



City of
Ipswich

**IPSWICH
CITY
COUNCIL**

AGENDA

of the

COUNCIL ORDINARY MEETING

**Held in the Council Chambers
2nd floor – Council Administration Building
45 Roderick Street
IPSWICH QLD 4305**

**On Monday, 28 October 2019
At 9:00 am**

BUSINESS

A. OPENING OF MEETING:

B. WELCOME TO COUNTRY OR ACKNOWLEDGEMENT OF COUNTRY:

C. OPENING PRAYER:

D. ATTENDANCES INCLUDING APOLOGIES AND LEAVE OF ABSENCE:

E. CONDOLENCES:

F. TRIBUTES:

G. PRESENTATION OF PETITIONS:

H. PRESENTATIONS AND DEPUTATIONS:

Presentation to Wil Mitchell in recognition of Wil's artistic talent and historical and humorous commentary on political affairs in the city.

I. CONFIRMATION OF MINUTES:

1. Ipswich City Council - Minutes of Meeting of 17 September 2019 5

J. MAYORAL MINUTE:

K. DECLARATIONS OF INTEREST IN MATTERS ON THE AGENDA:

The Interim Administrator made declarations of interest in the following committees:

- Economic Development Committee - Items 6 and 7
- Growth and Infrastructure Committee – Items 3, 4 and 6
- Environment Committee – Item 1

The Interim Administrator has proposed declarations of interest in the following Officers' Reports:

- Tender Consideration Plan – Development of Retail Assets Ipswich Central
- Project Management Services – Nicholas St Ipswich Central Project
- Retail Property Strategy Ipswich Central

L. BUSINESS OUTSTANDING – MATTERS LYING ON THE TABLE TO BE DEALT WITH:

M. RECEPTION AND CONSIDERATION OF COMMITTEE REPORTS:

2. Economic Development Committee's Report 13
3. Growth and Infrastructure Committee's Report 19
4. Communities Committee's Report 27
5. Environment Committee's Report 31
6. Governance Committee's Report 35

N. OFFICERS' REPORTS:

- 2018-2019 Financial Statements - Controlled Entities 43
- Adoption of Ipswich City Council's 2018-2019 Annual Report 133
- 60 Springfield Greenbank Arterial, Springfield Central, Master Area
Development Plan - Development Area 22A and 22B..... 301
- Tender Consideration Plan - Development of Retail Assets Ipswich
Central..... 411
- Project Management Services - Nicholas St Ipswich Central Project 417
- Retail Property Strategy Ipswich Central 425

O. NOTICES OF MOTION:

P. QUESTIONS ON NOTICE:

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UNCONFIRMED MINUTES OF COUNCIL ORDINARY MEETING

17 SEPTEMBER 2019

Held in the Council Chambers, Administration Building
45 Roderick Street, Ipswich

The meeting commenced at 9.01 am

Pursuant to section 13 of Council's Local Law No 2 (Council Meetings) 2013, the Interim Administrator invited the Interim Management Committee being Jan Taylor, Simone Webbe, Rob Jones, Stan Gallo and Steve Greenwood to address Council on any matters before it.

The Interim Administrator advised that he is bound to declare Conflict of Interests and potential Conflict of Interests and that the members of the Interim Management Committee are not legally bound, however in accordance with the Interim Management Charter they will also declare Conflict of Interests and potential Conflict of Interests.

**ATTENDANCE AT
COMMENCEMENT**

Greg Chemello (Interim Administrator)

INTERIM MANAGEMENT COMMITTEE

Jan Taylor, Simone Webbe, Robert Jones, Stan Gallo and Steve Greenwood

**WELCOME TO
COUNTRY OR
ACKNOWLEDGEMENT
OF COUNTRY**

Greg Chemello (Interim Administrator)

Ipswich City Council respectfully acknowledges the Traditional Owners as custodians of the land upon which we meet. We pay our respects to their elders, past, present and emerging, as the keepers of the traditions, cultures and stories of a proud people.

OPENING PRAYER

Greg Chemello (Interim Administrator)

Let us in silence pray or reflect upon our responsibilities to the people of Ipswich.

We meet today to serve our community, to use our resources wisely and well, to represent all members of our community fairly and to make decisions that promote the common good.

**APOLOGIES AND
LEAVE OF ABSENCE**

Nil

CONFIRMATION OF MINUTES

**CONFIRMATION OF
MINUTES OF
ORDINARY MEETING**

The Interim Administrator of the Ipswich City Council resolves:
That the Minutes of the Ordinary Meeting held on 20 August 2019 be confirmed.

The motion was put and carried.

RECEPTION AND CONSIDERATION OF COMMITTEE REPORTS

**ECONOMIC
DEVELOPMENT
COMMITTEE**

The Interim Administrator of the Ipswich City Council resolves:
That the Economic Development Committee Report No. 2019(09) of 10 September 2019 be received and adopted.

**CONFLICT OF
INTEREST ITEMS 3
AND 4**

Stan Gallo from the Interim Management Committee informed the meeting that he has, or could reasonably be taken to have a perceived conflict of interest in Item 3 titled Procurement for the North Ipswich Reserve Stadium Business Case and Item 4 titled Procurement for Ipswich Central Public Transport Corridor Strategic Business Case.

The nature of the perceived interest is that he is a partner at KPMG who are being requested to provide a quote for the provision of a business case for North Ipswich Stadium Reserve and a quote for the provision of a strategic business case for Ipswich Central to Springfield Central Public Transport Corridor.

Stan Gallo confirmed that, as there is no personal or financial benefit to him and he would not be party to any KPMG discussions or role in their submission for this project, he would participate in the meeting in relation to the matters.

**CONFLICT OF
INTEREST ITEMS 6
AND 7**

The Interim Administrator informed the meeting that he has, or could reasonably be taken to have a perceived conflict of interest in Item 6 titled Ipswich Central Program Report No. 15 to 16 August 2019 and Item 7 titled Ipswich Central Civic Project – Contract Award.

The nature of the perceived interest is that he worked with Ranbury Management Group from 2008 to 2012 who are now one of the current program management partners.

The Interim Administrator confirmed that, as there is no personal or financial benefit to the Interim Administrator, he would participate in the meeting in relation to the matters.

DISCUSSION

Item 1 - Chambers of Commerce Cessation of Annual Partnership Agreement - the Interim Administrator commented on the relationship between Council and the Chambers of Commerce and that it was resolved that Council become ordinary members of the Chambers of Commerce and progress towards a new partnership arrangement. He further stated that Council had a very successful workshop with the Chambers of Commerce after the Committee meetings where discussion focused on establishing an open and transparent arrangement between the Chambers and Council and treating the Chambers as very important members of the economic development community of the city. The Interim Administrator advised that a documented Memorandum of Understanding or some similar kind of arrangement will be brought back to committee and council. He thanked staff who convened and coordinated this event.

Item 3 - Procurement for the North Ipswich Reserve Stadium Business Case - the Interim Administrator reiterated that a previous council resolution in regard to the business case for the stadium was on the basis of a number of pre-conditions that Council, in-principle, has committed \$10 million towards Stage 1 of the redevelopment of the North Ipswich Reserve Stadium. He stated that those conditions include the State and Commonwealth Government matching the \$10 million grant and the State Government taking over ownership and operation of the venue, and either an A League or an NRL licence being secured. He further stated that these are high benchmarks however it has commenced the conversation of funding with the State and Federal Governments and the business case will be necessary to provide evidence-based research to underpin the advocacy for the funding. The Interim Administrator thanked staff who worked on this process.

Item 4 - Procurement for Ipswich Central to Springfield Central Public Transport Corridor Strategic Business Case - the Interim Administrator commented on and thanked staff for an essential piece of work by Council, to commit to an evidence-based strategy for advocacy to the state and commonwealth governments for funding for the Springfield to Ipswich rail line.

Item 8 - Acknowledgement of Council receiving Advertising and Communication Effectiveness Awards - the Interim Administrator formally congratulated staff for a job well done.

The motion was put and carried.

**GROWTH AND
INFRASTRUCTURE
COMMITTEE**

The Interim Administrator of the Ipswich City Council resolves:

That the Growth and Infrastructure Committee Report No. 2019(09) of 10 September 2019 be received and adopted.

**CONFLICT OF
INTEREST ITEM 5**

The Interim Administrator informed the meeting that he has, or could reasonably be taken to have a perceived conflict of interest in Item 5 titled Strategic Roads Sub-Program – Strategic Roads Priority List of Projects.

The nature of the perceived interest is that he was formerly the General Manager of Economic Development Queensland, the state government agency responsible for planning the Ripley Priority Development Area.

The Interim Administrator confirmed that, as there is no personal or financial benefit to the Interim Administrator, he would participate in the meeting in relation to the matter.

DISCUSSION

Item 5 - Strategic Roads Sub-Program – Strategic Roads Priority List of Projects - the Interim Administrator noted that the discussion was really around taking Ripley out of the “black hole” of Council’s infrastructure planning. He stated that merely because the growth area is a Priority Development Area, does not mean that Council should not adequately plan for the infrastructure within and around that Priority Development Area. The Interim Administrator commented the matter of funding, which he understood may be a matter of dispute between the State Government and Council, is a separate matter. The Interim Administrator commented that funding is an important matter which needs to get resolved but he does not think it is the basis for Council not planning for the infrastructure.

Item 17 - New Ipswich Planning Scheme – Statement of Proposals (including draft strategic framework) Consultation Report - the Interim Administrator expressed his gratitude to all staff involved in the preparation of the draft planning scheme as it progresses.

The motion was put and carried.

**COMMUNITIES
COMMITTEE**

The Interim Administrator of the Ipswich City Council resolves:

That the Communities Committee Report No. 2019(09) of 10 September 2019 be received and adopted.

DISCUSSION

Item 2 - Christmas and Festive Season Grants 2019-2020 - the Interim Administrator stated there were some 19 grants that were recommended for approval by the committee to various Christmas events. Subsequent discussions and a presentation to the quarterly CBD retailers meeting explained council's role and support for those events and other Christmas and festive season events which he felt was an excellent achievement. The Interim Administrator stated that this was an improvement on Council's performance last year, that he took responsibility for a less than ideal performance last year however Council is now on a sound path for a very solid Christmas and festive events support program, openly and transparently partly funded by the council. The Interim Administrator thanked all staff who worked on this process.

The motion was put and carried.

**ENVIRONMENT
COMMITTEE**

The Interim Administrator of the Ipswich City Council resolves:
That the Environment Committee Report No. 2019(09) of 10 September 2019 be received and adopted.

DISCUSSION

Item 3 - City of Ipswich Disaster Recovery Governance Arrangements - the Interim Administrator expressed his gratitude to Council staff, the State Emergency Service, Police and Emergency and Fire Services for their management of the bush fires that were particularly challenging last week.

The motion was put and carried.

**GOVERNANCE
COMMITTEE**

The Interim Administrator of the Ipswich City Council resolves:
That the Governance Committee Report No. 2019(09) of 10 September 2019 be received and adopted.

DISCUSSION

The Interim Administrator stated that this was a very significant committee meeting in the history of this council, and made comment in relation to *Item 4 - Finalisation of Local Law Making Process – Local Law Review*, where former local laws were repealed and replaced with eight (8) new local laws, and then the progression of repealing a vast number of policies and replacing them with new policies. He stated that this is a great achievement.

Item 11 - Councillor Integrity Package - the Interim Administrator stated this was a package of eight (8) new policies to assist councillors in the future to undertake their role properly and well, and to assist the Council governance

processes. He outlined that it is a culmination of work that commenced a year ago and that further reform is being undertaken in a number of areas across Council. The Interim Administrator made comment that this was an excellent committee meeting to be a part of and thanked those staff involved for their hard work.

**AMENDMENT TO
ITEM 11**

The Interim Administrator stated that he whilst some IMC members have concerns about some aspects of one of the policies, he was keen to approve the package as a whole, and if needed, to report back to a future meeting, with an amendment to that particular policy.

In relation to *Item 11 titled Councillor Integrity Package*, relating to the Councillor Staff Interaction Policy, the Interim Administrator moved the following amendment:

That Recommendation A be amended by the addition of the following words at the end of the recommendation:

“with an amendment to Clause 7 of the Policy by the addition of the following paragraph:

Where a Councillor is appointed to a specific role under an Act or Regulation, the requirements of that Act or Regulation will take precedence where they are undertaking the specific responsibilities as defined in the relevant Act or Regulation in accordance with that role”.

DISCUSSION

The Interim Administrator made comment in relation to the amendment of the Councillor Staff Interaction Policy and stated that his recollection on the basis of that addition is disaster recovery and the ability of a councillor acting in a disaster recovery mode to make expeditious decisions.

The Chief Executive Officer made comment that the role is to be the chair of committee and have an executive role and that the legislation states that chair must be a councillor.

The Interim Administrator agreed and further stated that it is giving the ambit for that councillor to act in that role under the legislation and regulation that applies to disaster recovery.

The motion was put and carried.

Attachments

1. Updated Attachment 1 to Item 11 on Governance Committee - Councillor Staff Interaction Policy

OFFICERS' REPORTS

In accordance with section 7 of Subordinate Local Law (2.1 Council Meetings) the Interim Administrator moved that two late officer's reports be considered.

The confidential papers associated with this officer's report are confidential as they include financial information which is commercial in confidence.

**QUOTE
CONSIDERATION
PLAN - PEOPLE AND
CULTURE
PERFORMANCE
FRAMEWORK**

The Interim Administrator of the Ipswich City Council resolves:

- A. That Council (Interim Administrator of Ipswich City Council) resolve to prepare a Quote or Tender Consideration Plan for design, development and implementation of both a Grievance Management Framework and a Performance System Review in accordance with section 230(1)(a) of the *Local Government Regulation 2012*.**
- B. That Council (Interim Administrator of Ipswich City Council) resolve to adopt the Quote or Tender Consideration Plan for design, development and implementation of both a Grievance Management Framework and a Performance System Review as outlined in the report by the Learning and Development Advisor dated 12 September 2019 in accordance with section 230(1)(b) of the *Local Government Regulation 2012*.**
- C. That Council (Interim Administrator of Ipswich City Council) resolve to enter into a contract with Prominence Pty Ltd for the development of a Grievance Management Framework and for the development of a Performance Review Process on the terms described in the report by the Learning and Development Advisor dated 12 September 2019.**
- D. That the Chief Executive Officer be authorised to negotiate and finalise the terms of the contract with Prominence Pty Ltd to be executed by Council and to do any other acts necessary to implement Council's decision in accordance with section 13(3) of the *Local Government Act 2009*.**

The motion was put and carried.

**IPSWICH WASTE
SERVICES ANNUAL
PERFORMANCE PLAN
2019-2020**

The Interim Administrator of the Ipswich City Council resolves:

That the 2019-2020 Ipswich Waste Services Annual Performance Plan and its supporting Service Specification, as detailed in Attachments 1 and 2 to the report by the Ipswich Waste Services Manager titled 'Ipswich Waste Services Annual Performance Plan 2019-2020' dated 12 September 2019, be adopted.

DISCUSSION

The Chief Executive Officer made comment that there are only minor changes to a fundamental performance plan, which needs to be adopted prior to the release of the operational plan for the current year. He stated that the previous process used to be that if you had an infirm person in the household Council would come and pick up the bin; however Council now needs to ensure there is no one in the household that is capable of putting the bin out. There is also a change to the naming of garbage bins. He stated that they are minor changes but that it is essentially the same performance plan that has been in operation for several years.

The motion was put and carried.

MEETING CLOSED

The meeting closed at 9.16 am.

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

ECONOMIC DEVELOPMENT COMMITTEE NO. 2019(10)

22 OCTOBER 2019

REPORT OF THE ECONOMIC DEVELOPMENT COMMITTEE
FOR THE COUNCIL

MEMBER'S ATTENDANCE: Greg Chemello (Interim Administrator)

**INTERIM MANAGEMENT
COMMITTEE ATTENDANCE:** Jan Taylor, Simone Webbe, Robert Jones, Stan Gallo
and Steve Greenwood

Pursuant to section 8.4.5 of Council's Meeting Procedures Policy, the Interim Administrator invited the Interim Management Committee being Jan Taylor, Simone Webbe, Robert Jones, Stan Gallo and Steve Greenwood to address the Economic Development Committee on any matters before it.

The Interim Administrator advised that he is bound to declare Conflict of Interests and potential Conflict of Interests and that the members of the Interim Management Committee are not legally bound, however in accordance with the Interim Management Committee Charter they will also declare Conflict of Interests and potential Conflict of Interests

1. **PILOT FACADE IMPROVEMENT INCENTIVE PROGRAM**

This is a report concerning the pilot of a Façade Improvement Incentive Program to activate new investment and revitalisation of key economic, community and activity precincts in Ipswich.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

- A. That the pilot Façade Improvement Incentive Program within a defined area of the Ipswich Central precinct, be endorsed.
- B. That an allocation of \$100,000 for the pilot Façade Improvement Incentive Program to 30 June 2020, be endorsed.
- C. That a dollar-for-dollar matched incentive rebate mechanism for private business and property owners up to a total \$15,000 total council allocation per applicant, be endorsed.
- D. That the Chief Executive Officer finalise the consultation, specifications, governance and acquittal processes of the pilot Façade Improvement Incentive Program.
- E. That a review and report on the pilot be provided to a future meeting of the Economic Development Committee, prior to 30 June 2020, for possible expansion of

the Façade Improvement Incentive Program.

The Interim Administrator stated that consultation had occurred with business owners in the CBD precinct about council redeveloping its own buildings and questions were raised about the condition and presentation of privately owned buildings in the precinct. The Interim Administrator noted that the recommendation involved applied public funds towards private properties, and that similar schemes had successfully been applied in various other local government areas including Brisbane City Council's suburban centre improvement program.

Simone Webbe stated that public interest considerations should be taken into account for the private properties concerned and that such a scheme is part of the need to "dress the city".

2. CITY OF IPSWICH BUSINESS VISIT TO JAPAN AND TAIWAN

This is a report concerning the Ipswich City Council business visit to Japan and Taiwan by council representatives from 28 November to 6 December 2019 (inclusive of travel days).

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

That the report be deferred to the next Economic Development Committee to enable the appropriate identification and mitigation of risks and definition of complete costs.

Steve Greenwood from the Interim Management Committee raised concerns regarding the lack of identification of relevant key risks for this business visit, particularly given past criticism of Ipswich councillors and staff travelling overseas. He also queried the true costs involved for the travel and requested that a breakdown of total costs should be included in all such reports.

The Interim Administrator suggested that the report be amended to take into consideration the concerns raised and that the report when submitted would be a useful template to guide future reports of this nature.

3. PROPOSED AMENDMENT TO THE 2019-2020 REGISTER OF FEES AND CHARGES

This is a report concerning the proposed amendments to the 2019-2020 Register of Fees and Charges, specifically fees and charges related to Fire Station 101 activities.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

That the 2019-2020 Register of Fees and Charges be amended, as detailed in Attachment 1, and adopted with effect from 1 November 2019.

4. OUTCOME OF STATUTORY EXPRESSION OF INTEREST FOR PARTNERS OF FIRE STATION 101

This is a report concerning the outcome of Fire Station 101 market testing by expressions of interest for delivery, operation and management of an expanded portfolio of programs.

At the Economic Development Committee held on 14 May 2019 the following was resolved:

- A. That Council (Interim Administrator of Ipswich City Council) resolve that it is satisfied that the calling of Expressions of Interest under section 228(5) of the *Local Government Regulation 2012*, as detailed in the report by the Project Manager (Fire Station 101) dated 1 May 2019, is in the public interest for the following reason:

It will allow Council to identify potential contractors who are serious contenders for the provision of products and services that will improve or enhance knowledge and skills to build innovation capability without putting all contenders to the expense of preparing a full tender response in the initial stages.

- B. That Council (Interim Administrator of Ipswich City Council) resolve to invite Expressions of Interest under section 228(5) of the *Local Government Regulation 2012*, as detailed in the report by the Project Manager (Fire Station 101) dated 1 May 2019, for products and services that will improve or enhance knowledge and skills to build innovation capability.

Consequently a Request for Expressions of Interest (EOI) was released on 31 August 2019 for Fire Station 101 partners seeking proposals from organisations to deliver products and services to improve and enhance community knowledge and skills to build innovation capability. The report advised that no suitable partnership arrangement had emerged from this EOI process at this stage.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

That the report be received and the contents noted.

5. NICHOLAS STREET REDEVELOPMENT TRADER MARKETING SUPPORT

This is a report concerning proposed marketing support to be provided to traders / retailers located in the primary 'impact zone*' of the Nicholas Street redevelopment precinct through council's Economic Development Incentives Policy.

Retailers in the 'impact zone' are struggling with foot traffic due to the road closures and fencing surrounding Nicholas Street and its footpaths, with significant paving and landscaping work to commence in late October 2019 which won't be completed until the end of December 2019. This is causing considerable stress to retailers.

(Note the 'impact zone' is defined as Nicholas Street from Brisbane Street to Bremer Parade, and Union Place from Nicholas Street to Bell Street. Fourteen retailers are located in this 'impact zone'.)*

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

That a one-off payment of \$1,000 per retailer located in the 'impact zone', to be put towards marketing initiatives, as agreed to between each retailer and council as part of a strategic marketing plan (maximum budget \$7000), be approved.

The Interim Administrator stated that he was supportive of the program but queried whether a \$500 payment (as was recommended in the report) to each retailer was sufficient.

The Manager – Coordination and Performance advised that council will be looking at spending additional money on advertising the precinct and that retailers would also benefit through this advertising.

Simone Webbe from the Interim Management Committee stated that she was supportive of Council working one-on-one with retailers and suggested that council start with \$500 and if needed that it be escalated later.

The Interim Administrator advised that he would resolve a \$1,000 payment to each retailer now to assist with marketing initiatives.

The confidential papers associated with Item 6 are confidential as they include detailed financial information in relation to contractual and payment arrangements with a number of sub-contractors which is commercial in-confidence.

6. IPSWICH CENTRAL PROGRAM REPORT NO. 16 TO 16 SEPTEMBER 2019

This is a report concerning a monthly update for the Ipswich Central Program of Works.

The Interim Administrator informed the meeting that he has, or could reasonably be taken to have a perceived conflict of interest in Item 6 titled Ipswich Central Program Report No. 16 to 16 September 2019.

The nature of the perceived interest is that Ranbury Management Group is the primary consultant for the CBD Redevelopment and from 2008 to 2012 he was an employee and was a director and part owner of Ranbury but has no current working relationship with the company.

The Interim Administrator confirmed that, as there is no personal or financial benefit to the Interim Administrator, he would participate in the meeting in relation to the matter.

RECOMMENDATION

That the report on the Ipswich Central Program Report No. 16 effective to 16 September 2019 be received and the contents noted.

The confidential papers associated with Item 7 are confidential as they include detailed financial information in relation to contractual and payment arrangements with a number of sub-contractors which is commercial in-confidence.

7. APPOINTMENT OF RETAIL LEASING AGENT, SUPPLEMENTAL INFORMATION - NICHOLAS ST IPSWICH CENTRAL PROJECT

This is a report concerning the provision of supplemental information to support a prior decision of Council by resolution for the appointment of Ranbury Property Services Pty Ltd ("Ranbury") as the retail leasing agent for the Nicholas St – Ipswich Central Project ("Project").

The Interim Administrator informed the meeting that he has, or could reasonably be taken to have a perceived conflict of interest in Item 7 titled Appointment of Retail Leasing Agent, Supplemental Information – Nicholas Street Ipswich Central Project.

The nature of the perceived interest is that Ranbury Management Group is the primary consultant for the CBD Redevelopment and from 2008 to 2012 he was an employee and was a director and part owner of Ranbury but has no current working relationship with the company.

The Interim Administrator confirmed that, as there is no personal or financial benefit to the Interim Administrator, he would participate in the meeting in relation to the matter.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

That the report concerning the Appointment of Retail Leasing Agent, Supplemental Information – Nicholas St Ipswich Central Project be received and the contents noted.

PROCEDURAL MOTIONS AND FORMAL MATTERS

The meeting commenced at 8.30 am.

The meeting closed at 9.06 am.

GROWTH AND INFRASTRUCTURE COMMITTEE NO. 2019(10)

22 OCTOBER 2019

REPORT OF THE GROWTH AND INFRASTRUCTURE COMMITTEE
FOR THE COUNCIL

MEMBER'S ATTENDANCE: Greg Chemello (Interim Administrator)

**INTERIM MANAGEMENT
COMMITTEE ATTENDANCE:** Jan Taylor, Simone Webbe, Robert Jones, Stan Gallo and
Steve Greenwood

Pursuant to section 8.4.5 of Council's Meeting Procedures Policy, the Interim Administrator invited the Interim Management Committee being Jan Taylor, Simone Webbe, Robert Jones, Stan Gallo and Steve Greenwood to address the Growth and Infrastructure Committee on any matters before it.

The Interim Administrator advised that he is bound to declare Conflict of Interests and potential Conflict of Interests and that the members of the Interim Management Committee are not legally bound, however in accordance with the Interim Management Committee Charter they will also declare Conflict of Interests and potential Conflict of Interests.

1. **UPDATE TO STANDARD STREET NAME SIGN**

This is a report concerning a revision to council's standard street name sign drawing following the adoption and resolution to implement the update to council logo application at the July Ordinary Council Meeting.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

- A. That the revisions to the standard street name sign drawing, as specified in Attachment 2 (Drawing H), be adopted and implemented on all new and replacement street name signs.
- B. That the revisions to standard street name sign be integrated into relevant council guidelines and manuals.

2. **FIVE YEAR REVIEW OF THE WATER NETSERV PLAN**

This is a report concerning the statutory 5 year review of the Water Netserv Plan and request for endorsement of the planning assumptions for the Ipswich local government area as proposed by Queensland Urban Utilities (QUU) in the proposed Water Netserv Plan (Part A) 2019.

QUU formally requested Council's endorsement by letter dated 27 August 2019. Discussions were held between Council and QUU officers to facilitate the review of the proposed planning assumptions. This review resulted in a revised Water Netserv Plan (Part A) 2019 being provided which includes planning assumptions that are consistent with Council's Local Government Infrastructure Plan, and endorsement is therefore being recommended.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

- A. That Council (Interim Administrator of Ipswich City Council) endorse the planning assumptions for the Ipswich local government area only proposed by Queensland Urban Utilities as detailed in Attachment 1 pursuant to s99BR of the *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009*, as being consistent with the planning assumptions included in the Ipswich Local Government Infrastructure Plan.
- B. That the Manager, City Design be requested to advise Queensland Urban Utilities of Council endorsement by letter.
- C. That the Manager, City Design be authorised to continue to liaise with Queensland Urban Utilities to ensure consistency between their Water Netserv Plan and Council's Local Government Infrastructure Plan for development both inside and outside of the Priority Infrastructure Area.

3. 91 AND 93 RACEVIEW STREET, RACEVIEW - MATERIAL CHANGE OF USE – SHOPPING CENTRE- 2269/2019/MCU

This is a report concerning an application seeking approval for a Material Change of Use – Shopping Centre at 91 and 93 Raceview Street, Raceview QLD 4305.

The subject application requires review by committee and determination by full Council in accordance with the Framework for Development Applications and Related Activities Policy as more than 20 properly made submissions objecting to the proposed development were received.

The proposed development has been assessed with regard to the applicable assessment benchmarks. The proposed Shopping Centre cannot be supported in accordance with section 5 and section 60 of the *Planning Act 2016*, as the proposal does not advance the purpose of the Act and the development conflicts with the applicable codes of the Planning Scheme with no sufficient grounds to justify the decision despite the conflict.

The Interim Administrator informed the meeting that, through previous roles, he has professional relationships with the following individuals involved in the application for 91 and 93 Raceview Street, Raceview – Material Change of Use – Shopping Centre – 2269/2019/MCU:

- Stephen John Leigh Harrison – Fabcot Pty Ltd (Developer)
- Michael Brian Nash – Urban Planning Services Pty Ltd (Planning Consultant)
- Steve Dunn – Dunn Moran Landscape Architects Pty Ltd (Landscape Design)

The Interim Administrator advised that none of these applicants have spoken to him about this matter.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

- A. That Council (Interim Administrator of Ipswich City Council) resolve to refuse development application no. 2269/2019/MCU as outlined in the report by the Acting General Manager – Planning and Regulatory Services dated 26 September 2019 in accordance with section 5 and 60 of the *Planning Act 2016*.
- B. That the General Manager – Planning and Regulatory Services be authorised to give a decision notice for the application in accordance with section 63 of the *Planning Act 2016*.

The Interim Administrator noted the report to the committee cited a number of aspects where the development application does not comply with the planning scheme including proposed retail development in a long-standing medium density zone and that the planning scheme specifically referred to retail development not being considered appropriate for the site.

4. 4502/2018/MCU CLEANAWAY LANDFILL REFUSAL

This is a report concerning a development application that seeks a development permit for a Material Change of Use over 100 Chum Street and 20 Rhondda Road, New Chum for the following:

- Waste Activity Use involving Landfill in the Swanbank/New Chum Buffer Area (formally referred to as Waste Activity Use other than involving Rehabilitating a Mining Void in the Swanbank/New Chum Buffer Area);
- Waste Activity Use involving Landfill in the Swanbank/New Chum Waste Activity Area;
- Waste Activity Use involving Waste recycling, reprocessing and disposal (Special Industry) in the Swanbank/New Chum Waste Activity Area and the Swanbank/New Chum Buffer Area including operating a facility for disposing of

only general waste or limited regulated waste if the facility receives waste at the rate of 50 tonnes or more a year;

- Waste Activity Use involving Waste recycling, reprocessing and disposal (Special Industry) in the Swanbank/New Chum Waste Activity Area and the Swanbank/New Chum Buffer Area including waste transfer station: operating a waste transfer station which receives waste at the rate of 20,000 tonnes or more per year;
- Waste Activity Use involving Crushing, milling or grinding (Special Industry) in the Swanbank/New Chum Waste Activity Area and the Swanbank/New Chum Buffer Area including screening, washing, crushing, grinding, milling, sizing or separating in works producing 5,000 tonnes or more per year.
- ERA 33 (Crushing, milling, grinding or screening: Crushing, grinding, milling or screening more than 5,000t of material in a year);
- ERA 60 (Waste Disposal: 2: Operating a facility for disposing of, in a year, the following quantity of waste mentioned in subsection 1(b) – (h) more than 200,000t);
- ERA 62 (Waste Transfer Station operation: operating on a commercial basis or in the course of carrying on a commercial enterprise, a waste transfer station that receives a total quantity of at least 30t or 30 cubic metres of waste on any day.

