(5,564)	(5,564)	15,863	84,618
Total Consolidated	23,781	356,375	380,156	(262,709)	(262,709)	117,447	2,874,460

Functions	Gross Program Income		Total Income	Gross Expenses	Total Expenses	Net Result	Total Assets
	Grants	Other					
2016	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Arts, Social Development and Community Engagement Department	2,468	2,649	5,117	(17,222)	(17,222)	(12,105)	6,196
Economic Development and Marketing Department	-	342	342	(6,998)	(6,998)	(6,656)	13
Infrastructure Services Department	-	56,816	56,816	(3,913)	(3,913)	52,903	41,930
Finance and Corporate Services Department	3,899	186,794	190,693	(99,447)	(99,447)	91,246	39,582
Works, Parks and Recreation Department	19,447	35,148	54,595	(179,435)	(179,435)	(124,840)	2,050,893
Health, Security and Regulatory Services Department	296	3,986	4,282	(10,383)	(10,383)	(6,101)	2,917
Planning and Development Department	17	16,087	16,104	(10,535)	(10,535)	5,569	2
Ipswich Waste Services	-	32,322	32,322	(21,439)	(21,439)	10,883	13,227
Other	-	(21,415)	(21,415)	20,795	20,795	(620)	533,665
Total Council	26,127	312,729	338,856	(328,577)	(328,577)	10,279	2,688,425
Controlled entities including eliminations	-	12,417	12,417	30,045	30,045	42,462	71,556
Total Consolidated	26,127	325,146	351,273	(298,532)	(298,532)	52,741	2,759,981

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2017

Note 3. Revenue Analysis

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
(a). Rates, Levies and Charges				
General Rates and Charges	159,210	147,058	159,996	147,538
Garbage Charges	25,430	23,649	25,430	23,649
Property Related Charges	3,706	3,443	3,706	3,443
Total rates and utility charges revenue	188,346	174,150	189,132	174,630
Less: Discounts	(8,430)	(8,184)	(8,430)	(8,184)
Less: Pensioner remissions	(1,726)	(1,705)	(1,726)	(1,705)
<u>TOTAL RATES, LEVIES AND CHARGES</u>	<u>178,190</u>	<u>164,261</u>	<u>178,976</u>	<u>164,741</u>

Rates are recognised as revenue at the start of the rating period. If a ratepayer pays their rates before the start of the rating period, they are recognised as revenue when they are received.

(b). Fees and Charges

Town Planning and Development Charges	16,016	15,593	16,016	15,593
Traffic Regulation Fees and Charges	2,318	2,067	2,318	2,067
Waste Disposal Fees and Charges	6,566	6,273	6,566	6,273
Health Regulation, Animal Control and Cemeteries	2,482	2,460	2,482	2,460
Other Administrative Charges	2,019	1,842	2,019	1,842
Change of Ownership Charges	646	575	646	575
Civic Centre Services	123	121	123	121
Library Fees and Fines	39	68	39	68
<u>TOTAL FEES AND CHARGES</u>	<u>30,209</u>	<u>28,999</u>	<u>30,209</u>	<u>28,999</u>

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.

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2017

Note 3. Revenue Analysis (continued)

	Consolidated		Council	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
(c). Interest and Investment Revenue				
Interest from Investments	5,048	4,591	4,831	4,591
Penalty Interest from Overdue Rates and Utility Charges	453	368	453	368
Interest on ICP and ICD Loans	-	129	325	4,446
<u>TOTAL INTEREST AND INVESTMENT REVENUE</u>	<u>5,501</u>	<u>5,088</u>	<u>5,609</u>	<u>9,405</u>

Interest on term deposits is accrued over the term of the investment.

(d). Other Income

Dividend Revenue	187	685	187	685
Resourcing Fees	5,687	5,491	5,687	5,491
Other Sundry Receipts	8,366	5,658	3,674	2,947
Rental of Facilities	1,031	858	1,031	858
Miscellaneous	2,096	1,573	2,096	1,573
QUU Participation Return	-	-	20,151	15,444
QUU Tax Equivalents Revenue	13,638	9,799	13,638	9,799
<u>TOTAL OTHER INCOME</u>	<u>31,005</u>	<u>24,064</u>	<u>46,464</u>	<u>36,797</u>

Dividends are recognised once they are formally declared by the directors of the controlled entity.

Note 4. Grants, Subsidies, Contributions and Donations

(a) Recurrent

General Purpose Government Grants	10,336	6,731	10,336	6,731
Government Grants and Subsidies	3,617	3,973	3,617	3,973
Cash Contributions - for Operational Purposes	8,357	8,285	8,357	8,285
<u>TOTAL RECURRENT GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS</u>	<u>22,310</u>	<u>18,989</u>	<u>22,310</u>	<u>18,989</u>

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2017

Note 4. Grants, Subsidies, Contributions and Donations (continued)

	Consolidated		Council	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
(b) Capital				
Government Grants and Subsidies constrained for Capital Purposes	9,828	15,423	9,828	15,423
Cash Contributions - constrained for Capital Purposes	12,118	9,293	12,118	9,293
Contributions of Physical Assets	50,545	48,606	50,545	48,606
Refund - Contributions of Physical Assets	(567)	-	(567)	-
<u>TOTAL CAPITAL GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS</u>	<u>71,924</u>	<u>73,322</u>	<u>71,924</u>	<u>73,322</u>

Conditions over Contributions

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

Developer Contributions for Infrastructure	16,840	19,579	16,840	19,579
	<u>16,840</u>	<u>19,579</u>	<u>16,840</u>	<u>19,579</u>

Contributions recognised as income during a previous reporting period that were obtained in respect of the current reporting period:

Developer Contributions Expended on Infrastructure	3,493	1,831	3,493	1,831
	<u>3,493</u>	<u>1,831</u>	<u>3,493</u>	<u>1,831</u>

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them. Where Council is obligated contractually to repay unspent grants or subsidies, a liability is recognised. Where grants are received that are reciprocal in nature, Council recognises revenue as the various performance obligations under the funding agreement are fulfilled. For example, when Council receives cash contributions from property developers to construct assets such as roads and footpaths.

Physical assets contributed to Council by developers in the form of land, road works, stormwater 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. Non-cash contributions with a value in excess of the recognition thresholds are recognised as non-current assets. Those below the thresholds are recorded as expenses.

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2017

Note 5. Employee Benefits

	Notes	Consolidated		Council	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Wages and Salaries		74,545	72,471	74,315	72,471
Annual, Sick and Long Service Leave Entitlements		9,132	9,014	9,132	9,014
Superannuation	20	9,477	9,141	9,449	9,141
Workers Compensation Insurance		1,096	1,211	1,096	1,211
Fringe Benefits Tax (FBT)		389	252	385	252
Councillors Remuneration		1,348	1,329	1,348	1,329
		<u>95,987</u>	<u>93,418</u>	<u>95,725</u>	<u>93,418</u>
Less: Capitalised Employee Expenses		(12,948)	(13,417)	(12,948)	(13,417)
<u>TOTAL EMPLOYEE BENEFITS</u>		<u>83,039</u>	<u>80,001</u>	<u>82,777</u>	<u>80,001</u>

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

Additional information:

Total Employees at year end:

Administration Staff	681	653	681	653
Depot and Outdoors Staff	379	378	379	378
Elected Members	10	11	10	11
Total full time equivalent employees	<u>1,070</u>	<u>1,042</u>	<u>1,070</u>	<u>1,042</u>

Further compensation details disclosed in Note 28 (d) for key management personnel.

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2017

Note 6. Materials and Services

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Advertising and Marketing	2,253	1,953	2,192	1,495
Audit Fees	301	239	256	223
Communications	1,255	1,258	1,255	1,258
Consultants	4,351	3,497	3,170	2,767
Contractors	41,172	32,920	41,172	32,920
Donations Paid	2,424	2,623	2,424	2,623
Council's Insurance Premiums	1,148	1,105	1,140	1,105
Repairs and Maintenance	7,180	9,729	7,159	9,422
Operating Leases - Rentals	914	1,269	914	1,269
Goods and Services	16,676	15,318	13,232	13,943
Legal	2,071	841	2,001	775
Materials	7,828	10,193	7,828	10,193
Miscellaneous	876	643	828	643
Utilities	9,471	10,687	9,413	9,402
Rentals	1,929	1,742	1,780	1,654
General Expenses	556	1,192	975	1,207
Bad Debts Written off	45	31	26	4
Less: Capitalised Expenses	576	(1,915)	576	(1,915)
<u>TOTAL MATERIALS AND SERVICES</u>	<u>101,026</u>	<u>93,325</u>	<u>96,341</u>	<u>88,988</u>

Total audit fees quoted by the Queensland Audit Office relating to the 2016-17 financial statements are \$284,500 (2016: \$215,500).

Note 7. Finance Costs

Finance costs - Queensland Treasury Corporation	13,904	13,359	13,904	13,815
Bank Charges	358	654	358	512
Finance Costs associated with the present value of provisions	14	38	14	38
Write-down of inter-entity loan	-	-	-	34,071
<u>TOTAL FINANCE COSTS</u>	<u>14,276</u>	<u>14,051</u>	<u>14,276</u>	<u>48,436</u>

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2017

Note 8. Cash, Cash Equivalents and Investments

	Consolidated		Council	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Cash and Cash Equivalents				
Cash at Bank and on Hand	16,072	8,834	10,447	5,384
Cash Equivalent Assets				
- Deposits at Call	98,304	92,585	98,304	92,585
Total Cash and Cash Equivalents	114,376	101,419	108,751	97,969
Investment - Current				
Term Deposits	75,000	52,000	75,000	52,000
Total Current Investment	75,000	52,000	75,000	52,000
Investment - Non-Current				
Shares in Controlled Entities and Other	100	100	510	510
Participation Rights in QUU	398,953	383,434	310,290	310,290
Total Non-Current Investment	399,053	383,534	310,800	310,800
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS	588,429	536,953	494,551	460,769
Restricted Cash, Cash Equivalents and Investments				
Council's Cash and Cash Equivalents are subject to a number of Internal and External Restrictions that limit amounts available for discretionary or future use. These include:				
Externally imposed Expenditure Restrictions at the reporting date relate to the following cash assets:				
Unspent Government Grants and Subsidies	279	104	279	104
Total External Restrictions	279	104	279	104
Internally imposed Expenditure Restrictions at the reporting date:				
Future Recurrent Expenditure	3,334	2,863	3,334	2,863
Total Internal Restrictions	3,334	2,863	3,334	2,863
Total Unspent Restricted Cash, Cash Equivalents and Investments	3,613	2,967	3,613	2,967

Ipswich City Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 8. Cash, Cash Equivalents and Investments (continued)

Cash assets are held in domestic currency denomination and are disclosed at fair value.

Cash and deposits at call are held with financial institutions with a credit rating AA+ to BBB-.

Council holds an equity investment in Queensland Urban Utilities (QUU) which pay participant returns and these are recognised as revenue on receipt. These long term investments are unquoted and there is no active market. As a result, the fair value of these investments cannot be reliably measured therefore they are measured at cost. Medium-term investments in the form of fixed term deposits are valued at cost. Investments intended to be held longer than 12 months as non-current. For investments details for related parties refer to Note 28 (f).

Council policy limits the total amount of investments permitted to be lodged with any one financial institution to not more than 25% (except in the case of the Queensland Treasury Corporation (QTC) cash fund) of total investments with authorised financial institutions. This policy is part of Council's overall strategy to minimise exposure to interest rate and credit risk whilst pursuing higher investment returns.

Council holds participation rights of 12.222% in QUU which is a minority interest. Council is considered to have a significant influence over QUU and as such these assets are considered to be an investment in an associate. In applying the equity method the investment in QUU is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise Council's share of the net profit and other comprehensive income of QUU.

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2017

Note 9. Receivables

	Consolidated		Council	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Current				
Rateable Revenue and Utility Charges	3,184	2,609	3,184	2,609
Other Debtors	20,530	22,579	19,662	22,573
GST Recoverable	3,033	1,987	3,170	1,893
Accrued Interest Revenues				
- Interest on Investments	459	302	459	302
- Interest on Debts	366	256	366	256
Total	27,572	27,733	26,841	27,633
less: Provision for Impairment				
Other Debtors	(44)	(39)	(44)	(39)
Total Provision for Impairment - Receivables	(44)	(39)	(44)	(39)
<u>TOTAL CURRENT RECEIVABLES</u>	<u>27,528</u>	<u>27,694</u>	<u>26,797</u>	<u>27,594</u>
Non-Current				
Loan to Ipswich City Properties Pty Ltd	-	-	39,017	35,819
Loan to Ipswich City Developments Pty Ltd	-	-	2,334	4,942
Loan to Ipswich Motorsport Park Pty Ltd	-	-	450	-
Total	-	-	41,801	40,761
<u>TOTAL NON-CURRENT RECEIVABLES</u>	<u>-</u>	<u>-</u>	<u>41,801</u>	<u>40,761</u>
Movement in Provision for Impairment of Receivables				
Opening balance at 1 July	39	43	39	43
<i>Add</i>				
Impairments recognised	379	201	379	201
<i>Less</i>				
Impairment debts written off during the year	(39)	(31)	(20)	(4)
Impairments reversed	(335)	(174)	(354)	(201)
Balance at the end of the year	<u>44</u>	<u>39</u>	<u>44</u>	<u>39</u>

Ipswich City Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 9. Receivables (continued)

Receivables are recognised at the amounts due at the time of sale or service delivery ie. the agreed purchase price / contract price. Settlement of the amounts owing is generally within 30 days from the invoice date. The collectability of receivables is assessed periodically for impairment. Impairment is the amount by which the carrying amount of the receivable exceeds its recoverable amount. The fair value of trade debtors is assumed to approximate the value of the original transaction, less any allowance for impairment.

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

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

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

Loans and advances are initially recognised at fair value. As no active market exists for these receivables their fair value cannot be reliably measured therefore they are measured at cost. Interest is charged as it accrues based on the rate established for each loan. The loans to Ipswich City Properties Pty Ltd, Ipswich City Developments Pty Ltd and Ipswich Motorsport Park Pty Ltd do not have a principal repayment schedule or minimum monthly repayment and function similar to a line of credit facility.

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2017

Note 10. Property, Plant and Equipment

Consolidated - 30 June 2017		Capital Work in Progress	Land	Land Improvements	Buildings and Structures	Plant and Equipment	Roads, Bridges and Footpaths	Flooding and Drainage	Other Assets	Total
Measurement Basis	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening Gross Balance		52,354	293,948	23,990	415,909	115,510	1,165,346	845,371	3,705	2,916,133
Additions*		-	803	2,217	11,051	18,630	19,126	5,646	42	57,515
Contributed Assets		-	6,212	998	5,956	113	23,684	13,514	69	50,546
Disposals		-	(350)	-	-	(5,963)	-	-	-	(6,313)
Write-offs		-	-	-	(870)	(5,391)	(3,073)	(1,179)	(17)	(10,530)
Revaluation Increments to Equity (Asset Revaluation Surplus)	17	-	(4,590)	-	(15,640)	-	(1,069)	-	-	(21,299)
Transfers to/from other classes		-	(124)	123	58,903	(3,062)	(54,549)	(1,293)	1	(1)
Capital expenditure during the year		-	-	-	-	-	-	-	-	-
Transfer from capital expenditure to additions and contributed assets		147,374	-	-	-	-	-	-	-	147,374
Capital expenditure written off to expense		(108,495)	-	-	-	-	-	-	-	(108,495)
Assets classified as held for sale		(1,908)	-	-	-	-	-	-	-	(1,908)
Total Consolidated Gross Value of Property, Plant and Equipment		89,325	297,349	27,328	475,309	119,837	1,149,465	862,059	3,800	3,024,472
Opening Accumulated Depreciation		-	-	-	158,253	62,956	337,256	200,526	12	759,003
Depreciation Expense		-	-	-	13,725	10,358	21,794	8,586	2	54,465
Disposals		-	-	-	-	(3,872)	-	-	-	(3,872)
Write-offs		-	-	-	(369)	(5,287)	(995)	(380)	(11)	(7,042)
Revaluation Increments to Equity (Asset Revaluation Surplus)	17	-	-	-	3	-	-	-	-	3
Transfers to/from other classes		-	-	-	25,040	(1,964)	(23,294)	(228)	(3)	(449)
Total Consolidated Accumulated Depreciation of Property, Plant and Equipment		-	-	-	196,652	62,191	334,761	208,504	-	802,108
Total Consolidated Net Book Value of Property, Plant and Equipment		89,325	297,349	27,328	278,657	57,646	814,704	653,555	3,800	2,222,364
Other Information										
Range of Estimated Useful Life (years)		Not depreciated	Not depreciated	Not depreciated	3-100 years	1-40 years	1.5-100 years	15-100 years	Not depreciated	
*Asset Additions Comprise										
Asset Renewals		-	-	-	1,849	-	27,801	223	-	29,873
Other Additions		-	-	-	10,304	-	74,927	2,363	-	87,594
Total Asset Additions		-	-	-	12,153	-	102,728	2,586	-	117,467

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2017

Note 10. Property, Plant and Equipment

Consolidated - 30 June 2016										
	Capital Work in Progress	Land	Land Improvements	Buildings and Structures	Plant and Equipment	Roads, Bridges and Footpaths	Flooding and Drainage	Other Assets	Total	
Measurement Basis	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Fair Value	Fair Value		
Opening Gross Balance	62,334	303,189	18,624	385,357	109,045	1,092,015	761,833	4,838	2,737,235	
Correction to Opening Balances	-	(16,129)	-	11,353	-	(33,860)	-	-	(38,636)	
Additions*	-	4,399	5,373	21,146	15,943	68,804	13,548	344	129,557	
Contributed Assets	-	4,120	-	6	-	28,046	16,203	231	48,606	
Disposals	-	(517)	-	-	(6,377)	-	-	(11)	(6,905)	
Write-offs	-	(80)	(7)	(1,563)	(4,314)	(2,737)	-	(1,394)	(10,095)	
Revaluation Increments to Equity (Asset Revaluation Surplus)	-	50	-	-	-	14,172	53,787	-	68,009	
Transfers to/from other classes	-	366	-	(390)	1,213	(1,094)	-	(303)	(208)	
Capital expenditure during the year	149,351	-	-	-	-	-	-	-	149,351	
Transfer from capital expenditure to additions and contributed assets	(156,073)	-	-	-	-	-	-	-	(156,073)	
Capital expenditure written off to expense	(3,258)	-	-	-	-	-	-	-	(3,258)	
Assets classified as held for sale	-	(1,450)	-	-	-	-	-	-	(1,450)	
Total Consolidated Gross Value of Property, Plant and Equipment	52,354	293,948	23,990	415,909	115,510	1,165,346	845,371	3,705	2,916,133	
Opening Accumulated Depreciation	-	-	-	143,115	62,169	175,174	121,694	1,522	503,674	
Correction to Opening Balances	-	-	-	4,720	-	-	-	-	4,720	
Depreciation Expense	-	-	-	10,979	8,616	15,692	8,720	201	44,208	
Disposals	-	-	-	-	(4,244)	-	-	(7)	(4,251)	
Write-offs	-	-	-	(537)	(4,147)	(765)	-	(1,394)	(6,843)	
Revaluation Increments to Equity (Asset Revaluation Surplus)	-	-	-	-	-	89,257	70,112	-	159,369	
Transfers to/from other classes	-	-	-	(24)	562	(407)	-	(310)	(179)	
Revaluation adjustment to income (capital income)	-	-	-	-	-	58,305	-	-	58,305	
Total Consolidated Accumulated Depreciation of Property, Plant and Equipment	-	-	-	158,253	62,956	337,256	200,526	12	759,003	
Total Consolidated Net Book Value of Property, Plant and Equipment	52,354	293,948	23,990	257,656	52,554	828,090	644,845	3,693	2,157,130	
Other Information										
Range of Estimated Useful Life (years)										
	Not depreciated	Not depreciated	Not depreciated	3-100 years	1-40 years	1.5-100 years	15-100 years	Not depreciated		
*Asset Additions Comprise										
Asset Renewals										
	-	-	-	4,117	-	-	18,564	1,036	23,717	
Other Additions										
	-	-	-	9,556	-	-	25,241	104,136	149,939	
Total Asset Additions										
	-	-	-	13,673	-	-	87,903	26,277	127,853	

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2017

Note 10. Property, Plant and Equipment

Council - 30 June 2017											
Measurement Basis		Incls	Capital Work in Progress	Land	Land Improvements	Buildings and Structures	Plant and Equipment	Roads, Bridges and Footpaths	Flooding and Drainage	Other Assets	Total
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening Gross Balance			52,354	263,048	23,990	415,830	115,492	1,165,346	845,371	3,705	2,885,136
Additions*			-	803	2,217	11,051	18,595	19,126	5,646	42	57,480
Contributed Assets			-	6,212	998	5,956	113	23,684	13,514	69	50,546
Disposals			-	-	-	-	(5,963)	-	-	-	(5,963)
Write-offs			-	-	-	(870)	(5,391)	(3,073)	(1,179)	(17)	(10,530)
Revaluation Increments to Equity (Asset Revaluation Surplus)		17	-	-	-	(15,640)	(1,069)	(54,549)	(1,293)	1	(1)
Transfers to/from other classes			-	-	123	58,903	-	-	-	-	146,507
Capital expenditure during the year			146,507	-	-	-	-	-	-	-	(108,495)
Transfer from capital expenditure to additions and contributed assets			(108,495)	-	-	-	-	-	-	-	(1,908)
Capital expenditure written off to expense			-	-	-	-	-	-	-	-	-
Assets classified as held for sale			-	1,100	-	-	-	-	-	-	1,100
Total Council Gross Value of Property, Plant and Equipment			88,458	271,039	27,328	475,230	119,784	1,149,465	862,059	3,800	2,997,163
Opening Accumulated Depreciation			-	-	-	158,251	62,955	337,256	200,526	12	759,000
Depreciation Expense			-	-	-	13,717	10,349	21,794	8,586	2	54,448
Disposals			-	-	-	-	(3,872)	-	-	-	(3,872)
Write-offs			-	-	-	(369)	(5,287)	(995)	(380)	(11)	(7,042)
Revaluation Increments to Equity (Asset Revaluation Surplus)		17	-	-	-	3	-	-	-	-	3
Transfers to/from other classes			-	-	-	25,040	(1,964)	(23,294)	(228)	(3)	(449)
Total Council Accumulated Depreciation of Property, Plant and Equipment			-	-	-	196,642	62,181	334,761	208,504	-	802,088
Total Council Net Book Value of Property, Plant and Equipment			88,458	271,039	27,328	278,588	57,603	814,704	653,555	3,800	2,195,075
Other Information											
Range of Estimated Useful Life (years)			Not depreciated	Not depreciated	Not depreciated	3-100 years	1-40 years	1.5-100 years	15-100 years	Not depreciated	
*Asset Additions Comprise											
Asset Renewals			-	-	-	1,849	-	27,801	223	-	29,873
Other Additions			-	-	-	10,304	-	74,527	2,363	-	87,594
Total Asset Additions			-	-	-	12,153	-	102,328	2,586	-	117,467

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2017

Note 10. Property, Plant and Equipment

Council - 30 June 2016										
	Capital Work in Progress	Land	Land Improvements	Buildings and Structures	Plant and Equipment	Roads, Bridges and Footpaths	Flooding and Drainage	Other Assets	Total	
Measurement Basis	\$'000 Cost	\$'000 Fair Value	\$'000 Cost	\$'000 Fair Value	\$'000 Cost	\$'000 Fair Value	\$'000 Fair Value	\$'000 Fair Value	\$'000	\$'000
Opening Gross Balance	62,334	271,939	18,624	385,357	109,045	1,092,015	761,833	4,838	2,705,985	
Correction to Opening Balances	-	(16,129)	-	11,353	-	(33,860)	-	-	(38,636)	
Additions*	-	4,399	5,373	21,067	15,925	68,804	13,548	344	129,460	
Contributed Assets	-	4,120	-	6	-	28,046	16,203	231	48,606	
Disposals	-	(517)	-	-	(6,377)	-	-	-	(11)	
Write-offs	-	(80)	(7)	(1,563)	(4,314)	(2,737)	-	(1,394)	(6,905)	
Revaluation increments to Equity (Asset Revaluation Surplus)	-	50	-	-	14,172	14,172	53,787	-	(10,095)	
Transfers to/from other classes	-	366	-	(390)	1,213	(1,094)	-	(303)	68,009	
Capital expenditure during the year	149,351	-	-	-	-	-	-	-	149,351	
Transfer from capital expenditure to additions and contributed assets	(156,073)	-	-	-	-	-	-	-	(156,073)	
Capital expenditure written off to expense	(3,258)	-	-	-	-	-	-	-	(3,258)	
Assets classified as held for sale	-	(1,100)	-	-	-	-	-	-	(1,100)	
Total Council Gross Value of Property, Plant and Equipment	52,354	263,048	23,990	415,830	115,492	1,165,346	845,371	3,705	2,885,136	
Opening Accumulated Depreciation	-	-	-	143,115	62,169	175,174	121,694	1,522	503,674	
Correction to Opening Balances	-	-	-	4,720	-	-	-	-	4,720	
Depreciation Expense	-	-	-	10,977	8,615	15,692	8,720	201	44,205	
Disposals	-	-	-	-	(4,244)	-	-	(7)	(4,251)	
Write-offs	-	-	-	(537)	(4,147)	(765)	-	(1,394)	(6,843)	
Revaluation increments to Equity (Asset Revaluation Surplus)	-	-	-	-	-	89,257	70,112	-	159,369	
Transfers to/from other classes	-	-	-	(24)	562	(407)	-	(310)	(179)	
Revaluation adjustment to income (capital income)	-	-	-	-	-	58,305	-	-	58,305	
Total Council Accumulated Depreciation of Property, Plant and Equipment	-	-	-	158,251	62,955	337,256	200,526	12	759,000	
Total Council Net Book Value of Property, Plant and Equipment	52,354	263,048	23,990	257,579	52,537	828,090	644,845	3,693	2,126,136	
Other Information										
Range of Estimated Useful Life (years)										
Not depreciated		Not depreciated		Not depreciated		1.5-100 years		15-100 years		Not depreciated
*Asset Additions Comprise										
Asset Renewals		-	-	-	4,117	-	18,564	1,036	-	23,717
Other Additions		-	-	-	9,556	-	69,339	25,241	-	104,136
Total Asset Additions		-	-	-	13,673	-	87,903	26,277	-	127,853

Ipswich City Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 10. Property, Plant and Equipment (continued)

(a). Recognition

Council's asset accounting policy has adopted an asset recognition threshold of \$1 for land assets, \$1,000 for all non-infrastructure assets other than land and \$10,000 for all infrastructure assets. Capital additions below these thresholds are accordingly treated as an expense in the year of acquisition.

