



**BURDEKIN SHIRE COUNCIL**



# **AGENDA**

## **ORDINARY COUNCIL MEETING**

**HELD AT COUNCIL ADMINISTRATION BUILDING,  
145 YOUNG STREET, AYR**

**on 28 April 2015**

**COMMENCING AT 9:00AM**

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**TUESDAY 28 APRIL 2015**

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Alva (Lot 15 on A7781) - John Byers

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## **1 PRAYER**

## **2 DECLARATIONS OF INTEREST**

## **3 MINUTES AND BUSINESS ARISING**

### **3.1 Ordinary Council Meeting - 14 April 2015**

#### **Recommendation**

That the minutes of the Ordinary Council Meeting held on 14 April 2015 be received as a true and correct record.





**BURDEKIN SHIRE COUNCIL**



# **MINUTES**

## **ORDINARY COUNCIL MEETING**

**HELD AT COUNCIL ADMINISTRATION BUILDING,  
145 YOUNG STREET, AYR**

**on 14 April 2015**

**COMMENCING AT 9:00AM**



TUESDAY 14 APRIL 2015

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Ordinary Council Meeting 14 April 2015



## BURDEKIN SHIRE COUNCIL



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## **ATTENDANCE**

Councillors W. Lowis (Mayor), R.H. Lewis (Deputy Mayor), L.D. McCathie, L. Loizou, U.E. Liessmann, P.M. Dalle Cort and E.J. Bawden

Mr. M. Magin - Chief Executive Officer  
Mr. D. Mulcahy – Manager Governance and Local Laws  
Mrs. K. Cortabitarte – Acting Manager Financial and Administrative Services  
Mr. W. Saldumbide - Manager Operations  
Mr. K. Byers - Manager Technical Services

Minutes Clerk – Mrs. C. Kirke

## **1 PRAYER**

The meeting prayer was delivered by Pastor Peter Holmes of the Burdekin Community Church.

## **2 DECLARATIONS OF INTEREST**

The Mayor called for declarations of interest.

No declarations of interest were identified.

## **3 MINUTES AND BUSINESS ARISING**

### **3.1 Ordinary Council Meeting - 24 March 2015**

#### **Recommendation**

That the minutes of the Ordinary Council Meeting held on Tuesday 24 March 2015 be received as a true and correct record.

#### **Resolution**

Moved Councillor Loizou, seconded Councillor Lewis that the recommendation be adopted.

CARRIED

### **3.2 Changes to Regional Arts Development Fund**

#### **Resolution**

Moved Councillor Liessmann, seconded Councillor Dalle Cort that Council:



- 
1. Continue to operate the RADF committee through a committee advisory group comprising two Councillors, one staff member, one community representative and the RADF Liaison Officer
  2. Prepare new guidelines, application form and acquittal form to be endorsed by Council
  3. Undertake community consultation on changes to the RADF program

CARRIED

### **3.3 Burdekin Shire Youth Council Meeting - 2 March, 2015**

#### **Recommendation**

That the minutes of the Burdekin Shire Youth Council Meeting held on 2<sup>nd</sup> March, 2015 be received and adopted.

#### **Resolution**

Moved Councillor Liessmann, seconded Councillor Dalle Cort that the recommendation be adopted.

CARRIED

### **3.4 Burdekin Shire Youth Council Meeting Minutes - 23 March 2015**

#### **Recommendation**

That the minutes of the Burdekin Shire Youth Council Meeting held on 23<sup>rd</sup> March, 2015 be received and adopted.

#### **Resolution**

Moved Councillor Lewis, seconded Councillor McCathie that the recommendation be adopted.

CARRIED

## **4 REPORTS**

## **5 GOVERNANCE & LOCAL LAWS**

### **5.1 Adoption of Fees & Charges for Ayr Showgrounds 24 March 2015- 30 June 2015**

## Executive Summary

Council took over management of the Ayr Showgrounds from 24 March 2015, following advice from the Ayr Pastoral, Agricultural and Industrial Association Incorporated that they have decided not to continue with managing this venue. As such a set of fees and charges must be adopted by Council.

## Recommendation

That Council adopts the attached fees and charges for the Ayr Showgrounds.

Item	Description	Inclusions	Unit	Price
Main Hall	Week Day (Day only)		day	\$150.00
	Saturday or Sunday (day only)		day	\$150.00
	Sunday-Thursdays (Nights Only)	Includes Compulsory Security Lights	night	\$290.00
	Friday or Saturday (Night Only)	Includes Compulsory Security Lights	night	\$450.00
	Friday Night & Saturday Night applicable	Includes Compulsory Security Lights		\$550.00
	Extended Hire of Facility 1/2 day		1/2 day	\$50.00
	Extended Hire of Facility Full day		day	\$100.00
	Extended Hire of Hall after 1.30am	Not permitted for Buck's, Hen's or 21st parties	hour	\$70.00
Cleaning (if applicable)	Cleaning of hall after event	Does not include rubbish removal	hour	\$40.00
Walk-in Walk-out Cleaning Charge	Excludes 21st birthday parties	By prior negotiation and at the manager's discretion	event	\$350.00
Air Conditioning	For main hall		Hour	\$41.00
Security System after 1.30am	Maximum 5 hours		Hour	\$40.00
P/A system	Internal Hire only- for use in Hall	Includes 2 x microphones	event	\$75.00
Projector and Projector Screen			event	\$80.00
Stage	To be put up and taken down by hirer		event	\$25.00
Security Call-out Charge	If Applicable		callout	\$100.00
Grounds	Grounds Hire (without power)		day	\$100.00
	Grounds Hire (with power)		day	\$150.00
Avery Building	Does not include cleaning		day	\$50.00
Security Deposit	To be paid by hirer to secure booking		event	\$200.00
Bond	To be fully refunded if premises is handed back in same condition as before event	Can be used to cover damage or cleaning expenses.	event	\$300.00
Air Conditioning Bond	To be paid by hirer prior to event if air conditioning is to be used		event	\$200.00
Hire of small halls for band practice			week	\$16.50
Bosworth Bar for PCYC boxing			week	\$25.00
Overnight charge for horse folk and travelling Showman's Guide members			Night	\$22.00
Cleaning Charge- cigarette butts	If the hirer leaves cigarette butts in the lawn area outside of the hall this fee will be added to the account.		event	\$50.00

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## **Resolution**

Moved Councillor Dalle Cort, seconded Councillor Lewis that the recommendation be adopted.

CARRIED

## **6 CLIENT SERVICES**

## **7 FINANCIAL & ADMINISTRATIVE SERVICES**

### **7.1 Second Amended Budget for 2014/15**

#### **Executive Summary**

In accordance with the Local Government Act 2009 and the Local Government Regulation 2012, Council may, by resolution, amend the budget for a financial year at any time before the end of the financial year.

Management have completed a review of the 2014/15 Budget based on results to the end of January and estimated transactions for the remainder of the financial year.

An amended budget for the 2014/15 financial year is submitted for adoption.

#### **Recommendation**

That the amended budget and report for the period ending 30<sup>th</sup> June, 2015 as tabled be adopted.

#### **Resolution**

Moved Councillor Loizou, seconded Councillor Lewis that the recommendation be adopted.

CARRIED

## **8 OPERATIONS**

## **9 TECHNICAL SERVICES**

### **9.1 Temporary Road Closure, Clare**

#### **Executive Summary**

The Department of Natural Resources and Mines (DNRM) has requested Council's views on a temporary road closure.



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### **Recommendation**

Council resolves not to object to the temporary road closure shown as Lot A on plan TSV15017

### **Resolution**

Moved Councillor Lewis, seconded Councillor Dalle Cort that the recommendation be adopted.

CARRIED

## **10 PLANNING & DEVELOPMENT**

## **11 COMMUNITY DEVELOPMENT**

## **12 ECONOMIC DEVELOPMENT**

## **13 GENERAL BUSINESS**

### **13.1 2014 NDRRA/QRA Projects**

#### **Resolution**

Moved Councillor Lewis, seconded Councillor Bawden that Council approves in-house construction of projects as presented for the NDRRA/QRA 2014 event to the total of \$1,760,648.

CARRIED

### **13.2 Removal of Garden Beds on Macmillan Street**

#### **Resolution**

Moved Councillor Lewis, seconded Councillor Bawden that the North road boundary alignment of MacMillan Street garden beds between Spiller to Chippendale Streets be removed for waterway drainage maintenance improvement.

CARRIED



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### **13.3 Leave of Absence - Councillor Dalle Cort**

#### **Resolution**

Moved Councillor Dalle Cort, seconded Councillor McCathie that Councillor Dalle Cort be granted leave of absence on the 28 April, 2015.

CARRIED

### **13.4 Australian Local Government Women's Association New South Wales Branch Conference - Leadership Adventure - 30 April to 2 May 2015 - Wollongong**

#### **Resolution**

Moved Councillor Dalle Cort, seconded Councillor McCathie that Council approves the attendance of Councillor Dalle Cort to the Australian Local Government Women's Association Leadership Adventure Conference from 30 April to 2 May, 2015 in Wollongong.

CARRIED

### **13.5 2015 Local Government Association of Queensland Finance Summit - 21-23 April 2015 - Brisbane**

#### **Resolution**

Moved Councillor McCathie, seconded Councillor Loizou that Council approves the attendance of Chief Executive Officer Matthew Magin and Councillors Lewis and Lewis at the 2015 Local Government Association of Queensland Finance Summit from 21-23 April, 2015 in Brisbane.

CARRIED

### **13.6 2015 North Queensland Local Government Association Conference - 3-5 August 2015 - Palm Island**

#### **Resolution**

Moved Councillor Lewis, seconded Councillor Liessmann that Council approves the attendance of Chief Executive Officer Matthew Magin and Councillors Loizou, McCathie and Dalle Cort at the North Queensland Local Government Association Conference from 3-5 August, 2015 on Palm Island.

CARRIED

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## **14 CORRESPONDENCE FOR INFORMATION**

## **15 NOTICES OF MOTION**

### **15.1 Unlocked Potential - Professional Development Services**

#### **Recommendation**

That Council resolves to accept Unlocked Potential as its preferred supplier of professional development services for senior management and supervisor teams because of the specialised nature of the services that are being sought.

#### **Resolution**

Moved Councillor Lewis, seconded Councillor McCathie that the recommendation be adopted.

CARRIED

## **16 URGENT BUSINESS**

## **17 CLOSED MEETING ITEMS**

### **Council Meeting closed to Public under Section 275 of Local Government Regulation 2012**

#### **Resolution**

Moved Councillor Liessmann, seconded Councillor Loizou that the Council meeting be closed to the public under the following sections of the Local Government Regulation 2012:

275(1)(h) other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage.

For the purpose of discussing:

1. Ayr Showground arrangements;
2. Baywatch lease arrangements;
3. Public concerns regarding Giru;
4. Effluent disposal at Groper Creek;
5. Kirknie Road Landfill.

CARRIED

Councillor Lewis left the meeting during the closed session.

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## **Council Meeting opened to Public**

### **Resolution**

Moved Councillor Loizou, seconded Councillor Bawden that the Council meeting be opened to the public.

CARRIED

## **17.1 TBSC/14/0001 - Kirknie Road Landfill - Construction of a New Lined Cell**

### **Resolution**

Moved Councillor Dalle Cort, seconded Councillor Liessmann that in respect of TBSC/14/0001 – Kirknie Road Landfill – Construction of a New Lined Cell:

1. Council exercises its right under Clause 17 of the General Conditions of Contract and rejects all tenders received; and
2. Council approves construction of the tender works by its own workforce at a quoted price of \$2,110,583.25 (ex GST) as the most advantageous offer on the following grounds:
  - a. In-house construction will build experience and expertise in this type of construction which will be required in the near future;
  - b. The in-house construction quote includes payment to Council employees which would be incurred if the project did not go ahead;
  - c. Any possible savings in the construction will be to the benefit of the Council.

CARRIED

## **18 DELEGATIONS**

There being no further business the meeting closed at 12.40pm.

**These minutes were confirmed by Council at the Ordinary Council Meeting held on 28 April, 2015.**

**MAYOR**

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### **3.2 Audit Committee Meeting - 17 March 2015**

#### **Recommendation**

That the minutes of the Audit Committee Meeting held on 17 March 2015 be received as a true and correct record.

CARRIED



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# Minutes

## Audit Committee Meeting

<b>Meeting</b>	Audit Committee Meeting		
<b>Date</b>	Tuesday, 17 March 2015	<b>Time</b>	2pm
<b>Attendance</b>	John Zabala- Moore Stephens (Chairman) Christopher Weh- Queensland Audit Office Councillors- Ross Lewis, Lyndy McCathie, Pierina Dalle Cort (Observer) Officer- Matthew Magin (Chief Executive Officer), Kim Olsen(Manager Financial Services), Wayne Saldumbide( Manager Operations), Kevin Byers (Manager Technical Services), Bradley Hutchinson (Safety and Quality Co-ordinator, Internal Audit Committee)		
<b>Apologies</b>	Nil		
<b>Minutes Clerk</b>	Rebecca Woods (Executive Officer)		

### Agenda Items

1. Confirmation of Minutes of Audit Committee meeting held on 8 December 2014
2. Update on Inventory Action Plan (Wayne Saldumbide)
3. Consideration of proposed Meeting Plan 2015
4. Review of Monthly Finance Report to previous Council meeting
5. Consideration of DRAFT Client Strategy QAO

### Minutes

#### 1. Declarations of interest

Chairman called for declarations of conflict. Nil reported.

#### 2. Confirmation of Minutes from previous meeting

Minutes confirmed.

#### 3. Update on Inventory Action Plan (Wayne Saldumbide)

Wayne provided an update on the Inventory Action Plan.

The stores and purchasing area has held a number of meetings in relation to this plan- Wayne provided copies of the meeting minutes.

There is now a standing order for purchasing staff that prior to making a decision on purchases to appraise current holdings and make a review of the current stock holdings.

The Inventory Action Plan has seen the introduction of an agreement of minimum stock numbers.

The purchasing officers are now utilising "Local Buy" to purchase items where there is a cost benefit to do so- such as pipes and culverts.

There has been a reduction of one FTE (Full Time Equivalent) from the stores area.

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## Minutes

It has been noted that over the years the needs for keeping larger quantities of stock on hand has decreased due to a decrease in the wait and delivery time on items. Delivery and ordering processes are more efficient which has reduced the need to keep as much stock on hand in the stores.

The introduction of E10 fuel at the depot will see a saving of approximately 10C per litre of E10 fuel distributed. Previously, Council held unleaded fuel at the depot, however this did not have a very high turnover. Investigations into changing the fuel to E10 instead of unleaded showed that it would work out to deliver a significant saving to Council as most of council's fleet vehicles use E10 rather than unleaded.

Wayne advised that an annual stock take was scheduled for April/May/June 2015 with requests already made for additional "third party" staff to assist with the stock take (non-stores staff). Christopher Weh asked if there was a written instruction for the carrying out of the stock take and suggested that one be developed. It was also suggested at the stock take sheets are signed off by the stock takers.

Wayne advised that there are some items in store which are obsolete and he has the delegation to write off items.

Quarterly stock takes will be conducted on high value/ high risk items.

A decision is still pending on the review of signage stock. The Works and Stores departments are now reporting to the same Manager and are working together more cooperatively. At the moment there is a standing order not to order in any more signage stock until further notice.

Currently there is a manual process of tracking stock in the store. A finance one application is available which utilizes bar coding, however, investigations show that there is not enough cost benefit at this time to proceed with this application.

Discussions are still being held for the treatment of tools and form work in the stores area.

#### 4. Monthly Finance Report

The monthly finance reports as presented to Council were provided to the Audit committee for review. Christopher Weh commented on the Operating Statement that the Auditors will be looking for capital vs. operational. NDRRA grants are separated into operational or capital grants and sometimes the definitions of capital vs. operational can be different.

It was noted that there was a low level of variance from forward estimates to actual expenditure. Kim Olsen explained that the managers have been encouraged to include more meaningful comments to the financial reports to assist with accuracy.

There were no further comments for the capital projects monthly report.

#### 5. Briefing Notes and Client Strategy QAO- Christopher Weh

Christopher took the audit committee through the briefing notes and the Client strategy. He highlighted that the Queensland Audit Office will have a strong focus on how councils monitor and handle conflicts of interests- including the management of registers of interests for councillors and senior staff. The Audit Office will also be looking for strengthened controls over accuracy and completeness of financial statements.

The draft client strategy had a number of minor errors which were shown to Christopher and will be rectified.



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## Minutes

Christopher advised that although Council pays for the services for valuation, it is best practice for management to also provide a written critique of the valuers report to ensure that correct assumptions have been made and that a robust formula has been applied.

Christophe went over the fees proposed for delivery of the client strategy and the differences from last year.

Christopher highlighted the major milestones and the dates for these.

### 6. Consideration of proposed meeting plan

The proposed meeting plan was considered and adjustments were agreed upon in line with the major milestones within the QAO client strategy. A copy of the amended schedule will be forwarded to all audit committee members. It was agreed that the next meeting will be scheduled for the 21st May 2015 from 2pm-4pm at the Council Chambers, Ernie Ford Board Room.

### 7. Outstanding issues

Kim Olsen provided an update on some outstanding issues.

- HR now provide monthly and quarterly reporting for TOIL, RDO and Leave balances
- EBA negotiations- Council will be recommending the removal of current clauses referring to 2 entitlements of leave and replacing it with 1 entitlement of leave.
- The ICT strategy has gone out to tender. The contract will be awarded and work will commence on the 1st April and a strategy will be presented by June 2015.
- A number of long term rates debtors have been reviewed by council. During the review period 3 out of 8 debtors have paid in full. Council has considered individual circumstances for these debtors and will act accordingly.

Kevin Byers provided an update on the Asset Management System and advised that the new system will go live on 1 July 2015. He also advised that a methodology has been prepared for the accounting treatment of NDRRA and capital road works.

### 8. Other Business

John Zabala raised the March Insights publication available from the QAO website and pointed out the information contained in this publication about residual values (for infrastructure assets).

#### Attachments

Audit committee meeting dates

Capital Projects Monthly Report

Operating Statement

QAO Briefing Notes

QAO Client Strategy

Insights Publication

**Meeting closed at 4.25pm**

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## **BURDEKIN SHIRE COUNCIL**

### **MINUTES – AUDIT COMMITTEE MEETING**

**Held on 8 December 2014**

**Commencing at 11-30 am**

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#### **1. Attendance**

John Zabala – Moore Stephens (Chairman) (by phone)

Councillors - Lyndy McCathie, Ross Lewis, Pierina Dalle Corte (Observer)

Officers – Matthew Magin (Chief Executive Officer); Kim Olsen (Manager Financial and Administrative Services)

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#### **2. Agenda**

The Committee considered the following matter:

- i. Review of three year and one year internal audit plans provided by PwC

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#### **3. Three Year and One Year Internal Audit Plans**

Discussion was held on the three year and one year internal audit plans prepared by PwC. Consideration was given to the timeframes indicated to undertake each audit and the committee agreed that any audits include Council Internal Audit staff to assist with any preparatory work.

The committee considered the basis on which the three year plan was compiled by PwC being the result of interviews with senior management staff and consideration of Council's corporate risk register. The proposed three year plan appears to address the key risk areas as identified from the review.

It was agreed that the items from the three year internal audit plan for internal audit review in the 2014/15 financial year are:-

- Inspections Activity
- Project Management

It was noted that the three year audit plan would be reviewed by the Committee on an annual basis.

#### **Recommendation**

That the 3 year audit plan as provided be adopted and that additional quotations for the delivery of the 12 month audit plan for the two areas identified be sought.

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#### **4. Next Meeting**

The next meetings of the Audit Committee are proposed for:

- February/March - to discuss QAO Client Strategy - depending on finalisation of document, Review of Leave Balances, Inventory Action Plan
- June - to review Shell Accounts and have discussions with Christopher Weh, QAO
- 9 September - to review Draft Financial Statements
- 16 October - to discuss the outcome of the audit

The final dates are to be provided to the QAO and all agendas and notices are to be supplied to the QAO as they are circulated to the audit committee.

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There being no further business the meeting closed at 12.30 pm.

J. Zabala  
Chairperson

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**BURDEKIN SHIRE COUNCIL  
OPERATING STATEMENT  
Period Ending 31 January 2015**

	<b>Note</b>	<b>Actual YTD</b>	<b>Revised Budget</b>	<b>YTD Revised Budget</b>	<b>\$ Variance Actual to Revised</b>	<b>% Variance Actual to Revised</b>
<b>Operating Revenue</b>						
Rates and Utility Charges	1	34,622,490.39	35,468,883	35,468,883	-846,393	-2%
Pensioner remissions		-282,470.19	-281,000	-281,000	-1,470	1%
User fees and charges	2	1,409,425.29	2,261,630	1,319,284	90,141	7%
Interest Received	3	862,496.12	1,670,000	974,167	-111,671	-11%
Operational contributions and donations	4	125,464.68	149,970	87,483	37,982	43%
Operational grants and subsidies	5	3,572,946.62	4,428,174	2,583,102	989,845	38%
Contract and recoverable works	6	641,642.12	1,590,000	927,500	-285,858	-31%
Other operating revenue	7	153,102.36	182,375	106,385	46,717	44%
<b>Total operating revenue</b>		<b>41,105,097.39</b>	<b>45,470,032.00</b>	<b>41,185,803.25</b>	<b>-80,706</b>	<b>0%</b>
<b>Operating Expenses</b>						
Employee benefits	8	9,973,690.66	17,917,813	10,452,058	-478,367	-5%
Materials and services	9	8,101,121.53	16,333,989	9,528,160	-1,427,039	-15%
Depreciation and amortisation		5,842,375.49	10,015,500	5,842,375	0	0%
Finance Costs		229,723.13	454,270	227,135	2,588	1%
Other expenses		1,216.35	0	0	1,216	-
<b>Total operating costs</b>		<b>24,148,127.16</b>	<b>44,721,572.00</b>	<b>26,049,727.83</b>	<b>-1,901,601</b>	<b>-7%</b>
<b>Surplus (deficit) from operating activities</b>		<b>16,956,970.23</b>	<b>748,460</b>	<b>15,136,075</b>	<b>1,820,895</b>	<b>12%</b>
<b>Capital Income and Expenses</b>						
Capital contributions	10	4,093.64	0	0	4,094	-
Capital grants and subsidies	11	3,645,927.85	11,778,950	6,871,054	-3,225,126	-47%
Other capital income (expense)	12	-48,592.79	-50,037	-29,188	-19,405	66%
<b>Net result for period</b>		<b>20,558,398.93</b>	<b>12,477,373</b>	<b>21,977,941</b>	<b>-1,419,542</b>	<b>-6%</b>

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**BURDEKIN SHIRE COUNCIL  
OPERATING STATEMENT  
NOTES FOR VARIANCES TO BUDGET  
Period Ending 31 January 2015**

**Note**

**1 Rates and Utility Charges**

Rates are on target - approximately \$600,000 rates in advance will be journalled as income at the end of the financial year. Water consumption has been levied in December and an accrual journal will be prepared for the 6 months consumption to June.

**2 User Fees & Charges**

Above budget mainly due to annual trade waste and annual dog registrations being issued. Second hand culvert sales are above budget. Unbudgeted income received for change of ownership fees.

**3 Interest Received**

A number of long term investments will mature in March. Currently on target to meet annual budget. Interest on rates accounts are as per budget.

**4 Operational Contributions and donations**

Unbudgeted infrastructure contributions have been received. Half year contribution to weed control at Barratta Creek has been raised, and unbudgeted funds received for workplace wellness project.

**5 Operational Grants and Subsidies**

QRA NDRRA acquittal payments for 2011 and 2012 have received, along with an advance payment for 2013 event - part to be transferred to capital. The first two quarterly FAGS payments have been received. Unbudgeted funds received from Fuel Tax Credit review resulting in payment of additional claims over four years. RADF funding, Aquatic Weed Control funding, GraffitiStop funding, and part of the PCYC funding has been received.

**6 Contract and Recoverable works**

Large RMPC claim for December to be raised in February. BSRIT projects approved by DNR - approximate schedule to start May/June 2015.

**7 Other Operating Revenue**

High amount of income received for metal recycling sales - already at annual budget amount. Unbudgeted income received for Feral Pig control project, Groper Creek public conveniences and insurance payout for a pump station.

**8 Employee Benefits**

Some areas slightly over budget, however total is under budget mainly due to works section currently concentrating on capital projects with shorter deadlines before continuing on operational work.

**9 Materials & Services**

Currently under budget mainly due to timing of recoverable works and plant maintenance - costs will accelerate after wet season. Below budget in waste collection and disposal.

**10 Capital Contributions**

Contribution received towards asphaltting Porter Road.

**11 Capital Grants and Subsidies**

Funding received for Home Hill drainage project, investigation of new bore locations, and part payments for TIDS. Full funding now received for Cyclone Shelter construction. QRA claims have been received and are currently in operational - part to be transferred to capital. Continuing work on the January 2013 reconstruction with claims progressively being made. Funding is yet to be received for the PCYC extension, and the swimming pools upgrade. Roads 2 Recovery projects have not yet commenced.

**11 Other Capital Income**

Capitalisation has been completed for the September quarter, which has resulted in a loss on sale of land for \$47,337, loss on sale of motor vehicles of \$23,515, and a profit on sale of plant and equipment of \$11,896. There were trades on motor vehicles in January of \$10,364 that have not yet been capitalised.



**BURDEKIN SHIRE COUNCIL  
MONTHLY REPORT - CAPITAL PROJECTS**

**Period Ending 31 January 2015**

Budget	Income Actual to Period End	Variance	Description	Budget	Expenditure Actual to Period End	Variance	Comments
<b>Manager Community Development</b>							
-650,000	0.00	-100%	12007 - Burd Rural Multi-Tenant Service Centre	672,742	1,648.35	-100%	Tender process is completed. Malas Construction has been appointed as builder. Sub-agreement for funding has been executed. Construction to begin in March 2015. Budget includes \$22,742 for Toilet Refub at Basketball stadium.
<b>-650,000</b>	<b>0.00</b>		<b>Total</b>	<b>672,742</b>	<b>1,648.35</b>		
<b>Manager Client Services</b>							
0	0.00	-	11001 - IT Hardware Purchases	36,300	16,740.01	-54%	Payment of Design office plotter - additional payment of \$4,450 journalled from CJ11003 in Period 8. Payment of Community Development Photocopier finalised. Currently in the process of ordering a Photocopier for Executive Office.
0	0.00	-	11006 - IT Communication Purchases	130,800	117,716.79	-10%	PABX phone system installation, funded from carry over. Looking into additional software Licenses for Reporting and upgrading of Customer Service phone set up.
0	0.00	-	11007 - IT Software Purchases	343,000	95,825.09	-72%	Additional licences for Tech One - Assets, consultancy and project management for implementation of asset software.
-10,421	-6,798.00	-35%	12041 - Burdekin Library	92,520	39,003.31	-58%	Replacement of main Library air-conditioning system has been put on hold. Life span of air-conditioner now expected for another 36 months.
-87,450	-43,717.84	-50%	12044 - Burdekin Library Other Assets	92,700	51,143.31	-45%	Actual expenses relate to Library reception desk and renovations - funded by grant and carry over.
<b>-97,871</b>	<b>-50,515.84</b>		<b>Total</b>	<b>695,320</b>	<b>320,428.51</b>		Ongoing purchases of library books.
<b>Manager Governance and Local Laws</b>							
0	0.00	-	10001 - Ayr Industrial Estate	11,976	23,639.05	97%	Progressively filling with excess roadworks spoil. Preparing land for sale. Unbudgeted.
0	0.00	-	10007 - Council Properties Community	6,380	6,379.58	0%	Completed. Relocation of donga to Clare from Depot. Approved 22 July 2014.
-43,963	-46,663.04	6%	10020 - Land Purchases/Sales	0	0.00	-	Income from sale of Paine Street, Ayr.
0	0.00	-	11104 - Comm & Cul Furniture & Fittings Capital Purchases	20,000	11,362.00	-43%	Completed. Shelving for storage of corporate records at Cyclone Shelter.