The subject application requires review by committee and determination by full Council in accordance with the Framework for Development Applications and Related Activities Policy as more than 20 properly made submissions objecting to the proposed development were received.

The proposed development has been assessed with regard to the applicable assessment benchmarks. The proposed use cannot be supported in accordance with section 5 and section 60 of the *Planning Act 2016*, as it does not advance the purpose of the *Planning Act 2016* and is in conflict with the applicable codes of the Planning Scheme and TLPI No. 1 of 2018 (Waste Activity Regulation) with no sufficient grounds to justify the decision despite the conflict.

The Interim Administrator informed the meeting that, through previous roles, he has a professional relationship with Natalie June Rayment (Director) – Wolter Consulting Group (Planning Consultant) who is involved in the application 4502/2018/MCU Cleanaway Landfill Refusal. The Interim Administrator advised that Ms Rayment had not spoken to him about this matter.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

- A. That Council (Interim Administrator of Ipswich City Council) resolve to refuse development application no. 4502/2018/MCU as outlined in the report by the Acting General Manager – Planning and Regulatory Services dated 8 October 2019 in accordance with section 5 and 60 of the *Planning Act 2016*.
- B. That the General Manager – Planning and Regulatory Services be authorised to give a decision notice for the application in accordance with section 63 of the *Planning Act 2016*.

The Interim Administrator noted that the report to the committee cited that the development application does not comply with a number of requirements; notably the Temporary Local Planning Instrument (TLPI) specifically enacted in order to manage waste-related development in this area. He cited that the proposed landfill height of 85 metres above sea level for the landfill was significantly in excess of the currently permitted 71 metres and that part of the proposed landfill was within the buffer zone defined in the TLPI.

5. PROPOSED AMENDMENT TO AMENITY AND AESTHETICS REFERRAL PROVISIONS

This is a report concerning the adoption of the proposed Amenity and Aesthetics Referral Provisions and Implementation Guidelines to replace the current Amenity and Aesthetics Referral Provisions and Shipping Container Implementation Guideline as adopted by Council on 29 July 2014 and 17 September 2014 respectively.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

- A. That Council (Interim Administrator of Ipswich City Council) rescind the current Amenity and Aesthetics Provisions (Attachment 1) dated 29 July 2014 and adopt the proposed Amenity and Aesthetics Referral Provisions 2019 (Attachment 2) effective of 1 December 2019.
- B. That Council (Interim Administrator of Ipswich City Council) rescind the current Implementation Guideline - Shipping Containers (Attachment 3) dated 17 September 2014 and adopt the proposed Implementation Guidelines as listed below effective of 1 December 2019:
 - No. 1, Transportable Buildings – Attachment 4
 - No. 2, Oversized Class 10 Buildings – Attachment 5
 - No. 3, Demolition, Removal or Relocation of a Building – Attachment 6.
- C. That the General Manager - Planning and Regulatory Services be authorised to approve administrative amendments, additions and retractions to the Implementation Guidelines where required.

- D. That the Manager - Building and Plumbing be requested to attend to all relevant matters associated with giving effect to the Amenity and Aesthetics Referral Provisions, including uploading the provisions and associated Implementation Guidelines on the Council website.
 - E. That the Building Manager distribute the adopted Amenity and Aesthetics Referral Provisions and Implementation Guidelines to the relevant industry organisations.
-

6. 197 AND 213 TAYLORS ROAD, WALLOON - MATERIAL CHANGE OF USE FOR PRELIMINARY APPROVAL INCLUDING A VARIATION REQUEST TO VARY THE EFFECT OF THE IPSWICH PLANNING SCHEME, AND RECONFIGURING A LOT - ONE (1) LOT INTO TWELVE (12) LOTS AND NEW ROAD

This report relates to a development application that seeks a combined approval for a Material Change of Use for Preliminary Approval including a variation request to vary the effect of the Ipswich Planning Scheme, and Reconfiguring a Lot - One (1) Lot into Twelve (12) Lots and New Road, over land located at 197 Taylors Road and 213 Taylors Road (in part), Walloon.

The subject application requires review by committee and determination by full Council in accordance with the Framework for Development Applications and Related Activities Policy as the application includes a Variation Request.

The proposed development has been assessed with regard to the applicant assessment benchmarks. The proposed development generally complies with the assessment benchmarks or can be conditioned to comply as outlined in the Statement of Reasons attached to the report.

The Interim Administrator informed the meeting that, through previous roles, he has a professional relationship with Shane Smith (Town Planner) – LandPartners Pty Ltd (Planning Consultant) who is involved in the application for 197 and 213 Taylors Road, Walloon – Material Change of Use. The Interim Administrator advised that Mr Smith had not spoken to him about this matter.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

- A. That Council (Interim Administrator of Ipswich City Council) resolve to approve development application no. 4739/2019/CA subject to conditions in accordance with section 60 of the *Planning Act 2016*.
- B. That the Manager - Development Planning be authorised to prepare conditions in accordance with section 65 of the *Planning Act 2016*.

- C. That the Manager - Development Planning be authorised to give a decision notice for the application in accordance with section 63 of the *Planning Act 2016*.
 - D. That the Manager - Development Planning be authorised to give an infrastructure charges notice for the application in accordance with section 119 of the *Planning Act 2016*.
-

7. **COURT ACTION STATUS REPORT**

This is a report concerning a status update with respect to current court actions associated with development planning related matters including one other significant matter of dispute that the Planning and Regulatory Services Department is currently involved with.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

That the report be received and the contents noted.

8. **EXERCISE OF DELEGATION**

This is a report concerning applications that have been determined by delegated authority for the period 30 August 2019 to 11 October 2019.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

That the report be received and the contents noted.

PROCEDURAL MOTIONS AND FORMAL MATTERS

The meeting commenced at 9.13 am.

The meeting closed at 9.36 am.

COMMUNITIES COMMITTEE NO. 2019(10)

22 OCTOBER 2019

REPORT OF THE COMMUNITIES COMMITTEE
FOR THE COUNCIL

MEMBER'S ATTENDANCE: Greg Chemello (Interim Administrator)

**INTERIM MANAGEMENT
COMMITTEE ATTENDANCE:** Jan Taylor, Simone Webbe, Robert Jones, Stan Gallo
and Steve Greenwood

Pursuant to section 8.4.5 of Council's Meeting Procedures Policy, the Interim Administrator invited the Interim Management Committee being Jan Taylor, Simone Webbe, Robert Jones, Stan Gallo and Steve Greenwood to address the Communities Committee on any matters before it.

The Interim Administrator advised that he is bound to declare Conflict of Interests and potential Conflict of Interests and that the members of the Interim Management Committee are not legally bound, however in accordance with the Interim Management Committee Charter they will also declare Conflict of Interests and potential Conflict of Interests

1. **COMMUNITY DONATIONS REPORT**

This is a report providing detail about the year to date allocation of community donations, as at 31 August 2019 and providing a summary of these community donations by recipient type.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

That the report be received and the contents noted.

Simone Webbe from the Interim Management Committee queried the overall coordination of the various community grants processes currently in place, particularly the Christmas Grants process, stating that if applicants have three opportunities to apply for grants, council should have any over-arching governance over these.

The Community Development Manager advised that this process was not just unique to Christmas Grants and that applicants can in fact receive a grant, donation and in-kind assistance.

The Interim Administrator suggested that the coordination and governance of the various community grants process should form part of the funding review which Price Waterhouse Coopers is currently undertaking.

The General Manager – Community Cultural and Economic Development advised that this had been recognised as part of the review.

2. TRIENNIAL GRANTS PROGRAM

This is a report concerning the allocation of funds through the Triennial Grants Program for 2019-2020.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

That Council (Interim Administrator of Ipswich City Council) approve triennial funding of:

\$8,461.02 (excl GST) Year 1 2019-2020

\$4,465.79 (excl GST) Year 2 2020-2021

\$2,307.27 (excl GST) Year 3 2021-2022

to Multicultural Australia Limited to support the Balance Project.

3. YOUNG PERFORMING ARTISTS BURSARY

This is a report concerning the allocation of funds through the Young Performing Artists Bursary Program for 2019-2020.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

That Council (Interim Administrator of Ipswich City Council) approve funding of \$700.00 (ex-GST) to Allstar Dance, towards the cost of attending workshops and participating in three (3) performances in Disney Florida, as outlined in the report by the Community Grants Coordinator dated 23 September 2019.

4. COMMUNITY MEETING ROOMS AND PRINTING REQUESTS

This is a report concerning the provision of meeting rooms and printing which were previously provided through divisional offices.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

- A. That Council continue to provide free meeting spaces in Ipswich Libraries and consideration be given that Ipswich Libraries' meeting rooms be available beyond business hours.
- B. That with the exception of ANZAC Day program printing requests, Council encourage organisations to move to electronic distribution of information. For those organisations that require printing, self-serve printing facilities will continue to be available at Ipswich Libraries.

The Interim Administrator stated that the concern with the previous process was the inequity involved particularly around which organisations were granted the free meeting spaces and free printing.

Simone Webbe from the Interim Management Committee suggested that perhaps the printing requests for ANZAC Day could form part of the community donations program for one-off projects or grants.

5. INTERIM ROSEWOOD COUNCIL CONNECT

This is a report concerning the introduction of an interim Rosewood Council Connect library and customer service facility by repurposing the Mobile Library asset and achieving an increased return and community benefit.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

- A. That the interim Rosewood Council Connect service in the Anzac Park carpark, Mill Street, Rosewood, be established.
- B. That the current Mobile Library service be decommissioned and repurposed as the Rosewood Council Connect facility.
- C. That the user catchments of the current Mobile Library service be appropriately supported by alternative Library services.

The Interim Administrator confirmed that the three busiest mobile library stops being Springfield Central, Rosewood and Karalee now have other services in these areas and that due to these services the mobile library will be decommissioned. It was stated that the other nine stops have a combined number of 85 residents generating some 50 transactions per week which Council would need to consider.

The Manager, Libraries and Customer Service advised that these 85 current Mobile Library users would be offered access to the Home Library Service.

The Interim Administrator queried the progress of the Library Strategy.

The Manager, Libraries and Customer Service advised that due to the restructure of council and the incorporation of customer services into libraries, the strategy would need to be re-scoped and that this strategy would likely be available from mid to late 2020.

The draft consultation and documentation associated with the previous libraries strategy will be provided for public view via the Shape Your Ipswich platform.

PROCEDURAL MOTIONS AND FORMAL MATTERS

The meeting commenced at 9.48 am.

The meeting closed at 10.12 am.

ENVIRONMENT COMMITTEE NO. 2019(10)

22 OCTOBER 2019

REPORT OF THE ENVIRONMENT COMMITTEE
FOR THE COUNCIL

MEMBER'S ATTENDANCE: Greg Chemello (Interim Administrator)

**INTERIM MANAGEMENT
COMMITTEE ATTENDANCE:** Jan Taylor, Simone Webbe, Robert Jones, Stan Gallo
and Steve Greenwood

Pursuant to section 8.4.5 of Council's Meeting Procedures Policy, the Interim Administrator invited the Interim Management Committee being Jan Taylor, Simone Webbe, Robert Jones, Stan Gallo and Steve Greenwood to address the Environment Committee on any matters before it.

The Interim Administrator advised that he is bound to declare Conflict of Interests and potential Conflict of Interests and that the members of the Interim Management Committee are not legally bound, however in accordance with the Interim Management Committee Charter they will also declare Conflict of Interests and potential Conflict of Interests

1. **ENVIRONMENT AND SUSTAINABILITY COMMUNITY GRANTS ROUND 1 2019-2020**

This is a report concerning applications received under the Environment and Sustainability Community Grant Program, Round 1 of the 2019-2020 financial year.

The Interim Administrator informed the meeting that, through previous roles, he has a professional relationship with James McKnoulty (Director) - Queensland Trust for Nature (Applicant) who applied for an Environment and Sustainability Community Grant from Round 1 2019-2020. The Interim Administrator advised that Mr McKnoulty had not spoken to him about this matter.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

That Council (Interim Administrator of Ipswich City Council) provide funding of \$4,025 (incl GST) plus in-kind support of up to \$650 through the Environment and Sustainability Community Grant Program to the applicants outlined in the report by the Partnerships Officer for Round 1 of the 2019-2020 financial year.

2. DIGICON NAEUS EXPLORE APP UPDATE 2019

This is a report concerning the Naeus Explore App which was created from the Digicon Hackathon project in 2017 and continued app subscription for community use of the app.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

That Council (Interim Administrator of Ipswich City Council) approve the renewal of the Naeus Explore app subscription for 2019-2020 with Naeus Pty Ltd enabling residents and community to continue having access to the app which encourages and assists in visitation to conservation estates within Ipswich.

3. HABITAT CONNECTIONS SPONSORSHIP - STROUD HOMES

This is a report concerning a proposed sponsorship arrangement for Stroud Homes to contribute to Council's Habitat Connections program which supports riparian tree planting.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

That Council (Interim Administrator of Ipswich City Council) enter into a sponsorship agreement to accept Stroud Homes contribution to Council's Habitat Connections program which will support riparian tree planting.

4. NATURE CONSERVATION GRANT - REMAINING APPLICANT

This is a report concerning the outcome of the one (1) remaining application for the Nature Conservation Grants Program (NCG) 2019/20. Seventeen (17) applications were successful in the assessment process and were granted funding at Council meeting dated 17 September 2019.

The remaining application was submitted by a Council employee. A recommendation from the Internal Audit Recommendation Register highlighted the requirement for further investigation around the approval of funds to Council employees. As such further investigation regarding the process and approval of funds to Council employees was required to ensure any risk of conflict of interest were managed appropriately.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

That funding for the successful applicant: NCG19/20-013 in the 2019-2020 Nature Conservation Grants round be approved.

The confidential papers associated with Item 5 are confidential as the tender assessment report contains commercial in-confidence information including financial information.

5. TENDER 12759 – WASTE MANAGEMENT SOFTWARE SOLUTION

This is a report concerning the replacement of the existing waste management system (RMSwin) which has been placed in an “End-of-Life” support phase by the software provider. An open market tender (12759 Waste Management Software Solution) was released to procure a viable alternative solution whereby tenderers could either submit a tender for a complete solution or tender for one or more of four (4) separable portions. The tender evaluation process concluded that a viable replacement solution could be achieved by utilising two (2) separate tendered solutions to meet three (3) of the separable portions and addressing any remaining gaps with existing corporate systems.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

- A. That in accordance with s233 of the *Local Government Regulation 2012*, Council (Interim Administrator of Ipswich City Council) approve a Preferred Supplier Arrangement for the supply of Transfer Station / Weighbridge software and hardware.
- B. That Council (Interim Administrator of Ipswich City Council) resolve under s233(7) of the *Local Government Regulation 2012*, it is satisfied that it will obtain better value for money by entering into a Preferred Supplier Arrangement for a term of more than two (2) years.
- C. That Council (Interim Administrator of Ipswich City Council) enter into a contract for the provision of a Waste Management Software Solution for Transfer Station Operations with the recommended tenderer as detailed in the Evaluation Report for a period of three (3) years with the option to extend the contract by two (2) x further, one (1) year periods.
- D. That the Chief Executive Officer be authorised to negotiate and finalise the term of the contract to be executed by Council and to do any other acts necessary to implement Council’s decision in accordance with section 13(3) of the *Local Government Act 2009*.

- E. That in accordance with s233 of the *Local Government Regulation 2012*, Council (Interim Administrator of Ipswich City Council) approve a Preferred Supplier Arrangement for the supply of Waste Collection Operations and Vehicle Routing and Logistics software and hardware.
- F. That Council (Interim Administrator of Ipswich City Council) resolve under s233(7) of the *Local Government Regulation 2012*, it is satisfied that it will obtain better value for money by entering into a Preferred Supplier Arrangement for a term of more than two (2) years.
- G. That Council (Interim Administrator of Ipswich City Council) enter into a contract for the provision of a Waste Management Software Solution for Waste Collection Operations and Vehicle Routing and Logistics with the recommended tenderer as detailed in the Evaluation Report for a period of three (3) years with the option to extend the contract by two (2) x further, one (1) year periods.
- H. That the Chief Executive Officer be authorised to negotiate and finalise the term of the contract to be executed by Council and to do any other acts necessary to implement Council's decision in accordance with section 13(3) of the *Local Government Act 2009*.

The Interim Administrator queried why council would enter into a one year contract with two (2) x further one year periods instead of a three year contract. The ICT Project Manager advised that with technologies changing so frequently it was felt that the shorter contract term was the better option.

The Interim Administrator requested that the ICT Project Manager review the tender process to see if it is possible to enter into a three year term with options without having to go out to tender again and if it is possible that an amendment be put forward at the Council meeting for a three year option.

PROCEDURAL MOTIONS AND FORMAL MATTERS

The meeting commenced at 10.20 am.

The meeting closed at 10.33 am.

GOVERNANCE COMMITTEE NO. 2019(10)

22 OCTOBER 2019

REPORT OF THE GOVERNANCE COMMITTEE
FOR THE COUNCIL

MEMBER'S ATTENDANCE: Greg Chemello (Interim Administrator)

**INTERIM MANAGEMENT
COMMITTEE ATTENDANCE:** Jan Taylor, Simone Webbe, Robert Jones, Stan Gallo
and Steve Greenwood

Pursuant to section 8.4.5 of Council's Meeting Procedures Policy, the Interim Administrator invited the Interim Management Committee being Jan Taylor, Simone Webbe, Robert Jones, Stan Gallo and Steve Greenwood to address the Governance Committee on any matters before it.

The Interim Administrator advised that he is bound to declare Conflict of Interests and potential Conflict of Interests and that the members of the Interim Management Committee are not legally bound, however in accordance with the Interim Management Committee Charter they will also declare Conflict of Interests and potential Conflict of Interests

1. **REPORT - AUDIT AND RISK MANAGEMENT COMMITTEE NO. 2019(04) OF
9 OCTOBER 2019**

This is the report of the Audit and Risk Management Committee of 9 October 2019.

RECOMMENDATION

That the report of the Audit and Risk Management Committee of 9 October 2019 be received, the contents noted and the recommendations contained therein be adopted.

Simone Webbe from the Interim Management Committee made comment that the covering report and supporting attachments were not included in the agenda.

The Interim Administrator requested that the documents be included for the full council meeting.

Attachments

1. Report - Audit and Risk Management Committee No. 2019(03) of 28 August 2019
2. Information Security Controls Remediation Works
3. Attachment to report on Information Security Controls Remediation Action Plan
4. Queensland Audit Office Closing Report
5. 2018-2019 Annual Financial Statements and 2018-2019 Management Representation Letter

6. 2018-2019 Annual Financial Statement for Controlled Entities
 7. Updated changes to 2018-2019 Financial Statements
-

2. FINALISATION OF LOCAL LAW MAKING PROCESS

This is a report concerning the Local Law Review which is a sub-project of Council's Transformational Project 9 (Review Policies, Procedures, Local Laws and the Committee Process and associated reporting). Further public consultation was conducted for Local Law (Amending) Local Law No.3 (Commercial Licensing) and Subordinate Local Law (Amending) Subordinate Local Law No.3.1 (Commercial Licensing) with no submissions received. We now seek to finalise the Local Law making process, in accordance with the *Local Government Act 2009* and Council's Local Law making process Policy including the adoption of consolidated versions of all Council's Local Laws and Subordinate Local Laws.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

- A. That it be noted that no submissions were received during the second public consultation period for the proposed Local Law amendments.
- B. That Council propose to make *Local Law (Amending) Local Law No.3 (Commercial Licensing) 2019*, as attached to the report of the Policy Officer dated 20 September 2019.
- C. That Council propose to make *Subordinate Local Law (Amending) Subordinate Local Law 3.1 (Commercial Licensing) 2019*, as attached to the report of the Policy Officer dated 20 September 2019.
- D. That Council propose to make *Local Law (Amending) Local Law No.1 (Administration) 2019*, as attached to the report of the Policy Officer dated 20 September 2019.
- E. That Council propose to make *Local Law (Amending) Local Law No.4 (Permits) 2019*, as attached to the report of the Policy Officer dated 20 September 2019.
- F. That Council propose to make *Local Law (Amending) Local Law No.5 (Parking) 2019*, as attached to the report of the Policy Officer dated 20 September 2019.
- G. That Council propose to make *Subordinate Local Law (Amending) Subordinate Local Law No.5.1 (Parking) 2019*, as attached to the report of the Policy Officer dated 20 September 2019.
- H. That Council propose to make *Local Law (Amending) Local Law No.6 (Animal Management) 2019*, as attached to the report of the Policy Officer dated 20 September 2019.

- I. That Council propose to make *Subordinate Local Law (Amending) Subordinate Local Law No.6.1 (Animal Management) 2019*, as attached to the report of the Policy Officer dated 20 September 2019.
- J. That Council propose to make *Local Law (Amending) Local Law No.7 (Local Government Controlled Areas and Roads) 2019*, as attached to the report of the Policy Officer dated 20 September 2019.
- K. That Council propose to make *Subordinate Local Law (Amending) Subordinate Local Law 7.1 (Local Government Controlled Areas and Roads) 2019*, as attached to the report of the Policy Officer dated 20 September 2019.
- L. That Council propose to make *Local Law (Amending) Local Law No.8 (Nuisances and Community Health and Safety) 2019*, as attached to the report of the Policy Officer dated 20 September 2019.
- M. That Council propose to make *Subordinate Local Law (Amending) Subordinate Local Law No.8.1 (Nuisances and Community Health and Safety) 2019*, as attached to the report of the Policy Officer dated 20 September 2019.
- N. That Council propose to make *Local Law (Amending) Local Law No.49 (Vegetation Management) 2019*, as attached to the report of the Policy Officer dated 20 September 2019.
- O. That Council propose to make *Subordinate Local Law No.49.1 (Protection of Important Vegetation) 2019*, as attached to the report of the Policy Officer dated 20 September 2019.
- P. That Council adopt the consolidated versions of the amended Local Laws and Subordinate Local Laws, as attached to the report of the Policy Officer dated 20 September 2019.

The Interim Administrator queried the council's intended enforcement process during the transition from the old to new local laws and suggested that this matter be raised for discussion at the Executive Leadership Team meeting.

3. MEDIA POLICY

This is a report concerning a Media Policy which outlines the expectations of elected representatives and staff of the organisation when dealing with the media and when managing owned channels.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

That the report be deferred to the next meeting of the Governance Committee.

Simone Webbe from the Interim Management Committee raised concerns regarding the appropriate identification of risks given Ipswich Council's history and that for this particular policy it would have been a good idea to clearly articulate the purpose of the policy in the Executive Summary. She suggested that the policy should start with a clear and specific statement about council's role. Simone also suggested that it would be good to have clarity in the policy to guide decision making about topics important to council such as when public expenditure occurs. It was also suggested that it would be a good idea to include the local government principles.

In relation to the procedure, concerns were raised regarding some of the content and it was suggested that it would be a good idea to scenario test each of the processes to ensure everything is covered.

Steve Greenwood from the Interim Management Committee stated that the policy as it stands does not give clear guidance to staff.

Rob Jones from the Interim Management Committee stated that the policy doesn't clearly articulate the view that the role is to provide factual information.

The Chief Executive Officer clarified that council's role in dealing with negative issues via Ipswich First should be to share what council and the community can do to work towards addressing the relevant issue. Council should also be trying to provide information that links back to council such as its assets and services.

The Interim Administrator noted that there was clearly further work to be done on this proposed policy and suggested that the report be amended to take into consideration the concerns raised and submitted to a future meeting.

4. EVENT SPONSORSHIP POLICY - SUPPORTING DOCUMENTATION AMENDMENT

This is a report concerning amendments to the Ticket/Invitation Allocation Standards document associated with the Event Sponsorship Policy adopted by Council at its meeting of 17 September 2019.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

That the amendments to the Ticket/Invitation Allocation Standards document and Ticket Allocation Justification Form as detailed in Attachment 2 be adopted.

5. REVIEW OF POLICIES - CORPORATE SERVICES DEPARTMENT

This is a report concerning the review of policies relating to the functions of the Corporate Services Department undertaken in accordance with Council's Policy and Procedure Management Framework adopted by Council on 16 July 2019.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

- A. That the policies detailed in Table 1, be repealed with the exception of the Free Public Wi-Fi and Open Data Policy which are to remain as Council policies.
- B. That the policies detailed in Table 2, be adopted.

TABLE 1

Name of Policy	Adopted at Council	Attachment Number
Voting Entitlements for Delegates and Representatives Policy	20 September 2006	1
Attestation Clause and Common Seal Policy	12 April 2006	2
<i>Free Public Wi-Fi Policy (to remain in force)</i>	<i>6 December 2016</i>	<i>3</i>
<i>Open Data Policy (to remain in force)</i>	<i>27 June 2017</i>	<i>4</i>
Attendance at Australian Defence Force Reserve Training and Activities Policy	14 September 2005	5
Bereavement Leave Policy	23 January 2017	6
Blood Donor Leave Policy	9 November 2010	7
Emergency Service Policy	23 August 1995	8
Employment of Ex-Apprentices Policy	23 August 1995	9
Flexible Working Hours Policy	23 August 1995	10
Higher Grade Pay Policy	23 August 1995	11
Interview/Selection Panel Policy	23 May 1995	12
Jury Service Policy	23 August 1995	13
Leave Without Pay Policy	23 August 1995	14
Medical Examinations Policy	5 September 2017	15
Paid Leave to Attend volunteer Citizen Forces Training Policy	23 August 1995	16
Prescription Safety Glasses Policy	23 March 2005	17
Sponsorship and Funding of Employee Sporting and Recreation Activities Policy	29 May 2018	18
Term Contract Policy	2 July 2003	19
Variations to Term Contract Policy	18 August 2004	20
Provision of Legal Assistance for Employees and Councillors Policy	29 January 2019	21
Company Directors Membership Costs Policy	1 November 2000	22
Floral Tributes Policy	27 March 2018	23

TABLE 2

Name of Policy	Attachment Number
Right to Information Policy	24
Information Privacy Policy	25
Dividing Fences Policy	26
Residential Tenancy of Council Properties Policy	27
Tenure for Telecommunications Infrastructure Policy	28
Property Acquisition and Disposal Policy	29
Early Property Acquisition Policy	30
Tenure over Council Property Policy	31
Tenure of Land for Agistment Purposes Policy	32
Provision of Information to Law enforcement Agencies Policy	33

Simone Webbe from the Interim Management Committee raised concerns regarding the inconsistency between some of the policies to be repealed and a procedure or administrative directive that would replace the policy, noting that it was not clear if the administrative directive would be in place at the time the policy is repealed. Simone further commented that normally there would be a tracked change version for each of the amended policies so that it was clear what changes were being made.

Simone suggested that with the Open Data and Free Public Wi-Fi policies that these should remain as policies and that a procedure or administrative directive could be developed with them that goes into more detail about the processes.

6. CHRISTMAS CLOSEDOWNS AND SERVICE PROVISIONS OVER THE CHRISTMAS PERIOD

This is a report concerning Council Christmas Closedowns and Service Provisions over the Christmas Period including nomination of the granted day off in accordance with the certified agreements.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve to endorse:

- A. That Council offices close from 1.00 pm Tuesday, 24 December 2019, re-opening Thursday, 2 January 2020, except for staff providing emergency or essential customer services.
- B. The respective closedown dates for each of the facilities and services listed in the table outlined in the report.

7. CORPORATE SERVICES OPERATIONAL REPORT

This is a report concerning the operational performance and key activities undertaken by the Corporate Services Department for the period of 1 August 2019 to 30 September 2019.

RECOMMENDATION

That the report be received and the contents noted.

8. MONTHLY PERFORMANCE REPORT - AUGUST 2019

This is a report concerning Council performance for the period ending 31 August 2019, submitted in accordance with section 204 of the *Local Government Regulation 2012*.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

That the report be received and the contents noted.

9. OVERDUE RATES AND CHARGES FOR THE PERIOD JULY - SEPTEMBER 2019

This is a report by the Recoveries Manager dated 2 October 2019 concerning rate arrears and rate collection statistics for the period July-September 2019.

RECOMMENDATION

That the report be received and the contents noted.

The confidential papers associated with Item 10 are confidential as they include personal financial information of the relevant company.

10. CONCESSION FOR GENERAL RATES - 1 SCOTT STREET GOODNA QLD 4300

This is a report concerning a request for a concession for general rates from Goodna Youth Services Inc., for their property at 1 Scott Street, GOODNA QLD 4300.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

That a 100% concession for general rates, for the property at 1 Scott Street, GOODNA QLD 4300, owned by Goodna Youth Services Inc., be granted and backdated to 1 January 2019.

PROCEDURAL MOTIONS AND FORMAL MATTERS

The meeting commenced at 10.42 am.

The meeting closed at 11.36 am.

Doc ID No: A5856331

ITEM: N.1
SUBJECT: 2018-2019 FINANCIAL STATEMENTS - CONTROLLED ENTITIES
AUTHOR: TREASURY ACCOUNTING MANAGER
DATE: 22 OCTOBER 2019

EXECUTIVE SUMMARY

This is a report concerning the 2018-2019 Financial Statements for the following controlled entities of Ipswich City Council (**Council**):

- Ipswich City Properties Pty Ltd (**ICP**) – Attachment 1;
- Ipswich City Enterprises Pty Ltd (**ICE**) – Attachment 2;
- Ipswich City Enterprises Investments Pty Ltd (**ICEI**) – Attachment 3; and
- Ipswich City Developments Pty Ltd (**ICD**) – Attachment 4.

The Financial Statements and accompanying Director's Report for ICP, ICE and ICEI have been certified following the completion of the 2018-2019 audit conducted by the Queensland Audit Office (**QAO**).

As ICD has been deregistered, the unaudited Financial Statements for ICD will not be certified. However these unaudited statements were reviewed by QAO in conjunction with their audit of Council and the other controlled entities.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

That the report of the Treasury Accounting Manager dated 22 October 2019 be received and the contents noted

RELATED PARTIES

The Interim Administrator and Senior Managers should consider the following controlled entities for the purposes of related party disclosures:

- Ipswich City Properties Pty Ltd;
- Ipswich City Enterprises Pty Ltd;
- Ipswich City Enterprises Investments Pty Ltd; and
- Ipswich City Developments Pty Ltd.

ADVANCE IPSWICH THEME

Listening, leading and financial management

PURPOSE OF REPORT/BACKGROUND

The Financial Statements and Director's Reports for each of the controlled entities have been prepared and developed with the support and supervision of Council's Finance Branch.

The following briefly outlines the activities undertaken by each of the entities during the 2018-2019 financial year and the current status of the entity.