(b). Measurement

Acquisitions of assets are initially recorded at cost. Subsequently, each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. Cost is determined as the fair value of the assets given consideration plus costs incidental to the acquisition, including freight in, architect's fees and engineering design fees and all other establishment costs. Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of assets are also included in their cost. Property, plant and equipment received in the form of contributions are recognised as assets and revenues at fair value where that value exceeds the recognition thresholds for the respective asset class.

(c). Depreciation

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, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

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

Where assets have separately identifiable significant 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.

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 remaining useful lives of these assets at each reporting date.

Ipswich City Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 10. Property, Plant and Equipment (continued)

(d). Impairment

Property, plant and equipment is assessed for indicators of impairment annually. If an indicator of possible impairment exists, the Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

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

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

(e). Valuation

Land, buildings and structures, artworks and infrastructure assets are measured on the revaluation basis, at fair value, in accordance with AASB 116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*. Land improvements, 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 five years. The valuer physically sights a representative sample of Council assets across all asset classes. The asset's condition assessment can be determined by either Council Engineers or by the valuer depending on the asset being valued. The remaining useful life is based on the condition or by assigning the actual remaining useful life based on replacement dates. In the intervening years, a desktop valuation is performed which involves Council providing updated information to the valuer regarding any additions and deletions. The valuer then determines suitable indices to apply to each of these assets.

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

Ipswich City Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 11. Fair Value Measurements

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities,

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly,

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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.

Infrastructure, Property, Plant and Equipment

Land (level 2)

Land was revalued during 2015 by Cardno (QLD) Pty Ltd using the fair market value approach. The fair value of land was valued using land indices which are derived from Cardno's assessment of movement in land prices based on sales evidence over the past 12 months. Level 2 valuation inputs were used to value land in freehold title 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.

Council has presented land on the basis which reflects highest and best use.

Buildings and Structures (level 3)

Buildings and structures were revalued formally using the current replacement cost method (including physical inspection) for the year ended 30 June 2017 as determined by Cardno (QLD) Pty Ltd valuers. Cardno (QLD) Pty Ltd's valuation methodology for buildings and structures included site visits and condition assessment on all buildings, except for a residential building at 812 Riverside Drive Pine Mountain, Rosewood Depot building, Rosewood Depot stores and the Rosewood Depot works office.

Where Council's buildings are held to provide essential services to the community and there is no active market for the 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 calculation for the current replacement cost method is based on Cardno's unit rate model with rates derived from Cardno databases, Rawlinson's rates for building and construction, building price index tables, scheduled rates for construction of asset or similar assets, and recent contract and tender data. Also, Cardno assessed the remaining useful life of buildings and structures with calculations based on recent condition data collected by Cardno.

Ipswich City Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 11. Fair Value Measurements (continued)

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

Infrastructure, Property, Plant and Equipment (continued)

Buildings and Structures (level 3) (continued)

In determining the level of accumulated depreciation the asset has been disaggregated into significant components which exhibit different useful lives. Allowance has been made for the typical asset life cycle and renewal treatments of each component 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.

While the unit rates based on square metres can be supported by recent construction costs, useful life, pattern of consumption and asset condition that are used to calculate accumulated depreciation comprise unobservable inputs. Where these other inputs are significant to the valuation the overall valuation has been classified as level 3.

Council has presented buildings and structures on the basis which reflects highest and best use.

Infrastructure assets (level 3)

Infrastructure assets capitalised in the current financial year are recognised at cost as Council believes this approximates the fair value of these assets at reporting date. Donated and contributed infrastructure assets are recorded at valuation. Council carried out an external valuation of roads, bridges and footpath assets based on current replacement cost as supplied by Cardno (QLD) Pty Ltd in June 2016. The current replacement cost is based on Cardno's unit rate model.

All other Council infrastructure assets were valued using current replacement cost (CRC). This valuation comprises the asset's current replacement cost 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.

Ipswich City Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 11. Fair Value Measurements (continued)

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

Infrastructure, Property, Plant and Equipment (continued)

Infrastructure assets (level 3) (continued)

The unit rates (labour and materials) and quantities applied to determine the current replacement cost (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 condition assessment of roads is undertaken by an external consultant and managed by Council's Asset Management Section. The assessment includes a visual condition assessment and roughness / rutting survey which is undertaken every four years across the entire network. The CRC was determined using methods relevant to the asset class as described under individual asset categories below.

Artwork (level 2)

Artworks are recorded as a sub-class of other assets. A desktop valuation for artworks was performed by Ross Searle and Associates as at the 30 June 2017. The result of the desktop valuation was not significant and therefore no indexation was applied. The last formal valuation of Council's artworks collection was undertaken by Ross Searle and Associates in June 2014.

Properties provided as security

Specific Council properties (being land and buildings located at 50 South Street Ipswich, 56 South Street Ipswich, 40 South Street Ipswich, 116 Brisbane Street Ipswich, 50 Nicholas Street Ipswich and 37 South Street Ipswich) which have a collective net fair value of \$66m is provided as security for the original \$50m loan between Council and Queensland Treasury Corporation. Council undertook this loan to finance the activities of Ipswich City Properties Pty Ltd in acquiring and redeveloping the Ipswich City Square. This redevelopment will be a significant contribution towards the revitalisation of the Central Business District (CBD) under the Ipswich Regional Centre Strategy.

Further loan details disclosed in Note 28 (f) Transactions with Related Parties.

Ipswich City Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 11. Fair Value Measurements (continued)

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

Infrastructure, Property, Plant and Equipment (continued)

1(a) Roads, Bridges, Footpaths and Drainage Network - Calculation of Current Replacement Cost

Roads and Footpaths

Current replacement cost (CRC)

Council categorises its road infrastructure into urban and rural roads and the further sub-categorises these into sealed and unsealed roads. Individual road segment lengths vary, however in general, urban roads are managed in segments of approximately 250m, while rural roads are managed in approximately 500m segments. All road segments are then componentised into formation, pavement and seal. Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

CRC is based on Cardno's unit rate model with rates derived from Cardno databases, Rawlinson's rates for building and construction, building price index tables, scheduled rates for construction of asset or similar assets, cost curves derived by Cardno, and recent contract and tender data. Individual road pavement depths vary, however in general, pavements are constructed to depths of approximately 670mm for high traffic areas and approximately 450mm for lower traffic locations. For internal construction estimates, material and services prices were based on existing supplier contract rates or supplier price lists and labour wage rates were based on Council's Enterprise Bargaining Agreement (EBA). All direct costs were allocated to assets at standard usage quantities according to recently completed similar projects. Where construction is outsourced, CRC was based on construction cost.

Council carried out an external valuation of road and footpath assets based on current replacement cost as supplied by Cardno (QLD) Pty Ltd in June 2016. In valuing roads Cardno has adopted the condition assessments as provided by Council engineers and valuations have been undertaken for different categories based on road type such as formation, pavement and seal. A desktop valuation for roads and footpaths was performed by Cardno's as at the 30 June 2017. The result of the desktop valuation was not significant and therefore no indexation was applied.

Accumulated Depreciation

In determining the level of accumulated depreciation, remaining useful lives were calculated based on either condition or by assigning the actual remaining useful life based on replacement dates provided by Council.

Ipswich City Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 11. Fair Value Measurements (continued)

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

Infrastructure, Property, Plant and Equipment (continued)

Roads and Footpaths (continued)

Accumulated Depreciation (continued)

Council engineers use the SMEC Pavement Condition Index (SMEC PCI) to describe the overall condition of a sealed road segment. SMEC PCI has a ranking of 10 for a road without defects and deducts points from this ranking depending on the annual average daily traffic and the level and type of distresses present, such as the National Association of Australian State Road Authorities (NAASRA) roughness count, percentage of the seal area cracked, percentage of the seal area with wide cracks, percentage of the seal area potholed, mean rut depth in millimetre, and percentage of the seal area ravelled.

Bridges

Current replacement cost (CRC)

A full valuation of bridges assets was undertaken by independent valuers, Cardno (QLD) Pty Ltd, effective 30 June 2016. In valuing bridges Cardno has adopted the condition assessments as provided by both council engineers and consultants. Each bridge is assessed individually, with the valuation varying according to the material type used for construction, the deck area, condition and modern equivalent asset.

The condition of vehicular bridges were last inspected June 2016 with the inspection carried out by a qualified engineering consulting firm (Pitt and Sherry). Pedestrian bridges have traditionally been inspected on a needs basis, however, Council are currently in the process of formulating new service standards and intervention levels for their proactive inspection in the future. Construction estimates were determined on a similar basis to roads and footpaths.

A desktop valuation for bridges was performed by Cardno's as at the 30 June 2017. The result of the desktop valuation was not significant and therefore no indexation was applied.

Accumulated Depreciation

In determining the level of accumulated depreciation, remaining useful lives were determined based on condition assessments.

Ipswich City Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 11. Fair Value Measurements (continued)

Valuation techniques used to derive Level 2 and Level 3 Fair Values (continued)**Infrastructure, Property, Plant and Equipment** (continued)**Flooding and Drainage Infrastructure***Current replacement cost (CRC)*

A full valuation of flooding and drainage assets was undertaken by independent valuers, Cardno (QLD) Pty Ltd, effective 30 June 2014. Flooding and drainage infrastructure was assessed by independent valuers, Cardno (QLD) Pty Ltd, effective 30 June 2017. The result of the desktop valuation was not significant and therefore no indexation was applied. Flooding and drainage assets are segmented from pit (structure) to pit (structure) regardless of length.

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

Accumulated depreciation

In determining the level of accumulated depreciation, drainage assets were disaggregated into significant components which exhibited different useful lives.

Estimates of expired service potential and remaining useful lives were determined on a straight line basis based on industry standard practices and past experience, supported by maintenance programs.

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2017

Note 12. Intangible Assets

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Intangible Assets are as follows;				
Software and Intellectual Property				
Opening Gross Carrying Value	39,539	66,168	39,539	66,168
Acquisitions	6,339	3,348	6,339	3,348
Asset Written off	-	(30,164)	-	(30,164)
Asset Transfer from Property, Plant and Equipment	-	187	-	187
Closing Gross Carrying Value	<u>45,878</u>	<u>39,539</u>	<u>45,878</u>	<u>39,539</u>
Opening Accumulated Amortisation	(18,363)	(42,985)	(18,363)	(42,985)
Amortisation charges	(5,815)	(5,366)	(5,815)	(5,366)
Asset Written off	-	30,142	-	30,142
Asset Transfer from Property, Plant and Equipment	-	(154)	-	(154)
Closing Accumulated Amortisation	<u>(24,179)</u>	<u>(18,363)</u>	<u>(24,179)</u>	<u>(18,363)</u>
Opening Software and Intellectual Property WIP	6,678	2,852	6,678	2,852
WIP Expenditure	6,302	7,174	6,302	7,174
Transfer to Additions	(6,339)	(3,348)	(6,339)	(3,348)
Written off to expense	(1,489)	-	(1,489)	-
Closing Software and Intellectual Property WIP	<u>5,152</u>	<u>6,678</u>	<u>5,152</u>	<u>6,678</u>
<u>TOTAL INTANGIBLE ASSETS - NET BOOK VALUE</u>	<u>26,851</u>	<u>27,854</u>	<u>26,851</u>	<u>27,854</u>

Intangible assets with a cost or other value exceeding \$5,000 are recognised as intangible assets in the financial statements, items with a lesser value are expensed. Impairment is assessed annually. Intangible assets have an estimated useful life of up to 10 years. Straight line amortisation has been used with no residual value.

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2017

Note 13. Payables

	Consolidated		Council	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Current				
Accrued Interest Expense	634	725	634	725
Creditors and Accruals	39,824	23,954	37,513	23,376
Annual Leave	5,846	5,742	5,846	5,742
Accrued Wages and Salaries	25	5	25	5
Retention Allowances	123	491	123	491
<u>TOTAL CURRENT PAYABLES</u>	<u>46,452</u>	<u>30,917</u>	<u>44,141</u>	<u>30,339</u>
Non-current				
Retention Allowances	74	74	74	74
<u>TOTAL NON-CURRENT PAYABLES</u>	<u>74</u>	<u>74</u>	<u>74</u>	<u>74</u>

Creditors are recognised when goods or services are received, at the amount owed. Amounts owing are unsecured and are generally settled on 30 day terms.

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.

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2017

Note 14. Borrowings

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Current				
Loans - Queensland Treasury Corporation	19,372	17,902	19,372	17,902
<u>TOTAL CURRENT BORROWINGS</u>	<u>19,372</u>	<u>17,902</u>	<u>19,372</u>	<u>17,902</u>
Non-current				
Loans - Queensland Treasury Corporation	233,436	242,591	233,436	242,591
<u>TOTAL NON-CURRENT BORROWINGS</u>	<u>233,436</u>	<u>242,591</u>	<u>233,436</u>	<u>242,591</u>

Reconciliation of Loan Movements for the year

Loans - Queensland Treasury Corporation

Opening Balance at 1 July	260,492	251,547	260,492	251,547
Loans Raised	10,000	25,000	10,000	25,000
Principal Repayments	(17,685)	(16,055)	(17,685)	(16,055)
Closing Balance at 30 June	<u>252,807</u>	<u>260,492</u>	<u>252,807</u>	<u>260,492</u>

The Queensland Treasury Corporation (QTC) loan market value at the reporting date was \$279,987,288. 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.

Council's debt policy for planned borrowings over the next nine years is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council aims to comply with QTC's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

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 15 December 2026 to 15 June 2032 (available from QTC Maturity Analysis). All loans are unsecured except for the loan to finance the activities of Ipswich City Properties Pty Ltd in which Council has provided security of real property to the net fair value of \$66m (refer to Note 11). Principal and interest repayments are made quarterly in arrears.

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

Ipswich City Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 15. Provisions

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Current				
Long Service Leave	12,809	13,152	12,809	13,152
Provision for Restoration Costs	1,054	-	1,054	-
<u>TOTAL CURRENT PROVISIONS</u>	<u>13,863</u>	<u>13,152</u>	<u>13,863</u>	<u>13,152</u>
Non-current				
Long Service Leave	1,644	1,744	1,644	1,744
Provision for Restoration Costs	-	1,054	-	1,054
Provision for Perpetual Care Fund	80	73	80	73
<u>TOTAL NON-CURRENT PROVISIONS</u>	<u>1,724</u>	<u>2,871</u>	<u>1,724</u>	<u>2,871</u>
Long Service Leave				
Opening Balance at 1 July	14,896	14,695	14,896	14,695
Additional Provision	2,212	2,200	2,212	2,200
Decrease due to Payments	(2,420)	(2,204)	(2,420)	(2,204)
Remeasurement due to Discounting	(235)	205	(235)	205
Closing Balance at 30 June	<u>14,453</u>	<u>14,896</u>	<u>14,453</u>	<u>14,896</u>

Where employees have met the prerequisite length of service and Council does not have an unconditional right to defer the liability beyond 12 months long service leave is classified as a current liability regardless of when the actual settlement is expected to occur. Based on past experience, Council does not expect all employees to take the full amount of accrued long service leave within the next twelve months. Otherwise it is classified as non-current.

The provision for long service leave is measured as the present value of the estimated future leave payments for which Council had an obligation to pay in respect of services provided by employees up to 30 June. The value of the liability is calculated using current pay rates and projected future increase in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment or other associated employment which would result in 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 as at 30 June are used to discount the estimated future cash outflows to their present value.

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2017

Note 15. Provisions (continued)

	Consolidated		Council	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000

Refuse restoration

The provision for refuse restoration includes the estimated cost of dismantling and removing the asset and restoring the site on which it is located. Amounts have been provided for future restoration costs of Whitwood Road and management estimates that the rehabilitation of the site is planned for 2017/18. The provision recognised for the landfill site is reviewed at least annually and updated based on the facts and circumstances available at the time and if material, restated in present values.

Note 16. Other Liabilities

Current				
Unearned Revenue	361	181	344	171
Developer Contributions	5,000	5,900	5,000	5,900
Refunds	152	11	152	11
<u>TOTAL CURRENT OTHER LIABILITIES</u>	<u>5,513</u>	<u>6,092</u>	<u>5,496</u>	<u>6,082</u>
Non-Current				
Developer Contributions	73,782	62,910	73,782	62,910
Other Liabilities	590	12	590	12
<u>TOTAL NON-CURRENT OTHER LIABILITIES</u>	<u>74,372</u>	<u>62,922</u>	<u>74,372</u>	<u>62,922</u>

Ipswich City Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 17. Asset Revaluation Surplus

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Movements in the asset revaluation surplus:				
Balance at beginning of financial year	567,487	658,845	549,924	641,282
Net adjustment to non-current assets at end of period to reflect a change in current fair value:				
Land	(4,590)	50	-	50
Buildings and Structures	(15,643)	-	(15,643)	-
Roads, Bridges and Footpaths	(1,069)	(75,084)	(1,069)	(75,084)
Flooding and Drainage	-	(16,324)	-	(16,324)
Balance at end of financial year	<u>546,185</u>	<u>567,487</u>	<u>533,212</u>	<u>549,924</u>

Asset revaluation surplus analysis

The closing balance of the Asset Revaluation Surplus comprises the following asset categories:

Land	116,343	120,933	103,370	103,370
Buildings and Structures	75,089	90,732	75,089	90,732
Roads, Bridges and Footpaths	-	1,069	-	1,069
Flooding and Drainage	354,154	354,154	354,154	354,154
Other Assets	599	599	599	599
Balance at end of financial year	<u>546,185</u>	<u>567,487</u>	<u>533,212</u>	<u>549,924</u>

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2017

Note 18. Commitments for Expenditure

	Consolidated		Council	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
(a) Capital Commitments (exclusive of GST)				
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:				
Property, Plant and Equipment				
Corporate Finance - IT Infrastructure	-	1,045	-	1,045
Health, Security and Regulatory Services - Infrastructure	-	2,210	-	2,210
Infrastructure Services - Infrastructure	16,161	13,610	16,161	13,610
Works Parks and Recreation - Infrastructure	1,165	6,502	1,165	6,502
Total Capital Commitments	17,326	23,367	17,326	23,367
These expenditures are payable as follows:				
Within the next year	14,885	14,268	14,885	14,268
Later than one year and not later than 5 years	2,441	9,099	2,441	9,099
Total Payable	17,326	23,367	17,326	23,367
(b) Operating leases (Non Cancellable)				
a. Minimum lease payments in relation to non-cancellable operating leases are as follows:				
Within one year	856	864	856	864
One to five years	760	620	760	620
	1,616	1,484	1,616	1,484
(c) Contractual commitments				
Contractual commitments at end of financial year but not recognised in the financial statements are as follows:				
Corporate Finance - Services Agreement #	3,806	13,058	3,806	13,058
Corporate Finance - Software Agreement	1,554	2,373	1,554	2,373
Community and Cultural - Event Management #	263	1,086	263	1,086
Corporate Services - Recruitment	1,410	4,150	1,410	4,150
Health, Security and Regulatory Services - Security	1,705	3,614	1,705	3,614
Works Parks and Recreation - Operations	13,360	17,920	13,360	17,920
Works Parks and Recreation - Waste Disposal	3,845	3,784	3,845	3,784
Total Contractual Commitments	25,943	45,985	25,943	45,985
These expenditures are payable as follows:				
Within the next year	15,619	26,008	15,619	26,008
Later than one year and not later than 5 years	10,324	19,977	10,324	19,977
Total Payable	25,943	45,985	25,943	45,985

Council has entered into a development agreement with Ipswich City Properties Pty Ltd for the revitalisation of the Central Business District (CBD).

Further commitment details disclosed in Note 28 (g) Transactions with Related Parties.

Ipswich City Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 19. Contingent Liabilities

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

Local Government Mutual

The Council is a member of the local government mutual liability self-insurance pool, Local Government Mutual (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 2017 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare

The Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$1,863,090.

Note 20. 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*.

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2017

Note 20. Superannuation (continued)

Council does not have any employees who are members of the CDBF and, therefore, is not exposed to the obligations, assets or costs associated with this fund.

The Regional DBF is a defined benefit plan as defined in AASB119. The Council is not able to account for the Regional DBF as a defined benefit plan in accordance with AASB119 because the scheme is unable to account to the Council for its proportionate share of the defined benefit obligation, plan assets and costs. The funding policy adopted in respect of the Regional DBF is directed at ensuring that the benefits accruing to members and beneficiaries are fully funded as they fall due.

To ensure the ongoing solvency of the Regional DBF, the scheme's trustee can vary the rate of contributions from relevant local government employers subject to advice from the scheme's actuary. As at the reporting date, no changes had been made to prescribed employer contributions which remain at 12% of employee assets and there are no known requirements to change the rate of contributions.

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

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

The most recent actuarial assessment of the scheme was undertaken as at 1 July 2015. The actuary indicated that "At the valuation date of 1 July 2015, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date."

In the 2015 actuarial report the actuary has recommended no change to the employer contribution levels at this time.

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

There are currently 65 entities contributing to the Regional DBF plan and any changes in contribution rates would apply equally to all 65 entities. Ipswich City Council made 4.66% of the total contributions to the plan in the 2016-17 financial year.

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

	Consolidated		Council	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
The amount of Superannuation Contributions paid by Council to the Scheme in this Period for the benefit of employees was:	9,477	9,141	9,449	9,141

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2017

Note 21. Associates

Council has incorporated the following Associates into its consolidated Financial Statements.

Net Carrying Amounts - Council's Share

Name of Entity	Nature of Relationship	Measurement Method	Principal Place of Business	Council's Share in %
Queensland Urban Utilities (QUU)	Associate	Equity	Brisbane	12.222%

	Consolidated		Council	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Reconciliation of the Carrying Amount				
Opening balance at 1 July	383,434	370,529	310,290	310,290
Share of Profit for the period	35,621	28,383	-	-
Share of Other Comprehensive Income	49	(34)	-	-
Dividends received and accrued	(20,151)	(15,444)	-	-
Closing balance at 30 June	398,953	383,434	310,290	310,290

		Queensland Urban Utilities	
		2017	2016
		\$'000	\$'000
Extract from the associate's statement of comprehensive income			
Revenue		1,382,101	1,269,590
Net Profit		291,449	232,231
Other Comprehensive Income		399	(281)
Total Comprehensive Income		291,848	231,950

Extract from the associates' statements of financial position

Current Assets		389,964	343,348
Non-Current Assets		5,410,712	5,290,142
Current Liabilities		307,127	289,758
Non-Current Liabilities		2,229,329	2,206,488
Net Assets		3,264,220	3,137,244
Share of associates net assets		398,953	383,434

Transactions with Associate

	2017	2016
	\$'000	\$'000
Amounts received or receivable by Council from associate	87	88
Amounts paid or payable by Council to associate	3,433	2,923
Tax received and receivable (QUU operates under a tax equivalent regime)	13,638	9,799
Participation returns received and accrued	20,151	15,444

All amounts are exclusive of GST.

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2017

Note 22. Trust Funds

	Consolidated		Council	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000

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	8,344	6,845	8,344	6,845
Security Deposits	13,446	13,299	13,446	13,299
	<u>21,790</u>	<u>20,144</u>	<u>21,790</u>	<u>20,144</u>

The Council performs only a custodial role in respect of these monies. As these funds cannot be used by the Council, they are not brought to account in these financial statements.

External trust fund monies include security and bond deposits lodged to guarantee performance, contract and tender deposits, election nomination and sign fees, proceeds from the sale of land for arrears of rates and unclaimed monies resulting from unpresented cheques.

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2017Note 23. Reconciliation of Net Result for the year to Net
Cash Inflow/(Outflow) from Operating Activities

	Consolidated		Council	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Net result	117,447	52,741	101,584	10,279
Non-cash items				
Depreciation and Amortisation	60,280	49,574	60,263	49,571
Non Cash Capital Grants and Contributions	(50,545)	(48,606)	(50,545)	(48,606)
	<u>9,735</u>	<u>968</u>	<u>9,718</u>	<u>965</u>
Losses/(Gains) recognised on fair value re-measurements through the P&L				
Loss recognised due to revaluation decrement exceeding the balance of infrastructure asset revaluation reserve	600	58,305	-	58,305
	<u>600</u>	<u>58,305</u>	<u>-</u>	<u>58,305</u>
Investing and development activities				
Net Losses/(Gains) on Disposal of Assets	(7)	(2,520)	193	(2,520)
Loss on Write-Off of Assets	3,488	3,276	3,488	3,276
Cash Capital Grants and Contributions	(21,946)	(24,716)	(21,946)	(24,716)
Share of Net (Profits)/Losses of Associates	(15,470)	(12,939)	-	-
Write-down of loan receivable to ICP Pty Ltd	-	-	-	34,071
	<u>(33,935)</u>	<u>(36,899)</u>	<u>(18,265)</u>	<u>10,111</u>
Changes in operating assets and liabilities:				
(Increase)/Decrease in Receivables	161	(9,024)	467	(6,835)
Increase/(Decrease) in Provision for Impairment	5	32	5	4
(Increase)/Decrease in Inventories	(613)	4,913	(173)	(116)
(Increase)/Decrease in Prepayments	(375)	660	(383)	675
Increase/(Decrease) in Payables	15,523	4,875	13,802	4,981
Increase/(Decrease) in Other Liabilities	10,884	12,811	10,864	12,869
Increase/(Decrease) in Provisions	(436)	201	(436)	201
	<u>25,149</u>	<u>14,468</u>	<u>24,146</u>	<u>11,779</u>
Net cash provided from/(used in) Operating Activities from the Statement of Cash Flows	<u>118,996</u>	<u>89,583</u>	<u>117,183</u>	<u>91,439</u>

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2017

Note 24. Correction of Error

Correction of Error/s relating to a Previous Reporting Period

During the 2017 financial year, Council undertook a review of the treatment for provision of infrastructure credits and infrastructure assets to be received in relation to the application of Australian Accounting Standards on certain aspects of Council's Infrastructure Agreements. It was identified that under AASB 1004 (Contributions), Revenue is to be recognised when the asset is received and under Council's control at fair value. Further, under AASB 1004, as the Infrastructure Agreements are non-reciprocal and there are no obligations for Council to transfer equivalent value under the agreements, the recognition criteria for a liability in relation to Infrastructure Credits outstanding are not met. The recognition criteria for a provision under AASB 137 Provisions, Contingent liabilities and Contingent Assets are also not met. In accordance with the results of this review, a prior period correction to eliminate the provision of infrastructure credits of \$13.4m and asset receivable of \$49.9m has been recorded.

