

Document Set ID: 7861560 Version: 1, Version Date: 05/04/2017

Contents

Livingstone at a Glance & Regional Profile	3
Mayor's Report	4
CEO's Report	6
Portfolio Councillor Overviews.	8
Cr Graham Scott	8
Cr Tom Wyatt	9
Cr Glenda Mather	10
Cr Adam Belot	11
Cr Jan Kelly	12
Cr Nigel Hutton	13
Organisational Structure	14
Executive Management Team	15
Key Highlights	17
Council Activities and Performance	20
Council Activities	20
Issues Relevant to Council's Operation and Performance	20
Audit, Risk and Business Improvement Committee.	20
Corporate Plan & Operational Plan Annual Progress	22
Corporate Plan & Operational Plan Scorecard	22
Annual Business Plan 2015-16 Target Performance	25
Councillor Remuneration, Expenses and Attendance	27
Councillor Remuneration	27
Attendance at Council Meetings	27
Code of Conduct for Councillors and Staff	
Statutory Information	31
Senior Management Remuneration Packages	31
Administrative Action Complaints	31
Financial Assistance to Community Organisations	
Concessions, Special Rates and Charges	
Tenders	
Registers Kept by Council	
The Queensland Plan	
Internal Audit	
Legislative Requirements Not Applicable	
Community Financial Report	
Total Revenue - Total Expenses = Net Result	38
Sources of Income – Where our money came from	
Expenses – Where our money was spent	
Total Comprehensive Income for the Year	
Statement of Financial Position.	
What Do We Own?	
Capital Works	
Significant Projects Undertaken in 2015-16	
What Do We Owe?	
Financial Sustainability Ratios.	
Statement of Changes in Equity	
What Are We Worth?	
Statement of Cash Flows.	
Livingstone Shire Council Financial Statements	
LIVINGSTONE SHIFE COUNCIL FINANCIAL STATEMENTS	46

Livingstone at a Glance



17,301 rateable properties

Approx 2,800 registered businesses in the Shire

29 new commercial building works

Assets worth more than

\$905.7m including

\$422.3m worth of roads and bridges assets and

\$298.8m worth of water and sewerage assets

68 suburbs covering 11,776.3km²

322 new residential lot registrations

38,000 residents will increase to 57,042 by 2036



2.4% average annual population growth

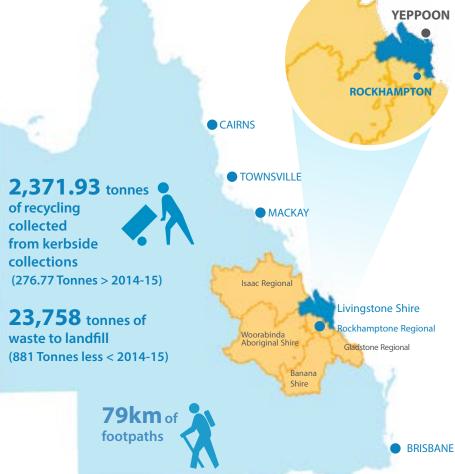
10.4% of residents were born overseas

41.8yrs median age

13 primary schools

11 early childhood education and care services

3 secondary schools



Regional Profile

The Livingstone Shire sits within the Capricornia region in Central Queensland. Nestled along the beautiful Capricorn Coast which spans over 11,776 square kilometres.

The major centres include the coastal towns of Yeppoon and Emu Park, with the smaller villages of Byfield, Farnborough, Cawarral, Keppel Sands, Glenlee, Glendale, The Caves, Yaamba, Marlborough, Stanage Bay and Ogmore making up the Shire.

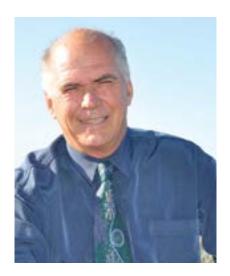
The area has an abundance of natural features including countless beaches with sheltered swimming, picturesque national parks, pristine rainforests and idyllic offshore islands, making it an ideal tourist destination or place to live.

First established as a local government area in 1879, Livingstone Shire was amalgamated with three other councils to become Rockhampton Regional Council in 2008. After a successful de-amalgamation election in 2013, Livingstone Shire Council was re-established on 1 January 2014.

boat

Mayor's Report

Over the last financial year, Livingstone Shire Council continued to build both our capacity while reinforcing a well-earned reputation as one of the state's most progressive local government organisations.



We remain committed unconditionally to the utmost in service provision, while delivering a diverse range of critical infrastructure projects and community facilities across the shire.

Livingstone's 2015-16 Budget, which at its centrepiece included a comprehensive \$60 million capital works program, has helped consolidate a solid foundation for our community's future prosperity and sustainability, while continuing to progress the ongoing post-cyclone and economic recovery effort.

A major element in Council's success has been a pro-active and entrepreneurial approach to investment and an outstanding track-record in securing government funding. This approach has enabled key projects like Yeppoon Foreshore and Town Centre Revitalisation, Emu Park Centenary of Anzac Precinct, Panorama Drive, and the Barmaryee and Hartley Street Multi Sports Precincts to become an exciting reality with all projects progressing ahead of schedule and, in some cases, already completed and operational.

The largest project, with a combined investment by Livingstone Shire Council, State Government and Federal Government \$53 million (Council \$14M, State \$29M and Federal \$10M), is the Yeppoon Foreshore and Town Centre Revitalisation Stages 3, 4 & 5. When completed, the revitalisation will include a spectacular beachfront lagoon and water-play features, kiosk and restaurant facilities, additional playgrounds, a range of family and tourist recreational amenities as well as scenic boardwalks and connecting walkways.

One of the major highlights of the year was the official opening by the Premier Annastacia Palazczuk the Keppel Kraken Water Play Feature in time of for the 2015 Christmas school holidays. The Kraken's innovative design has quickly established it as an iconic feature for the region taking out a Tourism Award of Excellence at the 2016 Queensland Landscape Architecture Awards, along with award for best Major Play Space (over \$500,000) at the Parks and Leisure Australia Regional Awards of Excellence.

Another key project now well underway, and due to open before Christmas, is the \$10 million Yeppoon Multi-Storey Car Park. When completed, this project will provide more than 330 spaces, state-of-theart car wash facility and ground floor retail opportunities. Over 150 local jobs have been generated during construction along with valuable supply and contracting opportunities for local business.

Livingstone Shire Council's long-term vision to transform the Capricorn Coast into a destination of choice for significant sports tourism events also reached a major milestone with the official opening of the \$2.5M Barmaryee Multi-Sports Complex Stage 2. Another partnership project between Council (\$1.6M) and State Government (\$874,000 Get Playing Plus Program), the precinct has already played host to thousands of junior rugby league, touch football and netball players from across Central Queensland and beyond.

Next year, with planning and design work now underway and another combined \$3million secured from State and Federal Governments, the Hartley Street Multi-Sport Precinct in Emu Park will commence construction. Stage 1 of the project will include two irrigated rugby league fields with full lighting, multipurpose amenities building complete with kiosk and storage facilities as well as upgraded access road and car park. Council's commitment toward the projects will \$1.25million with another \$250,000 approximately flagged to be contributed by Emu Park Bendigo Community Bank first stage of

Together the Barmaryee and Hartley Street Multi-sports Precincts ensure the Capricorn Coast is well positioned to both cater for the current and long-term sporting requirements of our rapidly growing population, and importantly, to realise our potential as a premier sports tourism destination.

Without doubt one of the most complex and costly post-cyclone engineering challenges has been designing and securing the funding to undertake the full rebuilding and repair work needed to restore the Scenic Highway, sea-wall, and major landslip at Statue Bay. Successful representations and negotiations with State and Federal Governments have secured commitments of up to approximately \$15 million to undertake the works with \$11.7 million coming through the Natural Disaster Relief and Recovery Arrangements.

The Capricorn Coast remains one of the fastest growing areas outside the southeast corner, with around 1000 new residents making a permanent sea change to the Shire every year. Strategic long-term investment in major economic development projects will help generate the additional revenue our community needs and ensure rate rises remain at an affordable level.

Council's focus on generating economic uplift through encouraging business development and innovation to create new business opportunities and job creation has seen the establishment of The Gateway – the Capricorn Coast's first integrated business and industry precinct. Stage 1 of this development is now well advanced with 60% of lots either sold or under-contact and expressions of interest have now opened for premium industrial lots available in Stage 2.

Providing assistance and facilitating a more inclusive community has been another continuing focus for Council. Some of our on-going initiatives have included:

- » Free green waste disposal and dump vouchers for domestic general waste for ratepayers;
- » Free or significantly discounted hire fees community and notfor-profit groups using Council facilities:
- » The annual provision of \$110,000 of community grants in partnership with the Keppel Bay Sailing Club through the hugely popular Livingstone Community Grants Program; and
- » Sponsorship support totalling \$145,000 for community events and festivals.

Council remains committed to efficient and effective utilisation of resources to achieve the very best outcomes for our community and I would like to take this opportunity to acknowledge and thank my fellow councillors, senior management team and the entire Council organisation for their efforts over the last 12 months.

CEO's Report

Livingstone Shire Council is one of the largest and most diverse employers on the Capricorn Coast; where more than 380 staff strive to provide the highest possible level of service to the Livingstone community.



In April 2016, I was appointed to the role of Chief Executive Officer (CEO) following my appointment eighteen months earlier as the Director Corporate Services. I am both proud and honoured to be the first female CEO of Livingstone Shire Council.

Council is immensely successful in terms of its vision for the community and its track record of delivering outcomes, building sustainable partnerships and creating value.

I thank the Mayor, Deputy Mayor and Councillors for their leadership and commitment to the community over the past year. Their aspirations for Livingstone focus the organisation to strive for excellence in customer service, governance and community benefit outcomes.

The financial strength of Council continues to grow since deamalgamation with the focus being on delivering new infrastructure to support a growing community while at the same time ensuring existing infrastructure is appropriately maintained. The development of robust Asset Management Plans during the course of the past twelve months is integral to Council's long term financial sustainability.

Our commitment to business improvement, in line the Livingstone Shire Council Corporate Plan 2014 – 2019, also ensures we are continually working to lower the organisations operating costs while at the same time delivering the services our community needs and maintaining an asset base of approximately \$1billion.

Continuing to build a strong, innovative and resilient organisation is a key priority and Council prides itself on attracting and developing employees of the highest calibre, while enjoying a work culture that's second to none. The level of enthusiasm that is shown by staff for our community is exceptional and I thank them for their efforts.

As the ongoing recovery post-Cyclone Marcia continues, Council has also invested significantly in disaster management, including the recruitment of a highly sought after disaster manager to facilitate ongoing community recovery and resilience building activities.