Ipswich City Developments Pty Ltd

ICD sold its remaining property asset, located at 101 Limestone Street, Ipswich, to Council which settled on 14 August 2018. It provided a final dividend of \$2.5 million to Council and its principal activities ceased during August 2018. Following a resolution of its Board on 20 August 2018 and a resolution by the Members on 30 August 2018, ICD commenced a Members Voluntary Liquidation for the purpose of wind up and deregistration. The Liquidators were appointed effective 30 August 2018 and finalised the remaining assets and liabilities of ICD and provided a final distribution of \$449,000 to Council.

ICD was deregistered on 20 June 2019.

Ipswich City Enterprises Pty Ltd

On 23 April 2018 Council resolved to endorse the winding up of ICE and it sold the business of Fire Station 101 to Council in August 2018.

The principal activities of ICE have now ceased. Subject to the finalisation of arrangements related to a licence agreement held by ICEI, it is likely that ICE will be placed into Members Voluntary Liquidation prior to December 2019 and that the resultant deregistration will occur prior to 30 June 2019.

The costs associated with the intended Members Voluntary Liquidation and subsequent deregistration are expected to be less than \$20,000. Apart from these costs, the winding-up of ICE does not impose any additional costs or liabilities on Council.

Ipswich City Enterprises Investments Pty Ltd

On 23 April 2018 Council resolved to endorse the winding up of ICEI's parent entity, ICE.

The principal activities of ICEI have now ceased. Subject to the finalisation of arrangements related to a licence agreement, it is likely that ICEI will be placed into Members Voluntary Liquidation prior to December 2019 and that the resultant deregistration will occur prior to 30 June 2019.

The costs associated with the intended Members Voluntary Liquidation and subsequent deregistration are expected to be less than \$20,000. Apart from these costs, the winding-up of ICEI does not impose any additional costs or liabilities on Council.

Ipswich City Properties Pty Ltd

On 16 October 2018, Council resolved to endorse the winding up and ultimately deregistration of ICP. This strategic decision to close ICP as soon as practical was intended to bring the Nicholas Street – Ipswich Central Project into the higher transparent governance regime of Council.

During 2018-2019 ICP, in conjunction with Council, continued to advance the components of the Nicholas Street – Ipswich Central Project, including the civic and community precincts as well as the Council administration building. Simultaneously ICP began the process of transferring its assets and operations to Council, which was completed on 27 June 2019.

The principal activities of ICP have now ceased and it is likely that it will be placed into Members Voluntary Liquidation prior to December 2019 and that the resultant deregistration will occur prior to 30 June 2019.

The costs associated with the transfer of ICP's assets and operations to Council as well as the intended Members Voluntary Liquidation and subsequent deregistration, are estimated to be \$160,000, across Council and ICP. Council has incurred statutory fees of approximately \$90,000 relating to the transfer of ICP's assets. Apart from these costs, the winding-up of ICP does not impose any additional costs or liabilities on Council.

Council is now managing the Nicholas Street – Ipswich Central Project under a Steering Committee, with monthly progress reports being publicly made available through Council's Economic Development Committee and full Council meetings each month.

LEGAL/POLICY BASIS

This report and its recommendations are consistent with the following legislative provisions:

Local Government Act 2009

Local Government Regulation 2012

Australian Accounting Standards

RISK MANAGEMENT IMPLICATIONS

The Financial Statements of these controlled entities are consolidated into Council's Financial Statements. Their preparation and certification was a key component in Council complying with key reporting deadlines as agreed with QAO and s212 of *the Local Government Regulation 2012*.

The transfer of their assets and operations, wind up and ultimate deregistration of these entities, are significant steps in managing the reputational risks of Council.

FINANCIAL/RESOURCE IMPLICATIONS

There are no financial or resource implications related to this report as the preparation and audit of these controlled entities are included as part of the business as usual activities of Council's Finance Branch.








COMMUNITY AND OTHER CONSULTATION

Community consultation has not been undertaken in relation to this report. Whilst its content will be of interest to the community, it is a matter of statutory financial reporting for each of the respective controlled entities.

CONCLUSION

The Financial Statements and accompanying Director's Reports for ICP, ICE and ICE as well as the unaudited Financial Statements for ICD, be noted.

ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

1	2019 Ipswich City Properties Pty Ltd Annual Financial Statements - QAO Certified  
2	2019 Ipswich City Enterprises Pty Ltd Annual Financial Statements - QAO Certified  
3	2019 Ipswich City Enterprises Investments Pty Ltd Annual Financial Statements - QAO Certified  
4	2019 Ipswich City Developments Pty Ltd UNAUDITED Annual Financial Statements  

Paul Mollenhauer

TREASURY ACCOUNTING MANAGER

I concur with the recommendations contained in this report.

Jeffrey Keech

FINANCE MANAGER

I concur with the recommendations contained in this report.

Andrew Knight

GENERAL MANAGER - CORPORATE SERVICES

"Together, we proudly enhance the quality of life for our community"

Ipswich City Properties Pty Ltd
Financial Report for the year ended 30 June 2019

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$000's	2018 \$000's
Income from Sales			
Sales Revenue		2,507	14,369
Less: Cost of Sale	7	2,840	14,036
Net Sales		<u>(333)</u>	<u>333</u>
Other Income			
Rental Income		1,320	1,208
Interest		6	7
Debt Forgiven		24,925	-
Other Revenue		523	606
Total Other Income		<u>26,774</u>	<u>1,822</u>
Total Income		<u>26,441</u>	<u>2,154</u>
Expense			
Depreciation Expense	12	4	-
Materials and Services	2	3,438	3,751
Employee Benefit	3	7	12
Other Expenses	4	1,682	1,797
Total Expense		<u>5,131</u>	<u>5,560</u>
Loss on Transfer of Assets	10	1,500	-
Loss on Revaluation	13	-	940
Operating Surplus (Deficit) for the Year		<u>19,811</u>	<u>(4,346)</u>
Other Comprehensive Income			
Items that will not be reclassified to net result			
Increase/ (Decrease) in Asset Revaluation Surplus	11	-	(3,815)
Total Other Comprehensive Income		<u>-</u>	<u>(3,815)</u>
Total Comprehensive Income		<u>19,811</u>	<u>(8,161)</u>

The accompanying notes form part of the financial statements.

IPSWICH CITY PROPERTIES PTY LTD

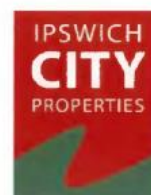
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DIRECTOR'S REPORT AND FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

Ipswich City Properties Pty Ltd
Financial Report for the year ended 30 June 2019

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Ipswich City Properties Pty Ltd Director's Report 2018-2019

The Director presents the report on Ipswich City Properties Pty Ltd (the Company) for the financial year ended 30 June 2019.

Directors

The names of the Directors in office at any time during or since the end of the financial year were:

Mr G Chemello (appointed as sole Director on 14 September 2018)

Mr P Tully (ceased on 30 August 2018)

Mr A Antonioli (ceased on 30 August 2018)

Mr D Best (resigned on 13 September 2018)

Mr G Finnegan (resigned on 4 September 2018)

Mr S Lummis (resigned on 6 September 2018)

Mr S Madigan (resigned on 14 September 2018)

During the 2019 financial year, the constitution of the Company was amended to allow the Company to operate with a sole Director. Ipswich City Council (Council), as sole shareholder of the Company, appointed Mr. Greg Chemello to be the sole Director and Company Secretary.

Net Results

The net result of the Company for the financial year ended 30 June 2019 was a surplus of \$19.8 million.

Review of Operations

The Company is a wholly owned subsidiary of Council and is governed by a Board with a Sole Director.

The Company was established to provide a business vehicle to support Council's intention to stimulate the revitalisation of the Ipswich Central Business District (CBD) under the Nicholas Street - Ipswich Central Project (previously referred to as the Ipswich CBD Transformation Project). The Company's specific objective was to undertake all activities required to carry out and complete the acquisition, redevelopment, management and sale of Ipswich City Square shopping centre.

The Nicholas Street - Ipswich Central Project is a transit oriented development in the CBD incorporating planned retail, commercial and civic offices, residential, cultural and recreational outcomes, including upgrades to both Nicholas Street and Union Place. The key focus is on the 24/7 vitality and inner city living with the creation of a vibrant urban centre

and a street based retail precinct centred around a new purpose built Council administration building and a state of the art city library.

An overview of significant activities conducted by the Company in the 2019 financial year follows:

- Planning and design (based on extensive community feedback) on both the new civic and community precincts, the administration building and retail precinct;
- Subdivision and development approval for the future administration building;
- Development application lodged for all other areas of the Nicholas Street - Ipswich Central Project;
- Demolition and site preparation of the civic area and the area for the future administration building as well as the deconstruction and stabilisation of the Commonwealth Hotel;
- Leasing strategy and market sounding for retail assets that focus on maximising flexibility for the future staging of the Nicholas Street – Ipswich Central Project by retaining as many tenants as possible on a monthly holdover basis;
- Preparation of design concepts and business cases for retail assets.

Matters relating to former Directors

Attention is drawn to Note 20 of the Company's Financial Report for the year ending 30 June 2019 regarding matters relating to former Directors.

Dividends

No dividends have been paid or declared during the 2019 financial year and no dividends have been recommended or provided for by the Directors of the Company.

Indemnification of Directors and Officers

During the financial year, there was an insurance policy in place for the benefit of Directors, secretaries, and executive officers of the Company. The insurance policy grants indemnification in respect of certain liabilities for which the Corporations Act 2001 allows indemnification. The insurance policy does not permit the disclosure of the nature of the liabilities insured nor the amount of the premium. No insurance cover has been provided for the benefit of the auditors of the Company.

Director's Strategic Intent

On 16 October 2018, Council resolved to endorse the winding up and ultimately deregistration of the Company. This strategic decision to close the company as soon as practical was intended to bring the Nicholas Street – Ipswich Central Project into the higher transparent governance regime of Council.

During 2018-2019 the Company, in conjunction with Council, continued to advance the components of the Nicholas Street – Ipswich Central Project, including the civic and community precincts as well as the Council administration building. Simultaneously the Company began the process of transferring its assets and operations to Council, which was completed on 27 June 2019.

The principal activities of the Company have now ceased and it is the Board's expectation that the Company will be placed into Member Voluntary Liquidation prior to December 2019 and that the resultant deregistration will occur prior to 30 June 2019.

The costs associated with the transfer of the Company's assets and operations to Council as well as the intended Member Voluntary Liquidation and subsequent deregistration, are estimated to be \$160,000, across Council and the Company. The Company also understands that Council has incurred statutory fees of approximately \$90,000 relating to the transfer of the Company's assets. Apart from these costs, the winding-up of the Company does not impose any additional costs or liabilities on Council.

It is the Company's understanding that Council is now managing the Nicholas Street – Ipswich Central Project under a Steering Committee, with monthly progress reports being publicly made available through Council's Economic Development Committee and full Council meetings each month.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2019 forms part of this report and a copy of this declaration is attached.

This report is made in accordance with a resolution of the Board of the Company and is signed by:



Mr. Greg Chemello
Director and Company Secretary

Dated 10/10/19

AUDITOR'S INDEPENDENCE DECLARATION

To the Director of Ipswich City Properties Pty Ltd

This auditor's independence declaration has been provided pursuant to s.307C of the *Corporations Act 2001*.

Independence declaration

As lead auditor for the audit of Ipswich City Properties Pty Ltd for the financial year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



Patrick Flemming
as delegate of the Auditor-General

10 October 2019
Queensland Audit Office
Brisbane

Ipswich City Properties Pty Ltd
Financial Report for the year ended 30 June 2019

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	2019 \$000's	2018 \$000's
Assets			
Current Assets			
Cash and Cash Equivalents	5	323	103
Trade and Other Receivables	6	67	15,261
Construction Work In Progress-Development Agreement	7	-	513
Other Current Assets	8	4	7
Non-Current Asset Held for Distribution to Owners	9	-	12,750
Total Current Assets		<u>394</u>	<u>28,634</u>
Non-Current Assets			
Work in Progress	10	-	1,722
Investment Property	13	-	15,045
Total Non-Current Assets		<u>-</u>	<u>16,767</u>
TOTAL ASSETS		<u>394</u>	<u>45,401</u>
Liabilities			
Current Liabilities			
Trade and Other Payables	14	199	1,119
Other Current Liabilities		-	121
Total Current Liabilities		<u>199</u>	<u>1,240</u>
Non-Current Liabilities			
Loans	15	-	63,777
Total Non-Current Liabilities		<u>-</u>	<u>63,777</u>
TOTAL LIABILITIES		<u>199</u>	<u>65,017</u>
NET ASSETS (LIABILITIES)		<u>195</u>	<u>(19,615)</u>
Equity			
Retained Earnings		195	(19,615)
TOTAL EQUITY		<u>195</u>	<u>(19,615)</u>

The accompanying notes form part of the financial statements.

Ipswich City Properties Pty Ltd
Financial Report for the year ended 30 June 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

		Asset Revaluation Surplus \$000's	Retained Earnings \$000's	Total *
	Note			\$000's
Balance as at 30 June 2017		12,973	(24,427)	(11,453)
Operating Surplus (Deficit) for the Year		-	(4,346)	(4,346)
Decrease in Asset Revaluation Surplus	11	(3,815)	-	(3,815)
Transfer Asset Revaluation Surplus to Retained Earnings		(9,158)	9,158	-
Balance as at 30 June 2018		-	(19,615)	(19,615)
Operating Surplus (Deficit) for the Year		-	19,811	19,811
Balance as at 30 June 2019		-	195	195

* The value of issued share capital is \$1.00 for 2018 and 2019 financial years, refer to Note 16.

The accompanying notes form part of the financial statements.

Page 8

Ipswich City Properties Pty Ltd
Financial Report for the year ended 30 June 2019

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$000's	2018 \$000's
Cash flows from Operating Activities			
Receipts of Rental Income and Distributions		7,187	3,502
Payments to Suppliers		(12,989)	(20,445)
Interest Received		6	7
Net Cash Provided (Used) by Operating Activities		(5,796)	(16,936)
Cash Flows from Investing Activities			
Payments for Work In Progress		(2,111)	(1,572)
Payments for Investment Property		-	(6,240)
Payments for Furniture and Fittings		(23)	-
Net Cash Provided (Used) by Investing Activities		(2,135)	(7,813)
Cash Flows from Financing Activities			
Proceeds from Borrowings		8,900	24,760
Repayment of Borrowings		(750)	-
Net Cash Provided (Used) by Financing Activities		8,150	24,760
Net Increase (Decrease) in Cash and Cash Equivalents Held		220	11
Cash and Cash Equivalents at the Beginning of the Financial Year		103	92
Cash and Cash Equivalents at the End of the Financial Year	5	323	103

The accompanying notes form part of the financial statements.

Ipswich City Properties Pty Ltd
Financial Report for the year ended 30 June 2019

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Objectives and Principal Activities of the Company

The objectives of Ipswich City Properties Pty Ltd (the Company) are the acquisition, re-development, management and sale of the property known as Ipswich City Square, located at 163 Brisbane Street, Ipswich (the Project).

The principal activities of the Company include all necessary activities related to the Project and may include:

- acquiring land and structures for the Project;
- analysing and evaluating the market which is relevant to the Company;
- developing and formulating business cases;
- tendering and appointing a developer or developers;
- identifying and obtaining all necessary approvals;
- giving guarantees, mortgages over the assets of the Company, or any other form of security to help facilitate the development of the Project;
- selling or otherwise transferring the land and structures of the Project;
- negotiating any commercial arrangements relevant to the Project;
- taking any other steps which are consistent with the undertaking of the Project.

Ipswich City Council resolved on 16 October 2018 to endorse the winding up and deregistration of the Company and integration of the assets and operations of the Company into Ipswich City Council. Refer Note 19 for additional information.

Note 1: Statement of Significant Accounting Policies

(a) Basis of Preparation

These financial statements are general purpose financial statements prepared under the accrual basis of accounting in accordance with the requirements of the *Corporations Act 2001* and the Australian Accounting Standards – Reduced Disclosure Requirements and Australian Accounting Interpretations.

With respect to compliance with the Australian Accounting Standards and Interpretations, the Company has applied those requirements applicable to for-profit entities, as the Company is a for-profit public sector entity. Except where otherwise stated, the financial statements have been prepared in accordance with the historical cost basis. All amounts throughout the financial statements are in Australian dollars.

(b) The Reporting Entity

The Company does not control other entities. The financial statements include the value of all revenue, expenses, assets, liabilities and equity for the Company as an individual entity.

(c) Comparative Figures

Amounts presented in the financial statements have been rounded to the nearest thousand or, where that amount is less than \$500, to nil.

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Ipswich City Properties Pty Ltd
Financial Report for the year ended 30 June 2019

Note 1: Statement of Significant Accounting Policies (continued)

(d) Financial Instruments

Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provisions to the financial instrument.

Classification

Financial instruments are classified and measured as follows:

- Receivables – held at amortised cost
- Payables – held at amortised cost
- Loans – held at amortised cost

The carrying amounts of trade receivables and payables approximate their fair values.

No financial assets and financial liabilities have been offset and presented on a net basis in the Statement of Financial Position.

The Company does not enter into, or trade with, instruments for speculative purposes, nor for hedging.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(f) Trade and Other Receivables

Debtors are recognised at the amounts due at the time of sale or service delivery, i.e. the agreed purchase / contract price, with settlement on debtors being generally required within 30 days from the invoice date.

The collectability of receivables is assessed periodically for impairment. All known bad debts were written off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue.

(g) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(h) Taxation

(i) GST

Revenues, expenses, assets and liabilities are recognised net of the amount of GST.

Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing activities which are disclosed as operating activities.

(ii) Income Tax

Ipswich City Properties Pty Ltd is exempt from income tax under Section 24AK as it is an STB under Section 24AO of the Income Tax Assessment Act 1936.

Ipswich City Properties Pty Ltd
Financial Report for the year ended 30 June 2019

Note 1: Statement of Significant Accounting Policies (continued)

(i) Adoption of Tier 2 Format for Financial Statement

AASB 1053 Application of Tiers of Australian Accounting Standards applies from reporting periods beginning on or after 1 July 2013. AASB 1053 establishes a differential reporting framework for those entities that prepare general purpose financial statements, consisting of two tiers of reporting requirements - Australian Accounting Standards (commonly referred to as "tier 1"), and Australian Accounting Standards - Reduced Disclosure Requirements (commonly referred to as "tier 2"). Tier 1 requirements comprise the full range of AASB recognition, measurement, presentation and disclosure requirements that are currently applicable to reporting entities in Australia. The only difference between the tier 1 and tier 2 requirements is that tier 2 requires fewer disclosures than tier 1.

(j) Adoption of New and Revised Accounting Standards

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

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

AASB 16 Leases

AASB 16 replaces AASB 117 Leases. A lease liability will initially be measured at the present value of the lease payments to be made over the lease term. A corresponding right-of-use asset will also be recognised over the lease term. There will be no material impact arising from this standard.

(k) First Year Application of New Accounting Standards or Change in Accounting Policy

AASB 9 Financial Instruments

The Company applied AASB 9 Financial Instruments for the first time in the 2019 financial year. Comparative information has not been restated and continues to be reported under AASB 139 Financial Instruments: Recognition and Measurement. The nature and effect of the changes as a result of adoption of this new accounting standard are described below.

(i) Classification and measurement

- there was no change to either the classification or valuation of the cash and cash equivalent item.
- trade receivables are classified and measured at amortised cost, similar to the previous classification of receivables.
- all financial liabilities continue to be measured at amortised cost, similar to the previous classification of liabilities.

(ii) Impairment

AASB 9 requires the loss allowance to be measured using a forward-looking expected credit loss approach, replacing AASB 139's incurred loss approach. AASB 9 also requires a loss allowance to be recognised for all debt instruments other than those held at fair value through profit or loss. The Company has assessed the receivables and written off bad debts by the end of the 2019 financial year. On adoption of AASB 9's new impairment model, the Company has concluded that there is no material impact.

AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a comprehensive framework for determining the timing and value of revenue recognised from contracts with customers which supersedes AASB 111 Construction Contracts and AASB 118 Revenue and related interpretations. Only contractual counterparties that are customers are assessed under AASB 15, which requires careful analysis of the circumstances to confirm whether a customer relationship exists. The new standard replaces and enhances existing revenue recognition guidance as the new standard is based on the principle that revenue is recognised when an entity completes its performance obligations under a contract e.g. transfers goods to or performs services for the customer.

The Company has no revenue contracts with customers thus there is no impact on revenue recognition.

(l) Revenue

Rental Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of GST.

Ipswich City Properties Pty Ltd
Financial Report for the year ended 30 June 2019

Note 1: Statement of Significant Accounting Policies (continued)

(m) Construction Work In Progress-Development Agreement

The Company has entered into a Development Agreement with Ipswich City Council to construct several key components of the Ipswich CBD Transformation Project. The Company transferred the full balance of the Construction Work in Progress-Development Agreement to Ipswich City Council on 27 June 2019. Refer to Note 7 for additional information.

(n) Property, Plant and Equipment

Property, Plant and Equipment is carried at fair value less, where applicable, any accumulated depreciation and impairment losses. Items of Property, Plant and Equipment with a cost in excess of \$1 are recognised for financial reporting purposes in the year of acquisition.

(i) Acquisition of Assets

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration such as cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

(ii) Capital and Operating Expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are included in the Statement of Comprehensive Income during the financial period in which they are incurred.

(iii) Fair value measurement

AASB 13 sets out the definition of 'fair value' as well as principles to be applied when determining the fair value of assets and liabilities. The requirements apply to all of the company's assets and liabilities (excluding leases) that are measured and/or disclosed at fair value.

(iv) Valuation

Land, buildings, plant and equipment are measured at fair value in accordance with AASB 116 Property, Plant and Equipment and AASB 13 Fair Value Measurement. Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each asset does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers to determine the fair value for each asset at least once every 5 years. In the intervening years, the Director conducts a Director's valuation to ensure the land, buildings, plant and equipment's carrying amount is not materially different to the fair value.

Increases in the carrying amount arising on revaluation are credited to an asset revaluation surplus in shareholder's equity. Decreases that offset previous increases of the same asset are charged against the asset revaluation surplus directly in equity; all other decreases are charged to the Statement of Comprehensive Income. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

(v) Transfer

Freehold Land was reclassified and revalued in the 2018 financial year and transferred to Non-Current Asset Held for Distribution to Owners and Investment Properties. Refer to Note 9, Note 11 and Note 13 for additional information.

The Company transferred the full balance of Furniture and Fittings to Ipswich City Council on 27 June 2019. At 30 June 2019, property, plant and equipment had a nil balance. Refer to Notes 9 to 13 for additional information.

Ipswich City Properties Pty Ltd
Financial Report for the year ended 30 June 2019

Note 1: Statement of Significant Accounting Policies (continued)

(o) Impairment

Assets are assessed for indicators of impairment annually. If an indicator of possible impairment exists, the company determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised as an expense in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

(p) Lease

Investment Properties including tenancies

The Company leased components of Ipswich City Square to predominately retail tenants. Ipswich City Square has been earmarked for redevelopment for the past few years, resulting in an increasing number of vacant premises during the financial year. A number of the remaining tenancies were leased on a month by month basis.

2 Bell Street, Ipswich was purchased in the 2018 financial year and was classified as an investment property. At the date of purchase, 2 Bell Street was leased to a number of commercial tenants, predominately the State of Queensland. Tenants in 2 Bell Street had long term leases with options.

All investment properties have been transferred to Ipswich City Council on 27 June 2019. Refer Note 13 for additional information.

Lessor

On behalf of Ipswich City Council, the Company leased office accommodation in 143 Brisbane Street to a number of tenants from September 2017 to November 2018. These offices were leased on a month by month basis.

Lessee

The Company leased level 1, 143 Brisbane Street, from Ipswich City Council during July and August 2017. The Company leased Level 4, 143 Brisbane Street from 1 July 2018 to 16 August 2018. The rental expense for the Company within one year is nil.

(q) Accounting Estimates and Judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in future periods as relevant. Significant accounting estimates and judgements have been applied to the revaluation of Freehold Land and Investment Properties, refer Note 9, Note 11 and Note 13. These assets were transferred to Ipswich City Council on 27 June 2019.

(r) Issuance of Financial Statements

The financial statements are authorised for issue by the Director at the date of signing the Director's Declaration.

Ipswich City Properties Pty Ltd
Financial Report for the year ended 30 June 2019

	2019 \$000's	2018 \$000's
Note 2 Materials and Services		
Centre Management	588	430
Rates and Other Utilities Charges	1,110	1,399
Cleaning	434	459
Consultants and Contractors	32	61
Media Expenses	99	182
Repairs and Maintenance	333	333
Security	400	402
Other Materials and Services	442	484
	<u>3,438</u>	<u>3,751</u>
Note 3 Employee Benefit		
Directors' Fees	6	11
Superannuation	1	1
	<u>7</u>	<u>12</u>
Note 4 Other Expenses		
Auditor's Remuneration	40	20
Travel Costs	2	9
Rent	9	6
Bad Debts Written Off	58	-
Construction Expenses	435	538
Fees and Permits	30	42
Land Tax	205	188
Administration and Management	384	342
Marketing	68	130
Service Charges	-	51
Property Management Agreement	20	114
Car Park Expenses	161	156
General Expenses	271	202
	<u>1,682</u>	<u>1,797</u>
The 2018-2019 audit fees for the Company will be paid by Ipswich City Council.		
Note 5 Cash and Cash Equivalents		
Cash at Bank	323	103
	<u>323</u>	<u>103</u>
Note 6 Trade and Other Receivables		
Trade Receivables	39	15,261
GST Receivable	29	-
	<u>67</u>	<u>15,261</u>
Note 7 Construction Work In Progress-Development Agreement		
Site Costs	-	1
Professional and Consultancy Fees	-	418
Marketing Costs	-	86
Other Costs	-	8
	<u>-</u>	<u>513</u>
Construction Work In Progress-Development Agreement		
Carrying Amount at 1 July	513	2,145
add New addition	2,327	12,404
less transfer to Cost of Sale	(2,840)	(14,036)
Carrying Amount at 30 June	<u>-</u>	<u>513</u>

The Company transferred the full balance of Construction Work in Progress-Development Agreement to Cost of Sale on 27 June 2019.

Ipswich City Properties Pty Ltd
Financial Report for the year ended 30 June 2019

	Note	2019 \$000's	2018 \$000's
Note 8 Other Current Assets			
Prepayments		4	7
		<u>4</u>	<u>7</u>
Note 9 Non-Current Asset Held for Distribution to Owners			
Carrying Amount at 1 July		12,750	-
add transfer from Freehold Land		-	12,750
less transfer to Ipswich City Council		(12,750)	-
Carrying Amount at 30 June		<u>-</u>	<u>12,750</u>
The Company had applied AASB 5 Non-current Assets Held for Sale and Discontinued Operations for the 2018 financial year. The Company transferred the 23 Ipswich City Mall (Civic Area) and the 1 Union Place Mall (Administration Building) to Ipswich City Council on 27 June 2019.			
Note 10 Work in Progress			
Site Costs		-	3
Professional and Consultancy Fees		-	538
Construction Costs		-	1,181
		<u>-</u>	<u>1,722</u>
Work in Progress			
Carrying Amount at 1 July		1,722	867
add new addition		2,078	855
loss on transfer of asset to Ipswich City Council		(1,500)	-
less transfer to Ipswich City Council		(2,300)	-
Carrying Amount at 30 June		<u>-</u>	<u>1,722</u>
The Company transferred the full balance of Work in Progress to Ipswich City Council on 27 June 2019.			
Note 11 Freehold Land			
Carrying Amount at 1 July		-	26,310
less revaluation		-	(3,815)
less transfer to Non-Current Asset Held for Distribution to Owners	9	-	(12,750)
less transfer to Investment Properties	13	-	(9,745)
Carrying Amount at 30 June		<u>-</u>	<u>-</u>
Loss on valuation of Freehold Land in 2018 financial year decreased the Asset Revaluation Surplus by \$3,815,000.			
Note 12 Furniture and Fittings			
Carrying Amount at 1 July		-	-
add acquisition		23	-
less depreciation		(4)	-
less transfer to Ipswich City Council		(20)	-
Carrying Amount at 30 June		<u>-</u>	<u>-</u>
The Company transferred the full balance of Furniture and Fittings to Ipswich City Council on 27 June 2019.			

Ipswich City Properties Pty Ltd
Financial Report for the year ended 30 June 2019

	Note	2019 \$000's	2018 \$000's
Note 13 Investment Property			
Carrying Amount at 1 July		15,045	-
add acquisition		-	6,240
less revaluation		-	(940)
add transfer from Freehold Land		-	9,745
less transfer to Ipswich City Council		(15,045)	-
Carrying amount at 30 June		<u>-</u>	<u>15,045</u>
Investment Property			
2 Bell Street		-	5,300
5 Union Place (Murphy's Pub)		-	460
Ipswich City Square		-	9,285
		<u>-</u>	<u>15,045</u>

The Company has applied AASB 140 Investment Property. Investment property is comprised of 163 Brisbane St, 24 Ipswich City Mall, 25 Ipswich City Mall, 27 Ipswich City Mall, Lot 25, Brisbane St Ipswich, 5 Union Place (Murphy's Pub) and leased property at 2 Bell St, Ipswich. The fair value model is applied for the investment properties. The difference between the fair value of the investment properties and the carrying amount is recognised in the Statement of Comprehensive Income.

All investment properties were independently valued by Jones Lang LaSalle Advisory Services Pty Ltd at 24 April 2019 prior to the transfer to Ipswich City Council on 27 June 2019.

Note 14 Trade and Other Payables			
Trade and Other Payables		199	816
Employee Payables		-	3
GST Payable		-	299
		<u>199</u>	<u>1,119</u>
Note 15 Loans - Ipswich City Council			
Opening Balance		63,777	39,017
Advances		8,900	24,760
less balance adjustment		(11)	-
Principle Repayment		(750)	-
Settlement under the Deed of Release		(46,990)	-
Debt Forgiven		(24,925)	-
Closing Balance		<u>-</u>	<u>63,777</u>

The Company had a loan agreement with Ipswich City Council. This loan did not have a principal repayment schedule or minimum monthly repayment, operated similar to a line of credit facility and had a facility limit of \$75 million. The loan has been settled and the balance of the loan is nil at the end of 2019 financial year. The loan was settled under the Deed of Release signed with Ipswich City Council by assets transfer including Construction Work in Progress-Development Agreement (refer Note 7), Non-current Asset Held for Distribution to Owners (refer Note 9), Work in Progress (refer Note 10) and Furniture and Fittings (refer Note 12). The interest rate of the loan was zero percent for both 2018 and 2019 financial years.