Previously unrecognised building assets with a net book value of \$6.6m were recognised as a prior period correction. These building assets were identified during the 2016/2017 valuation by Council through the reconciliation process.

	Previous 30-Jun-16 \$'000	Correction	Restated 30-Jun-16 \$'000
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Reconciliation of Restated Comparatives
Financial Report Line Item / Balance affected**Statement of Comprehensive Income**

Grants, Subsidies, Contributions and Donations	93,755	(20,433)	73,322
Total Comprehensive Income	93,755	(20,433)	73,322

Statement of Financial Position

Property, Plant and Equipment	2,169,492	(43,356)	2,126,136
Total Non-Current Assets	2,169,492	(43,356)	2,126,136
TOTAL ASSETS	2,169,492	(43,356)	2,126,136
Provisions	(4,756)	3,324	(1,432)
Total Current Liabilities	(4,756)	3,324	(1,432)
Provisions	(24,707)	10,117	(14,590)
Total Non-Current Liabilities	(24,707)	10,117	(14,590)
TOTAL LIABILITIES	(29,463)	13,441	(16,022)
Net Community Assets	2,198,955	(56,797)	2,142,158
Retained Surplus	(1,868,989)	29,916	(1,839,073)
Total Community Equity	(1,868,989)	29,916	(1,839,073)

Ipswich City Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 25. Financial Instruments

Council has exposure to the following risks arising from financial instruments; (i) interest rate risk, (ii) credit risk, and (iii) liquidity risk.

Financial Risk Management

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

Council's policy and administration board 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.

Council does not enter into derivatives.

Credit Risk Exposure

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 the Council, except for the loan to finance the activities of Ipswich City Properties Pty Ltd. (Refer to Note 11.)

Ipswich City Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 25. Financial Instruments (continued)

	Consolidated		Council	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
The following table represents the maximum exposure to credit risk based on the carrying amounts of financial assets at the end of the reporting period:				
Financial Assets				
Cash and Cash Equivalents	114,376	101,419	108,751	97,969
Investment	474,053	435,534	385,800	362,800
Receivables - Rates	3,184	2,609	3,184	2,609
Receivables - Other	24,344	25,085	65,414	65,746
Total	615,957	564,647	563,149	529,124

Cash and Cash Equivalents

The Council may be exposed to credit risk through its investments in the Queensland Treasury Corporation (QTC) Cash Fund and Queensland Treasury Corporation (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. 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.

Investments

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

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 Councils operations, there is no geographical concentration of risk in the Council's area.

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2017

Note 25. Financial Instruments (continued)

	Consolidated		Council	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000

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

Receivables

Fully Performing	25,521	25,883	66,588	66,544
Past due:				
- Less than 30 days overdue	109	266	109	266
- 31 to 60 days overdue	20	37	20	37
- 61 to 90 days overdue	40	1,547	40	14
- Greater than 90 days overdue	1,882	-	1,882	1,533
- Impaired	(44)	(39)	(44)	(39)
Total	<u>27,528</u>	<u>27,694</u>	<u>68,595</u>	<u>68,355</u>

Liquidity Risk

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

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 8.

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2017

Note 25. Financial Instruments (continued)

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 \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total Contractual Cash Flows \$'000	Carrying Amount \$'000
Consolidated					
2017					
Payables	46,452	74	-	46,526	46,526
Loans - QTC	32,375	129,515	167,840	329,730	252,808
	<u>78,827</u>	<u>129,589</u>	<u>167,840</u>	<u>376,256</u>	<u>299,334</u>
2016					
Payables	30,917	74	-	30,991	30,991
Loans - QTC	31,536	126,151	190,966	348,653	260,493
	<u>62,453</u>	<u>126,225</u>	<u>190,966</u>	<u>379,644</u>	<u>291,484</u>
Council					
2017					
Payables	44,141	74	-	44,215	44,215
Loans - QTC	32,375	129,515	167,840	329,730	252,808
	<u>76,516</u>	<u>129,589</u>	<u>167,840</u>	<u>373,945</u>	<u>297,023</u>
2016					
Payables	30,339	74	-	30,413	30,413
Loans - QTC	31,536	126,151	190,966	348,653	260,493
	<u>61,875</u>	<u>126,225</u>	<u>190,966</u>	<u>379,066</u>	<u>290,906</u>

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

Ipswich City Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 25. Financial Instruments (continued)

Market Risk

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

Interest Rate Risk

The Council is exposed to interest rate risk through investments and borrowings with Queensland Treasury and/or 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 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 \$'000	Profit/Loss		Equity	
		1% increase \$'000	1% decrease \$'000	1% increase \$'000	1% decrease \$'000
Consolidated					
2017					
Financial Asset	135,874	1,359	(1,359)	1,359	(1,359)
Net	<u>135,874</u>	<u>1,359</u>	<u>(1,359)</u>	<u>1,359</u>	<u>(1,359)</u>
2016					
Financial Asset	121,586	1,215	(1,215)	1,215	(1,215)
Net	<u>121,586</u>	<u>1,215</u>	<u>(1,215)</u>	<u>1,215</u>	<u>(1,215)</u>
Council					
2017					
Financial Asset	130,249	1,303	(1,303)	1,303	(1,303)
Net	<u>130,249</u>	<u>1,303</u>	<u>(1,303)</u>	<u>1,303</u>	<u>(1,303)</u>
2016					
Financial Asset	118,125	1,181	(1,181)	1,181	(1,181)
Net	<u>118,125</u>	<u>1,181</u>	<u>(1,181)</u>	<u>1,181</u>	<u>(1,181)</u>

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2017

Note 26. National Competition Policy

Business activities to which the code of competitive conduct is applied

Ipswich City Council applies the competitive code of conduct to the following activities:

Building Certification Roads and Drainage

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

	Roads and Drainage 2017 \$'000	Roads and Drainage 2016 \$'000	Building Certification 2017 \$'000	Building Certification 2016 \$'000
Revenue for services provided to external clients	3,509	3,240	141	123
Community service obligations	-	-	123	120
	3,509	3,240	264	243
Less : Expenditure	(2,838)	(2,552)	(229)	(264)
Surplus/(Deficit)	671	688	35	(21)

Description of CSO's provided to business activities:

Activities	CSO Description	Actual \$'000
Planning and Development - Building Certification	Concession for building certification services for approved community groups	123

Ipswich City Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Controlled Entities that have not been Consolidated

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

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

Controlled Entities - Financial Results:**Controlled Entity**

2017	Interest in Ownership	Revenue	Expenses	Profit	Assets	Liabilities
	%	\$'000	\$'000	\$'000	\$'000	\$'000
- Ipswich Arts Foundation	100	90	466	(376)	39	12
- Ipswich Arts Foundation Trust	100	577	159	418	677	11
		<u>667</u>	<u>625</u>	<u>42</u>	<u>716</u>	<u>23</u>

Controlled Entity

2016	Interest in Ownership	Revenue	Expenses	Profit	Assets	Liabilities
	%	\$'000	\$'000	\$'000	\$'000	\$'000
- Ipswich Arts Foundation	100	112	142	(30)	415	12
- Ipswich Arts Foundation Trust	100	171	217	(46)	258	10
		<u>283</u>	<u>359</u>	<u>(76)</u>	<u>673</u>	<u>22</u>

Ipswich Arts Foundation

Ipswich Arts Foundation was established for the purpose of securing funds for the construction of Ipswich Art Gallery and associated ongoing program development, the enhancement of cultural relations between the Ipswich City Council and the community and the continued development of cultural facilities within the Ipswich region.

Ipswich Arts Foundation Trust

Ipswich Arts Foundation Trust was established for public charitable purposes and maintained solely for the purpose of providing money, property or benefits. Donations to the trust are deductible under Item I of the table in subsection 30-15(1) of the Income Tax Assessment Act 1997.

A management deed between the Ipswich Arts Foundation and the Trust provides for the Foundation to administer the Trust.

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2017

Note 28. Transactions with Related Parties

(a) Subsidiaries (ie. Entities and Operations controlled by Council)

Name of Operation/Entity	Interests in Subsidiary
Ipswich City Properties Pty Ltd	100% Ownership
Ipswich City Developments Pty Ltd	100% Ownership
Ipswich City Enterprises Pty Ltd	100% Ownership
Ipswich City Enterprises Investments Pty Ltd	100% Ownership
Ipswich Motorsport Park Pty Ltd	100% Ownership
Ipswich Arts Foundation	100% Ownership
Ipswich Arts Foundation Trust	100% Ownership

All amounts are exclusive of GST.

Transactions with Subsidiaries

	2017 \$000
Amounts received or receivable by Council from subsidiaries	
Administration and other services provided.	726
Licence fee and sale of office furniture.	842
Total	1,568
Amounts paid or payable by Council to subsidiaries	
Contribution, donation and other services.	52
Release of bond.	38
Total	90

All funding support given to subsidiaries was agreed to by the Council for the 2016-2017 financial year.

(b) Other Related Parties

Transactions between Council and other related parties were on an arm's length basis.

Transactions with Other Related Parties

	2017 \$000
Amounts received or receivable by Council from other related parties	
Administration services provided to Services Queensland.	5,663
Services provided to Ipswich Events Corporation.	69
Reimbursements.	32
Total	5,764

Ipswich City Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 28. Transactions with Related Parties (continued)

(b) Other Related Parties (continued)

Transactions between Council and other related parties were on an arm's length basis.

Transactions with Other Related Parties

	2017 \$000
Amounts paid or payable by Council to other related parties	
Customer and administration services provided by Queensland Partnership Group.	10,199
Event management services provided by Ipswich Events Corporation.	1,256
Purchase parcel of land for Linear Park Link project from related party of key management personnel on a commercial basis.	880
Contributions, sponsorship and donations.	186
Employee expenses for close family members of key management personnel.	111
Total	12,632

All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with the Award for the job they perform. The Council employs 1,070 staff of which only 2 are close family members of key management personnel.

(c) Associates

For details refer to Note 21 Associates.

(d) Key Management Personnel

Transactions with Key Management Personnel

Key management personnel consists of councillors (including mayor), chief executive officer, chief financial officer and chief operating officers who report directly to the CEO.

The compensation paid to Key Management Personnel comprises:

	2017 \$000
Short-Term Employee Benefits	3,668
Post-Employment Benefits	262
Long-Term Benefits	56
Total	3,986

Ipswich City Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 28. Transactions with Related Parties (continued)

(e) Outstanding Balances

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	2017 Receivables \$000
31-60 days	15
More than 90 days	11
Total	26

(f) Loans and Guarantees to/from Related Parties

	2017 \$000
Loan facility limit - Ipswich City Properties Pty Ltd	75,000
Loan facility limit - Ipswich City Development Pty Ltd	10,000
Loan facility limit - Ipswich Motorsport Park Pty Ltd	5,000
Total	90,000

For details of loans to related parties refer to Note 9 Receivables. Council does not receive loans from related parties. No guarantees have been provided.

(g) Commitments to/from Other Related Parties

	2017 Commitments \$000
Queensland Partnership Group - Shared Services Support Centre	3,806
Ipswich Events Corporation	263
Total	4,069

Council has entered into a development agreement with Ipswich City Properties Pty Ltd for the revitalisation of the Central Business District (CBD).

Ipswich City Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 28. Transactions with Related Parties (continued)

(h) Transactions with Related Parties that have not been disclosed

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

- Payment of rates
- Use of Councils civic, sporting and recreational facilities
- Dog registration
- Borrowing books from a Council library
- Parking fees and infringements

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

Note 29. Events Occurring After Balance Date

After balance date, the Crime and Corruption Commission charged the chief executive officer and one of the chief operating officers with official corruption and official misconduct, respectively. Council suspended both officers immediately after they were charged.

The Crime and Corruption Commission also charged the former Mayor, who resigned prior to balance date, with serious offences as well as charging a previous CEO as part of the investigation.

Court hearings for those charged are yet to take place. To the best of Council's knowledge at the date of this report, there is no material impact on this financial report.

Council has completed an independent governance review. The Mayor has accepted 19 recommendations for improved accountability and transparency. On 3 October 2017, an acting CEO commenced with the Council. The acting CEO is an experienced local government officer, who will work with the Mayor to implement the governance review recommendations.

Ipswich City Council

General Purpose Financial Statements for the year ended 30 June 2017

Management Certificate for the year ended 30 June 2017

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

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

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulations 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the General Purpose Financial Statements, as set out on pages 2 to 55, including the matters disclosed in Note 29 Events Occurring After Balance Date, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's and the Consolidated Entities transactions for the financial year and financial position at the end of the year.



Councillor Andrew Antonioli
MAYOR

27 November 2017



Gary Kellar
CHIEF EXECUTIVE OFFICER (ACTING)

27 November 2017

Ipswich City Council

General Purpose Financial Statements
for the year ended 30 June 2017

Audit Report
for the year ended 30 June 2017

Insert Audit Report here.

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Ipswich City Council

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of *Ipswich City Council* (the council) and its controlled entities (the group).

In my opinion, the financial report:

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

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

Basis for opinion

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

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

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

Emphasis of Matter

Without modifying my opinion, attention is drawn to Note 29 "Events occurring after balance date", which describes action taken by the Crime and Corruption Commission against the former mayor, two senior executives and a previous senior executive and Council's assessment of this matter on these financial statements..

Other information

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

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local

Government Regulation 2012, I have expressed a separate opinion on the current year financial sustainability statement.

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

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

Other Matters

The council is required to comply with the Local Government Regulation 2012. The requirements include completing their financial statements in sufficient time to allow the audit to be completed no later than four months after the end of the financial year. When extraordinary circumstances exist, the Minister for Local Government (the Minister) may decide later dates.

Council advised the Minister in late October of the circumstances outlined in Note 29 and requested additional time.

Council is awaiting the Minister's decision.

Responsibilities of the council for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the council's or group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.
- Conclude on the appropriateness of the council's and group's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's or group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council or group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the group. I remain solely responsible for my audit opinion.

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

Report on other legal and regulatory requirements

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

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



Brendan Worrall
Auditor-General



Queensland Audit Office
Brisbane

Ipswich City Council

Current Year Financial Sustainability Statement

for the year ended 30 June 2017

	Actual Consolidated 2017	Actual Council 2017	Target 2017
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Measures of Financial Sustainability

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

Performance Indicators

1. Operating Surplus Ratio

Net Result (excluding capital items) ⁽¹⁾	18.20%	11.62%	0 - 10%
Total Operating Revenue (excluding capital items) ⁽²⁾			

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

2. Asset Sustainability Ratio

Capital Expenditure on the Replacement of Assets (renewals) ⁽³⁾	67.74%	67.74%	more than 90%
Depreciation Expense			

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

3. Net Financial Liabilities Ratio

Total Liabilities less Current Assets	62.59%	61.73%	less than 60%
Total Operating Revenue (excluding capital items) ⁽²⁾			

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

Note 1 - Basis of Preparation

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

Ipswich City Council

Current Year Financial Sustainability Statement (continued)
for the year ended 30 June 2017

Measures of Financial Sustainability (continued)

Notes

- ⁽¹⁾ Includes only Recurrent Revenue and Recurrent Expenditure disclosed in the Income Statement. Excludes Capital Revenue Grants, Contributions, Donations and Subsidies received for capital acquisitions, Capital Income items such as Profit from the Sale of: Property, Plant and Equipment, Financial Assets, Real Estate and Investment Properties (refer to Note 5 for exclusions), and any Capital Expenditure such as Write Off of Assets, movements in Provisions for Restoration and Rehabilitation and Revaluation Decrements that hit the Statement of Comprehensive Income.
- ⁽²⁾ Includes only Recurrent Revenue disclosed in the Income Statement. Excludes Capital Revenue Grants, Contributions Donations and Subsidies received for capital acquisitions. Also excludes any Capital Income items such as Profit from the Sale of: Property, Plant and Equipment, Financial Assets, Real Estate and Investment Properties (refer to Note 5 for exclusions).

These ratios are the relevant measures of financial sustainability required to be reported under section 178(1) of the *Local Government Regulation 2012*.

Definitions are sourced from the Financial Management (Sustainability) Guideline issued by the Department of Local Government, Community Recovery and Resilience.

Ipswich City Council

Current Year Financial Sustainability Statement for the year ended 30 June 2017

Certificate of Accuracy for the year ended 30 June 2017

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

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



Councillor Andrew Antonioli
MAYOR

27 November 2017



Gary Kellar
CHIEF EXECUTIVE OFFICER (ACTING)

27 November 2017

Ipswich City Council

Current Year Financial Sustainability Statement for the year ended 30 June 2017

Audit Report for the year ended 30 June 2017

Insert Audit Report here.

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Ipswich City Council

Report on the Current-Year Financial Sustainability Statement

Opinion

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

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

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

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

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

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

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

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

Other Matters

The council is required to comply with the Local Government Regulation 2012. The requirements include completing their financial statements in sufficient time to allow the audit to be completed no later than four months after the end of the financial year. When extraordinary circumstances exist, the Minister for Local Government (the Minister) may decide later dates.

Council advised the Minister in late October of the circumstances outlined in Note 29 and requested additional time.

Council is awaiting the Minister's decision.

Responsibilities of the council for the current year financial sustainability statement

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

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

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

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



Brendan Worrall
Auditor-General

30 November 2017

Queensland Audit Office
Brisbane

Ipswich City Council

Current Year Financial Sustainability Statement for the year ended 30 June 2017

Audit Report for the year ended 30 June 2017

Insert Audit Report here.

Ipswich City Council

Long-Term Financial Sustainability Statement prepared as at 30 June 2017

	Target 2017	Actual 2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
							Forecast					

Measures of Financial Sustainability

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

Performance Indicators - Consolidated

1. Operating Surplus Ratio

Net Result (excluding capital items) ⁽¹⁾

Total Operating Revenue (excluding capital items) ⁽²⁾

0 - 10%	18.20%	0.62%	2.96%	3.30%	5.84%	8.94%	11.76%	13.68%	15.74%	17.86%	19.21%
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An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.

2. Asset Sustainability Ratio

Capital Expenditure on the Replacement of Assets (renewals) ⁽³⁾

Depreciation Expense

> 90%	67.74%	92.37%	92.81%	90.81%	96.93%	97.73%	102.03%	106.91%	108.29%	108.13%	103.52%
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An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.

3. Net Financial Liabilities Ratio

Total Liabilities less Current Assets

Total Operating Revenue (excluding capital items) ⁽²⁾

< 60%	62.59%	111.95%	117.83%	136.00%	119.97%	102.21%	85.01%	86.09%	66.77%	47.24%	36.53%
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An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.

Ipswich City Council

Long-Term Financial Sustainability Statement (continued)
prepared as at 30 June 2017

	Target 2017	Actual 2017	2018	2019	2020	2021	2022	Forecast 2023	2024	2025	2026	2027
Measures of Financial Sustainability (continued)												
Performance Indicators - Council												
1. Operating Surplus Ratio												
Net Result (excluding capital items) ⁽¹⁾	0 - 10%	11.62%										
Total Operating Revenue (excluding capital items) ⁽²⁾			0.62%	2.96%	3.30%	5.84%	8.94%	11.76%	13.68%	15.74%	17.86%	19.21%
An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.												
2. Asset Sustainability Ratio												
Capital Expenditure on the Replacement of Assets (renewals) ⁽³⁾	> 90%	67.74%	92.37%	92.81%	90.81%	96.93%	97.73%	102.03%	106.91%	108.29%	108.13%	103.52%
Depreciation Expense												
An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.												
3. Net Financial Liabilities Ratio												
Total Liabilities less Current Assets	< 60%	61.73%	111.95%	117.83%	136.00%	119.97%	102.21%	85.01%	86.09%	66.77%	47.24%	36.53%
Total Operating Revenue (excluding capital items) ⁽²⁾												
An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.												

Ipswich City Council

Long-Term Financial Sustainability Statement (continued) prepared as at 30 June 2017

Ipswich City Council Financial Management Strategy

Council measures revenue and expenditure trends over time as a guide to future requirements and to make decisions about the efficient allocation of resources to ensure the most effective provision of services. Council ensures that its financial 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.

Council aims to operate within a set of conservative guide-posts to ensure we are financially sustainable in the short, medium and long term. As part of our financial strategy, we have adopted seven key financial performance indicators to guide our financial health. In addition to the financial indicators, we have the above three sustainability indicators that have been set by the Department of Local Government, Community Recovery and Resilience to help monitor the long-term sustainability of all councils across Queensland. Throughout the financial year, these indicators are calculated and reported on monthly at Council meetings, as part of a full suite of financial reports. Should there be any deviation outside these parameters, the executive management and Council will be fully informed and may take corrective action as required.

The table above 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.

Notes

(1) Includes only Recurrent Revenue and Recurrent Expenditure disclosed in the Income Statement. Excludes Capital Revenue Grants, Contributions, Donations and Subsidies received for capital acquisitions, Capital Income items such as Profit from the Sale of: Property, Plant and Equipment, Financial Assets, Real Estate and Investment Properties (refer to Note 5 for exclusions), and any Capital Expenditure such as Write Off of Assets, movements in Provisions for Restoration and Rehabilitation and Revaluation Decrements that hit the Statement of Comprehensive Income.

(2) Includes only Recurrent Revenue disclosed in the Income Statement. Excludes Capital Revenue Grants, Contributions Donations and Subsidies received for capital acquisitions. Also excludes any Capital Income items such as Profit from the Sale of: Property, Plant and Equipment, Financial Assets, Real Estate and Investment Properties (refer to Note 5 for exclusions).

These ratios are the relevant measures of financial sustainability required to be reported under section 178(1) of the *Local Government Regulation 2012*.

Definitions are sourced from the Financial Management (Sustainability) Guideline issued by the Department of Local Government, Community Recovery and Resilience.

Ipswich City Council

Long-Term Financial Sustainability Statement

Certificate of Accuracy

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

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

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



Councillor Andrew Antonioli
MAYOR

27 November 2017



Gary Kellar
CHIEF EXECUTIVE OFFICER (ACTING)

27 November 2017



Cr Wayne Wendt
Ipswich City Council
Councillor for Division 5



28 November 2017

To: Chief Executive Officer

In accordance with Section 8 of Council's Subordinate Local Law No. 2.1 (Council Meetings) I hereby give notice of my intention to move the following motion at Council's Ordinary Meeting of Tuesday, 5 December 2017.

"That Council delegate authority to the Mayor and Acting Chief Executive Officer to take all, and any steps, and make decision as necessary concerning the employment of officers currently suspended from Council's employ."

Background:

Two senior officers of Council are currently suspended from duty pending the officers' response to Council's concerns in accordance with Council's Discipline Procedure.

Given the impending recess period of December 2017/January 2018, it may become necessary to take steps to progress the matters and, subject to those steps, to make a decision regarding to the industrial matters.

While no decisions have been made at this time, Council will need to provide capacity through appropriate delegations, to ensure that those matters can be addressed and decisions made in accordance with Council's policies, procedures and the officers' contracts of employment.

Signed:

Councillor Wayne Wendt

(Deputy Mayor)

Shop 1, Jacaranda Centre, 2-3 Jacaranda Street, East Ipswich QLD 4305

Tel: 07 3281 8700

Mobile: 0411 517 495

Email: wayne.wendt@ipswich.qld.gov.au

Web: ipswich.qld.gov.au

MINUTES OF SPECIAL COUNCIL MEETING

19 JANUARY 2018

Held in the Council Chambers, Administration Building

The meeting commenced at 12.06 pm

ATTENDANCE AT COMMENCEMENT	Councillor Antoniolli (Mayor), Morrison, Tully, Silver, Stoneman, Wendt (Deputy Mayor), Martin, Bromage, Pisasale, Ireland and Pahlke
ACKNOWLEDGEMENT OF COUNTRY	Councillor Silver
OPENING PRAYER	Councillor Pisasale
APOLOGIES AND LEAVE OF ABSENCE	Nil
OFFICER'S REPORT	<p>With reference to a "commercial in confidence" report to discuss the details analysis of the options available to Council in relation to a build/ own arrangement and the costs/ benefits of an alternative delivery model.</p> <p>Moved by: Councillor Antoniolli (Mayor)</p> <p>That in accordance with section 275(1)(a) of the <i>Local Government Regulation 2012</i>, the committee resolve to move into closed session at this time to discuss the Officer's report.</p> <p>Seconded by: Councillor Pisasale</p> <p>The motion was put and carried.</p> <p>The meeting moved into closed session at 12.07 pm.</p>
CONFLICT OF INTEREST Councillors Tully, Wendt (Deputy Mayor) and Antoniolli (Mayor)	<p>In accordance with section 173 of the <i>Local Government Act 2009</i>, Councillors Tully, Wendt (Deputy Mayor) and Antoniolli (Mayor) informed the meeting that they have, or could reasonably be taken to have, a perceived conflict of interest in the Officer's report.</p> <p>The nature of Councillor Tully and Antoniolli's (Mayor) interest is that they are directors of Ipswich City Properties Pty Ltd.</p> <p>The nature of Councillor Wendt's (Deputy Mayor) interest is that he is the shareholders representative of Ipswich City Properties Pty Ltd.</p> <p>Councillors Tully, Wendt (Deputy Mayor) and Antoniolli (Mayor) came to the conclusion that because of the relatively minor nature of the perceived conflict, they can properly participate in the discussion of the</p>

matter and vote in the public interest.