Significant projects such as the Keppel Kraken, Centenary of Anzacs, Barmaryee Sports Precincts, Panorama Drive and Yeppoon Multi-Storey Car Park demonstrate Council's capacity to deliver innovative solutions that support the needs of our community.

I have the privilege of working with a diverse, highly committed and dedicated team without whom the achievements detailed in this annual report would not be possible. I thank each and every one of them for their contribution and look forward to continuing our important work of providing services and facilities of a high standard while maintaining our focus on adding value to our community.





Livingstone Shire Council Annual Report

Councillor Graham Scott

Portfolios: Planning & Strategic Infrastructure, including Economic Development & Tourism



The 2015-16 financial year has seen good progress towards the delivery of many strategic capital projects and significant consolidation of Council Services. There are now some signs of green shoots in the local economy with a sense of confidence returning to many residents and businesses

Some major projects have reached significant milestones during this year including;

- Stage 2 of the Centenary of Anzacs at Emu Park has delivered an amazing gatehouse featuring the stories of locals involved in World War 1
- The Gateway Business and Industry Park has progressed with a number of Lots in Stage 1 settled and new business premises under construction. Stage 2 Bulk earthworks is also underway with a number of strong enquiries for future lots. This project not only delivers a profit to

our Community, but strengthens our position as not only a great place to live, but a great place to work.

- Panorama Drive has also progressed strongly with local Contractors, JRT being the successful tenderers. Work is currently ahead of schedule and we should see this excellent addition to our traffic network open in late 2017
- The Yeppoon Foreshore and Town Centre redevelopment. is well underway with the multi level carpark set to open before Christmas. This will facilitate construction the remaining infrastructure without major disruption to the Foreshore. Schematic designs have been completed with final documentation to commence shortly. Staged construction will proceed during 2017 with the majority of key elements completed prior to Christmas 2017. This project will generate significant jobs during construction and create an enduring economic uplift.

These and many other projects have required an enormous effort from all staff and many members of our Community. This effort needs to be recognised. Last year there were great expectations that many of these long awaited projects would come to fruition. It is very pleasing indeed to see tangible progress and economic activity as these major projects roll through construction.

Relationships have continued to strengthen and mature during the Year. From both levels of Government to business groups and Community Organisations, our ability to work towards common goals and have open and honest discussions has ensured the challenging delivery phase has progressed smoothly.

Council service delivery has also matured, particularly in response to the many challenges and opportunities that emerged post TC Marcia. Debra Howe has joined the team as Director of Strategic Growth and Development to oversee the major capital projects and development initiatives. Debra's team is developing to meet the many demands of strong growth. The New Town Plan is also progressing and should be out for public comment quite soon.

The regional economy has been quite depressed. However there is an emerging sense of optimism that the worst could well be behind us. A recent surge in property market activity suggests that confidence is returning and our undeniable lifestyle benefits are being recognised. There are also many positive stories from our Tourism Operators.

The future appears to hold more opportunities than challenges with the completion of many key projects within site and our staff and Community starting to see the benefits of a lot of hard work.

Councillor Tom Wyatt

Portfolios: Sport, Recreation, Parks & Community Facilities



Council continued to partner with government and non-government agencies and commercial sectors to build and contribute to a better serviced community.

Sport and Recreation

Barmaryee Multi-sport Precinct

Stage two works were completed in June 2016 consisting of the amenities building and netball courts.

This critical infrastructure supports two of the highest growing sports including Capricorn Coast Netball Association and Seagulls Junior Rugby League.

The netball courts have allowed for regional level competitions to be held at the venue.

Hartley Street Recreation Reserve

Community engagement was undertaken which contributed to the successful completion of the planning and design phase.

A funding request for \$1.5 million was successful.

LiveWELL Get Active

Council delivered a communitybased sport and recreation initiative focussed on increasing opportunities for women and girls to participate in sport and recreation.

The Queensland Government contributed \$8,710 from its Get Out, Get Active programme to support the partnership and a total of 47 participants completed the programme.

Glenlee Park and Olive Estate Park

Community engagement and concept planning was completed for Glenlee Park and Olive Estate Park.

Glenlee Park received funding to support facilities enhancement through the Get Playing Places and Spaces (Queensland Government) initiative. Council, together with the Queensland Government (\$100,000) will deliver the project and further work will be undertaken to consider facilities enhancement of Olive Estate Park.

Capital Projects

- » Shade structure completed at Causeway Lake Playground.
- » Beginning of beatification and ongoing improvement to medians across the Shire to enhance liveability and create walkable options for passive recreation.

Libraries

Council employed a Digital Inclusion Officer to provide specialist support and training to the public and library staff in digital media, coding and robotics, supporting technological advancement in our community.

Council received \$162,000 during the financial year from the State Library of Queensland to assist in delivery of library operations across the Shire.

Yeppoon Library welcomed upgrades with the introduction of the Children's Area.

Little Free Libraries

A partnership between Council, Yeppoon's Men's Shed, Yeppoon State High School and the Capricorn Coast Tourist Information Centre enabled book exchange points at various locations around Shire to promote free access to literature and information for the whole community.

Everyone Online

A partnership between Council and the State Library of Queensland, this pilot programme lent iPads and data to community members to improve digital literacy. A total of thirty people participated.

First Lego League Robotics Challenge

A partnership between Council and the State Library of Queensland, this initiative encouraged children and young people to learn about robotics, coding and engineering first hand.

Participants could build robots, make them move and compete in challenges learning about engineering and programming.

Children's Storytime

Delivered every Thursday fortnight at Yeppoon or Emu Park libraries, Children's Story Time allowed for social interaction between children and parents.

Exciting stories, music, art and craft were provided, focussed on children aged between two to five years.

This popular programme attracted four hundred participants.

Children's Book Week

Celebrated in August 2015, Librarians visited four primary schools and two high schools to deliver storytelling to children within their learning environment.

A showcase of the shortlist of the best Australian children's books was provided through this initiative.

Councillor Glenda Mather

Portfolios: Civil Operations - Roads



With over 1,400km of road infrastructure in our shire, 860km of this being rural unsealed roads, the upkeep and improvement is an ongoing battle to stay ahead.

Unseasonal rain events, some severe, cause major disruption to our travelling ratepayers, and resources are not always close at hand to carry out repairs, which often places a higher cost on these repairs.

Communication and accessibility are crucial for all families, not only for work and school, but to enable Emergency Services to provide help when needed.

The public has given a clear message that it requires a reliable road network, and Council is currently reviewing its maintenance standards, and prioritising upgrades to major roads where traffic volumes demand.

Efficient roadside drainage is just as critical as the road maintenance itself, and actually determines whether the roads "holds up." Poor drainage leads to road washouts, and the loss of good gravel.

Council's vision is to create a connectivity of major shire roads, where possible.

This lessens travelling time, and distributes traffic volumes away from major centres, causing congestion. Identifying the best location for a new connecting road also comes at a price, due to the need to resume property along the designated alignment.

Council's 2016-17 budget for roads infrastructure is \$47.2m and ratepayers can rest assured that these funds will be well directed.



Did you know?

Livingstone Shire has **568km** of sealed roads **860km** of unsealed roads and maintains **79km** of footpaths



Councillor Adam Belot

Portfolios: Water, Waste Management & the Environment



2016 has been a year of 'head down, and getting into it' when it comes to the Portfolio of all things environment. From new state of the art rubbish compactors (essential to LSC's 10 year Waste and Recycling Plan), hundreds of native trees being planted in strategic locations to beautify and rejuvenate post Cyclone Marcia and thousands of dollars invested into improving the efficiency of Emu Parks Sewerage Treatment Plant. This is but a snapshot of what has occurred throughout 2015-16 within this Portfolio.

In Livingstone we know that on average, more than half a tonne of rubbish is generated for one person and with 38,000 residents that's 23,788 tonnes of rubbish per year. LSC is determined to reduce this costly ratio of rubbish ending up in our Landfills and there are many initiatives that will need to be adopted over time.

It has been a pleasure working with the many passionate community groups like Capricorn Coast Land Care, the Local Marine Advisory Council, GENYADABA, Reef Guardians and Plastic Bag Free to name a few. Furthermore, our efforts to improve and protect our environment will be more successful by working in partnership with these environmental advocates. "Keep up the great work, you are making a difference".

Animal Management can be a minefield for Local Governments and LSC is continually trying to proactively manage all things 'Cats and Dogs'. Two free micro-chipping days where held in 2015-16 and hundreds of responsible pet owners came to have their pets micro-chipped. I look forward to this initiative continuing and possibly alternating down at Emu Park.

Designs are underway for a new \$650,00.00 animal shelter that is 'fit for purpose' to replace a very old and unsuitable pound. This is exciting news for LSC and well supported by the stakeholders involved: RSPCA, Capricorn Animal Aid and Four Paws.

A Country newspaper reporting on weed management quoted that "your property is only as clean as your dirtiest neighbour" and LSC continues to liaise with our rural property owners to assist with weed

management. Recently, 35 rural property owners attended an informal onsite meeting at Canal Creek alongside industry experts, primarily concerned about the spread of Giant Rats Tail Grass, Leaceanue and other invasive weeds. A lot more needs to be done and LSC will continue to work on reducing invasive weeds in the State and Local government road reserves to assist our rural property owners.

In concluding, this is only a snapshot of all my portfolio during 2015-16. I look forward to working with my fellow Councillors in 2016/17 to deliver efficient, progressive and sustainable communities on behalf of every resident of the best Shire in Queensland.

Did you know?

Council propagated **33,574** plants for vegetation rehabilitation



Councillor Jan Kelly

Portfolios: Community Development and Support



Community Centre

The Community Centre continued to grow in its role as the 'hub' of information and referral advice for the people of Livingstone. In addition, the centre maintained its focus on bridging and linking service providers in the community through the Capricorn Coast Interagency Network.

Queensland Government, in conjunction with Council, funds the centre. The State Government provided \$70,888 towards the programme annually and in June 2016 announced an increase of funding of \$39,112 per annum to support the ongoing sustainable operation of this critical service.

An average of 3,300 people access the community centre per month.

The Capricorn Coast Interagency Network has increased from twentyfive agencies to forty agencies attending regular meetings over the financial year.

Category C Funding Community Development Project Disaster Recovery

Council received funding to support public awareness and preparedness for disaster out of Tropical Cyclone

Marcia.

The programme achieved critical volunteer training, worked with local services to ensure community awareness and education.

In addition, disaster recovery workers were provided critical training and development to ensure best practice in the face of disaster recovery operations.

TECH SAVVY Seniors

The Tech Savvy Seniors programme was a partnership between Queensland Government, Telstra and Council

The programme involved implantation of training to encourage seniors to embrace information technology and improve digital skills.

The programme was delivered in Yeppoon, Emu Park, Cawarral and Keppel Sands with approximately one hundred and fifty seniors undertaking the training.