**BURDEKIN SHIRE COUNCIL  
MONTHLY REPORT - CAPITAL PROJECTS**

**Period Ending 31 January 2015**

Budget	Income Actual to Period End	Variance	Description	Budget	Expenditure Actual to Period End	Variance	Comments
0	0.00	-	12012 - Ayr Showgrounds Grounds	0	5,773.68	-	Reroof toilet block at Ayr Showgrounds. Funded from operational.
0	0.00	-	12013 - Burdekin Amateur Basketball Assn	30,000	12,097.50	-60%	Replace flooring of stadium. Carry over funding of \$22,742. Budget for new aircon at stadium.
-2,133,746	-2,133,746.31	0%	12029 - Cyclone Shelter	1,739,673	1,751,791.78	1%	Project completed. Over budget due to required fire hydrant not included in tender.
0	0.00	-	16201 - Ayr Transfer Station	25,000	7,689.00	-69%	Completed. Installation of boom gates. Order written for \$13,023.
0	0.00	-	16203 - Ayr Transfer Station Building	15,949	15,949.21	0%	Completion of new office building.
0	0.00	-	16205 - Giru Transfer Station	10,083	9,308.37	-8%	Completion of Oil Shed with carry over funding of \$10,000 available.
0	0.00	-	16206 - Home Hill Transfer Station	50,000	0.00	-100%	Council resolution 26 August 2014 to delete second bin for HHTS and consider cover for second hand goods sales area. Order written for \$26,466. Expected completion end Feb 2015.
0	0.00	-	16208 - Kirknie Landfill	0	68.03	-	To be journalled to OJ.
0	0.00	-	16220 - Kirknie Landfill Cell Liner	2,023,780	23,380.50	-99%	Tender documentation completed and funded from carry over. Tenders closed 9 January 2015. Tender Report deferred.
0	0.00	-	16251 - Burdekin Cascades Caravan Park	210,000	0.00	-100%	Business case for 3 new cabins \$210,000 currently being prepared prior to decision on commencing.
0	0.00	-	16252 - Home Hill Caravan Park	85,000	0.00	-100%	Upgrade amenities - scope of works to be determined and then quotes to be obtained. Profitability of Park also to be determined.
-2,000,000	0.00	-100%	16301 - Ayr Pool	2,168,165	15,801.36	-99%	Pool refurb \$2M dependent on grant funding - Ayr Pool design tender awarded to GHD. Further detail to be obtained on method and costs of pool construction. Gym shed re-roof budget \$7,000 - completed for \$4,636. Installation of safety balustrades \$11,165 - completed.
0	0.00	-	16304 - Home Hill Pool	41,165	38,411.00	-7%	Budget is for installation of safety balustrades \$11,165 - completed. Pool shade covers funded by carry over \$30,000 - completed \$27,246.
-50,000	0.00	-100%	16305 - Millaroo Pool	50,000	0.00	-100%	Pool refurb dependent on grant funding - priorities for refurbishment yet to be determined.
<b>-4,227,709</b>	<b>-2,180,409.35</b>		<b>Total</b>	<b>6,487,171</b>	<b>1,921,651.06</b>		





**BURDEKIN SHIRE COUNCIL  
MONTHLY REPORT - CAPITAL PROJECTS**

Period Ending 31 January 2015

Budget	Income Actual to Period End	Variance	Description	Budget	Expenditure Actual to Period End	Variance	Comments
<b>Manager Operations</b>							
-1,335,123	0.00	-100%	27003 - NDRRA - Mar 12 Event	0	0.00	-	Completed June 30. Funds to be transferred from operating.
-2,649,823	0.00	-100%	27100 - NDRRA - Feb 13 Event	4,270,157	876,992.13	-79%	Programme commenced. 30 June 15 deadline for completion. Works continuing, large project in Giru planned to start in April.
	0.00		16003 - Home Hill Cemetery	86,718	76,513.64		Building completed and occupied - IT and ancillary equipment currently being installed
	0.00		16005 - Ayr Cemetery Other Assets	70,000	21,226.00		Construction awarded to Dal Ponte Building Services.
	0.00		16412 - Coutts Park - Other Assets	45,000	0.00		BBQ Shelter ordered - funded by developer contributions. Additional developer contributions anticipated.
	0.00		16420 - Spiller Street Park Exceloo	30,000	0.00		Order issued January. Works due for completion in February.
-20,000	0.00		16503 - Playground Equipment - Various Parks	60,000	0.00		Giru Skate Park - Proposals received from Urban Play. Wilmar have advised that they will construct slab.
	0.00		16519 - Miscellaneous Park Furniture - Various Parks	56,494	7,340.92		Expenditure is for picnic tables and benches at Ford Park. Balance of funds intended for Coutts Park Upgrade.
	0.00		23250 - Depot/Store Building	80,000	0.00		Ultimate Design Solutions commissioned to undertake design and certification compliance
	0.00		30000 - Sewerage Construction Budget	350,000	0.00		Replace number 23 sewerage pump station.
	0.00		30201 - Pump Station 1 Ayr	200,000	0.00		Replace primary clarifier bridge Ayr STP.
	0.00		30203 - Pump Station 3 Ayr		6,824.35		Design for duplication of existing rising main.
	0.00		30212 - Pump Station 12 Ayr		7,224.33		Replacement Pumps. Install Jan/Feb 2015
	0.00		30213 - Pump Station 13 Ayr		6,824.35		Replacement Pumps. Install Jan/Feb 2015
	0.00		30214 - Pump Station 14 Ayr		7,224.34		Replacement Pumps. Install Jan/Feb 2015
	0.00		30215 - Pump Station 15 Ayr		7,224.35		Replacement Pumps. Install Jan/Feb 2015
	0.00		30217 - Pump Station 17 Ayr		7,224.34		Replacement Pumps. Install Jan/Feb 2015
	0.00		30218 - Pump Station 18 Ayr		7,224.34		Replacement Pumps. Install Jan/Feb 2015
	0.00		30221 - Pump Station 21 Ayr		8,093.02		Replacement Pumps. Install Jan/Feb 2015
	0.00		30223 - Pump Station 23 Ayr		73,293.71		Works complete. Carry over from 13/14
	0.00		30401 - Treatment Plant Operations Ayr/Brandon		4,547.80		Installation Completed. Budget at 30000 - Sewerage Construction Budget.
	0.00		30406 - Treatment Plant Primary Clarifier Ayr/Br	150,000	0.00		Concrete walkway from Lab to plant - will require Journal to operational budget.
	0.00		31050 - Sewer Reline Project	781,810	0.00		Budget at 30000 - Sewerage Construction Budget.
	0.00						Combined budget from 13/14. Tender to be called Feb/March 2015.



**BURDEKIN SHIRE COUNCIL  
MONTHLY REPORT - CAPITAL PROJECTS**

Period Ending 31 January 2015

Budget	Income Actual to Period End	Variance	Description	Budget	Expenditure Actual to Period End	Variance	Comments
	0.00		35000 - Water Construction Budget	500,000	0.00		Install scour injection point 525mm main South Ayr WTP. New break tank Mt. Kelly.
	0.00		35034 - Bore 4 Nelson's		27,954.58		Upgrade/Refurb of Bore Screen, casing.
	0.00		35156 - Balance Tank - Mt Kelly		552.83		Budgeted at CJ 35000. Awaiting condition assessment report.
	0.00		35230 - Telemetry - Water		18,872.00		Budgeted at CJ 35000.
-6,030.00			35257 - Control Building Nelson's		28,143.00		Auto cut over switch - project completed.
	0.00		35265 - Control Building Conlan Street		30,958.98		Budget at 35901 - new bore field project.
	0.00		35302 - Aeration Home Hill Tower	393,094	16,730.47		Application for funding from resources to the regions. Works cannot start prior to funding being announced.
	0.00		35340 - Low Level Storage Giru		26,585.91		Replaced roof structure. Works completed. Budgeted at CJ 35000.
	0.00		35352 - Distribution Mains Ayr		59,213.51		Wickham Street - 150mm ring main to PCYC dead end. Budgeted at CJ 35000.
-281,293	-248,793.50		35901 - Investigation of New Bore Locations	2,049,214	1,231,642.97		Extension of time granted to 31 March 2015. Underboring of QR and Highway commenced mid January 2015.
-4,286,239	-254,823.50		<b>Total</b>	<b>9,122,487</b>	<b>2,558,431.87</b>		

<b>Manager Technical Services</b>							
-718,000	-266,539.28	-63%	20000 - Roadworks	6,669,853	1,606,868.61	-76%	Currently under budget due to timing of major projects and prioritisation of Home Hill drainage scheme.
0	0.00	-	11003 - Eng Office Equipment Capital Purchases	12,000	4,449.99	-63%	Design Office Plotter part payment - journalled to CJ11001 in Period 8.
-11,094	-9,433.20	-15%	23121 - CBD Home Hill Comfort Stop	11,215	7,061.53	-37%	Balance on refurbishment of Mosaic.
-320,000	0.00	-100%	24000 - Drainage Budget	1,498,604	0.00	-100%	Spiller Street and Clayton Street projects to be completed. Clayton Street commenced. Spiller Street not yet commenced
0	-96,000.00	-	24029 - Spiller Street Drainage	0	0.00	-	Detail design of Spiller Street drainage underway. Construction to commence early February.
-1,512,000	-840,000.00	-44%	24031 - Home Hill Stormwater Drainage Upgrade	2,845,824	1,721,625.86	-40%	Currently under construction. To be completed by March 2015.
0	0.00	-	24035 - Ayr Town Drain - Clayton Street	0	278,863.41	-	Includes upgrades to drainage in Ahern and Clayton Streets. To be funded from budget allocation for CJ 24000.



**BURDEKIN SHIRE COUNCIL  
MONTHLY REPORT - CAPITAL PROJECTS**

**Period Ending 31 January 2015**

Budget	Income Actual to Period End	Variance	Description	Expenditure Actual to Period			Comments
				Budget	End	Variance	
-90,000	-33,340.92	-63%	25001 - Sedans	220,000	28,181.82	-87%	3 sedans disposed. Total number of sedans/wagons reduced therefore no further replacements planned. Some funding may be required to transfer to Utilities - CJ25002. Awaiting funding assistance from state government for replacement of SES controller vehicle.
-220,000	-75,181.82	-66%	25002 - Utilities	440,000	159,553.06	-64%	4 utilities delivered. Awaiting delivery of one utility and 7 more utilities to be replaced early 2015. Total number of utilities increased which may require funding transferred from Sedans - CJ25001.
-176,000	-46,590.91	-74%	25003 - Trucks	1,150,000	478,959.29	-58%	6 trucks delivered which includes 4 that were ordered in 2013/14. Quotations called for 2 trucks in December, orders to be placed in February. Specifications for remaining trucks currently being prepared.
-40,000	-23,000.00	-43%	25004 - Machines	330,000	294,675.46	-11%	Forklift and loader delivered. No further purchases planned.
-20,000	-7,610.00	-62%	25005 - Plant and Equipment	169,000	27,500.00	-84%	Front deck mower purchased. Replacement high pressure drain cleaner yet to be purchased. Two-way radio repeater failed and requires replacement in February.
-3,107,094	-1,397,696.13		Total	13,346,496	4,607,739.03		
-12,368,913	-3,883,444.82		<b>TOTAL CAPITAL PROJECTS</b>	<b>30,324,216</b>	<b>9,409,898.82</b>		

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# Queensland Audit Office Briefing Note

## Burdekin Shire Council Audit Committee

17 March 2015

### 1. OBJECTIVES

- To provide the Committee with an update on the audit of the Council for 2014-15

### 2. DISCUSSION POINTS

- (i) Status of Planning
  - Planning for the 2014-15 audit of the Council has been completed and a draft client strategy has been prepared for discussion
- (ii) Interim audit for Council to commence 25 May 2015 along with the final statements for the Board
- (iii) The IT General Controls review of Technology One will be undertaken by our IS Auditor during the interim phase
- (iv) Status of QAO Asset Management Guidelines development
- (v) Simplification of financial statements
- (vi) Tropical Financial Statement workshops underway
- (vii) Included in the Area of focus – conflicts of interest
- (viii) Data analysis strategy underway
- (ix) Insight information available in our website: <https://www.qao.qld.gov.au/fact-sheets>
- (x) Performance audit
  - Fraud in local councils – audit continuing – June estimated tabling date
  - Long Term Sustainability 2015-16 – preparatory work commencing





(xi) Report to Parliament – Results of Audits of Local Government Entities - Report  
Scheduled for tabling in May (first Parliamentary session after March)

(xii) Parliamentary Reporting Update

- Consistent with previous years, we are aiming to table the local government report in Parliament around May. Council will have an opportunity to comment on any areas where it is named in the report.
- A brief summary of Reports to Parliament recently tabled is included In Appendix A for your reference, along with an indication of each report's relevance to your Council.

QAO's Reports to Parliament can be located at [http://www.qao.qld.gov.au/Reports-to-](http://www.qao.qld.gov.au/Reports-to-Parliament)

[Parliament](http://www.qao.qld.gov.au/Reports-to-Parliament)

Christopher Weh  
Engagement Leader  
17 March 2015

Chantelle Hanna  
Audit Senior  
17 March 2015

## REPORTS RECENTLY TABLED IN PARLIAMENT

Report #	Title	Subject content	Tabled
4	Results of audit: Hospital and Health Service entities 2013-14	Our aim is to strengthen the accountability of the public sector and to help it improve performance. This report contributes to delivering on that aim. In it, we discuss the status and nature of the audit opinions we issue; comment on the timeliness and quality of financial reporting; and explain how we assessed the significant financial transactions and estimates disclosed by state public sector entities.	25 November 2014 <i>Relevance - Low</i>
5	Results of audit: Hospital and Health Service entities 2013-14	As statutory authorities, Hospital and Health Services must include audited financial statements in their annual reports. This report summarises the results of our 2013-14 financial audits of the 17 HHSS.	25 November 2014 <i>Relevance - Low</i>
6	Public non-financial corporations	Public non-financial corporations (PNFCs) are government owned corporations and statutory bodies that operate primarily across the energy, water and transport (rail, ports and roads) sectors. Most PNFCs sell goods and services on commercial trading terms; they pay taxes and return dividends to the state government.  We report on each PNFC entity and sector separately and summarise the combined results for all PNFCs to better understand how they affect the financial aggregates of the state in 2013-14; readers should note PNFCs operate inherently different businesses which limits comparisons of financial performance, position and sustainability between entities and industry sectors.	November 2014 <i>Relevance - Low</i>
7	Results of audit: Queensland state government financial statements 2013-14	Each year, the state prepares consolidated financial statements of the Government of Queensland (state government financial statements) which are accrual financial statements reporting how much the state has earned; what it cost to operate; and, together with the values of its assets, how it managed its liabilities. From this, a user of the statements can discern whether the state is spending more than it receives; how well it has managed its assets and liabilities; and what reserves it has to meet its future obligations.  The Auditor-General audits the consolidated financial statements, which report on the performance and position of both the total state sector (TSS) and of the general government sector (GGS).	9 December 2014 <i>Relevance - Low</i>



Report #	Title	Subject content	Tabled
8	<b>Traveltrain renewal: Sunlander 14</b>	<p>This report examines the Traveltrain renewal program and focuses more specifically on the Sunlander 14 project. The Sunlander project established a fixed price contract for three new and refurbished trains to be branded "Spirit of Queensland". When Queensland Rail identified that it could not deliver the project outcomes within the existing government investment approval levels, it decided to de-scope the project delivering three, 9-car trains rather than three 14-car trains.</p> <p>The audit assessed the planning, governance and decision making processes for both the original decision to replace the Sunlander rollingstock and the subsequent decision to de-scope the project. We audited the effectiveness of the communication about the project through to the executive government and have also assessed the corrective action taken by Queensland Rail since it became aware of the systematic failings in the project management.</p>	<p>9 December 2014</p> <p><i>Relevance: Low</i></p>
9	<b>2018 Commonwealth Games progress</b>	<p>We conducted this audit during 2014, from more than four years to three and a half years before the City of Gold Coast hosts the 2018 Commonwealth Games (the Games) and while organisers were developing delivery plans and strategies. We examined the progress of preparations for hosting the Games in terms of governance, project planning, cost and delivering legacy benefits.</p>	<p>16 December 2014</p> <p><i>Relevance: Low</i></p>
10	<b>Bushfire prevention and preparedness</b>	<p>The objective of this audit was to determine if Queensland is better able to prevent and prepare for bushfires following the 2009 Victorian Bushfires Royal Commission, the Malone Review into Rural Fire Services in Queensland 2013 and the Police and Community Safety Review 2013.</p>	<p>16 December 2014</p> <p><i>Relevance: Moderate</i></p>

## Client Strategy

Burdekin Shire Council  
30 June 2015

Date Issued: 17 March 2015



# Overview

## About QAO

QAO public sector auditing examines whether public monies are used appropriately, in compliance with relevant legislation, and whether public sector entities have systems in place, which enable them to assess whether their objectives are being achieved economically, efficiently and effectively. Our audits add value to the public sector through reporting to Parliament on the matters identified through our audits and through recommendations that improve business operations.

## Objective of our Client Strategy

This client strategy outlines the planned audit approach for the Burdekin Shire Council (BSC) for the 2014-15 financial year. This plan has been developed from our understanding of your business, information systems, internal controls, management's monitoring controls and considers the risk of material error or fraud.

## Audit Planning

The financial statement audit process focuses on the material components of your financial report and gaining assurance that significant reporting risks have been adequately addressed. Our audit process involves gaining an understanding of your business and developing an audit approach that best addresses the financial reporting risk profile of the organisation and your accountability for the use of public monies.



## Materiality

During our planning process, we assess the preliminary level of materiality. Materiality is not purely established on reported results, it is based on our judgement and assessment of an entity's risk of material misstatement, the nature, size, probity and propriety considerations for particular account balance; and other qualitative impacts. The overall materiality level set is outlined in the table below. This is further detailed in section 3.2.1.

Financial statement line item	Balance as at 30 June 2014 (\$,000)	Planning Materiality (\$'000)
Total expenditure	54 410	2 721
Total assets (excluding PP&E)	39 123	3 912
Property, plant and equipment (PP&E)	461 629	46 163

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## Controls Assessment

We have assessed your overall control environment as **Moderate**. This assessment has been incorporated in our audit testing approach.

## Areas of audit significance

Our planning phase has identified the following as areas for significant audit effort in the our 2015 program -

- Non-current assets – valuations contain significant judgements and assumptions.
- Capital Work in Progress – review of capitalisation into fixed asset register.
- Capital revenue, expenditure and capital renewals – impact on sustainability ratios.
- Materials and services expenditure – material balance with moderate risk associated.
- Assessment of management's key assumptions, estimates and judgements.

In addition, as part of this year's audit we will consider the various aspects of councils' water business with a view to gaining a greater understanding of these activities across the wider local government sector.

## Data requirements

Our audit approach incorporates significant use of data to analyse financial controls and performance. Where this impacts on BSC we will liaise with the Manager – Financial & Administrative Services to arrange access to this data and to discuss data security protocols.

## Our Audit Team

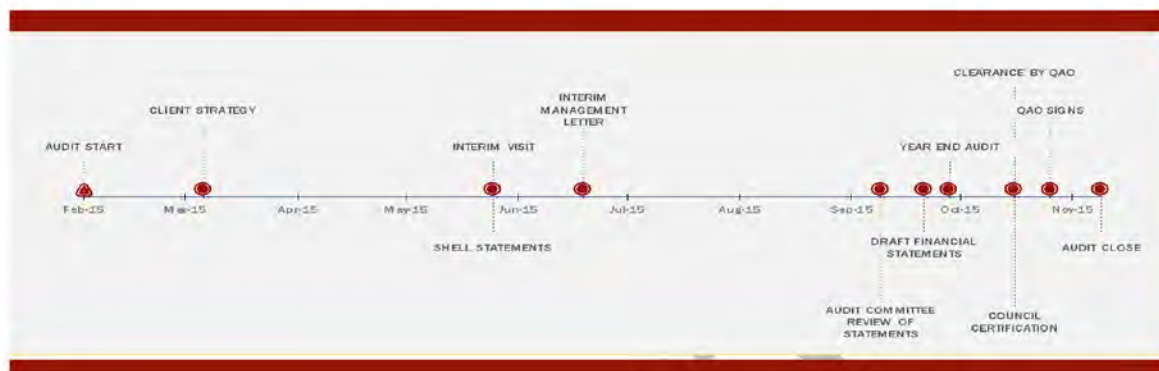
Our aim is to provide audit resources at an appropriate skill mix, suited to the specialist requirements of your sector. These resources will be coordinated through Christopher Weh as the Engagement Leader, who will be responsible for the overall management and quality of the audit. The Audit Team Leader Chantelle Adams will be responsible for the day to day operations of the audit. Refer to Section 5.2 for more information on your audit team.

## Communication

In undertaking the audit, we acknowledge that an established communication strategy is important in achieving the audit objectives within the required timeframes. We will implement an appropriate communication strategy to ensure that the Council, audit committee and other key personnel are informed on the progress of the audit and any issues arising throughout our program.

## Key milestones and meetings

This timeline provides an overview of key meetings, deliverables and other significant dates for your audit. Section 5.3 provides further details on key deliverables.



## Audit Fees

Our fee based on our planned audit approach is \$90 300 exclusive of GST (actual for 2013-14: \$56 600; 2011-12 \$90 905). The fee covers the cost of the financial audit including the audit of the Roads to Recovery grant acquittal.



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# Audit plan

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## 1. QAO and Parliament

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The Auditor-General of Queensland, supported by the Queensland Audit Office, is responsible for providing Parliament with an independent assessment of the financial management of public sector agencies.

We aim to strengthen the accountability of the public sector and to help it improve performance.

The results of the financial audit of the Council will be included in the 2014-15 Results of audit: Local government entities, report.

## 2. Audit objectives, roles and responsibilities

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The purpose of an audit is to enhance the degree of confidence of intended users in the financial report. This is achieved by expressing an audit opinion on whether the financial report is prepared, in all material respects, in accordance with an applicable financial reporting framework.

As the basis for the auditor's opinion, the auditor must obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error.

An audit does not guarantee that every amount and disclosure in the financial statements is error free. However, our audit procedures established pursuant to the *Auditor-General Act 2009* and the Auditor-General of Queensland Auditing Standards, should identify significant errors or omissions which might adversely affect the decisions of users of the financial statements.

### 3. Audit planning outcomes

#### 3.1 Understanding your business

Based on the work performed on the Council in the prior year and during the preliminary planning phase, we have gained the following understanding of the operations of your organisation, together with associated risk and control factors.

Routine operations	Non routine operations	Operations involving subjectivity or estimates	New operations/systems/developments
<ul style="list-style-type: none"> <li>- Revenue and receivables</li> <li>- Purchasing and payables</li> <li>- Inventories</li> <li>- Cash</li> <li>- Borrowings</li> <li>- Property, plant &amp; equipment (PPE)</li> <li>- Employee expenses/benefits</li> </ul>	<ul style="list-style-type: none"> <li>- Grants &amp; NDRAA funding</li> <li>- PPE revaluations</li> <li>- Movements in reserves</li> <li>- Provisions &amp; accruals</li> <li>- Non-routine purchases</li> </ul>	<ul style="list-style-type: none"> <li>- Sustainability reporting</li> <li>- Asset valuation and depreciation including assessment of useful lives, residual values and condition rating</li> <li>- Rehabilitation provisions</li> <li>- Employee entitlements</li> </ul>	<ul style="list-style-type: none"> <li>- Potential cessation of Burdekin Cultural Complex Board as a separate entity</li> <li>- New asset management system with implementation in July 2015</li> </ul>
Factors increasing risk			
<ul style="list-style-type: none"> <li>- Complex rating calculations involving multiple charges and discounts</li> <li>- Large supplier base reflective of the diverse functions and activities of Council</li> <li>- High volume of bank transactions</li> <li>- Significant amount of borrowings to support capital projects</li> <li>- Range of employee rates and allowances due to Council's diverse nature</li> </ul>	<ul style="list-style-type: none"> <li>- Lack of documentation and support for key assumptions and movements</li> <li>- Possible management bias in the estimation of accruals and provisions</li> <li>- Operational/capital grants dissection can be complex to achieve</li> <li>- Transactions with related parties</li> </ul>	<ul style="list-style-type: none"> <li>- Calculations involving significant judgement</li> <li>- Misinterpretation of asset renewal definition</li> </ul>	
Factors decreasing risk			
<ul style="list-style-type: none"> <li>- Regular management monitoring and reporting occurs</li> <li>- Rigorous reconciliation process</li> <li>- Culture and acceptance of audit issues</li> <li>- Competent and stable workforce</li> <li>- Detailed policies and procedures in place</li> <li>- Conflict of Interest register and transparent decision making in place</li> </ul>	<ul style="list-style-type: none"> <li>- Monthly reconciliations are prepared to identify any exceptions</li> <li>- Review of revaluation process and results by numerous internal staff</li> <li>- Responsibility of senior finance personnel</li> </ul>	<ul style="list-style-type: none"> <li>- Involvement of an independent external valuer to assist with revaluation on some asset classes</li> <li>- Asset Management Group review of valuation methodology, process and results</li> <li>- Ongoing auditor involvement and consultation</li> </ul>	<ul style="list-style-type: none"> <li>- Progress reports to the Audit Committee</li> <li>- Focus on control environment</li> <li>- Regular management monitoring and reporting with explanations for movements from budget to actual</li> </ul>

Our preliminary assessment and understanding of the factors outlined above as they apply to the Council, has been taken into account in the assessment of the overall control environment of your organisation. As part of this assessment, any weaknesses noted during the planning phase are outlined below in section 3.3.

## 3.2 Understanding your information systems for financial reporting

### 3.2.1 Materiality

Our preliminary materiality assessment is listed in the table below. These levels will be subject to reassessment throughout the audit, including the finalisation of the financial report.

Financial statement line item	Balance as at 30 June 2014 (\$,000)	Materiality %	Planning Materiality (\$,000)	Scoresheet Threshold (\$,000)
Total expenditure	54 410	5%	2 721	272
Total assets (excluding PP&E)	39 123	10%	3 912	391
Property, plant and equipment (PP&E)	461 629	10%	46 163	4 616

### 3.2.2 Significant judgements, accounting policies and disclosures

The judgements, policies and disclosures that are significant to the financial report relate to:

- valuation of infrastructure assets—in absence of market value requires determining the written down current replacement cost of the modern equivalent asset; remaining useful life and depreciation sensitive to physical condition assessments and judgements about technological and economic obsolescence which are in line with AASB 116 *Property, Plant and Equipment* and AASB 13 *Fair Value*.
- Financial sustainability inputs – classification of renewals and recurrent/capital revenue and expenditure.

## 3.3 Understanding your internal controls

The control environment is an integral component of the governance framework. It represents management's philosophy, attitude and demonstrated commitment to establishing a positive atmosphere for the implementation and execution of well-controlled business operations. It strongly influences the effectiveness of systems of controls and accordingly, our ability to rely on those controls.

### 3.3.1 Control environment assessment

Our assessment of the control environment and internal controls prior to finalising the audit strategy to determine the nature, timing and extent of testing procedures to be performed. Based on our preliminary planning procedures and findings set out in Appendix E, we have assessed your overall control environment as **Moderate**.

In addition to our general control environment assessment, specific focus areas will be selected each year for detailed scrutiny and evaluation, with results provided as part of our interim management report. The focus area selected this year are conflicts of interest and Council's preparedness for the application of AASB 124 *Related Party Disclosures*.



### 3.3.1.1 Entity controls assessment

We have reviewed the Council entity controls and have identified the following deficiencies in either the design or implementation of key entity controls for your organisation. These have been taken into account in the assessment of the overall control environment of your organisation. Areas requiring strengthening are provided in the table below against the relevant control component.

Control Activity	Key Control Factor	Design Rating	Areas requiring strengthening
Governance	Key corporate documents exist and are regularly reviewed.	Deficiency	Operational and Corporate Plans do not exist for the current financial year.
Policies	Policy and procedures for managing risk of fraud and communicating employee's responsibilities in respect to fraud.	Deficiency	Fraud and corruption control policy does not exist for Council.

Deficiency	- Controls in place are unable to prevent, detect and correct misstatement in the financial report on a timely basis or such control (s) is missing
Significant Deficiency	- A deficiency or combination of which that are less severe than a material weakness
Material Weakness	- A significant deficiency or combination of which that result in more than a remote likelihood that a material misstatement in the financial statements will not be prevented or detected

### 3.3.1.2 Cycle controls assessment

We have reviewed the Council cycle controls and have identified the following deficiencies in either the design or implementation of key cycle controls for your organisation. These have also been taken into account in the assessment of the overall control environment of your organisation. Areas requiring strengthening are provided in the table below against the relevant control component.

Cycle / System / Control Activity	Key cycle controls	Design Rating	Areas requiring strengthening
Expenditure/ payables	Centralised contracts register	Deficiency	Lack of a central contracts register results in: reduced awareness by Council of their contractual commitments; decreased ability to implement strategic procurement practices by analysing trends and spends; and increased risk of non-compliance with the Local Government Regulation 2012 which requires disclosure of contractual arrangement over \$200 000.
	Masterfile changes review	Deficiency	Accounts Payable may not be aware of all vendors created in the system resulting in an increased risk that fictitious vendors could be created and not detected in a timely manner. Current masterfile change report only covers amendments to existing vendors.
	Appropriate procurement policies and procedures exist.	Deficiency	Numerous instances were noted where support for procurement processes, for example quotations, was not included in the FinanceOne leading to a lack of transparency in decision-making.
Payroll	Masterfile change review	Deficiency	Payroll may not be aware of all employees created or changes made to employee details in the system as reports are unable to be run identifying newly created employees or amendments to existing employee's masterfile data.
	Exception reporting for pay run	Deficiency	Limited exception reporting is currently run in review of the payroll transactions before payment.
Property, plant and equipment	Robust asset management system	Material Weakness	Asset management system is currently through excel spreadsheets. It is acknowledge that Council is progressing towards implementing a new asset management system from July 2015.



Cycle / System / Control Activity	Key cycle controls	Design Rating	Areas requiring strengthening
	Robust asset capitalisation process	Deficiency	Deficiencies noted through lack of post construction forms for completed projects. No evidence of review of depreciation rates and useful lives set as part of asset capitalisation form.

Deficiency	– Controls in place are unable to prevent, detect and correct misstatement in the financial report on a timely basis or such control (s) is missing
Significant Deficiency	– A deficiency or a combination thereof which are less severe than a material weakness
Material Weakness	– A significant deficiency or combination thereof that result in more than a remote likelihood that a material misstatement in the financial statements will not be prevented or detected

### 3.4 Understanding your monitoring and review activities

Internal monitoring and review processes are necessary for an organisation to evaluate the continuing effectiveness of controls.

#### 3.4.1 Self-assessment

Controls self-assessment and review can be used as an effective tool to identify, reduce, or eliminate existing costly and ineffective controls. Where possible, control self-assessment should be implemented by management with the assistance of internal audit, and signed off by the Manager – Financial & Administrative Services. This activity is encouraged by QAO and provides a strong control that audit may rely on for assurance purposes.

#### 3.4.2 Internal audit

To deliver the most efficient audit approach and to avoid duplication of effort, we take into account relevant internal audit work performed. The extent of our reliance on internal audit is guided by the extent to which the work performed aligns with our audit assertions and addresses the potential for misstatements in the financial statements, as well as the quality and independence of the work performed, nature and extent of testing, adequacy of sample sizes, the timeliness of reports and access to review supporting internal audit work papers..