**DECLARATION FOR
NOTING
General Counsel and
City Solicitor**

In accordance with Council's Code of Conduct Mr Daniel Best (General Counsel and City Solicitor) informed the Council he is a Director of Ipswich City Properties Pty Ltd. The matter was declared for noting only.

At 1.36 pm the Council meeting was adjourned.

At 1.56 pm the meeting was recommenced.

Moved by: Councillor Silver

That the meeting move into open session.

Seconded by: Councillor Pisasale

The motion was put and carried.

The meeting moved into open session at 1.56 pm.

Moved by Councillor Morrison:

That the Chief Executive Officer be authorised to engage with EPC Pacific Ipswich 1 Pty Ltd (the Developer) and/or epc.Pacific Pty Ltd and Ipswich City Properties Pty Ltd (ICP) to negotiate and finalise the termination of the agreements of Ipswich City Council and ICP with the developer and to do any other acts necessary to implement Council's resolution in accordance with section 13(3) of the *Local Government Act 2009*.

Subject to the attainment of the above outcomes Council resolves to pay to the Developer an agreed amount in consideration of, amongst other things, the above and for the costs and expenses incurred by the Developer to date, including the following:

- preparation of plans and designs for the administration building;
- calling for, receiving and commencing review of construction tenders; and
- coordinating the consultants used to date to deliver aspects of the planning, design and coordination.

This resolution is without prejudice to the rights of Council and ICP to terminate the Development Agreement and the Agreement for Lease on their terms.

Seconded by: Councillor Silver

All Councillors were present when the vote was taken.

The motion was put and carried.

Councillor Bromage abstained from voting.

MEETING CLOSED

The meeting closed at 2.28 pm.

“These minutes are subject to confirmation at the next scheduled Council Ordinary Meeting”

Unconfirmed

INFRASTRUCTURE AND EMERGENCY MANAGEMENT COMMITTEE NO. 2018(01)

22 JANUARY 2018

REPORT

COUNCILLORS' ATTENDANCE: Councillor Bromage (Chairperson); Councillors Antonioli (Mayor), Wendt (Deputy Mayor), Morrison, Silver, Ireland, Stoneman (Observer), Martin (Observer), Pisasale (Observer) and Pahlke (Observer)

COUNCILLOR'S APOLOGIES: Nil

1. **INFRASTRUCTURE DELIVERY PROGRESS AS AT 8 JANUARY 2018**

With reference to a report by the Commercial Finance Manager dated 8 January 2018 concerning the delivery of the 2017-2018 Infrastructure Services Capital Works Portfolio.

RECOMMENDATION

That the report be received and the contents noted.

2. **UPCOMING EMERGENCY MANAGEMENT EXERCISE**

With reference to a report by the Emergency Management Officer dated 3 January 2018 concerning an upcoming emergency management exercise.

RECOMMENDATION

That the report be received and the contents noted.

3. **CONTRACT AWARD – 10947 SPRINGFIELD CENTRAL LIBRARY FITOUT**

With reference to a report by the Chief Operating Officer (Infrastructure Services) dated 9 January 2018 concerning the procurement and contract award of Contract No. 10947 Springfield Central Library Fitout as a result of the tender evaluation.

RECOMMENDATION

- A. **That Tender No. 10947 for the Springfield Central Library Fitout be awarded to IQ Construct under an AS2124 Lump Sum Contract.**

- B. That Council enter into a lump sum contract with IQ CONSTRUCT for the fitout of the Springfield Central Library for the sum of two million, eight hundred and forty one thousand and one hundred and eighteen dollars (\$2,841,118.00) excluding GST as per the proposed works as specified in the project documentation.
 - C. That the Chief Executive Officer be authorised to negotiate and finalise the terms of the contract to be executed by Council and to do any other acts necessary to implement Council's decision in accordance with section 13(3) of the *Local Government Act 2009*.
-

PROCEDURAL MOTIONS AND FORMAL MATTERS

The meeting commenced at 8.30 am.

The meeting closed at 8.54 am.

WORKS, PARKS AND SPORT COMMITTEE NO. 2018(01)

22 JANUARY 2018

REPORT

COUNCILLORS' ATTENDANCE: Councillor Antonioli (Chairperson and Mayor), Councillors Wendt (Deputy Mayor), Morrison, Silver, Bromage, Martin, Stoneman (Observer), Pisasale (Observer), Ireland (Observer) and Pahlke (Observer)

COUNCILLOR'S APOLOGIES: Nil

1. **DELEGATION REPORT - URBAN AND RURAL GREENING PROGRAM - 'GRANTING LICENCES AND PERMITS TO USE A PARK' - 1 OCTOBER 2017 TO 31 DECEMBER 2017**

With reference to a report by the Executive Assistant dated 2 January 2018 concerning the exercise of delegations which require the submission of a report as part of the conditions of delegation for "*Granting Licences and Permits to use a Park*" for the period 1 October 2017 to 31 December 2017.

RECOMMENDATION

That the report be received and the contents noted.

2. **MINUTES - SPECIAL SOLDIERS MEMORIAL HALL COMMITTEE MEETING HELD ON 15 NOVEMBER 2017**

With reference to a report by the Principal Officer (Technical Support) dated 3 January 2018 forwarding for Council's information the minutes of the meeting of the Special Soldiers Memorial Hall Committee held on Wednesday, 15 November 2017.

RECOMMENDATION

That the report be received and the contents noted.

3. **2017-2018 SPORTING EVENT SPONSORSHIP APPLICATIONS JANUARY 2018**

With reference to a report by the Sport and Recreation Officer dated 2 January 2018 concerning applications for Sporting Event Sponsorship in January 2018.

RECOMMENDATION

- A. That Council provide sponsorship to Ipswich Vigoro Association for the amount of \$2,700.00 (incl GST) in sponsorship for the 2018 Vigoro State Titles and that this amount be funded from the Sporting Event Sponsorship budget.

- B. That Council provide sponsorship to Run 2 Give Foundation for the amount of \$10,000.00 (incl GST) in sponsorship for the Greater Springfield Marathon and that this amount be funded from the Sporting Event Sponsorship budget.
-

4. 10791 – SUPPLY AND DELIVERY OF A TELEMATIC GPS SYSTEM

With reference to a report by the Acting Business Accounting and Asset Manager dated 5 January 2018 concerning the establishment of a contract from tender 10791 Supply and Delivery of a Telematics, Global Positioning System (GPS) and Fleet Management System.

RECOMMENDATION

That pursuant to section 257(1) of the *Local Government Act 2009*, Council delegate to the Chief Executive Officer, the power to exercise the powers of Council under Chapter 6, (Contracting) of the *Local Government Regulation 2012* in its capacity as a local government.

Conditions:

This delegation is subject to the following conditions:

1. This delegation does not authorise the Chief Executive Officer to exercise powers under the *Local Government Act 2009* if the *Local Government Act 2009* provides that the power must be exercised by resolution.
 2. When this power is exercised, a record of the exercise of the power shall be made in writing at the time of exercising such power, and a copy thereof shall be kept in such format as determined from time to time by the Chief Executive Officer.
 3. The recommendation in relation to the successful tender must be presented to Council at the first available meeting of Council, for Council's noting.
 4. The Chief Executive Officer may only exercise the powers granted under this delegation for the contract for the engagement of a preferred supplier for tender 10791 Supply and Delivery of a Telematics, Global Positioning System (GPS) and Fleet Management System.
 5. The Chairperson of the Works, Parks and Sport Committee, the Mayor and divisional Councillors are to be consulted before exercising the power under this delegation.
 6. This delegation expires on the 31 March 2018 or on the signing of the contract, whichever is the earlier date.
-

5. 10590 – SUPPLY AND DELIVERY OF LIGHT VEHICLES CONTRACT AWARD

With reference to a report by the Acting Business Accounting and Asset Manager dated 5 January 2018 concerning the establishment of a register of prequalified suppliers for 10590 Supply and Delivery of Light Vehicles.

RECOMMENDATION

- A. That, in accordance with s232 of the *Local Government Regulation 2012*, Council approve the establishment of a register of pre-qualified suppliers for the supply and delivery of light vehicles. The register is to be retained for a period of two (2) years with the option to extend the arrangement by two (2) x further, one (1) year periods. The register of pre-qualified suppliers is to include the following suppliers:

Q AUTOMOTIVE GROUP T/A BREMER FORD
Blue Ribbon Motors (Ipswich) Pty Ltd
Ross Llewellyn Motors Pty Ltd

- B. That Council resolve under s232(3)(a) of the *Local Government Regulation 2012*, that it is satisfied that the establishment of a register of pre-qualified suppliers for the supply and delivery of light vehicles is necessary on the basis that the preparation and evaluations every time the goods are required would be costly.
- C. The Council resolve under s232(7) of the *Local Government Regulation 2012*, that it is satisfied that the suppliers listed at recommendation D have the technical, financial and managerial capability necessary to perform contracts on time and in accordance with agreed requirements.
- D. That Council enter into a contract for the supply and delivery of light vehicles with the suppliers listed below for a period of two (2) years with the option to extend the contract by two (2) x further, one (1) year periods.

Tenderers
Portion 1
Q AUTOMOTIVE GROUP T/A BREMER FORD
Portion 2
Q AUTOMOTIVE GROUP T/A BREMER FORD
Blue Ribbon Motors (Ipswich) Pty Ltd
Ross Llewellyn Motors Pty Ltd

- E. That Council resolve, under s236(2) of the *Local Government Regulation 2012*, that it is satisfied that the exception for the disposal of valuable non-current assets, other than land, provided at s236(1)(d) of the *Local Government Regulation 2012*, applies to any disposal by Council of Council vehicles that qualify as valuable non-current assets by way of trade-in to the suppliers listed below as part of the contract for the supply and delivery of light vehicles.

- F. That the Chief Executive Officer be authorised to negotiate and finalise the term of the contract to be executed by Council and to do any other acts necessary to implement Council's decision in accordance with section 13(3) of the *Local Government Act 2009*.
-

PROCEDURAL MOTIONS AND FORMAL MATTERS

The meeting commenced at 9.06 am.

The meeting closed at 9.39 am.

CONSERVATION AND ENVIRONMENT COMMITTEE NO. 2018(01)

22 JANUARY 2018

REPORT

COUNCILLORS' ATTENDANCE: Councillor Silver (Chairperson); Councillors Antonioli (Mayor), Wendt (Deputy Mayor), Morrison, Bromage, Martin, Stoneman (Observer), Pisasale (Observer) and Pahlke (Observer)

COUNCILLOR'S APOLOGIES: Nil

1. **UPPER BLACK SNAKE CREEK REVEGETATION PROJECT FUNDED VIA THE RESILIENT RIVERS INITIATIVE – DIVISION 10**

With reference to a report by the Waterway Health Officer dated 15 December 2017 concerning the delivery of the Upper Black Snake Creek Improvement planting project funded via the South East Queensland Council of Mayors Resilient Rivers Initiative.

RECOMMENDATION

That Ipswich City Council develop a partnership agreement with Healthy Land and Water to govern and ensure the delivery of the revegetation project in the Black Snake Creek catchment in line with the Resilient Rivers Initiative agreement, as outlined in the report by the Waterway Health Officer dated 15 December 2017.

2. **FINDINGS AND RECOMMENDATIONS FROM THE GREEN ASSET AUDIT - CITYWIDE**

With reference to a report by the Waterway Improvement Officer dated 3 January 2018 concerning the findings and recommendations of the Green Assets audit. Green Assets refers to vegetated stormwater assets, including bio-retention basins and constructed wetlands.

RECOMMENDATION

- A. That Council accept the Green Asset Audit Report undertaken by Engeny, as detailed in Attachment A of the report by the Waterway Improvement Officer dated 3 January 2018, as a guiding document to inform the future asset management and maintenance of constructed stormwater quality assets across the City.
- B. That Council undertake the actions identified in Table 1 of the report by the Waterway Improvement Officer dated 3 January 2018.

- C. That the Chief Operating Officer (Works, Parks and Recreation) provide a follow up report outlining the status of the actions to a future Conservation and Environment Committee meeting in mid to late 2018.
-

3. RECREATIONAL TRAIL PROPOSAL – DIVISION 5

With reference to a report by the Nature-based Recreation Officer dated 16 December 2017 concerning a proposal to develop a new recreational trail network in the Muirlea area.

RECOMMENDATION

That the proposal to develop a new network of recreational trails at Muirlea, as outlined in the report by the Nature-based Recreation Officer dated 16 December 2017, be approved.

4. SUSTAINABILITY ADVISORY GROUP NOVEMBER 2017 MINUTES AND UPDATED TERMS OF REFERENCE

With reference to a report by the Executive Support and Research Officer dated 9 January 2018 attaching the minutes of the Sustainability Advisory Group meeting held on 14 November 2017 and updated Terms of Reference (TOR).

RECOMMENDATION

That the report be received and the contents noted.

PROCEDURAL MOTIONS AND FORMAL MATTERS

The meeting commenced at 9.49 am.

The meeting closed at 10.30 am.

LIBRARIES AND TOURISM COMMITTEE NO. 2018(01)

22 JANUARY 2018

REPORT

COUNCILLORS' ATTENDANCE: Councillor Pahlke (Chairperson); Councillors Antonioli (Mayor), Wendt (Deputy Mayor), Stoneman, Pisasale, Ireland, Morrison (Observer), Silver (Observer), Bromage (Observer) and Martin (Observer)

COUNCILLOR'S APOLOGIES: Nil

1. **COCKTAIL HOUR WITH ANDREW WINTER**

With reference to a report by the Library Services Manager dated 4 December 2017 concerning the Ipswich Libraries Cocktail Hour with Andrew Winter event.

RECOMMENDATION

That the report be received and the contents noted.

2. **IPSWICH LIBRARIES AUTHOR PROGRAMS – INDIE AUTHOR EXPO AND AN EVENING WITH JUDY NUNN**

With reference to a report by the Library Services Manager dated 15 November 2017 concerning Ipswich Libraries' Indie Author Expo and An Evening with Judy Nunn events.

RECOMMENDATION

That the report be received and the contents noted.

3. **IPSWICH LIBRARIES VOLUNTEER PROGRAM**

With reference to a report by the Library Services Manager dated 14 December 2017 concerning changes to the Ipswich Libraries Volunteer Program.

RECOMMENDATION

That the report be received and the contents noted.

4. REPORT ON TOURISM BRANCH SEPTEMBER 2017 QUARTER

With reference to a report by the Tourism Development Manager dated 3 January 2018 concerning the outputs and outcomes of the Tourism Branch as part of the Economic Development and Marketing Department for the quarter ending December 2017.

RECOMMENDATION

That the report be received and the contents noted.

PROCEDURAL MOTIONS AND FORMAL MATTERS

The meeting commenced at 10.13 am.

The meeting closed at 10.41 am.

ARTS AND COMMUNITY DEVELOPMENT COMMITTEE NO. 2018(01)

22 JANUARY 2018

REPORT

COUNCILLORS' ATTENDANCE: Councillor Stoneman (Chairperson), Councillors Antonioli (Mayor), Wendt (Deputy Mayor), Silver, Martin, Pisasale, Ireland, Morrison (Observer), Bromage (Observer) and Pahlke (Observer)

COUNCILLOR'S APOLOGIES: Nil

1. **AFFORDABLE HOUSING FORUM**

With reference to a report by the Social Policy and Strategy Manager dated 20 December 2017 concerning the inaugural Ipswich Affordable Housing Forum held on 8 December 2017.

RECOMMENDATION

That the report be received and the contents noted.

2. **CHANGE OF TRUSTEE OF THE IPSWICH ARTS FOUNDATION TRUST**

With reference to a report by the Director, Ipswich Art Gallery dated 12 December 2017 concerning the change of trustee of the Ipswich Arts Foundation Trust (IAFT).

RECOMMENDATION

- A. That Council repeal the previous decisions of Council as per Recommendation A, B and C in Item 1 of the Arts and Community Development Committee report No. 2017(02) of 8 November 2017, adopted at Council on 14 November 2017 and titled 'Amalgamation of Ipswich Arts Foundation and Ipswich Arts Foundation Trust', as detailed in Attachment A of the report by the Director, Ipswich Art Gallery dated 12 December 2017.
- B. That Council endorse the registration of a company limited by guarantee, being a public company incorporated under the *Corporations Act 2001* (Cth) ('the Company'), the name of the company being IA Foundation Ltd. In the event that ASIC advises that this name is unavailable, the Chief Operating Officer (Arts, Social Development and Community Engagement), in consultation with the Chief Executive Officer and the Chairperson of the Arts and Community Development Committee be authorised to approve an alternative name for the Company.
- C. That the constitution of the Company be that detailed in Item 2 of the Arts and Community Development Committee report No. 2017(01) of 9 October 2017 titled 'Change of Trustee of the Ipswich Arts Foundation Trust'.

- D. That Council approve the nomination of Councillor Andrew Antonioli and Councillor Charlie Pisasale as the two Council nominated Directors of the Board of the Company.
 - E. That Council approve the replacement of existing Trustees of the Ipswich Arts Foundation Trust with the Company.
-

3. REGIONAL ARTS DEVELOPMENT FUND (RADF) COMMITTEE APPOINTMENT

With reference to a report by the Community Grants Officer dated 8 December 2017 concerning appointment of a Councillor to the Regional Arts Development Fund (RADF) Committee.

RECOMMENDATION

That Council note the appointment of Councillor Kylie Stoneman to the Regional Arts Development Fund (RADF) Committee replacing Mayor Andrew Antonioli.

4. IPSWICH ARTS FOUNDATION TRUST – DONATION OF ART WORKS TO IPSWICH CITY COUNCIL

With reference to a report by the Director, Ipswich Art Gallery dated 6 December 2017 concerning the ratification of artworks and items of cultural significance acquired by the Ipswich Arts Foundation Trust for donation to Ipswich City Council's City of Ipswich Collection at the Ipswich Art Gallery in line with the City of Ipswich Collection Policy.

RECOMMENDATION

- A. That the artworks and items of cultural significance, as detailed in Attachment A to the report by the Director, Ipswich Art Gallery dated 6 December 2017, be accepted into the City of Ipswich Collection from the Ipswich Arts Foundation Trust.
 - B. That the values detailed in Attachment A to the report by the Director, Ipswich Art Gallery dated 6 December 2017 be recorded as assets of Council that contribute to the cultural development of the City of Ipswich.
-

5. COMMUNITY DEVELOPMENT GRANT APPLICATIONS – JANUARY 2018

With reference to a report by the Community Grants Officer dated 12 December 2017 concerning the allocation of Community Development Grants Program funds.

It was moved by Councillor Silver and seconded by Councillor Antonioli (Mayor) that in accordance with section 275(1)(h) of the *Local Government Regulation 2012*, the committee resolve to move into closed session to discuss Item 5 titled Community Development Grant Applications – January 2018.

The meeting moved into closed session at 11.29 am.

It was moved by Councillor Silver and seconded by Councillor Antoniolli (Mayor) and carried that the meeting move into open session. The meeting moved into open session at 12.10 pm.

RECOMMENDATION

Moved by Councillor Wendt (Deputy Mayor):

- A. That the application by World Harmony Society Inc. for funding under the Community Development Grants Policy, not be approved.

Seconded by Councillor Pisasale and carried.

Councillor Ireland abstained from voting on Recommendation A.

- B. That Council provide funding to the amount of \$900.00 (excl GST) to St Vincent de Paul Society Queensland towards the cost of equipment and resources for the Soccer Stars Program.
- C. That Council provide funding to the amount of \$2,145.00 (excl GST) to Cystic Fibrosis Queensland Ltd towards the support dinner for parents and caregivers of Cystic Fibrosis sufferers.
-

6. COMMUNITY DEVELOPMENT GRANTS PROGRAM – ACQUITTALS RECEIVED AS AT 19 DECEMBER 2017

With reference to a report by the Community Development Project Officer concerning Community Development Grant Acquittals received as at 19 December 2017.

RECOMMENDATION

That the report be received and the contents noted.

PROCEDURAL MOTIONS AND FORMAL MATTERS

The meeting commenced at 10.53 am.

The meeting closed at 12.15 pm.

NOTES

HEALTH, SECURITY AND COMMUNITY SAFETY COMMITTEE NO. 2018(01)

23 JANUARY 2018

REPORT

COUNCILLORS' ATTENDANCE: Councillor Ireland (Chairperson); Councillors Antonioli (Mayor), Wendt (Deputy Mayor), Pisasale, Pahlke, Morrison (Observer), Tully (Observer), Silver (Observer), Stoneman (Observer), Bromage (Observer) and Martin (Observer)

COUNCILLOR'S APOLOGIES: Nil

1. **DIGITAL PRODUCT DEVELOPMENT – BARKING DOG APP SOLUTION**

With reference to a report by the Manager (Animal Management) dated 11 January 2018 concerning progress on the development of digital product/s to support the barking dog response offered to community members by Council.

RECOMMENDATION

That the report be received and the contents noted.

2. **SYSTEMATIC INSPECTION PROGRAM 2017-2018 – REGISTRATION UPDATE**

With reference to a report by the Manager (Animal Management) dated 11 January 2018 concerning results of the first 2017-2018 systematic inspection program to identify unregistered dogs in the Local Government Area.

RECOMMENDATION

That the report be received and the contents noted.

3. **SAFE CITY CAPITAL WORKS PROGRAM – FINANCIAL YEAR 2017-2018**

With reference to a report by the Safe City and Corporate Security Manager dated 11 January 2018 providing an update on the capital works program for Safe City for the 2017-2018 financial year.

RECOMMENDATION

That the report be received and the contents noted.

4. HEALTH AND AMENITY PLAN 2017-2018 – MID YEAR REPORT

With reference to a report by the Acting Strategic Policy and Systems Manager dated 12 January 2018 concerning Council's Annual Compliance Strategy which is known as the "Health and Amenity Plan 2017-2018".

RECOMMENDATION

That the report be received and the contents noted.

5. HEALTH, SECURITY AND REGULATORY SERVICES MONTHLY ACTIVITY REPORT – DECEMBER 2018

With reference to a report by the Principal Officer (Business Operations) dated 10 January 2018 concerning the monthly update on the activities of the Health, Security and Regulatory Services (HSRS) Department including a year in review for 2017.

RECOMMENDATION

That the report be received and the contents noted.

6. LEASH TAG AND CARRY BAG CAMPAIGN UPDATE

With reference to a report by the Principal Officer – Marketing and Communication dated 8 January 2018 concerning the Leash, Tag and Carry Bag Campaign.

RECOMMENDATION

That the report be received and the contents noted.

PROCEDURAL MOTIONS AND FORMAL MATTERS

The meeting commenced at 8.30 am.

The meeting closed at 9.26 am.

PLANNING, DEVELOPMENT AND HERITAGE COMMITTEE NO. 2018(01)

23 JANUARY 2018

REPORT

COUNCILLORS' ATTENDANCE: Councillor Morrison (Chairperson); Councillors Antonioli (Mayor), Wendt (Deputy Mayor), Tully, Stoneman, Pahlke, Silver (Observer), Bromage (Observer), Martin (Observer), Pisasale (Observer) and Ireland (Observer)

COUNCILLOR'S APOLOGIES: Nil

1. **PROPOSED AMALGAMATION OF THE IPSWICH HERITAGE ADVISORY COMMITTEE AND THE MONUMENTS AND MEMORIALS COMMITTEE**

With reference to a report by the Strategic Planning Manager dated 18 December 2017 proposing the amalgamation of the Ipswich Heritage Advisory Committee and the Monuments and Memorials Committee.

RECOMMENDATION

- A. That the Ipswich Heritage Advisory Committee and the Monuments and Memorials Committee be amalgamated.
- B. That the new committee be named the Ipswich Heritage and Monuments Advisory Committee.
- C. That the membership of the new committee, as outlined in the report by the Strategic Planning Manager dated 18 December 2017, be adopted.

2. **COMBINED HERITAGE ADVISORY COMMITTEE MEETING NO. 203 AND MONUMENTS AND MEMORIALS COMMITTEE MEETING NO. 102**

With reference to a report by the Strategic Planning Manager dated 18 December 2017 attaching the minutes of the combined Heritage Advisory Committee (meeting number 203) and Monuments and Memorials Committee (meeting number 102) which were held on Thursday, 30 November 2017.

RECOMMENDATION

That the report be received and the contents noted.

3. INCLUSION OF A MORETON BAY FIG TREE IN SCHEDULE 2 - CHARACTER PLACES OF THE IPSWICH PLANNING SCHEME – DIVISION 5

With reference to a report by the Strategic Planning Manager dated 5 January 2018 concerning the proposed listing of a Moreton Bay Fig Tree located at 3 Roma Street, North Booval and the associated tree canopy and root system at 1 Roma Street, North Booval and 111 Jacaranda Street, North Booval in Schedule 2 – Character Places – Part 2 – Trees and Vegetation.