Strengthening Family Connections

Strengthening Family Connections is a partnership between the Queensland Government and Council and has been in operation for eleven years.

The service delivered a total of 4,752 hours of counselling support to children, young people (newborn to 18 years old) and their families on the Capricorn Coast.

Services offered including family counselling and support, information and education, parenting support and linkages and referrals to other specialist agencies and services.

The service embraces early intervention and prevention philosophy.

Seniors Needs Analysis

A broad community engagement initiative was undertaken with service providers, seniors groups/ organisations and community members to provide critical base data to build into future planning for seniors living in Livingstone.

The needs analysis was commissioned for the purpose of proving Council with key demographic data, trends, issues, opportunities and to build awareness of the current and future needs of seniors living in the Shire.

Keppel Bay Sailing Club / Livingstone Shire Council Community Grants Scheme

The Keppel Bay Sailing Club / Livingstone Shire Council Community Grants Scheme is delivered in February and August every year.

In 2015-16, the partnership provided the opportunity for sporting and community organisations to apply for funding (up to \$5,000) to support local projects and initiatives.

This year the partnership grew with the welcome addition of an exciting new player being Inverness Yeppoon.

Together the partnership delivers \$110,000.00 per year in community grants to the local community.

Councillor Nigel Hutton

Portfolios: Administration & Finance, Sub-Portfolio of Youth Development & the Arts



This year has been one of consolidation and success for the Administration, Finance, Youth Development and the Arts portfolio.

Administration & Finance

The philosophy behind the work our administration and finance teams do has been to work hand in hand with all council staff to achieve the most favourable outcomes while serving our community; ensuring best value, and best practice. An example is our project management framework which is being developed by a multidisciplinary group. This work will provide a methodology to be used throughout the organisation and will result in stronger governance, better reporting and better budget management across a range of projects.

In 2015-16 we also further refined our operational targets with a strong focus on simplicity in terms of data collection and meeting the expectations of the community. And I'm pleased to report the organisation met 88.5% of all targets, demonstrating improvement on the 84% achieved in the previous year.

The customer service, communications, engagement and events teams interacted with tens of thousands of residents and continue to seek convenient and improved ways to communicate with our shire. In 2015-16 they recorded 40,000 phone calls, created 39,808 customer service requests, generated 260 media releases, increased the likes on our facebook page by 40% and provided event sponsorship to the tune of \$145,000.

Youth Development

Beyond our Youth Movies which are growing in popularity each holidays, and the range of programs held at the various branches of the library; our youth development team based at the community centre has continued to build partnerships to provide the services our young people need with proximity and accessibility in our communities.

Partnerships include:

- » The very successful Alternative Learning Space program in Yeppoon and Emu Park offers students from Year's 10–12, who are disengaged with mainstream schooling, an educational pathway that will lead to employment or support to re-enter mainstream school.
- » The Marlborough E-Kindy program which allows children living in rural and remote areas to engage in quality kindergarten experiences and maximises their social interaction as they play, create, imagine and discover.
- A threeway partnership between LSC, PCYC and Qld Health to provide Youth and Schoolies week's activities. This year we were honoured to be the launch location for the state wide celebrations and hosted the Honourable Shannon Fentiman MP.

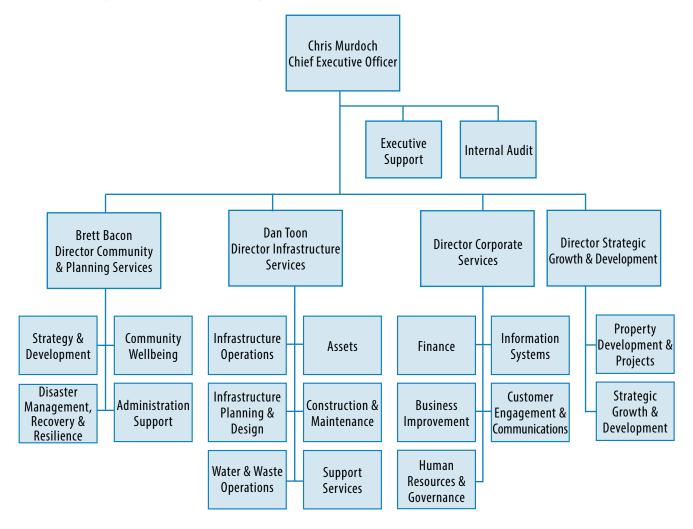
On the back of our survey, 'What Youth Want' in 2015, we have now started Young Leaders in Livingstone. The group comprises young people from throughout the shire who meet fortnightly to discuss youth issues. The group has been involved in planning Youth Week and Schoolies Week activities, which has allowed them to gain insight into working in teams and planning for events. The group has also had guest presentations from Landcare and the Local Government Disaster Management team.

Arts

Our arts unit has seen two rounds of RADF (Regional Arts Development Fund) distributed throughout the community, with community artists employed, a range of exhibitions held and the financial sustainability of our galleries supported with the development of an art skills workshop series. Further work on developing the strategic direction regarding Council's contribution to the arts has been undertaken with community workshops and high level engagement with Central Queensland University to support the development of an arts and cultural precinct.

Organisational Structure

The following represents the management structure of Council as at 30 June 2016:



Executive Management Team



Chris Murdoch – Chief Executive Officer (CEO)

Chris was appointed Chief Executive Officer on 23rd April 2016, following her previous appointment with Livingstone Shire Council as Director Corporate Services in October 2014. Chris has held executive leadership roles in the public health and higher education sectors for close to 20 years as well as the role of Chief Finance Officer in the private sector. Chris is a highly experienced senior executive with skills in strategic development and planning, organisational development, and corporate transformation leading complex and varied functions throughout periods of growth and significant change. Chris is a Chartered Accountant with a degree in commerce and post graduate qualifications in psychology.



Brett Bacon – Director Community and Planning Services

Brett's extensive career in town planning has taken him from south-east Queensland to Tasmania and now Central Queensland. With multiple degrees in Urban and Regional Planning along with a Master in Business Administration, Brett brings significant experience to his role as Director Community and Planning Services. He is responsible for Community Partnerships, Construction Services, Development Assessment, Growth Management, Library, Arts and Culture, Local Laws and Compliance, and Public Environments. Brett worked for the former Livingstone Shire Council before taking up his role as Land Use Manager with Rockhampton Regional Council upon amalgamation in 2008. He has previously worked for the Tasmanian State Government and numerous local governments including Pine Rivers, West Tamar and the Whitsunday Shire Councils.



Dan Toon – Director Infrastructure Services

After completing studies at the Capricornia Institute of Advanced Education and gaining a degree in Civil Engineering, Dan commenced his career in the Northern Territory before returning to Rockhampton to work for several engineering consultant companies. He started at the previous Livingstone Shire Council in 1996 working in several different infrastructure roles. With amalgamation in 2008, he was appointed Manager Civil Operations with the Rockhampton Regional Council. Dan brings many years' experience, both in the field and in management, to his role as Director Infrastructure Services. The Infrastructure Services Department comprises 281 staff members and incorporates the Infrastructure, Assets, Planning and Design, Construction and Maintenance, and Water and Waste Operations business units of Livingstone Shire Council.



Ron Posselt – Director Corporate Services

Ron has 18 years' experience in Local Government and has also worked in State and Federal Government departments. Ron's most recent role was as General Manager (CEO) Greater Taree City Council on the Mid North Coast of NSW. Ron is passionate about service delivery, business improvement and innovation. He has extensive experience in change management and delights in delivering quality, cost effective services to the community he lives in. His roles in local government include: General Manager, Greater Taree City Council; Executive Leader Service Delivery, Greater Taree City Council. Director Corporate and Community, Scenic Rim Regional Council; Director Corporate Support, Pine Rivers Shire Council: and Director City Services, Lake Macquarie City Council. Ron has tertiary qualifications in computing, accounting and engineering



Debra Howe – Director Strategic Growth and Development

Debra Howe is experienced in strategic growth and development having worked in Local Government in Queensland (Brisbane, Toowoomba, Crows Nest Shire Council and Mackay) for 16 years in total and in Victoria (Cities of Port Phillip and Moreland) for three years largely in economic development and growth related senior leadership roles. Debra has also worked with Tourism and Events Queensland delivering destination development across the State and has over 21 years' experience working in the private sector. In May 2014 Debra commenced with Mackay Region Council as Manager Economic Development responsible for economic and tourism development, place making, investment attraction, major projects facilitation, and events attraction. In September 2010, Debra won the 2010 Queensland Telstra Business Women's Community and Government Award.





Key Highlights

Cyclone Marcia - 12 months on

Tropical Cyclone Marcia devastated parts of the Livingstone on 20 February 2015, leaving a trail of destruction and a significant damage bill in her wake.

Twelve months on, Livingstone Shire Council hosted a number of community events spread over four days to remember, give thanks and recognise the tremendous community spirit shown by local residents and the wider Central Queensland community during the cyclone and subsequent clean up.

The program of events started with the official opening of Twenty; a fantastic photo exhibition from local photographer Karin Calvert showcasing 20 local residents who went above and beyond for their community.

Over 100 people turned out to see their friends and neighbours given the recognition that they truly deserved and the portraits are now on permanent display for all to enjoy at the Yeppoon Town Hall.

Council was also proud to officially launch The Day Marcia Came to Town; a children's book penned specifically to acknowledge the event and highlight what being a community is really all about.

The book – written by Council's own Lincoln Bertoli and illustrated by talented local artist Jet James – tells the story of Cyclone Marcia, through the eyes of eight-year-old Lachlan and his grandfather and the damage it caused their community.

Council was able to secure funding from the State Government to offset printing costs with Council, ensuring every primary school aged student in the Shire was gifted a copy of the book to recognise the event and in a tangible way, further foster our wonderful community spirit.

A public reading of The Day Marcia Came to Town also formed part of the free community concert held on the Yeppoon Foreshore, following a combined thanks giving church service and community breakfast for the emergency services and support agency volunteers.

Premier Anastacia Palazczuk accepted a personal invitation from Mayor Bill Ludwig and was part of a sizable crowd who turned out to enjoy live music and local performers capped off with a fireworks display.

Council also hosted a free community morning tea earlier in the day at the Byfield store which was one of the areas most impacted by the cyclone and significant vegetation damage occurred. Each local resident in attendance was given a free sapling as a symbolic commemoration of the occasion.

Cyclone Marcia was arguably the region's worst natural disaster in living memory and a significant part of our history. While the damage was significant the response from the Livingstone community and indeed all of Central Queensland along with the support agencies was outstanding.

Inclusive Community

Community and not-for-profit groups shared in more than \$100,000 through the New Beginnings Community Grants Scheme; a joint partnership between Council and the Keppel Bay Sailing Club.