We do not intend to place any reliance on internal audit work. In forming this view we have taken into account the following matters:

- scope of internal audit work directed to providing assurance regarding operational processes rather than the accuracy and completeness of financial statement disclosures.

#### 3.4.3 Accounting standards update

Should AASB 124 *Related Party Disclosures* be extended to not-for-profit entities, as expected, the new standard is likely to require the disclosure of related parties, including Key Management Personnel (KMP); and reporting on transactions, outstanding balances and commitments between your entity and its related parties.

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To ensure you are well prepared, we recommend that you:

- Determine which officers in your entity would be considered KMP;
- Ensure you have adequate systems in place to identify all parties related to your entity, including those parties related through Councillors and KMP; and
- Ensure you have adequate systems in place to identify all transactions between Council and identified related parties.

The AASB has indicated that the requirements, when finalised, should apply to annual reporting periods beginning on or after 1 July 2016.

Further information on the proposed amendments can be obtained from the AASB's Exposure Draft ED 214 *Extending Related Party Disclosures to the Not-for-Profit Public Sector*, which is available on the AASB website at [www.aasb.gov.au](http://www.aasb.gov.au)

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## 4. Preliminary risk assessments and proposed audit approach

The table below provides an overview of our planned approach for material financial statement cycles/systems associated with high or moderate risk areas. These risk assessments and planned approach are continually verified and updated during the course of the audit. Confirmation of these preliminary assessments will be provided in our closing report.

Key focus area (Cycle/System/Area)	Inherent risk	Controls reliance	Internal audit reliance	Audit response
Property, Plant & Equipment (including capital works in progress) – Excel/FinanceOne	<p>Moderate</p> <ul style="list-style-type: none"> <li>Complex valuation methodologies applied to infrastructure assets.</li> <li>Estimation of useful lives and depreciation rates involves a degree of subjectivity.</li> <li>Data integrity in Asset Register.</li> </ul>	Not applicable	Not applicable	<ul style="list-style-type: none"> <li>Assess adequacy and currency of asset management framework, policies and procedures and alignment to financial statement purposes.</li> <li>Review documentation to support valuation assumptions, appropriateness of indices (where used), and condition assessments.</li> <li>Review reconciliation between fixed asset register and the general ledger.</li> <li>Test of additions and disposal.</li> <li>Scrutinise repairs and maintenance accounts.</li> <li>Scrutinise the work in progress accounts to identify material or long out-standing items that should be capitalised or impaired.</li> <li>Review Council's ongoing and updated assessment of compliance with AASB 116 <i>Property, Plant and Equipment</i> and AASB 13 <i>Fair Value Measurements</i>.</li> </ul>
Expenditure/Payable - FinanceOne	<p>Moderate</p> <ul style="list-style-type: none"> <li>Large supplier base reflective of the diverse functions and activities of Council.</li> <li>Significant purchases/payments to related parties.</li> <li>Degree of estimation and subjectivity required in determining provision for restoration.</li> </ul>	Not applicable	Not applicable	<ul style="list-style-type: none"> <li>Transactional analytics.</li> <li>Review material creditors.</li> <li>Examine material contract/tenders awarded during the year to ensure compliance with procurement policies.</li> <li>Review related party transactions.</li> <li>Rotational testing on probity elements.</li> <li>Scrutinise management's assumptions in calculating restoration provision.</li> </ul>



## 5. Audit quality control and administration

### 5.1 Audit quality

QAO strives to provide professional high quality, value for money auditing services to all of our clients. To maximise the benefit to your organisation we encourage your assistance in the following areas:

- Provision of clear, concise and accurate documentation.
- Ensure key staff availability.
- Provision of financial statements and necessary supporting documentation in accordance with the timetable agreed.
- Timely responses to audit inquiries and issues.
- Early engagement on significant changes to your business or technical accounting matters and transactions.
- Provision of feedback or comments on the services we provide with the QAO engagement leader.

### 5.2 Engagement team

Our aim is to provide Council with audit resources at an appropriate skill mix, suited to the specialist requirements of your sector.

Core audit team		
<b><u>Brendan Macrae</u></b> Director	<b><u>Christopher Weh</u></b> Audit Manager	<b><u>Chantelle Hanna</u></b> Audit Senior
(07) 3149 6118 0402 035 201 <a href="mailto:brendan.macrae@qao.qld.gov.au">brendan.macrae@qao.qld.gov.au</a>	(07) 3149 6000 0402 035 267 <a href="mailto:christopher.weh@qao.qld.gov.au">christopher.weh@qao.qld.gov.au</a>	(07) 3149 6000 0422 115 901 <a href="mailto:chantelle.hanna@qao.qld.gov.au">chantelle.hanna@qao.qld.gov.au</a>
Responsible for the signing of the Independent Auditor's Report	Responsible for the overall management and quality of the audit	Responsible for the day to day operations of the audit

### 5.3 Major milestones

To ensure an orderly audit process and to assist the Council to achieve its financial reporting targets, we have determined the following dates for key deliverables. These have been agreed with the Manager - Finance & Administrative Services.

Milestone	Proposed Date
Planning commences	2 February 2015
Client strategy issued to management	By 6 March 2015
Interim audit commences	25 May 2015
Shell financial report available to Audit	25 May 2015
Interim management letter issued to management	By 19 June 2015
Audit Committee consideration of the draft financial statements	9 September 2015
Final draft financial statements available to Audit <ul style="list-style-type: none"><li>• Financial statements and current-year financial sustainability statement</li></ul>	21 September 2015
Final audit commences	28 September 2015
Final work papers delivered to Audit	28 September 2015
Audit clearance of financial statements	16 October 2015

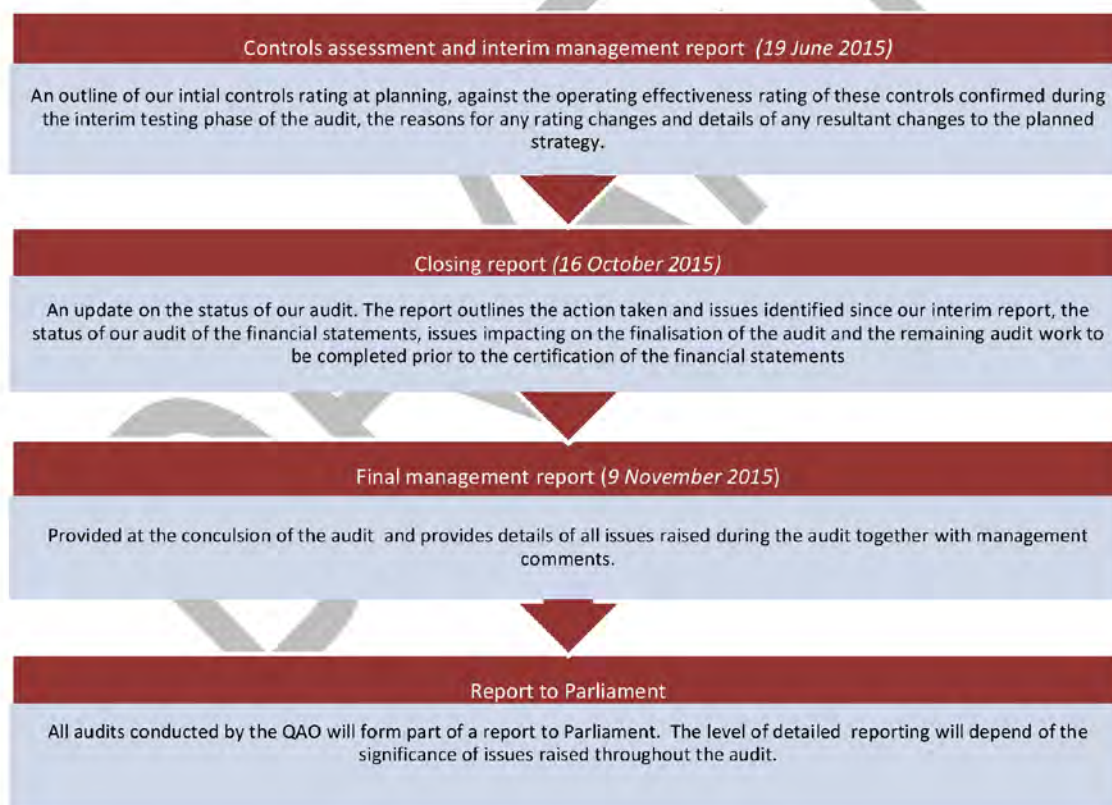


Milestone	Proposed Date
• Financial statements and current-year financial sustainability statement	
Council certification	16 October 2015
• Financial statements and current-year financial sustainability statement	
Audit certification	26 October 2015
• Financial statements and current-year financial sustainability statement	
Final management letter issued to management	9 November 2015
Roads to Recovery Certificate	
• Certificate and supporting documentation available to audit for review	28 September 2015
• Council certification	16 October 2015
• Audit Certification	26 October 2015

## 5.4 Audit reporting

### 5.4.1 Reporting

As part of audit reporting, we will progressively issue the following reports.



## 5.5 Audit fee and billing arrangements

Our proposed audit fee of \$92 300 (exclusive of GST) is based on an estimate of the hours required to undertake the audit in accordance with this strategy and the hourly charge-out rates approved by the Treasurer. Refer to QAO's website for our financial rates.

The audit fee will be billed progressively based on work completed.

The audit fee is allocated between the following components:

Financial audit components	Current year estimate \$	Prior year actual \$
Financial audit	58 100*	52 500*
Information Systems audit – Technology One	7 000	-
Out of pocket expenses	15 200	4 300
<b>Total</b>	<b>80 300</b>	<b>56 600</b>

\*Includes Commonwealth Certificate – Roads to Recovery.

In arriving at the fee estimate for 2014-15, regard has been had for the following –

- The use of an Information Systems Auditor to look at IT General Controls - Technology One as a one off for the first year, pursuant to ASA 315 *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment* where we intend to rely on the computer system to accurately process transactions for the financial statements. This will be performed at interim.
- As a first year of audit there is an increased cost involved with developing knowledge of council's systems and controls. Our review so far has highlighted several deficiencies, as set out in Appendix E.
- Onsite attendance by the engagement leader at one Audit Committee meeting.
- Lack of reliance on the internal audit function
- Comprehensive revaluation being planned
- Spreadsheets are used for the asset register
- Overall moderate assessment for Council's control environment

In addition, we have already advised the Burdekin Cultural Complex Board of the estimated audit fee for 2014-15 which is \$6 500 (excluding GST).

Changes to the audit strategy, such as the identification of other significant issues which impact on the nature and extent of planned audit procedures, have the potential to affect the audit fee. Such matters include:

- your achievement of key milestones within the agreed timeframes
- the quality of draft financial statements and working papers provided to audit
- grant acquittals being provided to audit in a timely manner
- new council initiatives not known at planning which have an effect on financial statement disclosures
- the standard and timeliness of internal audit work; and
- availability of your key management and staff, and timeliness of response to audit issues.

Any anticipated variation of our fee will be discussed with you during the course of the audit.



## Appendix A – Overview of the financial audit process

Identify and assess the risk of material misstatement at the entity level			Identify and assess the risk of material misstatement at the component level	
Process	Procedures	Impact on audit approach	Procedures	Impact on audit approach
<b>1. Understand the business</b>	Establish the major characteristics of the entity (such as its legal form, ownership, structure, locations, and functions) and its operating environment (such as regulatory requirements, extent of competition, and impact of technology).	Determine the need for specialist audit resources, the nature of assurance that is required from third parties and from the use of experts.	Understand and analyse the financial report 'components': balances, classes of transactions and note disclosures.	Determine materiality and apply to identify the significant balances, classes of transaction and disclosures that require audit tests of detail.
<b>2. Understand the information systems</b>	Identify and evaluate the design and implementation of information and communication systems.	Establish the extent of reliance by the entity on information technology (that is, scale, complexity, degree of integration of financial and non-financial systems, and extent of automation of controls).	Identify and evaluate the design and implementation of the entity's financial and non-financial information systems relevant to the components of the financial report.	Establish that appropriate accounts and underlying records are maintained, and confirm that these are reconciled to the general ledger and the financial statements.
<b>3. Understand internal controls</b>	Identify and evaluate the design and implementation of entity wide controls—that is, the control environment (including information technology general controls where there is high reliance by the entity on information technology systems).	Design and test key general controls, including information technology general controls, which relate directly to significant risks at the component level. Based on above determine the extent to which control activities at the component level are likely to be effective and could be relied upon, if required.	Identify and evaluate the design and implementation of relevant control activities associated with major financial report components and significant reporting risks.	Design and perform tests of control activities over transactions and balances, where reliance is planned.
<b>4. Understand management's monitoring and review of controls</b>	Identify and evaluate the design and implementation of management systems to monitor internal control effectiveness	Determine whether internal audit and other management assurance mechanisms are operating effectively and the extent to which they could be relied upon	Identify and evaluate specific monitoring and review activities (including internal audit reports) that relate to financial report components.	Design and perform reviews of control monitoring activities, where reliance is planned.
<b>5. Understand the risk of material error and fraud</b>	Identify and evaluate the risk assessment procedures used by the entity itself to identify, analyse, assess and treat business risks. Undertake a comparative audit risk assessment.	Identify pervasive risks of fraud and error at the financial report level. Consider whether the financial statements and records are auditable, and whether it will be possible to obtain sufficient and appropriate audit evidence.	Identify and evaluate any financial risks identified from the entity's own risk assessments that relate to components. Undertake audit risk assessment and identify the risks of material misstatement at the 'assertion level' for significant financial report components.	Design and perform audit procedures to substantiate significant account balances, classes of transactions and disclosures in the financial report.

## Appendix B – Accounting Standard update

AASB No.	Application Date	Comments
<b>New standards / Interpretations in effect for 2014-15</b>		
2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]	1 January 2014	Amends AASB 132 by adding application guidance to address inconsistencies identified in applying some of the offsetting criteria in the standard.
2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014	Amends AASB 136 to require additional disclosure about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.
2013-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-profit Entities – Control and Structured Entities [AASB 10, 12 & 1049]	1 January 2014 (not-for-profit entities)	Provides authoritative guidance to not-for-profit entities in applying concepts of control in AASB 10 and AASB 12.
AASB 10 Consolidated Financial Statements	1 January 2014 (not-for-profit entities)	Establishes a new control model which broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations.
AASB 12 Disclosure of Interests in Other Entities	1 January 2014 (not-for-profit entities)	Prescribes disclosure requirements for interests in subsidiaries, joint arrangements, associates and other structured entities.
AASB 1031 Materiality	1 January 2014	This Standard differs from AASB 1031 (July 2004, as amended) in that it removes the Australian guidance on materiality that is not available in IFRSs. It also directs constituents to other Australian pronouncements that contain guidance on materiality.
Interpretation 21 Levies	1 January 2014	This Interpretation clarifies the circumstances under which a liability to pay a levy imposed by a government should be recognised, and whether that liability should be recognised in full at a specific date or progressively over a period of time.
<b>Upcoming standards for 2015-16</b>		
Not Applicable – no upcoming standards or interpretation effective for 2015 – 16 as at 1 July 2014		



## Appendix C – Financial report preparation better practice

Key area	Better practice
Financial report preparation plan	Establish a plan that outlines the processes, resources, milestones, oversight, and quality assurance practices required in preparing the financial report.
Preparation of shell financial statements	Prepare a shell financial report before 30 June and provide to the auditors to enable early identification of amendments, minimising the need for significant disclosure changes at year-end.
Materiality assessment	Assess materiality, including quantitative and qualitative thresholds, at the planning phase in consultation with the audit committee. The assessment assists preparers in identifying potential errors in the financial report.
Monthly financial reporting	Adopt full accrual monthly reporting to assist in preparing the annual financial report. This allows for the year-end process to be an extension of the month-end process.
Rigorous quality control and assurance procedures	Require review of the supporting documentation, data and the financial report itself by an appropriately experienced and independent officer prior to providing to the auditors.
Supporting documentation	Prepare high standard documentation to support and validate the financial report, and provide a management trail.
Rigorous analytical reviews	Undertake rigorous and objective analytical review during the financial report preparation process to help to improve the accuracy of the report.
Reviews of controls / self-assessment	Establish sufficiently robust quality control and assurance processes to provide assurance to the audit committee on the accuracy and completeness of the financial report.
Competency of staff	Require that preparers of the financial report have a good understanding and experience in applying relevant accounting standards and legislation. Require that they also have project management and interpersonal skills.
Financial compliance reviews	Undertake periodic compliance reviews to identify areas of non-compliance or changes to legislation that impact the financial report.
Adequate security	Protect and safeguard sensitive information throughout the process to prevent inappropriate public disclosure.

Source: Victorian Auditor-General's Office and Australian National Audit Office Better Practice Guide Preparation of Financial Statements, June 2009.

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## Appendix D – Council acceptance of key financial milestones

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The timely finalisation of financial statements is an important indicator of an entity's financial performance. The *Local Government Regulation 2012* requires council Chief Executive Officers to negotiate a date with the Auditor-General to enable the audit of the statements and audit report on the statements to be completed within four months of the end of the financial year. To assist the financial reporting process to stay on track, it is important that we agree on a timetable for the stages of the process to ensure we have a shared understanding of the deadlines required to be met to achieve the legislated timeframe.

A key milestone is the date agreed for providing final draft financial statements to audit. This date is critical in determining whether the statements have been provided to audit in sufficient time to allow completion within the statutory timeframe. To determine an appropriate date for providing financial statements to audit, a number of milestones need to be agreed.

It is essential that the final draft statements when provided to audit are complete, of a quality that management would be prepared to sign, and therefore should require no or minimal adjustment. This final draft should be clearly identified as such and provided to us under cover of advice from the officer responsible for financial administration or from the Chief Executive Officer. Appropriate time should be provided in your proposed timetable to achieve this level of quality.

During the close process it is recommended that you monitor the agreed timeframes and report any potential slippages that would result in a change to this timetable to your auditor. Any slippages in the year-end process or issues that impact on the quality of the information provided to audit could result in the diversion of audit staff from your audit to other organisations that remain on track.

### *Financial close processes*

There are a number of processes that you can undertake before 30 June 2015 which can make the financial reporting process more efficient:

- developing a plan that outlines the processes, resources, milestones, oversight, and quality assurance practices required in preparing the financial statements
- preparing a shell financial report and providing it to the auditors to identify early any amendments, minimising the need for significant disclosure changes at year-end
- carrying out an interim hard close to identify and address issues which may affect the preparation of the financial statements at year-end
- identifying accounting policy changes, deciding how the changes will be implemented and disclosures presented, assessing the impact on the financial result and position and agreeing disclosures with management and the auditors.

Appendix C contains other better practice processes which could be implemented to ensure timely, quality financial reporting.

**It would be appreciated if you would agree the key milestones on the following page and sign and return the page to Christopher Weh at QAO by 30 March 2015.**



## Council Name: Burdekin Shire Council

Milestone	Proposed Date
Planning commences	2 February 2015
Client strategy issued to management	By 6 March 2015
Interim audit commences	25 May 2015
Shell financial report available to Audit	25 May 2015
Interim management letter issued to management	By 19 June 2015
Audit Committee consideration of the draft financial statements	9 September 2015
Final draft financial statements available to Audit	21 September 2015
Financial statements and current-year financial sustainability statement	
Final audit commences	28 September 2015
Final work papers delivered to Audit	28 September 2015
Audit clearance of financial statements (including issue of Closing Report by QAO)	16 October 2015
• Financial statements and current-year financial sustainability statement	
Council certification	16 October 2015
• Financial statements and current-year financial sustainability statement	
Audit certification	26 October 2015
• Financial statements and current-year financial sustainability statement	
• Final management letter issued to management	9 November 2015
Roads to Recovery Certificate	
• Certificate and supporting documentation available to audit for review	28 September 2015
• Council certification	16 October 2015
• Audit Certification	26 October 2015

Signed .....

Name .....

Chief Executive Officer

.....

Date

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## Appendix E – Planning Audit Issues

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## 1. Material Weakness risk issues

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### 1.1 Non-current physical assets issues

#### 1.1.1 Asset Management Information System

**(Risk rating - Material weakness)**

##### **Observation**

Microsoft Excel is utilised for asset management of all classes of Property, Plant & Equipment. Due to the risk of error in spreadsheets and the limitations in handling the complexities of accounting for infrastructure assets, this may not be the most appropriate information system for Council.

The following specific risks were identified:

- possible accidental editing of unprotected cells
- the need for a significant amount of manual adjustment at year end
- the amount of time and resource required to update the registers resulting in a negative impact on the timeliness of completion of end-of-year reconciliations and subsequently the preparation of financial statements.

We understand Council is due to implement a new asset management system in the next financial year from July 2015.

##### **Implications**

There is a heightened risk that a material misstatement may occur due to the difficulties and limitations of accounting for property, plant & equipment, particularly complex infrastructure assets in Microsoft Excel. Lack of access and security controls can result in data integrity issues.

The use of Microsoft Excel is likely to cause strain on Council resources with a significant amount of time required to update each year. Further to this, the audit process to review and check for accuracy is more time consuming when Microsoft Excel is used.

##### **Recommendation**

We recommend Council continue with current actions to convert the asset management system to a purpose built, specialised software package for Council needs.

##### **Management response**

The implementation of Technology One Enterprise Asset Management modules is well underway with a scheduled "go live" date of 1 July 2015.

##### **Responsible Officer**

Kevin Byers - Manager Technical Services

##### **Implementation Date**

1 July 2015

##### **Status**

Management undertaking for corrective action

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## 2. Significant Deficiency risk issues

### 2.1 Corporate governance issues

#### 2.1.1 Lack of a fraud and corruption and control policy

**(Risk rating - Significant deficiency)**

##### **Observation**

Following a review of the internal policies we noted that there is currently no fraud and corruption control policy in place.

##### **Implications**

Without having a fraud and corruption control policy:

- there is an increased risk that staff are not given clear messages from senior management about the importance of detecting and reporting fraud
- management and staff alike are unaware of what constitutes fraud, their obligation to report fraud, and the process they should follow if fraudulent activity identified or suspected
- the risk of fraud going undetected increases.

##### **Recommendations**

It is recommended a fraud and corruption control policy is developed by management that adopts robust controls, effective and regular reporting, whilst clearly outlining roles, responsibilities and processes that need to be followed if a fraud is suspected or detected. Once complete, this policy should be communicated to all staff and use made of the document to implement fraud detective strategies by internal audit.

##### **Management response**

The Fraud Policy and Fraud and Corruption Control Plan is currently in drafting phase. A PID Coordinator has been appointed and PID training is being rolled out across the entire organisation. It is intended to develop the policy and plan over the next 6 to 12 months.

##### **Responsible Officer**

Rebecca Woods - Executive Officer

##### **Implementation Date**

March 2016

##### **Status**

Management undertaking for corrective action



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### 3. Deficiency risk issues

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#### 3.1 Corporate governance issues

##### 3.1.1 Planning documents not up to date

**(Risk rating - Deficiency)**

###### **Observation**

Through review of key corporate governance documents, it was identified the Council does not have an operational plan implemented for the 2014-15 financial year. Further, the corporate plan has not been updated for each period of five financial years in accordance with the Local Government Regulation. The current corporate plan was adopted by Council on 25 June 2013 for the 2013-2018 financial years.

###### **Implications**

The lack of a current operational plans increases the likelihood that risks at the operational level may not be adequately identified, treated or monitored and annual performance for each sector of council may not be adequately measured and reviewed. Further, council is unable to demonstrate implementation of the five year corporate plan during the period of the annual operational plan.

Without a current corporate plan, there is a risk that the strategic direction of the council and each sector does not align with the current direction of the council as a result of changes in the executive management group and restructure of the organisation. Further the objectives, business activities and performance indicators set for each sector of council may not align with the current organisational structure.

###### **Recommendation**

It is recommended that Council review and update its financial planning documents.

###### **Management response**

The Operational Plan for 2014-15 was adopted by Council on 24 February 2015 - this delay was a result of the organisational restructure. The Corporate Plan for 2015-2020 was also adopted by Council on 24 February 2015. The Operational Plan for 2015-16 will be adopted as part of the budget process.

###### **Responsible Officer**

Rebecca Woods - Executive Officer  
Senior Leadership Group

###### **Implementation Date**

June 2015

###### **Status**

Management undertaking for corrective action



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### 3.1.2 Non-compliance with the *Local Government Regulation 2012*- tabling of auditor-general's observation report

**(Risk rating - Deficiency)**

#### **Observation**

Through a review of the Council minutes, it was identified that the auditor-general's observation report (final management report) was not presented at the next ordinary meeting of the Council after receipt.

#### **Implications**

Failure to table the report results in non-compliance with the Local Government Regulation and lack of transparency in relation to audit findings.

#### **Recommendation**

The council table the report as part of their next ordinary meeting of the Council and a framework be established to ensure compliance with this aspect of the Regulation, in the future.

#### **Management response**

The final management report is presented to the Audit Committee and the minutes of this meeting are present to Council. The report will also be included in the agenda when the minutes are presented at a Council Meeting.

#### **Responsible Officer**

Kim Olsen - Manager Finance and Administration

Rebecca Woods - Executive Officer

#### **Implementation Date**

September 2015

#### **Status**

Management undertaking for corrective action

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## 3.2 Employee expenses / employee benefits issues

### 3.2.1 Improvements to Payroll Exception Report

**(Risk rating - Deficiency)**

#### **Observation**

The Fortnightly Exception Report run by Human Resources prior to the pay cycle being processed only contains employees whose number of hours in the current pay cycle exceeds their ordinary hours.

#### **Implications**

There is a risk that other exceptions may not be detected prior to payment and result in over or underpayment of employee wages.

#### **Recommendation**

It is recommended that additional fields are added to the Exception Report in order to detect other anomalies in the pay cycle. These could include:

- Pay rates that differ from the previous pay cycle.
- New employees.
- Gross pay exceeds base pay.
- Overtime greater than a certain threshold.
- Leave taken that exceeds the employee's leave balance.

#### **Management response**

A new report will be written to include the additional fields required.

#### **Responsible Officer**

Belinda Tinus - Human Resources Coordinator

#### **Implementation Date**

May 2015

#### **Status**

Management undertaking for corrective action

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### 3.3 Expenditure and accounts payable issues

#### 3.3.1 Masterfile Changes Report does not include vendor creations

**(Risk rating - Deficiency)**

##### **Observation**

At the end of each month, a Masterfile Change Report is generated from Finance One and the Accounts Payable Administrator cross checks any changes to bank account details to the supporting documentation and signs the report. From reviewing this report, it was noted that the report did not include vendor creations during the month, as it only contained changes.

##### **Implications**

There is an increased risk that fictitious vendors could be created in Finance One and not be detected in a timely manner.

##### **Recommendations**

It is recommended that:

1. The monthly Masterfile Change Report is modified to include all creations and changes to the masterfile data for each month.
2. In addition to verifying changes to bank account details, all vendor creations on the report are verified against supporting documentation as part of the Accounts Payable Administrator's review.

##### **Management response**

A new report will be written to include the additional fields required.

##### **Responsible Officer**

Belinda Tinus - Human Resources Coordinator

##### **Implementation Date**

May 2015

##### **Status**

Management undertaking for corrective action



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### 3.3.2 Quote details not attached in Finance One

*(Risk rating - Deficiency)*

#### **Observation**

When reviewing the Purchase Requisition Orders (RO) in Finance One, it was noted that there were instances where the required number of quote details were not attached to the system. According to the Council's Procurement Policy, two verbal quotes must be obtained for purchases between \$5 000 and \$15 000 and three written quotes must be obtained for purchases between \$15 000 and \$200 000 and these details must be attached in Finance One.

It is acknowledged that there are exceptions in the Procurement Policy where there is no requirement to obtain the specified number of quotes (eg Local Buy or preferred supplier). However these exceptions were not identifiable in Finance One as being applied in the circumstances reviewed.

#### **Implications**

Due to the decentralised procurement processes, it is unclear whether the Procurement Policy has been adhered to and whether or not the Managers approving the order have sighted the required number of quotes. Further there is no audit trail to justify the purchasing decisions, particularly if the Council were to be questioned over a choice of supplier.

#### **Recommendations**

It is recommended that:

1. All required quote details are attached in Finance One when a Purchase Order Requisition is raised or a note is included to explain that the purchase falls into one of the exception categories outlined in the Procurement Policy.
2. Managers do not approve the Purchase Order Requisition until all required documentation has been attached.

It is also acknowledged that Council employees are currently undergoing refresher training in the procurement process.

#### **Management response**

The monthly report includes all creations and changes made to masterfile data for each month, however currently only changes to bank account details are verified. A listing is compiled during the month of each new creditor established in the system. This listing will be verified against the monthly report as an addition to the current procedures.

#### **Responsible Officer**

Deanna Otto - Accounts Payable Administrator

#### **Implementation Date**

From 1 March 2015

#### **Status**

Management undertaking for corrective action

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### 3.3.3 No central contract register

*(Risk rating - Deficiency)*

#### **Observation**

There is no central contract register maintained by the Council to track their contractual commitments. Whilst it is noted that a contract commitments spreadsheet is compiled at year end by Finance to capture the commitments for the financial statements, this spreadsheet is not updated throughout the year.

#### **Implications**

The lack of a central contracts register results in:

- reduced awareness by Council of their contractual commitments
- decreased ability to implement strategic procurement practices by analysing trends and spends
- increased risk of non-compliance with the *Local Government Regulation 2012* which requires disclosure of contractual arrangements over \$200 000.

#### **Recommendations**

It is recommended that:

- The current contract commitments spreadsheet is improved by the addition of the following fields: contract number, revised contract expiry date, contract approval (Council minute details) and responsible area and manager.
- The contract commitments spreadsheet is updated on an ongoing basis with all new contracts being recorded on the register as they are awarded.