RECOMMENDATION

- A. That Council determine that the Moreton Bay Fig (*Ficus macrophylla*) located at 3 Roma Street, 1 Roma Street and 111 Jacaranda Street, North Booval :
1. is of cultural heritage significance; and
 2. satisfies the following criteria from Planning Scheme Policy 4 - Nominations for Character Places for entry in Schedule 2 - Character Places of the 2006 Ipswich Planning Scheme:
 - a) *The place demonstrates rare, uncommon or endangered aspects of the City's cultural heritage [Criteria b)].*
- B. That Council provisionally enter the tree at 3 Roma Street, North Booval and 1 Roma Street, North Booval in Schedule 2 - Character Places, Part 2 - Trees and Vegetation of the 2006 Ipswich Planning Scheme as a Character Place.
- C. That Council provisionally enter the tree in Schedule 2 – Character Places, Part 2 – Trees and Vegetation listing for 111 Jacaranda Street, North Booval, to include the tree canopy and root system of the Moreton Bay Fig Tree in the description and extent of significance.
- D. That written notice of the listings and listing amendment be given to the owners of the places in accordance with the requirements of Planning Scheme Policy 4 - Nominations for Character Places.
- E. That Public Notice of the proposed listings and listing amendment be given in accordance with the requirements of Planning Scheme Policy 4 - Nominations for Character Places.
-

4. RIPLEY VALLEY PRIORITY DEVELOPMENT AREA REVOCATION - PLANNING INSTRUMENT CHANGE PACKAGE

With reference to a report by the Strategic Planning Manager dated 5 January 2018 concerning the proposed planning instrument change to facilitate the transition of planning powers for the Ripley Valley Priority Development Area (Ripley Valley PDA) back to the Ipswich City Council, with development to be regulated by the Ipswich Planning Scheme and the *Planning Act 2016* upon revocation of priority development area status.

RECOMMENDATION

- A. That Council resolve to endorse the planning instrument change as detailed in Attachments C and D of the report by the Strategic Planning Manager dated 5 January 2018 pursuant to section 42 of the *Economic Development Act 2012*.
 - B. That the proposed planning instrument change be forwarded to the Minister for Economic Development Queensland for approval, prior to proceeding to public notification.
 - C. That the Strategic Planning Manager be requested to attend to all relevant matters associated with facilitating the proposed planning instrument change and undertaking public notification in accordance with section 42 of the *Economic Development Act 2012* including:
 - giving public notice of the proposed planning instrument change; and
 - preparation of a public response report.
-

5. TEMPORARY LOCAL PLANNING INSTRUMENT (TEMPORARY ACCOMMODATION OF EMPLOYEES OF THE SWICKERS KINGAROY BACON FACTORY AT WULKURAKA)

With reference to a report by the Strategic Planning Manager dated 10 January 2018 providing an update regarding the making of a Temporary Local Planning Instrument for temporary accommodation for employees of the Swickers Kingaroy Bacon Factory at Wulkuraka.

RECOMMENDATION

That Council resolve to write to the Minister for State Development, Manufacturing, Infrastructure and Planning advising that there is no longer a need for making Temporary Local Planning Instrument No.1 (Temporary Accommodation of Employees of the Swickers Kingaroy Bacon Factory at Wulkuraka) 2017.

6. PLANNING AND DEVELOPMENT DEPARTMENT QUARTERLY ACTIVITY REPORT – DECEMBER 2017

With reference to a report by the City Planner dated 12 January 2018 concerning the activities of the Planning and Development Department within the December Quarter 2017.

RECOMMENDATION

That the report be received and the contents noted.

7. PLANNING AND DEVELOPMENT DEPARTMENT, ANNUAL ACTIVITY REPORT – JANUARY TO DECEMBER 2017

With reference to a report by the City Planner dated 12 January 2018 concerning the activities of the Planning and Development Department from 1 January to 31 December 2017 inclusive.

RECOMMENDATION

That the report be received and the contents noted.

8. 01/2017 – LOCAL GOVERNMENT INFRASTRUCTURE PLAN AMENDMENT

With reference to a report by the Strategic Planning Manager dated 10 January 2018 concerning the State Government approved timeframe for the preparation of the Local Government Infrastructure Plan Amendment (LGIP Amendment) pursuant to the *Sustainable Planning Act 2009* (SPA).

RECOMMENDATION

- A. That Council resolve to request that the Minister for State Development, Manufacturing, Infrastructure and Planning extend the Local Government Infrastructure Plan preparation timeframe to 30 June 2018, as detailed in Attachment E to the report by the Strategic Planning Manager dated 10 January 2018.
 - B. That the Strategic Planning Manager be requested to attend to all relevant matters associated with making the request pursuant to Recommendation A.
-

9. EXERCISE OF DELEGATIONS REPORT

With reference to a report by the Development Planning Manager dated 12 January 2018 concerning applications determined by delegated authority.

RECOMMENDATION

That the report be received and the contents noted.

10. MODIFICATION-CHANGE APPLICATION MINOR – COMMERCIAL ESTABLISHMENT OF WASTE TREATMENT (COMPOSTING) OPERATION – 66-114 BLACKHEATH ROAD, SWANBANK – DIVISION 3

With reference to a report by the Development Planning Manager dated 12 January 2018 concerning a modification-change application minor for the commercial establishment of Waste Treatment (Composting) Operation at 66-114 Blackheath Road, Swanbank.

RECOMMENDATION

- A. That the applicant be advised that development permit 191/98 is changed as specified in Attachment A and be given a Change Application Decision Notice as specified in Attachment A.

ASSESSMENT – CHANGE APPLICATION ASSESSMENT REPORT

Condition (from original Decision Notice):

1. **Development Plan:**

- (a) The proposed development shall be undertaken generally in accordance with Plan No. 10116/6 A.
- (b) Compliance with all of the conditions of the rezoning, as they appear on the Plan of Development TP-61 /90 that attaches to the zoning of the subject land (copy attached), insofar as they are relevant to the subject application and as detailed in the following conditions.
- (c) This approval does not authorise sale of any product from the site. Any intended commercialised sale of product would require a further application for Impact Assessment to Council under the provisions of the Integrated Planning Act 1997.

Applicant's Requested Change:

The applicant has requested that part (a) of this condition be amended to reference an updated site plan that shows the relocation of the composting operations to a new location within the property.

The applicant has requested that part (c) of this condition be removed on the basis that the operator plans to transport the waste end-product to third party commercial operators.

Evaluation of Change:

The applicant's requested amendment to part (a) of the condition is considered reasonable and it is recommended that the condition be amended accordingly. An additional requirement for hardstand construction is also recommended for inclusion in this condition.

The applicant's requested amendment to part (c) of the condition is supported, insofar as it is not considered reasonable or necessary to restrict commercial sale of product from the site to third party users. However, retail or domestic sale and on-site point of sale are considered to be beyond the scope of this application, and as such it is recommended that restrictions on these sale methods remain. It is also considered reasonable that the total number of truck movements be limited to seven (7) per day, in accordance with the application material.

Condition (to appear in Change Decision Notice):

1. Development Plan:

- (a) The proposed development shall be undertaken generally in accordance with ~~Plan No. 10116/6 A~~ **Plan Number 01 Concept Plan** and generally in the location identified as 'green waste processing area' on Figure 3.2 'Waste processing locations and existing environmental monitoring points'. Further the applicant must:
 - (i) **construct the grey hatched area on Plan Number 01 Concept Plan of concrete, asphaltic concrete or equivalent materials approved by the assessment manager.**
 - (b) Compliance with all of the conditions of the rezoning, as they appear on the Plan of Development TP-61 /90 that attaches to the zoning of the subject land (copy attached), insofar as they are relevant to the subject application and as detailed in the following conditions.
 - (c) This approval does not authorise **retail or domestic** sale of any product from the site **or on-an site point of sale facility**. ~~Any intended commercialised sale of product would require a further application for Impact Assessment to Council under the provisions of the Integrated Planning Act 1997.~~
 - (d) **Truck movements to transport waste off site for commercial sale are limited to seven (7) truck movements per day.**
 - (e) **The applicant must maintain records of the material transported offsite for commercial sale (including type of material, volume (tonnes and cubic metres), and associated vehicle trips). Full records must be preserved by the applicant for a minimum period of five (5) years and provided to the Assessment Manager on a quarterly basis to demonstrate compliance with Condition 1(d).**

ATTACHMENT A – CHANGED APPLICATION DECISION NOTICE

1. Development Plan:

- (a) The proposed development shall be undertaken generally in accordance with ~~Plan No. 10116/6 A~~ **Plan Number 01 Concept Plan** and generally in the location identified as 'green waste processing area' on Figure 3.2 'Waste processing locations and existing environmental monitoring points'. Further the applicant must:
 - (i) **construct the grey hatched area on Plan Number 01 Concept Plan of concrete, asphaltic concrete or equivalent materials approved by the assessment manager.**
 - (b) Compliance with all of the conditions of the rezoning, as they appear on the Plan of Development TP-61 /90 that attaches to the zoning of the subject land (copy attached), insofar as they are relevant to the subject application and as detailed in the following conditions.

- (c) This approval does not authorise **retail or domestic** sale of any product from the site **or on-an site point of sale facility**. ~~Any intended commercialised sale of product would require a further application for Impact Assessment to Council under the provisions of the Integrated Planning Act 1997.~~
- (d) **Truck movements to transport waste off site for commercial sale are limited to seven (7) truck movements per day.**
- (e) **The applicant must maintain records of the material transported offsite for commercial sale (including type of material, volume (tonnes and cubic metres), and associated vehicle trips). Full records must be preserved by the applicant for a minimum period of five (5) years and provided to the Assessment Manager on a quarterly basis to demonstrate compliance with Condition 1(d).**

2. Transport, Traffic and Access:

- (a) Compliance with all the requirements of condition 2 (a), 2 (b), 2 (i), 2 (j) and 2 (l) of the rezoning approval, insofar as they are relevant to the operational aspects of the proposed development.
- (b) With regard to condition 2 (c) and 2 (d) of the rezoning approval, compliance with the following requirements of the Department of Main Roads:

Application of a contribution mechanism based on the percentage impact of axle loadings (ESAs) on the road network traversed related to the Department's annual maintenance allocations is to be applied. This amount is currently 20 cents per tonne delivered to the subject site and is to be calculated from weighbridge records which are to be submitted with a cheque to Main Roads on a half yearly basis (ie two payments in one financial year).

- (c) With regard to condition 2 (e) of the rezoning approval, B -double vehicles are not to be used in connection with the proposed development, except after written approval from the Department of Main Roads for the use of Swanbank Road as a B-double route. Details to be submitted, at the appropriate time, to the satisfaction of the Senior Development Engineer.
- (d) Compliance with all of the requirements of condition 2 (k) of the rezoning approval, which requires such measures to ensure that dirt, coal, dust and the like are not deposited on the Swanbank Road by vehicles gaining egress from the site. To this end, all vehicles gaining egress from the site are to pass through the wheelwash facility currently provided on site.

3. Infrastructure:

- (a) Compliance with all of the requirements of conditions 3 (a) and 3 (i) of the rezoning approval, insofar as they are relevant to the operational aspects of the proposed development.

- (b) A certification from a Geotechnical Engineer is to be provided, to the satisfaction of the Senior Development Engineer, to the effect that the development will not adversely effect the foundation conditions of the existing water main. Any damage caused to Council's water main, during construction or operation of the development, is to be repaired by Council at the applicant's expense.
- (c) With regard to compliance with the requirements of condition 3 (j) of the rezoning approval, details are to be provided in the form of documentary evidence from the relevant authorities, to the satisfaction of the Senior Development Engineer, prior to commencement of use on site.

4. Terms:

- (a) All references to RPEQ shall be a Registered Professional Engineer of Queensland, suitably qualified and experienced in the particular area of expertise required. Furthermore, the RPEQ required for the analysis and reporting for mining shall be experienced in the analysis of underground and surface mining within the Ipswich area.
- (b) All references to QUDM shall be the Queensland Urban Drainage Manual.

5. Mining Matters:

- (a) Compliance with all of the requirements of condition 4 (d) of the rezoning approval. To this end, a report is to be prepared by a qualified Engineer (RPEQ) experienced in Geotechnical Investigations and submitted to the satisfaction of, and for approval by the Senior Development Engineer prior to commencement of development on site. The Developer is to undertake all works recommended in the report that may be considered necessary by the Senior Development Engineer as a result of approval of that report.
- (b) Compliance with the requirements of condition 4 (e) of the rezoning approval, which requires that all materials on site that are currently burning or capable or sustaining combustion that are to be relocated from their present location, shall be disposed of in a manner that prevents oxygen access that will sustain further combustion of these materials. Details of the location for, and manner of disposal of these materials shall be submitted to the satisfaction of, and for the approved by the Health, Environment Protection and Sport Manager, prior to disposal of such materials.
- (c) In relation to (a) and (b) above, Conditions in Schedule G of the Environmental Authority Licence Number SR722 (G3 – G6) shall also be complied with.

6. Environmental Monitoring Programme

With regard to condition 5 (a) of the rezoning approval, compliance with the following requirement:

The Environmental Monitoring Programme currently operating on site is to be extended to cover the development the subject of this approval. A report on the results of the Environmental Monitoring Programme currently operating on site, or any other such monitoring program as approved by the Department of Environment, is to be submitted on an annual basis, to the satisfaction of the Health, Environmental Protection and Sport Manager.

7. General

- (a) With reference to any works, on land under other private ownership, written permission shall be obtained and forwarded to Council in regard to same. Similarly, written clearances shall be obtained after the works are completed unless otherwise accepted by the Senior Development Engineer.
- (b) All works required for this development shall take due regard of any and all existing services and, if considered necessary by the relevant authority or the Senior Development Engineer, such works shall be altered at the cost of the Developer.
- (c) Compliance with all of the requirements of condition 8 (a), 8 (b), 8 (g), 8 (j), 8 (m), 8 (n), 8 (p), 8 (s) of the rezoning approval, insofar as they are relevant to the proposed development. Details to be submitted to the satisfaction of and for approval by the Health, Environmental Protection & Sport Manager and the Senior Development Engineer, prior to commencement of development on site.
- (i) With regard to condition 8 (j) of the rezoning approval, the existing designated parking area on site shall be maintained to the requirements and satisfaction of the Senior Development Engineer.
- (ii) With regard to condition 8 (m) of the rezoning approval, the site fencing shall be maintained to the requirements and satisfaction of the Health, Environmental Protection & Sport Manager and Senior Development Engineer.
- (d) With regards to condition 8 (c) of the rezoning approval, compliance with the following requirements to the satisfaction of the Conservation & Parks Manager:
 - (i) Provision of a comprehensive rehabilitation plan for the site which is to include, but is not limited by, the following requirements:
 - Landscaping plan including detailed contours and other natural features.
 - Restoring drainage lines and gullies.
 - Erosion and sediment control.
 - Recovering of original top soils on the site.
 - Revegetation species.
 - Proposed land use after rehabilitation.

Please contact Council's Conservation and Parks Department for further details. Details are to be submitted to the satisfaction of and for approval by Council's Conservation and Parks Manager, for areas of the site requiring rehabilitation not the subject of a landfill cell, eighteen months prior to the expected final receipt of wastes in the final landfill cell in Stage 1.

- (ii) Further, the comprehensive rehabilitation plan required by item (i) above is to be generally in accordance with the following:
 - (a) the landform as generally indicated in the submitted 'Final Landuse Plan', as it appears in the 'Swanbank Landfill - Recreation Needs Study and Final Landuse Plan', prepared by Gillespies Asia Pacific, dated July 1996, or any other final landuse plan which may be approved by Council's Conservation and Parks Manager, and
 - (b) any rehabilitation requirements set down under the Environmental Authority, Licence No. SR772, or any subsequent document replacing that authority; and
Details are to be submitted to the satisfaction of and for approval by Council's Conservation and Parks Manager in accordance with the timing requirements of item (i) above.
- (iii) A suitable security is to be agreed upon to ensure the requirements of (i) and (ii) above are met. Such security may take the form of bonds held for rehabilitation by the Department of Environment, provided that the developer can provide, in writing from the relevant authority holding such bonds, that such funds being held by the relevant authority covers all of the rehabilitation requirements as detailed above in items (i) and (ii).
- (iv) The security referred to above shall not be relinquished until it can be demonstrated, to the satisfaction of the Conservation and Parks Manager and Senior Development Engineer, that the site has been rehabilitated in accordance with the rehabilitation plan. Written evidence from the relevant authority holding any bonds, guaranteeing the acceptability of this requirement is to be provided, prior to the commencement of the proposed use.
- (e) Progressive and post closure rehabilitation of the site, shall be in accordance with the rehabilitation plan and is to be completed to the satisfaction of the Conservation & Landscape Manager and Senior Development Engineer.
- (f) Compliance with all of the requirements of conditions 8 (e), 8 (h), 8 (k), 8 (n), 8 (o), 8 (r), 8 (t), 8 (u), 8 (y), and 8 (z) of the rezoning approval, insofar as they are relevant to the operational aspects of the proposed development.
- (i) Further, with regard to condition 8 (h), a copy of the landfill's Site Based Management Plan shall be forwarded to Council after it has been approved by the Department of Environment in respect to any required amendment for the Environmental Authority.

- (g) With regard to condition 8 (g), a copy of the final Operations Manual and Staff Training Program relevant to Stage 1 of the landfill, shall be provided to Council in respect to any changes required as a result of the development the subject of this approval, and shall be to the satisfaction of the Health, Environmental Protection & Sport Manager.
- (h) Compliance with all of the requirements of conditions 8 (r), of the rezoning approval, insofar as they are relevant to the operational aspects of the proposed development.

8. Stormwater, Erosion & Silt Management

- (a) The Developer shall provide all necessary stormwater drainage (both internal and external to the development) and such drainage works shall be designed and constructed in accordance with QUDM.
- (b) Unless specifically approved by Council in consultation with the owner of the adjoining land, the development shall be designed and constructed such that no ponding or redirection of stormwater occurs onto adjoining land.
- (c) The Developer shall comply with Condition 7 (a), 7 (b) and 8 (s) of the rezoning conditions which require all proposed site works including drainage to be prepared and submitted for approval prior to any construction work commencing on the site, and the provision of details of any agreement necessary to discharge waters downstream from the subject land.
- (d) The Developer shall comply with the Conditions in relevant Schedule of the Environmental Authority Licence which cover the requirements for stormwater management.

9. Contributions

- (a) The Developer shall pay, prior to commencement of the proposed use, the following amount to Council:

Road headworks = \$945 to be credited to Future Roads Headworks - Trust.

The above amount is valid if paid before 31 December 2000 after which it will be upgraded in accordance with Council's Roads Contribution Policy.

10. Sullage

All sewerage/sullage effluent shall be disposed of in a manner such that the effluent does not enter any adjoining premises, pond or cause a health nuisance. The system shall be constructed to the satisfaction of the Council's Building Manager.

11. Flammable and combustible liquids

All storage of flammable and combustible liquids (such as fuels, oils, solvents, thinners and manufactured products e.g. paints, polishes, adhesives etc) shall comply with the Building (Flammable and Combustible Liquids) Regulations 1994.

12. Compliance with Conditions

Unless otherwise stated all of the conditions shall be completed prior to commencement of the proposed use of the site, or as determined by Council.

13. Department of Environment requirements

(a) Compliance with the following requirements of the Department of Environment:

Provision of the following information for the approval and to the satisfaction of the Department of Environment:

- (i) details regarding likely materials to be utilised as 'feedstock';
 - (ii) details to adequately describe the hardstand areas, product storage areas and leachate collection system; and
 - (iii) details of the environmental management plan (including segregation procedures and guidelines) to ensure composting operations are not contaminated from the landfill facility.
- (b) In the event that Aboriginal origin, archaeological or historic sites, items or places are identified, located or exposed during the course of construction, the developer should cease all construction works and contact the Regional manager, Cultural Heritage, Department of Environment on (07) 3225 8426.

14. Vehicles and equipment used

All vehicles and equipment used for the collection, transportation and disposal of waste shall comply with the provisions of the Environmental Protection Act.

15. Hours of Construction

Unless otherwise approved in writing by Council, construction hours are to be confined to:

Monday to Friday 7.00 a.m. to 6.00 p.m.
Saturday 7.00 a.m. to midday
No work shall be undertaken on Sundays or Public Holidays.

16. Hours of Operation

Unless otherwise approved in writing by the Health, Environmental Protection and Sport Department manager hours of operation shall be:

Monday to Friday 6.00 a.m. to 6.00 p.m.
Saturday 6.00 a.m. to 4.00 p.m.
Sunday 7.00 a.m. to 4.00 p.m.

17. Minor alterations

Notwithstanding the requirements detailed in this approval, any other minor alterations and/or modifications acceptable to the Development Assessment Manager will suffice.

Furthermore, you are advised of the following:-

1. Condition 4 (a) of the rezoning approval states:

“4(a) – The land to which this approval relates has been worked by coal mining operations Council and its servants or agents accept no legal liability or responsibility for any loss or damage arising from the mining operations to person or property of whatsoever nature or howsoever caused as the direct or indirect consequence of the granting of the approval contained herein. Such approval has been granted at the request of the applicant and in reliance on material submitted by the applicant in support thereof.”

The developer’s previous acknowledgement of condition 4 (a) is noted.

2. Department of Environment

Further requirements may exist under and compliance will be required in accordance with the following legislation as administered by the Department of Environment:

- (a) *Environmental Protection Act 1994;*
- (b) *The Contaminated Land Act 1991; and*
- (c) Any other relevant legislation.

The Department of Environment have also advised the following with regard to the requirements of Condition 13 of the above approval.

Feedstock

Feedstock material is generally referred to as green wastes, sludge and other organic processing wastes. Care must be exercised to ensure only those regulated wastes permitted for use in the licence are utilised. Feedstock material is a broad categorisation and the properties of wastes within this category can vary greatly in relation to the generation of odour, leachate, vermin/animal attraction, etc.

In detailing feedstock material, information on the sourcing of organic wastes (particularly sewage sludge) should be provided to ensure that materials are not contaminated with heavy materials.

Hardstand Areas, Product Storage areas and Leachate Collection System

The hardstand, product storage areas and leachate collection system are cited as “within a bunded area initially to be located in the southern part of Lot 104”. The applicant will need to advise the Department of changes to the location of the hardstand and product storage areas and of the clay-lining in these new areas so as not to be in breach of current licence conditions.

The proposed clay-lined area is described as having a compacted clay base of 0.3 metres. Without knowing the permeability of the clay utilized, it is impossible to determine whether this thickness is sufficient. A compact clay base with a thickness of 0.6 metres with a permeability of 1×10^{-9} metres per second is recommended.

Mixing and Storage Areas

Information should be supplied with regard to the proximity of sensitive land uses (eg. residential areas), to the areas designated for composting mixing and storage of sewage sludge and other wastes. It should be determined whether the existing buffer distances are adequate.

Environmental Management

As the landfill operation is in close proximity to the composting operation, a clear environmental management plan should include segregation procedures and guidelines to ensure composting operations are not contaminated and detail corrective actions should contamination occur.

The environmental management plan should detail:

- dust, odour and litter control measures;
- measures to minimize vermin/animal attraction to the waste feedstock;
- firefighting and contingency measures;
- proposed number and size of windows;
- maintenance of buffer areas;
- product testing regime; and
- management of incompatible and unacceptable waste.

The EM plan should be consistent with the EM plan guide provided below. The proposal states, "the environmental monitoring program already in place for the existing operation will be relevant to the proposed composting activities". It should be noted that certain issues relating to the composting activities may require very different environmental management plans as stated in the licence (eg on-going process and final product testing are very different to monitoring of the landfill). Therefore a specific EM plan is required for the composting operation.

Environmental Management (EM) Plan Guideline

The purpose of an EM plan is to identify any potential environmental impacts and mitigation measures together with corrective action if an undesirable impact or unforeseen level of impact occurs.

The aims of the EM plan are to:

1. provide evidence of practical and achievable plans for the management of the project to ensure that environmental requirements are complied with, by producing an integrated planning framework for comprehensive monitoring and control of construction and operational impacts. Specific commitments on strategies and design criteria to be employed should also be given;
2. provide Local, State and Commonwealth authorities and the proponent with a framework to confirm compliance with their policies and requirements; and
3. provide the community with evidence of the management of the project in an environmentally acceptable manner.

An EM plan should be reviewed and periodically updated to reflect knowledge gained during the course of operations. Changes to the management plan should be implemented in consultation with the relevant authorities.

Essential components are:

- establishment of agreed performance criteria and objectives in relation to environmental and social impacts;
- detailed prevention, minimisation and mitigation measures for environmental impacts at specific sites;
- details of the proposed monitoring of the effectiveness of remedial measures against the agreed performance criteria in consultation with relevant government agencies and the community;
- details of the funding and implementation responsibilities for environmental management;
- timing of environmental management initiatives; and

- reporting requirements and auditing responsibilities for meeting environmental performance objectives.

The recommended structure of the EM plan is as follows

Element: Aspect of construction or operation.

Policy: The operational policy that applies to the element.

Performance Requirement: A performance requirement for each element of the operation.

Strategy: The things that will be implemented to achieve the performance requirement.

Monitoring: The monitoring requirements which will measure actual performance.

Reporting: Format, timing and responsibility for reporting and auditing of monitoring results.

Corrective Action: The action to be implemented in case a performance requirement is not reached and the person(s) responsible for action.

Please refer any enquiries to Pradesh Ramiah on (07) 3225 1061 or email Pradesh.ramiah@env.qld.gov.au.

3. Workplace Health and Safety

Workplace amenities shall be provided in compliance with the *Workplace Health and Safety Act* and Workplace Health and Safety Regulations as administered by the Department of Employment, Vocational Education, Training and Industrial Relations.

4. Outstanding conditions - Permitted Development Subject to Conditions approval

There are a number of outstanding conditions of the previous approval dated 20 September 1996. These matters have been previously raised with Thiess Environmental Services by letter dated 3 July 1997 and subsequently a further letter dated 22 September 1997. The following matters remain outstanding as at the date of this approval:

Condition 3(b)(i) - certification from a Geotechnical Engineer:

The certification required by this condition has not yet been received.