Ipswich City Properties Pty Ltd
Financial Report for the year ended 30 June 2019

Note 16 Company Details

The registered office and principal place of business of the company is:

C/- Ipswich City Council
45 Roderick Street
IPSWICH QLD 4305
ACN : 135 760 637
ABN: 88 135 760 637

Following a resolution of Ipswich City Council, the Company was incorporated on 9 March 2009.
Ipswich City Council is the parent entity and has control over the Company.

The Company has issued and paid up capital of 1 ordinary share at \$1.00 each. Total Contributed Equity is \$1.00 for 2018 and 2019.

Note 17 No dividends were paid or declared by the Company during 2018 and 2019 financial years.

Ipswich City Properties Pty Ltd
Financial Report for the year ended 30 June 2019**Note 18 Related Parties**

(a) The following persons were appointed by Ipswich City Council and held office as directors of the Company during the current and previous financial years unless ceased before the balance dates as stated below:

	Note	Appointment Date	Cease Date
Mr G Chemello		14/09/2018	
Mr P Tully		09/03/2009	30/08/2018
Mr A Antonioli		17/09/2014	30/08/2018
Mr J Lindsay		09/03/2009	29/01/2018
Mr A Roach		14/10/2014	16/04/2018
Mr D Best		06/01/2014	13/09/2018
Mr G Finnegan (Non-executive Director)		27/02/2018	04/09/2018
Mr S Lummis (Non-executive Director)		27/02/2018	06/09/2018
Mr S Madigan (Alternate Director)		29/05/2018	14/09/2018

Ipswich City Council resolved on 14 September 2018 to exercise its right as sole shareholder and member to modify the constitution of the Company to allow it to operate with a sole Director and appointed Mr Gregory Chemello as the sole Director and Company Secretary.

(b) The following fees were paid to the former Directors of the Company.

		2019 \$000's	2018 \$000's
Mr G Finnegan	3	3	6
Mr S Lummis	3	4	6

(c) Loans and Guarantees from Related Parties.

Loan facility limit - Ipswich City Council.		
Please refer to Note 15 for additional information.	-	75,000

(d) Transactions between the Company and related parties were on arm's length basis in a normal commercial term except as indicated in Note 18 (e) and (f).

(e) The following amounts (ex GST) were received, or were receivable, from entities related to the Company for services or resources provided:

Ipswich City Council

Sales of Properties			
- Non-Current Asset Held for Distribution to Owners	9	12,750	-
- Furniture and Fittings	12	20	-
- Investment Property	13	15,045	-
Sales of Work in Progress	10	2,300	-
Construction services related to the Ipswich CBD redevelopment		2,470	14,406
Rental income		8	35
Reimbursement of expenses		102	152
Ipswich City Developments Pty Ltd (ICD)			
Rental income for Council collected by the Company	18 (f)	-	57
* Office support expenses recovery		2	-
Ipswich City Enterprises Pty Ltd (ICE)			
* Office support expenses recovery		1	-
Ipswich City Enterprises Investments Pty Ltd (ICEI)			
* Office support expenses recovery		1	-
Total		32,698	14,650

Ipswich City Properties Pty Ltd
Financial Report for the year ended 30 June 2019**Note 18 Related Parties (continued)**

Note 18 (e) (continued)

* ICD, ICE and ICEI paid the Company for the provision of serviced office accommodation for Level 4, 143 Brisbane Street from July 2018 to August 2018, which encompassed the provision of office space, use of furniture assets, office consumables and supporting services. The service charge to the related parties was based on the proportionate use of the services.

(f) The following amounts (ex GST) were paid, or were payable, to entities related to the Company for services or resources received:

	2019 \$000's	2018 \$000's
Ipswich City Council		
Council Rate and Fire levy	610	815
Administration and management support	939	634
* Rental income collected for Ipswich City Council	22	98
Rental expenses for 143 Brisbane	9	-
General expenses including catering, promotion, rubbish removal, application fees and reimbursement of expenses.	61	83
Ipswich City Developments Pty Ltd (ICD)		
Acquired furniture and office equipment	23	-
** Office support expenses recovery	-	51
Reimbursement of expenses	-	8
Ipswich City Enterprises Pty Ltd		
Reimbursement of expenses	-	2
Total	1,664	1,691

* The Company collected the rental income of 143 Brisbane Street, Ipswich for Ipswich City Council from September 2017 to November 2018. This included the rent collected from ICD in Note 18 (e). Based on a service agreement, Ipswich City Council invoiced the Company for the rent collected.

** The Company paid ICD for the provision of serviced office accommodation in 2018 financial year, which encompassed the provision of office space, use of furniture assets, office consumables and supporting services. The service charge was set by ICD annually based on their projected costs and charged to the Company based on the proportionate use of the services.

(g) Debts owed of \$32,802 by a company controlled by a former member of the key management personnel of Ipswich City Council were written off during the financial year.

Note 19 Going Concern

Ipswich City Council resolved on 16 October 2018 to endorse the winding up and deregistration of the Company and integration of the assets and operations of the Company into Ipswich City Council. Prior to commencing the deregistration process, the Company transferred most of its assets to Ipswich City Council on 27 June 2019 (refer to Notes 7, 9, 10, 12, 13). The Company has settled the full balance of the loan with Ipswich City Council on 27 June 2019, refer to note 15. This financial report has been prepared on a basis consistent with the going concern basis, as it is the Company's intention to settle all liabilities and realise any assets prior to winding up. Any residual assets will be transferred to Ipswich City Council immediately prior to deregistration.

Ipswich City Properties Pty Ltd
Financial Report for the year ended 30 June 2019

Note 20 Matters Relating to Former Directors

On 14 August 2018 the Crime and Corruption Commission (CCC) tabled in State Parliament its report titled *Culture and corruption risks in Local Government: Lessons learned from an investigation into Ipswich City Council (Operation Windage)*. As a result of the investigation serious charges were laid against former Directors in relation to their roles with Ipswich City Council. No former Director has acted on behalf of the Company, subsequent to being charged. To the best of the Company's knowledge at the date of this report, there is no material impact on this financial report.

Ipswich City Properties Pty Ltd
Financial Report for the year ended 30 June 2019

DIRECTOR'S DECLARATION

The Director of the Company declares that:

1. the attached financial statements and notes thereto, including the matters disclosed in Note 19 Going Concern, are in accordance with the *Corporations Act 2001*, including compliance with Australian accounting standards - reduced disclosure requirements and giving a true and fair view of the financial position as at 30 June 2019 and of the performance of the Company for the financial year ended on that date; and
2. In the Director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of the Company.



Mr. Gregory Chemello
Director and Company Secretary

Dated 10/10/19



INDEPENDENT AUDITOR'S REPORT

To the Members of Ipswich City Properties Pty Ltd

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Ipswich City Properties Pty Ltd.

In my opinion, the financial report:

- a) gives a true and fair view of the company's financial position as at 30 June 2019, and its financial performance and cash flows for the year then ended
- b) complies with the *Corporations Act 2001*, the Corporations Regulations 2001 and Australian Accounting Standards – Reduced Disclosure Requirements.

The financial report comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the director's declaration.

Basis for opinion

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

I am independent of the company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*. I am also independent of the entity in accordance with the auditor independence requirements of the *Corporations Act 2001*, and confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of matter – Council intends to transfer operations to parent entity and deregister company

I draw attention to Note 19 of the financial report, which describes that Ipswich City Council resolved on 16 October 2018 to endorse the winding up and deregistration of the company. The note also describes the intention to transfer the company's operations to the parent entity, including transferring the company's assets and liabilities to the parent at their carrying values, much of which has occurred to date. As a result of this the company's financial report has been prepared on a basis consistent with the going concern basis. My opinion is not modified in respect of this matter.



Other information

Other information comprises the information included in the company's director's report for the year ended 30 June 2019, but does not include the financial report and my auditor's report thereon.

Those charged with governance are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

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

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Responsibilities of the company for the financial report

The company's directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Corporations Act 2001*, the Corporations Regulations 2001 and Australian Accounting Standards – Reduced Disclosure Requirements, and for such internal control as the company's directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The company's directors are also responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

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

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



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the company.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

A handwritten signature in blue ink, appearing to read 'P. Flemming'.

Patrick Flemming
as delegate of the Auditor-General

18 October 2019
Queensland Audit Office
Brisbane

IPSWICH CITY ENTERPRISES PTY LTD

ABN 88 095 487 086

DIRECTOR'S REPORT AND CONSOLIDATED FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

Ipswich City Enterprises Pty Ltd
Consolidated Financial Report for the year ended 30 June 2019

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Ipswich City Enterprises Pty Ltd Director's Report 2018-2019

The Director presents the report on Ipswich City Enterprises Pty Ltd (the Company) for the financial year ended 30 June 2019.

Directors

The names of the Directors in office at any time during or since the end of the financial year were:

Mr G Chemello (appointed as sole Director on 27 November 2018)

Mr D Morrison (resigned on 26 November 2018)

Mr P Tully (resigned on 30 October 2018)

Mr D Best (ceased on 27 November 2018)

During the 2019 financial year, the constitution of the Company was amended to allow the Company to operate with a sole Director. Ipswich City Council (Council), as sole shareholder of the Company, appointed Mr. Gregory Chemello as the sole Director and Company Secretary.

Net Results

The consolidated net result of the Company for the financial year ended 30 June 2019 was a surplus of \$121,773.

Review of Operations

The Company is 100% owned by Council and is governed by a Board with a sole Director. Ipswich City Enterprises Investment Pty Ltd is a wholly owned subsidiary of the Company.

The Company was established to provide a business vehicle to support the commercial objectives of Council. The company provided funds and managed the Ipswich innovation hub (Fire Station 101) supporting the start-up, developer, tech, designer, maker, marketer, inventor and investor community.

The objective of Ipswich City Enterprises Investments Pty Ltd was to provide sound governance of the Services Queensland Partnership as a commercial enterprise. The Services Queensland Partnership ceased trading on 6 November 2017 and the Partnership Agreement expired on 7 November 2017.

An overview of significant activities conducted by the Company in the 2019 financial year follows:

- The Company sold the business of Fire Station 101 to Council in August 2018.

Matters relating to former Directors

Attention is drawn to Note 15 of the Company's Consolidated Financial Report for the year ending 30 June 2019 regarding matters relating to former Directors.

Dividends

The Company declared dividends totalling \$5,215,000 to Council between July and August 2018. All dividends have been paid in full by the Company.

Indemnification of Directors and Officers

During the financial year, there was an insurance policy in place for the benefit of Directors, secretaries and executive officers of the Company. The insurance policy grants indemnification in respect of certain liabilities for which the Corporations Act 2001 allows indemnification. The insurance policy does not permit the disclosure of the nature of the liabilities insured nor the amount of the premium. No insurance cover has been provided for the benefit of the auditors of the Company.

Director's Strategic Intent

On 23 April 2018 Council resolved to endorse the winding up of the Company.

The Company sold the business of Fire Station 101 to Council in August 2018.


The principal activities of the Company have now ceased. Subject to the finalisation of arrangements related to the Licence Agreement between Ipswich City Enterprises Investment Pty Ltd and QPGJV, it is the Board's expectation that the Company will be placed into Member Voluntary Liquidation prior to December 2019 and that the resultant deregistration will occur prior to 30 June 2019.

The costs associated with the intended Member Voluntary Liquidation and subsequent deregistration are expected to be less than \$20,000. Apart from these costs, the winding-up of the Company does not impose any additional costs or liabilities on Council.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2019 forms part of this report and a copy of this declaration is attached.

This report is made in accordance with a resolution of the Board of the Company and is signed by:



Mr. Gregory Chemello
Director and Company Secretary

Dated 10/10/19

AUDITOR'S INDEPENDENCE DECLARATION

To the Director of Ipswich City Enterprises Pty Ltd

This auditor's independence declaration has been provided pursuant to s.307C of the *Corporations Act 2001*.

Independence declaration

As lead auditor for the audit of Ipswich City Enterprises Pty Ltd for the financial year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



Patrick Flemming
as delegate of the Auditor-General

10 October 2019
Queensland Audit Office
Brisbane

Ipswich City Enterprises Pty Ltd
Consolidated Financial Report for the year ended 30 June 2019

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Consolidated		Company	
		2019 \$	2018 \$	2019 \$	2018 \$
Income					
Distributions		-	761,286	-	-
Interest		20,235	99,827	2,018	3,380
Dividends Revenue	2a	-	-	4,885,000	384,982
Other Revenue	3	139,488	395,879	9,488	107,288
Total Income		159,724	1,256,993	4,896,506	495,650
Expenses					
Bad Debt Expenses		-	5,055	-	5,055
Audit Fees		9,000	5,700	4,500	5,500
Depreciation Expenses	4	1,059	12,711	1,059	12,711
General Costs	5	27,891	423,162	25,934	416,266
Total Expenses		37,951	446,628	31,493	439,531
Operating Surplus (Deficit) for the Year		121,773	810,365	4,865,013	56,119
TOTAL COMPREHENSIVE INCOME		121,773	810,365	4,865,013	56,119

The accompanying notes form part of these financial statements
Page 5

Ipswich City Enterprises Pty Ltd
Consolidated Financial Report for the year ended 30 June 2019

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Notes	Consolidated		Company	
		2019	2018	2019	2018
		\$	\$	\$	\$
Assets					
Current Assets					
Cash and Cash Equivalents	6	273,290	5,116,124	31,624	315,736
Trade and Other Receivables	7	-	199,204	-	24,486
Total Current Assets		273,290	5,315,328	31,624	340,222
Non-Current Assets					
Property, Plant and Equipment	4	-	68,631	-	68,631
Investment in Subsidiary		-	-	1	1
Total Non-Current Assets		-	68,631	1	68,632
TOTAL ASSETS		273,290	5,383,958	31,625	408,854
Liabilities					
Current Liabilities					
Trade and Other Payables	8	13,000	7,920	-	6,268
Unearned Revenue		-	3,882	-	3,882
Accrued Expenses	9	-	18,640	-	17,092
Total Current Liabilities		13,000	30,442	-	27,241
TOTAL LIABILITIES		13,000	30,442	-	27,241
NET ASSETS (LIABILITIES)		260,290	5,353,517	31,625	381,612
Equity					
Contributed Equity	10	1	1	1	1
Retained Earnings		260,289	5,353,516	31,624	381,611
TOTAL EQUITY		260,290	5,353,517	31,625	381,612

The accompanying notes form part of these financial statements
Page 6

Ipswich City Enterprises Pty Ltd
Consolidated Financial Report for the year ended 30 June 2019

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

Consolidated	Notes	Contributed Equity \$	Retained Earnings \$	Total \$
Balance as at 30 June 2017		1	4,543,151	4,543,152
Operating Surplus (Deficit) Attributable to the Parent Entity for the Year		-	810,365	810,365
Balance as at 30 June 2018		1	5,353,516	5,353,517
Operating Surplus (Deficit) Attributable to the Parent Entity for the Year		-	121,773	121,773
Dividends Declared	2b	-	(5,215,000)	(5,215,000)
Balance as at 30 June 2019		1	260,289	260,290

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

Company		Contributed Equity \$	Retained Earnings \$	Total \$
Balance as at 30 June 2017		1	325,493	325,494
Operating Surplus (Deficit) for the Year		-	56,119	56,119
Balance as at 30 June 2018		1	381,611	381,612
Operating Surplus (Deficit) for the Year		-	4,865,013	4,865,013
Dividends Declared	2b	-	(5,215,000)	(5,215,000)
Balance as at 30 June 2019		1	31,624	31,625

The accompanying notes form part of these financial statements

Ipswich City Enterprises Pty Ltd
Consolidated Financial Report for the year ended 30 June 2019

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Consolidated		Company	
		2019 \$	2018 \$	2019 \$	2018 \$
Cash Flows from Operating Activities					
Distributions Received		-	761,286	-	-
Dividends Received	2a	-	-	4,885,000	384,982
Dividends Paid	2b	(5,215,000)	-	(5,215,000)	-
Receipts for Services Provided		370,154	329,901	34,153	145,589
Payments to Suppliers		(86,697)	(498,813)	(58,757)	(455,857)
Interest Received		20,235	99,827	2,018	3,380
Net Cash Provided (Used) by Operating Activities		(4,911,308)	692,201	(352,586)	78,094
Cash Flows from Investing Activities					
Proceeds from Sale of Property, Plant and Equipment		68,474	-	68,474	-
Net Cash Provided (Used) by Investing Activities		68,474	-	68,474	-
Net Increase (Decrease) in Cash and Cash Equivalents Held		(4,842,834)	692,201	(284,112)	78,094
Cash and Cash Equivalents at the Beginning of the Financial Year		5,116,124	4,423,923	315,736	237,641
Cash and Cash Equivalents at the End of the Financial Year	6	273,290	5,116,124	31,624	315,736

The accompanying notes form part of these financial statements
Page 8

Ipswich City Enterprises Pty Ltd
Consolidated Financial Report for the year ended 30 June 2019

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Objectives and Principal Activities of the Company

The objective of Ipswich City Enterprises Pty Ltd (the Company) is to provide a business vehicle to support the commercial activities of Ipswich City Council to generate revenue additional to rates and charges revenue.

The principal activities of the Company included all necessary activities related to the objectives including:

- monitoring the performance of Ipswich City Enterprises Investments Pty Ltd;
- investigating opportunities for commercial activities.

The Company was incorporated on 29 December 2000 by Ipswich City Council (Council) which has 100% ownership of the Company's one share for a consideration of \$1.

Ipswich City Council resolved on 23 April 2018 to endorse the winding up of the Company. Additional information is presented in Note 14.

Note 1 Statement of Significant Accounting Policies

(a) Basis of Preparation

Reporting Basis and Conventions

These financial statements are general purpose financial statements prepared under the accrual basis of accounting in accordance with the requirements of the *Corporations Act 2001* and the Australian Accounting Standards – Reduced Disclosure Requirements and Australian Accounting Interpretations.

With respect to compliance with Australian Accounting Standards and Interpretations, the Company has applied those requirements applicable to for-profit entities, as the Company is a for-profit public sector entity. Except where otherwise stated the financial statements have been prepared in accordance with the historical cost basis. All amounts throughout the financial statements are in Australian dollars.

It is the intention of the Director to wind up the Company once all its contractual arrangements are settled or transferred. Consequently the Company is not a going concern. These financial statements, however, have been prepared on a basis consistent with a going concern basis of accounting. Refer Note 14 for further details.

(b) Principles of Consolidation

Ipswich City Enterprises Investments Pty Ltd is a wholly owned subsidiary which the company acquired on 5 October 2007.

During 2007-2008 Council entered into an agreement whereby its customer services would be delivered via a shared services arrangement. Council manages its investment in this initiative via wholly owned subsidiaries, Ipswich City Enterprises Pty Ltd (ICE) and Ipswich City Enterprises Investments Pty Ltd (ICEI). Services Queensland Partnership partners, Ipswich City Enterprises Investments Pty Ltd (50%), Partnerships Australia Pty Ltd (16.67%) and Prevwood Pty Ltd (33.33%), entered into an agreement to establish a partnership and appoint Local Partnership Services Pty Ltd as the manager of the partnership.

The consolidated figures reflect 100% of the Ipswich City Enterprises Investments Pty Ltd figures, less any inter entity eliminated transactions, which is consistent with the treatment required under AASB 10 – Consolidated Financial Statements.

The Services Queensland Partnership ceased trading on 6 November 2017 and the Partnership Agreement expired on 7 November 2017.

(c) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Ipswich City Enterprises Pty Ltd
Consolidated Financial Report for the year ended 30 June 2019

Note 1 Statement of Significant Accounting Policies (continued)

(d) Financial Instruments

Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provisions to the financial instrument.

Classification

Financial instruments are classified and measured as follows:

- Receivables – held at amortised cost
- Payables – held at amortised cost
- Investment in subsidiary cost

The carrying amounts of trade receivables and payables approximate their fair value.

No financial assets and financial liabilities have been offset and presented on a net basis in the Statement of Financial Position.

The Company does not enter into, or trade with, instruments for speculative purposes, nor for hedging.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks.

(f) Trade and Other Receivables

Debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase or contract price, with settlement on debtors being generally required within 30 days from the invoice date.

The collectability of receivables is assessed periodically with provision being made for impairment. All known bad debts were written-off as at 30 June. Increases in the allowance for impairment are based on loss events that have occurred.

(g) Investments

The Company holds an equity instrument in its wholly owned subsidiary Ipswich City Enterprises Investments Pty Ltd which entitles it to an annual dividend if dividends were to be declared. This investment is unquoted and an active market does not exist. As a result the fair value of this investment cannot be reliably measured therefore it is measured at cost.

(h) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(i) Taxation

(i) GST

Revenues, expenses and assets are recognised net of the amount of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing activities which are disclosed as operating activities.

(ii) Income Tax

Ipswich City Enterprises Pty Ltd is exempt from income tax under Section 24AK as it is an STB under Section 24AO of the *Income Tax Assessment Act 1936*.

(iii) Income Tax - Partnership

The partners in the Services Queensland partnership were entitled to the whole of any income, if any, of the partnership and therefore no tax is payable by the partnership.

Ipswich City Enterprises Pty Ltd
Consolidated Financial Report for the year ended 30 June 2019

Note 1 Statement of Significant Accounting Policies (continued)

(j) Adoption of Tier 2 Format for Financial Statement

AASB 1053 Application of Tiers of Australian Accounting Standards applies in this financial report. AASB 1053 establishes a differential reporting framework for those entities that prepare general purpose financial statements, consisting of two tiers of reporting requirements - Australian Accounting Standards (commonly referred to as "tier 1"), and Australian Accounting Standards - Reduced Disclosure Requirements (commonly referred to as "tier 2"). Tier 1 requirements comprise the full range of AASB recognition, measurement, presentation and disclosure requirements that are currently applicable to reporting entities in Australia. The only difference between the tier 1 and tier 2 requirements is that tier 2 requires fewer disclosures than tier 1.

(k) Adoption of New and Revised Accounting Standards

The Australian Accounting Standards and Interpretations that have recently been issued or amended, but are not yet effective and have not been adopted by the Company for the period ended 30 June, are outlined below. These amended Australian Accounting Standards and Interpretations which were issued at the date of authorisation of the financial report and have future commencement dates will not have a material impact on the financial statements as the Company is being wound up.

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

AASB 16 Leases

AASB 16 replaces AASB 117 Leases. A lease liability will initially be measured at the present value of the lease payments to be made over the lease term. A corresponding right-of-use asset will also be recognised over the lease term. There will not be any material impact by applying this standard.

(l) First Year Application of New Accounting Standards or Change in Accounting Policy

AASB 9 Financial Instruments

The Company applied AASB 9 Financial Instruments for the first time in 2019 financial year. Comparative information for 2018 financial year has not been restated and continue to be reported under AASB 139 Financial Instruments: Recognition and Measurement. The nature and effect of the changes as a result of adoption of this new accounting standard are described as below.

(i) Classification and measurement

- there was no change to either the classification or valuation of the cash and cash equivalent item.
- trade receivables are classified and measured at amortised cost, similar to the previous classification of receivables.
- all financial liabilities continue to be measured at amortised cost. There is no material impact on the reported value of financial liabilities.

(ii) Impairment

AASB 9 requires the loss allowance to be measured using a forward-looking expected credit loss approach, replacing AASB 139's incurred loss approach. AASB 9 also requires a loss allowance to be recognised for all debt instruments other than those held at fair value through profit or loss. On adoption of AASB 9's new impairment model, the Company has concluded that there is no impact.

AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a comprehensive framework for determining the timing and value of revenue recognised from contracts with customers which supersedes AASB 111 Construction Contracts and AASB 118 Revenue and related interpretations. Only contractual counterparties that are customers are assessed under AASB 15, which requires careful analysis of the circumstances to confirm whether a customer relationship exists. The new standard replaces and enhances existing revenue recognition guidance as the new standard is based on the principle that revenue is recognised when an entity completes its performance obligations under a contract e.g. transfers goods to or performs services for the customer.

The Company has no contract with customers thus no impact in the revenue recognition.

Ipswich City Enterprises Pty Ltd
Consolidated Financial Report for the year ended 30 June 2019

Note 1 Statement of Significant Accounting Policies (continued)

(m) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue from the rendering of services is recognised upon the delivery of the service to the customer.

All revenue is stated net of the amount of goods and services tax (GST).

(n) Issuance of Financial Statements

The financial statements are authorised for issue by the Director at the date of signing the Director's Declaration.

(o) Property, Plant and Equipment

Plant and equipment is measured at cost and is carried at its cost less any accumulated depreciation. The depreciable amount of all fixed assets is depreciated on a straight line basis over the asset's useful life to the entity, commencing from the time the assets are held ready for use.

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. All property, plant and equipment was sold to Ipswich City Council in the 2019 financial year. Refer to Note 4 for additional information.

(p) Lease

The Company leased 101 Limestone Street, Ipswich from Ipswich City Developments Pty Ltd in a term from 8 February 2016 to 28 February 2019 for the purpose of operating its business Fire Station 101. The lease was terminated in August 2018 as the Company sold the business of Fire Station 101 to Ipswich City Council. The minimum future rental expenses under non-cancellable operating lease is nil.

(q) Accounting Estimates and Judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Significant accounting estimates and judgements have been applied to the asset lives of Property, Plant and Equipment, refer to Note 4. At 30 June 2019, Property, Plant and Equipment has a nil balance.

Ipswich City Enterprises Pty Ltd
Consolidated Financial Report for the year ended 30 June 2019

Note 2a Dividends Receivable
During the 2017-2018 financial year, dividends of \$384,982 were declared and paid by Ipswich City Enterprises Investments Pty Ltd (ICEI) to Ipswich City Enterprises Pty Ltd (ICE). During the 2018-2019 financial year, dividends of \$4,885,000 were declared and paid by Ipswich City Enterprises Investments Pty Ltd (ICEI) to Ipswich City Enterprises Pty Ltd (ICE).

	Dividends Receivable by ICE from ICEI \$
Balance as at 30 June 2017	-
Dividends declared by ICEI to ICE	384,982
Dividends paid by ICEI to ICE	(384,982)
Balance as at 30 June 2018	-
Dividends declared by ICEI to ICE	4,885,000
Dividends paid by ICEI to ICE	(4,885,000)
Balance as at 30 June 2019	-

Note 2b Dividends Paid
The Company has declared dividends totalling \$5,215,000 to Ipswich City Council between July and August 2018. All dividends have been paid in full by the Company.

	Consolidated		Company	
	2019 \$	2018 \$	2019 \$	2018 \$
Note 3 Other Revenue				
Licence Fees	130,000	120,000	-	-
Service Revenue	-	169,144	-	-
Membership Revenue	5,962	56,147	5,962	56,147
Others	3,526	50,588	3,526	51,141
Total Other Revenue	139,488	395,879	9,488	107,288

Note 4 Property, Plant and Equipment				
Furniture and Building Fitout	-	79,388	-	79,388
less Accumulated Depreciation	-	(18,257)	-	(18,257)
Total Furniture and Building Fitout	-	61,131	-	61,131
Equipment	-	17,901	-	17,901
less Accumulated Depreciation	-	(10,401)	-	(10,401)
Total Equipment	-	7,499	-	7,499
Total Property, Plant and Equipment	-	68,631	-	68,631

Ipswich City Enterprises Pty Ltd
Consolidated Financial Report for the year ended 30 June 2019

Note 4 (continued)

Consolidated	Furniture and Building Fitout	Equipment	Total
Property, Plant and Equipment Reconciliation	\$	\$	\$
Carrying amount at 30 June 2017	69,070	12,272	81,342
less Depreciation	(7,939)	(4,772)	(12,711)
Carrying amount at 30 June 2018	61,131	7,499	68,631
less Depreciation	(662)	(398)	(1,059)
less Disposal	(60,470)	(7,102)	(67,571)
Carrying amount at 30 June 2019	-	-	-

Company	Furniture and Building Fitout	Equipment	Total
Property, Plant and Equipment Reconciliation	\$	\$	\$
Carrying amount at 30 June 2017	69,070	12,272	81,342
less Depreciation	(7,939)	(4,772)	(12,711)
Carrying amount at 30 June 2018	61,131	7,499	68,631
less Depreciation	(662)	(398)	(1,059)
less Disposal	(60,470)	(7,102)	(67,571)
Carrying amount at 30 June 2019	-	-	-

All the furniture, building fitout and equipment were sold by the Company to Ipswich City Council in August 2018 as part of the sale of the business of Fire Station 101. The business sold for \$69,534.

	Consolidated		Company	
	2019 \$	2018 \$	2019 \$	2018 \$
Note 5 General Costs				
Consultancy Fees	-	30,459	-	30,459
Legal Costs	1,400	1,414	1,400	1,414
Rental Expenses	13,264	112,583	13,264	112,583
Other Utility Charges	2,913	15,339	2,913	15,339
Travel Costs	25	3,256	25	3,256
Management Services	-	158,613	-	158,613
Other Costs	10,289	101,497	8,332	94,600
Total General Costs	27,891	423,162	25,934	416,266
Note 6 Cash and Cash Equivalents				
Cash at Bank	273,290	5,107,962	31,624	312,532
Cash at Bank - Debit Card	-	8,162	-	3,204
Total Cash and Cash Equivalents	273,290	5,116,124	31,624	315,736
Note 7 Trade and Other Receivables				
Trade Receivables	-	190,605	-	4,252
Other Receivables	-	1,551	-	1,551
GST Receivable	-	7,048	-	18,684
	-	199,204	-	24,486

Ipswich City Enterprises Pty Ltd
Consolidated Financial Report for the year ended 30 June 2019

		Consolidated		Company	
		2019	2018	2019	2018
		\$	\$	\$	\$
Note 8	Trade and Other Payables				
	Trade Payables	-	7,920	-	6,268
	GST Payable	13,000	-	-	-
		<u>13,000</u>	<u>7,920</u>	<u>-</u>	<u>6,268</u>
Note 9	Accrued Expenses				
	Audit Fees Payable	-	4,561	-	3,012
	Other Expenses	-	14,080	-	14,080
		<u>-</u>	<u>18,640</u>	<u>-</u>	<u>17,092</u>

The estimated 2018-2019 audit fees are \$3,500 for the Company and \$2,500 for Ipswich City Enterprises Investments Pty Ltd. These audit fees will be paid by Ipswich City Council.