#### **Management response**

The current spreadsheet will be updated to include the recommended fields and this will be reviewed and distributed on a monthly basis.

#### **Responsible Officer**

Deanna Otto - Accounts Payable Administrator

#### **Implementation Date**

1 March 2015

#### **Status**

Management undertaking for corrective action

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### 3.4 Payroll/employee entitlements issues

#### 3.4.1 No Employee Masterfile Change report

**(Risk rating - Deficiency)**

##### **Observation**

The People One system does not currently have the functionality to produce a Masterfile Change report or audit log to show all changes and creations made to the employee masterfile. Although each individual change is supported by documentation and verified by another officer, there is no control in place to detect any unauthorised changes or new creations in the masterfile data.

##### **Implications**

There is an increased risk that unauthorised changes to the employee masterfile will go unnoticed, resulting in the potential for phantom employees to be created.

##### **Recommendations**

It is recommended that:

1. The reporting functionalities within People One are enhanced in order to enable a Employee Masterfile Change Report to be generated, which may involve the purchase of an audit log package from the vendor.
2. Once the functionality is in place, an Employee Masterfile Change Report be generated monthly and all creations and changes to bank account details be verified back to supporting documentation.

##### **Management response**

An Employee Masterfile Change Report will be developed and generated monthly. The report will be reviewed by the HR Coordinator.

##### **Responsible Officer**

Belinda Tinus - HR Coordinator

##### **Implementation Date**

May 2015

##### **Status**

Management undertaking for corrective action



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## 3.5 Property plant and equipment issues

### 3.5.1 Improvements required in asset capitalisation process

**(Risk rating - Deficiency)**

#### Observation

Through our preliminary review of property, plant and equipment, it was identified that improvements are required in the asset capitalisation process. In particular it was noted:

- No post construction form for projects requiring capitalisation was submitted on three recent projects viewed. The example subsequently provided was for a form submitted in October 2014 that related to a project completed in January 2014.
- Review of key rates such as depreciation and useful life detailed in the asset capitalisation form is completed by the Asset Systems Coordinator or Manager-Technical Services, however, noted as informal as no evidence of this on the asset capitalisation form through signature in the applicable section.

#### Implications

There is an increased risk of:

- asset additions not being appropriately componentised and depreciated over their relevant useful lives
- the asset register not being maintained accurately
- financial statements may be materially misstated.

#### Recommendations

Council improve the capitalisation process including ensuring a post construction form is completed within a timely manner of a project being completed. In addition review of key rates such as depreciation and useful life be formalised and evidenced through signing off on this as part of the asset capitalisation form.

#### Management response

The implementation of the new asset management system includes a review of the capitalisation process for all asset related products, from the opening to completion of each project. The aim of this review is to introduce reportable milestones for each project, thus reducing the occurrence of completed projects without post construction forms. In the interim prior to the completion of the implementation, the asset officers will ensure each project has a completed post construction form.

The asset capitalisation form including formal sign-off and justification for adoption of useful lives and residuals will form part of the new procedure aligned with the new asset management system. For the remainder of the 2014/15 year, the appropriate officer or manager will approve and sign asset capitalisation forms at the completion of each project.

#### Responsible Officer

Kevin Byers - Manager Technical Services

#### Implementation Date

5 March 2015

#### Status

Management undertaking for corrective action

**Council**  
**Audit Committee meetings dates and agenda items 2015**

Key Responsibilities	Responsibilities Officer	Considerations	Meeting 1	Meeting 2	Meeting 3	Meeting 4	Meeting 5
			17-Mar-15	21-May-15	9-Sep-15	16-Oct-15	DATES TO BE ENTERED
Financial Reporting		Review Monthly Finance Report to previous Council meeting	✓	✓	✓	✓	✓
		Review financial reporting timetable/plan	✓				
		Shell financial statements		✓			
		Draft Financial Statements			✓		
		Review management assurance and compliance representations			✓		
		Final financial statements including external audit clearance and management certification				✓	
Annual Report		Draft Annual Report					
		Final version Annual Report					✓
Financial Assets		Proposed annual infrastructure valuation methodology report		✓			
		Final annual infrastructure valuation report			✓		
External Audit	QAO	Consider briefing from QAO on emerging issues, results of audit and follow-up with management	✓	✓	✓	✓	✓
		Consider QAO audit reports for the Council	✓	✓	✓	✓	✓
		Review QAO Client Stagey including audit timetable, staffing and audit fee	✓				
		Consider need for a closed session briefing with QAO excluding management and Internal Audit	✓	✓	✓	✓	✓
Internal Audit		Review and endorse proposed Internal Audit strategic plan and annual audit plan: ensure no material overlap between internal and external audit functions					✓
		Review performance and resourcing of Internal Audit		✓	✓		✓
		Report on annual audit plan, including resourcing and budget		✓	✓		✓
Management Updates	Management Team	HR Strategy		✓	✓		✓
		Risk Management framework		✓	✓		✓
		Review Fraud and Corruption Control Prevention Plan		✓			
		Long Term Financial Strategy			✓		✓
		Inventory Action Plan	✓				
		Rolling Review of Policies					
		Follow up on Audit Issues	✓	✓	✓	✓	✓
Effectiveness of Audit Committee	Committee	Review committee and member performance					✓
		Review/confirm Internal Audit Charter					✓
Other business	Committee	Other business	✓	✓	✓	✓	✓

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22 OCT 2014

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Retention Period .....



Queensland Audit Office

14 October 2014

The Mayor  
Burdekin Shire Council  
PO Box 974  
AYR QLD 4807

Dear Cr Lewis,

### **Final Audit Report for Burdekin Shire Council**

The Burdekin Shire Council audit for 2013-14 has been completed.

Details of issues identified during the interim audit were provided to Chief Executive Officer, Matthew Magin, on 19 June 2014. Since then, all audit procedures have been completed, the financial statements have been audited and an audit opinion provided. The general purpose financial statements for 2013-14 were certified without qualification and were returned to you with an accompanying letter.

The purpose of this letter is to provide you with details of new issues identified when completing the final stage of the audit, other information relating to the audited financial statements and the final audit fee.

### **Issues from the final stage of the audit**

As at the date of certification of the Independent Auditor's Report there remained no unresolved high risk issues.

All issues identified in the final stage of the audit have been summarised in the Executive Summary (Appendix A). To indicate the significance of these issues to your organisation, each issue has been assessed as high, moderate or low risk. Definitions of these risk categories are included in Appendix B. Full details of all issues, together with management comments received, are included in Appendix C.

### **Reporting to Parliament**

Each year we report the results of all financial audits to the Parliament. These sector-based reports include standing commentary on the suite of factors we take into consideration when forming an audit opinion, including:

- the timeliness and quality of the financial statements (including any significant adjustments to figures or disclosures)
- any significant events and transactions impacting on the financial statements and the audit considerations and judgements made about these
- future financial risks and sustainability.

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The *Auditor-General Act 2009* requires also that the Auditor-General report to Parliament on any significant issues raised during an audit. We assign 'High' and 'Moderate' risk ratings to matters raised in our management report, and use these ratings as a guide for determining if any significant issues need to be publicly reported. Whether issues with a moderate or high risk rating are reported to Parliament depends on a number of factors, including management action taken to resolve these issues prior to the completion of the audit.

If we intend to include any significant issues in a report to Parliament, Council will be given an opportunity to comment and your comments will be reflected in the report.

#### **Audited financial statements**

Should you intend to electronically present the financial statements and our audit report on your website or distribute them via other electronic media, an additional paragraph must be included in the independent audit report. This paragraph highlights to the reader, the inherent risks associated with the electronic presentation of financial information and that audit has not provided assurance on the integrity of information presented electronically, nor on any information which may be hyperlinked to or from the financial statements. Responsibility for the electronic presentation of these reports on your website is that of management and or those charged with the governance of your entity.

#### **Audit Fees**

The 2013-14 audit fee for external audit services will be forwarded to you shortly.

If you would like to discuss these issues or any issues regarding the audit process further, please feel free to contact me.

Yours sincerely



Mark Andrejic  
(as delegate of the Auditor-General of Queensland)

Enc

VIEW		AGENDA	
		DATE	
NOTED		APPLIC #	
TENDER		PROP #	
ACTION		LAND #	
DEADLINE			

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### Executive Summary

A summary of the issues raised by category is included below for your information:

Appendix C Ref No	Issue	Cycle	Status	Management response
1.1	Asset Management Information System	Property, Plant & Equipment	Management undertaking resolution	Provided
1.2	Capital Works – Accounting Treatment	Property, Plant & Equipment	Resolved	Provided
1.3	Internal Revaluations – Extrapolation of Results	Property, Plant & Equipment	Management undertaking resolution	Provided
2.1	Internal Audit	Corporate Governance	Management undertaking resolution	Provided
2.2	Excessive Leave Balances	Employee Benefits	Management undertaking resolution	Provided
2.3	Register of Interests	Other	Management undertaking resolution	Provided
2.4	Documented IT Policies	Information Systems – Other	Management undertaking resolution	Provided
2.5	Long Outstanding Rate Debtors	Revenue & receivables	Management undertaking resolution	Provided
2.6	Assets Not Previously Recognised	Property, Plant & Equipment	Management undertaking resolution	Provided

Full details of these issues are provided in Appendix C.

### Ratings definitions and remedial action plan

The rating of audit issues in this report reflects our assessment of both the likelihood and consequence of each identified issue in terms of its impact on:

- the effectiveness and efficiency of operations, including probity, propriety and compliance with applicable laws and prescribed requirements.
- the reliability, accuracy and timeliness of financial reporting

Without anticipating the Auditor-General's final decision on what may be referenced in an Auditor-General's Report to Parliament, each of the issues included in the Appendix has been assessed and categorised against the following risk categories:

Risk category	Client impact	Prioritisation of remedial action
High	Significant issues which give rise to a risk of material misstatement in the financial statements as a result of error or fraud.	Requires prompt management intervention with detailed corrective action prior to certification of the financial statements.
Moderate	Issues of a systemic nature, but which would not individually or collectively give rise to a risk of material misstatement in the financial statements as a result of error or fraud.	Requires management intervention with a detailed action plan to resolve the issue, to be implemented within 3 to 6 months.
Low	Issues that are isolated, non-systemic or procedural in nature which would not individually or collectively give rise to a risk of material misstatement in the financial statements as a result of error or fraud.	Requires management intervention with a detailed action plan to resolve the issue, to be implemented within 6 to 12 months.

### Detailed findings (Refer Appendix C)

This attached Appendix outlines the observation, implication, recommendation, management comments and action plans for each audit finding.



## **1 MODERATE RISK ISSUES**

### **PROPERTY, PLANT & EQUIPMENT**

#### **1.1 Asset Management Information System**

##### **Observation**

Microsoft Excel is utilised for asset management of all classes of Property, Plant & Equipment. Due to the risk of error in spreadsheets and the limitations in handling the complexities of accounting for infrastructure assets, this may not be the most appropriate information system for Council. We understand Council are aiming to convert to a more sophisticated asset management system by 30 June 2015.

The following specific risks were identified:

- Cells are not formulated, protected or locked;
- Cells which should be formulated were hardcoded within Microsoft Excel, as opposed to formulated from pre-determined inputs;
- Not all relevant inputs could be sourced from the one schedule in respect of a class of assets;
- A significant amount of manual adjustment is required, post year end, to update the depreciation schedule for disposals, changes to remaining useful lives and new capital item replacements which have not been included in the registers in full;
- Significant time and resources are necessary to update each year, which may be negatively impacting the completion of end-of-year reconciliations and preparation of financial statements.

We understand Council are working toward implementation for a new asset management system, however this is unlikely to be implemented until the 2015 financial year.

##### **Implications**

There is a heightened risk that a material misstatement may occur due to the difficulties and limitations of accounting for property, plant & equipment, particularly complex infrastructure assets, in Microsoft Excel. Lack of access and security controls can result in data integrity issues.

The use of Microsoft Excel is likely to cause strain on Council resources with a significant amount of time required to update each year. Further to this, the audit process to review and check for accuracy is more time consuming when Microsoft Excel is used.

##### **Recommendation**

We recommend Council continue with current actions to convert the asset management system to a purpose built, specialist software package.

##### **Management Response**

Council has engaged a project manager to assist in the implementation of the Asset Management System. The project will commence late October and is expected to be substantially completed in the 2014-15 financial year.

The responsible officer is the Manager of Technical Services.

##### **Status**

Management undertaking Corrective Action.

## **1.2 Capital Road Works – Accounting Treatment**

### **Observation**

As part of our 2013 audit, we evidenced an issue with the recognition and measurement of costs associated with carrying out maintenance and remedial work to roads. At this time it was noted all costs incurred on account of remedial works to roads were capitalised without consideration of disposing the underlying asset, or assessment of costs which may require recognition as maintenance expenditure. During the 2014 financial year, we evidenced that costs incurred with regard to remedial works on roads are still being capitalised, however an appropriate capital expense is being incurred to dispose of the underlying asset being remediated. While this has not caused a material misstatement, the accounting treatment adopted is not entirely accurate. Should an asset be considered necessary to dispose, recognition of the related capital expense should occur at the time of the damage, rather than at the time of restoration.

Council does not have an established process in respect of the accounting treatment when assessing remediation works performed on roads, whether part of planned capital maintenance projects, or due to unexpected damage. As a result, all costs incurred that exceed the set recognition threshold are capitalised, without assessing the component of these costs that may be maintenance in nature.

### **Implications**

This may result in an overstatement of gross values of those affected road assets (or components thereof). Should the current process for measuring and recognising road capital maintenance not be refined, further misstatements are likely to occur in the future.

In addition, internal project costing for remediation of roads may be an unreliable basis for determining future unit rates to be adopted as part of the asset revaluation process in instances where over-capitalisation has occurred.

### **Recommendation**

We recommend Council review the current processes in relation to assessing maintenance work on roads. Specifically, regard should be given to Councils intention with the road at the time of inspection. We have outlined below the treatment which we have discussed with management for future instances of road maintenance:

#### **Minor Damage**

This is the instance where minor damage has occurred to road components, and while the service potential and remaining useful life has declined, the nature of works to be carried out is to repair existing road components. The accounting treatment in this instance requires classification of costs of repairing as maintenance expenditure in Profit and Loss. When damage is first evidenced, the written down value of the road should be re-assessed and any decline in value recorded through the ARS, to the extent that a previous balance exists. After the works have been carried out, the costs of which will pass through profit and loss, the road condition is to be assessed with an increment posted to the ARS to reflect the increase in service potential and condition of the road. Council should give appropriate consideration to a "betterment" component, which should be assessed for capitalisation.



#### **Major Damage**

This is an example of a road which has experienced significant damage, having little to no service potential if works are not carried out in the near future. At the time of the damage, whether through unexpected wear and tear or severe damage from monsoonal activity, the affected road component should be written off as the intention is to replace rather than repair. The impact of such a write-off would pass through Profit and Loss. Works carried out to bring the road back to its original condition (in some instances better than its original condition) are capitalised.

We recommend Council implement appropriate policies and procedures into asset management plans, or non-current asset policies, as appropriate.

#### **Management Response**

Council is currently developing procedures to apply the appropriate accounting treatment for maintenance/capital expenditure on road assets. These procedures will be applied in the 2014-15 financial year.

The responsible officer is the Manager of Technical Services.

#### **Status**

Management undertaking corrective action.

### **1.3 Internal Revaluations – Extrapolation of Results**

#### **Observation**

It is Council preference to perform internal fair value assessments of infrastructure assets. As a result Council are two years progressed in a 5-year physical inspection program to assess condition. We note the results of physical inspections have evidenced some isolated issues impacting upon condition. These results have not been extrapolated across the applicable network of assets for varying reasons. This has been accepted given the specifics of the sample of assets inspected. However, future inspections may reveal a more systemic issue which would require a developed methodology to extrapolate inspection results. Council does not currently have such a methodology.

#### **Implications**

In the absence of a developed methodology in relation to extrapolating inspection results, the annual asset revaluation process may result in a material misstatement. Further, failure to continue with the current inspection program and achieve adequate coverage over the remainder of the assets which have not been inspected as at 30 June 2014, will also likely result in material misstatement and possible audit qualification.

#### **Recommendation**

We recommend Council continue to develop the current asset revaluation methodology to incorporate an appropriate method of extrapolation. Further, at this time, the physical inspection program for 2015 should be well underway to achieve adequate coverage of remaining assets within the sewerage, road and drainage assets classes.



**Management Response**

An analysis of the available inspection data collected over the last two years has revealed a minimal variation in inspected condition from the condition recorded in the asset register. There is a current methodology in determining if there is a requirement to extrapolate the conditions across a class of assets. This methodology is reviewed each year following analysis of new data to determine the reliability of the methodology. This methodology will be documented for the 2014-15 financial year.

The physical inspection program for this year has commenced.

The responsible officer is the Manager of Technical Services.

**Status**

Management undertaking corrective action.

## **2 LOW RISK ISSUES**

### **CORPORATE GOVERNANCE**

#### **2.1 Internal Audit**

##### **Observation**

We note, since establishing an internal audit function in April 2013, there is no established internal audit plan or strategy. We note Council have appointed an external firm to conduct a review of Councils current internal audit function and develop a three-year internal audit plan, which is intended to be carried out shortly after development.

##### **Implication**

The internal audit function may not be as effective as it could be for council.

##### **Recommendation**

We recommend an internal audit plan is developed and implemented as soon as possible. The internal audit function should incorporate a review of Councils risk register and risk management process when designing the work plan.

##### **Management Response**

An internal audit function was provided by LGAQ during the financial year. Council called for quotations for the "Preparation of a 3 Year Internal Audit Plan" comprising of two parts:-

- a. Develop a 3 Year Internal Audit Plan; and
- b. Develop and Implement a 12 month detailed programme and a cycle of internal audit activities

Council has accepted a quotation for *part (a) Develop a 3 Year Internal Audit Plan* only.

Council will decide on *part (b)* following the successful completion of part (a). Council will consider the outcome of part (a) and the budget required to undertake part (b) before proceeding further.

Part (a) is commencing in October.

The responsible officer is Manager of Financial and Administrative Services

##### **Status**

Management undertaking corrective action.

## **EMPLOYEE BENEFITS**

### **2.2 Excessive Leave Balances**

#### **Observation:**

We identified 32 employees with more than 5 weeks annual leave entitlement and 31 employees with more than 13 weeks long service leave entitlement.

#### **Implication:**

The existence of excessive leave balances is a concern for the following reasons:

- As an employee's pay increases, Council will incur additional costs as employees will have to be paid their accrued leave entitlements at the higher rate of pay;
- Possible workplace health and safety issues with employees not taking their leave and a consequent increased risk of stress related illness;
- The benefit of job rotation is lost;
- Fraud risks are associated with an employees reluctance to take leave; and
- Redundancy costs for staff affected by the excessive balances may be significant.

#### **Recommendation:**

We acknowledge that Council regularly reviews excessive leave balances and there is a process in place to reduce individual leave balances to an acceptable level. We recommend this practice continue to ensure employees take leave where appropriate.

#### **Management Response:**

Presently Council undertakes reporting every 6 months (March and October) regarding the leave balances. Each manager is advised of employees who have reached or are close to reaching their maximum entitlements. Leave Plans are requested for these employees. These reports are regularly reviewed at Manager's meetings and also have been reviewed by the Audit Committee.

It is the responsibility of each Manager to manage their employees and ensure all excess leave is taken. Manager of Client Services will continue to monitor the situation and produce reports for Management.

#### **Status:**

Management undertaking corrective action.



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## **COMPLIANCE**

### **2.3 Register of Interests**

#### **Observation**

We noted the Register of Interests for Councillors has not been formally updated for some time (in some instances for more than two years). We understand there is an informal process in place, however this is not documented.

#### **Implication**

It is considered best practice for Councillors to review regularly (at least annually) their individual Register of Interests to ensure changes to particulars have been accurately effected. Local Government legislation requires any changes to particulars of a Councillors Register of Interests to be communicated within 30 days of the change.

#### **Recommendation**

We recommend Councillors regularly review their Register of Interests (at least annually) and communicate formally that all particulars are accurate and current.

#### **Management Response**

We will conduct an annual review of both Councillors and Staff Registers of Interest to be completed in April each year. Acknowledgement of no changes to interests will also be requested.

The responsible officer is the Executive Officer.

#### **Status**

Resolved.

## **INFORMATION SYSTEMS – OTHER**

### **2.4 Documented IT Policies**

#### **Observation**

Although Council have adequate Information Technology procedures in place, they are not documented in formal policies or procedures that have been approved by Council or management. It is noted that this matter has been raised in conjunction with the audit for the past four years.

It is noted that the IT Department underwent a risk assessment and identification process in 2013 which is intended to form a basis for policy development, however, it appears there has been no progress during the 2014 year.

#### **Implication**

Formalised and documented policies are a feature of good corporate governance. It also mitigates the risk of interruption to Council should a key IT staff member cease employment. The documented policies will ensure best practice is followed at all times.

#### **Recommendation**

We recommend an IT policy be drafted, agreed upon by senior IT staff, management and council, and adopted in the future.

---

**Management Response**

A number of draft policies have been located, however due to the organisation restructure we are unsure whether these are final copies. Council will review the IT policies and procedures during the financial year as listed in last year's Management Letter and these will be approved at a Manager's meeting.

The responsible officer is Manager Client Services.

**Status**

Management undertaking corrective action.

**REVENUE & RECIEVABLES****2.5 Long Outstanding Rate Debtors****Observation**

Whilst reviewing Council's outstanding rates debtors, we noted there were six properties with arrears in excess of three years for which partial payments or alternative arrangements for payment had not been made. At the time of our interim audit attendance, management had undertaken a review and identified a group of long outstanding rate debtors to be presented to Council for resolution on sale, however at the time of our final audit, no further action had been taken to present at a Council meeting.

**Implications**

The following implications may be relevant to Council:

- Delays in the process to recover outstanding rates may negatively impact Council's cashflow;
- Council is not taking all available action under Local Government legislation to collect overdue rates;
- Non-compliance with Council Policy;
- Lack of transparency and potential perception the rating system is not fair or equitable.

**Recommendation**

We recommend Council review all outstanding rate debtors and ensure compliance with both internally adopted policy and local government legislation. All available action to Council should be pursued to recover long outstanding amounts.

**Management response**

Of the six outstanding rates debtors four will be recommended for sale with a report to be prepared and presented to Council by December. A further review will be undertaken in June/July of 2015.

The responsible officer is the Manager of Financial and Administrative Services.

**Status**

Management undertaking corrective action

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## **PROPERTY, PLANT & EQUIPMENT**

### **2.5 Assets Not Previously Recognised**

#### **Observation**

As part of the physical inspection process, Council have detected some infrastructure assets which have not been previously recognised in Councils asset management system. As such the assets have been recorded in the current year, with a corresponding entry to capital income. While the value of the infrastructure items is quite small, the recommendation accounting treatment is to treat the assets as a prior period error, with a retrospective restatement performed in accordance with *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*.

#### **Implication**

The adopted accounting treatment of assets not previously recognised may not be in accordance with Australian Accounting Standards.

#### **Recommendation**

We recommend Council review the current method of accounting for assets not previously recognised and make appropriate adjustments to ensure compliance with *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*.

The Tropical model of financial statements provides an example of this treatment for future reference.

#### **Management response**

Council will review the current method of accounting for assets not previously recognised in future years to ensure compliance with the Accounting Standard mentioned.

#### **Status**

Management undertaking corrective action



## Reporting for better outcomes

In this series of our practice notes we focus on how you, as an audit committee member can help your public sector agency improve their financial and non-financial performance reporting.

Specifically, we focus on how audit committees can help in:

- providing effective disclosures
- giving useful explanations for variances
- understanding key aspects of depreciated replacement cost.

We also give you some ideas on how to learn more about useful non-financial measures of efficiency and effectiveness.

Finally, we have attached some checklists to make these issues even clearer.

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## Improving financial reporting

### Disclosures—less is more

Is everything in your financial statements useful?

Leslie F Seidman (former Chairman of the U.S. Financial Accounting Standards Board) noted that because reports are often too long, useful gems of information can be 'hidden in plain sight'.

Closer to home, Joanna Spencer from the Australian Accounting Standards Board (AASB) discusses the trend toward 'disclosure overload'.

She says that time pressures, fear of criticism from regulators and auditors, and lack of confidence are some of the causes.

(You can access her February 2014 AASB paper at

<http://www.aasb.gov.au/admin/file/content102/c3/RCS2-14-Disclosure-and-Materiality.pdf> )

Put simply, both papers are saying that agencies can make their financial reporting briefer and easier to read, and that the focus needs to be on quality, not quantity.

So how do you do this? Start by asking yourself two questions:

*Is it relevant?*

*Is it material?*

Keep in mind, for example, that your agency does not need to disclose all accounting standard requirements if the disclosure is not considered material. (By 'material', we mean important or significant.)

Most accounting standards contain disclosure requirements and these are often automatically added to financial statements on the release of a new standard—without asking whether they are relevant or material.

The revisions to AASB101 *Presentation of Financial Statements* states that disclosures required by standards should only be included where they are material.

However, it also makes it clear that in some cases agencies should disclose more than the requirements of the accounting standards. This is particularly the case when users of financial statements won't understand key transactions without additional information.

So, for each proposed disclosure, ask yourself another important question:

*If this information is not included, would the financial statements mislead users?*

In other words, would the omission lead users to make different economic decisions to the ones they would have made had the disclosure been included? You have to use your professional judgement on this.



The AASB101 revisions provide you with a place to start de-cluttering—the significant accounting policy note (note 1).

Accounting policies should only be included where necessary to help users to understand how material transactions and events are recorded in the financial statements.

They will probably only need to know the selected accounting policy where there are a number of alternatives allowed by accounting standards for material transactions.

The second thing you can do is to think about the layout and ordering of the notes to the financial statements. Start by:

- highlighting the transactions and activities that are most relevant to understanding the financial statements
- grouping together items that are measured similarly, rather than simply following the order of the profit or loss or balance sheet.

The third thing that will make a difference is using plain language explanations. Focus on removing what others would see as technical 'jargon'. When you have to use it, explain it.

**Reporting is agency-specific.  
Make your own judgements each year on what should and should not be included in your financial statements.**

#### How committees can help

Your audit committee can take an active role in helping to simplify financial statements. To do so, you need to:

- know the business and the key transactions and balances
- understand what materiality means for your agency—has it been re-defined recently?
- encourage early 'hard' closes, and the early identification of key reporting issues. This will ensure that judgements about materiality and disclosure are made before the rush at the end of the financial year
- work closely with your external auditor. We will be helping you to simplify your financial statements.

#### Budget reporting—real variances require real explanations

If you publish a Service Delivery Statement (SDS), you will need to report differently this year. For the first time, each agency will report its actual performance compared to its original budget as reported in its 2014–15 SDS. Agencies don't need to disclose comparative budget information.

The SDS can be accessed at

<http://www.budget.qld.gov.au/current-budget/budget-papers/bp5.php>

The new disclosures, required by AASB1055 *Budgetary Reporting*, include providing explanations of major variances for the income statement, balance sheet, statement of changes in equity and cash flow statement for both controlled and administered statements.

The three keys to compliance are:

- **material** line items
- **major** variances
- **meaningful** explanations.

To put this in plain English, you need to report on what is important, identify major variances, and provide real and useful explanations for them.

What constitutes a major variance is not defined by the accounting standard, and it may not just be limited to the figures themselves. You need to consider qualitative factors regarding the nature of the balances.

When you identify and explain the variances, make sure you do so based on original budget information. Don't include budget revisions and updates in your explanations. (You can restate your budgets, if necessary, to align with the presentation in the financial statements.)

Where agencies have been newly established, abolished or restructured, the SDS budget will be reallocated in accordance with the changes.

**Explanations of significant variances should analyse and account for the performance of your agency.**

You can find more guidance on the application of AASB1055 in the [financial reporting requirements](#) published by Queensland Treasury and Trade (Part B Minimum Reporting Requirements Section 9).



## How committees can help

Your audit committee should discuss preparations to report under this standard with your Chief Finance Officer (CFO). In doing this, you should:

- Make sure you understand any changes to the original budget information included in the SDS. (Ensure that budget revisions and updates are not included.)
- Encourage a 'dry run' using last year's budgeted versus actual or as part of an interim 'hard' close. This will test the principles and adequacy of explanations.
- Discuss and agree on thresholds for major variances with the CFO and your external auditor early in the process.
- Ensure the focus is on substantive explanations. It is not good enough to say something was more or less than budgeted—this is not an explanation! You have to account for the performance of your agency.
- Work out whether variances are a timing or a permanent difference. Do this by examining the underlying assumptions. If the variance can be linked to activity or outputs, analyse the differences between expected and actual quantities delivered.

## Asset valuation—appreciating depreciated replacement cost

One of the main issues we see is misunderstanding and misinterpretation of the fair value standard as it applies to infrastructure assets. This leads to inconsistencies in valuation approaches and results in large shifts in asset values from one valuation to the next.

Most not-for-profit public sector agencies report their non-current infrastructure assets at their current replacement cost, commonly referred to as depreciated replacement cost.

The idea of depreciated replacement cost is to calculate how much it would cost today to replace the 'service potential' remaining in an existing asset.

To arrive at depreciated replacement cost requires:

- identification of the full cost of a replacement asset
- adjustment of this full cost to take account of the age and condition of the existing asset and its residual value.

## Full replacement cost of asset

The cost of a replacement asset is determined by reference to the modern equivalent asset, built to current engineering standards and with modern materials.

The current asset you have may have been over-engineered (gold-plated), or may have features which are now obsolete. The gross cost to construct the replacement asset needs to be adjusted downwards to take this into account, because your agency would usually not seek to replicate these features as part of the 'entry' price you would pay to replace the asset.