Projects included shade sails at Cawarral Hall, to lane ropes at the Marlborough swimming pool, repatriating the playing surface for the Yeppoon Australian Football Club, to mattresses for the Capricorn Coast Girl Guides for their Kooyalee Outdoor Education Centre.

Council also took to the road for a series of 12 extremely well-attended community meetings across the entire Shire, from Stanage Bay in the north through to Keppel Sands in the south, to give residents an overview of Council's major projects for the year including budget delivery and cyclone recovery.

The rollout of the national broadband (nbn™) high speed internet network will ensure Livingstone Shire residents are among the best connected regional communities anywhere in Queensland.

The nbn™ network is now live in several areas including parts of Bangalee, Bungundarra and Glendale with construction underway on a fixed wireless site at Cawarral while construction is also underway on fibre-to-the-node for premises at Glenlee and Rockyview.

Construction will soon begin for parts of Limestone Creek and Nerimbera in the near future while Council has also installed free wi-fi at a number of community and tourist locations including the award-winning Keppel Kraken, coupled with the Yeppoon and Emu Park Town Halls and Yeppoon Community Centre.



Yeppoon and Emu Park Foreshores

Christmas came early for Capricorn Coast residents when the much anticipated Keppel Kraken Water Play Area opened to the public on Sunday, 13 December 2015, coinciding with the annual Carols by the Beach on the Yeppoon Foreshore.

The \$8 million dollar project – jointly funded by Council and the State Government – features incredible art components including stunning sea creature sculptures, umbrella bucket and cascade area.

The Kraken was the brain child of David Joffe from Natureworks, who created the spectacular pieces, and the team from Vee Design, who ensured the overall water play area has fast become iconic to the Capricorn Coast.

Our newest foreshore attraction has since been recognised on the state and national stage after being named the best Major Play Space (over \$500,000) the Parks and Leisure Australia Regional Awards of Excellence as well as the Tourism Award of Excellence category at the 2016 Queensland Landscape Architecture Awards.

The Kraken is also the first major initiative to be completed as part of the \$53 million dollar revitalisation of the Yeppoon Foreshore and Town Centre

The jointly-funded project (State Government \$29 million, Federal Government \$10 million, and Livingstone Shire Council \$14 million) is the centrepiece of the region's ongoing post-cyclone recovery and long term plan for continued economic prosperity.

More than 300 people turned out to the Yeppoon Foreshore Community Open Day in February to view and provide feedback on initial concept plans from urban designers Taylor Cullity Lethlean (TCL).

The staged project will include critical parking infrastructure, including the

330-space multi-storey Yeppoon Car Park currently under construction, pedestrian and town centre connectivity, increased green space and a world-class beachfront lagoon..

At the southern end of the Capricorn Coast, work is also progressing on Stage 2 of the Emu Park Foreshore, including the stunning Anzac Memorial and Boardwalk.

On Anzac Day 2016, Council joined community members, Defence Force personnel, members of the RSL and other various funding partners to officially open the Gatehouse, which contains hundreds of photos, testimonials and stories of the various men and women from the area who have served to defend our country.

Once completed, the upgrades will include a 1.5km walking trail that links Kerr Park in the south with Peace Park in the north, through to the beautiful Bell Park and the town's business centre, as well as an extension of the headland boardwalk to link Fishermen's Beach and the Singing Ship monument.

Future stages will also see additional car parking and proposed bus set down areas to cater for the growing number of tourists expected to visit Emu Park and the Capricorn Coast as the masterplan vision begins to take shape.

Sport and Recreation

The Capricorn Coast took another major step towards becoming CQ's premier sports tourism destination with the official opening of Stage 2 of the Barmaryee Multisport Precinct in June this year.

The exciting development was made possible through a substantial \$1.6M investment by Council supported by a \$872,049 funding commitment from the State Government through the Get Playing Plus program.

The facility includes six rebound synpave netball courts with full lighting for night games and eight irrigated turf courts as well as two full-sized rugby league fields.

Junior and senior sportsmen and women also enjoy a shared multi-purpose amenities block complete with training, change and first-aid rooms, kiosk and storage facilities and a second bitumen sealed car park.

The Barmaryee Multisport Complex is now well on-track to becoming the region's first fully-integrated regional sporting hub and thousands of participants have already had the pleasure of competing at the facility through a number of representative netball and touch footballs carnivals.

Planning is also underway for two full sized AFL fields, while schematic designs have also been finalised for a similar facility in Emu Park after Council secured a combined three million dollars in State and Federal Funding.

The Hartley Street Multi-Sports Precinct at Emu Park will cater for both current and long-term growth and sporting requirements for the rapidly growing southern end of the Capricorn Coast and when fully developed, Stage 1 of the complex will provide:

- » Two irrigated rugby league fields with full lighting;
- » Multi-purpose amenities building complete with training, change and first-aid rooms, kiosk and storage facilities;
- » Upgraded access road and car park.



Creating a home for industry

Livingstone Shire Council's long term plan to drive economic growth, private investment and local job creation on the Capricorn Coast has taken a number of key steps forward over the last year with Stage 1 of the Gateway Business and Industry Precinct now almost completely sold.

Located just five minutes from the Yeppoon CBD off Yeppoon-Rockhampton Road, the 56ha site is a six-stage master-planned development for innovative commercial developments which will be progressively delivered over the next 10 to 15 years. The fully-serviced site features its own purpose built B-double accessible transport hub, high-speed optic fibre broadband, power and both town water connections and access to industrial quality reuse water.

Stage Two will be targeting both small and large industrials and high impact uses to ensure the right mix of industry in this precinct, which will complement the future growth and development of our region, with smaller lots on the site targeted at trade-based businesses, manufacturers and new businesses.

Council Activities And Performance

Council Activities

The core business activities of Council during the 2015-16 financial year were:

- » Water and sewerage services;
- » Waste and recycling services;
- » Caravan parks; and
- » Building certification.

Issues Relevant to Council's Operation and Performance

The results presented in the 2015-16 audited general purpose financial statements have been impacted by the receipt of claims associated with the response and recovery efforts post Tropical Cyclone Marcia with the current operating surplus \$6.68 million. Council presented claims in 2014-15 to the Queensland Reconstruction Authority totalling approximately \$8.7 million for the assessment of which \$7.4 million was received from these claims in 2015-16.

Audit, Risk and Business Improvement Committee Performance

Audit, Risk and Business Improvement Committee (ARaBIC) is an advisory committee to Council to assist in the discharge of Council's responsibilities under the *Local Government Act 2009*. In accordance with best practice guidelines the committee operates under the Audit, Risk and Business Improvement Committee Policy, which is published on Council's website, and a supporting Terms of Reference. An annual programme of work has been put in place for ARaBIC to assist the committee with its responsibilities and ensure its purpose is achieved.

Council values the independence of ARaBIC and is committed to the committee membership possessing a suitable breadth of skills, experience and expertise to strengthen its ability to scrutinise and challenge the functions it monitors and reviews. A decision was made to increase the membership to the maximum permitted by legislation and have 2 Councillors and 4 external representatives. In February 2016 Council completed the appointment of additional independent members to the ARaBIC. The current members of the Committee are:

- » Cr Nigel Hutton (Chair);
- » Cr Jan Kelly;
- » Ms Carolyn Eagle (external representative);
- » Mr Tony Trace (external representative);
- » Mr Tony Edwards (external representative); and
- » Mr Pat Connor (external representative).

Standing invitees of the committee during 2015 - 2016 were:

- » The Chief Executive Officer;
- » Director Corporate Services;
- » Internal Auditor:
- » Chief Financial Officer;
- » Manager Human Resources and Governance;
- » Deloitte (Contracted External Auditors); and
- » Queensland Audit Office.

For 2016 – 2017 the list of invitees will be expanded to include other members of the Executive Management Team.

During 2015 – 2016 the Committee addressed each of its areas of responsibility, with time spent on the following key areas:

» Financial management and reporting including Annual Financial Statement preparation, financial policies, processes and oversight;

- » Complex financial transactions and areas of management judgement and estimates in terms of their effect on the financial statements;
- » The External Audit Plan, conduct and effectiveness of the audit, management implementation of recommendations and final audit results;
- » Internal Audit plans, internal control issues and actions from internal audit reviews;
- » Fraud and Corruption Policy, Procedures, and Risk Register;
- » Risk Management Framework;
- » Compliance matters that have a material impact on the financial statements, strategies, operations and reputation;
- » Corporate insurance coverage;
- » Corporate Performance Management and the status of the Operational Plan;
- » Business Improvement strategies;
- » QAO performance audit reports relevant to local government and opportunities of improvement;
- » ARaBIC Terms of Reference and annual programme of work for the Committee; and
- » Workplace Health and Safety (WHS) reporting.

The Committee also considered the following additional areas:

- » Local Government Mutual Assets Program;
- » Better Communities, Better Councils Project;
- » Several Asset Management Plans; and
- » Natural Disaster Operations.

The Committee has also invested time providing input to the planning stages of several business services reviews. These reviews are expected to show opportunities for improvement in the business processes for procurement, inventory management, fleet management and customer request management. More information on this aspect of the Committee's responsibilities will be provided in the next Annual Report as this function matures and delivers further results.

The ARaBIC Terms of Reference set a high standard on meeting frequency, requiring 6 meetings per year. In 2015 - 2016 ARaBIC met in July, September, October and December 2015 and, February and April 2016. The ARaBIC Chair presents to Council following each meeting on key matters for the attention of Council.

External auditors, Deloitte, have completed their third annual Financial Statement audit at Livingstone Shire Council under their mandate from the QAO and delivered an unqualified audit opinion on the Financial Statements for 2015-16. While some unadjusted differences were identified during the course of the audit, these are not material and there were no control or process issues that were identified as seriously deficient during the conduct of the audit.

The Committee commenced its annual self-assessment in December concluding that the key elements in the better practice guidelines are being met and identifying some specific opportunities for improvement. The Committee is positive about the working relationships that have been established and the contributions made in the year and look forward to further improvement in the year ahead.

Corporate Plan and Operational Plan Annual Progress

The Corporate Plan 2014-19 is Livingstone Shire Council's key long term planning document which guides Council in the allocation of resources and delivery of services to the community, and is the principal document from which Council's other plans and strategic documents are developed.

The Corporate Plan is implemented over its five year lifespan through annual operational plans and budgets. Livingstone Shire Council's Operational Plan 2015-16 identified the programmes, activities and targets for Council to deliver within the financial year in order to progress implementation of the Corporate Plan's goals and strategies.

Organisational performance in 2015-16 improved on the benchmark established in 2014-15 as the organisation continued to mature, and a strong annual result was achieved for the financial year.