Note 10	Issued and Paid Up Capital				
	1 Ordinary Share at \$1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

Note 11 **Company Details**
The registered office and principal place of business of the Company is:
C/- Ipswich City Council
45 Roderick Street
IPSWICH QLD 4305
ACN: 095 487 086
ABN: 88 095 487 086

Note 12 **Related Parties**
(a) The following persons were appointed by Ipswich City Council. They held office as Directors of Ipswich City Enterprises Pty Ltd (ICE) during the current and the previous financial years and up to the balance date unless ceased before balance date as stated below:

	Note	Appointment Date	Cease Date
Mr P Tully		29/12/2000	30/10/2018
Mr D Morrison		24/04/2018	26/11/2018
Mr J Lindsay		19/09/2006	29/01/2018
Mr A Roach		19/12/2014	16/04/2018
Mr D Best		18/02/2014	27/11/2018
Mr G Chemello		27/11/2018	

On 27 November 2018, the Member resolved to modify the constitution of the Company to allow the Company to operate with a sole Director, and appointed Mr Gregory Chemello as the sole Director and Company Secretary.

(b) No fees were paid to the Directors of the Company.

(c) Transactions between the Company and related parties were on arm's length basis in a normal commercial term except as indicated in Notes 12 (f) and (g).

Ipswich City Enterprises Pty Ltd
Consolidated Financial Report for the year ended 30 June 2019

Note 12

Related Parties (continued)

(d) The following amounts (ex GST) were paid, or are payable by the Services Queensland Partnership to entities related to the Company for services or resources provided to or performed on behalf of the partnership:

	2019 \$	2018 \$
Ipswich City Council		
Administration services	-	2,553,037

(e) The following amounts (ex GST) were paid, or are payable by the Services Queensland Partnership to Ipswich City Enterprises Investments Pty Ltd:

Distribution of partnership profit	-	761,286
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(f) The following amounts (ex GST) were paid, or are payable by Ipswich City Enterprises Pty Ltd to related entities for services or resources received:

Ipswich City Council (Council)

Management services - Council's personnel cost recovery for personnel allocated to the Company's activities

12,480	146,133
--------	---------

General expenses

4,195	19,728
-------	--------

Membership fees transfer

347	-
-----	---

Ipswich City Developments Pty Ltd (ICD)

Rental expenses

13,015	106,253
--------	---------

* Office support expenses recovery

-	21,600
---	--------

General expenses

248	6,681
-----	-------

Ipswich City Properties Pty Ltd (ICP)

* Office support expenses recovery

1,000	-
-------	---

General expenses

119	-
-----	---

Total

31,404	300,395
--------	---------

* The Company paid ICD and ICP for the provision of serviced office accommodation which encompassed the provision of office space, use of furniture assets and office consumables, and supporting services. The service charges were set based on their projected costs and were charged to the Company based on the proportionate use of the services.

(g) The following amounts (ex GST) were paid, or are payable, by Ipswich City Enterprises Investments Pty Ltd (ICEI) to related entities for services or resources received:

Ipswich City Properties Pty Ltd (ICP)

* Office support expenses recovery

1,000	-
-------	---

Ipswich City Developments Pty Ltd (ICD)

* Office support expenses recovery

-	6,360
---	-------

General expenses

-	19
---	----

Ipswich City Enterprises Pty Ltd

General expenses

-	552
---	-----

Total

1,000	6,932
-------	-------

* ICEI paid ICD and ICP for the provision of serviced office accommodation which encompassed the provision of office space, use of furniture assets and office consumables, and supporting services. The service charges were set based on their projected costs and were charged to ICEI based on the proportionate use of the services.

Ipswich City Enterprises Pty Ltd
Consolidated Financial Report for the year ended 30 June 2019**Note 12 Related Parties (continued)**

(h) The following amounts (ex GST) were received, or are receivable, by Ipswich City Enterprises Pty Ltd from related entities for services or resources provided:

	2019 \$	2018 \$
Ipswich City Council		
Sale of Fire Station 101 business	69,534	-
Venue hire income	-	15,423
Reimbursement of expenses	350	29
Ipswich City Developments Pty Ltd		
Reimbursement of expenses	-	1,816
Ipswich City Properties Pty Ltd		
Reimbursement of expenses	400	2,206
Ipswich Motorsport Park Pty Ltd (IMP)		
Reimbursement of other expenses	-	1,197
Ipswich City Enterprises Investments Pty Ltd		
Reimbursement of expenses	-	552
Total	70,284	21,223

(i) Dividends received and dividends payments refer to Note 2.

Note 13 Contingent Liabilities

There are no past events that have given rise to a potential measurable or non-measurable obligation; therefore, no contingent liabilities have been recognised.

Note 14 Going Concern and Events Subsequent to Balance Date

The Director of the Company intends to transfer the Company's operations to the parent entity and to deregister the Company. As part of this process, as far as is practical, the Company will dispose of its assets to Ipswich City Council and settle outstanding liabilities prior to commencing a Members Voluntary Liquidation. Accordingly, this financial report has been prepared on a basis consistent with the going concern basis.

Following a resolution of the Board of the Company, dated 20 August 2018 the Company has recommended to undertake a Members Voluntary Liquidation and deregistration to finalise the remaining assets and liabilities of the Company. However as at the date of this report, the subsequent Members Resolution has not yet been prepared.

Ipswich City Council resolved on 23 April 2018 to endorse the winding up of the Company.

Note 15 Matters Relating to Former Directors

On 14 August 2018 the Crime and Corruption Commission (CCC) tabled in State Parliament its report titled *Culture and corruption risks in Local Government: Lessons learned from an investigation into Ipswich City Council (Operation Windage)*. As a result of the investigation serious charges were laid against former Directors in relation to their roles with Ipswich City Council. No former Director has acted on behalf of the Company, subsequent to being charged. To the best of the Company's knowledge at the date of this report, there is no material impact on this financial report.


Ipswich City Enterprises Pty Ltd
Consolidated Financial Report for the year ended 30 June 2019

DIRECTOR'S DECLARATION

The Director of the Company declares that:

- 1 the attached financial statements and notes thereto, including the matters disclosed in Note 14 Going Concern and Events Subsequent to Balance Date, are in accordance with the Corporations Act 2001, including compliance with Australia accounting standards - reduced disclosure requirements and giving a true and fair view of the financial position of the Company and the consolidated entity as at 30 June 2019 and of their performance for the financial year ended on that date; and
- 2 in the Director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of the Company.



Mr. Gregory Chemello
Director and Company Secretary

Dated _____

10/10/19



INDEPENDENT AUDITOR'S REPORT

To the Members of Ipswich City Enterprises Pty Ltd

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Ipswich City Enterprises Pty Ltd (the parent) and its controlled entities (the group).

In my opinion, the financial report:

- a) gives a true and fair view of the group's financial position as at 30 June 2019, and its financial performance and cash flows for the year then ended
- b) complies with the *Corporations Act 2001*, the Corporations Regulations 2001 and Australian Accounting Standards – Reduced Disclosure Requirements.

The financial report comprises the statements of financial position as at 30 June 2019, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the director's declaration.

Basis for opinion

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

I am independent of the group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*. I am also independent of the entity in accordance with the auditor independence requirements of the *Corporations Act 2001*, and confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the director of the group, would be in the same terms if given to the director as at the time of this auditor's report.

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

Emphasis of matter – Directors intend to transfer operations to parent entity and deregister group

I draw attention to Note 14 of the financial report, which describes that the Board resolved on 20 August 2018 to recommend to the members that the group undertake a Members Voluntary Liquidation and deregistration to finalise the remaining assets and liabilities. The note also describes that the Director intends to transfer the group's operations to the parent entity, including disposing of its assets to the parent entity and settling outstanding liabilities prior to commencing a Members Voluntary Liquidation. As a result, the financial report has been prepared on a basis consistent with the going concern basis. My opinion is not modified in respect of this matter.



Other information

Other information comprises the information included in the group's director's report for the year ended 30 June 2019, but does not include the financial report and my auditor's report thereon.

Those charged with governance are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

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

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Responsibilities of the group for the financial report

The group's director is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Corporations Act 2001*, the Corporations Regulations 2001 and Australian Accounting Standards – Reduced Disclosure Requirements, and for such internal control as the groups's director determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The group's director is also responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

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

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



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the group.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

A handwritten signature in black ink, appearing to read 'P. Flemming'.

Patrick Flemming
as delegate of the Auditor-General

18 October 2019

Queensland Audit Office
Brisbane

**IPSWICH CITY ENTERPRISES
INVESTMENTS PTY LTD**

ABN 42 127 862 515

**DIRECTOR'S REPORT
AND
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

Ipswich City Enterprises Investments Pty Ltd
Financial Report for the year ended 30 June 2019

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Ipswich City Enterprises Investments Pty Ltd Director's Report 2018-2019

The Director presents the report on Ipswich City Enterprises Investments Pty Ltd (the Company) for the financial year ended 30 June 2019.

Directors

The names of the Directors in office at any time during or since the end of the financial year were:

Mr G Chemello (appointed as sole Director on 27 November 2018)
Mr D Morrison (resigned on 26 November 2018)
Mr P Tully (resigned on 30 October 2018)
Mr D Best (ceased on 27 November 2018)

During the 2019 financial year, the constitution of the Company was amended to allow the Company to operate with a sole Director. The Member of the Company, Ipswich City Enterprises Pty Ltd, appointed Mr. Gregory Chemello as the sole Director and Company Secretary.

Net Results

The net result of the Company for the financial year ended 30 June 2019 was a surplus of \$141,760.

Review of Operations

The Company is a wholly owned subsidiary of Ipswich City Enterprises Pty Ltd (ICE).

The Company was established to provide sound governance of the Services Queensland Partnership as a commercial enterprise.

The Services Queensland Partnership ceased trading on 6 November 2017 and the Partnership Agreement expired on 7 November 2017.

The Company has not actively traded during the financial year and has incurred only minor operating costs and audit fees. Its major revenues comprise bank account interest and licence fees from QPGJV (unincorporated joint venture between Partnerships Australia Pty Ltd and Prevwood Pty Ltd).

Matters relating to former Directors

Attention is drawn to Note 14 of the Company's Financial Report for the year ending 30 June 2019 regarding matters relating to former Directors.

Dividends

The Company declared dividends totalling \$4,885,000 to ICE during the 2019 financial year. All dividends have been paid in full by the Company.

Indemnification of Directors and Officers

During the financial year, there was an insurance policy in place for the benefit of Directors, secretaries and executive officers of the Company. The insurance policy grants indemnification in respect of certain liabilities for which the Corporations Act 2001 allows indemnification. The insurance policy does not permit the disclosure of the nature of the liabilities insured nor the amount of the premium. No insurance cover has been provided for the benefit of the auditors of the Company.

Director's Strategic Intent

On 23 April 2018 Council resolved to endorse the winding up of the Company's parent entity, ICE.

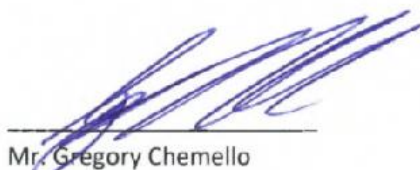
The principal activities of the Company have now ceased. Subject to the finalisation of arrangements related to the Licence Agreement with QPGJV, it is the Board's expectation that the Company will be placed into Member Voluntary Liquidation prior to December 2019 and that the resultant deregistration will occur prior to 30 June 2019.

The costs associated with the intended Member Voluntary Liquidation and subsequent deregistration are expected to be less than \$20,000. Apart from these costs, the winding-up of the Company does not impose any additional costs or liabilities on Council.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2019 forms part of this report and a copy of this declaration is attached.

This report is made in accordance with a resolution of the Board of the Company and is signed by:



Mr. Gregory Chemello
Director and Company Secretary

Dated 10/10/19

AUDITOR'S INDEPENDENCE DECLARATION

To the Director of Ipswich City Enterprises Investments Pty Ltd

This auditor's independence declaration has been provided pursuant to s.307C of the *Corporations Act 2001*.

Independence declaration

As lead auditor for the audit of Ipswich City Enterprises Investments Pty Ltd for the financial year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



Patrick Flemming
as delegate of the Auditor-General

10 October 2019
Queensland Audit Office
Brisbane

Ipswich City Enterprises Investments Pty Ltd
Financial Report for the year ended 30 June 2019

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	Company	
		2019	2018
		\$	\$
Income			
Distributions		-	761,286
Interest		18,218	96,447
Other Revenue	2	130,000	289,144
Total Income		<u>148,218</u>	<u>1,146,876</u>
Expense			
Audit Fees		4,500	200
General Costs	3	1,957	7,448
Total Expense		<u>6,457</u>	<u>7,648</u>
Operating Surplus (Deficit) for the Year		<u>141,760</u>	<u>1,139,228</u>
TOTAL COMPREHENSIVE INCOME		<u>141,760</u>	<u>1,139,228</u>

The accompanying notes form part of these financial statements

Ipswich City Enterprises Investments Pty Ltd
Financial Report for the year ended 30 June 2019

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Notes	Company	
		2019	2018
		\$	\$
Assets			
Current Assets			
Cash and Cash Equivalents	4	241,666	4,800,388
Trade and Other Receivables	5	-	186,905
Total Current Assets		<u>241,666</u>	<u>4,987,293</u>
TOTAL ASSETS		<u>241,666</u>	<u>4,987,293</u>
Liabilities			
Current Liabilities			
Trade and Other Payables	6	13,000	13,839
Accrued Expenses	7	-	1,549
Total Current Liabilities		<u>13,000</u>	<u>15,388</u>
TOTAL LIABILITIES		<u>13,000</u>	<u>15,388</u>
NET ASSETS (LIABILITIES)		<u>228,666</u>	<u>4,971,905</u>
Equity			
Contributed Equity	8	1	1
Retained Earnings		228,665	4,971,904
TOTAL EQUITY		<u>228,666</u>	<u>4,971,905</u>

The accompanying notes form part of these financial statements

Ipswich City Enterprises Investments Pty Ltd
Financial Report for the year ended 30 June 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

Company	Note	Contributed Equity \$	Retained Earnings \$	Total \$
Balance as at 30 June 2017		1	4,217,659	4,217,660
Operating Surplus (Deficit) for the Year		-	1,139,228	1,139,228
Dividends Declared	9	-	(384,982)	(384,982)
Balance as at 30 June 2018		<u>1</u>	<u>4,971,904</u>	<u>4,971,905</u>
Operating Surplus (Deficit) for the Year		-	141,760	141,760
Dividends Declared	9	-	(4,885,000)	(4,885,000)
Balance as at 30 June 2019		<u><u>1</u></u>	<u><u>228,665</u></u>	<u><u>228,666</u></u>

The accompanying notes form part of these financial statements

Ipswich City Enterprises Investments Pty Ltd
Financial Report for the year ended 30 June 2019

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	Company	
		2019	2018
		\$	\$
Cash Flows from Operating Activities			
Distributions Received		-	761,286
Dividends Paid	9	(4,885,000)	(384,982)
Receipts for Services Provided		336,001	183,815
Payments to Suppliers		(27,941)	(42,459)
Interest Received		18,218	96,447
Net Cash Provided (Used) by Operating Activities		<u>(4,558,722)</u>	<u>614,107</u>
Net Increase (Decrease) in Cash and Cash Equivalents Held		<u>(4,558,722)</u>	<u>614,107</u>
Cash and Cash Equivalents at the Beginning of the Financial Year		4,800,388	4,186,281
Cash and Cash Equivalents at the End of the Financial Year	4	<u>241,666</u>	<u>4,800,388</u>

The accompanying notes form part of these financial statements

Ipswich City Enterprises Investments Pty Ltd
Financial Report for the year ended 30 June 2019

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Objectives and Principal Activities of the Company

The objective of Ipswich City Enterprises Investments Pty Ltd (the Company) was to provide sound governance of the former Services Queensland Partnership as a commercial enterprise.

The principal activities of the Company included all necessary activities related to the objectives including:

- regular review of the Services Queensland Partnership performance;
- investigate opportunities to expand the Services Queensland Partnership business.

The Company was incorporated on 5 October 2007 and Ipswich City Enterprises Pty Ltd acquired 100% ownership via purchase of the Company's one share for a consideration of \$1. Ipswich City Council is the ultimate parent entity and has control over Ipswich City Enterprises Pty Ltd.

Ipswich City Council resolved on 23 April 2018 to endorse the winding up of the Company's parent, Ipswich City Enterprises Pty Ltd. Additional information is presented in Note 13.

Note 1 Statement of Significant Accounting Policies

(a) Basis of Preparation

Reporting Basis and Conventions

These financial statements are general purpose financial statements prepared under the accrual basis of accounting in accordance with the requirements of the *Corporations Act 2001* and the Australian Accounting Standards – Reduced Disclosure Requirements and Australian Accounting Interpretations.

With respect to compliance with Australian Accounting Standards and Interpretations, the Company has applied those requirements applicable to for-profit entities, as the Company is a for-profit public sector entity. Except where otherwise stated the financial statements have been prepared in accordance with the historical cost basis. All amounts throughout the financial statements are in Australian dollars.

It is the intention of the Director to wind up the Company once all its contractual arrangements are settled or transferred. Consequently the Company is not a going concern. These financial statements, however, have been prepared on a basis consistent with a going concern basis of accounting. Refer Note 13 for further details.

(b) Interest in Other Entities

During 2007-2008 Ipswich City Council (Council) entered into an agreement whereby its customer services would be delivered via a shared services arrangement. Council manages its investment in this initiative via wholly owned subsidiaries, Ipswich City Enterprises Pty Ltd (ICE) and Ipswich City Enterprises Investments Pty Ltd (ICEI). ICEI is a wholly owned subsidiary of ICE. Services Queensland Partnership partners, Ipswich City Enterprises Investments Pty Ltd (50%), Partnerships Australia Pty Ltd (16.67%) and Prevwood Pty Ltd (33.33%), entered into an agreement to establish a partnership and appoint Local Partnership Services Pty Ltd as the manager of the partnership.

Services Queensland Partnership principal place of business was 25 Evelyn Street, Newstead, Brisbane Qld 4006.

The financial results of the Services Queensland Partnership are not consolidated into these Financial Statements. Separate financial statements for Services Queensland Partnership have been prepared and audited.

The Services Queensland Partnership ceased trading on 6 November 2017 and the Partnership Agreement expired on 7 November 2017.

All profits of Services Queensland were distributed to all partners during previous Financial Years. Distributions from the Services Queensland Partnership to Ipswich City Enterprises Investments Pty Ltd during 2017-2018 the final year of trading amounted to \$761,286.

Ipswich City Enterprises Investments Pty Ltd
Financial Report for the year ended 30 June 2019

Note 1 Statement of Significant Accounting Policies (continued)

(c) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(d) Financial Instruments

Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provisions to the financial instrument.

Classification

Financial instruments are classified and measured as follows:

- Receivables – held at amortised cost
- Payables – held at amortised cost

The carrying amounts of trade receivables and payables approximate their fair value.

No financial assets and financial liabilities have been offset and presented on a net basis in the Statement of Financial Position.

The Company does not enter into, or trade with, instruments for speculative purposes, nor for hedging.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks.

(f) Trade and Other Receivables

Debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase / contract price, with settlement on debtors being generally required within 30 days from the invoice date.

The collectability of receivables is assessed periodically with provision being made for impairment. All known bad debts were written-off as at 30 June. Increases in the allowance for impairment are based on loss events that have occurred.

(g) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(h) Taxation

(i) GST

Revenues, expenses and assets are recognised net of the amount of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis.

(ii) Income Tax

Ipswich City Enterprises Investments Pty Ltd is exempt from income tax under Section 24AK as it is an STB under 24AO of the *Income Tax Assessment Act 1936*.

(iii) Income Tax - Partnership

The partners in the Services Queensland partnership were entitled to the whole of any income, if any, of the partnership and therefore no tax is payable by the partnership.

Ipswich City Enterprises Investments Pty Ltd
Financial Report for the year ended 30 June 2019

Note 1 Statement of Significant Accounting Policies (continued)

(i) Adoption of Tier 2 Format for Financial Statement

AASB 1053 Application of Tiers of Australian Accounting Standards applies in this financial report. AASB 1053 establishes a differential reporting framework for those entities that prepare general purpose financial statements, consisting of two tiers of reporting requirements - Australian Accounting Standards (commonly referred to as "tier 1"), and Australian Accounting Standards - Reduced Disclosure Requirements (commonly referred to as "tier 2"). Tier 1 requirements comprise the full range of AASB recognition, measurement, presentation and disclosure requirements that are currently applicable to reporting entities in Australia. The only difference between the tier 1 and tier 2 requirements is that tier 2 requires fewer disclosures than tier 1.

(j) Adoption of New and Revised Accounting Standards

The Australian Accounting Standards and Interpretations that have recently been issued or amended, but are not yet effective and have not been adopted by the Company for the period ended 30 June, are outlined below. These amended Australian Accounting Standards and Interpretations which were issued at the date of authorisation of the financial report and have future commencement dates will not have a material impact on the financial statements as the Company is being wound up.

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

AASB 16 Leases

AASB 16 replaces AASB 117 Leases. A lease liability will initially be measured at the present value of the lease payments to be made over the lease term. A corresponding right-of-use asset will also be recognised over the lease term. There will not be any material impact by applying this standard.

(k) First Year Application of New Accounting Standards or Change in Accounting Policy

AASB 9 Financial Instruments

The Company applied AASB 9 Financial Instruments for the first time in 2019 financial year. Comparative information for 2018 financial year has not been restated and continue to be reported under AASB 139 Financial Instruments: Recognition and Measurement. The nature and effect of the changes as a result of adoption of this new accounting standard are described as below.

(i) Classification and measurement

- there was no change to either the classification or valuation of the cash and cash equivalent item.
- trade receivables are classified and measured at amortised cost, similar to the previous classification of receivables.
- all financial liabilities continue to be measured at amortised cost. There is no material impact on the reported value of financial liabilities.

(ii) Impairment

AASB 9 requires the loss allowance to be measured using a forward-looking expected credit loss approach, replacing AASB 139's incurred loss approach. AASB 9 also requires a loss allowance to be recognised for all debt instruments other than those held at fair value through profit or loss. On adoption of AASB 9's new impairment model, the Company has concluded that there is no impact.

AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a comprehensive framework for determining the timing and value of revenue recognised from contracts with customers which supersedes AASB 111 Construction Contracts and AASB 118 Revenue and related interpretations. Only contractual counterparties that are customers are assessed under AASB 15, which requires careful analysis of the circumstances to confirm whether a customer relationship exists. The new standard replaces and enhances existing revenue recognition guidance as the new standard is based on the principle that revenue is recognised when an entity completes its performance obligations under a contract e.g. transfers goods to or performs services for the customer.

The Company applied judgement in reviewing the relevant facts and circumstances of its only remaining contract against the five-step process set out in the standard. There was no change to the recognition processes thus no substantial change to the timing of revenue recognition.

Ipswich City Enterprises Investments Pty Ltd
Financial Report for the year ended 30 June 2019

Note 1 Statement of Significant Accounting Policies (continued)

(k) First Year Application of New Accounting Standards or Change in Accounting Policy (continued)

Transition

The standard permits either a full retrospective or a modified retrospective (simplified transition method) approach for the adoption. The Company adopted the new standard on 1 July 2018 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2018 and comparatives are not restated. The Company has applied the modified retrospective approach to its one contract at the date of initial application. There was no change to the recognition processes thus no substantial change to the timing of revenue recognition. Refer Note 2 for additional information.

(l) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue from the rendering of services is recognised upon the delivery of the service to the customer.

All revenue is stated net of the amount of goods and services tax (GST).

(m) Issuance of Financial Statements

The financial statements are authorised for issue by the Director at the date of signing the Director's Declaration.

(n) Accounting Estimates and Judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

No significant accounting estimates or judgements have been made during this reporting period.

Ipswich City Enterprises Investments Pty Ltd
Financial Report for the year ended 30 June 2019

		2019	2018
		\$	\$
Note 2	Other Revenue		
	Licence Fees	130,000	120,000
	Service Revenue	-	169,144
		<u>130,000</u>	<u>289,144</u>
<p>Partnerships Australia Pty Ltd and Prevwood Pty Ltd formed an unincorporated joint venture known as QPGJV. The Company, Ipswich City Council and Services Queensland licence their intellectual property to QPGJV under a licence agreement. The total licence fee is \$1,200,000 in consideration of the grant licence. This revenue is not recognised until the Company invoices QPGJV according to the 9 year schedule in the agreement. The performance obligation is transferred at the time the Company issues the invoices according to the schedule since the licence IP is provided on an "as is" basis and the Company will not provide warranty and will not be liable for any loss or damage that may arise. In 2019 financial year, the opening balance of the licence fee receivable is \$132,000 including GST. The receivable is nil at the end of 2019 financial year.</p>			
Note 3	General Costs		
	Other Costs	1,957	7,448
		<u>1,957</u>	<u>7,448</u>
Note 4	Cash and Cash Equivalents		
	Cash at Bank	241,666	4,795,430
	Cash at Bank - Debit Card	-	4,958
		<u>241,666</u>	<u>4,800,388</u>
Note 5	Trade and Other Receivables		
	Trade Receivables	-	186,905
		<u>-</u>	<u>186,905</u>
Note 6	Trade and Other Payables		
	Trade Payables	-	2,204
	GST Payable	13,000	11,635
		<u>13,000</u>	<u>13,839</u>
Note 7	Accrued Expenses		
	Audit Fees Payable	-	1,549
		<u>-</u>	<u>1,549</u>
<p>Audit fees by Queensland Audit Office relating to the 2017-2018 financial statements were \$7,500. The estimated 2018-2019 audit fees of \$2,500 will be paid by Ipswich City Council.</p>			
Note 8	Contributed Equity		
	Issued and Paid Up Capital	1	1
	(1 Ordinary Share at \$1 each)	<u>1</u>	<u>1</u>

Ipswich City Enterprises Investments Pty Ltd
Financial Report for the year ended 30 June 2019**Note 9 Dividends**

During the 2017-2018 financial year, dividends of \$384,982 were declared and paid by Ipswich City Enterprises Investments Pty Ltd (ICEI) to Ipswich City Enterprises Pty Ltd (ICE).

During the 2018-2019 financial year, dividends of \$4,885,000 were declared and paid by Ipswich City Enterprises Investments Pty Ltd (ICEI) to Ipswich City Enterprises Pty Ltd (ICE).

	Dividends Payable by ICEI to ICE \$
Balance as at 30 June 2017	-
Dividends declared by ICEI to ICE	384,982
Dividends paid by ICEI to ICE	(384,982)
Balance as at 30 June 2018	-
Dividends declared by ICEI to ICE	4,885,000
Dividends paid by ICEI to ICE	(4,885,000)
Balance as at 30 June 2019	-

Note 10 Company Details

The registered office and principal place of business of the Company is:

C/- Ipswich City Council
45 Roderick Street
IPSWICH QLD 4305
ACN: 127 862 515
ABN: 42 127 862 515

Note 11 Related Parties

(a) The following persons were appointed by Ipswich City Council. They held office as Directors of Ipswich City Enterprises Investments Pty Ltd (ICEI) during the current and the previous financial years and up to the balance date unless ceased before balance date as stated below:

	Note	Appointment Date	Cease Date
Mr P Tully		05/10/2007	30/10/2018
Mr D Morrison		26/06/2018	26/11/2018
Mr J Lindsay		05/10/2007	01/06/2018
Mr A Roach		19/12/2014	26/06/2018
Mr D Best		18/02/2014	27/11/2018
Mr G Chemello		27/11/2018	

On 27 November 2018, the Member of the Company resolved to modify the constitution of the Company to allow the Company to operate with a sole Director, and appointed Mr Gregory Chemello as sole Director and Company Secretary.

(b) No fees were paid to the Directors of the Company.

Ipswich City Enterprises Investments Pty Ltd
Financial Report for the year ended 30 June 2019**Note 11 Related Parties (continued)**

(c) Transactions between the Company and related parties were on arm's length basis in a normal commercial term except as indicated in Note 11 (f).

(d) The following amounts (ex GST) were paid, or are payable by the Services Queensland Partnership to entities related to the Company for services or resources provided to or performed on behalf of the partnership:

	2019	2018
	\$	\$
Ipswich City Council		
Administration services	-	2,553,037

(e) The following amounts (ex GST) were paid, or are payable by the Services Queensland Partnership to the Company:

Distribution of partnership profit	-	761,286
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(f) The following amounts (ex GST) were paid, or are payable by Ipswich City Enterprises Investments Pty Ltd to related entities for services or resources received:

Ipswich City Properties Pty Ltd (ICP)		
* Office support expenses recovery	1,000	-
Ipswich City Developments Pty Ltd (ICD)		
* Office support expenses recovery	-	6,360
General expenses	-	19
Ipswich City Enterprises Pty Ltd		
General expenses	-	552
Total	<u>1,000</u>	<u>6,932</u>

* The Company paid ICD and ICP for the provision of serviced office accommodation which encompassed the provision of office space, use of furniture assets and office consumables, and supporting services. The service charges were based on their projected costs and were charged to the Company based on the proportionate use of the services.

(g) Dividends payment refer to Note 9.

Note 12 Contingent Liabilities

There are no past events that have given rise to a potential measurable or non-measurable obligation; therefore, no contingent liabilities have been recognised.

Ipswich City Enterprises Investments Pty Ltd
Financial Report for the year ended 30 June 2019

Note 13 Going Concern and Events Subsequent to Balance Date

The Director of the Company intends to transfer the Company's operations to the parent entity and to deregister the Company. As part of this process, as far as is practical, the Company will dispose of its assets to the parent and settle outstanding liabilities prior to commencing a Members Voluntary Liquidation. Accordingly, this financial report has been prepared on a basis consistent with the going concern basis.

Following a resolution of the Board of the Company, dated 20 August 2018, the Company has recommended to undertake a Members Voluntary Liquidation and deregistration to finalise the remaining assets and liabilities of the Company. However as at the date of this report, the subsequent Members Resolution has not yet been prepared.

Ipswich City Council resolved on 23 April 2018 to endorse the winding up of the Company's parent, Ipswich City Enterprises Pty Ltd.

Note 14 Matters Relating to Former Directors

On 14 August 2018 the Crime and Corruption Commission (CCC) tabled in State Parliament its report titled *Culture and corruption risks in Local Government: Lessons learned from an investigation into Ipswich City Council (Operation Windage)*. As a result of the investigation serious charges were laid against former Directors in relation to their roles with Ipswich City Council. No former Director has acted on behalf of the Company, subsequent to being charged. To the best of the Company's knowledge at the date of this report, there is no material impact on this financial report.