More subtly, the gross replacement cost also will need to be proportionally adjusted downwards if the modern equivalent asset provides greater service potential than the existing asset (for example, if it has a longer useful life).

Your agency should understand any adjustments for obsolescence. If an asset is technically obsolete, the valuation is reduced to the cost of a modern equivalent asset.

The Victorian Auditor-General recently qualified his audit opinion on the Annual Financial Report of the State of Victoria, 2013–14 on the basis that he did not agree with the accounting policy used to assess the level of economic obsolescence in public schools [\(Report tabled 16 October 2014\)](#).

## Age and condition adjustments

Changing key estimates (such as the useful life of assets) will materially change valuation results and must be supported and reported in financial statements.

How do you gather data on this?

The most reliable indicators of how far an asset is through its lifecycle are periodic asset condition assessments through physical inspection and technical monitoring. Actual condition ratings can be plotted against expected condition curves to identify whether the assets are physically deteriorating faster or slower than expected. Estimated useful lives can then be adjusted to reflect the actual condition of the asset.

In the intervening years when condition data is not obtained, you can review asset usage data and expenditure data on maintenance programs. This will give you insights into the asset's longevity. If the data raises flags, you may decide to bring forward the next condition assessment.



## Residual values

Most infrastructure components will have a zero residual value at the end of their lives, or scrap value, which is practically zero.

Buildings, road seals, footpaths, curb and channel; underground pipes, are all examples where this assumption applies most often—but it's not always straightforward.

Road pavement (the layer between the top seal and the underlying road foundation) is one component where the issue of residual value is less clear.

One approach is to allow some residual where the material used in the pavement is planned to be recovered, re-conditioned and re-used in the replacement pavement. The residual is typically the 'cost' saved by reusing the pavement material.

An alternative is to divide the pavement into two sub-components—a wearing course and a base layer, both with zero residual values. The base layer has a longer useful life than the wearing course.

The AASB is considering this and has issued a tentative decision which proposes that, in accordance with AASB116, residual value would only be recognised when an agency expects to receive consideration for an asset at the end of its useful life.

In supporting its view the AASB noted that if agencies separate assets into their components and make appropriate estimations of the useful life of each asset, the overall depreciation expense would be similar under either approach.

Read the AASB's decision paper [Recognition of Residual value for Infrastructure Assets February 2015](#) here. Watch this space for a final pronouncement.

**Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at a measurement date.**

## How committees can help

Committees need to know (find out from your CFO) what underlying assumptions are used for depreciated replacement cost and how your depreciation is calculated.

Our attached checklist will help you to focus your questions.

## Improving performance reporting

### Monitoring and reporting performance

An agency's performance is not measured just by its financial performance. Non-financial information also provides key insights into operational performance.

Last year we assessed whether non-financial performance information was outcome-based, relevant, useful, able to be understood and measured what it said it did—*Monitoring and reporting performance* ([Report 18: 2013–14](#)).

In many cases, it wasn't.

Most agencies did not even have good key performance indicators for the efficiency or cost-effectiveness of their services. This needs to be addressed.

### How committees can help

A good start for any audit committee is to review Appendix E of the Report to Parliament *Monitoring and reporting performance* (Report 18: 2013–14). This summarises the findings for each department across the service areas.

The [Report on Government Services](#) (ROGS) published by the Productivity Commission also provides information on the equity, effectiveness and efficiency of government services in Australia. This should give you and your agency good ideas on how to design your own key performance indicators.

Your committee should also identify whether the measures are to be reported externally or internally. This can then be part of your discussions when reviewing your SDS.

**Effectiveness measures reflect how well the outputs achieve the purpose of the service.**

**Efficiency measures reflect how well resources are used in producing the outputs or achieving outcomes.**

## Further information

If you would like further information about any of these topics, please contact:

Mr Michael Booth  
Assistant Auditor-General  
3149 6100 | [michael.booth@gao.qld.gov.au](mailto:michael.booth@gao.qld.gov.au)

Stay tuned for the next instalment in our Audit and Risk Committee series.

INSIGHTS is an occasional newsletter produced by the QAO. Its contents are necessarily general, and are not intended as a replacement for specific advice.

## Improving financial statement disclosures

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Disclosures in financial statements need to provide enough information to help users make decisions.

Focus on identifying *relevant* and *material* information and communicating it in a clear, concise and effective manner.

### Is it relevant?

- ☐ Is the information specific and significant to my agency?
- ☐ Is the information tailored to meet the needs of users?
- ☐ Is anything disclosed that is irrelevant to the agency? (Consider replacing irrelevant disclosures with a single sentence stating that they have been considered but do not apply to the agency.)

### Is it material?

- ☐ Can management define what is material and how is this applied to disclosure? Discuss this with your CFO.
- ☐ Could omitting or misstating information influence the decisions of the users? (Materiality guidance is provided in [AASB 101](#) and [AASB 108](#).)
- ☐ Do transactions and balances require judgement and estimates? Are the disclosures of material balances meaningful?
- ☐ Do some disclosures have lower materiality thresholds? (e.g. write-offs or valuation increments/decrements.)

### Is it easy to understand and apply?

- ☐ Is the disclosure written in a way that users can understand?
- ☐ Does the disclosure help users to understand the conditions reflected in the income statement, cash flows and balance sheet and any future financial risks?
- ☐ Does it clearly explain where judgement and estimation have been used?
- ☐ Does it provide enough information to assess assumptions?



## Depreciated replacement cost

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For most public sector agencies, property, plant and equipment is the most significant line item in the balance sheet. Getting the valuation right is therefore crucial for assessing the performance of the agency and the assets that it manages on behalf of the State of Queensland.

### Challenge the accounting treatment

#### Valuing assets using depreciated replacement cost:

- ☐ Are there material asset components with different useful lives and residual values? If so, are they valued separately?
- ☐ Has the replacement cost been determined for the modern equivalent asset? If so, how has any 'gold plating' of the current asset or extra service potential for the modern equivalent asset been dealt with?
- ☐ Have unit labour and materials costs been used to develop the construction cost? If so, how have short-term market fluctuations in the prices for these been treated?
- ☐ Where indexation is used, is it appropriate?

#### If a valuer has been engaged to perform a valuation for current replacement cost:

- ☐ Do they have the knowledge and expertise needed to reliably gauge costs (e.g. quantity surveyors) and assess asset condition (e.g. civil engineers)?
- ☐ Have you obtained a copy of the final report?
- ☐ Have you engaged directly with the valuers to understand the result?
- ☐ Does the valuer's report include:
  - ☐ Whether a physical inspection occurred? If not, how did the valuer perform a condition assessment?
  - ☐ Description of how key assumptions were determined, and which are based on external information?
  - ☐ Sufficient information for sensitivity analysis to be included in your statements?
  - ☐ Reasons for any changes in techniques or inputs?
  - ☐ Support for changes in the valuation, including a comparison to other agencies and industry trends?

#### Calculating depreciation

- ☐ What is the useful life? Has this been changed this year?
- ☐ Have condition assessments been taken into account?
  - ☐ If your valuer has performed a condition assessment this year, does it agree with your internal assessment? Does the asset's useful life need to change if they are different?
  - ☐ If your valuer has not performed a condition assessment this year, how has management demonstrated that the estimate of remaining useful life remains appropriate? (They could do this by providing data on asset maintenance expenditure or asset usage data.)
  - ☐ If the condition assessment indicates that the asset is deteriorating faster or slower than expected, has management revised the asset's useful life? Do you need to revise your asset management strategies?
- ☐ Are depreciation and useful lives considered at the component level?
- ☐ If any part of the asset is recycled, it is separated into a component and depreciated over a longer life?
- ☐ How have residual values been determined?
- ☐ Do any components have material residual values? If so, why?



## Improving performance reporting

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Public sector agencies must report publicly on their performance as part of their accountability obligations. This demonstrates their responsible use of taxpayer-funded resources.

It is arguably even more important to know this in times of fiscal constraint.

Those charged with running public sector agencies need regular access to a suite of both financial and non-financial information to manage their business, determine whether they are on track and take timely corrective action if needed.

### Overview

- ☐ Have the specific findings in *Monitoring and reporting performance* **Report 18: 2013–14** been analysed and responded to by your department?

### Objectives

- ☐ Are the service objectives clear, measurable and easy to understand?
- ☐ Are they outcome-focused?

### Performance measures

- ☐ Are the measures linked clearly to the service objectives?
- ☐ Do they fairly represent the performance of the agency?
- ☐ Is the agency measuring what it should rather than what it can?
- ☐ Are the measures balanced—is there a suite of indicators across various dimensions of performance? (e.g. efficiency, effectiveness, quantity, quality and cost)
- ☐ Do they cover all the material services?

### System capabilities

- ☐ How do you know the reported performance information is reliable and accurate?
- ☐ Are the systems of performance measurement and reporting robust, with appropriate internal controls?
- ☐ Do staff have the required skills and expertise to design clear, measurable objectives and develop relevant, meaningful performance indicators?

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### **3.3 Burdekin Shire Council Local Disaster Management Group Meeting - 20 March 2015**

#### **Recommendation**

That the minutes of the Burdekin Shire Council Local Disaster Management Group Meeting held on 20 March 2015 be received as a true and correct record.

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**BURDEKIN SHIRE COUNCIL**

**MINUTES – BURDEKIN SHIRE COUNCIL LOCAL DISASTER MANAGEMENT GROUP MEETING**  
**HELD ON 20 MARCH, 2015**

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**CLAUSE 1     ATTENDANCE**

Core Members

Cr. Ross Lewis - (Chair) Burdekin Shire Council  
Ms. Eileen Robinson - Local Disaster Co-ordinator  
Senior Sgt. Steve Barton - Queensland Police Service, Ayr  
Mr. Robert Sutcliffe - Burdekin SES Controller  
Ms. Debra Cochran - Burdekin Community Association  
Mr. Kevin Byers - Burdekin Shire Council  
Mr. Wayne Preedy - Queensland Fire and Emergency Services  
Mr. Wayne Saldumbide – Burdekin Shire Council

Specialist Advisors

Mrs Julie Davies - Burdekin Shire Council  
Sgt. Brett Smith - Queensland Police Service, Home Hill  
Mr. Brad Hutchinson – Burdekin Shire Council  
Mr. Bruce Smith - St John Ambulance, Burdekin  
Cr. Ted Bawden - Burdekin Shire Council  
Mr. Matthew Oar - Ergon Energy  
Mr. Steve Postma - Wilmar  
Mrs. Tracey Hobbs - Burdekin Community Association  
Mr. Dan Mulcahy - Burdekin Shire Council  
Mrs Deana Murray - Lower Burdekin Home for the Aged  
Mrs. Mary Vicary - Queensland Health

Minutes Clerk – Miss S. Cronin

Apologies for absences

Cr. Bill Lewis - (Chairman) Burdekin Shire Council  
Mr. Matthew Magin - Deputy Local Disaster Co-ordinator  
Mrs. Elizabeth Preedy - Queensland Fire and Emergency Services  
Mrs. Janai Giddy – Burdekin Shire Council  
Ms. Linda Govan - Burdekin Shire Council  
Mr. Tony Melrose - Maritime Safety Queensland  
Mr. Mal Bouker – Queensland Fire and Emergency Services  
Cr. Lou Loizou – Burdekin Shire Council (Delegate Representative)  
Mr. Peter McCulloch - Queensland Rail  
Mr. Jim Collins - Lower Burdekin Home for the Aged  
Mr. Alan Parravicini - Burdekin SES  
Mr. Brian Burkett - Community Recovery North Queensland Region  
Mr. Mark Biffanti - Ergon Energy  
Mr. Kevin Anderson - Queensland Fire and Emergency Services  
Mr. Steve Barber - Queensland Fire and Rescue Service  
Ms. Liza Clews - Deaf Services Queensland  
Mrs. Sue Collier - Flexi Queensland  
Mr. Andrew Thomas - Department of Transport and Main Roads  
Mr. Gordon Yorke - Queensland Fire and Rescue Services  
Mrs. Merle Scott - Radio Sweet FM  
Mrs. Sean O'Shea - Burdekin Community Association  
Senior Constable Shane Schiffilliti - Queensland Police Service – Clare  
Mr. Darryl Hanger – Australian Red Cross  
Mr. James Mummery – Sunwater  
Mr. Frank D'Souza - Maritime Safety Queensland

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**CLAUSE 2 MINUTES OF THE BURDEKIN SHIRE COUNCIL LOCAL DISASTER MANAGEMENT GROUP MEETING HELD ON 20 FEBRUARY, 2015**

Moved Senior Sgt. Barton, seconded Ms. Cochran that the minutes of the Burdekin Shire Council Local Disaster Management Group Meeting held on 20 February, 2015 be received as a true and correct record.

CARRIED

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**CLAUSE 3 CORRESPONDENCE FOR INFORMATION**

**1416580 \* 6**  
**James Cook University**

Real Time Wind Speed Measurements for Cyclones – SWIRLnet – Surface Weather Information Relay and Logging Network.

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**CLAUSE 4 AGENCY REPORTING**

**Mr. Wayne Preedy - Queensland Fire and Emergency Services**

1. Please refer to Mrs Preedy's attached report

**Mr. Matthew Oar – Ergon Energy**

1. 483 customers in the far north without power but being attended to by local crews. Burdekin crew are on standby.

**Mr. David White – Telstra**

1. Make sure there is fuel in generators at all times.
2. Outlined the preplanning in the event of a cyclone.
3. Within four hours of TC Nathan the Daintree Ferry was operating.
4. Generator backup plan for mobile towers if batteries go flat

**Mr. Robert Sutcliffe - State Emergency Services**

1. Local crew are in Cooktown.
2. New batteries are in repeaters at Giru.

**Ms. Eileen Robinson – Burdekin Shire Council**

1. Cyclone Shelter plans are still ongoing.
2. Cyclone Shelter Manager, Mr. Adrian Scott and the Local Disaster Management Executive have undertaken training with Queensland Fire and Emergency Services.
3. Submission has been sent to the Hon. Jackie Trad MP, for more funding to further fitout the Cyclone Shelter. If successful the funding will provide shutters for the office; fans for the main area; bitumen for a car park; dividers for first aid areas etc; projectors and televisions; chairs and tables; cover for the generators; and covers for the amenities vents.

**Mr. Wayne Saldumbide - Burdekin Shire Council**

1. Generator sets at Nelson's Lagoon have auto cut over switch.
2. Sewerage plant has a backup portable generator.

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There being no further business the meeting closed at 12.30pm.

The next meeting will be held on Friday 17 April 2015.

**CHAIRMAN**



**Queensland Fire & Emergency Services  
Emergency Management report to the Burdekin  
Local Disaster Management Group**

*This report covers the period 21 Feb – 20 Mar 2015*

<b>Emergency Management Meetings/Activities attended:</b>	
<ul style="list-style-type: none"><li>Deployed to North Coast Region (Gympie) to assist with TC Marcia event</li></ul>	
<b>Topics of Interest:</b>	
<ul style="list-style-type: none"><li>Planning for discussion exercise for next LDMG meeting (17 Apr 2015) underway – postponed to April due to operations &amp; absence of Chair in March.</li><li>Assisting in review of all LDMP sub plans, including development of Cyclone Shelter Operations Sub Plan</li></ul>	
<b>Training and Exercises</b>	
<b>Training conducted:</b>	<ul style="list-style-type: none"><li>3-day DM training workshop (Townsville) – 10-12 Mar 2015</li></ul>
<b>Scheduled training:</b>	<ul style="list-style-type: none"><li>1 day NDRRA/SDRA &amp; REPA workshop by QldRA in Townsville <b>Thu 9 April 2015</b>. This will offer the opportunity for participants to receive a Certificate for the DRRFA module, as well as explore the intricacies of REPA over the course of a full day with the experts from QldRA. Invitations/details will be forwarded in due course, but this is a rare &amp; valuable opportunity for those who have not completed the DRRFA module but need to, as well as staff involved in preparation of NDRRA claims, particularly with respect to REPA.</li></ul>
<b>Exercises conducted:</b>	<ul style="list-style-type: none"><li>Planning for discussion exercise to follow next LDMG meeting (17 Apr 2015) underway – postponed to April due to operations &amp; absence of Chair in March (will take approx. 1hr).</li></ul>
<b>Scheduled exercises:</b>	<ul style="list-style-type: none"><li>Planning underway to conduct a series of discussion exercises/workshop around evacuation (exploring exactly how we would conduct an evacuation in the Shire and calculating the evacuation timeline); also practicing Emergency Alert messaging/preparing templates.</li></ul>
<b>Community Awareness and Education</b>	
<b>Public awareness activities conducted:</b>	<ul style="list-style-type: none"><li>NTR</li></ul>
<b>Proposed public awareness activities:</b>	<ul style="list-style-type: none"><li>NTR</li></ul>
<b>Operations</b>	
<b>Conducted:</b>	<ul style="list-style-type: none"><li>TC Marcia (NCR)</li></ul>
<b>Current Impediments</b>	<ul style="list-style-type: none"><li>Nil</li></ul>
Report authorised by:	
Name:	Libby Preedy
Position:	QFES Emergency Management Coordinator, Townsville
Date:	17 March 2015

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## **4 REPORTS**

### **4.1 Capital Projects Monthly Report for Period Ending 31 March 2015**

#### **Recommendation**

That the Capital Projects Monthly Report for Period Ending 31 March 2015 be received.





**BURDEKIN SHIRE COUNCIL  
MONTHLY REPORT - CAPITAL PROJECTS**

**Period Ending 31 March 2015**

Budget	Income Actual to Period End	Variance	Description	Budget	Expenditure Actual to Period End	Variance	Comments
<b>Manager Community Development</b>							
-92,673	-92,672.73	0%	12007 - Burd Rural Multi-Tenant Service Centre	227,673	1,648.35	-99%	Tender process is completed. Malas Construction has been appointed as builder. Sub-agreement for funding has been executed. Construction to begin in April 2015.
<b>-92,673</b>	<b>-92,672.73</b>		<b>Total</b>	<b>227,673</b>	<b>1,648.35</b>		
<b>Manager Client Services</b>							
0	0.00	-	11001 - IT Hardware Purchases	44,000	21,190.00	-52%	Design office plotter \$14,450. Community Development Photocopier \$6,740. Purchases for April include the Executive Office Photo Copier and Data3 NAS (Network additional Storage) - This is additional low level storage for the BSC.
0	0.00	-	11006 - IT Communication Purchases	130,800	117,716.79	-10%	PABX phone system installation. Investigating additional software Licenses for Reporting and upgrading of Customer Service phone set up.
0	0.00	-	11007 - IT Software Purchases	343,000	146,790.88	-57%	Asset management software implementation costs including consultants and Tech One Licences. Trial configuration and data load commenced in March - project on track to be completed by end of June.
-10,421	-10,675.20	2%	12041 - Burdekin Library	67,700	47,625.90	-30%	Replacement of main Library air-conditioning system has been put on hold. Life span of air-conditioner now expected for another 36 months. Actual expenses relate to Library reception desk and renovations.
-87,450	-43,785.99	-50%	12044 - Burdekin Library Other Assets	92,700	56,143.64	-39%	Ongoing purchases of library books.
<b>-97,871</b>	<b>-54,461.19</b>		<b>Total</b>	<b>678,200</b>	<b>389,467.21</b>		
<b>Manager Governance and Local Laws</b>							
0	0.00	-	10001 - Ayr Industrial Estate	50,000	32,588.52	-35%	Progressively filling with excess roadworks spoil. Preparing land for sale.
0	0.00	-	10007 - Council Properties Community	6,380	6,379.58	0%	Completed. Relocation of donga to Clare from Depot. Approved 22 July 2014.
-46,663	-46,663.04	0%	10020 - Land Purchases/Sales	0	0.00	-	Income from sale of Paine Street, Ayr.
0	0.00	-	11104 - Comm & Cul Furniture & Fittings Capital Purchases	11,362	11,362.00	0%	Completed. Shelving for storage of corporate records at Cyclone Shelter.
0	0.00	-	12012 - Ayr Showgrounds Grounds	5,774	5,773.68	0%	Completed. Reroof main toilet block at Ayr Showgrounds.
0	0.00	-	12013 - Burdekin Amateur Basketball Assn	52,742	12,097.50	-77%	\$12,098 expense to replace flooring of stadium out of budget of \$22,742. Budget \$30,000 is for new aircon at stadium - deferred
-2,133,746	-2,133,746.31	0%	12029 - Cyclone Shelter	1,751,792	1,752,471.78	0%	Project completed. Over budget due to minor final works.
0	0.00	-	16201 - Ayr Transfer Station	40,523	7,689.00	-81%	\$7,689 expense for installation of boom gates out of \$13,023 budget. Budget \$27,500 for reseal of existing bitumen - est completion end of May.
0	0.00	-	16203 - Ayr Transfer Station Building	15,949	15,949.21	0%	Completion of new office building.
0	0.00	-	16205 - Giru Transfer Station	9,308	9,308.37	0%	Completion of Oil Shed.
0	0.00	-	16206 - Home Hill Transfer Station	38,000	25,192.73	-34%	\$25,193 expense for second hand shed - \$25,000 budget. Budget \$13,000 for chip seal and profile correction - est completion end of May.



**BURDEKIN SHIRE COUNCIL  
MONTHLY REPORT - CAPITAL PROJECTS**

**Period Ending 31 March 2015**

Budget	Income Actual to Period End	Variance	Description	Budget	Expenditure Actual to Period End	Variance	Comments
0	0.00	-	16220 - Kirknie Landfill Cell Liner	2,143,003	27,430.50	-99%	Tenders closed 9 January 2015. Tender Report deferred. Considering construction by Council workforce.
0	0.00	-	16251 - Burdekin Cascades Caravan Park	210,000	0.00	-100%	Business case for 3 new cabins \$210,000 currently being prepared prior to decision on commencing. Expected end April.
0	0.00	-	16252 - Home Hill Caravan Park	85,000	0.00	-100%	Upgrade amenities - scope of works to be determined and then quotes to be obtained. Profitability of Park also to be determined prior to commencement of project.
-2,000,000	0.00	-100%	16301 - Ayr Pool	2,161,165	20,255.80	-99%	Pool refurb \$2M dependent on grant funding - Ayr Pool design tender awarded to GHD - paid \$9,091 to date. Further detail to be obtained on proposed development costs. Design budget \$150,000. Installation of safety balustrades \$11,165 - completed.
0	0.00	-	16304 - Home Hill Pool	38,411	38,411.00	0%	Safety balustrades \$11,165 - completed. Pool shade covers - completed \$27,246.
-61,000	0.00	-100%	16305 - Millaroo Pool	65,500	0.00	-100%	Pool refurb dependent on grant funding - priorities for refurbishment yet to be determined - budget \$50,000. Shade sail storm repair budget \$15,500 - claim \$11,000.
<b>-4,241,409</b>	<b>-2,180,409.35</b>		<b>Total</b>	<b>6,684,909</b>	<b>1,964,909.67</b>		

<b>Manager Operations</b>							
-1,335,123	0.00	-100%	27003 - NDRRA - Mar 12 Event	0	0.00	-	Completed June 30. Grant funds to be transferred from operating.
-2,267,899	-26,909.10	-99%	27100 - NDRRA - Feb 13 Event	3,888,233	1,125,210.11	-71%	NDRRA work scheduled to begin after Easter, following completion of wet season. Deadline is 30 June 2015.
0	0.00	-	16003 - Home Hill Cemetery	86,718	76,513.64	-12%	Project Completed
0	0.00	-	16005 - Ayr Cemetery Other Assets	70,000	28,768.88	-59%	Construction awarded to Dal Ponte Building Services for Columbarium. Expenses are for shelter kit.
0	0.00	-	16412 - Coutts Park - Other Assets	45,000	0.00	-100%	BBO Shelter ordered - funded by developer contributions. Additional developer contributions anticipated.
0	0.00	-	16420 - Spiller Street Park Exceloo	32,000	30,723.30	-4%	Project Completed under budget.
0	0.00	-	16503 - Playground Equipment - Various Parks	40,000	0.00	-100%	Giru Skate Park - Slab constructed by Wilmar. Order placed with Urban Play for Skate Equipment. Delivery and assembly due May/June.
0	0.00	-	16519 - Miscellaneous Park Furniture - Various Parks	56,494	22,140.92	-61%	To replace picnic table settings and bins in various parks - Ayr, Brandon and Home Hill.
0	0.00	-	23250 - Depot/Store Building	80,000	4,527.55	-94%	Design and certification complete - quotations closing May.
0	0.00	-	30000 - Sewerage Construction Budget	168,500	0.00	-100%	Sewerage replacement/refurbishment of assets.
0	0.00	-	30203 - Pump Station 3 Ayr	100,000	7,890.35	-92%	Replacement Pumps. Install April 2015
0	0.00	-	30207 - Pump Station 7 Ayr	0	36.18	-	Replacement Pumps. Install April 2015. Budgeted at CJ 30203.
0	0.00	-	30212 - Pump Station 12 Ayr	0	8,396.89	-	Replacement Pumps. Install April 2015. Budgeted at CJ 30203.
0	0.00	-	30213 - Pump Station 13 Ayr	0	7,890.35	-	Replacement Pumps. Install April 2015. Budgeted at CJ 30203.
0	0.00	-	30214 - Pump Station 14 Ayr	0	8,290.34	-	Replacement Pumps. Install April 2015. Budgeted at CJ 30203.
0	0.00	-	30215 - Pump Station 15 Ayr	0	8,360.73	-	Replacement Pumps. Install April 2015. Budgeted at CJ 30203.
0	0.00	-	30217 - Pump Station 17 Ayr	0	8,396.90	-	Replacement Pumps. Install April 2015. Budgeted at CJ 30203.
0	0.00	-	30218 - Pump Station 18 Ayr	0	8,396.90	-	Replacement Pumps. Install April 2015. Budgeted at CJ 30203.
0	0.00	-	30221 - Pump Station 21 Ayr	8,000	8,093.02	1%	Works complete.
0	0.00	-	30223 - Pump Station 23 Ayr	73,500	73,293.71	0%	Project Complete.
0	0.00	-	30330 - Telemetry - Sewerage	0	14,280.26	-	Budgeted at CJ 30000.
0	0.00	-	30406 - Treatment Plant Primary Clarifier Ayr/Br	150,000	0.00	-100%	Detailed design plans required - Consultant to be engaged.





**BURDEKIN SHIRE COUNCIL  
MONTHLY REPORT - CAPITAL PROJECTS**

Period Ending 31 March 2015

Budget	Income Actual to Period End	Variance	Description	Expenditure Actual to Period			Comments
				Budget	End	Variance	
0	0.00	-	31050 - Sewer Reline Project	781,810	0.00	-100%	Combined budget over 13/14, 14/15 + 15/16 for total allocation of \$1,181,810. Project to include manhole refurbishment. Tender to be called May 2015 under Local Buy.
0	0.00	-	35000 - Water Construction Budget	35,000	0.00	-100%	Water replacement/ refurbishment of assets including Install Scour Injection point 525mm main South Ayr WTP to commence in April.
0	0.00	-	35034 - Bore 4 Nelson's	28,000	27,954.58	0%	Upgrade/Refurb of Bore Screen, casing. Works Complete.
0	0.00	-	35156 - Balance Tank - Mt Kelly	60,000	552.83	-99%	Seeking technical advice from suppliers.
0	0.00	-	35230 - Telemetry - Water	60,000	18,872.00	-69%	Upgrade analog telemetry to digital.
0	-18,855.81	-	35257 - Control Building Nelson's	30,000	28,143.00	-6%	Auto cut over switch - project completed.
0	0.00	-	35265 - Control Building Conlan Street	0	30,958.98	-	Budget at 35901 - new bore field project.
0	0.00	-	35302 - Aeration Home Hill Tower	393,094	16,730.47	-96%	Application for funding from resources to the regions program unsuccessful. New application for Local Gov. Grants and Subsidy - Infrastructure Program for 40% contribution. Design \$16,730.
0	0.00	-	35340 - Low Level Storage Giru	27,000	26,585.91	-2%	Replaced roof structure. Works completed.
0	0.00	-	35352 - Distribution Mains Ayr	60,000	59,213.51	-1%	Wickham Street - 150mm main to PCYC. Project complete
-281,293	-248,793.50	-12%	35901 - Investigation of New Bore Locations	2,049,214	2,125,057.67	4%	Capital Project Completed with some financial transactions to clear. Currently in testing and commissioning phase - operational.
<b>-3,884,315</b>	<b>-294,558.41</b>		<b>Total</b>	<b>8,322,563</b>	<b>3,775,278.98</b>		
<b>Manager Technical Services</b>							
-718,000	-326,539.28	-55%	20000 - Roadworks	6,169,853	2,515,547.42	-59%	Currently under budget due to timing of major projects and prioritisation of Home Hill and Spiller Street drainage schemes and NDRRA projects.
0	0.00	-	11003 - Eng Office Equipment Capital Purchases	8,000	0.00	-100%	
-11,094	-9,433.20	-15%	23121 - CBD Home Hill Comfort Stop	11,215	7,061.53	-37%	Project completed under budget.
-320,000	0.00	-100%	24000 - Drainage Budget	1,498,604	0.00	-100%	Spiller Street and Clayton Street projects to be completed. Clayton Street commenced. Spiller Street commenced late February.
0	-96,000.00	-	24029 - Spiller Street Drainage	0	0.00	-	Construction commenced. Completion due June 2015. To be funded from budget allocation for CJ 24000.
0	0.00	-	24030 - Muguira's Drain	0	4,534.52	-	Project commenced. Budgeted at CJ 24000.
-1,512,000	-840,000.00	-44%	24031 - Home Hill Stormwater Drainage Upgrade	2,845,824	2,264,027.28	-20%	Currently under construction. Original funding to be completed by March 2015. Extension until April 2015 approved.
0	-200,000.00	-	24035 - Ayr Town Drain - Clayton Street	0	344,207.48	-	Includes upgrades to drainage in Ahern and Clayton Streets. To be funded from budget allocation for CJ 24000.
-45,000	-33,340.92	-26%	25001 - Sedans	100,000	28,181.82	-72%	3 sedans disposed. Total number of sedans/wagons reduced therefore no further replacements planned. Awaiting funding assistance from state government for replacement of SES controller vehicle.
-135,000	-81,545.46	-40%	25002 - Utilities	355,000	176,845.19	-50%	6 utilities delivered. Final orders to be placed in May.
-95,000	-56,590.91	-40%	25003 - Trucks	1,100,000	581,452.49	-47%	8 trucks delivered. 2 trucks outstanding, value \$311,000. Final orders to be placed in May.
-23,000	-23,000.00	0%	25004 - Machines	294,675	294,675.46	0%	Forklift and loader delivered. No further purchases planned.
-10,000	-7,610.00	-24%	25005 - Plant and Equipment	140,000	33,408.82	-76%	Front deck mower purchased. Replacement high pressure drain cleaner yet to be purchased. Two-way radio repeater replaced.
<b>-2,869,094</b>	<b>-1,674,059.77</b>		<b>Total</b>	<b>12,523,171</b>	<b>6,249,942.01</b>		
<b>-11,185,382</b>	<b>-4,296,161.45</b>		<b>TOTAL CAPITAL PROJECTS</b>	<b>28,438,516</b>	<b>12,381,248.22</b>		



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## **4.2 Operating Statement for Period 31 March 2015**

### **Recommendation**

That the Operating Statement for the Period Ending 31 March 2015 be received.