Of the 348 Operational Plan targets:

- » 308 (88.5%) were within 5% of the target and were therefore achieved;
- » 11 (3%) were between 6-10% from the target and were therefore not achieved;
- » 5 (1.5%) were not applicable as they were unable to be measured or were not required and were therefore not achieved; and
- » 24 (7%) were 11% or more from the target and were therefore not achieved.

It is anticipated that future results from the 2016-17 Operational Plan will continue the trend of improvement across the organisation as further historical data becomes available and operational targets are ingrained in organisational culture and individual performance plans.

Corporate Plan and Operational Plan Scorecard

An annual review was conducted of the Operational Plan targets and their associated links to the 23 Corporate Plan strategies. Of the 1799 Operational Plan/Corporate Plan links, 1587 (88%) were on track, 35 (2%) were close to on track, 55 (3%) weren't measurable at this stage, and 122 (7%) were off track. As the Corporate Plan is a long term document, it is anticipated that substantial progress of off track links can be made in the coming three years.

Operational Plan/Corporate Plan Links by Theme:

		Assets							
On Track	Close to On Track	Not Applicable	Off Track	TOTAL					
AM1: Develop an innovative and integrated framework for long term, cost effective asset management									
80		3	6	89					
AM2: Identify infrastro	ucture and asset requireme	ents through communit	y consultation and techn	ical expertise					
42		3	6						
AM3: Design and imp	lement practical infrastruct	ture solutions							
69		3	5	77					
AM4: Operate, mainta	ain and use Council assets t	o deliver efficient and c	ost effective services to t	he community					
69		3	5	77					
		Environment							
On Track	Close to On Track	Not Applicable	Off Track	TOTAL					
EN1: Apply environm	nentally responsible land us	e planning to balance e	environmental and devel	opment outcomes					
45		3	1	49					
	inderstand the various eco- appropriate accessibility	systems of the Shire to	encourage their sustaina	ble use and					
26		2	1	29					
EN3: Minimise impact and programs	t on the natural environme	nt through effective wa	ste management and po	llution control policies					
50	2	2	1	55					
EN4: Actively participoidentifiable built form	ate in conservation and en n	hancement programs to	o ensure the preservatior	n of natural assets and					
46		2	1	49					
EN5: Proactively advo Shire's natural enviror	ocate to government on ma nment	tters which impact on t	he health, wellbeing and	sustainability of our					
16		2	1	19					
		Economy							
On Track	Close to On Track	Not Applicable	Off Track	TOTAL					
EC1: Identify and capi	italise on economic opport	unities for the benefit o	f the community						
27		3		30					
	rage and enable the establi ting businesses and industr			ention, growth and					
64	2	3	1	70					
CO. Dromota Livia	tone Shire as a desirable de	estination for investmen	t, business, industry, tou	rism and living					
EC3: Promote Livings	corre orinie as a aestrable ac	Stillation for investmen	.,,, ,,	ilisiii aila liviilig					
EC3: Promote Livings 58	3	3	2	66					
58 EC4: Establish initiativ		3 with both government a	2 and the private sector to	66 create enterprises and					

		Community							
On Track	Close to On Track	Not Applicable	Off Track	TOTAL					
CO1: Facilitate, encourage and enable self-sustainable community associations and volunteer groups to pursue their diverse aspirations									
59 2 4 65									
CO2: Facilitate programs and support local social, cultural, artistic and community building initiatives									
69		2	4	75					
CO3: Provide communi	ty facilities and services t	o encourage and enable	participation in active a	nd healthy lifestyles					
65		2	4	71					
	ourage community healthes, social cohesion and in		programs addressing er	vironmental health,					
69	3	2	4	78					
	ision of programmes acti ursue endeavours to equi	p them for life and enabl		d contribution to the					
24		2	4	30					
Governance									
On Track	Close to On Track	Not Applicable	Off Track	TOTAL					
	Close to On Track wer the community thro	Not Applicable		TOTAL					
		Not Applicable		TOTAL					
GO1: Inform and empor	wer the community thro	Not Applicable ugh ongoing engageme	nt and communication	114					
GO1: Inform and empor 102 GO2: Develop strategic 102	wer the community through 2 plans and policies to add 4	Not Applicable ugh ongoing engageme 2 dress local and regional is	nt and communication 8 ssues and guide service p 16	114 provision 124					
GO1: Inform and empor 102 GO2: Develop strategic 102	wer the community throus 2 plans and policies to add	Not Applicable ugh ongoing engageme 2 dress local and regional is	nt and communication 8 ssues and guide service p 16	114 provision 124					
GO1: Inform and empor 102 GO2: Develop strategic 102 GO3: Pursue financially	wer the community through 2 plans and policies to add 4	Not Applicable ugh ongoing engageme 2 dress local and regional is	nt and communication 8 ssues and guide service p 16	114 provision 124					
GO1: Inform and emporation 102 GO2: Develop strategic 102 GO3: Pursue financially of risk 124	wer the community through ef	Not Applicable ugh ongoing engagement 2 dress local and regional is 2 fective use of Council's re	nt and communication 8 ssues and guide service p 16 esources and assets and	114 provision 124 prudent management 142					
GO1: Inform and emporation 102 GO2: Develop strategic 102 GO3: Pursue financially of risk 124	wer the community through ef	Not Applicable ugh ongoing engagement 2 dress local and regional is 2 fective use of Council's re	nt and communication 8 ssues and guide service p 16 esources and assets and	114 provision 124 prudent management 142					
GO1: Inform and emporation of the control of the co	wer the community through effective and accountable decisions.	Not Applicable ugh ongoing engagement 2 dress local and regional is 2 fective use of Council's re 2 sion making reflecting po	nt and communication 8 ssues and guide service p 16 esources and assets and 12 ositive leadership to the o	114 provision 124 prudent management 142 community					
GO1: Inform and emporation of the control of the co	wer the community through effective and accountable decises to add a sustainability through effective and accountable decises to add a sustainability through effective and accountable decises the sustainability and accountable decises the sustainability and accountable decises	Not Applicable ugh ongoing engagement 2 dress local and regional is 2 fective use of Council's re 2 sion making reflecting po	nt and communication 8 ssues and guide service p 16 esources and assets and 12 ositive leadership to the o	114 provision 124 prudent management 142 community					
GO1: Inform and emporation of the control of the co	plans and policies to add plans and policies to add sustainability through ef and accountable decis focused and responsive s	Not Applicable ugh ongoing engagement 2 dress local and regional is 2 fective use of Council's re 2 sion making reflecting por 2 services efficiently and eff	nt and communication 8 ssues and guide service p 16 esources and assets and 12 esitive leadership to the o 12 fectively 15	114 provision 124 prudent management 142 community 133					
GO1: Inform and emporation 102 GO2: Develop strategic 102 GO3: Pursue financially of risk 124 GO4: Provide transpare 113 GO5: Deliver customer 187	wer the community through plans and policies to add 4 sustainability through eff 4 nt and accountable decise 6 focused and responsive statements and accountable statements are statements are statements are statements are statements and accountable statements are statements and accountable statements are statements and accountable statements are statements are statements and accountable statements are statements and account accountable statements are statements and accountable statements are statements and accountable statements are statements are statements are statements and accountable statements are statements and accountable statements are statements are statements are statements and account account account	Not Applicable ugh ongoing engagement 2 dress local and regional is 2 fective use of Council's re 2 sion making reflecting por 2 services efficiently and eff	nt and communication 8 ssues and guide service p 16 esources and assets and 12 esitive leadership to the o 12 fectively 15	114 provision 124 prudent management 142 community 133					
GO1: Inform and emporation of the control of the co	plans and policies to add plans and policies to add sustainability through ef and accountable decis focused and responsive s accountable of the course	Not Applicable ugh ongoing engagement 2 dress local and regional is 2 fective use of Council's re 2 sion making reflecting por 2 services efficiently and eff 2 te Plan / Operator	nt and communication 8 ssues and guide service p 16 esources and assets and 12 ositive leadership to the of 12 fectively 15 tional Plan Link	114 provision 124 prudent management 142 community 133 207					

Annual Business Plan 2015-16 Target Performance

Target	2015-16 Progress
(a) Achieve an Operating Surplus in six or more of the years within the 10 year planning period, with consistent 'moderate' rate rises and no disruptive service cuts from year to year.	Operating surplus for 2015-16, operating surpluses predicted for six out of the ten year planning period.
(b) Robust analysis of services and activities prior to commencement (e.g. via Project Evaluation Methodology and periodically thereafter (e.g. via service level reviews).	Council continues to review its services to ensure they align with community needs and aspirations through an ongoing business improvement framework. Council has also developed a project management methodology that is currently being implemented which will underpin all future project investment decisions.
(c) Achieving performance measures listed in Council's Corporate Plan 2014-19 and Operational Plan 2015-16.	As per 'Corporate Plan & Operational Plan Scorecard'.
(d) Deliver services in line with defined service standards.	Council is developing service standards for each of the services it provides. This will not only enable Council to benchmark the delivery of the service to ensure value for money for ratepayers and residents, but also to provide clarity around the level of service to be provided and the cost implications of potential changes to service standards.
(e) Asset Replacement Expenditure (on average) = Optimal level for such expenditure shown in asset management plans (or depreciation in the absence of asset management plans for some asset classes).	1:0.7, asset renewal expenditure is less than optimal levels.
(f) Asset Sustainability Ratio (Capital Expense on Replacement Assets/Depreciation Expenditure) above 90%.	36.8% reported as per Financial Statements, does not meet benchmark.
(g) % Spend on New vs Existing Assets (on average).	75% New Assets v 25% Existing Assets.
(h) Extent to which new assets are funded externally.	\$25.7 million external capital grant funding, as per Financial Statements.
(i) Percentage of General Rate change (excluding growth from new development revenue) for each land use category to be no more than +/- 2% from one year to the next (all other things being equal).	4.6%, does not meet benchmark.
(j) Percentage of User Charges change (excluding growth from development revenue) for each classification of user charges to be no more than +/-2% from one year to the next (all other things being equal).	0.5%, meets benchmark.
(k) Net Financial Asset / Liabilities Ratio (Total Liabilities- Current Assets / Operating Revenue) of less than 60%.	50.1% reports as per Financial Statements, achieves benchmark.
(I) Working Capital Ratio of at least 1:1.	1:3, meets benchmark.
(m) Interest Coverage Ratio (Net Interest Expense / Total Operating Revenue) between 0-10%.	2.83% meets benchmark.
(n) Operating Surplus Ratio of between 0-15%.	7.4% reported as per Financial Statements, achieves benchmark.