Ipswich City Enterprises Investments Pty Ltd
Financial Report for the year ended 30 June 2019

DIRECTOR'S DECLARATION

The Director of the Company declares that:

- 1 The attached financial statements and notes thereto, including the matters disclosed in Note 13 Going Concern and Events Subsequent to Balance Date, are in accordance with the Corporations Act 2001, including compliance with Australian accounting standards - reduced disclosure requirements and giving a true and fair view of the financial position as at 30 June 2019 and of the performance of the Company for the financial year ended on that date; and
- 2 In the Director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of the Company.



Mr. Gregory Chemello
Director and Company Secretary

Dated 10/10/19



INDEPENDENT AUDITOR'S REPORT

To the Members of Ipswich City Enterprises Investments Pty Ltd

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Ipswich City Enterprises Investments Pty Ltd.

In my opinion, the financial report:

- a) gives a true and fair view of the company's financial position as at 30 June 2019, and its financial performance and cash flows for the year then ended
- b) complies with the *Corporations Act 2001*, the Corporations Regulations 2001 and Australian Accounting Standards – Reduced Disclosure Requirements.

The financial report comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the director's declaration.

Basis for opinion

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

I am independent of the company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*. I am also independent of the entity in accordance with the auditor independence requirements of the *Corporations Act 2001*, and confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the director of the company, would be in the same terms if given to the director as at the time of this auditor's report.

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

Emphasis of matter – Directors intend to transfer operations to parent entity and deregister company

I draw attention to Note 13 of the financial report, which describes that the Board resolved on 20 August 2018 to recommend to the members that the company undertake a Members Voluntary Liquidation and deregistration to finalise the remaining assets and liabilities. The note also describes that the Director intends to transfer the company's operations to the parent entity, including disposing of its assets to the parent entity and settling outstanding liabilities prior to commencing a Members Voluntary Liquidation. As a result, the financial report has been prepared on a basis consistent with the going concern basis. My opinion is not modified in respect of this matter.



Other information

Other information comprises the information included in the company's director's report for the year ended 30 June 2019, but does not include the financial report and my auditor's report thereon.

Those charged with governance are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

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

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Responsibilities of the company for the financial report

The company's director is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Corporations Act 2001*, the Corporations Regulations 2001 and Australian Accounting Standards – Reduced Disclosure Requirements, and for such internal control as the company's director determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The company's director is also responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

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

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



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the company.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

A handwritten signature in blue ink, appearing to read 'P. Flemming'.

18 October 2019

Patrick Flemming
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

IPSWICH CITY DEVELOPMENTS PTY LTD

ABN 39 167 100 441

**UNAUDITED FINAL FINANCIAL REPORT
FOR THE PERIOD ENDED 20 JUNE 2019**

Unaudited

Ipswich City Developments Pty Ltd
Unaudited Final Financial Report for the period ended 20 June 2019

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Ipswich City Developments Pty Ltd
Unaudited Final Financial Report for the period ended 20 June 2019

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 20 JUNE 2019

	Note	2019 \$	2018 \$
Income from Sales			
Sales Revenue	2	-	2,750,000
Less: Cost of Goods Sold	3	-	1,384,251
Net Sales		<u>-</u>	<u>1,365,749</u>
Other Income			
Interest		6,888	25,061
Rental Income	4	13,015	106,253
Service Revenue	5	214	107,725
Other Income	6	26,147	3,643
Total Other Income		<u>46,263</u>	<u>242,681</u>
Gain on Sale of Assets		11,704	-
Total Income		<u>57,968</u>	<u>1,608,431</u>
Expense			
Materials and Services	7	18,426	71,550
Finance Costs		-	90,627
Depreciation Expense	12	571	6,894
Rental Expenses		-	73,935
Other Expenses	8	33,625	79,515
Total Expense		<u>52,622</u>	<u>322,521</u>
Operating Surplus (Deficit) for the Period		<u>5,346</u>	<u>1,285,910</u>
TOTAL COMPREHENSIVE INCOME		<u><u>5,346</u></u>	<u><u>1,285,910</u></u>

The accompanying notes form part of these financial statements.

Page 2

Ipswich City Developments Pty Ltd
Unaudited Final Financial Report for the period ended 20 June 2019

STATEMENT OF FINANCIAL POSITION AS AT 20 JUNE 2019

	Note	2019 \$	2018 \$
Assets			
Current Assets			
Cash and Cash Equivalents	9	-	937,267
Trade and Other Receivables	10	-	9,967
Total Current Assets		-	947,234
Non-Current Assets			
Fixed Assets			
Investment Property	11	-	2,000,000
Furniture and Fittings	12	-	22,633
Total Fixed Assets		-	2,022,633
TOTAL ASSETS		-	2,969,867
Liabilities			
Current Liabilities			
Trade and Other Payables	13	-	15,243
Unearned Revenue		-	8,966
Total Current Liabilities		-	24,210
TOTAL LIABILITIES		-	24,210
NET ASSETS (LIABILITIES)		-	2,945,657
Equity			
Contributed Equity	14	-	410,257
Retained Earnings		-	2,535,400
TOTAL EQUITY		-	2,945,657

The accompanying notes form part of these financial statements.

Ipswich City Developments Pty Ltd
Unaudited Final Financial Report for the period ended 20 June 2019

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 20 JUNE 2019

	Note	Contributed Equity \$	Retained Earnings \$	Total \$
Balance as at 30 June 2017		410,257	1,249,490	1,659,747
Operating Surplus (Deficit) for the Period		-	1,285,910	1,285,910
Balance as at 30 June 2018		410,257	2,535,400	2,945,657
Operating Surplus (Deficit) for the Period		-	5,346	5,346
Dividends Declared	15	-	(2,500,000)	(2,500,000)
Distribution	16	(410,257)	(40,746)	(451,003)
Balance as at 20 June 2019		-	-	-

The accompanying notes form part of these financial statements.

Ipswich City Developments Pty Ltd
Unaudited Final Financial Report for the period ended 20 June 2019

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 20 JUNE 2019

	Note	2019 \$	2018 \$
Cash Flows from Operating Activities			
Dividends Paid	15	(2,500,000)	-
Distribution Paid	16	(449,133)	-
Receipts of Fees and Contributions		166,441	3,296,321
Payments to Suppliers		(185,582)	(1,028,014)
Interest Received		6,888	25,061
Net Cash Provided (Used) by Operating Activities		<u>(2,961,387)</u>	<u>2,293,368</u>
Cash Flows from Investing Activities			
Proceeds from Sale of Investment Property		2,000,000	-
Proceeds from Sale of Property Plant & Equipment		24,120	-
Net Cash Provided (Used) by Investing Activities		<u>2,024,120</u>	<u>-</u>
Cash Flows from Financing Activities			
Movement in Borrowings		-	(2,425,688)
Net Cash Provided (Used) by Financing Activities		<u>-</u>	<u>(2,425,688)</u>
Net Increase (Decrease) in Cash and Cash Equivalents Held		<u>(937,267)</u>	<u>(132,320)</u>
Cash and Cash Equivalents at the Beginning of the Financial Period		937,267	1,069,587
Cash and Cash Equivalents at the End of the Financial Period	9	<u>-</u>	<u>937,267</u>

The accompanying notes form part of these financial statements.

Ipswich City Developments Pty Ltd
Unaudited Final Financial Report for the period ended 20 June 2019

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 20 JUNE 2019

Objectives and Principal Activities of the Company

The objectives of Ipswich City Developments Pty Ltd, hence forth referred to as the Company, were to undertake property development in the Ipswich City Council Local Government Area.

The principal activities of the Company include all necessary activities related to the objectives of the Company and may include:

- entering into joint venture arrangements to deliver property development projects;
- tendering and appointing a developer or developers;
- identifying and obtaining all necessary approvals;
- give guarantees, mortgages over the assets of the Company, or any other form of security to help facilitate property development projects;
- negotiate any commercial arrangements relevant to property development projects;
- take any other steps which are consistent with the undertaking of property development projects.

The Company was deregistered on 20 June 2019. Refer note 19.

Note 1: Statement of Significant Accounting Policies

(a) Basis of Preparation

These financial statements are general purpose financial statements prepared under the accrual basis of accounting in accordance with the requirements of the *Corporations Act 2001* and the Australian Accounting Standards – Reduced Disclosure Requirements and Australian Accounting Interpretations.

With respect to compliance with Australian Accounting Standards and Interpretations, the Company has applied those requirements applicable to for-profit entities, as the Company is a for-profit public sector entity. Except where otherwise stated, the financial statements have been prepared in accordance with the historical cost basis. All amounts throughout the financial statements are in Australian dollars.

(b) The Reporting Entity

The Company does not control other entities. The financial statements include the value of all revenue, expenses, assets, liabilities and equity for the Company as an individual entity.

(c) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

(d) Financial Instruments

Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provisions to the financial instrument.

Classification

Financial instruments are classified and measured as follows:

- Receivables – held at amortised cost
- Payables – held at amortised cost

Ipswich City Developments Pty Ltd
Unaudited Final Financial Report for the period ended 20 June 2019

Note 1: Statement of Significant Accounting Policies (continued)

Note 1 (d) Financial Instruments (continued)

The carrying amounts of trade receivables and payables approximate their fair value.

No financial assets and financial liabilities have been offset and presented on a net basis in the Statement of Financial Position.

The Company does not enter into, or trade with, instruments for speculative purposes, nor for hedging.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks.

(f) Trade and Other Receivables

Debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase / contract price, with settlement on debt being generally required within 30 days from the invoice date.

The collectability of receivables is assessed periodically for impairment. All known bad debts were written-off at 20 June. If an amount is recovered in a subsequent period it is recognised as revenue.

(g) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(h) Taxation

(i) GST

Revenues, expenses, assets and liabilities are recognised net of the amount of GST.

Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing activities which are disclosed as operating activities.

(ii) Income Tax

Ipswich City Developments Pty Ltd is exempt from income tax under Section 24AK as it is an STB under Section 24AO of the *Income Tax Assessment Act 1936*.

(i) Adoption of Tier 2 Format for Financial Statement

AASB 1053 Application of Tiers of Australian Accounting Standards applies from reporting periods beginning on or after 1 July 2013. AASB 1053 establishes a differential reporting framework for those entities that prepare general purpose financial statements, consisting of two tiers of reporting requirements - Australian Accounting Standards (commonly referred to as "tier 1"), and Australian Accounting Standards - Reduced Disclosure Requirements (commonly referred to as "tier 2"). Tier 1 requirements comprise the full range of AASB recognition, measurement, presentation and disclosure requirements that are currently applicable to reporting entities in Australia. The only difference between the tier 1 and tier 2 requirements is that tier 2 requires fewer disclosures than tier 1.

Ipswich City Developments Pty Ltd
Unaudited Final Financial Report for the period ended 20 June 2019

Note 1: Statement of Significant Accounting Policies (continued)

(j) Adoption of New and Revised Accounting Standards

The Australian Accounting Standards and Interpretations that have recently been issued or amended, but are not yet effective and have not been adopted by the Company are outlined below. These changes will have no material impact on the financial statements. The Company was deregistered on 20 June 2019.

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

AASB 9 Financial Instruments

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement, and will change the classification, measurement and disclosures of financial assets. The balance of the financial assets and financial liabilities are nil at the end of 2019 financial period. There is no adjustment for the comparative financial year.

AASB 15 Revenue from Contracts with Customers

AASB 15 will replace AASB 118 Revenue, AASB 111 Construction Contracts and a number of Interpretations. AASB 15 contains a comprehensive and robust framework for the recognition, measurement and disclosure of income including revenue from contracts with customers. There is no material impact by applying this standard.

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

AASB 16 Leases

AASB 16 replaces AASB 117 Leases. A lease liability will initially be measured at the present value of the lease payments to be made over the lease term. A corresponding right-of-use asset will also be recognised over the lease term.

(k) Revenue

Rental Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Sales revenue received in relation to the option agreement is recorded at fair value as specified in the option contract.

All revenue is stated net of the amount of GST.

(l) Finance Costs

Finance costs incurred in the construction of an asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale.

Finance costs for the investment property have been accrued during the reporting period and are presented in the statement of comprehensive income as expenses.

(m) Investment Property

The Company has applied AASB 140 Investment Property. The property is in 101 Limestone Street, Ipswich.

The fair value model is applied for the investment property. The investment property was independently valued by Taylor Byrne Valuers and Property Consultants on 14 March 2018. The process involved a desktop valuation based on the highest and best use of the property with comparisons to recent market transactions. The investment property has been sold in August 2018. Please refer note 11 for additional information.

Ipswich City Developments Pty Ltd
Unaudited Final Financial Report for the period ended 20 June 2019

Note 1: Statement of Significant Accounting Policies (continued)

(n) Property, Plant and Equipment

The Company acquired furniture and fittings in the 2017 financial period. Plant and equipment is measured at cost and is carried at its cost less any accumulated depreciation. The carrying amount is reviewed annually by the Directors to ensure the carrying amount is not materially different to the fair value. All the plant and equipment has been disposed of during the 2019 financial period.

(o) Lease

The Company leased out 101 Limestone Street, Ipswich to Ipswich City Enterprises Pty Ltd (ICE) from February 2016 to August 2018. Additional information is presented in note 11. There is no minimum future rental income under non-cancellable operating lease.

The Company leased level 4, 143 Brisbane Street, Ipswich from Ipswich City Council from 10 June 2017 to 30 June 2018.

The Company also leased level 1, 143 Brisbane Street, Ipswich from Ipswich City Council from 1 March 2017 to 31 August 2017. Both of the leases are cancellable by one month notice in advance. There is no non-cancellable rental payment.

(p) Continuation

Please refer note 19 for additional information.

(q) Accounting Estimates and Judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Significant accounting estimates and judgements have been applied to the revaluation of Investment Property. Additional information is presented in note 1 (m) and note 11.

(r) Period

The financial period of 2018-2019 is from 1 July 2018 to 20 June 2019. The comparative financial period is from 1 July 2017 to 30 June 2018.

Ipswich City Developments Pty Ltd
Unaudited Final Financial Report for the period ended 20 June 2019

		2019 \$	2018 \$
Note 2	Sales Revenue		
	Sales Redbank Plains Residential	-	2,750,000
		<u>-</u>	<u>2,750,000</u>
Note 3	Cost of Goods Sold		
	COGS Bellbird Park	-	33,228
	COGS Goodna	-	4,194
	COGS Leichhardt	-	25,448
	COGS Redbank Plains-Residential	-	1,302,355
	COGS Springfield Lakes	-	5,962
	COGS Yamanto	-	13,063
		<u>-</u>	<u>1,384,251</u>
Note 4	Rental Income		
	Rental Income	13,015	106,253
		<u>13,015</u>	<u>106,253</u>
Note 5	Service Revenue		
	Furniture and Fit Out Costs	-	8,018
	IT Costs	-	19,824
	Office Support	-	16,216
	Rental Expenses	-	60,015
	General Expenses	214	3,652
		<u>214</u>	<u>107,725</u>
Note 6	Other Income		
	Cost Recovery	26,147	3,643
		<u>26,147</u>	<u>3,643</u>
Note 7	Materials and Services		
	Maintenance	420	741
	Other Utility Charges	-	4,446
	Consultancy Fees	-	27,677
	Rates	3,991	13,565
	Insurance	8,347	4,971
	Security Costs	-	811
	Rental Property Expenses	2,689	18,324
	Service Charges	1,600	-
	Legal Costs	1,379	1,014
		<u>18,426</u>	<u>71,550</u>
Note 8	Other Expenses		
	Auditor's Fees	-	9,700
	Appointee Expenses	18,764	-
	Land Tax	8,066	10,857
	IT Cost	1,204	24,294
	Loss on Disposal	123	569
	Other Expenses	5,467	34,096
		<u>33,625</u>	<u>79,515</u>

The 2018-2019 audit fees for the Company will be paid by Ipswich City Council.

Ipswich City Developments Pty Ltd
Unaudited Final Financial Report for the period ended 20 June 2019

	2019 \$	2018 \$
Note 9 Cash and Cash Equivalents		
CBA Operating Account	-	933,602
CBA Debit Card Account	-	3,664
	<u>-</u>	<u>937,267</u>
Note 10 Trade and Other Receivables		
Trade Debtors	-	9,967
	<u>-</u>	<u>9,967</u>
Note 11 Investment Property		
Carrying Amount at 1 July	2,000,000	2,000,000
less Disposal	(2,000,000)	-
Carrying Amount at period end	<u>-</u>	<u>2,000,000</u>
The Company sold 101 Limestone Street, Ipswich to Ipswich City Council for \$2,000,000 (GST exclusive). Settlement date occurred on 14 August 2018.		
Note 12 Furniture and Fittings		
Carrying Amount at 1 July	22,633	30,096
less Disposal	(22,062)	(569)
less Depreciation	(571)	(6,894)
Carrying Amount at period end	<u>-</u>	<u>22,633</u>
Residual Value	-	-
Range of estimated useful lives in years		3 - 10 years
Note 13 Trade and Other Payables		
Accrued Charges	-	7,878
Trade Creditors	-	6,293
GST Payable	-	1,072
	<u>-</u>	<u>15,243</u>
Note 14 Contributed Equity		
Contributed Equity from Ipswich City Council	-	410,256
Ordinary Share held by Ipswich City Council	-	1
	<u>-</u>	<u>410,257</u>

Note 15 Dividends Declared

The Company declared dividends totalling \$2,500,000 to Ipswich City Council on 20 August 2018. All dividends were paid in full by the Company on 20 August 2018.

Note 16 Distribution

The Liquidators resolved on 15 March 2019 that a distribution of the available assets be made to the company's shareholder Ipswich City Council. The total available assets \$451,002.86 comprise of cash \$449,132.83 and tax refund of \$1,870.03 were distributed in March 2019.

Ipswich City Developments Pty Ltd
Unaudited Final Financial Report for the period ended 20 June 2019**Note 17 Company Details**

The former registered office and principal place of business of the Company:

C/- Ipswich City Council
45 Roderick Street
IPSWICH QLD 4305
ACN: 167 100 441
ABN: 39 167 100 441

Following a resolution of Ipswich City Council, Ipswich City Developments Enterprises Pty Ltd was incorporated on 5 December 2013. The name of the company was changed to Ipswich City Developments Pty Ltd on 19 November 2015. Ipswich City Council was the parent entity and had control over the Company.

Note 18 Related Parties

(a) The following persons held office as Directors of the Company during the current and the previous financial periods and up to the balance date unless ceased before balance date as stated below:

		Appointment Date	Cease Date
Mr P Tully	Appointed by Ipswich City Council	05/12/2013	20/06/2019
Mr D Morrison	Appointed by Ipswich City Council	24/04/2018	20/06/2019
Mr D Pahlke	Appointed by Ipswich City Council	05/12/2013	06/09/2017
Mr J Lindsay	Appointed by Ipswich City Council	05/12/2013	29/01/2018
Mr A Roach	Appointed by Ipswich City Council	14/10/2014	16/04/2018
Mr D Best	Appointed by Ipswich City Council	31/01/2014	20/06/2019

(b) No fees were paid to the Directors of the company.

(c) Transactions between the Company and related parties were on arm's length basis in a normal commercial term except as indicated in note 18 (d) and (e).

(d) The following amounts (ex GST) were received, or are receivable, from entities related to the Company for services or resources provided by the Company:

	2019	2018
	\$	\$
Ipswich City Council		
Sale of Investment Property	2,000,000	-
Sale of Assets	10,164	-
Reimbursement of expenses	9,518	26
Ipswich City Enterprises Pty Ltd		
* Office support expenses recovery	-	21,600
Rental income	13,015	106,253
Reimbursement of expenses	248	6,681
Ipswich City Enterprises Investments Pty Ltd		
* Office support expenses recovery	-	6,360
Reimbursement of expenses	-	19
Ipswich City Properties Pty Ltd		
Sale of Assets	23,479	-
* Office support expenses recovery	-	50,520
Reimbursement of expenses	214	8,163
Ipswich Motorsport Park Pty Ltd		
* Office support expenses recovery	-	19,800
Reimbursement of expenses	-	887
Total	2,056,639	220,308

Ipswich City Developments Pty Ltd
Unaudited Final Financial Report for the period ended 20 June 2019**Note 18 Related Parties (continued)**

* The Company provided serviced office accommodation which encompassed the provision of office space, use of furniture assets and office consumables, and supporting services. The service charge was set by the Company annually based on the projected costs. The Company charged the related parties based on the proportionate use of the services.

(e) The following amounts (ex GST) were paid, or are payable, to entities related to the Company for services or resources provided to the Company:

	2019 \$	2018 \$
Ipswich City Council		
Council rates	3,991	36,971
*Administration support	-	157,864
**Rental expenses	-	17,007
General expenses including IT support, fit-out cost, rubbish removal and catering	1,030	32,065
Ipswich City Enterprises Pty Ltd		
Software expenses recovery	-	1,816
Ipswich City Properties Pty Ltd (ICP)		
**Rental expenses for Council paid via ICP	-	56,928
General expenses	1,600	-
Total	<u>6,621</u>	<u>302,651</u>

* The administration support \$157,864 was paid by the Company in 2018 financial year but related to support of \$156,000 received in 2017 financial year and \$1,864 received in prior financial years. This is a reimbursement from the Company for employee costs incurred by Ipswich City Council related to the activities of the Company.

** Prior to September 2017, the Company paid rent for 143 Brisbane Street, Ipswich to Ipswich City Council. From September 2017, ICP collected the rent of 143 Brisbane Street, Ipswich on behalf of Ipswich City Council based on a service agreement between ICP and Ipswich City Council.

(f) Dividends paid refer to note 15.

(g) Distribution refer to note 16.

Note 19 Deregistration

Following a resolution of the Board, dated 20 August 2018, a Declaration of Solvency, dated 20 August 2018 and a resolution of the Members dated 30 August 2018, the Company commenced a Members Voluntary Liquidation for the purpose of wind up and deregistration. The Liquidators were appointed effective 30 August 2018 and finalised the remaining assets and liabilities of the Company. The Company was deregistered on 20 June 2019. Accordingly, this financial report has not been prepared on a going concern basis. This is the final financial report prepared for the Company. On the basis of the Company being deregistered, this financial statement remain unaudited and unsigned.

Ipswich City Developments Pty Ltd
Unaudited Final Financial Report for the period ended 20 June 2019

Note 20 Matters Relating to Former Directors

During the 2018 and 2019 financial periods, the Crime and Corruption Commission charged a former Director with serious offences, in relation to their role with Ipswich City Council, and was immediately suspended by the Council. Court proceedings for those charges remain ongoing. A second former Director was also charged with serious offences by the Crime and Corruption Commission, in relation to their previous role with Ipswich City Council, and has been convicted on those charges. The Crime and Corruption Commission has also charged a third former Director with serious offences. They have been convicted on some of those charges and court proceedings for other charges remain ongoing. No former Director has acted on behalf of the Company, subsequent to being charged. To the best of the Company's knowledge at the date of this report, there is no material impact on this financial report.

Unaudited

Ipswich City Developments Pty Ltd
Unaudited Final Financial Report for the period ended 20 June 2019

STATEMENT FOLLOWING DEREGISTRATION

This statement is provided by the **Interim Administrator of Ipswich City Council** on behalf of Ipswich City Council as the former shareholder of the Company.

The Company was created in 2013 to undertake property development in the Ipswich City Council (Council) local government area. These activities were undertaken on surplus Council land as well as and other lands identified as being of importance to Council.

The Company sold its remaining property asset, located at 101 Limestone Street, Ipswich, to Council which settled on 14 August 2018.

The Company provided a final dividend of \$2.5 million to Council and it's principal activities ceased during August 2018.

Following a resolution of it's Board on 20 August 2018 and a resolution by the Members on 30 August 2018, the Company commenced a Members Voluntary Liquidation for the purpose of wind up and deregistration.

The Liquidators were appointed effective 30 August 2018 and finalised the remaining assets and liabilities of the Company and provided a final distribution of \$449,000 to Council. The Company was deregistered on 20 June 2019.

Doc ID No: A5802166

ITEM: N.2
SUBJECT: ADOPTION OF IPSWICH CITY COUNCIL'S 2018-2019 ANNUAL REPORT
AUTHOR: CORPORATE PLANNING OFFICER
DATE: 19 SEPTEMBER 2019

EXECUTIVE SUMMARY

This is a report concerning the adoption of Ipswich City Council's 2018-2019 Annual Report.

RECOMMENDATION/S

That the Interim Administrator of Ipswich City Council resolve:

That the Ipswich City Council 2018-2019 Annual Report, as detailed in Attachment A, be adopted.

RELATED PARTIES

There was no declaration of conflict of interest.

ADVANCE IPSWICH THEME

Strengthening our local economy and building prosperity
Managing growth and delivering key infrastructure
Caring for the community
Caring for the environment
Listening, leading and financial management

PURPOSE OF REPORT/BACKGROUND

The 2018-2019 Annual Report has been prepared in accordance with the disclosure requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

Legislatively required to be produced annually, the 2018-2019 Annual Report details council's financial performance and progress with the implementation of the city's vision as reflected in Advance Ipswich and the Corporate Plan 2017–2022.

The annual report must be:

- Adopted within one month after the day the general purpose financial statements are certified by the Queensland Audit Office, and

- Placed on council's website within two weeks of council adopting the Annual Report.

The general purpose audit statements for 2018-2019 were certified by the Queensland Audit Office on 10 October 2019.

LEGAL/POLICY BASIS

This report and its recommendations are consistent with the following legislative provisions:

Local Government Act 2009

Local Government Regulation 2012

RISK MANAGEMENT IMPLICATIONS

The *Local Government Regulation 2012* requires the annual report to be adopted within one month after the day the general purpose financial statements are certified by the Queensland Audit Office. The highest risk is political/reputational should council fail to meet the mandated deadlines, that is, adoption of the 2018-2019 Annual Report within one month of 10 October 2019.

FINANCIAL/RESOURCE IMPLICATIONS

Resources required for the delivery of the Annual Report 2018-2019 are contained within the Corporate Planning section operational budget. There are no ongoing financial/resource implications.



COMMUNITY AND OTHER CONSULTATION

Development of the Annual Report 2018-2019 was in consultation with all departments including the Chief Executive Officer and Interim Administrator.

CONCLUSION

The 2018-2019 Annual Report meets the legislative disclosure requirements through provision of information about Ipswich City Council's activities and its performance throughout the financial year including Ipswich City Council's Audited Financial Statements.

ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

1.	ICC Annual Report 2018-2019  
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Stephanie Hoffmann

CORPORATE PLANNING OFFICER

I concur with the recommendations contained in this report.

Sean Madigan

GENERAL MANAGER - COORDINATION AND PERFORMANCE

“Together, we proudly enhance the quality of life for our community”

IPSWICH CITY COUNCIL ■ ANNUAL REPORT



ABOUT THIS REPORT

The Annual Report provides an overview of the Ipswich City Council's activities during the financial year and progress towards achieving the city vision through Advance Ipswich and the city's Corporate Plan 2017–2022. It includes the city's financial performance as at 30 June 2019, governance and statutory information.

This report also provides the disclosure requirements relating to the *Queensland Local Government Act 2009* (the Act) and the *Queensland Local Government Regulation 2012* (the Regulation).

You can download a copy of this report at ipswich.qld.gov.au/about_council/corporate_publications

You can request a printed copy or provide feedback by contacting us on (07) 3810 6666 or by email to council@ipswich.qld.gov.au.

Ipswich City Council acknowledges the traditional custodians of the land, pays respect to elders past, present and emerging and extends that respect to all Aboriginal and Torres Strait Islander peoples.



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OUR CITY



ABOUT IPSWICH

In the 1800s white settlers began to populate the banks of the Bremer River attracted by the rich deposits of limestone.

By 1860 Ipswich was declared a municipality and in 1904 was officially recognised as a city.

Mining and industry became the backbone of the economy and provided wealth for workers and business owners during decades of consistent population growth. By 1947 Ipswich reached a population of 26,500.

The city was recognised as a major centre with coal mining, manufacturing and the railways providing the impetus for growth across the state.

Today the city's industries have grown and diversified. Education, transport, logistics, construction and healthcare remain strong, with the construction and retail sector providing 20 per cent of the city's jobs.

Ipswich is now one of the fastest growing cities in Australia with a current population of just over 220,000 and expected to more than double by 2041.

In recent decades the city has gained a strong reputation for preserving built and natural heritage and historical natural spaces, with some 7,500 heritage protected places and 615 parks and reserves across the region.

The median age citywide is 32, younger than the Queensland median age of 37.

Ipswich has recorded a strong annual growth rate of 3.1 per cent over five years.

Young families make up nearly 46 per cent of all households.

Ipswich residents are culturally diverse, originating from 163 countries and speaking a collective 152 languages.

Occupying an area of 1,090 square kilometres, with Brisbane 40km to the east and the rural and agricultural areas of the Brisbane, Lockyer and Fassifern valleys to the north, south and west and well connected to six major highways, rail, an intermodal transport hub, three airports and the Port of Brisbane, Ipswich enjoys a prime location in south east Queensland.

The city is home to Australia's largest military base located at RAAF Base Amberley. Young families can look forward to a bright future based on education with two university campuses, some of Queensland's oldest and most prestigious secondary schools and a tradition of job-focused vocational education.

The development of two multi-billion dollar master planned communities continues, centred on Springfield Central and Ripley Valley.

The city has set the stage for on-going success by adopting a strategic approach to building industry capacity and capability to increase economic strength across the region.

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

In February of 2019 I began as Chief Executive Officer of Ipswich City Council. Working closely with the Interim Administrator and staff across council, my priorities have been to re-earn trust with our community, prepare this council for a successful return to elected representation, manage growth, and provide value for money to our community. We have made significant progress this year and this will continue into 2020.

Re-earning trust with our community is a long-term plan. My colleagues at council and I know it will take time build the confidence of our community, but our actions have, and will continue to, demonstrate our commitment to this goal.

As we prepare to welcome a new group of elected representatives next year, we are determined to build a robust and capable organisation to partner with them. We have set a sound framework to work with them to make their term as successful as possible and our organisation a best-practice model to serve our community.

Planning for growth was a key focus in the last 12 months. This community is growing by around 10,000 people a year and we are the fastest growing local authority in Queensland and one of the fastest growing in Australia. So not only do we need to deliver services for our current population of around 220,000 people, we also need to think about the other 200,000–300,000 people who will move here over the next generation.