Condition 3 (d) - with regard to compliance with condition 3(j) of the rezoning approval:

Your submission with respect the timing of compliance with this condition (ie. agreement to be entered into with Queensland Electricity Commission) is to be provided.

The above matters are to be resolved within 30 days of the date of this notification.

3. The Developer is advised that any intended commercial sales to be carried out from the subject site will require further application to Council, which may result in a requirement for additional Road Contributions.

ATTACHMENT A

CONDITIONS ASSOCIATED WITH REZONING LAND AND SUBSEQUENT DEVELOPMENT

1. Prior to the Council making APPLICATION TO THE Minister for an amendment of the Town Plan:-
 - (a) The applicant shall within thirty (30) days of the date of notification of conditional approval of the application submit a Plan of Development representing the facts and circumstances of the proposed development endorsed with the conditions of this approval which shall become part of the Plan of Development for the proposed approval of Moreton Shire Council.
 - (b) The applicant shall within thirty (30) days of the date of notification of the Council's conditional approval of this application, provide to the Shire Clerk a complete list of further detailed studies required and matters requiring further detailed design in accordance with Section I . 5 of the Environmental Impact Study Report and subsequent reports relating to the rezoning application.
 - (c) The applicant shall provide to Council's satisfaction details of agreements reached with Mr J Curley to provide for continued access to land owned by him.
2. **Transport, Traffic, Access**
 - (a) All refuse shall be transported to the site by road.
 - (b) Access to the site shall be from Swanbank Road via the Cunningham Highway.
 - (c) Unless otherwise required or approved by the Moreton District Engineer, Queensland Department of Transport, prior to commencement of development on site the applicant shall upgrade Swanbank Road from the end of the existing constructed pavement to the Cunningham Highway ramp by performing the following work:-
 - (i) Repair failures, widen shoulders, extend culverts (where necessary) and full width reseal to 9.5 metres including the extension of culverts - Chainage 0 to 3850 metres, excluding bridges and floodway.
 - (ii) Repair and widen flood way to 9.5 metres (1.1550 to 1.950 metres).
 - (iii) Repair/replace joints and replace DWS in connection with 24 foot bridge.
 - (iv) Small bridge over 4 pipes on bend to be widened to Department bridge standard of 6.8 metres at (3. 100 metres).

- (v) Lengthen channellisation at on ramp and widen turn at off ramp.
- (d) Prior to commencement of works prescribed by Condition (2)(c) all roadworks and associated works and drainage shall be designed and constructed to the satisfaction of the District Engineer, Moreton District Office, Department of Transport.
- (e) Prior to commencement of the use, the operator shall provide a copy of the approval from the Department of Transport for the use of Swanbank Road as a B-double route to the satisfaction of the Shire Engineer.
- (f) Prior to commencement of development on site, the unsealed section of Swanbank Road shall be upgraded to the entry of the subject land to a 9.5 metre standard with a 9.5 metre sealed surface together with associated works and drainage to the requirements and satisfaction of the Shire Engineer (Present estimated value \$125 000 00).
- (g) Prior to commencement of development on site, the applicant shall seek and obtain written approval of all access construction works on Swanbank Road from the Shire Engineer in respect of Condition (2)(c) and (2)(d) and (2)(f) inclusive.
- (h) No public or unauthorised access to the site shall be permitted.
- (i) At such time as the traffic volumes associated with the landfill operation exceed 90 refuse vehicle movements per day and the vehicle movements of 30 employees. Council may require specific safety provision to be made for the pedestrians crossing Swanbank Road in the vicinity of Swanbank Power Station.
- (j) All refuse transport vehicles shall be approved refuse carriage vehicles pursuant to the Health Act 1937-1990.
- (k) Prior to commencement of the use, the applicant shall take such measures as may be approved in writing by the Shire Engineer to ensure that dirt, coal, dust and the like is not deposited on the Swanbank Road by vehicles gaining egress from the site.
- (l) Prior to commencement to the use all garbage haulage trucks shall be fitted with noise attenuation devices to the satisfaction of the Chief Environmental Health Officer.

3. **Infrastructure**

- (a) The applicant, operator and the holder of the licence under the Health Act shall at all times ensure that the rights of all easements on the site registered in favour of the Moreton Shire Council are protected.

- (b) Prior to commencement of development on site, the applicant shall relocate the existing Moreton Shire Council 300 millimetre diameter water supply delivery main from its present location through the Phase I area to a location approved by the Shire Engineer and grant an easement in favour of Moreton Shire Council for the control, operation and maintenance of the water main, free of cost to the Council. The design of the relocated main shall be adequate to maintain the approved hydraulic capacity of the water supply system. (Present estimated value \$441 000 00).
- (c) Prior to commencement of works to relocate and construct the water mains the applicant shall demonstrate to the written satisfaction of the Shire Engineer that stable foundations for the relocated main are provided.
- (d) Unless the Council and the Applicant agree to construct the ultimate size main required by this condition, the applicant shall within sixty (60) days of Moreton Shire notification of the decision to commence construction of the Stage 1 augmentation of the water supply scheme, contribute moneys to Moreton Shire for the increased cost of Stage 1 augmentation of the water supply delivery main directly resulting from relocation of the main easement.

Contribution shall be at the rate prevailing at the time of notification.

(Present estimated value of \$868 000).

- (e) Design and construction of all water supply mains shall be approved by and to the satisfaction of the Shire Engineer.
- (f) Contribution of \$19 883 00 for water supply services external to but servicing the site. Contribution shall be bonded before Council seeks gazettal and paid prior to lodgement of an application for Stage 1 of the landfill operations.
- (g) Prior to commencement of development on site, reticulated water from the Moreton Shire Scheme shall be connected to the site to the satisfaction of the Shire Engineer.
- (h) Prior to commencement of development on site, reticulated power shall be connected to the subject land.
- (i) The applicant, operator and the holder of the licence under the Health Act shall at all times ensure that the rights of all easements on the site in favour of the Queensland Electricity Commission are protected.
- (j) Prior to commencement of development on site, the applicant shall provide Council with details of any agreement reached with Queensland Electricity Commission for the relocation of the powerline which traverses the Phase 1 area.

4. **Mining Matters**

- (a) The land to which this approval relates has been worked by coal mining operations Council and its servants or agents accept no legal liability or responsibility for any loss or damage arising from the mining operations to person or property of whatsoever nature or howsoever caused as the direct or indirect consequence of the granting of the approval contained herein. Such approval has been granted at the request of the applicant and in reliance on material submitted by the applicant in support thereof.
- (b) Before commencement of development on site and prior to relinquishment of mining leases, the applicant, or holder of the licence under the Health Act shall obtain written agreement from the Department of Resource Industries to the terms and conditions that guarantee compliance with outstanding conditions of the leases prior to relinquishment of the current mining leases should the landfill rehabilitation not proceed. A written copy of that approval shall be provided to the Shire Clerk.
- (c) Prior to commencement of the use all mining leases shall be relinquished.
- (d) A site plan and layout shall be approved by the Council for each landfill stage in accordance with Part VIII of the schedule to the Town Plan. The site plan shall be based on the conditions of a comprehensive drilling program undertaken by an Engineer qualified in Mine Subsidence and Rock Mechanics designed to accurately determine the subsurface conditions in respect of abandoned underground mines heating and spontaneous combustion. The site plan shall be reviewed by a consultant to the Council at the expense of the person who has lodged the design. The site plan shall indicate the facts and circumstances of the application.
- (e) All materials on site that are currently burning or capable of sustaining combustion that are to be relocated from their present location, shall be disposed of in a manner that prevents oxygen access that will sustain further combustion of these materials. The location for the disposal of these materials shall be approved by the Chief Environmental Health Officer.

5. **Environmental Monitoring Programme**

Prior to lodgement of an application for Part VIII Approval for any stage of the landfill:

- (a) The applicant shall submit for the approval of the Department of Environment and Heritage, the Water Resources Commission and Moreton Shire Council an environmental monitoring programme which shall indicate:-
 - (i) parameters for baseline data studies;
 - (ii) procedures for implementing baseline data studies;
 - (iii) the methods of monitoring to ensure compliance with standards;
 - (iv) procedures for compliance with standards;
 - (v) back up procedures in the event of failure of procedures for compliance with standards;
 - (vi) time for continuation of monitoring after closure of the landfill operation.

For surface water condition underground water condition, leachate, landfill, gas, air condition, noise condition, odour condition, soil stability and the like.

For the purposes of this condition "standards" are those which the Department of Environment and Heritage and the Water Resources Commission and the Moreton Shire Council, shall from time to time prescribe the standards for the site. The applicant, operator or licence holder shall not exceed or permit to be exceeded the levels specified by the Department of Environment and Heritage, Moreton Shire Council and the Water Resources Commission.

6. Testing and Screening Procedures

Prior to commencement of development on the site, the applicant shall submit for Council approval a programme for quality assurance and quality control for the selection, testing, implementation and performance monitoring of the geomembrane, geomembrane seams, geomembrane liner installation and report annually to the Council on all matters of this programme.

- (b) Prior to commencement of construction of the landfill base, the operator shall demonstrate that the landfill base is free of any risk of spontaneous combustion by preparing representative test plots of not less than 0.5 hectare in area which still not develop temperatures in excess of 80 degrees Celsius measured at a depth of 1.0m below the HDPE liner over a period agreed as representing the time necessary to place and seal the surface with the basal liner, plus one month. A temperature monitoring system shall be installed 1.0m below the HDPE liner to monitor temperatures.

Construction techniques for the representative test plot shall be prepared and undertaken in a manner identical to that intended for the landfill base itself. The cost of representative base area testing shall be borne by the operator. Complete records of the representative base area tests shall be provided to the Council free of cost. At its discretion, Council may terminate or suspend the need for representative base area testing or alter the nature of the testing at its discretion, based on the results of past tests.

- (c) The applicant shall cause random independent inspections to be made of the screening process at the material handling facilities to ensure that no dumping of materials listed in Condition (8)(h) occurs. An annual report to the Chief Environmental Health Officer on those inspections and their results shall be provided.

7. Landfill Design, Construction and Operation

- (a) Designs for all proposed site works including drainage shall be prepared and submitted to the Shire Engineer and Chief Environmental Health Officer for their approval prior to any construction work commencing on the site.
- (b) Prior to commencement of the use, all conducted site works carried out shall be approved in writing by the Shire Engineer and the Chief Environmental Health Officer.

- (c) The composite liner and leachate collection system shall be designed to prevent escape of leachate into natural drainage systems.
- (d) No landfill shall take place in any areas where the specific energy of the base material is greater than 1MJ/kg to the satisfaction of the Chief Environmental Health Officer and Shire Engineer.
- (e) Unless an alternative proposal is approved by the Chief Environmental Health Officer, all cross sections and profiles of the landfill shall be constructed to a standard not in excess of those shown on Figure 2.6 of the Environmental Impact Study Report HOB0.
- (f) Unless an alternative proposal is approved by the Chief Environmental Health Officer, the landfill shall be constructed in accordance with the schematic section of landfill which is represented on figure 1.5 of the Environment Impact Study Report HOB0 254.
- (g) Unless otherwise required by the Chief Environmental Health Officer and Shire Engineer, the base material shall be thoroughly wetted immediately prior to placement of the HDPE liner.
- (h) Reject coalstone and carbonaceous shale shall not be used in intermediate or final cover material.
- (i) Prior to commencement of the use, the operator shall conduct, equip and maintain maintain a major fire fighting compaction and wet down water supply storage within or adjacent to the location of active landfill. The size and design of the storage facility shall be to the satisfaction of the Shire Engineer.
- (j) The applicant shall take immediate steps to the satisfaction of the Council to prevent any occurrence or recurrence of any fire in the landfill above or below the HDPE liner. In the landfill mass, fire shall be considered to be any occurrence which gives evidence of heat two metres below the surface of the final or intermediate cover which is in excess of 80 degrees Celsius.

8. **Miscellaneous**

- (a) Prior to commencement of any development on the site the applicant shall investigate and study those matters raised in the reports of Dr M Williams and SIMTARS contained in the Appendices to the Environmental Impact Study Report and report on them to Moreton Shire Council.
- (b) The applicant shall undertake a complete risk assessment on all data provided in respect of the first stage of Phase 1 of the proposal and a report or the assessment be provided to Moreton Shire Council.
- (c) Prior to commencement of any development on the site, a recreation needs study shall be undertaken by the applicant for Council's consideration to provide input to a final land use plan for the site. A final land use plan shall be submitted for the consideration and approval of the Council, prior to approval of the application for Part VIII Approval for Stage I of the landfill operation.

- (d) No construction works or earthworks shall be commenced on the site until an approval pursuant to Part VIII of the schedule to the Town Plan is sought and obtained.
- (e) The site, the subject of this approval shall not be used for the purposes of a lawful and ancillary activities unless a current licence held under the Health Act. The site shall be operated in accordance with the conditions of that licence by the holder of the licence.
- (f) The rezoning approval does not provide for the establishment of a community service facility (transfer station) on the site.
- (g) Unless otherwise approved by the Chief Environmental Health Officer only refuse that has been delivered to and processed through a materials handling facility of a type described in the Environmental Impact Study Report for this development shall be disposed of at the Swanbank site.
- (h) The substances which shall be excluded from the landfill site area.
 - (i) Liquid wastes.
 - (ii) Radioactive wastes.
 - (iii) Any explosive or flammable material including materials derived from grease, oil, tar, petroleum, shale or coal.
 - (iv) Any sludge or refuse material (unless it can be shown to be harmless) from any:-
 - (A) tanning or leather processing plant;
 - (B) petroleum or petrochemical plant;
 - (C) chemical plant;
 - (D) paint manufacturing plant;
 - (E) metal treatment plant;
 - (F) vegetable oil or mineral oil plant; and
 - (G) pharmaceutical or drug manufacturing plant.
- (v) Any material containing:-
 - (A) arsenic;
 - (B) cadmium;
 - (C) cyanide
 - (D) lead
 - (E) mercury
 - (F) selenium
 - (G) sulphide
- (vi) Any toxic inorganic material, including any soluble salt of the following:-
 - (A) barium
 - (B) boron
 - (C) chromium
 - (D) copper
 - (E) manganese
 - (F) silver

(G) zinc

- (vii) Any toxic organic material including any pesticide or weedicide, in particular any containing:—
- (A) chlorinated hydrocarbons
 - (B) fluorinated hydrocarbons
 - (C) organophosphates
 - (D) carbamates or thlocarbamates
 - (E) phenols
 - (F) acetone or its derivatives
- (viii) Any soluble acid or alkali or acidic or base compound unless it can be shown that it may be beneficial to the operation of the landfill.
- (ix) Any other substance which is hazardous or toxic in the opinion of the Chief Environmental Health Officer.
- (i) Prior to commencement of development on the site the operator shall submit with all designs for the landfill system including gas and leachate control, and independent expert review of the design free of cost to the Council.
- (j) Prior to commencement of the use provision shall be made on site for a designated parking area constructed to the requirements and satisfaction of the Shire Engineer to accommodate all employees vehicles and all other vehicles associated with the operation of the landfill.
- (k) The landfill operations shall at all times be confined to the approved site and conducted in accordance with the conditions of this approval.
- (l) The active tipping face shall be provided with a litter control device to prevent the spread of litter to the satisfaction of the Chief Environmental Health Officer.
- (m) The site shall be fenced to the requirements and satisfaction of the Chief Environmental Health Officer and Shire Engineer.
- (n) Wastes that require special treatment as determined by the Chief Environmental Health Officer shall be disposed of to the requirements and satisfaction to the Chief Environmental Health Officer.
- (o) Where topsoil is to be removed, it shall be stored and maintained in a manner to maximise its suitability and effectiveness for top cover.
- (p) Any bund designed to provide either an acoustic or amenity buffer shall be constructed and landscaped to the satisfaction of the Shire Planner, the Chief Environmental Health Officer and Shire Engineer.
- (q) The landfill shall be designed and constructed so that the water table is below the base level of the landfill to the satisfaction of the Chief Environmental Health Officer and Shire Engineer.

- (r) The applicant shall ensure that coal seams below the landfill are kept in an oxygen free state, to the satisfaction of the Chief Environmental Health Officer and Shire Engineer.
- (s) Prior to commencement of the use, the applicant shall provide details of any agreement necessary to discharge waters downstream from the subject land.
- (t) The landfill operation shall be conducted in a manner so that no prejudice or detriment is occasioned on the Swanbank cooling water dam, the Swanbank dam picnic area nor to the operation of the historic railway on the Swanbank loopline.
- (u) When the landfill operation is complete and the final land use has been established the area with the exception of gas and leachate control facilities and the like shall be suitable for public recreation purposes.
- (v) The applicant shall transfer free of cost to Council access restriction strips, 0.1 metres wide along the full frontages of the site with all roads except Swanbank Road.
- (w) The applicant shall cause the site to be amalgamated into one undivided registered title.
- (x) Prior to the Council making application to the Minister for amendment of the Town Plan, the applicant shall lodge all necessary survey plans to satisfy conditions (8)(v) and (w) above.
- (y) The applicant shall comply with the provisions of the Town Plan and all Council By-laws and Policies.
- (z) The landfill operation shall be undertaken in a manner that ensures the progressive rehabilitation of the site to the satisfaction of the Shire Planner.

9. **Security**

Prior to the Council making application to the Minister for an amendment to the Town Plan, and at the time of returning the executed deed of agreement referred to in Section 10, the applicant shall provide a bond for the sums set out below in a form satisfactory to the Council to secure the performance of the obligations and undertakings set forth as follows:-

<u>Item</u>	<u>Amount</u>
2(f)	\$125 000
3(b)	\$441 000
3(d)	\$868 000
3(f)	\$ 19 883
Total estimated	
Value of security	<u>\$1 453 833</u>

10. Legal

Prior to the Council making application to the Minister for an amendment of the Town Plan the applicant shall:-

- (a) enter into a Deed of Agreement with the Council and shall execute any further necessary documents to ensure the performance by the applicant of the obligations and undertakings contained in the conditions in Section 9;
 - (b) provide security in the manner set forth in Section 9; and
 - (c) pay the reasonable costs of the Council in respect of the preparation of the abovementioned documents.
-

11. COURT ACTION STATUS REPORT

With reference to a report by the Development Planning Manager dated 10 January 2018 concerning the status of outstanding court actions.

RECOMMENDATION

That the report be received and the contents noted.

12. DEVELOPMENT ASSESSMENT (DA) FEES AND CHARGES FOR THE RIPLEY VALLEY PRIORITY DEVELOPMENT AREA (PDA)

With reference to a report by the Development Planning Manager dated 10 January 2018 concerning a proposal for Council to charge its own standard Development Assessment (DA) administration fees within the Ripley Valley Priority Development Area (PDA) in lieu of a schedule of fees determined by the Minister of Economic Development Queensland (MEDQ).

It was moved by Councillor Wendt (Deputy Mayor) and seconded by Councillor Pisasale that in accordance with section 275(1)(g) of the *Local Government Regulation 2012*, the committee resolve to move into closed session to discuss Item 12 titled Development Assessment (DA) Fees and Charges for the Ripley Valley Priority Development Area (PDA).

The meeting moved into closed session at 9.54 am.

It was moved by Councillor Wendt (Deputy Mayor), seconded by Councillor Pisasale and carried that the meeting move into open session. The meeting moved into open session at 9.56 pm.

RECOMMENDATION

- A. That the City Planner be authorised to negotiate with the General Manager, Economic Development Queensland regarding the revision of the current delegation and the transfer to Economic Development Queensland (EDQ) all Part B fees accrued to date by Council within the Ripley Valley PDA subject to the Minister of Economic Development Queensland (MEDQ) granting approval for Council to utilise its standard fees and charges when assessing development applications within the Ripley Valley PDA.
 - B. That the Development Planning Manager be authorised to transfer to EDQ all Part B fees accrued to date by Council within the Ripley Valley PDA subject to the MEDQ granting approval for Council to utilise its standard fees and charges when assessing development applications within the Ripley Valley PDA.
-

13. PROPOSED MINISTERIAL DESIGNATION OF LAND FOR COMMUNITY INFRASTRUCTURE FOR GOODNA STATE SCHOOL

With reference to a verbal report by Councillor Tully concerning a letter received from the Department of Housing and Public Works outlining a proposed ministerial designation of land for community infrastructure for Goodna State School described as Lot 1 on SP234363 and Lot 5 on SL10819.

RECOMMENDATION

That Council make a submission to the Department of State Development, Manufacturing, Infrastructure and Planning to clarify the proposed drop-off and parking area adjacent to Stanley Street, Goodna.

It was moved by Councillor Tully, seconded by Councillor Morrison and carried that the recommendation be adopted.

PROCEDURAL MOTIONS AND FORMAL MATTERS

The meeting commenced at 9.34 am.

The meeting closed at 10.10 am.

NOTES

ECONOMIC DEVELOPMENT AND DIGITAL CITY COMMITTEE NO. 2018(01)

23 JANUARY 2018

REPORT

COUNCILLORS' ATTENDANCE: Councillor Tully (Chairperson); Councillors Antonioli (Mayor), Wendt (Deputy Mayor), Morrison, Martin, Pahlke, Silver (Observer), Stoneman (Observer), Bromage (Observer), Pisasale (Observer) and Ireland (Observer)

COUNCILLOR'S APOLOGIES: Nil

1. 2018 IPSWICH BUSINESS DEVELOPMENT PROGRAM

With reference to a report by the Senior Coordinator Local Business Growth dated 24 November 2017 concerning the 2018 Ipswich Business Development Program providing local businesses with access to a range of activities which support growth, productivity and capability.

RECOMMENDATION

- A. That Ipswich City Council support the 2018 Ipswich Business Development Program as detailed in the report by the Senior Coordinator Local Business Growth dated 24 November 2017.**
 - B. That the Economic Development Manager, in consultation with the Chairperson of the Economic Development and Digital City Committee, promote the positive benefits of this program to encourage local participation by local businesses.**
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2. EVENT SPONSORSHIP OF THE 2018 NETBALL QUEENSLAND STATE AGE CHAMPIONSHIP

With reference to a report by the Events and Engagement Officer dated 5 January 2018 concerning an application for event sponsorship by Netball Queensland for the State Age Championships to be held at Limestone Park from 7-10 July 2018.

In accordance with section 173 of the *Local Government Act 2009*, Councillors Antonioli (Mayor) and Ireland informed the meeting that they have, or could reasonably be taken to have, a perceived conflict of interest in Item 2 titled Event Sponsorship of the 2018 Netball Queensland State Age Championships.

The nature of Councillor Antonioli's interest is that his daughters play in the Ipswich Netball Association.

The nature of Councillor Ireland's interest is that her granddaughters play in the Ipswich Netball Association.

Councillor Ireland came to the conclusion that because of the relatively minor nature of the perceived conflict, she can properly participate in the discussion of the matter.

Councillor Antonioli (Mayor) came to the conclusion that because of the relatively minor nature of the perceived conflict, he can properly participate in the discussion of the matter and vote in the public interest.

RECOMMENDATION

That Council allocate event sponsorship of \$20,000.00 to Netball Queensland for the 2018 State Age Championships from the 2017-2018 Event Sponsorship Budget and maximise the associated economic, social and promotional opportunities associated with this event.

As Councillor Ireland is not a member of the Economic Development and Digital City Committee, she did not vote on the matter.

Councillor Antonioli (Mayor) and the majority of councillors entitled to vote, voted for the recommendation.

3. EVENT SPONSORSHIP OF THE 2018 IPSWICH ART AWARDS

With reference to a report by the Events and Engagement Officer dated 5 January 2018 concerning an application for event sponsorship by Ipswich Events Corporation on behalf of the Ipswich Art Awards held in conjunction with the 2018 Ipswich Festival.

In accordance with section 173 of the *Local Government Act 2009*, Councillors Wendt (Deputy Mayor) and Silver informed the meeting that they have, or could reasonably be taken to have, a perceived conflict of interest in Item 3 titled Event Sponsorship of the 2018 Ipswich Art Awards.

The nature of Councillor Wendt's (Deputy Mayor) interest is that he is a director of Ipswich Events Corporation.

The nature of Councillor Silver's interest is that she has received hospitality from Ipswich Events Corporation.

Councillor Wendt (Deputy Mayor) came to the conclusion that because of the relatively minor nature of the perceived conflict, he can properly participate in the discussion of the matter and vote in the public interest.

Councillor Silver came to the conclusion that because of the relatively minor nature of the perceived conflict, she can properly participate in the discussion of the matter.

OFFICER'S RECOMMENDATION

That Council allocate event sponsorship of \$6,000.00 to Ipswich Events Corporation for the 2018 Ipswich Art Awards from the 2017-2018 Event Sponsorship Budget and maximise the associated economic, social and promotional opportunities associated with this event.

STATEMENT OF REASONS

The committee agreed to increase event sponsorship to \$10,000.00 owing to the loss of a major sponsor from previous years and for the key role the Ipswich Art Awards holds in the Arts community.

COMMITTEE RECOMMENDATION

That Council allocate event sponsorship of \$10,000.00 to Ipswich Events Corporation for the 2018 Ipswich Art Awards from the 2017-2018 Event Sponsorship Budget and maximise the associated economic, social and promotional opportunities associated with this event.

As Councillor Silver is not a member of the Economic Development and Digital City Committee, she did not vote on the matter.

Councillor Wendt (Deputy Mayor) and the majority of councillors entitled to vote, voted for the recommendation.

4. EVENT SPONSORSHIP OF THE 2018 TAMIL NEW YEAR CELEBRATIONS

With reference to a report by the Events and Engagement Officer dated 5 January 2018 concerning an application for event sponsorship by Varnam Cultural Society (QLD) Inc for the 2018 Tamil New Year Celebrations (Chithirai Kalai Vizha) held on 28 April 2018.

RECOMMENDATION

That Council allocate event sponsorship of \$2,500.00 to Varnam Cultural Society (LQD) Inc for the 2018 Tamil New Year's Celebrations from the 2017-2018 Event Sponsorship Budget and maximise the associated economic, social and promotional opportunities associated with this event.