**BURDEKIN SHIRE COUNCIL  
OPERATING STATEMENT  
Period Ending 31 March 2015**

	<b>Note</b>	<b>Actual YTD</b>	<b>YTD Revised Budget</b>	<b>\$ Variance Actual to Revised</b>	<b>% Variance Actual to Revised</b>
<b>Operating Revenue</b>					
Rates and Utility Charges	1	34,637,872.08	35,570,691	-932,819	-3%
Pensioner remissions		-285,024.08	-279,000	-6,024	2%
User fees and charges	2	1,697,077.51	1,735,151	-38,074	-2%
Interest Received	3	1,303,894.55	1,263,000	40,895	3%
Operational contributions and donations	4	209,375.37	155,651	53,724	35%
Operational grants and subsidies	5	4,940,232.43	3,445,013	1,495,220	43%
Contract and recoverable works	6	1,077,608.41	1,207,500	-129,892	-11%
Other operating revenue	7	210,805.92	171,788	39,018	23%
<b>Total operating revenue</b>		<b>43,791,842.19</b>	<b>43,269,794.25</b>	<b>522,048</b>	<b>1%</b>
<b>Operating Expenses</b>					
Employee benefits	8	12,983,851.30	13,459,460	-475,608	-4%
Materials and services	9	10,093,292.24	12,250,971	-2,157,679	-18%
Depreciation and amortisation		7,511,625.47	7,511,625	0	0%
Finance Costs	10	323,784.67	340,703	-16,918	-5%
Other expenses		517.66	0	518	-
<b>Total operating costs</b>		<b>30,913,071.34</b>	<b>33,562,758.00</b>	<b>-2,649,687</b>	<b>-8%</b>
<b>Surplus (deficit) from operating activities</b>		<b>12,878,770.85</b>	<b>9,707,036</b>	<b>3,171,735</b>	<b>33%</b>
Capital contributions	11	58,743.62	20,755	37,989	183%
Capital grants and subsidies	12	3,987,630.86	8,094,020	-4,106,389	-51%
Other capital income (expense)	13	-67,707.15	-35,503	-32,204	91%
<b>Net result for period</b>		<b>16,857,438.18</b>	<b>17,786,308</b>	<b>-928,869</b>	<b>-5%</b>

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**BURDEKIN SHIRE COUNCIL  
OPERATING STATEMENT  
NOTES FOR VARIANCES TO BUDGET  
Period Ending 31 March 2015**

**Note**

**1 Rates and Utility Charges**

Rates are on target - journal to be done at the end of the financial year to recognise rates in advance - approximately \$600,000.

**2 User Fees & Charges**

Under budget mainly due to private certificate fees, caravan park income and waste disposal fees. Above budget in the collection of annual trade waste charges, plumbing inspections, and change of ownership fees.

**3 Interest Received**

Long term investments used to gain better rates. Currently on target to meet annual budget. Interest on rates accounts are as per budget.

**4 Operational Contributions and donations**

Over budget mainly due to unbudgeted income from contributions received for drainage, roads and parks infrastructure, and a contribution towards Barratta Creek catchment.

**5 Operational Grants and Subsidies**

QRA NDRRA acquittal payments for 2011 and 2012 have been received, along with an advance payment for 2013 and 2014 events - part to be transferred to capital. Three quarterly FAGS payments have been received. Unbudgeted funds received from Fuel Tax Credit review resulting in payment of additional claims over four years. RADF funding, Aquatic Weed Control funding, GraffitiStop funding, and PCYC funding has been received.

**6 Contract and Recoverable works**

Further BSRT works scheduled to start in May/June 2015.

**7 Other Operating Revenue**

Over budget due to high amount of income received for metal recycling sales, annual fire levy collection fees received, and insurance payout.

**8 Employee Benefits**

Some areas slightly over budget, however total is under budget due to works section currently concentrating on capital projects with shorter deadlines before continuing on operational work, and non or delayed replacement of staff.

**9 Materials & Services**

Under budget due to timing of recoverable works and road maintenance - costs will accelerate after wet season. Contribution to Burdekin Cultural Complex Board Inc not paid - disbursed between wages and materials and services. Below budget in waste collection and disposal.

**10 Finance Costs**

First two quarters of interest payments made on QTC loans. Interest will reduce in future quarter repayments.

**11 Capital Contributions**

Contributions received towards asphaltting both Porter and Hurney Roads and community benefit funding obtained by PCYC (to be used towards PCYC extension).

**12 Capital Grants and Subsidies**

Grant funds received this month for PCYC extension and Control Building Nelson's. Also includes funding received for Home Hill drainage project, investigation of new bore locations, part payments for TIDS, and Cyclone Shelter construction. QRA claims have been received and are currently in operational - part to be transferred to capital. Funding is still to be received for the PCYC extension, swimming pools upgrade, and Roads 2 Recovery projects.

**13 Other Capital Income**

Capitalisation has been completed for the March quarter, which has resulted in a loss on sale of land for \$47,337, profit on sale of motor vehicles of \$26,079, and a loss on sale of plant and equipment of \$46,449.



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## 5 GOVERNANCE & LOCAL LAWS

### 5.1 Burdekin Area Youth Watch (BAY-Watch) - Vacation of Premises at Ayr Racecourse Reserve

#### Document Information

**Referring Letter No:** 1420907

**File No:** 175

**Name of Applicant:** Burdekin Area Youth Watch Inc.

**Location:** Ayr Racecourse Reserve

**Author and Title:** Vicki Walker, Governance and Property Officer

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#### Executive Summary

Council has received correspondence from Burdekin Area Youth Watch Inc. (BAY-Watch) advising they need to vacate the premises at the Ayr Racecourse Reserve due to the loss of government funding which allowed them to deliver their programme of Diversionary Activities. It is anticipated that BAY-Watch will vacate the premises no later than Thursday 30 April 2015.

#### Recommendation

That Council:

- 1) Notes the decision from BAY-Watch to deliver vacant possession of the land by 30 April 2015.
- 2) Instructs the Chief Executive Officer to arrange a building and plumbing inspection of the premises to determine the current condition of the building and if any major or urgent works are required.
- 3) Approves occupancy of part of the building by G & O Henaway as caretakers subject to the following:
  - a) Submission of a permit (IDAS Forms 1 & 2) for a change of class from a Class 5 (Administration Lower Level) to a Class 4 Caretakers residence;
  - b) Floor plan to identify the kitchen, dining, lounge, bathroom, toilet and bedroom areas.
  - c) Agreement to the payment of a rental to be negotiated, noting that Council will be responsible for payment of the electricity for the entire premises.
- 4) Approves in principle to seek Expressions of Interest for use of the land and buildings subject to a favourable report on the condition of the buildings.

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## **Background Information**

BAY-Watch intends to vacate the premises at the Ayr Racecourse Reserve by 30 April 2015. They have closed the BAY-Watch Indigenous Youth centre and are in the process of disposing of most of their assets.

Gerald and Ollie Henaway have acted as Residential Managers for BAY-Watch for the last 7 years. Bas Dolkens of BAY-Watch has expressed his concern at the vandalism which may take place if the premises are left vacant for any length of time. Prior to the Henaways taking residence there was a considerable amount of vandalism (doors being broken into, broken windows and hooning on the race track). This all ceased when the Henaways took up residence.

Mr. Dolkens (from a personal point of view) has asked that Council considers keeping Gerald and Ollie Henaway on the premises until new tenants are found.

Council officers have inspected the facilities presently occupied by BAY-Watch and it has been determined that it is feasible for the current area occupied by the Henaways to be re-classified to a Class 4 caretakers residence.

## **Link to Corporate/Operational Plan**

5.3.2 Adhere to the governance framework and public reporting systems

3.2.1 Promote and encourage community participation and volunteerism

## **Consultation**

Keith Lewty - Principal Building Certifier  
Alan Smith, Building Certifier  
Gino Giachin, Plumbing Inspector  
Gerald and Ollie Henaway

## **Legal Authority or Implications**

Compliance with the Building Code of Australia and the Queensland Development Code.

## **Policy Implications**

N/A

## **Financial and Resource Implications**

Some costs may be incurred if minor works are required to ensure the facility is compliant in terms of a Caretaker's Residence.

## **Report prepared by:**

Vicki Walker, Governance and Property Officer

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**Report authorised by:**

Dan Mulcahy, Manager Governance and Local Laws

**Attachments**

N/A



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## 5.2 Trustee Leases - Groper Creek Rural Fire Brigade and Home Hill Boat Club Inc - Groper Creek

### Document Information

**Referring Letter No:** 1420397

**File No:** 1368 and 1370

**Name of Applicant:** Public Safety Business Agency

**Location:** Lot 62 on Crown Plan SB676 (Recreation and Camping Reserve R88) - Groper Creek

**Author and Title:** Vicki Walker, Governance and Property Officer

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### Executive Summary

Council has received correspondence from the State of Queensland (represented by the Public Safety Business Agency) (PSBA) on behalf of the Groper Creek Rural Fire Brigade (RFB) requesting Council's approval to enter into a 30 year Trustee Lease arrangement for property occupied by the RFB adjacent to the Home Hill Boat Club Inc.

### Recommendation

That under Section 57 (1) of the Land Act 1994 Council agrees to:

- 1) enter into a Trustee Lease with the State of Queensland (represented by the Public Safety Business Agency) on behalf of the Groper Creek Rural Fire Brigade over part of Lot 62 on Crown Plan SB676 Recreation and Camping Reserve R88, being the truck and equipment storage area annexed to the Home Hill Boat Club Inc. building, for a term of 30 years subject to the usual terms and conditions set by the Department of Natural Resources and Mines, and Council
- 2) enter into a Trustee Lease with the Home Hill Boat Club Inc. over part of Lot 62 on Crown Plan SB676 Recreation and Camping Reserve R88, the area being the site of the Home Hill Boat Club Inc. building, for a term of 10 years subject to the usual terms and conditions set by the Department of Natural Resources and Mines, and Council.

### Background Information

After making further enquiries with the PSBA it was established that the area occupied by the RFB is a car shed bay attached to the building owned by the Home Hill Boat Club Inc. (Refer attached photographs).

The Boat Club apparently decided to include the addition of an extra bay to enable the RFB to store its truck and equipment.

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The PSBA has advised it requires a registered lease for insurance purposes, especially public liability, as the brigade members are volunteers and therefore not legally able to hold any form of tenure in their name.

Initial enquiries were made with the Department of Natural Resources and Mines regarding the proposed lease. The advice from the Department is that it will take an application for a Trustee Lease over the small area comprising the car shed bay to Groper Creek Rural Fire Brigade. However another trustee lease application for the Home Hill Boat Club should be entered into over the remainder of the building to regularise this area.

Correspondence was forwarded to the Home Hill Boat Club advising accordingly and asking for their confirmation in writing of their acceptance to enter into a trustee lease for a period of 10 years.

### **Link to Corporate/Operational Plan**

- 3.2.1 Promote and encourage community participation and volunteerism
- 5.3.2 Adhere to the governance framework and public reporting systems

### **Consultation**

Department of Natural Resources and Mines

### **Legal Authority or Implications**

N/A

### **Policy Implications**

N/A

### **Financial and Resource Implications**

N/A

### **Report prepared by:**

Vicki Walker, Governance and Property Officer

### **Report authorised by:**

Dan Mulcahy, Manager Governance and Local Laws

### **Attachments**

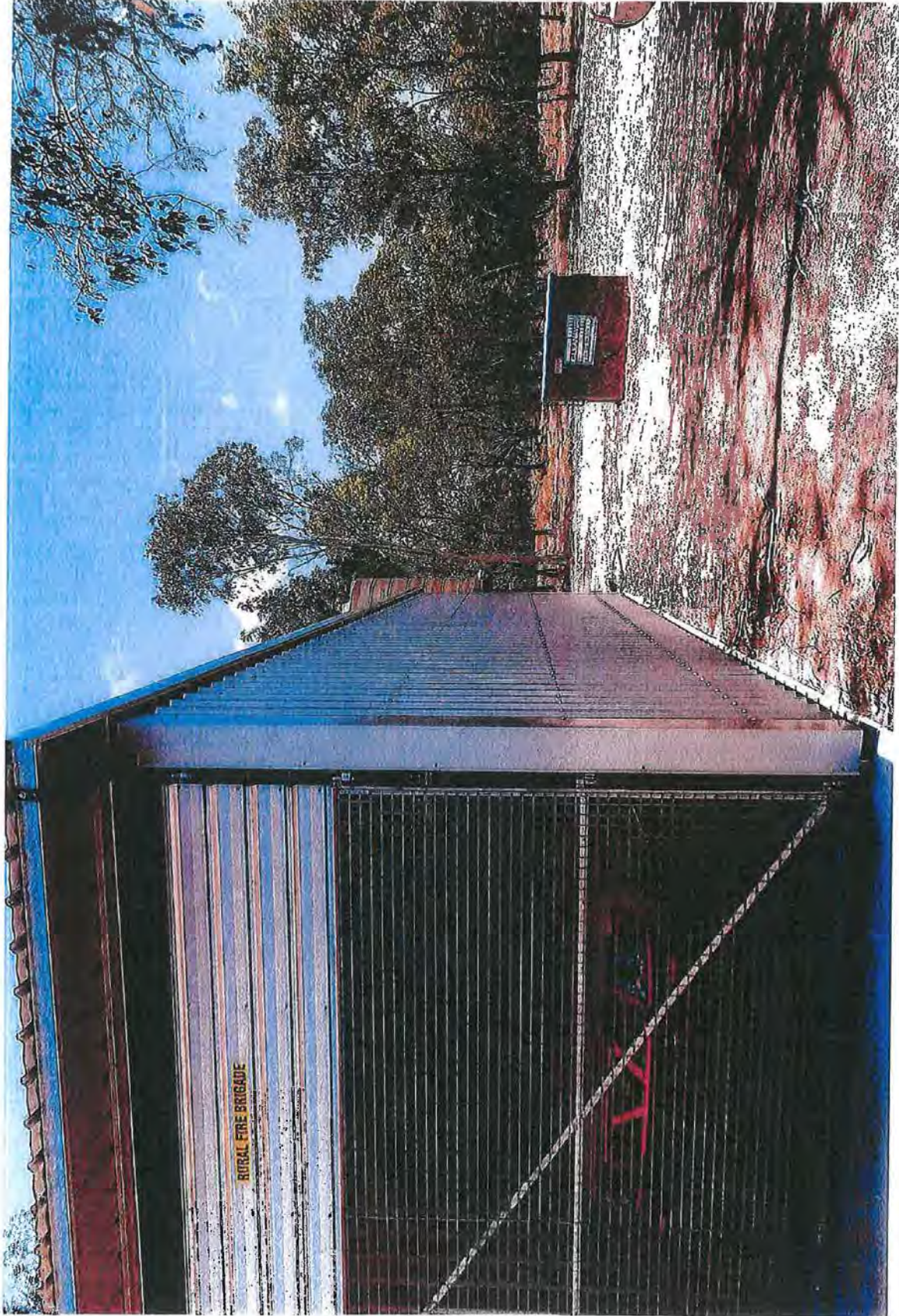
1. Site Plan of lease area required by Groper Creek Rural Fire Brigade
2. Photographs of proposed Lease Area











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### **5.3 Showground and Recreation Reserve R324 Lot 33 on EP1067 - Luxton Street, Giru**

#### **Document Information**

**Referring Letter No:** N/A

**File No:** 882

**Name of Applicant:** N/A

**Location:** Showground and Recreation Reserve R324 Lot 33 on EP1067

**Author and Title:** Vicki Walker, Governance and Property Officer

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#### **Executive Summary**

Council resolved at its meeting held on 10 February 2015 that it has no further need for Showground and Recreation Reserve R324 being Lot 33 on EP1067 Parish of Abbotsford County of Elphinstone (located in Luxton Street, Giru). A public meeting was held in Giru on Thursday 16 April where this matter was discussed and agreement reached to form a sub-committee to investigate the possibility of establishing a motor home park on the Reserve.

#### **Recommendation**

That Council takes no further action regarding the relinquishment of its trusteeship over Showground and Recreation Reserve R324 Lot 33 on EP1067 until further investigation is undertaken by the sub-committee to be formed following the public meeting in Giru on Thursday 16 April 2015, to progress the idea of a Motor Home Park.

#### **Background Information**

Following Council's decision to relinquish its trusteeship over Showground and Reserve R324 (Giru) liaison was held with the Department of Natural Resources and Mines (DNRM) to ascertain the process that would need to be followed to make this happen.

DNRM advised that as part of the process Council would be required to undertake appropriate consultation with the community and other entities that may be interested in being appointed trustees. As part of the community consultation, correspondence was forwarded to the Giru State Primary School, Education Queensland, the Haughton Sugar Company, the Giru Progress Association and the Giru Agricultural, Horticultural and Industrial Society Inc. A notice was also placed on the Reserve, in The Advocate and on the public notice board in Giru.

As a result four submissions were received. (refer attached)

Council's proposal to relinquish the Reserve was also a topic of discussion at a public meeting held in Giru on 16 April.



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## **Link to Corporate/Operational Plan**

3.3.1 Encourage increased use of community spaces and facilities

### **Consultation**

Department of Natural Resources and Mines  
Giru Community

### **Legal Authority or Implications**

Ensure compliance with Local Authority Planning Instruments and other legislative requirements.

### **Policy Implications**

N/A

### **Financial and Resource Implications**

N/A

### **Report prepared by:**

Vicki Walker, Governance and Property Officer

### **Report authorised by:**

Dan Mulcahy, Manager Governance and Local Laws

### **Attachments**

1. Submissions received.

File ID No. 8821






20 APR 2015

Document No. 1424473

Retention Period 15 yrs

## Petition to Keep Council Facilities Operational

<b>Petition summary and background</b>	The Burdekin Shire Council currently have plans to remove existing facilities that are currently in use within our Village. The Giru Showground which is located between the Giru Bowls Club and the Giru State School and the Amenities Block located at the Cromarty Boat Ramp.
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Printed Name	Signature	Address	Comment	Date
RODNEY GRIGGS		BIRD ST GIRU		3/3-15
Helen - Eyles		BLEE ST GIRU	value our town like we do.	2/4/15
HIGGINS, IRENE		C HURCH. ST.		2/4/14
JOHN PATRICK		BROTHER RD		2-4-15
Liam Corbett		LYONS ST , GIRU		7/4/15

VIEW	MAYOR	AGENDA	C1 4
GHL	CEO	DATE	28-4-15
NOTED		APPLIC #	
TENDER		PROP #	
ACTION	GOV	LAND #	
DEADLINE			

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Printed Name	Signature	Address	Comment	Date
THECLA PABLOMITOR.	<i>[Signature]</i>	4 CAREY ST GIRU.		20/3/15.
Veronica Pletti	<i>[Signature]</i>	14 Carey St Giru	Giru needs more facilities not less!!	20/03/15
Elissa Teakle	<i>[Signature]</i>	26 Lyons St, Giru	Keep the amenities!	20/3/15
Lyn GAGGO	<i>[Signature]</i>	5 Bond St	Facilities are still needed	20-3-15
Michelle Pontarelli	<i>[Signature]</i>	Bruce Hwy, Horseshoe Lagoon	need the amenities & grounds.	20/3/15.
Grant Beale	<i>[Signature]</i>	12 Barbost	leave it	20/3/15
Bruce Hill	<i>[Signature]</i>	34348 Bruce Hwy	We need the facilities	20/3/15
Peter Gorman	<i>[Signature]</i>	9 BROAD ST	THERE MUST BE A BETTER WAY TO STOP CAMPING.	20/3/15
A Teakle	<i>[Signature]</i>	26 Lyons St Giru 4409	Toilets are messaged and need for all to use	20/5/15
S. Annan	<i>[Signature]</i>	14 DEANE ST	COUNCIL HAS NO INTEREST IN LITTLE TOWNS	20-3-15
D. DOLAN	<i>[Signature]</i>	27 Lyons ST		20/3/15
A MALBY	<i>[Signature]</i>	143 PILCHOWSKI RD.		20/3/15
M. WILSON	<i>[Signature]</i>	8 BLEEST.	LEAVE THEM.	23-3-15

Printed Name	Signature	Address	Comment	Date
DOROTHY HALL	<i>[Signature]</i>	PIRALMO RJ. GIRU	LEAVE GIRU ALONE	20/3/15
JANIS BOHD	<i>[Signature]</i>	30 MILL ST GIRU		20-3-15
Jeane Pickett	<i>[Signature]</i>	21 Bird St Giru	Keep the community in decisions	20/3/15
Kathy McClellan	<i>[Signature]</i>	10 Donaghue St	Please don't	20/3/15.
NEAL MCLOSKEY	<i>[Signature]</i>	10 DONUGHUE		20-3-15
Barbara Kerr	<i>[Signature]</i>	P.O. Box 381		20-3-15
Maile Bunsen	<i>[Signature]</i>	2431 2nd St	DONT STUFF IT HELP GIRU	20/3/15
IAN HUGGEN	<i>[Signature]</i>	9 BLEEST	STOP TRYING TO KILL GIRU	20-3-15
CAROL LAMFORD	<i>[Signature]</i>	31 BROOKES ST		20-3-15.
Kerry Gorman	<i>[Signature]</i>	24 Lyons Rd. Giru	Stop taking stuff out of Giru!!	20/3/15
Colleen Johnson	<i>[Signature]</i>	104A Donaghue St	P/Bose look after village	20/3/15
VICKI GORMAN	<i>[Signature]</i>	18 DONAGHUE ST		20/3/15
MAJELLA NEWMAN	<i>[Signature]</i>	206 CROMARTY & CROMARTY	PLEASE DO NOT REMOVE OUR FACILITIES	20/3/15
Ryan McManis	<i>[Signature]</i>	38 DONAGHUE ST	Need local facilities	20/3/15.
Donna Gallego	<i>[Signature]</i>	754 Woodstock Rd Giru	Soon there will be nothing left, so what's happening with all the money that you get from GIRU??	23/3/15
Jamie Gallego	<i>[Signature]</i>	" " " "		23/3/15



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Printed Name	Signature	Address	Comment	Date
Glenn Nicholson	<i>Glenn Nicholson</i>	27 BROOKES ST	COULD SHIT ON THE GRASS AT THE SHAW I GUES	23/3
CORINA JAMES	<i>C. James</i>	13 SHIRBOURNE ROAD GIRU		23/3
RICHARD KAY	<i>R. Kay</i>	6 Waterwheel Bendy		23/3
Kris GREGG	<i>K. Gregg</i>	9 Lyons St Giru		23/3
Brooke Tudhope	<i>B. Tudhope</i>	928 Woodstock Rd Giru	That's crap, Ray!	23/3
G. CANTY	<i>G. CANTY</i>	12 Walston	W H Y	23-3-15
Juop mischewski	<i>J. Mischewski</i>	6 Barbat St Giru	Because it good for our town	
Bob Burns	<i>B. Burns</i>	21 Lyons Street Giru	Leave us be it	23-3-15
Sheridan Jeffery	<i>S. Jeffery</i>	10 Blee Street, Giru	Please keep our amenities & facilities.	24-3-15
Amy Newton	<i>A. Newton</i>	8 Woodstock Rd Giru	Please Keep!	24-3-15
R Palmer	<i>R. Palmer</i>	Lyons Rd Giru		26.3.15
Peter Vinnicombe	<i>P. Vinnicombe</i>	1 Shirbourne Rd Giru		26.3.15

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Printed Name	Signature	Address	Comment	Date
V. KOLB	<i>V. Kolb</i>	23 Lyons St Giru	The Council is taking everything away	21-3-15
P. OLSEN	<i>P. Olsen</i>	22 Donaghue St Giru	We need public facilities	21-3-15
Y. Austin	<i>Y. Austin</i>	195 Link Rd Giru	Leave our town alone	21-3-15
J. Steneman	<i>J. Steneman</i>	CROMARTY	Leave it there	21-3-15
STEWART HARRON	<i>S. Harron</i>	GIRU	Leave it there	21-3-15
D. GREGG	<i>D. GREGG</i>	16 DEANE ST GIRU	Don't take it away	21/3/15
B. Zabala	<i>B. Zabala</i>	282 Link Rd Giru	we want some enjoyment	21.3.15
A. Zabala	<i>A. Zabala</i>	282 Link Rd Giru	" " "	21.3.15
A. Perotti	<i>A. Perotti</i>	30 Barbat St Giru	" " "	21-3-15
B. Hooley	<i>B. Hooley</i>		AMENITIES DO NOT DESTROY	21.3.15
G. Shaw	<i>G. Shaw</i>	21 church st, giru	Don't take everything from the town, especially tourists & visitors	21.3.15
D. Cannon	<i>D. Cannon</i>	14 DEANE ST GIRU		20.3.15

Printed Name	Signature	Address	Comment	Date
<del>J. Scarabel</del>				21-3-15
J. SCARABEL	<i>J. Scarabel</i>	LINK RD GIRU	We need GIRU	
M. Harrison	<i>M. Harrison</i>	82 Mill St Giru	rebuild it.	
Courtney Griggs	<i>C. Griggs</i>	Bird street Giru	TO go forward NOT backward.	
Gavin Grant	<i>Gavin Grant</i>	Pirako Rd Giru	I love Giru &	
LORELLE PAYNE	<i>L. Payne</i>	Bruce Highway Giru	I will forever	21/3/15
Iner Riva	<i>I. Riva</i>	51 Pirako Rd. Giru	call it home	
MARY PILLA	<i>M. Pilla</i>	22 LINK ROAD GIRU	what are you all	21.3.15
Gyranth	<i>Gyranth</i>	01 BARR ROAD GIRU	doing to our town?	
COLLEEN PAPPALARDO	<i>C. Pappalardo</i>	849 BARR RD GIRU	We need all the facilities	21.3.15
D. Mudd	<i>D. Mudd</i>	15 LUMETH ST	we have here!	21.3.15
M. THORNE	<i>M. Thorne</i>	30 CHURCH	PLEASE DON'T MAKE	21.3.15
PETER LE FEUVRE	<i>P. Le Feuvre</i>	419 BARTLETT RD	THIS COUNTRY TOWN A	22.3.15
PAULA LEFEUVRE	<i>P. Le Feuvre</i>	419 Bartlett Rd Giru	GHOST TOWN AND	22/3/15
Richard Visentin	<i>R. Visentin</i>	3 BLEE ST		22/3/15
VAL JOYCE	<i>V. Joyce</i>	7 BROOKES ST	TYPICAL - JUST ANOTHER	22/3/15
		GIRU.	MUSCO KISS STAK	
			REACTION IN PEOPLE	
			WHO DON'T KNOW HOW	
			TO RUN A REGION	
			LET ALONG A COUNTRY	
			MAY AS WELL LIVE	
			IN ROCKIES	

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Printed Name	Signature	Address	Comment	Date
M. PARISON	<i>M. Parison</i>	92A DONAGHUE ST GIRU	THE COUNCIL KEEPS TAKING & GIVE NOTHING BACK	20.3.15
Tracey Town	<i>Tracey Town</i>	Upper Haughton Giru	What do our rates pay for?	20.3.15
E. Bethel	<i>E. Bethel</i>	Blee St. GIRU	What more is Council going to take from small towns	20.3.15
N. PARISON	<i>N. Parison</i>	92A DONAGHUE ST GIRU	COUNCIL'S USELESS	20.3.15
E. GAZZOLA	<i>E. Gazzola</i>	40 Barbat St Giru	The Facilities are important as a small town	20/3/15
N. SCHULTZ	<i>N. Schultz</i>	21 Barbat St Giru	JUST BECAUSE TOWN THE COUNCIL MEMBERS DON'T USE THEM DOESN'T MEAN NO-ONE ELSE DOES!	20/3/15
R. ROBINS	<i>R. Robins</i>	22 Church St Giru	We pay our rates too	20.3.15
J. LE FEUVRE	<i>J. Le Feuvre</i>	Bruce Hway Giru	Don't forget Giru	20.3.15
J.E. SHIELDS	<i>J.E. Shields</i>	629 OLD COACH RD	GIRU PROVIDES ITS OWN POOL, SHOW PARKS, AND MORE. PLEASE MAINTAIN OUR TOWN AT LEAST	20.3.15
R. Pilechowski	<i>R. Pilechowski</i>	1257 WOODBROOK RD	GET RID OF THE JOBS	20.3.15
J. PETERS	<i>J. Peters</i>	Lynsford Rd	WHOLE LOT OF JOBS	20.3.15
C. LANDFORD	<i>C. Landford</i>	51 BROOKES	GIRU seems to be the underdog, like always forgotten.	20/3/15
			Good. Your Town	20/3/15