The process to develop a new Planning Scheme got underway this year. When finished, it will be a key platform to help us manage development and identify the necessary infrastructure to support growth and create a more diversified economy. A two-year process, the Planning Scheme process has already included a five-week consultation period to seek views and advice

from the public and stakeholders about the overall direction and initial thinking on a new city plan.

Our 2019–20 budget prepares council for the significant population growth by allocating money to projects essential to future liveability. The budget also addresses how we can provide the best possible value to the community. As an example we launched a long-term financial plan to progressively hold the city's average property rates increases below the Consumer Price Index (CPI), each year for the next seven years.

Council's commitment to a high level of service remains strong. We continue to deliver great service to the people of Ipswich – be it keeping our roads in great shape, rubbish collected on time and the rates at a reasonable level.

Yet, we are aware how important it is for us to redevelop the city centre, and work is well and truly underway to provide the people of Ipswich with a revitalised city heart. Through the coming year, you will see fences come down, facades renewed, a civic place opened and construction of a new council building taking place. This will help rejuvenate the top of town and surrounding business precincts, including an increased presence of health services.

Working here is a privilege and it is one I am proud to share with more than 1,400 colleagues working across five departments. I thank our Interim Administrator Greg Chemello for his commitment and support of Ipswich City Council and its progress towards VISION2020. I also thank the employees of council for their daily dedication to our purpose statement: *together we proudly enhance the quality of life for our community.*

David Farmer

Greg Chemello (left) and David Farmer



MESSAGE FROM THE INTERIM ADMINISTRATOR

"Confide Recte Agens"...

Almost 160 years ago, when Ipswich City Council was established, the city's civic leaders determined that "Be confident in doing right" should be the council's motto. Given recent events, that motto resonates more than ever before.

Since council was placed under interim administration in August 2018, focus has been on ensuring that this ethos is once again at the core of your council, from our policies and procedures through to our governance, investment programs, financial management and, most importantly, our service delivery to residents and ratepayers.

Through our VISION2020 plan, Ipswich City Council will once again be a council that Ipswich residents can be justly proud of.

In 2018-2019, it has been all about transforming the council through considerable policy, procedural and operational change before the next local government elections in March 2020. At the forefront are some 18 business transformation projects dealing with the key issues of strategic planning, budgeting, procurement, human resource management, ICT, reporting, etc.

In addition to the business transformation projects, council has continued to deliver essential services to the local community. My heartfelt thanks goes to the council staff who have worked tirelessly to play an important role in this transformation, over and above their regular role.

As this annual report demonstrates, considerable progress has been made on all fronts, and with your council's new CEO, David Farmer, the city is in safe

hands as we move towards the return of elected representatives next year.

We have worked hard to better align the organisation's operations with Advance Ipswich, council's long-term plan for Ipswich that identifies where the city wants to go and how it will get there.

We have also taken steps to work better with the community we serve, to improve how we engage and consult with you. This year we created five community reference groups, each aligned to one of the Advance Ipswich strategic themes with memberships broadly representative of the community. These groups meet with council decision makers, debating and advancing ideas on the strategic future of the city.

It has been an incredibly busy year for Ipswich City Council, one filled not only with challenges but with opportunity, continued growth and much-needed positive change.

Further challenges and opportunities lie ahead, perhaps most aptly symbolised by the condition of the Ipswich CBD. After a decade of false starts, your council has planned, budgeted and now begun redevelopment of this critical area. The community will soon see its city heart emerge as an inviting and thriving modern space with a new library, civic plaza and council administration building at the end of Nicholas Street.

As March 2020 draws near, Ipswich residents and ratepayers can look forward to their council once again being an organisation that you can be proud of, one that will "Be confident in doing right".

Greg Chemello



IPSWICH IN PROFILE

IF IPSWICH
WAS A
GROUP
OF 100
PEOPLE...



Source: Australian Bureau of Statistics, Census of Population and Housing, 2016.

All indicators are exclusive of "not stated" and "not applicable" responses.

Work participation rate is the percentage of the total population that is either working or actively seeking work from the age 15 years and over.

* Home ownership – includes either fully owned or mortgaged.

+ of Ipswich households / 2016 Census.

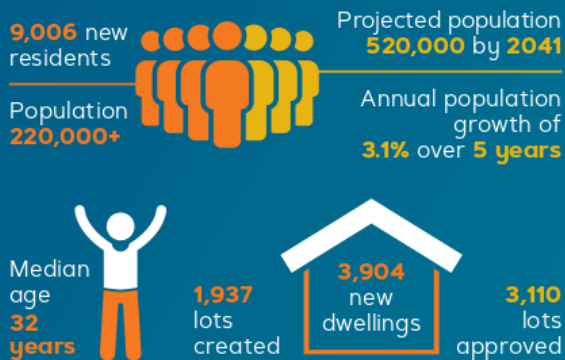
** Qualifications include Certificates, Diplomas, bachelor degrees and post-graduate qualifications (based on population 15 years and over).



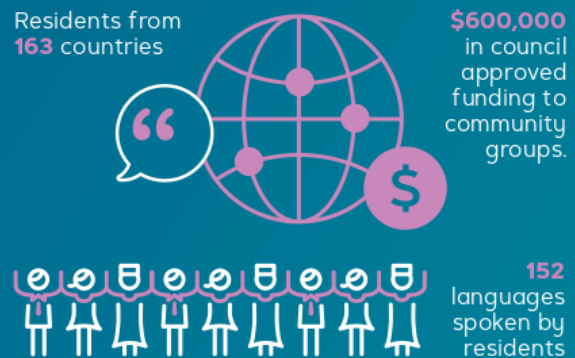
IPSWICH IN NUMBERS

2018–2019

POPULATION PROFILE / GROWTH



MULTICULTURE AND DIVERSITY



OPEN SPACE



IPSWICH TOURISM AND VISITATION



EVENTS IN IPSWICH

600
events held
in council's
cultural
facilities



35,000
tickets sold
to Ipswich
Civic Centre
events

First ever
Queensland
Defence Summit
attracted
300 attendees



* CHRISTMAS *
WONDERLAND

Operated for **9** nights
Attracted **15,000** visitors
Reached over **200,000**
people on social media

IPSWICH CITY COUNCIL



1,400
staff

238,377
customer
service
calls
received



6,000+
customer
emails
received

18 Business
transformation
projects underway



8,245
online
transactions

£ **2019-2020** total annual budget **\$606.1 million**
£ **2019-2020** capital works spend **\$242.6 million**
£ **\$16.4 million** grant funding received

BUSINESS IN IPSWICH



76,917 local
employment
(total)



9,372
businesses

Gross Regional
Product of
\$9.4 billion



Advancing
Regional
Innovation
Program
engaged
800
participants



Fire Station 101
delivered **25** local
capacity building
workshops.

COUNCIL SERVICES

999,931
library
loans



48,066
active library
members



2,206 average
library visitors
each day

34,808 dog
registrations



93%
impounded
pets reunited
or rehomed

4,500 animals
impounded



12,440 vaccines
delivered

110
parking
meters
across city



8,350 Animal
Management
complaints

81,580 household
waste collection
services



3,100 households serviced by
council's Home Assist Program



OUR PERFORMANCE



CELEBRATING OUR PERFORMANCE

Ipswich City Council and its 1,400 staff operate at the highest level and as a result received recognition for their efforts on the state and national front in 2018–2019.

AWARD TITLE	AWARDED BY	AWARDED FOR	PLACE
2018 Parks and Leisure Australia – Queensland Awards	LGMA Awards for Excellence	<i>Best Use of Technology – Naeus App</i>	Winner
2018 Parks and Leisure Australia – National Awards	LGMA Awards for Excellence	<i>Best Use of Technology – Naeus App</i>	Finalist
2018 Parks and Leisure Australia – Queensland Awards	LGMA Awards for Excellence	<i>Community Based Initiative of the Year – Active Parks Program</i>	Winner
2018 Parks and Leisure Australia – National Awards	LGMA Awards for Excellence	<i>Community Based Initiative of the Year – Active Parks Program</i>	Finalist
2018 Flash Flood Forecasting	Stormwater Queensland	<i>Flash Flood Forecasting</i>	Winner
2018 Flash Flood Forecasting	Stormwater Australia	<i>Flash Flood Forecasting</i>	Finalist
2018 Green Asset Project	Stormwater Queensland	<i>Excellence in Asset Management</i>	Winner
2018 Top7 Intelligent Community of the Year	Intelligent Communities Forum	<i>Developing inclusive prosperity through ICT</i>	Top 7
2018 Travel, Leisure and Media	Australian Effie Awards	<i>Destination Marketing and Development</i>	Bronze
2018 Visitor Information Services	Queensland Tourism Awards	<i>Visitor Information Services</i>	Silver
2018 Leadership City	Australian Smart Cities Awards	<i>Smart City Program</i>	Highly Commended
2018 Public Sector Marketing	Australian Marketing Institute	<i>Discover Ipswich Destination Campaign</i>	Finalist
2018 Strategic Thinking	Economic Development Australia	<i>Economic and Workforce Development Plan</i>	Finalist
2018 Queensland Police District Officers Certificate	Queensland Police Service	<i>Community safety – Assisting Police</i>	Awarded
2019 Parks and Leisure Australia – Queensland Awards	LGMA Awards for Excellence	<i>Community Based Initiative of the Year – Sweaty Selfie</i>	Finalist
2019 Green Asset Project	Stormwater Australia	<i>Excellence in Asset Management</i>	Finalist
2019 International Marketing	International Federation of Libraries	<i>The Marketplace</i>	Top Ten
2019 Travel, Leisure and Media	Australian Effie Awards	<i>Humans Wanted Campaign/ Google Trekker</i>	Finalist
2019 Building Surveying Team Professional Excellence Award	National Australian Institute of Building Surveyors (AIBS)	<i>Outstanding achievement, leadership, teamwork and excellence in professional standards within the profession of the Industry.</i>	Winner

DELIVERING THE VISION: THE CORPORATE PLANNING FRAMEWORK

Section 190 of the *Local Government Regulation 2012* requires that a local government's annual report include an assessment of progress with the implementation of a local government's five year corporate plan and its annual operational plan.

Advance Ipswich is council's long-term plan for the city, built on community desires for the city's future and reflecting the actions that council and the community need to progress to realise this vision. Quite simply, *Advance Ipswich* identifies where the

city is going and how it will get there. *Advance Ipswich* builds on the vision and strategies of the previous i2031 Community Plan and provides a renewed and contemporary focus for the future of the city while recognising opportunities and challenges including the unprecedented pace of growth being experienced.

Council's Corporate Planning Framework below details the relationship between council's planning documents and the cascade from the overarching vision to work plans.



Council's *Corporate Plan 2017-2022* identifies the five year priorities established by the community as adopted by council and is the guiding document for all council outcomes in that period. While *Advance Ipswich* is about communicating the 'shared vision' with the community, the *Corporate Plan* is about 'making it happen'.

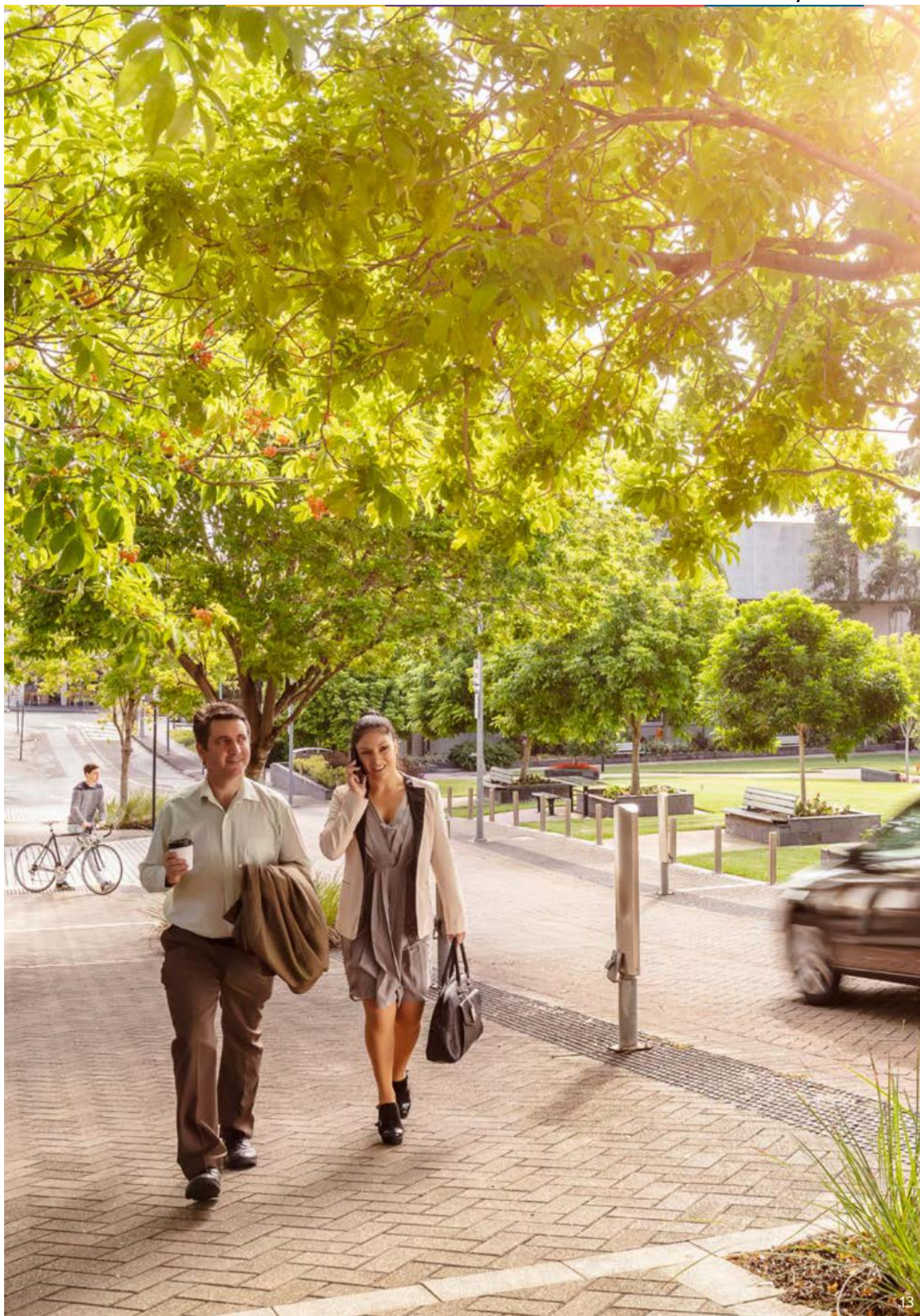
The *Corporate Plan 2017-2022* contains five themes for focus over the plan's life with each department responsible for delivering specific projects that link directly to each of the themes:



Under Section 174 of the *Local Government Regulation 2012*, a local government is required to adopt an annual operational plan. Council's adopted Operational Plan 2018-2019 was developed to identify the activities that council needed to undertake during the financial year to achieve the longer-term outcomes of the *2017-2022 Corporate Plan*.

The relationship between *Advance Ipswich*'s five themes and the deliverables of the annual operational plan is shown below.





Advance Ipswich

For the future of our city and community

THEME 1 STRENGTHENING OUR LOCAL ECONOMY AND BUILDING PROSPERITY (JOBS)

THEME 2 MANAGING GROWTH AND DELIVERING KEY INFRASTRUCTURE





THEME 3 CARING FOR OUR COMMUNITY



GOAL 3 – Create a city that values its past and embraces opportunities to work together for the betterment of the community.



Strategy 1 – Inform, educate and celebrate with the community those elements of our history that have shaped our identity



Strategy 2 – Invest in data collection, analysis and targeted research to provide the evidence base for development of strategy and resource allocation



Strategy 3 – Adopt and deliver an explicit Community Development framework tailored to the needs of our varied communities



Strategy 4 – Foster collaboration, partnerships and use of evidence to shape service planning and delivery for the benefit of our communities



Strategy 5 – Foster a diverse range of activities to promote sustainable, healthy lifestyles and community well-being



Strategy 6 – Build on the success of council's community safety programs to address new and emerging issues



Strategy 7 – Invest in social infrastructure to build a distinctive Ipswich identity and to maximise economic and social outcomes



Strategy 8 – Develop greater community resilience and readiness.

THEME 4 CARING FOR OUR ENVIRONMENT



GOAL 4 – Important areas of native habitat and vegetation are conserved, the city's important waterways are protected and their water quality enhanced, and the city responds appropriately to climate change and uses resources prudently.



Strategy 1 – Secure and protect important areas of native habitat and vegetation



Strategy 2 – Develop and implement an integrated approach to the planning and management of nature conservation matters in partnership with the community, private land owners and government agencies



Strategy 3 – Waterways are protected and managed to achieve enhanced environmental, ecological and water quality outcomes



Strategy 4 – Enhance urban greening



Strategy 5 – Use resources efficiently and sustainably



Strategy 6 – Improve environmental awareness, education and compliance.

THEME 5 LISTENING, LEADING AND FINANCIAL MANAGEMENT



GOAL 5 – Visionary and accessible leadership is provided that consults and communicates on key decisions and delivers sound financial management and good governance outcomes.



Strategy 1 – The Mayor and councillors represent the Ipswich community and provide strong and visionary leadership



Strategy 2 – Provide comprehensive and meaningful community engagement to inform council decision making



Strategy 3 – Implement initiatives that strengthen governance skills and knowledge



Strategy 4 – Maintain a financially sustainable and resilient approach to budgeting



Strategy 5 – Good neighbourly relations are maintained through effective dispute resolution, community education and compliance



Strategy 6 – Maintain a consistent and efficient approach to laws and compliance activities across the city.



THEME 1

STRENGTHENING OUR LOCAL ECONOMY AND BUILDING PROSPERITY (JOBS)

GOAL 1: Use the competitive advantages of the Ipswich economy to provide jobs for the growing population and prosperity for the city through business diversification, adapting and responding to technological advances and creating an attractive economic environment for business investment.

INITIATIVES AND ACHIEVEMENTS

Visitor Economy Growth

Data from Tourism Research Australia indicates total visitor arrivals to Ipswich increased 28 per cent or 401,549 visitors to a total 1,819,114 visitors in the 12 months to March 2019. This made Ipswich the fastest growing region in south east Queensland over the period.

The tourism sector now employs more than 15,392 people in the region, up 14 per cent since 2015.

Defence Ipswich

The inaugural Queensland Defence Summit was held on 20 November 2018. This significant event was hosted by Ipswich City Council and delivered in partnership with the Queensland Government and the Australian Industry Defence Network with support from the City of Ipswich Defence Industry Attraction Committee.

More than 300 people attended the event with almost a quarter of attendees travelling from interstate.

The summit raised the profile of Ipswich as a key centre for the defence sector and provided a high profile platform for the launch of council's Defence Ipswich Strategy and Action Plan. The Defence Ipswich Strategy and Action Plan aligns with regional, state and national priorities and outlines council's agenda for supporting growth within defence and defence aligned industries.

The Ipswich CBD Redevelopment

The Ipswich Central Business District is undergoing its biggest transformation in generations. The revitalised city centre will be the future home of the Ipswich Central Library, Ipswich City Council administration building and a brand new community civic space with space for audiences of up to 3,000. The library and civic space, along with a refurbished multi-level car park, are expected to be delivered in Q3 2020 with the administration building expected to open in mid-2021.

Three key commercial precincts – Metro, Eats and Venue – will be instrumental in helping the city to create a vibrant community hub, stimulate a new night time

economy and attract new business and investment to the region. Renamed Nicholas Street – Ipswich Central, the city centre will offer a strong and dynamic calendar of events and activations, along with exciting, interactive elements, nightly light shows and endless opportunities to enjoy family-friendly fun.

As part of the Nicholas Street-Ipswich Central redevelopment, the Commonwealth Hotel, which first opened in Union Place in 1910, is undergoing significant repairs and reconstruction to bring it back to its former glory.

In 2018–2019, significant works were carried out on the new one-way vehicular road which has been designed to move traffic between Brisbane and Bell Streets. All demolition to the Nicholas Street and Union Place roadway was successfully carried out, with the new concrete road base, kerbs, pedestrian footpaths and landscaping components installed by JMac Constructions by mid-2019.

Bundamba TAFE Work Experience Program

The Ipswich Civic Centre and Bundamba TAFE collaborated to identify a pathway to employment for local students enrolled in the Certificate in Hospitality, Certificate in Event Management and Cookery Certificate courses.

This program now provides a working pathway for students to gain meaningful experience and employment with the Ipswich Civic Centre.

Plumbing and Drainage Legislative Change

The plumbing team undertook works in preparation of the new *Plumbing and Drainage Act 2018* and *Plumbing and Drainage Regulation 2019* implementation, to streamline applicable plumbing and drainage applications in the Ipswich area. The changes commenced on 1 July 2019 with a particular focus on improved customer experience and timeframes. Council completed this initiative to facilitate prompt turnaround times for industry while also providing industry support through the implementation period.

Fire Station 101

Since opening in March 2016, Fire Station 101 (FS101) has operated as a membership based start-up incubator, co-working space and events facility. FS101 has worked with over 180 start-up businesses, spawned 15 new companies and hosted over 150 events.

In 2018 the ownership and operations of FS101 were transferred wholly to council from Ipswich City Developments and Ipswich City Enterprises. The transfer and integration of FS101 into council's Office of Economic Development has maximised council's investment and resources in the delivery of innovation,

business accelerator, technology and smart city activities delivering increased economic, workforce and community outcomes.

FS101 has developed into a significant regional hub for collaboration and innovation, building community capability and opportunity. It is a key civic asset that continues to facilitate objectives and outcomes prioritised in the Advance Ipswich Plan and the Economic and Workforce Development Plan. Fire Station 101 builds the capability to innovate through being a centre of excellence that grows knowledge, encourages collaboration and develops skills to drive social and economic outcomes for Ipswich.

OPERATIONAL PLAN PROGRESS

STATUS	MEANING
On track	The project has commenced and is meeting milestones and budget
Scheduled	Scheduled to commence later in the financial year
Delayed schedule	The date of commencement has passed and the project has not commenced
At risk	The project has commenced but is not meeting milestones or budget
Complete	The project has been completed

Strategy 1 Build partnerships and develop programs to widely promote investment opportunities and support business development and activity in the city.			
KEY ACTIONS	OUTCOMES	DELIVERABLES	STATUS
Promote a major investment pathway within council that supports investment attraction in key sectors. (9.2/1.1) ¹	Ensure an effective framework of priorities, opportunities and alignment is maintained and championed with a measurable focus on factors of employment, investment, development and export.	Deliver a relevant program of regular business development events.	On track
		Review and implement the 10 year Infrastructure Investment Plan.	On track
		Provide proactive and reactive contact to local businesses for general enquiries.	On track
		Provide leadership in the coordination of valued industry and government partners.	On track
Develop trade and export links to support long-term competitiveness in the Ipswich economy. (9.2/1.2)	Ensure an effective framework of priorities, opportunities and alignment is maintained and championed with a measurable focus on factors of employment, investment, development and export.	Deliver targeted interstate and international campaigns to attract new businesses to the city.	On track
		Support key industry forums creating national awareness and engagement.	On track
		Deliver an audit of key industries and businesses aligned to current and potential export markets.	On track
Work with adjoining local governments to support shared and complementary economic growth priorities. (9.2/1.3)	Ensure an effective framework of priorities, opportunities and alignment is maintained and championed with a measurable focus on factors of employment, investment, development and export.	Deliver compelling opportunities for cooperative and co-funded activity.	Delayed schedule
		Provide leadership in the coordination of government, industry and community partners.	On track
		Provide strong representation of key industries to government trade and investment agencies.	On track
		Deliver key industry committees providing leadership, collaboration and coordination of effort.	On track
Utilise the city's increasing multiculturalism to diversify economic opportunity in service provision, business development and employment. (9.2/1.4)	Ensure an effective framework of priorities, opportunities and alignment is maintained and championed with a measurable focus on factors of employment, investment, development and export.	Support community groups or companies progressing innovation initiatives in the city.	At risk
		Deliver an annual jobs forum to promote employment opportunities and discuss local issues.	On track

¹ Depicts Advance Ipswich reference. Numbers in brackets refer to Advance Ipswich themes and key actions

Item N.2 / Attachment 1.

Strategy 2 Provide a full spectrum of life-long learning opportunities, from early learning through schooling to vocational training and tertiary education that aligns skills and education with emerging employment opportunities.			
KEY ACTIONS	OUTCOMES	DELIVERABLES	STATUS
Promote whole-of-life learning opportunities, particularly early learning and adult learning. (9.2/2.1)	Increased participation in learning opportunities across targeted community groups.	Develop and promote a range of initiatives to facilitate whole of life learning for targeted communities.	Complete
		Provide experiential learning opportunities and engagement.	Complete
		Provide self-paced learning opportunities through online tutorials.	Complete
Implement the Skilling Ipswich Program which covers community skilling, industry sector skills strategies and Indigenous employment and expands the education and training sector in the city. (9.2/2.2)	Ensure an effective framework of priorities, opportunities and alignment is maintained and championed with a measurable focus on factors of employment, investment, development and export.	Deliver an innovation program to increase digital technology and skills capability.	On track
Ensure state, private and tertiary education facilities match population growth and provide adequate skills and knowledge to support the local economy and assist people to have rewarding careers. (9.2/2.3)	Ensure an effective framework of priorities, opportunities and alignment is maintained and championed with a measurable focus on factors of employment, investment, development and export.	Provide a strong representation of the smart city program to government and private sector.	On track
		Deliver an expanded program of innovation, entrepreneurship, start-up and scale-up services.	On track
Strategy 3 Develop the Ipswich City Centre as the regional capital of the Western corridor of SEQ and as an important regional employment centre.			
KEY ACTIONS	OUTCOMES	DELIVERABLES	STATUS
Facilitate the development of Ipswich City Centre with a vibrant mix of land uses including government offices and services, commercial premises, retail, key community facilities, food and beverage outlets and higher density inner city living. (9.2/3.3)	Ensure relevant provisions are contained in the Ipswich Planning Scheme and are delivered through appropriate development outcomes.	Deliver through development assessment.	On track
		Monitor effectiveness of relevant planning scheme provisions and amend/update where necessary.	On track
Ensure the Ipswich City Centre is well served with appropriate infrastructure, including digital infrastructure, transport, parklands and public spaces. (9.2/3.6)	Ensure relevant provisions are contained in the Ipswich Planning Scheme and the Local Government Infrastructure Plan and are delivered through appropriate development outcomes.	Deliver through development assessment.	On track
		Monitor effectiveness of relevant planning scheme provisions and amend/update where necessary.	On track
Strategy 4 Strengthen the local digital economy.			
KEY ACTIONS	OUTCOMES	DELIVERABLES	STATUS
Review critical success factors and develop a plan, including a digital infrastructure plan, to support the development of a vibrant local digital economy. (9.2/4.1)	Prioritisation and broad integration of the Ipswich Smart City Program.	Deliver a large scale high capacity sensor network to facilitate IoT testing and deployment.	Delayed schedule
		Deliver targeted interstate and international campaigns to attract IoT testing and development.	Delayed schedule
		Deliver easy access to large scale high quality open city data to enable smart solutions.	Delayed schedule
		Deliver high performing digital assets which drive awareness, engagement and conversion.	Scheduled
Strategy 5 Support the growth and operation of RAAF Base Amberley and associated aerospace and defence support industries.			
KEY ACTIONS	OUTCOMES	DELIVERABLES	STATUS
Protect RAAF Base Amberley from land uses and activities that would impact on its operational integrity. (9.2/5.1)	Ensure relevant provisions are contained in the Ipswich Planning Scheme and are delivered through appropriate development outcomes.	Deliver through development assessment.	On track
		Monitor effectiveness of relevant planning scheme provisions and amend/update where necessary.	On track

Strategy 6 Diversify the local economy.			
KEY ACTIONS	OUTCOMES	DELIVERABLES	STATUS
Support the development of education and research facilities and technology and knowledge-based industries. (9.2/6.1)	Prioritisation and broad integration of the Ipswich Smart City Program.	Support increased STEM skills programs and pathways in all Ipswich schools.	On track
		Deliver an innovation program to increase digital technology and skills capability.	Scheduled
Support economic activity based on retail and hospitality in the existing and proposed centres. (9.2/6.3)	Ensure an effective framework of priorities, opportunities and alignment is maintained and championed with a measurable focus on factors of employment, investment, development and export.	Deliver a clear and consistent destination marketing plan to increase visitation.	On track
Support tourism opportunities based on heritage assets, events, motor and adventure sports, eco-tourism and nature-based recreation, rural areas and farm-based tourism. (9.6/6.4)	Ensure an effective framework of priorities, opportunities and alignment is maintained and championed with a measurable focus on factors of employment, investment, development and export.	Deliver a targeted publicity plan promoting key products and experiences.	On track
		Deliver a tourism infrastructure investment opportunities plan.	On track
		Provide an enhanced visitor experience through services, information and facilities.	On track
		Support the attraction and maximisation of a portfolio of major events across the city.	At risk
		Support tourism operators providing leadership, collaboration and coordination of effort.	On track
Support transport, logistics, and manufacturing industries, particularly where local SEQ Western Corridor products and agriculture are used. (9.2/6.5)	Ensure an effective framework of priorities, opportunities and alignment is maintained and championed with a measurable focus on factors of employment, investment, development and export.	Support businesses who are actively exporting or representing the city in target markets.	On track
		Provide assistance and advocacy for key industries including trends, opportunities and matters of planning and land use.	On track
Support traditional agricultural production and rural activities. (9.2/6.6)	Ensure an effective framework of priorities, opportunities and alignment is maintained and championed with a measurable focus on factors of employment, investment, development and export.	Support businesses who are actively exporting or representing the city in target markets.	On track
		Provide assistance and advocacy for key industries including trends, opportunities and matters of planning and land use.	On track
Support emerging and niche agricultural enterprises in future areas. (9.2/6.7)	Ensure an effective framework of priorities, opportunities and alignment is maintained and championed with a measurable focus on factors of employment, investment, development and export.	Support businesses who are actively exporting or representing the city in target markets.	On track
		Provide assistance and advocacy for key industries including trends, opportunities and matters of planning and land use.	On track
Research, monitor and review market and investment trends to identify opportunities for new business activities. (9.2/6.8)	Ensure an effective framework of priorities, opportunities and alignment is maintained and championed with a measurable focus on factors of employment, investment, development and export.	Deliver an advocacy and engagement plan focused on economic and workforce priorities.	On track
		Support the establishment of key industry centres of excellence.	On track
		Deliver a suite of industry capability reports auditing the industry eco-system to identify size, scale, capabilities and priorities.	Scheduled
Retain flexibility in planning scheme provisions to accommodate emerging business activities and economic opportunities. (9.2/6.9)	Ensure relevant provisions are contained in the Ipswich Planning Scheme and are delivered through appropriate development outcomes.	Deliver through development assessment.	On track
		Monitor effectiveness of relevant planning scheme provisions and amend/update where necessary.	On track



THEME 2

MANAGING GROWTH AND DELIVERING KEY INFRASTRUCTURE

GOAL 2: Plan and develop a vibrant and sustainable city that accommodates the needs of a diverse and growing population and economy.