5. CONNECTED CITY LIGHTING PROJECT – A SMART CITY PROJECT

With reference to a report by the Executive Research Officer dated 11 January 2018 concerning the Connected City Lighting project. The purpose is to provide an update on the progress of Connected City Lighting, one of the projects within the Smart City Program.

RECOMMENDATION

That the report be received and the contents noted.

PROCEDURAL MOTIONS AND FORMAL MATTERS

The meeting commenced at 10.20 am.

The meeting closed at 10.50 am.

CITY MANAGEMENT, FINANCE AND COMMUNITY ENGAGEMENT COMMITTEE NO. 2018(01)

23 JANUARY 2018

REPORT

<u>COUNCILLORS' ATTENDANCE:</u>	Councillor Wendt (Chairperson and Deputy Mayor); Councillors Antonioli (Mayor), Morrison, Tully, Silver, Stoneman, Bromage, Martin, Pisasale, Ireland and Pahlke
<u>COUNCILLOR'S APOLOGIES:</u>	Nil
<u>OFFICERS' ATTENDANCE:</u>	Acting Chief Executive Officer (Gary Kellar), Chief Financial Officer (Andrew Roach), General Counsel and City Solicitor (Daniel Best), City Planner (John Adams), Chief Operating Officer (Health, Security and Regulatory Services) (Sean Madigan), Acting Chief Operating Officer (Works, Parks and Recreation) (Bryce Hines), Chief Operating Officer (Infrastructure Services) (Charlie Dill), Chief Operating Officer (Arts, Social Development and Community Engagement) (Caroline McMahon), Chief Operating Officer (Economic Development and Marketing) (Ben Pole), Finance Manager (Jeffrey Keech), Allan Roebuck (Executive Media Manager), Program Director Ipswich CBD Transformation (Luke Peereboom), Mayor's Executive Officer (Allison Grant) and Senior Advisor to the Mayor (Ben Hayward)
<u>OFFICER'S APOLOGIES:</u>	Nil

1. **DELEGATION REPORT - WRITE-OFFS AND REFUNDS FOR SUNDRY DEBT CHARGES –
1 OCTOBER 2017 TO 31 DECEMBER 2017**

With reference to a report by the Executive Assistant dated 2 January 2018 concerning the exercise of the delegation entitled 'Power to Approve Write-Offs and Refunds for Sundry Debt Charges' for the period 1 October to 31 December 2017.

RECOMMENDATION

That the report be received and the contents noted.

2. **CITY COUNTRY REFERENCE GROUP**

With reference to a report by the Community Development Project Officer dated 19 December 2017 forwarding for Council's information the minutes of the meeting of the City Country Reference Group held on 5 October (Meeting No. 95).

RECOMMENDATION

That the report be received and the contents noted.

3. ALLOCATION OF COMMUNITY DONATIONS TO 31 DECEMBER 2017

With reference to a report by the Community Grants Officer dated 18 December 2017 concerning the allocation of Community Donations.

RECOMMENDATION

That the report be received and the contents noted.

4. EXECUTIVE SECRETARIAT UPDATE

With reference to a report by the Acting Chief Executive Officer providing an update on the Chief Executive's Office for the month of December 2017.

RECOMMENDATION

That the report providing the activities of the Office of the Chief Executive Officer be received and the contents noted.

5. NANTOU COUNTY, HSINCHU COUNTY, SMART CITY DELEGATION 2018

With reference to a report by the Senior Advisor dated 12 January 2018 concerning an invitation by our Taiwanese Sister Cities (Hsinchu and Nantou Counties) to Mayor Andrew Antoniolli to lead a delegation to Taiwan (Republic of China) March 21-29 2018.

RECOMMENDATION

- A. That the proposed travel budget and itinerary for this outbound delegation be approved by Council.
 - B. That the Chief Operating Officer (Economic Development and Marketing) provide a smart city briefing package to the Mayor's Office in a format suitable for presentations and dissemination to external parties to promote smart city initiatives.
 - C. That the Chief Operating Officer (Economic Development and Marketing) provide an updated economic development briefing to the Mayor's Office for dissemination to external parties to promote the City of Ipswich's business sector.
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6. QUEENSLAND AUDIT OFFICE FINAL MANAGEMENT REPORT 2016-2017

With reference to a report by the Acting Chief Executive Officer providing an update on the audit of Council's financial statements for the 2016-2017 financial year.

RECOMMENDATION

That the Queensland Audit Office Final Management Report 2016-2017 be referred to Council's Audit and Risk Management Committee for consideration.

7. ROADS TO RECOVERY 2017-2018 CAPITAL BUDGET IMPLICATIONS REPORT

With reference to a report by the Commercial Finance Manager dated 15 January 2018 concerning the Roads to Recovery (R2R) grants program for 2017-2018 and its implications on Infrastructure Services Capital Portfolio Budget.

RECOMMENDATION

- A. That Strategies 1, 2 and 3, as detailed in the report by the Commercial Finance Manager dated 15 January 2018, be received and noted.
 - B. That consideration be given to the provision of additional funds of \$1.33 million in a future Council Budget Amendment.
-

8. CONSENT OF EASEMENTS OVER LAND, CENTRAL SEQ DISTRIBUTOR-RETAILER AUTHORITY, PROPOSED EASEMENT AH IN LOT 502 ON SP275522 - DIVISION 5

With reference to a report by the Senior Property Officer dated 19 December 2017 concerning the proposed Easement AH in Lot 502 on SP275522 in favour of Central SEQ Distributor-Retailer Authority on Council owned land located at Lot 502 Unnamed Road, Karalee.

RECOMMENDATION

- A. That Council resolve pursuant to section 236(2) of the *Local Government Regulation 2012* (the Regulation) that the exemption referred to in section 236 (1)(b)(i) of the Regulation applies to Council for the disposal of the easement interest in Lot 502 on SP275522 ("the land"), by way of a new easement arrangement between Council and Central SEQ Distributor-Retailer Authority.
- B. That Council agree to grant Easement AH, as detailed in the report by the Senior Property Officer dated 29 November 2017, to Central SEQ Distributor-Retailer Authority for water supply purposes over part of Lot 502 on SP275522 located at Lot 502 Unnamed Road, Karalee.
- C. That Council agree to the compensation amount of \$1.00, payable to Council, as proposed by Central SEQ Distributor-Retailer Authority, for Council granting to Central SEQ Distributor-Retailer Authority, Easement AH for water supply purposes, over part of Lot 502 on SP275522, located at Lot 502 Unnamed Road, Karalee, as detailed in the report by the Senior Property Officer dated 29 November 2017.

- D. That the Chief Executive Officer be authorised to negotiate and finalise the terms of the proposed Easement as detailed in Recommendations B and C of the report by the Senior Property Officer dated 29 November 2017, and do any other acts necessary to implement Council's decision in accordance with section 13(3) of the *Local Government Act 2009*.
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9. CONTROLLED ENTITIES - 2016-2017 AUDITED FINANCIAL STATEMENTS

With reference to a report by the Treasury Accounting Manager dated 22 December 2017 concerning 2016-2017 audited Financial Statements for Ipswich City Council's (Council) controlled entities.

In accordance with section 173 of the *Local Government Act 2009*, Councillors Antonioli (Mayor), Wendt (Deputy Mayor), Morrison and Tully informed the meeting that they have, or could reasonably be taken to have, a perceived conflict of interest in Item 9 titled Controlled Entities – 2016-2017 Audited Financial Statements.

The nature of Councillor Antonioli's (Mayor) interest is that he is a director of Ipswich City Properties Pty Ltd.

The nature of Councillor Wendt's (Deputy Mayor) interest is that he is the Shareholder's Representative for Ipswich City Properties Pty Ltd, Ipswich City Developments Pty Ltd, Ipswich City Enterprises Pty Ltd and Ipswich Motorsport Park Pty Ltd.

The nature of Councillor Morrison's interest is that he is a director of Ipswich Motorsport Park Pty Ltd.

The nature of Councillor Tully's interest is that he is a director of Ipswich City Properties Pty Ltd, Ipswich City Developments Pty Ltd, Ipswich City Enterprises Pty Ltd, Ipswich Motorsport Park Pty Ltd and Ipswich City Enterprises Investments.

Councillors Antonioli (Mayor), Wendt (Deputy Mayor), Morrison and Tully came to the conclusion that because of the relatively minor nature of the perceived conflicts, they can properly participate in the discussion of the matter and vote in the public interest.

Chief Financial Officer (Andrew Roach) informed the Council that in relation to Item 9 titled Controlled Entities – 2016-2017 Audited Financial Statements that he is a director and company secretary of Ipswich City Properties Pty Ltd, a director of Ipswich City Developments Pty Ltd, Ipswich City Enterprises Pty Ltd, Ipswich Motorsport Park Pty Ltd and company secretary of Ipswich City Enterprises Investments. The matter was declared for noting only.

General Counsel and City Solicitor (Daniel Best) informed the Council that in relation to Item 9 titled Controlled Entities – 2016-2017 Audited Financial Statements that he is a director of Ipswich City Properties Pty Ltd, Ipswich City Developments Pty Ltd, Ipswich City Enterprises Pty Ltd and Ipswich City Enterprises Investments. The matter was declared for noting only.

RECOMMENDATION

That the report be received and the contents noted.

Councillors Antonioli (Mayor), Wendt (Deputy Mayor), Morrison, Tully and the majority of councillors entitled to vote, voted for the recommendation.

10. CUSTOMER SERVICE ACTIVITIES STATUS REPORT – DECEMBER 2017

With reference to a report by the Strategic Client Office Manager dated 10 January 2018 concerning customer service delivery activities for the period 1 November to 31 December 2017.

RECOMMENDATION

That the report be received and the contents noted.

11. OVERDUE RATES AND CHARGES: OCTOBER-DECEMBER 2017 QUARTER

With reference to a report by the Recoveries Manager dated 3 January 2018 concerning rate arrears and rate collection statistics for the period October - December 2017.

RECOMMENDATION

That the report be received and the contents noted.

12. MONTH-END PERFORMANCE – NOVEMBER 2017

With reference to a report by the Finance Manager dated 18 December 2017 concerning Council performance for the period ending 30 November 2017, submitted in accordance with section 204 of the *Local Government Regulation 2012*.

RECOMMENDATION

That the report be received and the contents noted.

13. 2018-2019 FINANCIAL SUSTAINABILITY MODELLING AND LONG TERM FINANCIAL FORECAST

With reference to a report by the Treasury Accounting Manager dated 21 December 2017 concerning the 2018-2019 Financial Sustainability Modelling and Long Term Financial Forecast (LTFF).

It was moved by Councillor Bromage and seconded by Councillor Ireland that in accordance with section 275(1)(c) of the *Local Government Regulation 2012*, the committee resolve to move into closed session to discuss Item 13 titled 2018-2019 Financial Sustainability Modelling and Long Term Financial Forecast.

The meeting moved into closed session at 11.51 am.

It was moved by Councillor Bromage, seconded by Councillor Martin and carried that the meeting move into open session. The meeting moved into open session at 12.02 pm.

RECOMMENDATION

That the report be received and the contents noted.

14. REQUEST FOR RATES CONCESSION, 11 SOUTH STREET, IPSWICH QLD 4305 – DIVISION 7

With reference to a report by the Rates/Property Manager dated 15 November 2017 concerning a request from The Lady Musgrave Trust, for a rates concession of the general rates on their property at 11 South Street, Ipswich.

RECOMMENDATION

That the request for rate concession of 100% remission of the differential general rates, for the property at 11 South Street, Ipswich owned by The Lady Musgrave Trust, be granted and backdated to 1 October 2017.

15. REQUEST FOR RATES CONCESSION, 132 EAGLE STREET, REDBANK PLAINS QLD 4301 - DIVISION 3

With reference to a report by the Rates/Property Manager dated 15 November 2017 concerning a request from Al-Huda Educational Institute Limited, for a rates concession of the general rates on their property at 132 Eagle Street, Redbank Plains.

RECOMMENDATION

That the request for the rate concession of 100% remission of the differential general rates, for the property at 132 Eagle Street, Redbank Plains, owned by Al-Huda Educational Institute Limited, be granted and backdated to 10 October 2017.

16. REQUEST FOR RATES CONCESSION – VARIOUS PROPERTIES

With reference to a report by the Rates/Property Manager dated 15 November 2017 concerning a request from Ipswich Housing and Support Services Inc (Ipswich Housing SS), for a rates concession of the general rates on various properties that they lease across Ipswich.

RECOMMENDATION

That the report be deferred for further consideration at a future meeting.

17. LEASE RENEWAL TO THE STATE OF QUEENSLAND (REPRESENTED BY PUBLIC SAFETY BUSINESS AGENCY) – MOUNT FORBES RURAL FIRE BRIGADE, 34 CHAMPIONS WAY, WILLOWBANK, LEASE E IN PART OF LOT 1 ON SP108209 – DIVISION 10

With reference to a report by the Senior Property Officer dated 21 December 2017 concerning the renewal of a further ground lease to The State of Queensland, represented by the Public Safety Business Agency ("PSBA") over the land at 34 Champions Way, Willowbank being Lease E in part of Lot 1 on SP108209.

RECOMMENDATION

- A. That Council, resolve pursuant to section 236(2) of the *Local Government Regulation 2012* (the Regulation) that the exemptions under sections 236(1)(b)(i) and 236(1)(c)(iii) of the Regulation apply to the disposal of the leasehold interest located at 34 Champions Way, Willowbank and described as Lease E in part of Lot 1 on SP108209 ("the land"), by way of a renewed leasehold arrangement between Council and The State of Queensland, represented by the Public Safety Business Agency for a consideration sum of \$1.00 per annum, if demanded (excluding GST).
 - B. That Council enter into a lease with The State of Queensland, represented by the Public Safety Business Agency ("Lessee") for a period of ten (10) years.
 - C. That the Chief Executive Officer be authorised to negotiate and finalise the terms of the Trustee Lease to be executed by Council and to do any other acts necessary to implement Council's decision in accordance with section 13(3) of the *Local Government Act 2009*.
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18. LEASE RENEWAL TO ROBERT DAVID CARRUTHERS, PART OF 7-9 JOHN STREET, ROSEWOOD, DESCRIBED AS PART OF LOT 9 ON RP906761 – DIVISION 10

With reference to a report by the Senior Property Officer dated 23 November 2017 concerning the lease renewal to Robert David Carruthers for the purpose of an office building located at 7-9 John Street, Rosewood and described as part of Lot 9 on RP906761.

In accordance with section 173 of the *Local Government Act 2009*, Councillor Pahlke informed the meeting that he has, or could reasonably be taken to have, a perceived conflict of interest in Item 18 titled Lease Renewal to Robert David Carruthers, Part of 7-9 John Street, Rosewood, described as Part of Lot 9 on RP906761 – Division 10.

The nature of Councillor Pahlke's interest is that he has previously used Robert David Carruther's solicitor services.

Councillor Pahlke came to the conclusion that because of the relatively minor nature of the perceived conflict, he can properly participate in the discussion of the matter and vote in the public interest.

RECOMMENDATION

- A. That the previous decision of Council, as per Item No. 8 of the City Management, Finance and Community Engagement Committee No. 2017(08) of 15 August 2017 and adopted at the Council Ordinary meeting of 22 August 2017, be repealed.
- B. That Council resolve pursuant to section 236(2) of the *Local Government Regulation 2012* (the Regulation) that the exemptions under sections 236(1)(c)(iii) of the Regulation apply to the disposal of the leasehold interest located at part of 7–9 John Street, Rosewood and described as part of Lot 9 on RP906761 ("the land"), by way of a leasehold arrangement between Council and Robert David Carruthers for a consideration sum of \$17,694.45 per annum (including GST).
- C. That Council enter into a lease with Robert David Carruthers ("the tenant") for a period of two (2) years with a three (3) year option period.
- D. That the Chief Executive Officer be authorised to negotiate and finalise the terms of the Trustee Lease to be executed by Council and to do any other acts necessary to implement Council's decision in accordance with section 13(3) of the *Local Government Act 2009*.

Councillor Pahlke and the majority of councillors entitled to vote, voted for the recommendation.

19. COUNCILLOR TRAVEL AND TRAINING REQUESTS

With reference to a report by the Corporate Services and Risk Manager dated 12 January 2018 concerning councillor travel and training requests.

RECOMMENDATION

That Council, in accordance with the "Ipswich City Council Expenses Reimbursement" Policy, approve the councillor training/conference/workshop travel as detailed in Attachment A to the report by the Corporate Services and Risk Manager dated 12 January 2018.

20. PROPOSED RESUMPTION OF LAND, 254 BRISBANE STREET, WEST IPSWICH AND DESCRIBED AS LOT 2 RP23956 – DIVISION 7

With reference to a report by the Acting Senior Property Officer dated 15 December 2017 concerning the proposed resumption of part of the land located at 254 Brisbane Street, Ipswich and described as part of Lot 2 on RP23956 for strategic road purposes to facilitate the Brisbane Street, West Ipswich Interim Multi-Land Upgrade.

RECOMMENDATION

- A. That Council, having duly considered this report, be of the opinion that part of Lot 2 on RP23956 containing an approximate area of 9m² (shown in Attachment A of the confidential background details) ('the Land') is required for road purposes.
 - B. That Council exercise its power as a "constructing authority" under the *Acquisition of Land Act 1967* to resume the Land for road purposes.
 - C. That the Chief Executive Officer be authorised to negotiate compensation and perform any other matters, arising out of the *Acquisition of Land Act 1967* or otherwise, to effect the resumption of the Land.
 - D. That if, in the opinion of the Chief Executive Officer, acquisition of the Land for appropriate compensation can be achieved through negotiation without commencing a resumption process, the Chief Executive Officer be authorised to acquire the Land for appropriate compensation.
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21. PROPOSED RESUMPTION OF LAND, 55 BRISBANE STREET, IPSWICH AND DESCRIBED AS LOT 2 RP76498 – DIVISION 7

With reference to a report by the Acting Senior Property Officer dated 7 December 2017 concerning the proposed resumption of part of land located at 55 Brisbane Street, Ipswich and described as Lot 2 on RP76498 for strategic road purposes to facilitate the Marsden Parade realignment.

RECOMMENDATION

- A. That Council, having duly considered this report, be of the opinion that Lot 2 on RP76498 containing an approximate area of 513m² (shown in Attachment A of the confidential background details) ('the Land') is required for road purposes.
 - B. That Council exercise its power as a "constructing authority" under the *Acquisition of Land Act 1967* to resume the Land for road purposes.
 - C. That the Chief Executive Officer be authorised to negotiate compensation and perform any other matters, arising out of the *Acquisition of Land Act 1967* or otherwise, to effect the resumption of the Land.
 - D. That if, in the opinion of the Chief Executive Officer, acquisition of the Land for appropriate compensation can be achieved through negotiation without commencing a resumption process, the Chief Executive Officer be authorised to acquire the Land for appropriate compensation.
-

22. PROPERTY ACQUISITION – 98A WINDLE ROAD, BRASSALL, DESCRIBED AS LOT 448 ON CH31188 – DIVISION 6

With reference to a report by the Senior Property Officer dated 3 January 2018 concerning the acquisition of 98A Windle Road, Brassall and described as Lot 448 on CH31188.

RECOMMENDATION

- A. That Council authorise the Chief Executive Officer to negotiate a contract of sale with the registered property owners, for Council to acquire the land at 98A Windle Road, Brassall described as Lot 448 on CH31188 and to do any other acts necessary to implement Council's decision to acquire the land in accordance with section 13(3) of the *Local Government Act 2009*.
 - B. That Council resolve to enter into a contract of sale with the registered property owners to acquire, for open space purposes, the property located at 98A Windle Road, Brassall described as Lot 448 on CH31188, as detailed in the report by the Senior Property Officer dated 3 January 2018.
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23. PROPOSED NEW LEASES FOR TELECOMMUNICATIONS PURPOSES VODAFONE NETWORK PTY LIMITED, 90-120 JONES ROAD, BELLBIRD PARK AND 81 STUART STREET, GOODNA – DIVISION 2

With reference to a report by the Acting Senior Property Officer dated 4 December 2017 concerning a number of proposals received from Vodafone Network Pty Limited (Vodafone) for new leases to commence 1 February 2017 over freehold land.

RECOMMENDATION

- A. That Council resolve to enter into 4 x 5 year consecutive leases of land for telecommunications purposes for a rent amount of \$19,000.00 per annum (excluding GST) by way of new lease arrangements between Council and Vodafone Network Pty Limited for the following properties subject to construction of an all weather sealed access to Council's satisfaction from Jones Road and Bellview Road to the telecommunications facility:
 - 1. 90-120 Jones Road, Bellbird Park
 - 2. 81 Stuart Street, Goodna
- B. That Council resolve pursuant to section 236 (2) of the *Local Government Regulation 2012* (the Regulation) that the exemptions under sections 236 1(c)(vi) of the Regulation applies to Council on the disposal of the lease interest of the subject properties identified in A above, by way of a new lease arrangement between Council and Vodafone Network Pty Limited and that consideration for disposal of the lease is equal to the market value of the land.

- C. That the Chief Executive Officer be authorised to negotiate and finalise the terms of the proposed new lease arrangement as detailed in Recommendations A and B of the report by the Acting Senior Property Officer (Property Services) dated 4 December 2017 and do any other acts necessary to implement Council's decision in accordance with section 13(3) of the *Local Government Act 2009*.
-

24. BUDGET AMENDMENT – DECEMBER 2017

With reference to a report by the Finance Manager dated 4 January 2018 concerning an amendment of the 2017–2018 Budget.

RECOMMENDATION

- A. That the report be received and the contents noted.
- B. That the proposed amended budget 2017–2018, as detailed in Attachments A, B, C and D of the report by the Finance Manager dated 4 January 2018, be adopted.
-

25. REQUEST FOR RATES EXEMPTION OR CONCESSION FOR VEDANTA AT 7001 VEDANTA DRIVE, SPRINGFIELD LAKES

With reference to a report by the Strategic Client Office Manager dated 9 January 2018 concerning a request by the property owner, Vedanta Centre of Sydney, for their properties at 96 Vedanta Drive and 7001 Vedanta Drive, Springfield Lakes to be exempted from general rates or granted a rate concession if an exemption is determined not to be applicable.

RECOMMENDATION

- A. That the property, Lot 706 SP 179281 PAR Stapylton, be considered ineligible for both a rates exemption and a rates concession for the period 23 October 2014 to 14 May 2015 resulting in rates of \$70,307.20 continuing to be due and payable.
- B. That exemption of rates be applied to the property described in assessment 178541, Lot 1, from 14 May 2015 resulting in a refund of rates of \$24,949.00 currently due and payable for the period from 14 May 2015 to 31 December 2017.
- C. That exemption of rates not be applied to the property described in assessment 178542, Lot 2, from 14 May 2015 continuing to be due and payable.
-

26. CBD REDEVELOPMENT

With reference to a report by the Executive Support Officer concerning a presentation by McGrath Nicol on the proposed new delivery model for the construction of Council's new Administration Building.

It was moved by Councillor Pahlke and seconded by Councillor Martin that in accordance with section 275(1)(c) of the *Local Government Regulation 2012*, the committee resolve to move into closed session to discuss Item 26 CBD Redevelopment.

The meeting moved into closed session at 1.06 pm.

It was moved by Councillor Pisasale, seconded by Councillor Stoneman and carried that the meeting move into open session. The meeting moved into open session at 2.26 pm.

In accordance with section 173 of the *Local Government Act 2009*, Councillors Antonioli (Mayor), Wendt (Deputy Mayor) and Tully informed the meeting that they have, or could reasonably be taken to have, a perceived conflict of interest in Item 26 titled CBD Redevelopment.

The nature of Councillor Antonioli (Mayor) and Tully's interest is that they are directors of Ipswich City Properties Pty Ltd.

The nature of Councillor Wendt's (Deputy Mayor) interest is that he is the Shareholder's Representative for Ipswich City Properties Pty Ltd.

Councillors Antonioli (Mayor), Wendt (Deputy Mayor) and Tully came to the conclusion that because of the relatively minor nature of the perceived conflicts, they can properly participate in the discussion of the matter and vote in the public interest.

Chief Financial Officer (Andrew Roach) informed the Council that in relation to Item 26 titled CBD Redevelopment that he is a director and company secretary of Ipswich City Properties Pty Ltd. The matter was declared for noting only.

General Counsel and City Solicitor (Daniel Best) informed the Council that in relation to Item 26 titled CBD Redevelopment that he is a director of Ipswich City Properties Pty Ltd. The matter was declared for noting only.

RECOMMENDATION

Moved by Councillor Morrison:

- A. That Council resolve to advise its Shareholder's Representative of Ipswich City Properties Pty Ltd that Council recommends Ipswich City Properties to negotiate the termination of the Development Agreement with EPC Pacific Ipswich 1 Pty Ltd in relation to the construction of the proposed Administration Building.
- B. That Council refer to the Board of Ipswich City Properties Pty Ltd information obtained in relation to possible alternative delivery models for the construction of the building for its consideration.
- C. That Council authorise the preparation of a Development Agreement between Ipswich City Council and Ipswich City Properties for the construction of the Administration Building, and authorise the Chief Executive Officer to negotiate the terms of the agreement in consultation with Council's Shareholder Representative.

Seconded by Councillor Martin and carried.

Councillor Bromage abstained from voting on the recommendations.

Councillors Antonioli (Mayor), Wendt (Deputy Mayor), Tully and the majority of councillors entitled to vote, voted for the recommendation.

PROCEDURAL MOTIONS AND FORMAL MATTERS

The meeting commenced at 11.00 am.

It was moved by Councillor Morrison and seconded by Councillor Pisasale and carried that the meeting be adjourned at 12.30pm to reconvene at 1.00pm.

The meeting reconvened at 1.00 pm.