Councillor Remuneration, Expenses And Attendance

Councillor Remuneration

In accordance with the *Local Government Regulation 2012*, the Local Government Remuneration and Discipline Tribunal determines the maximum remuneration payable to the Mayor, Deputy Mayor and Councillors. As determined in the 2015 Local Government Remuneration and Discipline Tribunal Report, remuneration paid to councillors between July 2015 and June 2016 is detailed below. The table also shows expenses incurred by and the facilities provided to each Councillor during the financial year under Council's expense reimbursement policy. Councillor Facilities and Expenses Policy document.

Councillor	Gross Salary \$	Superannuation \$	Total Remuneration \$	Travel/Expense Reimbursement \$
Mayor Bill Ludwig	122,631.00	14,715.72	137,346.72	34,709.68
Deputy Mayor Graham Scott	76,644.00	9,197.28	85,841.28	6,348.44
Cr Nigel Hutton	65,147	7,817.34	72,964.64	6,764.8
Cr Jan Kelly	65,147	7,817.34	72,964.64	7,829.33
Cr Tom Wyatt	65,147	7,817.34	72,964.64	11,378.60
Cr Glenda Mather	65,147	7,817.34	72,964.64	13,839.56
Cr Adam Belot	65,147	7,817.34	72,964.64	5,428.27
TOTAL	525,010.00	63,001.20	588,011.20	86,298.68

In accordance with section 249 of the *Local Government Regulation 2012*, Council must prepare and adopt by resolution an expenses reimbursement policy for elected representatives. Council adopted the Councillor Facilities and Expenses Policy at its General Meeting on 14 June 2016 and the Travel Policy on 8 April 2014.

The Councillor Facilities and Expenses Policy and the Travel Policy were formulated having regard to the nature and role of Councillors and community expectations of elected representatives. These policies make arrangements for reimbursing the following costs reasonably incurred by Councillors in the discharge of their civic duties:

- » Travel and accommodation
- » Conferences, seminars, training and professional development
- » Facilities including office accommodation, equipment, stationery and executive support
- » Safety equipment and uniforms
- » Home office expenses
- » Access to Council motor vehicles including fuel and tolls
- » Insurance cover and legal costs

Full copies of our Councillor Facilities and Expenses and Travel Policies are available online at www.livingstone.qld.gov.au

Attendance at Council Meetings

There were 30 Council meetings held between 1 July 2015 and 30 June 2016. The following table opposite indicates the number of meetings attended by each Councillor:

Councillor	Number of meetings attended in 2015-16 financial year
Mayor Bill Ludwig	25
Deputy Mayor Graham Scott	24
Cr Nigel Hutton	28
Cr Jan Kelly	29
Cr Tom Wyatt	27
Cr Glenda Mather	30
Cr Adam Belot	28



Code of Conduct for Councillors and Staff

Council is committed to the ethical principles and obligations contained in the *Local Government Act 2009* and *Public Sector Ethics Act 1994*.

During the twelve months to 30 June 2016 Council fulfilled its statutory obligations under section 23 of the *Public Sector Ethics Act 1994* by ensuring the adopted Code of Conduct was made available publically online and internally through the intranet, and providing all new permanent staff with access to the Code of Conduct and training as part of their induction process. No external inspections of the Code were requested during the 2015-16 financial year.

Council is required to disclose figures relating to the Councillor conduct complaints received and actioned in accordance with the *Local Government Act 2009*. The following table provides details of those disclosures:

Complaints about the conduct or performance of Councillors for which there was no further action taken under section 176C(2) of the Act	0
Complaints referred to the department's Chief Executive under section 176C(3)(a)(i) of the Act	2
Complaints referred to the Mayor under section 176C(3)(a)(ii) or (b)(i) of the Act	0
Complaints referred to the department's Chief Executive under section 176C(4)(a) of the Act	0
Complaints assessed by the Chief Executive Officer as being about official misconduct and/or corrupt conduct	0
Complaints heard by a regional conduct review panel	0
Complaints heard by the tribunal	0
Complaints to which section 176C(6) of the Act applied	0
Orders and recommendations made under section 180(2) or (4) of the Act - orders by regional conduct review panel	0
Orders made under section 181 of the Act – in appropriate conduct	0



Statutory Information

Senior Management Remuneration Packages

Under section 201 of the *Local Government Act 2009* Council is required to report the total number of remuneration packages that are payable to the senior management and the number of employees in senior management who are paid each band of remuneration (in increments of \$100,000). For the 2015-16 financial year, the total remuneration packages paid to Council's senior management amounted to \$1,224,060.66.

The following table provides details of the remuneration bands applicable.

Number of Senior Management Staff	Band of Remuneration\$ per annum
5*	200,000 - 300,000

^{*}inclusive of acting higher duties when position vacant from 23 April 2016 to 30 June 2016

Administrative Action Complaints

Council is committed to providing a high level of service in relation to complaint management by recognising the value of receiving community feedback on its services. When this feedback is in a form of a complaint about a decision or other action, Council is committed to managing the complaint quickly and efficiently; ensuring the complaint management process is fair, objective, transparent and consistent, and facilitates the use of information obtained from the complaints management process to improve overall service delivery.

Complaints may be lodged by an affected person either in writing, by telephone or face to face. All complaints are recorded and tracked in Council's customer service management system with regular status reports provided to relevant managers to ensure the complaint is being followed up and required actions are being addressed.

Administrative action complaints are initially managed as per Council's Administrative Action Complaint Management Policy. Complainants not satisfied with the outcome of the investigation undertaken by the relevant department, may appeal the decision to the Chief Executive Officer for investigation under the Administrative Action Complaint Management Procedure. The Administrative Action Complaint Management Policy and Procedure can be found on Council's website.

Administrative Action complaints are reported to each meeting of the Audit, Risk and Business Improvement Committee and also to Council via quarterly Operational Plan reporting.

Key highlights in relation to administrative action complaints for the 2015-16 financial year are:

- » A total of seven (7) complaints were received by Council under the Administrative Action Complaints Policy during the financial year. This represents a 22% decrease in the number of administrative action complaints received by Council;
- » Ten (10) complaints received this year and in the previous financial year were finalised successfully through Council's complaints management process; and
- » One (1) complaint remained unresolved at the end of the period.

Item	Number
Administrative action complaints made to the local government	7
Administrative action complaints resolved by the local government under the complaints management process	10
Administrative action complaints not resolved by the local government under the complaints management process	1
Number of administrative action complaints that were made and not resolved in a previous financial year	4

Financial Assistance to Community Organisations

During the financial year, Council supported a number of community organisations by granting financial assistance. Under section 189 of the *Local Government Regulation 2012*, Council must provide a summary of such contributions. During 2015-16, Livingstone Shire Council provided financial assistance totalling \$80,000 to community organisations.

Additionally, under the 2015-16 budget, the Mayor was provided a discretionary fund to a maximum of \$10,000 to provide support to community organisations and individuals as follows:

Community Organisation	Purpose	Amount\$
Keppel Coast Dirt Bike Club	Payment to Titles Office for renewal of lease	500.00
Suraj Sherestha	Funding events	217.50
Keppel Coast Dirt Bike Club	Cartage of mulch for Yeppoon Enduro X	500.00
Emu Park Veterans Golf Club	Sponsorship of Veterans Open Carnival	500.00
Yeppoon State High School	Purchase of two awards for Night of Excellence Annual Academic and Achievement Awards	200.00
Keppel Anglican Parish	Hall hire for Christmas Tree Festival 11 December 2015	145.50
Marlborough District Pony Club	Ribbons and trophies for annual Horse Sports Day 10 October 2015	500.00
Yeppoon State High School	Sponsorship of four students to compete in 2015 Queensland Track and Field Championships in October 2015	400.00
Cap Coast Landcare	Sponsorship for Alby Wooler to attend 2015 Premier's Sustainability Awards Dinner in Brisbane	400.00
Keppel Coast Camera Club	Hire of Yeppoon Town Hall for 2016 Photographic Society of Queensland Convention	500.00
International Day Recognising People with a Disability	Engraving of 2015 recipient's name for Lions and Mayor's Shield (Cr Kelly)	40.00
Joanne Stoyel	Return flights from Rockhampton to Brisbane for Plastic Bay Stakeholder Workshop on 14 October 2015	447.50
Emu Park Swimming Club	Purchase of trophies for annual novice swimming carnival	500.00
Yeppoon State High School	Sponsorship of two students to compete in national sporting events	200.00
Emu Park & District Men's Activity Shed (Graham Luck)	Reimbursement of annual lease fee	300.00
The Salvation Army - Longreach Drought Appeal	Financial support to drought appeal	500.00
Capricorn Coast Comrades	Sponsorship towards fundraising for the 2016 Gold Coast Kokoda Challenge for 16-17 July 2016	500.00
Stanage Rural Fire Brigade	Reimbursement of complex refurbishment expenses	673.00
St Vincent De Paul Society Qld - Peter Maher	Donation towards Vinnies CEO Sleepout	50.00
Aussie Cheer and Dance	Reimbursement of travel expenses for Daytona Championships 2016	500.00
QCWA Emu Park Branch (Lyn Nicholls, President)	Emu Park QCWA Quilt Show	453.00
Capricorn Coast Outrigger Canoe Club	Purchase of trophies for annual regatta	500.00
TOTAL		8,526.70

Concessions, Special Rates and Charges

Rebates and remissions are provided to approved government pensioners and not-for-profit/charitable organisations under the Rates Rebates and Remissions Policy. Further concessions are provided to water consumers under the Concealed Leak Rebate Policy and Rebate for Residential Water Consumption for Health Related Uses Policy.

Full details of these rebates and concessions are available on Council's website at www.livingstone.qld.gov.au

Tenders

Under section 228(4) or (6)(b) of the *Local Government Regulation 2012*, a local government may invite all tenderers to change their tenders to take account of a change in the tender specifications.