Printed Name	Signature	Address	Comment	Date
LISA SIMS		32 BARBAT ST		20/3/15
Kim Anderson		222 Piralko Rd.		20/3/15
DAWN DOUGAN		27 LYONS		21/3/15
D. FLEW		100 WOODSTOCK GLEN RD		21/3/15
C. NORRIS		25 LYONS ST GIRU.		21/3/15
D. THIRIET		95 Piralko Rd		21/3/15
C. PARSON		94A Donaghue St		21/3/15
Jim Luby		95 Piralko Rd Mt Sumer		21/3/15
R. WIDDERBACH		94A Donaghue St		21/3/15
S. Auer		655 WOODSTOCK RD		21/3/15
Bob		117 Deane Street Giru	We want to keep the cricket field	21/5/15
J. SIMPSON		5 Deane St		21/5/15
P. SECKOW		17 BROOKES ST	DONT LET US DOWN	21/5/15
J. Smith		56 BARN RD GIRU		21/5/15
M.F. PARISON		33956 Bruce Hw	Time to remember the Country towns	21/3/15
Emalley		Hocken Rd.		22/3/15

Printed Name	Signature	Address	Comment	Date
BEVIN DA CRUSS		350 JEFFER HAWKTON RD, GIRU OLD	LOCAL FACILITIES BEING BROUGHT TO OUR TOWN NOT A LEADER	26-3-15
JAN D. JOYCE		7 BROOKES ST, GIRU	GIRU NEEDS TO HANG ON. WE PAY OUR RATES !!	26-3-15
J. CAPPALARDO		48 OLD AYK RD GIRU.	W	27/03/15
C. BENDT		55 PERRIN RD		27/3/15
A. DANZIGER		819 WOODSTOCK RD	Bring Travelers Back in	27/3/15
J. W. TAYLOR		96 PIRALKORD		27-3-15
Mavis P. PILLAI		Lot 60 BRUCE HWY	Help us survive	27-3-15
D. JEFFERY		24 CHURCH ST GIRU		28-3-15
J. WAYTE		56 JUDITH ST ARMIDALE		28-3-15
P. WAYTE		50 JUDITH ST ARMIDALE		28-3-15
E. Wray		6 WATERVIEW RD DUNDIE		28-3-15
S. R. CANNON		14 Deane Street GIRU	How Silly!!	29-3-15
J. TORRIS		1 Speltham St Agre		29-3-15
F. ZUMARAN		5 BORTH Gt Lungalla		29-3-15
Paul LeFeuvre		Belemahar Giru. 4809.	More rates less facilities in the small communities	29/3/15
A. McDrath		38 Donaghue St	no tourists no money no survival!	29/3/15



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Printed Name	Signature	Address	Comment	Date
DEBBIE SCHAFER	<i>Debbie Schaffer</i>	Woodstock-Giru Rd Nags Creek	Leave well alone.	23/3/15
Karyn Johnson	<i>Karyn Johnson</i>	Glendale St Black Rd Giru		23/3/15
R. PINCOTT	<i>R. Pincott</i>	OLD COACH RD Woodstock		23/3/15
G. CANTY	<i>G. Canty</i>	120 Baller St Giru	WHY	23-3-15
R. WILSON	<i>R. Wilson</i>	8 OLIVER ST		24-3-15
A. RICHARDS	<i>A. Richards</i>	113+ Woodstock Gnu Rd, Giru		24-3-15
J. NORMAN	<i>J. Norman</i>	24 YOUNG ST, GIRU		24/3/15
R. McMAHON	<i>R. McMahon</i>	38 DONAGHE ST	Need local facilities	24/3/15
M. Fotinos	<i>M. Fotinos</i>	Barbat St. Giru		24/3/15
B. PARISON	<i>B. Parison</i>	53 OPEK STREET AYR	FACILITIES NEEDED NOW AT LANDING SHOULD BE	25/3/15
P. SCARABEL	<i>P. Scarabel</i>	135 Lake Rd Ayr		25/3/15
T. KOSTUCH	<i>T. Kostuch</i>	4 Ashwood Grove		25/3/15

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Printed Name	Signature	Address	Comment	Date
Sabrina Thorne	<i>Sabrina Thorne</i>	30 Church St Giru.		21/03/15
C. WACHTER	<i>C. Wachter</i>	13 Brookers St		21/03/15
K. BRIGGS	<i>K. Briggs</i>	BROOKE ST		21/3/15
Amy Groenen	<i>Amy Groenen</i>	DRYSDALE ST		21/3/15
Michelle Hodge	<i>Michelle Hodge</i>	Bloomersway	Keep what ya got	21/5/15
Zes Miller	<i>Zes Miller</i>	BROOKES ST GIRU	SOON WE WILL HAVE NOTHING	21/3/15
DARRYN NORMAN	<i>Darryn Norman</i>	11 " "		
PETER WAYTE	<i>Peter Wayte</i>	GIRU	NECESSARY ASSSET	21/3/15
R. JACKSON	<i>R. Jackson</i>	21 BROOKS		21/3/15
M. HUMPHRIES	<i>M. Humphries</i>	79 AMPRESS CL (ungulla)	ABSOLUTELY ESSENTIAL FOR COMMUNITY SPIRIT	21.3.15
A. Laghari	<i>A. Laghari</i>	6 Second St H. Hill	keep what is here for the future children	22/3/15
G. Fischer	<i>G. Fischer</i>	6 Second St Home Hill		22/3/15

Printed Name	Signature	Address	Comment	Date
A. FINDER	<i>[Signature]</i>	6 Second St Bone Hill	Typical Gout Bull	22/3/15
G. CANTY	<i>[Signature]</i>	19 Walton St Girs	Let Girs Live	22/3/15
M. CANTY	<i>[Signature]</i>	1 WATTON ST GIRU	RATKS GO DOWN	22/3/15
D. HOOPER	<i>[Signature]</i>	8. Mill. St. GIRU.	u've taken I NO MORE	22/3/15
D. MILTON	<i>[Signature]</i>	2 BEE ST		22/3/15
D. MASON	<i>[Signature]</i>	DONOVAN ST		22-3-15
R. CUMEN	<i>[Signature]</i>	25 BLOODWOOD DR NAME	NEED DINNYS	22.3.15
Ken AEE	<i>[Signature]</i>	27 BLOODWOOD DR NAME	UPGRADE FACILITIES	22/3/15
PAUL HANCOCK	<i>[Signature]</i>	9 LOUIS ST, DEERAGIN	UP GRADE FACILITIES	22/3/15
Nathan Zabel	<i>[Signature]</i>	20 Donoghue St		22-3-15
Sarah Andersen	<i>[Signature]</i>	20 Donoghue St. Giru		22-3-15
Peter Mow	<i>[Signature]</i>	Woodstock / Giru RD		22/3/15
G. CANTY	<i>[Signature]</i>	19 Walton St Girs	20 H U	23-3-15
GRAHAM PITCHER	<i>[Signature]</i>	WOODSTOCK-GIRU RD	BACKWARD STEP	27-3-15
KEVIN PHILLIPS	<i>[Signature]</i>	WOODSTOCK-G, RD RD		
Shane	<i>[Signature]</i>	36 BARBARY ST		

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Printed Name	Signature	Address	Comment	Date
ANDREW TOMS	<i>[Signature]</i>	BOX 280, BRANDON	TO EXPLIST TO PRINT!!	25-3-15
B. CARTER	<i>[Signature]</i>	CHURCH ST. GIRU	NEED IT / LEAVE IT.	25/3/15
G. JACKSON	<i>[Signature]</i>	21 BROOKS ST		25-3-15
G. DUNAL	<i>[Signature]</i>	8. Mill. St		
M. AHERN	<i>[Signature]</i>	13 Sydney St		25-03-15
K. OLSEN	<i>[Signature]</i>	celevalle rd		25.03.15
S. JACKSON	<i>[Signature]</i>	21 Brooks St		25.3.15
B. SMITH	<i>[Signature]</i>	Giru international	F*H K OFF!!	26.3.15



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Printed Name	Signature	Address	Comment	Date
ION CONNELL	<i>J. Connell</i>	18 DONAGHUE ST GIRU	DO SOMETHING FOR THE TOWN INSTEAD OF DESTROYING IT	20/3/15
DOUG ROBINS	<i>D. Robins</i>	22 CHURCH ST GIRU		20/3/15
CARLA AGUIRRESABIDO	<i>C. Aguirresabido</i>	625 Shipbourne Rd Giru		20/3/15
PETER WIEGE	<i>P. Wiege</i>	10 BROOKES ST GIRU	WHAT DO WE PAY RATES FOR? A.S.F.A.	20/3/15
ANNE MCGRATH	<i>A. McGrath</i>	1494 WOODSTOCK RD GIRU		20/3/15
RENEE SUMMERS	<i>R. Summers</i>	258 SHIRBOURNE RD		20/3/15
RODNEY HAIN	<i>R. Hain</i>	258 SHIRBOURNE RD		20/3/15
SHERYL HERVEY	<i>S. Hervey</i>	19 LYONS ST GIRU		20/3/15
IAN ROSS	<i>I. Ross</i>	11 DEANE ST GIRU		20-3-15
Philip Hervey	<i>P. Hervey</i>	19 Lyons St Giru		20-3-15
Norm Johnson	<i>N. Johnson</i>	Cromarty		20-3-15
Nische Gulabanschi	<i>N. Gulabanschi</i>	16 Lyons St Giru	Due to Council policy you have lost your business house in Giru	20-3-15
John Simpson	<i>J. Simpson</i>	5 Deane St GIRU		

Printed Name	Signature	Address	Comment	Date
Kern Guldbansen	<i>K. Guldbansen</i>	10 Lyons St Giru		20-3-15
MERIE MELVILLE	<i>M. Melville</i>	179 Link Rd GIRU	It will be unfair to the town	20-3-15
Beverley Lanes	<i>B. Lanes</i>	12 Donaghue St Giru	Giru township + people need a fair go in the tourist industry	20-3-15
Tom Melville	<i>T. Melville</i>	179 LINK RD GIRU	and have facilities to use and of for visitors. Small towns need to survive as well as larger towns	20-3-15
Darryl Lanes	<i>D. Lanes</i>	12 DONAGHUE ST GIRU		20-3-15
Ashley Stockham	<i>A. Stockham</i>	477 Upper Havelton Rd GIRU		20-3-15
Ida Sanson	<i>I. Sanson</i>	BOAT RAMP RD GIRU		20-3-15
A Sanson	<i>A. Sanson</i>	BOAT RAMP RD GIRU		20-3-15
S. GRIGGS	<i>S. Griggs</i>	4 ALBAYROSS ST KIRKARVILLE	LIVE IT ALONE	20-3-15
R. SIMPSON	<i>R. Simpson</i>	5 DEANE ST GIRU		20/3/15
G. Love	<i>G. Love</i>	17 Brookes St GIRU	No facilities No people !!!	24/3/15
J. Donald	<i>J. Donald</i>	1 Bird Street GIRU		24-3-15
D. Gattardi	<i>D. Gattardi</i>	Bowlett Rd GIRU		25-3-15
K. Norman	<i>K. Norman</i>	LYONS ST GIRU		25-3-15
B. Corradi	<i>B. Corradi</i>	5 Lyons St Giru		25-3-15





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**Vicki Walker**

---

**From:** Dominique Thiriet [pteropus@ozemail.com.au]  
**Sent:** Monday, 6 April 2015 2:00 PM  
**To:** Email Registration  
**Subject:** Community consultation - Showground and Recreation Reserve, Luxton St Giru  
**Categories:** 00\_Inward

To the Chief Executive Officer  
Burdekin Shire Council  
[burdekinsc@burdekin.qld.gov.au](mailto:burdekinsc@burdekin.qld.gov.au)

**Re Community consultation - Showground and Recreation Reserve, Luxton St Giru**

Dear Mr Magin

I am appalled that the Burdekin Shire Council is considering the Luxton St Reserve, Giru to be surplus to the Council's requirements and that it is proposing to relinquish its trusteeship over the Reserve. The Reserve is one of the few areas in Giru that is accessible to the public for outdoor recreational activities and must stay in Council's trusteeship. It is clear that the Reserve is in a pitiful state and that it has been sorely neglected by the Council. The grass is hardly even mowed, never irrigated and the whole place is covered with weeds. The cricket pitch is covered with mud and unusable (see photo). The toilets have not been cleaned since the last major flood, about 3 years ago (see photo). Instead of cleaning the toilets, the Council has merely barred entry. This is totally unacceptable.

Other outdoor facilities in Giru are few and far between and are either not accessible to the public (the swimming pool is not available for single swimmers or for people without a first aid certificate) or just as run down as the Reserve (the tennis court - I am not sure who is responsible for its upkeep - is run down, covered with weeds and its nets are falling apart).

What Giru needs is more outdoor facilities, not less, and they need to be maintained in a usable and safe condition. With some support from the Council and some smart investment, the Luxton St Reserve could be turned into a welcoming space to conduct community and sporting events. It is close to the School and is an ideal space that could be used regularly for outdoor activities if only it was better maintained.

Frankly it is appalling that the Burdekin Shire Council is providing so little support and investment in Giru and that it is proposing to do even less by relinquishing the Reserve. Perhaps it is time for some of our rates to be used locally rather than spent on extravagant projects in Ayr.

Your sincerely

Dominique Thiriet  
95 Piralko Rd  
Mt Surround Q 4809





BURDEKIN SHIRE COUNCIL  
 File ID No. 882J  
 27 MAR 2015  
 Document No.  
 Retention Period

# GIRU PROGRESS ASSOCIATION

P. O. BOX 5

GIRU 4809

PRESIDENT - ENNIO GAZZIOLA

SECRETARY MARLENE PARISON

25<sup>th</sup> March 2015

To Chief Executive Officer

Burdekin Shire Council

Dear Sir,

We, the Giru Progress Association are in receipt of Mrs Walker's correspondence regarding the Showground and Recreation Reserve in Giru and wish to inform Council that we totally disagree with your intention to relinquish trusteeship of this area.

Too many of this towns assets have been recently demolished or otherwise and to transfer trusteeship of Reserve R3245 to State Government Bodies will be yet another step backwards for this struggling town. Yes, apart from the odd cricket games the Reserve hasn't had a lot of use recently but it has in the past seen plenty of activity as a Football field, Athletics Track, Cricket Pitch, and Family picnic area

This has come on top of the closure of the Motorhome Stop – a substantial loss to the local business community - and your proposed plan to demolish the Toilet facility at Cromarty Landing, and the entire Community is most upset.

While Shire Council's have control of these reserves it makes it so much easier when towns such as Giru want to establish a venue as happened previously.

We hope Councillors who we supported in the Election will give a thought to the feelings of local people who are very concerned at what is happening and support us in requesting that Council retain Trusteeship over R3245 Lot 33 on EP1067 when this correspondence is brought to their attention.

Yours Sincerely,

Marlene Parison(Secretary)

*Marlene Parison*

VIEW	GAH	AGENDA	C1 2
CEO	MAYOR	DATE	14.4.15
NOTED		APPLIC #	
TENDER		PROP #	
ACTION	GOV	LAND #	
DEADLINE			

# Giru Agricultural, Horticultural and Industrial Society Inc.

BURDEKIN SHIRE COUNCIL

File ID No. 8821

27 MAR 2015

Document No.

Retention Period

The Giru Show Committee requests that the Council does not proceed with relinquishing its trusteeship of the Show Grounds and the Sports Reserve area to DNR.

The Show Committee currently uses the land belonging to the School of Arts, CWA and parks belonging to the Council for its annual show. This area has been reduced in size over the past five years due to the installation of a cenotaph, a skate-park, a play-ground and a BBQ area and the Committee is concerned that if further losses of land continue to occur then it will be forced to move the Show to that land, which you are now looking to return to DNR.

In the circumstances we would ask that you do not proceed with the return of the land to DNR and would ask that the Show Committee be allowed to meet with the Council to explain its concerns to you in person, before any final decision in this matter is made.

The Committee feels that a meeting would allow it to fully explain its position to you and allow the parties to discuss the management of the land if it remains under the Council's control.

*Betty Corradi.*  
*(Hon. Sect.)*

VIEW	GW	AGENDA	C12
CEO	MAYOR	DATE	14.4.15
NOTED		APPLIC #	
TENDER		PROP #	
ACTION	GOV	LAND #	
DEADLINE			



Att:- Mr. Bill Lewis,  
'The Mayor',  
Burdakin Shire Council  
P.O. Box 974,  
Ayr.  
Ds.

POSTCODE

4807



B CORRADI  
BOX 33  
GIRU Q 4809

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## **6 CLIENT SERVICES**

## **7 FINANCIAL & ADMINISTRATIVE SERVICES**

## **8 OPERATIONS**

### **8.1 Customer Service Standards - Water Wastewater**

#### **Document Information**

**Referring Letter No:** 1385471

**File No:** 411

**Name of Applicant:** Burdekin Shire Council

**Location:** N/A

**Author and Title:** Wayne Saldumbide – Manager Operations

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#### **Executive Summary**

As a registered Service Provider under the Water Supply (Safety and Reliability) Act 2008 (the Act) Burdekin Shire Council is required to have Customer Service Standards.

The Act requires council to implement certain measures to ensure the continuity of services and the protection of customers' interests. It also requires council to quantify these measures by way of a customer service standard and provide a copy to its customers.

This Standard is adopted by Council resolution and can only be varied by same, or at the direction of the Regulator. Council in accordance with Section 120 of the Water Supply (Safety and Reliability) Act 2008 must review the customer service standard at least every five (5) years.

#### **Recommendation**

Council adopt the Burdekin Shire Council Customer Service Standard – Water Wastewater as required by Section 120 of the Water Supply (Safety and Reliability) Act 2008.

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## **Background Information**

The Queensland Water Supply Regulator issued Burdekin Shire Council a Report Requirement Notice in May 2014 advising of changes to the Water Supply (Safety and Reliability) Act 2008 (the Act).

One of the requirements of the Notice requires Council to have Customer service Standards to ensure customers who do not have a contract with Council for the supply of registered services are protected by standards relating to the service.

Council in accordance with Section 120 of the Water Supply (Safety and Reliability) Act 2008 must review the customer service standard at least every five (5) years.

## **Link to Corporate/Operational Plan**

Key Strategic Areas:

- 1. Infrastructure
- 1.4 Securing and managing water resources
- 1.4.1 Increase water supply network reliability and improve water quality

Council's Priority projects 2015/2016.

Review of Water Network Pressures and Reliability – implementation of a new Customer Service Standard.

## **Consultation**

The draft proposed Customer Service Standard – Water Wastewater was reviewed by Council at a Workshop on 27 January, 2015.

On Monday 9 February, 2015 Council issued a media release to all local media outlets advising that Council was undertaking a review of the Customer Service Standards – Water Wastewater and inviting comment prior to cease of business on Friday 6 March, 2015.

A public notice and a copy of the proposed standard was posted to the Council website on the Tuesday 10 February, 2015 and a public notice advising of the consultation period placed in the Burdekin Advocate on Wednesday 11 February, 2015.

The consultation period was closed at cease of business Friday 6 March, 2015.

No correspondence or enquiries from the general public were received during the consultation period.

## **Legal Authority or Implications**

Section 120 - Water Supply (Safety and Reliability) Act 2008.



---

## **Policy Implications**

Nil

## **Financial and Resource Implications**

Nil

### **Report prepared by:**

Wayne Saldumbide – Manager Operations

### **Report authorised by:**

Wayne Saldumbide – Manager Operations

## **Attachments**

1. Customer Service Standards – Water Wastewater

# **CUSTOMER SERVICE STANDARD**

## **WATER AND WASTEWATER**



**Version:** 1.0

**Date Created:** 20 April, 2015

**Date Adopted by Council:**

**Due Date for Revision:** 28 April, 2020

**Responsible Officer:** Manager Operations

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## **1.0 Water & Wastewater Customer Service Standards**

**Burdekin Shire Council is a registered Service Provider under the Water Supply (Safety and Reliability) Act 2008 (the Act).**

Burdekin Shire Council is committed to providing access to affordable, safe and reliable water and wastewater services to shire residents connected to those services.

The Act requires council to implement certain measures to ensure the continuity of services and the protection of customers' interests. It also requires council to quantify these measures and provide a copy to its customers.

### **1.1 Purpose of the Customer Service Standards (CSS)**

Pursuant to the Act, the purpose of this CSS is to ensure that our customers are protected by the provisions of the Act particularly relating to adequacy, safety, quality and continuity of supply. These provisions, along with customer service performance target measures, form the basis for which Burdekin Shire Council aims to deliver water and wastewater services.

The CSS sets out the rights and obligations of Burdekin Shire Council and its customers and provides details of:

- 1) The level of service to be provided by Burdekin Shire Council;
- 2) The process for establishing new connections, billing, metering, accounting, customer consultation, complaints and dispute resolution;
- 3) Other matters stated in guidelines, if any, made by the regulator for preparing the Customer Service Standard.

### **1.2 When the Customer Service Standard does not apply**

This Standard does not apply during periods of declared natural disasters until as soon as practicable after the affected normal services have been restored.

### **1.3 Amending the Customer Service Standard**

This Standard is adopted by Council resolution and can only be varied by same, or at the direction of the Regulator. Council in accordance with Section 120 of the Water Supply (Safety and Reliability) Act 2008 must review the customer service standard at least every five (5) years.

## **2.0 Water and Wastewater – Shared Rights and Responsibilities**

Both the Burdekin Shire Council and its Customers have rights and responsibilities associated with the provision and use of water and wastewater services.

### **2.1 Council's Rights and Responsibilities as a Service Provider are:**

- Council has the right to interrupt, postpone or limit the supply of services in situations when:
  - Infrastructure is damaged or requires inspection, maintenance, repair or replacement
  - In the event of drought or as part of demand management needs
  - In the event of fire, flood, cyclone, power shortage or other emergencies

- To inspect, maintain, operate, repair, replace or remove local government facilities, employees of Burdekin Shire Council may enter a property without providing notice and without the permission of the owner and occupier of the property. As soon as an employee enters the property, they must inform any occupier of the property of the reason for entering the property and that the representative is authorised under the *Local Government Act 2009* to enter the property and produce an identity card for the owner and occupier of the property to inspect.
- To limit any inconvenience, Burdekin Shire Council will attempt to carry out work during business hours or at other times convenient to owners and occupiers except in an emergency, or if a breach of legislation is suspected.
- Council is responsible for maintaining water meters and pipes between the water main and the meter. Any plumbing on the property side of the meter is the customer's responsibility.
- Council has the authority to request customers to effect necessary repairs to their internal plumbing to ensure compliance with the Plumbing and Drainage Act Queensland 2002.
- Council has the right to recover all costs from the property owner for damage by the property owner or third party to any Council infrastructure such as water services and meters.

## **2.2 The Customers Rights and Responsibilities are:**

- Customers must apply to and receive approval from Burdekin Shire Council to connect to water and wastewater services.
- Customers must engage a licensed plumber to do internal work on the customer's property
- Connection to a water meter for a customer must be installed by a licensed plumber and the associated stand pipe must be installed using copper or galvanised pipe consistent with Plan M-798 Stand Pipe Details supplied with the new connection application form.
- Wastewater and trade waste customers are responsible for maintaining all plumbing and fixtures to the point where they connect with Council's infrastructure.
- Customers can assist Council's response to water and wastewater issues by:
  - Providing clear access to the water meter, sewer manholes and other infrastructure within and adjacent to their property by ensuring that any concrete or other structures, tree roots and vegetation are kept well clear
  - Not covering sewer manholes with soil, garden mulch or parked vehicles
  - Gaining Council permission to build over sewerage infrastructure within their property
  - Reporting any unauthorised discharge into or interference with the water and wastewater networks
  - Notifying Council's Customer Service Centre of any service difficulties and faults that customers have encountered on (07) 4783 9800 – 24-hour service, seven days per week.
- Customers must comply with all notices served by Council under the Water Act 2000, to carry out remedial works within their property within the specified timeframe. Should the customer not comply with an issued notice within the specified time frame, Council has the authority under the Water Act 2000, to enter private property, carry out the required work and recover all costs from the owner.



### **3.0 Customer Service Procedures**

#### **3.1 New Connections**

If a customer wishes to apply for any of the following services, they will need to submit the appropriate application form and payment to Council. These forms are available from the Customer Service Centre at 145 Young Street, Ayr, or from Council's website at [www.burdekin.qld.gov.au](http://www.burdekin.qld.gov.au)

- New water service connection
- Relocation of existing water service
- Disconnection/reconnection of water service
- Upgrade water service
- New wastewater service connection

Pursuant to s.161 (1) Water Supply (Safety and Reliability) Act 2008, Burdekin Shire Council may, by resolution, declare all or part of its local government area to be a benefitted area for a water or wastewater service.

In the case of a new water service outside of the benefitted water area, customers need to check with Council to ascertain if connection to the reticulated system is possible. An application can be made wherein Council may allow a property outside of the service area to connect to its infrastructure.

#### **3.2 Charges and Customer Accounts**

Fees, charges and rates are set annually by Council resolution. The current water and wastewater rates and charges are available on our website at [www.burdekin.qld.gov.au](http://www.burdekin.qld.gov.au).

Burdekin Shire Council charges users a fixed access charge to its water and wastewater networks and a two-part consumption charge for water used. Water meters are read twice per year in May/June and October/November. Water consumption charge notices are sent out in August/September along with the annual rates notice and also in December or January of the following year.

#### **3.3 Water Meters**

It is compulsory that all serviced properties be metered. A water meter will be installed as part of a new water service connection and will remain the property of Council. The meter will be used to measure the water consumption component of any water charges. All new water meters will be within industry standard limits of accuracy (ie.  $\pm 2\%$ ).

Burdekin Shire Council actively monitors the accuracy of its water meter fleet, and through its water meter replacement program targets inaccurate meters. Where a customer has reason to doubt either the accuracy or reliability of their water meter, Burdekin Shire Council will offer to test the meter for the fee prescribed in Council's Schedule of Fees and Charges. If the meter is found to be defective, then the fee will be reimbursed along with the amount of any water consumption over-charge.

Should you have any problems or enquiries regarding your meter, please contact the Customer Service Centre on 4783 9800.



### **3.4 Service Alterations**

If a customer requests to relocate an existing service, the customer will need to complete the appropriate application form, available from the Customer Service Centre or by emailing or phoning Council. The application form must be submitted along with the relevant fee. Council will either approve the application or reject the application with reasons.

### **3.5 Disconnection of Water or Wastewater Services**

If a customer no longer requires a water supply or wastewater service, they may apply in writing to Council for disconnection. An application form is available from the Customer Service Centre or can be downloaded from the public website. Approval will be subject to legislation and a disconnection fee, as per the adopted fees and charges, will apply.

Customers can contact Council's Customer Service Centre to submit an application.

### **3.6 Reconnection of Water Services**

If a customer requests to reconnect to the water supply network, the customer will be required to complete the appropriate application form and pay a fee to cover the reconnection service application. Water services must be reconnected by a Council plumber.

### **3.7 Sanitary Drains**

The owner of a property is responsible for the maintenance and repair of any sanitary drains on their property, up to and including the connection point on Council's sewer. This also includes the cost of clearing any blockages caused by the ingress of tree roots or other foreign objects.

Council is responsible for clearing blockages in a Council sewer or wastewater infrastructure. Private plumbers or drainers are not to undertake any work to clear a blockage in a Council sewer or wastewater infrastructure without obtaining Council's approval prior to commencing any work. If approved, the Council will reimburse the private plumber's or drainer's fees.

### **3.8 Damage to Infrastructure**

If Council's water or wastewater infrastructure is damaged, please report the damage to Council's Customer Service Centre on (07) 4783 9800, 24 hours a day, seven days per week.

Council will charge the owner of the property for the cost of repairing any accidental damage to Council's infrastructure. It is the property owner's responsibility to recover costs from any third party that may have caused the damage.

If Council's infrastructure is damaged intentionally this is considered an offence and is provided for in the Act. If you witness Council infrastructure being intentionally damaged please report the damage as soon as possible to minimise any potential compromise to community health.

If damage is done to infrastructure on the property owner's side of the property boundary, after the water meter, then it is the responsibility of the owner to repair or replace the infrastructure. Where a Council employee caused the damage through no fault of the owner, Council will be responsible for the repair of any infrastructure on the property owner's side.

### **3.9 Works and Repairs**

When conducting works or repairs, Burdekin Shire Council will ensure the area is left in the same standard as before the work or repairs were carried out. Any work area also will be adequately fenced or signed to ensure safety.

### 3.10 Trade Waste

A customer may discharge trade waste into Council's Wastewater System provided the customer has first obtained approval for a trade waste permit from Council. The Trade Waste Application for Permit to Discharge to Sewer form is available from the Customer Service Centre or can be downloaded from Council's website. All approvals are subject to conditions contained in Council's Trade Waste Policy, management plan and guidelines and are usually valid for and renewable each financial year. Conditions include such things as sewer admission limits and the service frequency of any pre-treatment devices.

Council will accept trade waste only where there is no likelihood the trade waste will harm a person/s, the environment and/or Council's wastewater system.

### 3.11 Sub-metering

Sub-metering is an initiative aimed at water conservation measures and the sustainability of water supply. Sub-metering is, from January 1, 2008, a legal requirement in all new development of multi-unit properties. This is detailed in the Queensland Plumbing and Wastewater Code Part 4, which Burdekin Shire Council is required to comply with in accordance with the *Plumbing and Drainage Act 2002*.