Councillor Wendt (Chairperson and Deputy Mayor) left the meeting at 2.33 pm and Councillor Antonioli (Deputy Chairperson and Mayor) assumed the Chair.

Councillor Wendt (Chairperson and Deputy Mayor) returned to the meeting at 2.36 pm and resumed the Chair.

The meeting closed at 3.05 pm.

NOTES

AGENDA FOR ORDINARY COUNCIL MEETING 30 JANUARY 2018

Agenda Item (M) "Items placed on the agenda by a Councillor in accordance with Section 6 (3)(c) of Subordinate Local Law No. 2.1.

AUDITOR GENERAL'S OBSERVATION REPORT

In accordance with Section 213 of the Local Government Regulation 2012 the Mayor is required to present a copy of the Auditor General's Observation Report to the next Ordinary Meeting of the Council following it being received by the Mayor.

Accordingly, attached is a copy of the report which has also been submitted to the City Management, Finance and Community Engagement Committee with a recommendation for its referral to Council's Audit and Risk Management Committee for further consideration.



.....
Mayor Andrew Antoniolli

City Management, Finance and Community Engagement Committee	
Mtg Date: 23.01.17	OAR: YES
Authorisation: Gary Kellar	

Objective A4583128

9 January 2018

MEMORANDUM

TO: MAYOR AND MEMBERS OF CITY MANAGEMENT, FINANCE AND COMMUNITY
ENGAGEMENT COMMITTEE

FROM: ACTING CHIEF EXECUTIVE OFFICER

RE: QUEENSLAND AUDIT OFFICE FINAL MANAGEMENT REPORT 2016-2017

INTRODUCTION:

This is a report by the Acting Chief Executive Officer providing an update on the audit of Council's financial statement for the 2016-2017 financial year.

BACKGROUND:

The Queensland Audit Office (QAO) has completed its audit of the Council's financial statements for the 2016-17 financial year. The Auditor-General has now written to the Mayor providing a copy of the final management report comprising a summary of issues formally reported to management relating to internal controls and financial reporting matters for attention.

Section 213 of the *Local Government Regulation 2012* provides as follows:

- (1) This section applies if the auditor-general gives the mayor of a local government a copy of the auditor-general's observation report about an audit of the local government's financial statements.
- (2) An auditor-general's observation report, about an audit of a local government's financial statements, is a report about the audit prepared under section 54 of the *Auditor-General Act 2009* that includes observations and suggestions made by the auditor-general about anything arising out of the audit.
- (3) The mayor must present a copy of the report at the next ordinary meeting of the local government.

Whilst the report will be formally presented by the Mayor at the next Council meeting as required by Section 213, it is also submitted to the Committee for information. It is usual practice for the report to be referred to the Audit and Risk Management Committee for consideration and further recommendations as to follow-up action.

ATTACHMENT:

Name of Attachment	Attachment
Correspondence from Queensland Audit Office dated 14 December 2017	Attachment A

RECOMMENDATION:

That the Queensland Audit Office Fund Management Report 2016-2017 be referred to Council's Audit and Risk Management Committee for consideration.

Gary Kellar
ACTING CHIEF EXECUTIVE OFFICER

Sent to CFO & Finance Mgr

Sent to CEO

Your ref:
Our ref: 2017-4167
Ms Debra Stolz – 3149 6058

Est. No	A4563133
Relation Code	6 1008 T7



14 December 2017

Councillor A Antonioli
Mayor
Ipswich City Council
PO Box 191
IPSWICH QLD 4305

IMU RECEIVED	
19 DEC 2017	
App No	
Responsible Officer	

Dear Councillor Antonioli

Final Management Report for Ipswich City Council

The 2016-17 audit for Ipswich City Council (ICC) has been completed.

We issued an unmodified audit opinion on your financial statements; however, we included

- an emphasis of matter paragraph to highlight the action taken by the Crime and Corruption Commission subsequent to the end of the financial year and your assessment of this matter on the financial statements, and
- other matters paragraph to highlight that at the time we issued the independent audit report the Minister for Local Government had not decided on a later date for the completion of your financial statements.

We also issued an unmodified audit opinion on your current year financial sustainability statement. Consistent with prior years and all other councils, we included an emphasis of matter paragraph in our audit report on your current year financial sustainability statement to highlight the use of the special purpose basis of accounting. These reports were returned to you dated 30 November 2017.

The purpose of this letter is to provide the council with details of significant audit matters and other important information related to the audited financial statements.

For your information, Appendix A provides you with details of all audit issues we have raised with management. We would appreciate if you could advise, through return mail, responsible officers and implementation dates for each of the attached audit issues.

Controlled Entities

We have completed the audit of the Council's controlled entities, and issued unmodified audit opinions on their 2016-17 financial statements.

As part of our audit, we consider the application of key principles of the *Corporations Act 2000*, particularly sections 180 to 183 dealing with how directors must exercise their powers and discharge their duties. A fundamental element of exercising their powers is acting in the best interest of the company.

Council determines the composition of the companies' boards. We observed that all directors of all of council's companies are either councillors or senior executives of ICC. Council needs to have an appropriate mechanism to manage the inherent conflict of interest between its own activities and those of the controlled entity(s). For example, appointing experienced independent directors to the companies will improve the transparency over making good business judgements and acting in the companies' best interest.

The Queensland Government's *Guidelines for the formation, acquisition and post approval monitoring of companies* issued in August 2015 discusses the need for the collective background of the directors to include both public and private sector experience. While the Guidelines do not have compulsory application to local government, they do discuss better practice principles.

Report to parliament

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

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

Audit fees

The final audit fee for this year is \$275 000.

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

If you would like to discuss these issues or any matters regarding the audit process, please feel free to contact Debra Stolz, Engagement Leader on 3149 6058.

Yours sincerely



Brendan Worrall
Auditor-General

Enc.

cc: Mr G Kellar, Chief Executive Officer (Acting), Ipswich City Council

Appendix A

Issues formally reported to management

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

Internal control deficiencies

Component	Issue	Our recommendation	Management Response and Status
Governance Significant Deficiency	<p>Council officers engaging legal firms directly</p> <p><i>Control Activities - authorisation</i></p> <p>We have identified that:</p> <ul style="list-style-type: none"> council officers are engaging directly with legal firms to deal with ad hoc legal matters, rather than following council policy of using Council's legal section invoices for legal expenses are paid using corporate card or set up as one time suppliers. <p>For financial reporting, no formal review is completed and documented over all current legal claims to assess whether management has captured and assessed potential contingent assets and liabilities.</p> <p>Implication</p> <p>Council's internal legal section does not have a complete view of legal matters concerning council.</p>	<p>We recommend that:</p> <ul style="list-style-type: none"> all legal matters are referred Council's legal section, rather than directly going to market for legal advice legal advice is always received by the legal section for assessment legal section review legal matters to identify potential contingent liabilities or assets legal section approve all purchase orders, as per council delegations, for legal advice legal section review outstanding matters, and solicitor representations to determine whether any legal matters are likely to give rise to any contingent liabilities. 	<p>The issue raised was followed up further for comment with the department primarily responsible for the payments on credits cards.</p> <p>The department confirmed that all cases were initially referred to Council's legal section first and the suppliers were recommended by legal to be engaged.</p> <p>The use of the credit cards was purely a payment mechanism as the supplier was only being used for the first time and the amounts small which is consistent with Council's credit card / supplier set up policies.</p> <p>If we are going to regularly use the new supplier then we set up on the Oracle system.</p> <p>Council agrees that all legal matters are referred to Council's legal section first.</p>

Component	Issue	Our recommendation	Management Response and Status
	<p>As the legal section is not aware when ad hoc legal firms are used, Council is also at risk of not knowing whether it has obtained value for money as:</p> <ul style="list-style-type: none"> no formal assessment is made of the expertise of the legal advisor or the quality of the advice provided in-house expertise or a preferred legal supplier may have been in a stronger position to provide advice no assessment of whether Council genuinely required the legal advice. 		<p>Council will review further the recommendation regarding the legal section approve all purchase orders.</p> <p><i>Responsible Officer:</i></p> <p><i>Implementation Date:</i></p>
Payroll Significant Deficiency	<p>Termination payments not consistent with conditions specified in employee contracts</p> <p><i>Control activities - authorisation</i></p> <p>We identified three anomalies in relation to termination payments and contract conditions.</p> <ol style="list-style-type: none"> An employee was paid out the remainder of their employment contract, approximately five months, where only three months is specified in the contract. The payout amount was \$63 952. An employee was paid out three months of their remuneration package as at termination date. However, a two month gap exists between the employee's last day in attendance and the termination date. In effect, the employee was paid for five months following their last day in attendance. The payout amount was \$46 975. 	<p>We recommend that:</p> <ul style="list-style-type: none"> an independent officer in checks all termination payment calculations by the HR, payroll or finance team prior to contract re-negotiations with the employee elected council ratify any ex-gratia payments made. 	<p>Council has provided further detailed explanations on why these termination payments were made including that they took into consideration all the risks, service, industrial awards and agreements, possible legal claims: which are applicable vs just the written contract.</p> <p>Council has provided details to QAO re payment three regarding incorrect information being provided to the employee which they acted on which Council then needed to take into consideration also.</p> <p>All payments made were within the delegation of the CEO.</p>

Component	Issue	Our recommendation	Management Response and Status
	<p>3. CEO approved a payment of \$150 000 as an ex-Gratia payment to the former Business Development Manager on termination. This overpayment arose as the employee received incorrect advice during contract renegotiations. This employee was also paid their weekly salary for approximately 4.5 months (until termination date), but was not required to attend work during this period.</p> <p>Implication</p> <p>Council may overpay employees or be seen as favouring specific employees.</p>		<p>Council does not agree that it is practical for elected council to ratify all ex-gratia payments made. The LGA provides the delegation to the CEO to deal with staff matters and if executive staff had to wait for Council approval of ex-gratia payments then this would result in delays and the inability to deal with staffing issues in a timely manner.</p> <p><i>Responsible Officer:</i></p> <p><i>Implementation Date:</i></p>
Governance Deficiency	<p>Improvements to Councillors' Register of Interests.</p> <p><i>Control Environment – Governance</i></p> <p>In our interim letter, we raised an issue about the difficulty of using the councillors' registers of interests to identify related parties and conflicts of interest. The then CEO did not accept this issue.</p> <p>The response from the then CEO was "Current structure of the register complies with the requirements of the Local Government Act."</p> <p>Implication</p> <p>While the practice may technically comply with the Local Government Act, the Council's current approach lacks transparency.</p>	<p>We recommend that Council collate this information into a register of interests for each councillor that provides an overall view of interests.</p>	<p>Recommendation was not accepted by the then CEO.</p> <p><i>Responsible Officer:</i></p> <p><i>Implementation Date:</i></p>

Component	Issue	Our recommendation	Management Response and Status
Governance Deficiency	<p>Elected Council oversight of controlled entities and making information publicly available.</p> <p><i>Information and Communication – reporting deficiencies</i></p> <p>During our 2015-16 and our 2016-17 audit we raised an issue about the council's oversight of the controlled entities and made three recommendations. These recommendations were:</p> <ol style="list-style-type: none"> 1. Council adopt a formal policy to cover the oversight (management) of its controlled entities. 2. A director of each controlled entities, provide regular reports at council meetings. Examples of the content of the entity's report are <ul style="list-style-type: none"> • Report on the financial operations of the entity • Activity report on new projects/contracts • Risk management strategies such as project risks, reputational risk, and financial risk. 3. Council meetings consider the controlled entities' audited financial statements and external audit reports. <p>Implication</p> <p>The elected council does not have transparency over the operations, risk and financial performance and position of the controlled entities.</p>	<p>We reiterate our previous recommendations, which are:</p> <ol style="list-style-type: none"> 1. Council continues to draft and adopt a formal policy framework around the governance of the controlled entities 2. Directors of the controlled entities periodically report to the full council meeting providing an update on strategic and operational matters. 3. Council publishes a completed set of financial statements on the Ipswich-commercial website. A complete set of financial statements includes, the main statements, all notes to the financial statements, signed Directors' Declaration and the certified Independent Audit Opinion. 	<p>Work in Progress</p> <p>We understand that management is in the early stages of drafting a policy.</p> <p>While management advised the</p> <ul style="list-style-type: none"> • Meetings are held regularly with the interested Councillors who are not on the Board to provide updates. <p><i>Responsible Officer:</i></p> <p><i>Implementation Date:</i></p> <ul style="list-style-type: none"> • A more formal session is held with all Councillors 1-2 times per year by the CFO to outline the operations and position of the companies, and particularly to discuss the financial position of the entity, forthcoming initiatives / investments and associated economic conditions / impacts.

Component	Issue	Our recommendation	Management Response and Status
Property, plant and equipment Deficiency	<p>Clear written instructions were not provided to the valuation expert</p> <p><i>Information and Communication – Communication</i></p> <p>Through direct discussions with management's valuation expert (the valuer), we identified that buildings and structures valuation requirements changed many times throughout this year's valuation. The valuer did not receive clear instructions about which assets were to be valued and which assets to be excluded. Council added and excluded assets progressively throughout the process.</p>	<p>We recommend that Council:</p> <ul style="list-style-type: none"> provide the valuer (or any expert engaged by council) with formal written instructions that clearly detail the purpose of the valuation, the valuation basis sought, the effective date of valuation, the assets to be valued, the quantity and quality of information available, and the outputs required collate all relevant information on the assets to be valued and provide these to the valuer prior to commencing the valuation develop a valuation strategy each year that meets the needs of both asset management and finance prior to the valuation process starting. 	<p>We note that the City Management, Finance and Community Engagement Board received statements at a November 2016 meeting. However, the minutes from the Board meeting are not available to ratepayers.</p> <p>We also noted that the council did not make a complete set of financial statements for the controlled entities publicly available.</p> <p><i>Responsible Officer:</i></p> <p><i>Implementation Date:</i></p> <p>The comments made verbally by the valuer during audit to QAO were not communicated / raised with Council during the valuation or after. If there were significant risks to the valuation results and possible misstatement, this would have been raised by the valuer with Council.</p> <p>Council accepts and agrees that improvements can be made in the valuation process and will review this with the valuer and will take into consideration the recommendations made.</p>

Component	Issue	Our recommendation	Management Response and Status
	<p>Implication</p> <p>The absence of clear instructions or scope of work may result in the Council not receiving the required information in meeting their objectives. The provision of incomplete or inaccurate information may result in a material misstatement of property, plant and equipment.</p> <p>Council is not able to demonstrate that it has receive value for money from the arrangements.</p>		<p>Council is in a transition period in moving from valuations based on accounting fixed asset registers to asset management physical asset registers. The valuer and Council accept that this may result in some changes during the valuation process.</p> <p><i>Responsible Officer:</i></p> <p><i>Implementation Date:</i></p>
Journals	<p>Journals not signed</p> <p><i>Control Activities – Authorisation</i></p> <p>We found that instances of journal records not signed by the preparing or authorising or posting officers, rather the names of the officers were typed.</p> <p>One journal for \$4 721.10 could not be located, as the officer was leave and may have locked it away.</p> <p>Implication</p> <p>There is an increased risk that:</p> <ul style="list-style-type: none"> • unauthorised journals are used to prevent or delay the detection of fraud or erroneous transactions • incorrectly coded journals are not identified before being posted to the general ledger. 	<p>We recommend that Council:</p> <ul style="list-style-type: none"> • review procedures to require preparing, approving and posting officers to sign physically all general journals • review all general journals to ensure two officers – preparing and an independent approving officer sign to evidence that the journal is correct and authorised prior to posting • hold all authorised journals centrally. 	<p>Agreed except journals are held in Oracle.</p> <p>The procedure for journal preparation, approving and posting has been reviewed and updated with emphasis that the preparer and the approving officer sign the journal prior to posting. Also, the procedure states the authorised journal and supporting documentation are required to be saved electronically in Oracle vs held centrally as recommended.</p> <p><i>Responsible Officer:</i></p> <p><i>Implementation Date:</i></p>
Deficiency			

Component	Issue	Our recommendation	Management Response and Status
Expenses Deficiency	<p>Incorrect coding of expenses - Corporate credit cards</p> <p><i>Control activities - authorisation</i></p> <p>We identified instances where recurrent expenses had been capitalised, or vice versa. While most of the items identified in the current year are low value and included lucky door, prizes, a bottle of water, go card tops and taxis to Christmas functions. We also identified travel to and accommodation for Conference attendance charged to work in progress.</p>	<p>We recommend that:</p> <ul style="list-style-type: none"> review transactions coded against WIP to assess appropriateness of the coding. All inaccurate coding corrected by transferring the expenses from WIP to operating expenses. a training information session is provided to key personnel within the business regarding the criteria to determine if expenses are recurrent or capital in nature. 	<p>Agreed.</p> <p>Corporate credit card transactions coded to WIP will be reviewed for operational expenses and transferred.</p> <p>Training will be provided to staff in the key departments who manage capital projects regarding the criteria to determine if expenses are recurrent or capital in nature.</p> <p><i>Responsible Officer:</i></p> <p><i>Implementation Date:</i></p>
Expenses Deficiency	<p>Councillor reimbursements approval of claims</p> <p><i>Control activities - authorisation</i></p> <p>We reviewed a small sample of councillor expense reimbursement claims (Claims) and identified the following matters:</p> <ul style="list-style-type: none"> approving officers had not signed the claims claims were posted to the general ledger before being approved claims were coded to the wrong general ledger account claims were not submitted claims in a timely manner. We identified 2014 expenses approved in the 2016-17 year. untimely approval of claims. 	<p>We recommend that:</p> <ul style="list-style-type: none"> reimbursement policy and procedure is re-distributed to all Councillors and these Councillors are reminded of the restrictions and guidance surrounding reimbursements accounts payable employees are reminded of the requirement for the claim to be signed as approved prior to processing the payment. 	<p>Agreed.</p> <p>Consistent with a recommendation from the governance review, Council will be conducting update / training to Councillors on the expense reimbursement policy and procedure.</p> <p>The Accounts Payable team have been reminded and will continue to monitor that claims have been approved prior to posting to the general ledger.</p> <p><i>Responsible Officer:</i></p> <p><i>Implementation Date:</i></p>

Component	Issue	Our recommendation	Management Response and Status
	<p>We also question whether it was appropriate for Council to reimburse the following claim by then Mayor Paul Pisasale.</p> <p>Three Telstra bills that range in value from \$845 to \$1,708. One bill includes \$832 charge for data usage overseas. The councillor handbook states, "To avoid excessive international roaming charges on either work provided or personal devices, Council's Client Liaison Officer must be contacted to ensure the appropriate actions have taken place to protect information and avoid excessive international roaming charges."</p> <p>Implication</p> <p>Non-adherence with Expenses Reimbursement Policy increases the risk of inappropriate use of public resources.</p>		
<p>Information Systems Deficiency</p>	<p>User access management of Oracle eBusiness system and Council's network</p> <p><i>Control Activities – information processing</i></p> <p>Except for HR/Payroll areas, council does not regularly review the user accounts accessing Oracle eBusiness (business systems and general ledger) to confirm the validity of users and appropriateness of access privileges.</p> <p>While Council has started to review the user accounts that access the Council's network (Active Directory), we noted that council has 21 user accounts in Active Directory that do not require users to change the password regularly (i.e. password set to not expire).</p>	<p>We recommend that the Council:</p> <ul style="list-style-type: none"> perform a regular review of user accounts and access privileges in Oracle eBusiness continue and enhance the current review of user accounts accessing the Active Directory. 	<p>Work in progress.</p> <p>Agree with QAO.</p> <p>Whilst reviews are undertaken, we will formalise the process via a new Directive. This directive is now in final draft and due for release.</p> <p><i>Responsible Officer:</i></p> <p><i>Implementation Date:</i></p>

Component	Issue	Our recommendation	Management Response and Status
	<p>Implication</p> <p>Unauthorised access to the system increases the risk of fraudulent activities and transactions.</p>		
Information Systems	<p>Disaster Recovery</p> <p><i>Control environment – governance</i></p> <p>At the time of our audit, there was limited assurance that council would be able to recover key systems within suitable timeframes in the event of a disaster.</p> <p>This is because council:</p> <ul style="list-style-type: none"> did not have a secondary data centre and therefore has limited ability to recover systems and information from significant hardware failures had not updated the IT disaster and key applications recovery plan. 	<p>We recommend that the Council:</p> <ul style="list-style-type: none"> assess and manage the risks associated with lack of alternate hosting site for key systems update the IT disaster recovery plan, key application recovery plans and business continuity plan for currency and business recovery requirements. 	<p>Work in progress.</p> <p>ICC have recently appointed Datacom as the primary ICT Managed Services provider. This agreement contractually obliges Datacom to provision a secondary Data Centre and a Disaster Recovery (DR) solution and associated services including DR planning and testing.</p>
Deficiency	<p>Implication</p> <p>Lack of alternate hosting site for key systems increases the risk of single point of failure and extended system outage. In addition, in the event of a disaster, the council may not be able to recover key systems within a period acceptable to the business.</p>		<p><i>Responsible Officer:</i></p> <p><i>Implementation Date:</i></p>

Component	Issue	Our recommendation	Management Response and Status
Information Systems Deficiency	<p>ICT policy and procedure documents overdue for review</p> <p><i>Control Environment – Governance</i></p> <p>Council had not reviewed and updated the ICT policy and directives since 2012 and 2013. We also raised this issue in 2015/16 audit.</p> <p>We understand that an overarching ICT policy is awaiting approval, which will enable Council to implement new ICT directives.</p> <p>Implication</p> <p>Incomplete or inconsistent policy and directives can result in inappropriate use of Council services and Council property.</p> <p>Information could be out of date and not in keeping with requirements of the Local Government Act 2009, Local Government Regulation 2012 or Council practice and activities.</p>	<p>We recommend that Council:</p> <ul style="list-style-type: none"> • update ICT policy and directives in a timely manner • ensure staff are aware of changes to policies or procedures. 	<p>Work in progress.</p> <p>Agree with QAO.</p> <p>Action plan:</p> <ul style="list-style-type: none"> • New ICT Policy adopted by Council 25/7/2017. • Three directives now approved. <p>Communication plan for Policy and Directives in place, including Induction pack for new employees.</p> <p><i>Responsible Officer:</i></p> <p><i>Implementation Date:</i></p>

Financial reporting issues

Component	Issue	Our recommendation	Management Response and Status
Property, plant and equipment High Financial Reporting Risk	<p>Breakdown in the process for decommissioning assets</p> <p>For the past two years, audit has raised an issue in the final management letter regarding Council not having a process to decommission assets, which have been upgraded or renewed by council during the year.</p> <p>In response to an issue raised in the final management letter for 2015-16, Council advised that a new monthly process was implemented to identify when assets are required to be decommissioned.</p> <p>During the final audit, we provided council with a list of assets that met the requirements for decommissioning. It was not until we enquired about these decommissioned assets that council realised the new decommissioning process had fallen over. Council identified 16 projects were affected.</p> <p>Audit requested the value of the decommissioning of these 16 projects to enable us to assess against materiality. Audit was advised that Council would not know the value affected until the decommission process was run towards the end of October 2017.</p>	<p>We recommend that council:</p> <ul style="list-style-type: none"> revisit these capitalised asset renewals and upgrades in 2016-17 to identify any possible duplication of asset records and derecognise the old asset balances in the fixed asset register review the current decommissioning process to ensure the process is robust enough to not "fall over" again in the future. 	<p>Agreed.</p> <p>ICC Finance will review capitalised asset renewals and upgrades from 2016-2017 to identify any possible duplication and derecognise the old asset balances in the fixed asset register.</p> <p>Also, in consultation with the Asset Management Branch and Infrastructure Services department ICC Finance will review the current decommissioning process to ensure that the process is more robust.</p> <p><i>Responsible Officer:</i></p> <p><i>Implementation Date:</i></p>

Component	Issue	Our recommendation	Management Response and Status
	<p>Write-off of assets disposed of should be occurring throughout the year to comply with AASB 116 paragraph 70. Under this standard, when an entity recognises the carrying amount of an item of property, plant and equipment, it should derecognise the carrying amount of the replaced part regardless of whether the replaced part had been depreciated separately. If it is not practicable for an entity to determine the carrying amount of the replaced part, it may use the cost of the replacement as an indication of what the cost of the replaced part was at the time it was acquired or constructed.</p> <p>Implications</p> <p>Duplication of asset records and misstatement of asset balances may exist.</p>		

Other matters

Component	Issue	Our recommendation	Management Response and Status
Information Systems Improvement Opportunity	<p>Monitoring of access to Oracle eBusiness database and infrastructure.</p> <p>Council does not enable audit logging on the Oracle eBusiness database due to concerns over the impact to system performance. While other controls are operating, we believe that audit logging is the most efficient and effective means of identify unauthorised access or changes to the Oracle eBusiness production servers.</p> <p>Implication</p> <p>Unauthorised access to production systems can reduce the reliability of systems and increase the risk of fraud.</p>	<p>We recommend that council:</p> <ul style="list-style-type: none"> • assess the security risk and assess controls to Oracle eBusiness, including enabling audit logging • assess the new operating environment for the implementation of audit logging and monitoring functionalities. 	<p>A formal risk assessment of the implementation of full audit logging has been undertaken.</p> <p>The ICT Manager has advised that the performance degradation experienced outweighs the risk of failing to detect unauthorised access.</p>
Other Matter Improvement Opportunity	<p>Ipswich Arts Foundation and Ipswich Arts Foundation Trust – preparation of financial statements.</p> <p>We note that an external accountant is engagement to prepare the financial statements of the Ipswich Arts Foundation and the Ipswich Arts Foundation Trust costing approximately \$12 000.</p>	<p>We recommend that the reassigning the role of preparing financial statements for these entities to the Council's finance team.</p>	<p>Council will discuss the recommendation with the Art's foundation and look at available resources within the finance team.</p>

Appendix B

B1 Our rating of internal control deficiencies

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

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

B2 Our rating of financial reporting issues

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

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