Within the 2015-16 financial year there were no invitations to change tenders under section 228(7) of the *Local Government Regulation 2012.*

Registers Kept by Council

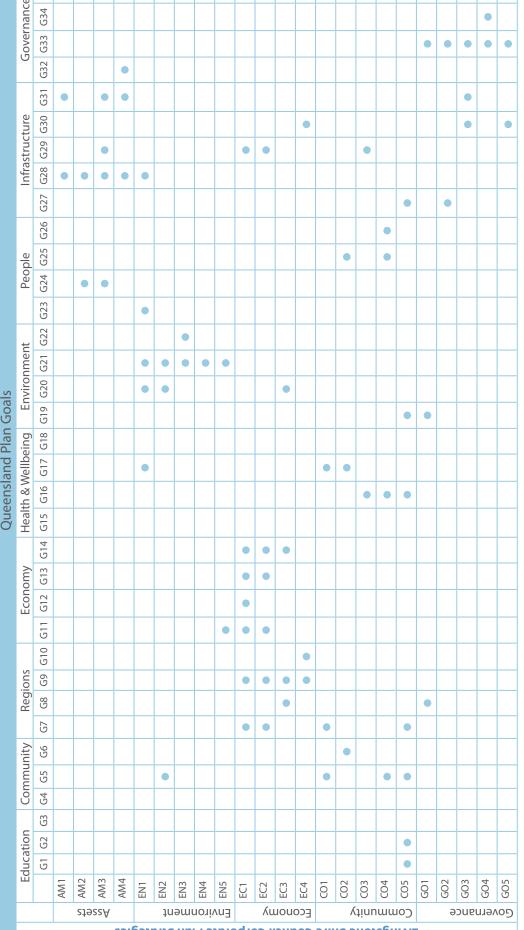
- » Register of Complaints about the Conduct or Performance of Employees
- » Register of Complaints about the Conduct or Performance of Councillors
- » Register of Contact with Lobbyists
- » Register of Interests of Councillors and persons related to a Councillor
- » Register of Interests of Senior Executive Employees and persons related to a Senior Executive Employee
- » Register of Interests of Chief Executive Officer and persons related to Chief Executive Officer
- » Council Fees and Charges (Cost-Recovery Fees) Register
- » Register of Pre-Qualified Suppliers
- » Contracts Register
- » Register of Delegations
- » Register of Authorised Persons
- » Gift Registers
- » Hazardous Substances Register
- » Asbestos Register
- » Register of Administrative Action Complaints Received
- » Cat and Dog Register
- » Register of Impounded Animals
- » Local Law Register
- » Register of Thermostatic Mixing Valves
- » Register of Development Applications
- » Register of Subdivisions Approved under the repealed Local Government (Planning and Environment) Act 1992
- » Adopted Infrastructure Charges Register
- » Register of Testable Backflow Prevention Devices
- » Register of Installed On-site Sewerage and Grey Water Use Facilities
- » Register of Master Plan Applications
- » Register of Resolutions about Land Liable to Flooding made under the *Building Act*
- » Cemetery Register
- » Asset Register
- » Register of Roads and Road Maps

Queensland Plan

Alignment of Livingstone Shire Council Corporate Plan Strategies and Queensland Plan Goals

Council's Corporate Plan 2014-19 provides support for the Queensland Plan at a local level. Details of how the Corporate Plan supports the Queensland Plan across all key areas are shown below:

	נו	G35																			•	•		•	•
	nanc	G34																						•	
	Governance	G33																			•	•	•	•	•
	G	G32				•																			
		G31	•		•	•																	•		
	nre	G30													•								•		•
	truct	G29 (•							•	•					•							
	Infrastructure	G28 (•	•	•	•	•																		
		G27 (•		•			
		979																	•						
	<u>e</u>	G25 (•		•						
	People	G24 G		•	•																				
		G23 G					•																		
		G22 G							•																
	nent	G21 G					•	•	•	•	•														
	Environment	G20 G						•						•											
ioals	Env	G19 G																		•	•				
lan (ng																								
Queensland Plan Goals	Health & Wellbeing	G17 (•									•	•								
nsla	& We	G16 G																•	•	•					
Juee	ealth	G15 G																							
	エ	G14 G										•	•	•											
	'n																								
	Economy	G12 G										•													
	Щ	G11 G																							
		G10 G													•										
	suc	.5 65										•	•	•	•										
	Regions	89												•							•				
		<u>G</u> 7										•	•			•				•					
	nity	95															•								
	Community	G5						•								•			•	•					
	Cor	G4																							
	иc	2 G3																							
	Education	G1 G2																		•					
	Edi		AM1	AM2	AM3	AM4	EN1	EN2	EN3	EN4	EN5	EC1	EC2	EC3	EC4	CO 1	CO2	CO3	CO4	CO5	G01	G02	603	G04	GO5
	H		⋖	st∍		⋖	Ξ			ıoıi∖ ⊞		ш		nond		Ü		tinu			G			۸ekn	
						səil	bəşı					orpo				ərir									
	Livingstone Shire Council Corporate Plan Strategies																								



Livingstone Shire Council Corporate Plan Strategies

Asset

strategy AM1: Develop an innovative and integrated framework for long term, cost effective asset management.

Strategy AM2: Identify infrastructure and asset requirements through community consultation and technical expertise.

Strategy AM3: Design and implement practical infrastructure solutions.

strategy AM4: Operate, maintain and use Council assets to deliver efficient and cost effective services to the community.

Environment

Strategy EN1: Apply environmentally responsible land use planning to balance environmental and development outcomes.

Strategy EN2: Recognise and understand the various eco-systems of the Shire to encourage their sustainable use and appreciation through appropriate accessibility.

Strategy EN3: Minimise impact on the natural environment through effective waste management and pollution control policies and programs.

5trategy EN4: Actively participate in conservation and enhancement programs to ensure the preservation of natural assets and identifiable built form.

Strategy ENS: Proactively advocate to government on matters which impact on the health, wellbeing and sustainability of our Shire's natural environment.

conomy

Strategy EC1: Identify and capitalise on economic opportunities for the benefit of the community.

Strategy EC2: Facilitate, encourage and enable the establishment of businesses and industries and the retention, growth and diversification of existing businesses and industries in suitable locations.

Strategy EC3: Promote Livingstone Shire as a desirable destination for investment, business, industry, tourism and living.

Strategy EC4: Establish initiatives including partnerships with both government and the private sector to create enterprises and undertake projects that generate jobs, wealth creation opportunities and sustainable economic growth.

ommunity

Strategy CO1: Facilitate, encourage and enable self-sustainable community associations and volunteer groups to pursue their diverse aspirations.

Strategy CO2: Facilitate programs and support local social, cultural, artistic and community building initiatives.

Strategy CO3: Provide community facilities and services to encourage and enable participation in active and healthy lifestyles.

Strategy CO4: Promote and encourage community health and wellbeing through programs addressing environmental health, community safety issues, social cohesion and

Strategy COS: Faciitate the provision of programmes, activities and facilities which create opportunities for the Shire's youth to develop skills and pursue endeavours to equip hem for life and enable them to make a valued contribution to the community.

overnance

Strategy GO1: Inform and empower the community through ongoing engagement and communication.

Strategy GO2: Develop strategic plans and policies to address local and regional issues and guide service provision.

Strategy GO3: Pursue financial sustainability through effective use of the Council's resources and assets and prudent management of risk.

Strategy GO4: Provide transparent and accountable decision making reflecting positive leadership to the community,

Strategy GO5: Deliver customer focused and responsive services efficiently and effectively.

Internal Audit

Internal Audit is an independent, objective assurance and internal consulting activity designed to add value and improve the organisation's operations. It assists Council to accomplish its objectives by bringing a systematic, disciplined third line of defence to evaluate and improve the effectiveness and efficiency of the risk, control and governance processes.

An Internal Audit Policy and Charter provide the authority, responsibilities and operational framework for Internal Audit. Internal Audit operates as an independent function within Council, reporting directly to the Chief Executive Officer and provides reports to the Audit, Risk and Business Improvement Committee (ARaBIC) on matters relating to internal audit.

An Annual and Strategic (3 year) Audit Plan was reviewed and endorsed by the ARaBIC and subsequently approved by Council. One review was completed and three were in progress at the end of the financial year.

Work has commenced on establishing a continuous assurance methodology using data analytics to provide assurance regarding ongoing operation of controls and transactions to be investigated.

Internal Audit also contributed to:

- » The program of Business Service Reviews performed under the Business Improvement Charter;
- » Development of the Fraud and Corruption Framework and Risk Register; and
- » Updates to the Enterprise Risk Management approach.

Legislative Requirements Not Applicable

The following list provides legislative requirements of a local government annual report in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012* that do not apply to Livingstone Shire Council for the 2015-16 financial year:

- » Identifying beneficial enterprises (section 41 of the Local Government Act 2009);
- » Identifying significant business activities (section 45 of the Local Government Act 2009);
- » Resolutions made under section 250(1) or 206(2) (section 185 of the Local Government Regulation 2012);
- » Overseas travel (section 188 of the Local Government Regulation 2012);
- » Other contents (section 190 of the Local Government Regulation 2012)
 - (1)(c) An annual operations report for each commercial business unit
 - (1)(d) Details of any action taken for, and expenditure on, a service, facility or activity-
 - (i) Supplied by another local government under an agreement for conducting a joint government activity:
 - (ii) For which the local government levied special rates or charges for the financial year;
 - (1)(i) A summary of investigation notices given in the financial year under section 49 for competitive neutrality complaints;
 - (1)(j) The local government's responses in the financial year on the QCA's recommendations on any competitive neutrality complaints under section 52(3); and
 - (2) An annual operations report.



Community Financial Report

For the Year Ended 30 June 2016

The Community Financial Report is a plain English explanation of our financial statements, which appear from page 46.

Total Revenue - Total Expenses = Net Result

The net result for 2015-16, as reported in the financial statements, is a surplus of \$42.3 million. The net result includes revenue set aside for capital purposes such as the value of physical assets handed to the Shire by developers (\$8.5 million) and developer cash contributions (\$3.5 million). The removal of revenue received for capital purposes and the loss on disposal of non-current assets from the net result shows our true operating position.

Whilst a negative result is not desirable, accounting depreciation has had a significant impact on our operating result. Accounting Depreciation of \$22.5 million is listed as an expense in order to account for the declining life of assets. This does not necessarily represent the true physical decline of assets or the renewal spend required to maintain those assets, as much of the Council's infrastructure is relatively new.

Some of our revenue is capital in nature as is restricted in its use. This capital revenue is shown separately in the following table with an adjusted net operating result, which is more indicative of net funds available to fund our day-to-day operations.

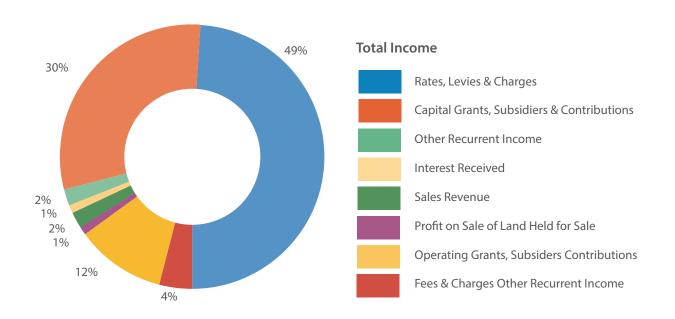
	1/1/14-30/6/14*	2014-15	2015-16
Revenue (\$'000)	44,953	99,819	127,859
Expenditure (\$'000)	(41,518)	(87,413)	(85,546)
Net Result (\$'000)	3,435	12,406	42,313
Less capital revenue not available to fund operations (\$'000)	(10,136)	(24,518)	(38,055)
Add back loss on disposal of assets(\$'000)	1,108	2,758	2,421
Net operating result (\$000)	(5,593)	(9354)	6,679

^{*}Livingstone Shire Council de-amalgamated from Rockhampton Regional Council on the 1st January 2014, therefore the 2013-14 period is only reflective of 6 months of Council operations. The net gain on restructure was \$744.5 million.