### 3.12 Water Restrictions

Burdekin Shire Council will notify customers at least one month in advance of applying water restrictions as part of a drought management strategy to ensure security of water resources and continuity of supply. Water restrictions will be implemented consistent with the provisions of the Burdekin Shire Council Drought Management Plan.

### 3.13 Customer Consultation

Burdekin Shire Council will inform customers of any planned interruptions to normal service provision at least 48 hours in advance. This will be via posting relevant information on Council's website, Council's social media pages (Facebook, Twitter and Google+), advertising in the local paper, displayed on roadside LED message boards or alternative methods as appropriate. In the event of a planned loss of supply to customers' residence or business, a letter drop at the affected address will be carried out at least 48 hours prior to work beginning.

### 3.14 Customer Complaint Handling and Dispute Resolution

Burdekin Shire Council will endeavour to provide the highest level of service to its water and wastewater customers.

If you have any problems with the service you receive or compliance with the targets set out in this document please contact Council promptly to ensure the issue can be investigated and allow Council to implement any action required to resolve the problem.

In the first instance the complaint should be lodged with Council's Customer Service Centre by phoning (07) 4783 9800, by e-mail to [burdekinc@burdekin.qld.gov.au](mailto:burdekinc@burdekin.qld.gov.au) or in writing to the Chief Executive Officer, Burdekin Shire Council, PO Box 974, Ayr Qld 4807.

Burdekin Shire Council will investigate any complaints registered with Council in compliance with Council's Complaints Policy.

If you are not satisfied with the outcome or resolution of your complaint, you may contact the Mayor or Councillors for their consideration or direct your concerns to the Queensland Ombudsman's Office.



## **4.0 Service Level Standards**

### **4.1 Quality of Water**

Burdekin Shire Council is committed to supplying our Customers with water that complies with the National Health and Medical Research Council's Australian Drinking Water Guidelines.

### **4.2 Adequacy of Supply**

Council is committed to providing a safe and reliable water supply system to the Burdekin community. Council will endeavour to maintain the water flow and pressure in accordance with State Government guidelines.

If customers notice a significant change in the usual water supply pressure not caused by household pipes and fittings, Council encourages customers to contact the Burdekin Shire Council immediately. Council will investigate and advise customers of any action that has been, or needs to be taken to rectify problems.

### **4.3 Continuity of Supply**

Council will continue to undertake planned ongoing maintenance and repair work to ensure its services will operate effectively in the long term. Council aims to provide a reliable long-term water supply and wastewater service to Burdekin Shire customers.

### **4.4 Effective Transport of Waste/Effluent**

Burdekin Shire Council is committed to environmentally sound practices. Council will always treat wastewater and dispose of effluent and biosolids (sludge) in an environmentally responsible manner. The Ayr and Home Hill Wastewater Treatment Plants are operated in accordance with the licence conditions set by the Department of Environment and Heritage Protection.

The service standards adopted by Council are detailed in the attached table which outlines the service indicator, response and target compliance level.

### **4.5 Council's Commitment to Customer Service**

Council welcomes customer comments, enquiries and suggestions. Our customers are encouraged to contact Council's Customer Service Centre for assistance on matters such as service difficulties and faults, general and technical enquiries.

Council maintains a 24-hour emergency contact service for emergencies related to service systems, such as a burst water main or sewerage overflow, and will respond promptly to customer enquiries, complaints and requests.



## 5.0 Water – Key Performance Indicators

Key Service Characteristics	Customer Service Indicator	Response	Customer Service Target
Day to Day Continuity of Supply	<b>Unplanned Interruptions</b>		
	Broken Water Main - Respond	1 hour	95%
	- Repair	<5 hours	90%
	Broken Water Service - Respond - URGENT	1 hour	95%
	- Repair	<3 hours	90%
	Broken Water Service - Respond - NON URGENT	1 hour	95%
	- Repair	2 working days	90%
	Defective Stopcock - Respond	1 hour	90%
	- Repair	2 working days	90%
	Loss of Supply - Respond	1 hour	95%
	<b>Planned Interruptions</b>		
	Provide Prior Notice of Works	48 hours (min)	95%
	Water Service Replacement – URGENT	10 working days	90%
	Water Service Replacement – NON URGENT	40 working days	90%
	New Water Service	10 working days	90%
	Low Water Pressure / Flow Investigation	3 working days	90%
	Ratio of Unplanned to Planned Interruptions		4
Quality of Water	Compliance with NHMRC Guidelines		
	- Microbiological (Coliforms & E-Coli)	Number of Tests	98%
	- Physical/Chemical Parameters	Number of Tests	90%
	Water Quality Complaints (Taste/Odour)	Number of Incidents	<5/1000 Connections
Adequacy of Supply	Dirty Water Complaints	Number of Incidents	<50/1000 Connections
	Available Household Supply (Minimum)	1500 Litres/Day	<5/1000 Connections
	Minimum Flow at Boundary	22 Litres/Min (Urban)	<10/1000 Connections
		4.5Litres/Min (Rural)	<5/1000 Connections
Continuity of Supply (Long-term)	Minimum Static Pressure	20 Metres (Urban)	<2/1000 Connections
		12 Metres (Rural)	<5/1000 Connections
	Number of Water Main Breaks	Number of Breaks	<20/100km Main
	System Water Loss and Unaccounted Water Use	Difference between Bulk and Metered Consumption (Litres/Connection/Day)	500 l/c/d

## 6.0 Waste Water – Key Performance Indicators

Key Service Characteristics	Customer Service Indicator	Response	Customer Service Target
Continuity of Supply	Sewer Main Breaks and Chokes Rising Main Breaks Sewer Inflow/Infiltration	Number of Incidents Number of Incidents Ratio of ADWF to MWWF	<10/100km Sewer <1/10km Rising Main <3
Effective Transport of Waste/Effluent	Pump Station Overflows/Annum(excluding Flooding/Power Failure) Sewage Overflows Response Total Sewage overflows/Annum Odour Complaints/Annum Sewage Overflows to Customer Compliance with EPA Licence Conditions/Annum - Disinfection - Suspended Solids - BOD <sub>5</sub>	Number of Incidents  1 Hour Number of Incidents Number of Incidents Number of Incidents  Compliance/Test Compliance/Sample Compliance/Sample	<15/100km Sewer  90% <2/100km Sewer <3/1000 Connections <1/1000 Connections  95% 95% 90%

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## 9 TECHNICAL SERVICES

### 9.1 Permanent Road Closure - Cislowski Road

#### Document Information

**Referring Letter No:** 1420727

**File No:** 1369

**Name of Applicant:** Department of Natural Resources and Mines

**Location:** Ayr

**Author and Title:** Matthew Ingle, Design Office Manager

---

#### Executive Summary

The Department of Natural Resources and Mines (DNRM) has requested Council's view on the permanent closure of part of Cislowski Road, Ayr

#### Recommendation

Council resolves not object to the permanent closure of part of Cislowski Road on condition that no part of the road within 15 metres of the current centre line is closed and all services remain within the new road reservation.

#### Background Information

Cislowski Road runs from Old Clare Road to Plantation Creek on the western side of the QR rail line. The road is 60.35 metres wide. There are temporary road closures and road permits approximately 20 metres wide each side of the road reserve. The constructed road is on part of the western road permit. DNRM have provided a plan that shows opening the temporary closures and closing parts of the road that would provide a road corridor 20 metres wide centred on the existing road construction.

Council has just installed a new water supply line along the eastern side of Cislowski Road and an existing water main runs along both the eastern and western side of the road. These mains are within 15 metres of the centre line of the constructed road except in a couple of locations. These would need accurate locating to ensure that they remain within the road reservation

#### Link to Corporate/Operational Plan

N/A

#### Consultation

N/A



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## Legal Authority or Implications

N/A

## Policy Implications

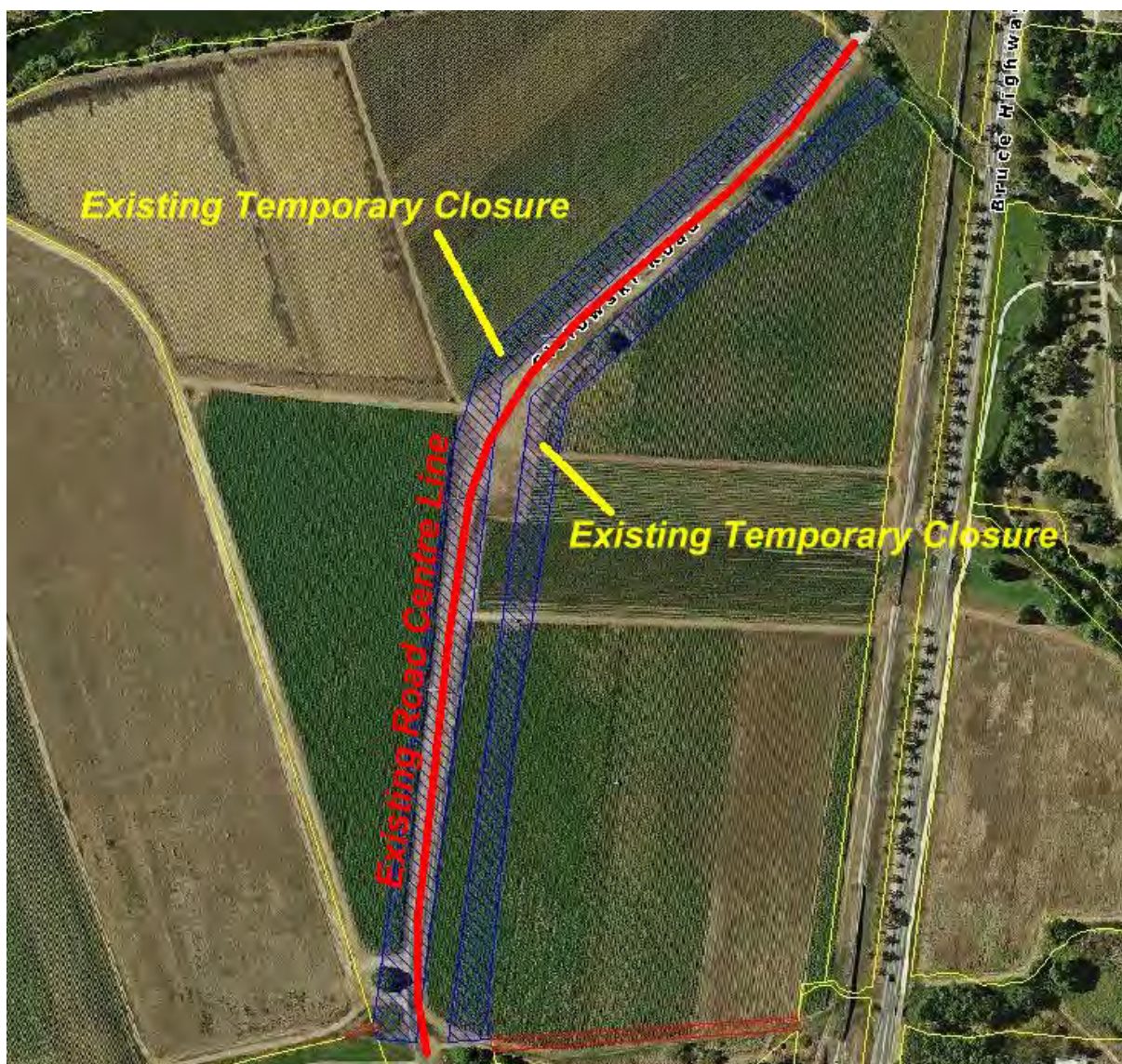
N/A

## Financial and Resource Implications

N/A

**Report prepared by:**  
Matthew Ingle

**Report authorised by:**  
Matthew Ingle



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## Attachments

1. N/A

## 10 PLANNING & DEVELOPMENT

### 10.1 Request for Refusal of Building Line Variation to be discussed at Full Council Meeting - 24 Sandowns Street, Alva (Lot 15 on A7781) - John Byers

#### Document Information

**Referring Letter No:** 1407978 (Request) 1412100 (Refusal),  
1424668 (Reasons for Refusal)

**File No:** 224

**Name of Applicant:** John Byers

**Location:** 24 Sandowns Street, Alva (Lot 15 on A7781)

**Author and Title:** Mr Shane Great, Manager – Planning & Development

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#### Executive Summary

A request from Mr John Byers for a building line variation at 24 Sandowns Street, Alva was refused on the 13<sup>th</sup> February 2015. As per a verbal request from John Byers, a second letter further clarifying the reasons for the refusal, including options, was sent on 19<sup>th</sup> March, 2015. The owner, John Byers has now requested that the Officer's Recommendation be discussed at a Full Council Meeting.

#### Recommendation

It is recommended that the previous decision made by Council's Building Certifier, Mr Keith Lewty, be adopted.

#### Background Information

The request was refused for the following reason:

- The proposed location, height and length of the building would restrict adequate daylight and ventilation to neighbouring properties under Queensland Development Code MP 1.2 A2 (d) (i) (ii).

The following acceptable solutions were offered to the Owner:

1. Council would allow the proposed building height to remain if it was located 1700mm off the side boundaries (being to the outermost point) and 1350mm off the rear boundary (being to the outermost point). This would also reduce the overall length of the proposed

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shed to 11.5 metres not the proposed 14 metres; OR

2. Submit a new plan showing the reduced height and length of the proposed shed to 4 metres high x 9 metre span x 13.2 metres long with a 3 metre high x 4.5 metres span x 13.2 metre long lean-to. Council would allow this building to be located 900m off both boundaries and 900mm off the rear boundary. This would make your proposed shed 13.2 metres long not 14 metres.

#### **Link to Corporate/Operational Plan**

N/A

#### **Consultation**

On-site meetings as well as phone calls were held with the owner, Mr John Byers between both Mr Keith Lewty (Council's Building Certifier) and Mr Allan Smith (Council's Cadet Building Certifier).

#### **Legal Authority or Implications**

N/A

#### **Policy Implications**

N/A

#### **Financial and Resource Implications**

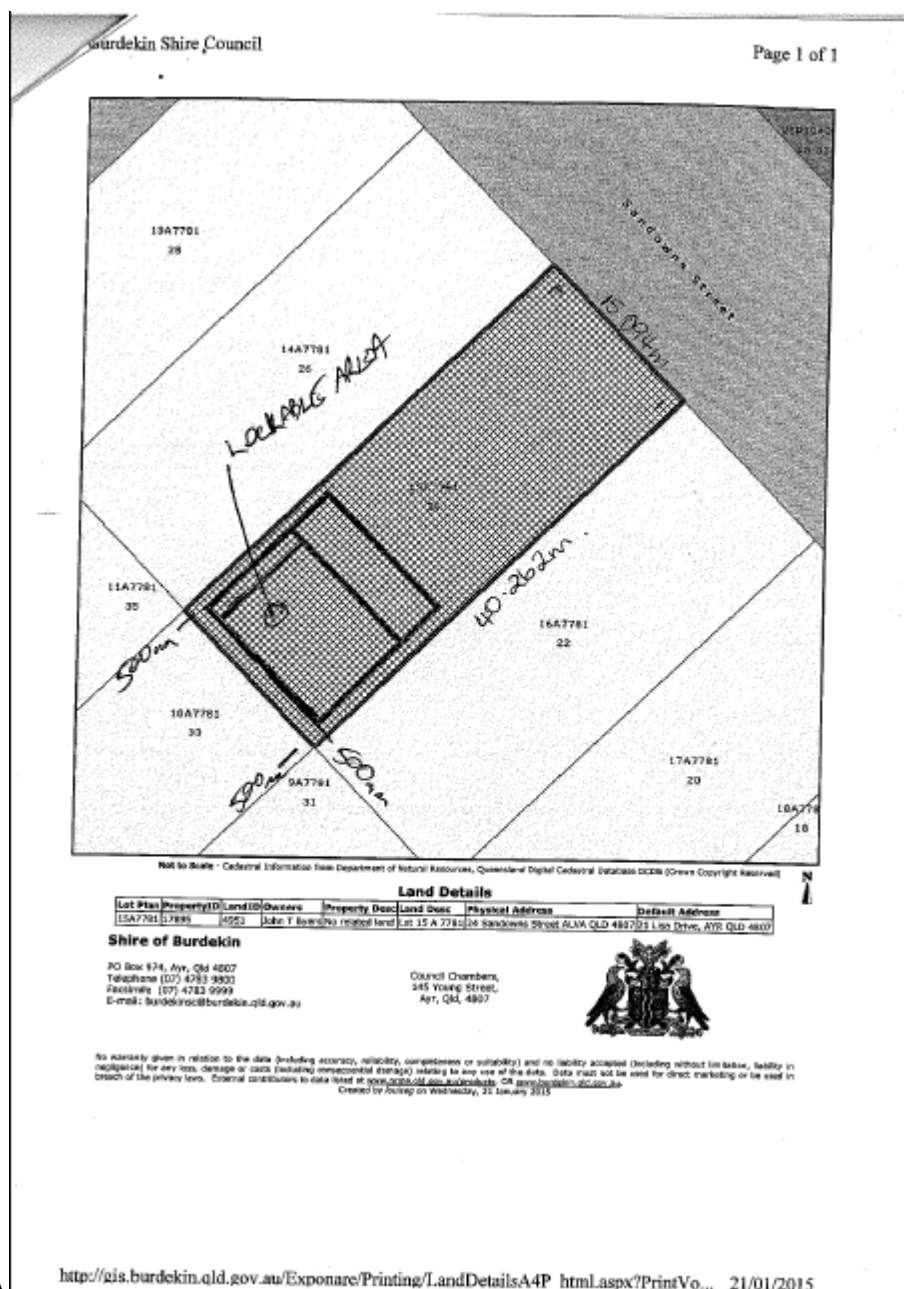
N/A

**Report prepared by:**  
Mr Shane Great

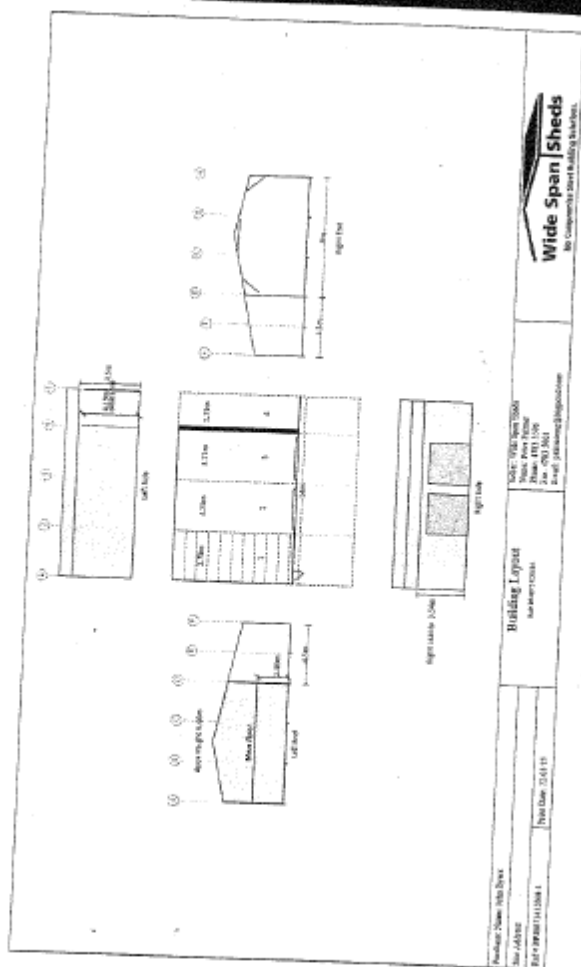
**Report authorised by:**  
Mr Shane Great



## Attachments



# Building Layout



**Wide Span Sheds**  
No Compromises Steel Building Solutions

**Building Layout**  
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Date: [Date]  
Time: [Time]

www.sheds.com.au

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## **11 COMMUNITY DEVELOPMENT**

### **11.1 Management of the Burdekin Cyclone Shelter**

#### **Document Information**

**Referring Letter No:** 1421209

**File No:** 1345

**Name of Applicant:** Burdekin PCYC

**Location:** Ayr Showgrounds, Craig Street, Ayr

**Author and Title:** Tony Vaccaro, Manager Community Development

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#### **Executive Summary**

Council has received an expression of interest from the Burdekin PCYC for management of the Burdekin Cyclone Shelter.

The PCYC can demonstrate that it has the proven track record to manage facilities such as the Burdekin Multi-Tenant Service Centre and other such facilities around the State.

#### **Recommendation**

Council agrees to enter into a management agreement with the PCYC for the management of the Cyclone Shelter for a term 5 years, with the PCYC being responsible for the costs as stated in the attached maintenance schedule for the term of the agreement.

#### **Background Information**

The PCYC has been successfully managing the Burdekin Multi-Tenant Service Centre for the past three years. The PCYC has a proven history of providing a variety of programs, activities and events for the local community. The branch is heavily entrenched in the community, has well established networking and partnership processes in place that would ideally suited to support the creation of activities and programs at the cyclone shelter.

PCYC has agreed to vacate the premises for two weeks during the Ayr Show and also vacate the premises in the event of a cyclone or significant weather event.

PCYC propose to use the premises for the implementation of activities and events which may include (but not limited to) futsal, volleyball, boxing, skating, expo's, markets, disco's and art shows.

PCYC will undertake to work with Council to identify funding for facility improvements and expects that Council consider contributions to the venue that will value add to the use of the venue and comfort and safety of the users.



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The Centre will be utilised by the PCYC, schools, clubs, community based organisations and the general public. Priority will be given to local organisations to use the facility.

PCYC are not willing to offer a percentage of income or any contribution towards ongoing costs such as depreciation and future major maintenance costs. However, all income will be directed back into the facility thorough activities, programs and improvements.

### **Link to Corporate/Operational Plan**

3.3.1 Encourage increased use of community spaces and facilities.

### **Consultation**

The Manager of Community Development has consulted with the CEO, Zone Manager and local Branch Manager of PCYC.

### **Legal Authority or Implications**

There is an exemption to going to tender if the disposal of the interest in the land is to a community organisation - refer Section 236(1)(b) LG Regulation.

*Community organisation* means—

(a) An entity that carries on activities for a public purpose;

or

(b) Another entity whose primary object is not directed at making a profit

Following perusal of the PCYC Constitution, the PCYC meet the definition of a community organisation and therefore Council does not have to go to tender or quote in respect of granting them the management rights of the cyclone shelter.

### **Policy Implications**

N/A

### **Financial and Resource Implications**

Estimated depreciation costs are estimated at \$34,860 per annum based on 80 years of life. There will also be on-going maintenance/replacement costs as listed in the attached maintenance schedule.

#### **Report prepared by:**

Tony Vaccaro, Manager Community Development.

#### **Report authorised by:**

Tony Vaccaro, Manager Community Development.

### **Attachments**

1. Burdekin Cyclone Shelter Maintenance Plan

## BURDEKIN CYCLONE SHELTER

### Maintenance Plan

Responsibility	Examples of repairs and maintenance details	Responsible Party	Timeframes
1. Buildings: External maintenance (Footprint of the building only)	Structural defects repair	Council	Ongoing
	Repainting, re-roofing etc.		As required
	External area	PCYC	As required
	General maintenance	PCYC	Annually or as required
	Gutter Cleaning	Council	Immediately when required
2. Buildings: Internal maintenance	Removal of graffiti from external surfaces of the Centre	Council	
	Door handles and locks	PCYC	Annual check and replacement as required
	Plumbing		
	Incident safety and security for non-cyclonic events and subject to cause of event.	PCYC	24 hours after event
3. Plumbing	Touch up paint	PCYC	As required
	General Repair and maintenance		
	Windows		
	Door frames		
	Door handles and locks		
	Plumbing and Appurtenances (maintenance only)		Immediately when required
	Cleaning and supervision against deliberate acts of vandalism		Immediately when required
3. Plumbing	Internal graffiti and vandalism to fittings		
	Air-conditioning – Repair & ongoing maintenance downstairs office space only	PCYC	Monthly
	Air-conditioning – Replacement at end of life	Council	As required
	Incidents – safety and security for non-cyclonic events and subject to cause of event.	PCYC	Rectify and/or address immediately and document each incident as soon as possible after is occurred
	Repainting, floor coverings, curtains/blinds (10 year rotation)	Council	Every 10 years
3. Plumbing	Blocked/faulty toilets	PCYC	Immediately
	Drainage maintenance		Monthly
	Washers/leaks etc		Immediately
	Blocked cisterns		Immediately
	External water supply	Council	Annual

	maintenance including external taps and pump station Storm water maintenance		As required
4. Grounds	Mowing and maintenance	Council	Fortnightly
5. Sanitary Bins and Sharps Removal	Installation and payment of rental	PCYC	Ongoing
6. Fire Extinguisher	Replacement and maintenance	PCYC	At commencement date and replaced as required
7. Rodents, Vermin and Pests	Treatment of buildings and structures annually	PCYC	Annually
8. Rubbish	Provision of sufficient bins Rubbish removal	Council	At commencement date Weekly bin collection
9. Electricity	All installation and connection Fees  Payment of all charges Testing and tagging of all electrical equipment	PCYC	All installation and connection fees at commencement As due Annually
10. Lighting	Replacement of bulbs, starters etc to a maximum height of 2.0m External Lighting to a maximum height of 2.0m	PCYC	Replacement of bulbs as required As required
11. Hot Water Systems and Zip Heaters	Repair and maintenance	PCYC	Ongoing
	Replacement at end of economic life	Council	As required
12. Gates, Fences and Window Grids	Repair and maintenance	Council	Ongoing for repair
	Replacement at end of economic life	Council	As required
13. Signs (including notice boards)	Installation, maintenance and repairs (subject to Council approval)	PCYC	At commencement and annual maintenance
14. Consumables	Supply of toilet paper, hand towels, cleaning products and cleaning equipment	PCYC	Ongoing
	Replacement of cleaning equipment at the end of economical life		As required
15. Designated Evacuation Centre Maintenance	Regular maintenance of cyclone doors, bolts, padlocks and keys	Council	Monthly inspections and repairs as required
	Replacement of applicable equipment at the end of economical life	Council	As required
16. Equipment	Installation Service, repair maintenance and replacement	Council/PCYC PCYC	At commencement date Annually or as required



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17. Improvements - anything added to the building e.g. fans	Construction and installation	Council	On or before the commencement date
	Repair, service and maintenance	PCYC	Annually or repair as required
	Repair of any inherent or structural defects	Council	As required
	Replace at end of economical life	Council	As required

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## **Usage Plan**

### **Burdekin Annual Show**

The facility must be made available free of charge to the Ayr Pastoral Agricultural & Industrial Association Incorporated for a period of 2 weeks for the Burdekin Annual Show.

### **Designated Evacuation Centre**

In a State of Emergency, whether due to cyclonic weather conditions or any other cause, the Centre becomes a designated evacuation centre and the following will apply:-

1. The management of the Centre will immediately pass from the PCYC to the Disaster Management Group and the PCYC will take all steps necessary to clear and store all moveable equipment within the Centre as soon as possible after notice that the Centre is to be passed to the Disaster Management Group.
2. The Disaster Management Group will manage the Centre in accordance with the Qld Public Shelters Operational Guidelines or otherwise as appropriate for the duration of the emergency.
3. The Disaster Management Group will advise when the emergency has passed and management of the Centre will revert to the PCYC.
4. No compensation is payable to the PCYC for any loss or revenue for the period the Centre is under the management of the Disaster Management Group.
5. Council will return the Centre to the PCYC in a clean and tidy state and any damage which may have occurred during the period of the emergency shall be recorded and repaired by Council at its cost.

### **Council's IT Room & Records Area**

The Council's IT hard drive room and Records upstairs area will remain the responsibility of Council and will remain locked at all times. The padlock at the bottom of the steps must remain locked at all times. PCYC must allow Council staff access to this area at any time.

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## **General**

In general terms, the Centre must be available for use by the community seven (7) days a week during such hours as agreed between the PCYC and Council or otherwise determined by Council. The primary focus of the Council/PCYC is to ensure fair, equitable, unfettered and ongoing usage of the Centre by the Council, PCYC, community groups, clubs, associations, societies and the general public.

## **Summary of Community Use**

The Centre will be utilised by the PCYC, schools, clubs, community based organisations and the general public. Such use will be managed in accordance with the terms of this Agreement by the PCYC, and at any discretion of the Council as appropriate.

Priority is to be given to local clubs to ensure Council's obligations to make the Centre available for community use are satisfied.

Local clubs and community groups are to be provided reasonable and unfettered access to the Centre subject to the demand of the proposed activity and availability of the Centre for the conduct of the activity.

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## **12 ECONOMIC DEVELOPMENT**

### **13 GENERAL BUSINESS**

#### **13.1 Giru Progress Association Working Group**

### **14 CORRESPONDENCE FOR INFORMATION**

Tabled Separately

### **15 NOTICES OF MOTION**

#### **15.1 Operations of Ayr Showgrounds**

##### **Recommendation**

That in relation to the operation of the Ayr Showgrounds, the Council advise the Ayr Pastoral, Agricultural and Industrial Association Inc. As follows:

1. Council will waive any hire charge for the 2015 Burdekin Show subject to transfer of APAIA current assets to the Council excluding those associated with the Office which will remain the property of the APAIA.
2. Council cannot at this stage provide a hire charge for the Ayr Show Grounds for future years and intends to meet and negotiate a suitable arrangement following finalisation of the 2015 Burdekin Show.
3. Council notes the preference of the APAIA to stay in the current office building at the Show Grounds for the interim period on the condition that the APAIA undertake general maintenance and repairs to the building excluding any major repairs or structural maintenance.
4. Council intends to demolish the ablutions block adjacent the office building following the 2015 Burdekin Show.

### **16 URGENT BUSINESS**

### **17 CLOSED MEETING ITEMS**

### **18 DELEGATIONS**