Source of Income – Where our money came from...

The following pie chart shows the various sources of our \$127.9 million in revenue during 2015-16.



A total of approximately \$127.9 million was recognised as income during the financial year.

Revenue Increases:

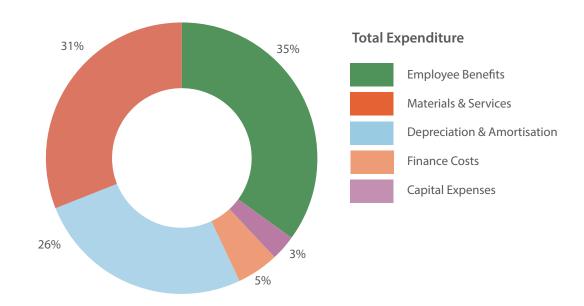
- » Revenue from all rates increased by 8% from 2014-15. The increases included revenue generated as a result of growth in the Shire;
- » Operating grants, subsidies and contributions increased by 121% to \$14.8million from 2014-15. Council received \$9.75 million in funding for remediation and betterment works following the impact of Tropical Cyclone Marcia in and other weather events;
- » Revenue from fees & charges increased by 1% to \$5.2 million from 2014-15; and
- » Capital revenue for grants, subsidies and contributions increased by 55% to \$37.7 million. Capital grants accounted for \$25.6 million.



Livingstone Shire Council Annual Report

Expenses - Where our money was spent?

The following pie charge shows the allocation of our \$85.6 million of operating expenditure.



The three largest items of Council's expenditure are employee benefits, materials and services, and depreciation and amortisation. Total expenses decreased by 2% (or \$1.8 million) over the previous year, almost solely as a result of the majority of rectification works relating to Tropical Cyclone Maria occurring in the previous financial year.

- » Employee benefits, which account for \$29.9 million in operating expenses, include salaries, wages, superannuation, leave entitlements and councillor remuneration. This was an increase of \$0.7 million or 2% over 2014-15;
- » Materials & Services decreased by 14% to \$26.4 million as the majority of the expenditure relating to Tropical Cyclone Marcia was completed in 2014-15;
- » Council spends considerable funds on materials and services to operate effectively. In accordance with Council's purchasing policy, we give some preference to local businesses when work is tendered to external suppliers. As well as being a large employer in the community, it makes sound economic sense to keep our money circulating in the region for the benefit of all who live here;
- » Depreciation expenses increased by 12% to \$22.5 million from 2014-15. Depreciation and amortisation is a way of allocating the cost of an asset over the assets' estimated useful life. The increase in depreciation in line with expectations as Council's asset base continues to expand as a result of growth and development, and the accelerated asset replacement program following Tropical Cycle Marcia,;
- » Capital expenses of approximately \$2.4 million are mostly assets written off as part of our investment in renewing existing assets.

Total Comprehensive Income for the Year

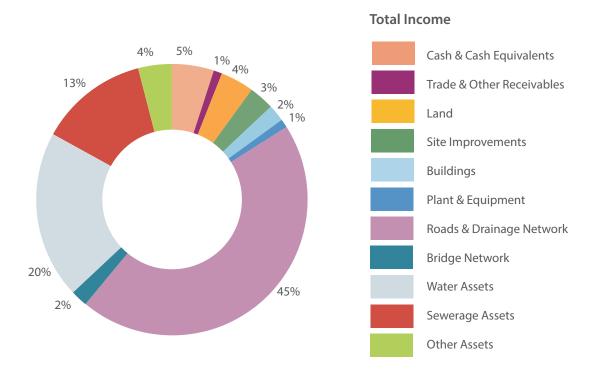
The total comprehensive income for the year was approximately \$45.4 million which is the difference between total income and total expenses and measures the change in community wealth. Total comprehensive income also includes approximately \$37.7 million of capital revenue and \$3.1 million in asset revaluation surplus. Capital revenue fluctuates each reporting year and is dependent on the value of assets contributed by developers and government grants for capital works projects.

Statement of Financial Position

The Statement of Financial Position lists Council's assets and liabilities. The result of these two components determines the net worth of Council.

What Do We Own?

Council controls a variety of current and non-current assets of which approximately 93% is attributed to property, plant & equipment assets. This is a significant investment for the community and requires astute management to ensure the level of service provided by these assets is maintained.



Total assets are approximately \$906 million as at 30 June 2016.

Capital Works

Capital works undertaken for the year totalled approximately \$42 million. These capital works were funded from depreciation, grants & subsidies, loans and cash holdings.

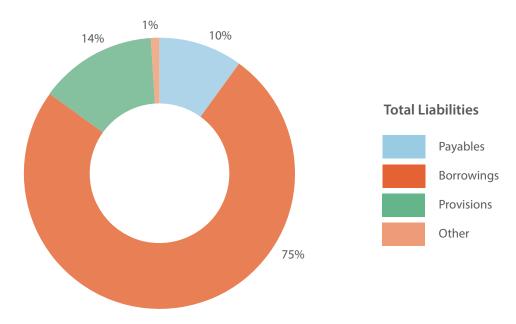
Significant Projects Undertaken in 2015-16

- » Continuation of works on the Yeppoon foreshore including the commencement of works on the Multi-Deck Carpark and completion of the Keppel Kraken;
- » Continuation of works on the Panorama Drive project;
- » Continuation of development works on the Gateway Business and Industry Park;
- » Completion of the revetment wall at Muskers Beach, Zilzie;
- » Completion of the Cordingley Street and Rockhampton Road Stormwater and Drainage Project; and
- » Annual asphalt road resurfacing and sewer relining works.

What Do We Owe?

Council's borrowings at the 30 June 2016 totalled approximately \$75.2 million. The level of Council's long-term debt is regularly reviewed as a component of the long term financial strategic plan.

Interest expense on all loans, totalled 4.1% of total operating income.



Total liabilities were approximately \$96.4 million at 30 June 2015 of which 75% are borrowings with the Queensland Treasury Corporation.

Financial Sustainability Ratios

An important indication in determining the financial health of Council is to calculate and review financial indicators or financial ratios. These ratios further assist in understanding the financial performance and position of Council, without reading through all of the details contained within the general purpose financial statements.

Three core ratios are the sustainability ratios. These have been calculated for the 2015-16 year and are listed below with a forecast for how the ratios will develop in Council's adopted Long Term Financial Plan.

Council's Long Term Financial Plan has been developed and adopted by Council and shows a continued high level of investment into assets. Whilst showing an operational deficit in the short term, the forecast shows that Council plans to move to a consistent operational surplus position by 2019-20.



Relevant Measures of Financial Sustainability

			Forecast									
	Target	30/06/2016	30/06/2017	30/06/2018	30/06/2019	30/06/2020	30/06/2021	30/06/2022	30/06/2023	30/06/2024	30/06/2025	
1 Operating Surplus Ratio												
Net Result (excluding capital items) / Total Operating Revenue (excluding capital items) (%)	Between 0% and 10%	7.4%	(5.8)%	(3.1)%	(2.4)%	0.0%	2.3%	4.6%	7.2%	8.6%	9.0%	

This ratio indicates the relationship between Councils operational result and total operating income, expressed as a percentage. It is an indication of Council's ability to fund its day-to-day operations. A result of up to 10% means that surplus income is available after Council has paid for the cost of delivering all its services to the community. Council's result of 7.4% indicates that Council had an operational surplus for the year.

2 Asset Sustainability Ratio											
(Capital Expenditure on the Replacement of Assets (renewals) / Depreciation Expense) (%)	Greater than 90%	36.8%	70.0%	57.2%	52.9%	51.3%	47.2%	51.7%	51.6%	57.8%	49.3%

This ratio indicates whether Council is renewing or replacing its existing assets at the same time that its overall stock of assets is wearing out, expressed as a percentage. Council has recently adopted asset management plans to develop strong, long-term plans for the management of its substantial asset base.

3 Net Financial Liabilities Ratio											
(Total Liabilities - Current Assets) / Total Operating Revenue (excluding capital items) (%)	Not Greater than 60%	50.1%	90.1%	92.3%	91.7%	88.1%	83.9%	74.6%	55.9%	40.2%	23.4%

This ratio indicates the extent to which Council's debts can be met by its operating income, expressed as a percentage. A result of less than 60% indicates that Council has the capacity to fund its liabilities and has the capacity to increase its loan borrowings if required. Council's long-term financial strategy indicates that whilst this ratio is anticipated to remain greater than 60% through until 2021-22 it will decrease thereafter.

Statement of Changes in Equity

This statement demonstrates the movements between the differing elements of equity which is the net wealth of the Community.

What Are We Worth?

Community equity is equal to assets less liabilities and is represented as retained surplus at 30 June 2016 of approximately \$805.7 million.

Over the long term Council is in a sound financial position. Council is holding an adequate reserve of cash, has substantial equity in its assets, and maintains debt at manageable levels.

The healthy financial position of Council combined with sound budgeting and forward planning, provides capacity for Council to meet its objectives as well as provide a large degree of flexibility if strategic directions change.

Statement of Cash Flows

The Statement of Cash Flows reports the cash flows in and out of Council for the financial year. The statement is useful in assisting readers to show our ability to pay our bills to continue normal operations, pay off our debts and have money available for the construction of assets.

Council pools and invests funds throughout the year in low-risk short-term to medium term investments in accordance with Council's Investment Policy. The net movement in cash for the 2015-16 year was a net increase of approximately \$16.3 million.

Looking to the Future

Council has committed to significant funding to the Yeppoon Foreshore and Town Centre Revitalisation Project during the next two years which will transform the Capricorn Coast into a premier tourism destination. A commitment has also been made to the repair and upgrade of the Scenic Highway at Statute Bay and Stage 2 of the Panorama Drive strategic link road. Council has been successful in gaining \$47.2 million in State and Federal funding towards these projects.

Council is well placed to provide the necessary financial resources to address the land use, natural resource, environmental, economic and social challenges associated with the ensuring the future sustainability within the Shire.

Livingstone Shire Council aims to continue to maintain its strong financial base through the prudent use of annual rates collection, grants and subsidies, developer's contributions, borrowings and the use of cash reserves. Ongoing long term cash flow planning, sound budgeting, the recent adoption of long term asset management plans and extensive financial planning will assist Council greatly in achieving its objectives. This forward planning and continuous improvement focus will put Council in the best position possible to achieve the effective and efficient delivery of services to the community.





GENERAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2016