INITIATIVES AND ACHIEVEMENTS

Springfield Central Library

The opening of the Springfield Central Library in August 2018 attracted over 9,000 new members and generated 275,000 loans. The beautiful library attracted wide ranging attention from within the local community and across the country with facility tours in frequent demand.

The first set of smart lockers were also deployed at Springfield Central Library, allowing for 24/7 pick-up of reserved items. A 38 per cent rise in overall library membership demonstrates the value and relevance of these services across the city.

Additional to the Springfield library, a new Virtual Branch was launched offering a visually beautiful, intuitive and highly integrated digital experience to promote easy access to resources, services and programs.

Review of standard conditions

The Development Planning, Delivery and Environment Teams undertook a review of the standard conditions used for Material Change of Use, Reconfigure a Lot and Operational Works applications.

The examination included an update of conditions for standard landscaping, a review of geotechnical and slope stability for batters and retaining walls and the inclusion of new compliance conditions to review technical reports after the planning approvals.

As a result of the review process, a new specific framework and core principles for operational works applications was set delivering a streamlined process across sections, providing and consistency and timely compliance to decision making.

iGO Public Transport Advocacy and Action Plan (PTAAP)

The iGO Public Transport Advocacy and Action Plan (PTAAP) is a key action from iGO – The City of Ipswich Transport Plan, which aims to increase the share of daily trips made by sustainable transport modes such as public transport.

The iGO PTAAP and the Summary Report were

developed, identifying 13 high priority actions and 17 medium and lower priority actions that will be undertaken as part of its implementation. Council will now use this to advocate to the State Government for public transport improvements across the City of Ipswich and undertake actions to support and prioritise public transport options.

Limestone Park Detention Basin

Low lying parts of the Ipswich CBD downstream of Limestone Park are now better protected from flash flooding after localised heavy rainfall with the completion of a new detention basin adjacent to the helipad.

This detention basin is designed to store stormwater runoff for a limited time and then release it slowly over several hours through a small outflow at the lowest point. It has a storage capacity of 25.3 megalitres.

The Ipswich community further benefitted from this works with the delivery of a new irrigated cricket pitch.

Framework for Development Applications and Related Activities Policy

During the 2018–2019 year, substantial work was undertaken to review the delegations, policies and procedures relating to development assessment. On 16 April 2019 council adopted a new Framework for Development Applications and Related Activities Policy. The policy refers to a number of procedures which provide the detail on roles, responsibilities and actions for officers to achieve the policy outcomes.

Council now has an overarching policy setting out the council specific framework and core principles for processing development applications and development related activities. This framework improves transparency and has reduced administrative burden and improved efficiency and consistency.

iGO Intelligent Transport Systems Strategy

Council endorsed the iGO ITS Strategy and the Summary Report, which identifies 18 projects, 41 protocols and 14 partnerships for implementation. Its aim is to improve safety, increase sustainability and drive efficiencies through the use of transport technology.

This strategy will be used to inform and guide future policy and investment decision making regarding intelligent transport systems, and will also be used as an advocacy tool to assist with securing necessary funding from higher levels of government for key initiatives.

The Ipswich Planning Scheme

The current Ipswich planning scheme was prepared under the now repealed *Integrated Planning Act 1997* and came into force and effect in 2006.

In 2017, the Queensland Government introduced the new *Planning Act 2016*, State Planning Policy and the new South East Queensland Regional Plan 2017 (ShapingSEQ). Council determined in November 2018 that it was timely to prepare a new Ipswich planning scheme in accordance with the new Queensland planning legislation and incorporate the new policies and plans that were released in 2017.

Following council's decision a Statement of Proposals document including a draft Strategic Framework was prepared with input from across all relevant internal areas of council.

The Statement of Proposals was consulted on in May and June 2019 as an early step in the process of preparing the new Ipswich planning scheme and to provide the opportunity for input from the community, government agencies and other stakeholders on a number of draft preferred planning scheme strategies and options that may apply to the entire local government area or specific local areas or individual parcels of land.

The consultation was supported by:

- a dedicated website (receiving over 6,000 visits)
- a purpose-built interactive mapping tool (with over 9,000 visits)
- a team of town planning officers who accommodated about 390 phone, counter and written enquiries and meeting requests.

The submissions (in excess of 500) received in response to the consultation will be used to help inform the preparation of the full draft planning scheme for submission to the State Government for formal consideration prior to further consultation with the community. Further information about the New Ipswich Planning Scheme is available at [New Ipswich Planning Scheme: Ipswich City Council](#).



OPERATIONAL PLAN PROGRESS

Strategy 1 Develop a compact, sustainable, mixed use urban form that supports community and economic development.			
KEY ACTIONS	OUTCOMES	DELIVERABLES	STATUS
Limit urban development to a defined urban footprint thereby protecting important natural environmental areas, waterways, rural areas and scenic landscapes. (9.3/11)	Ensure relevant provisions are contained in the Ipswich Planning Scheme and are delivered through appropriate development outcomes.	Deliver through development assessment.	On track
		Monitor effectiveness of relevant planning scheme provisions and amend/update where necessary.	On track
Encourage a diversity of housing types, styles and densities that meet community housing needs. (9.3/12)	Ensure relevant provisions are contained in the Ipswich Planning Scheme and are delivered through appropriate development outcomes.	Deliver through development assessment.	On track
		Monitor effectiveness of relevant planning scheme provisions and amend/update where necessary.	On track
	Social housing strategy that aligns to projected community needs. Increasing social diversity within defined geographic regions.	Develop research partnerships with government and other stakeholders to investigate experiences and aspirations of Ipswich residents who rent.	Delayed Schedule
		Engage government and other stakeholders to prioritise and facilitate the delivery of affordable living outcomes.	On track
Encourage higher density development around major centres and transport nodes and corridors including sensitive infill development that conserves and responds appropriately to places of heritage character significance. (9.3/13)	Ensure relevant provisions are contained in the Ipswich Planning Scheme and are delivered through appropriate development outcomes.	Deliver through development assessment.	On track
		Monitor effectiveness of relevant planning scheme provisions and amend/update where necessary.	On track
Develop a strong network of centres to support community connectedness and identity and accessibility to services and facilities that contribute to both social and economic outcomes. (9.3/14)	Delivery of council-owned social infrastructure aligned to the Social Infrastructure Plan.	Ensure optimal community access to relevant council infrastructure.	On track
		Develop a Community Infrastructure Strategy (including investment prioritisation framework).	On track
		Develop strategy to facilitate increased community access to non-council owned infrastructure.	On track
		Design and deliver a new library service at Springfield Central.	Complete
		Design and deliver a new library service at Rosewood.	Scheduled
		Design and deliver a collection of library pods at strategic locations throughout the city.	Scheduled
Establish a network of regionally significant and local business and industry activity nodes. (9.3/15)	Ensure an effective framework of priorities, opportunities and alignment is maintained and championed with a measurable focus on factors of employment, investment, development and export.	Provide strong representation of key industries to government, trade and investment agencies, bilateral chambers and industry allies.	On track
		Provide strong representation of the city in relevant government, community and industry forums.	On track
Incorporate relevant provisions and programs to support responsible pet ownership. (9.3/17)	Ensure delivery of actions and outcomes in the Ipswich City Council Health and Amenity Plan are achieved.	Deliver actions from the Health and Amenity Plan identified for 2018/19.	Complete
Strategy 2 Provide adequate land and infrastructure to support community development and economic activity.			
KEY ACTIONS	OUTCOMES	DELIVERABLES	STATUS
Planning scheme provisions to provide an adequate supply of serviced land to accommodate demand for business and employment growth and to meet community housing needs. (9.3/21)	Ensure relevant provisions are contained in the Ipswich Planning Scheme and are delivered through appropriate development outcomes.	Deliver through development assessment.	On track
		Monitor effectiveness of relevant planning scheme provisions and amend/update where necessary.	On track
Facilitate infrastructure planning and delivery arrangements with developers, government agencies and utility providers to ensure infrastructure is delivered in a timely and efficient manner to support both community and economic development. (9.3/22)	Ensure relevant provisions are contained in the Ipswich Planning Scheme and the Local Government Infrastructure Plan and are delivered through appropriate development outcomes.	Deliver forward designs to facilitate timely delivery of future programs.	On track
		Deliver through development assessment.	On track
		Monitor effectiveness of relevant planning scheme provisions and amend/update where necessary.	On track

Strategy 3 Provide a transport system that supports the safe, reliable and sustainable movement of people and goods for all travel modes.			
KEY ACTIONS	OUTCOMES	DELIVERABLES	STATUS
Develop and implement an integrated transport plan that provides a platform for enabling sustainable travel choices through the city being well connected for business, freight and visitors; a convenient and competitive public transport system; and more compact and mixed land uses to reduce trip lengths and make public transport, walking and cycling more viable. (9.3/3.1)	Ensure delivery of actions and outcomes in the Ipswich City Council Transport Plan (iGo) are achieved.	Deliver the 2018/19 Capital Portfolio.	On track
		Ongoing development of business case for the Norman Street Bridge project.	Delayed Schedule
		iGo Action Plans and Strategies.	Complete
		Deliver planning studies and data analysis to support iGO strategies.	Complete
Strategy 4 The city's heritage is conserved.			
KEY ACTIONS	OUTCOMES	DELIVERABLES	STATUS
Places and items of cultural heritage significance are identified, protected and used appropriately. (9.3/4.1)	Ensure relevant provisions are contained in the Ipswich Planning Scheme and are delivered through appropriate development outcomes.	Deliver through development assessment.	On track
		Monitor effectiveness of relevant planning scheme provisions and amend/update where necessary.	On track
		Curate and promote heritage resources through Ipswich Libraries and the Ipswich Art Gallery.	On track
		Cultivate internal and external networks to gain access to private heritage collections for preservation purposes.	On track
Council continues to provide a heritage awareness, education and promotions program, including a free heritage adviser service for owners of listed historic properties. (9.3/4.2)	Preservation and accessibility of digital heritage resources.	Preserve and exhibit significant items of cultural heritage relating to Ipswich.	On track
		Continue to provide free Heritage Advisor Service.	On track
These initiatives continue to be delivered through the Ipswich Heritage Program.			
Strategy 5 Provide an integrated open space network that is accessible and meets the recreational needs of residents and visitors.			
KEY ACTIONS	OUTCOMES	DELIVERABLES	STATUS
Provide access to major waterways through waterside parks and linear open space. (9.3/5.2)	Ongoing planning and delivery of shared pedestrian / cycle pathways through Ipswich's vast linear open space corridors.	Deliver the open space network in accordance with the Open Space and Recreation Strategy.	On track
		Maintain all fleet classes in accordance with schedule.	On track
		Prepare contracts for departmental programs.	On track
		Undertake asset inspections in accordance with the appropriate standards and schedule.	On track
	Ongoing planning and delivery of open space infrastructure which facilitates community access to the Bremer and Brisbane Rivers, and local creeks.	Ensure maintenance of council's roads, footpath and drainage network is delivered as per schedule.	On track
		Ensure maintenance of council's conservation estates as per schedule.	On track
		Ensure maintenance of council's streetscape areas as per schedule.	On track
		Ensure maintenance of council's urban forest estate as per schedule.	On track
		Provide 85,000 plants/year through the annual free plant program.	On track
		Develop open space capital program for council's consideration.	Complete
		Ensure maintenance of council's open space network is delivered as per schedule.	On track



THEME 3 CARING FOR OUR COMMUNITY

GOAL 3: Create a city that values its past and embraces opportunities to work together for the betterment of the community.

INITIATIVES AND ACHIEVEMENTS

Community Safety

The Safe City Program expanded its camera network in 2018–2019 to add an additional eight public safety cameras in the suburbs of Brassall, Booval and Goodna. To further increase, improve and expand on the operations of the Safe City Program, council invested in BriefCam. This state-of-the-art software revolutionises and accelerates video review and incident response by transforming video data into searchable, quantifiable and actionable intelligence.

Redbank Plains Community Centre Social Impact Assessment

The Redbank Plains Community Centre opened in May 2018, co-funded by Ipswich City Council and the Queensland Government. In partnership with the organisation managing the centre, Multicultural Development Australia, council is undertaking a multi-year social impact assessment to track the social impact of the community centre over time.

A baseline study report was finalised in November 2018, with further surveying and reports to be undertaken in 2019, 2020 and 2021. This is the first time council has undertaken a social impact assessment of a community centre and the first published social impact assessment of this kind nationally.

Art Gallery Exhibition and Public Program

The Ipswich Art Gallery attracted over 35,000 family and education group visitors to the Playing with Light exhibition. With over 22 interactive exhibits, Playing with Light was displayed across the entire gallery and included activities such as building a telescope, sneaking past laser security beams, stepping inside a giant kaleidoscope, and painting with infrared light.

Popular, award-winning shadow puppeteer troupe Bunk Puppets returned to Ipswich to present SlapDash Galaxy, a new DIY theatre event. More than 6,000 visitors attended over the two-week season of the September–October school holidays.

A touring exhibition from Sydney Living Museums titled Iconic Australian Houses was presented in the Exhibition Gallery, and provided a behind-the-scenes exploration of 30 of the most important Australian homes of the past 60 years by prominent architects such as Harry Seidler, Richard Leplastrier, Glenn Murcutt and Hugh Buhich. The exhibition attracted 16,483 visitors and was complemented by a brunch and tour by visiting curator Karen McCartney which attracted a new audience to the gallery.

Matthew Cheyne, Kate Roberts, Christopher Trotter and Kate Douglas were featured in the Stage Gallery exhibition program showcasing the work of the region's local artists to a larger audience. The opening events staged for these exhibitions presented valuable networking opportunities for the local arts community.

Christmas Wonderland

The inaugural Christmas Wonderland experience was developed in 2018 to cater for the city's young family market. The 12-day light wonderland was created in Nerima Gardens within Queens Park. This activation complemented the established community carols events, Ipswich Christmas Lights competition and New Year's Eve as our Christmas season in Ipswich offering.

Wonderland operated for nine nights and attracted 15,000 visitors and reached over 200,000 people on social media.

OPERATIONAL PLAN PROGRESS

Strategy 1 Inform, educate and celebrate with the community those elements of our history that have shaped our identity.			
KEY ACTIONS	OUTCOMES	DELIVERABLES	STATUS
Develop a clear understanding of what unites us and forms the city's identity. (9.4/1.1)	Active citizen and stakeholder engagement informing strategic marketing and communications.	Support a citywide business awards program which recognises local business success.	At risk
		Deliver a contemporary, clear and consistent positioning and narrative representing the city.	On track
		Support groups, businesses and partners who are actively and positively representing the city.	On track
	Celebration of the contribution of diverse communities.	Develop and implement a public art Governance Framework.	At risk
		Deliver and support a program of initiatives or events that celebrate the artistic skills and expertise within the community.	Delayed schedule
		Increase the exposure of Ipswich's youth to arts and cultural initiatives and events.	Complete
		Develop, implement and support programs which highlight and celebrate diversity within the Ipswich community.	On track
Strengthen council's branding of Ipswich to align with our identity and changing communities. (9.45/1.3)	Active citizen and stakeholder engagement informing strategic marketing and communications.	Deliver the city's most recognised local business news update, research and analysis.	On track
		Provide all businesses with free access to high quality Ipswich video, image and copy assets.	On track
		Deliver targeted interstate and international campaigns to represent the city.	On track
Implement a regular program of community opinion surveys to track changes in the values that impact council's policy development and service delivery. (9.4/1.4)	Decision making informed by community needs.	Implement knowledge management methodologies to facilitate sharing of research outcomes across council.	At risk
		Conduct review and analysis of the existing Social Policy framework and commence implementation of forward program of work.	On track
Strategy 2 Invest in data collection, analysis and targeted research to provide the evidence base for development of strategy and resource allocation.			
KEY ACTIONS	OUTCOMES	DELIVERABLES	STATUS
Develop greater understanding of community needs through community engagement, research and analysis to inform program, service and facility planning and delivery. (9.4/2.1)	Greater connectedness between data/ information and decision making.	Conduct an annual library customer satisfaction survey.	Complete
		Inform and engage with relevant stakeholders to support the delivery of the Capital Portfolio of Works.	On track
		Investigate and map educational facilities against current and projected enrolment patterns to inform advocacy to state governments for delivery of new schools.	Complete
		Analyse data relating to unemployment in the Ipswich region.	Complete
		Engage with the local community and employment providers to better understand barriers to employment in Ipswich.	Delayed schedule
		Analyse data relating to Ipswich's Aboriginal and Torres Strait Islander community to better understand the areas of need.	Complete
Develop a comprehensive set of indicators to inform the community on the direction of socio-economic change and progress in achieving desired social and economic outcomes. (9.4/2.2)	Community informed and engaged through planned communication.	Partner with Aboriginal and Torres Strait Islander organisations to develop a program of work that addresses areas of need and creation of opportunities.	On track
		Develop a Community Engagement Framework that optimises engagement outcomes and includes a transparent approach to reporting.	On track
Establish collaborative agreements for the co-operative development and sharing of socio-economic data across the region. (9.4/2.4)	Ability to benchmark performance across a range of metrics.	Develop data sharing protocols to inform formal agreements on how shared data can be used.	On track

Item N.2 / Attachment 1.

Increase the use of on-line and digital communications to deliver and promote services and information to the community. (9.4/2.5)	Prioritisation and broad integration of the Ipswich Smart City Program.	In line with the Digital City Strategy – evolve and further implement Digital City data driven platforms and architecture to enable data analytics and visualisations to support decision making.	On track
	Increased digital engagement of communities.	Strategically utilise library systems and digital marketing channels to promote engagement and use of resources, events and programs.	Complete
		Develop a methodology for online promotion of council led community programs and initiatives.	At risk
Strategy 3 Adopt and deliver an explicit Community Development framework tailored to the needs of our varied communities.			
KEY ACTIONS	OUTCOMES	DELIVERABLES	STATUS
Develop a community development plan for our communities of place and interest. (9.4/3.1)	Increased capability of, and participation by, communities.	Develop and implement community planning and development assessment framework for priority development areas.	Complete
Facilitate capacity building through a comprehensive community development training program. (9.4/3.2)	Increased resilience through strength of community leadership.	Deliver professional development opportunities for the local arts and cultural community through targeted programming and funding.	Complete
		Develop and implement a program of learning and development for community groups and organisations.	Complete
		Develop a community funding framework that support the arts/creative sector.	Delayed schedule
Ensure the needs of the city's growing child and youth population are incorporated through the adoption of a child and youth friendly community policy. (9.4/3.4)	Closer alignment to child friendly city principles.	Implement and Ipswich Youth Advisory Council (IYAC) and IYAC Ambassador Program.	On track
		Develop a policy framework to ensure that the city's design and service delivery meets the requirements of a child friendly city.	On track
Strategy 4 Foster collaboration, partnerships and use of evidence to shape service planning and delivery for the benefit of our communities.			
KEY ACTIONS	OUTCOMES	DELIVERABLES	STATUS
Facilitate service planning and delivery arrangements with government and non-government agencies utilising council's evidence base to ensure services are delivered in an equitable, timely and efficient manner to meet community needs. (9.4/4.1)	Coordinated social service delivery informed by social data.	Deliver Home Assist services to support members of the community to live independently in the home of their choice, and continue to access and engage with their community.	Complete
Strategy 5 Foster a diverse range of activities to promote sustainable, healthy lifestyles and community well-being.			
KEY ACTIONS	OUTCOMES	DELIVERABLES	STATUS
Implement a Community Events program across the city that includes community and family activities. (9.4/5.1)	Greater family participation in public programs.	Provide support for the delivery of programs and events for the elderly and those living with disabilities.	Complete
Develop awareness and education programs relating to health care intervention and prevention, healthy eating, healthy lifestyles and well-being. (9.4/5.2)	Increased engagement of community members in their own health outcomes.	Implement and maintain the 'Words for Wellness' initiative and resources.	Complete
		Engage with local community health providers and community to better understand barriers to community health outcomes.	Complete
		Research community health outcomes to determine priority focus areas.	On track
		Partner with health organisations to facilitate the outreach delivery of targeted health services in the community.	Complete
		Develop and implement a program of work to address barriers to community health and facilitate improved health outcomes.	Complete

Item N.2 / Attachment 1.

Utilise Planning Scheme provisions to encourage active recreation, the use of active transport and the development of walkable, mixed use neighbourhoods. (9.4/5.3)	Ensure relevant provisions are contained in the Ipswich Planning Scheme and the Local Government Infrastructure Plan and are delivered through appropriate development outcomes.	Deliver through development assessment.	On track
		Monitor effectiveness of relevant planning scheme provisions and amend/update where necessary.	On track
Acknowledge, promote and support the success and participation of Ipswich residents and teams in local, regional, national and international sporting events. (9.4/5.4)	Continue to support and provide council's Sporting Event Sponsorship Program.	Deliver and support council's sport and recreation funding program.	Complete
		Deliver active and outdoor recreation participation programs.	Complete
Plan and deliver a diverse range of cultural programs to engage the Ipswich community, celebrate Ipswich's cultural heritage and foster cultural development. (9.4/*)	Increased cultural tourism.	Deliver a broad range of literary programs and events that facilitate community participation in the arts.	Complete
		Develop and deliver a diverse range of high quality exhibitions and activities at the Ipswich Art Gallery that build on the cultural capital of the city.	On track
		Develop programs and events that build the capacity and capability of local artists/ performers.	On track
		Develop a public performance framework to activate public events and spaces.	Delayed schedule
		Manage and develop arts venues and assets.	On track
		Develop the concept for an Indigenous Cultural Centre that promotes local art, culture and customs. Identify an advocacy pathway.	Delayed schedule
Strategy 6 Build on the success of council's community safety programs to address new and emerging issues.			
KEY ACTIONS	OUTCOMES	DELIVERABLES	STATUS
Delivery of the Safe City program aligned to crime prevention and community safety plans. (9.4/6.4)	The Safe City network and program is incorporated in projects and plans to realise a reduction in crime in public places and an increased sense of community safety.	Deliver actions from the Safe City program identified for 2018-2019.	Complete
Facilitate programs, education and awareness on reducing public health risks in the community. (9.4/6.6)	Ensure delivery of actions and outcomes in the Ipswich City Council Health and Amenity Plan are achieved.	Deliver actions from the Health and Amenity Plan identified for 2018/19.	Complete
		Promote a positive safety culture to achieve zero harm.	Delayed Schedule
Strategy 7 Invest in social infrastructure to build a distinctive Ipswich identity and to maximise economic and social outcomes.			
KEY ACTIONS	OUTCOMES	DELIVERABLES	STATUS
Develop a new Regional Performing Arts Centre in the Ipswich CBD. (9.4/7.2)	Obtain 'in-principle' State and Federal Government support.	Develop and implement a program of work to deliver council's Arts and Cultural Strategy.	At risk
		Develop an Advocacy Strategy for the Ipswich Performance Arts Complex.	At risk
		Develop and deliver a Public Art Master Plan for the CBD.	Complete
		Deliver 'place-making' public art in line with community aspirations.	At risk
Ensure the library services strategy is responsive to the emerging need for a digital approach. (9.4/7.4)	That the Library's digital strategy aligns to community expectation and council's digital aspiration.	Develop and implement the Library Strategy 2017-2022.	Delayed schedule
		Design and implement a Virtual Library Branch.	Complete
		Deliver high performing eResource collections.	Complete
		Provide digital literacy programming across all age ranges.	Complete

* Depicts new Key Action

Item N.2 / Attachment 1.

Strategy 8 Develop greater community resilience and readiness.			
KEY ACTIONS	OUTCOMES	DELIVERABLES	STATUS
Work in partnership with other levels of government and other agencies to ensure effective responses to disasters and emergencies. (9.4/8.1)	An approved and endorsed Local Disaster Management Plan is in place with an annual review process.	Deliver the annual review of the LDMP.	Complete
Develop and provide information to the community regarding effective responses to disasters and emergencies. (9.4/8.2)	Emergency Management Strategy to be developed to provide a framework for public information.	Develop and deliver a community resilience strategy.	Complete
		Implement Community Resilience Strategy.	Complete
Use Planning Scheme provisions to appropriately manage the risks arising from natural and other hazards. (9.4/8.4)	Ensure relevant provisions are contained in the Ipswich Planning Scheme and are delivered through appropriate development outcomes.	Deliver through development assessment.	On track
		Monitor effectiveness of relevant planning scheme provisions and amend/update where necessary.	On track





THEME 4 CARING FOR OUR ENVIRONMENT

GOAL 4: Important areas of native habitat and vegetation are conserved, the city's important waterways are protected and their water quality enhanced, and the city responds appropriately to climate change and uses resources prudently.

INITIATIVES AND ACHIEVEMENTS

Franklin Vale Creek and Tributaries Revegetation Project

This ongoing project is reinstating a waterway, which after many years of agricultural activities in the area had become overgrown with pest plants and was subject to erosion due to loss of native species of plants.

Council has worked with several property owners to: keep stock from entering the creek and revegetation areas; provide offsite watering points for stock via solar powered bores and installation of water troughs; undertake extensive pest weed control to open the canopy for revegetation plantings; and install rock crossings for vehicle access across the creek.

The project has enjoyed a successful revegetation program and the regeneration of native species along the creek banks is evident. Council is looking forward to continuing efforts to improve this important waterway.

Completion of the Ipswich Rivers Flood Study

Council completed a major flood study for the Bremer River and major tributaries in Ipswich, in accordance with the Brisbane River Strategic Floodplain Management Plan and Queensland Flood Commission of Enquiry.

This study will now guide the development of the Ipswich Integrated Catchment Plan.

The Little Liverpool Range Initiative (LLRI)

This is a new initiative established between council, the Gainsdale Group (Hidden Vale), and the Queensland Trust for Nature.

The Little Liverpool Range (the range) is nestled about 40 minutes from the Ipswich CBD bordering the Ipswich, Lockyer Valley and Scenic Rim Council areas. The range is a wildlife corridor that is home to a number of significant species including Glossy Black Cockatoo, Powerful Owl, Brush-tailed Rockwallaby, Little Pied Bat and Slender Milk Vine to name a few. The range provides a link between Main Range National Park and

the Great Eastern Ranges and contains a significant amount of remnant vegetation. As a result, the range has been identified as an important wildlife corridor.

The LLRI supports landholders living within the Little Liverpool Range to increase native wildlife habitat, undertake coordinated fire, weed and pest management activities.

Sustainable Ipswich Week

Sustainable Ipswich Week was developed to bring focus to environmental issues and what we can all do at home and at work to bring sustainability into our daily lives.

Two key events, the EnviroForum and Youth Sustainability Summit, were held to showcase innovation in the sustainable management of natural resources.

An increased participation rate was achieved with over 200 students from 20 schools across Ipswich attending the Youth Sustainability Summit and over 120 people attending the EnviroForum. Social media channels also increased the reach of these programs with industry and child care centres also getting involved.

Rehabilitation of Small Creek

Small Creek languished as a concrete channel for several decades before council embarked on a four-stage project to return it to a more natural state. Important habitat was restored, water quality flowing to the river was improved and flood protection increased.

The project included sustainable design elements, with parts of the concrete channel saved from landfill and repurposed as features throughout the re-naturalised creek.

Stages one and two are now complete. Native trees and grasses planted along the waterway have taken hold and plenty of birds are taking advantage of the area. Hundreds of native fish have been recorded in Small Creek for the first time since work started, which is a significant find and demonstrates the success of the project.

OPERATIONAL PLAN PROGRESS**Strategy 1 Secure and protect important areas of native habitat and vegetation.****KEY ACTIONS**

No key actions identified for delivery in 2018–2019.

Strategy 2 Develop and implement an integrated approach to the planning and management of nature conservation matters in partnership with the community, private land owners and government agencies.

KEY ACTIONS	OUTCOMES	DELIVERABLES	STATUS
Review the Conservation Partnerships Program and implement changes. (9.5/2.1)	Highly effective partnership program with financial and technical incentives to support conservation and waterway health improvement on private land.	Implement and manage the natural environment in accordance with Nature Conservation Strategy.	On track
		Deliver the Voluntary Conservation Partnership Programs.	On track
Provide strategic delivery of environmental offsets across the city. (9.5/2.2)	Work in partnership with offset brokers / organisations in the strategic delivery of environmental offsets in alignment with the Nature Conservation Strategy and Koala Habitat Management Plan.	Deliver the Environment and Sustainability Grants Program.	On track

Strategy 3 Waterways are protected and managed to achieve enhanced environmental, ecological and water quality outcomes.

KEY ACTIONS	OUTCOMES	DELIVERABLES	STATUS
Work in partnership with property owners, community groups and government agencies to protect and better manage important waterways, wetlands and groundwater resources. (9.5/3.1)	Improved waterway and wetland health.	Deliver improved waterway, wetland health and diversity in accordance with the Waterway Health Strategy. Key Project 18/19 – Platypus Recovery Plan.	On track
Implement appropriate pollutant control mechanisms, particularly for sediment and erosion during the construction phase of development. (9.5/3.2)	Ensure delivery of actions and outcomes in the Ipswich City Council Health and Amenity Plan are achieved.	Deliver actions from the Health and Amenity Plan identified for 2018/19.	Complete
Ensure effective catchment and floodplain management. (9.5/3.4)	Develop and implement the Floodplain management Strategy.	Develop Ipswich Rivers Strategic Floodplain Management Plan.	On track
	Maintain up-to-date flood studies.	Review catchment and flood study reports.	On track
	Delivery of the Habitat Connections Program.	Undertake new catchment and flood study reports.	On track

Strategy 4 Enhance urban greening.

KEY ACTIONS	OUTCOMES	DELIVERABLES	STATUS
Undertake street tree planting and landscaping and protect significant vegetation within road reserves. (9.5/4.2)	Planning, design and implementation of stage 1 "My Suburb, My City" Beautification program for Collingwood Park and Riverview.	Deliver the 9 weekly program for street tree planting requests.	On track
	Complete footpath garden Asset capture and mapping.	Deliver identified projects as part of the Beautiful Ipswich Program.	Delayed schedule

Strategy 5 Use resources efficiently and sustainably.

KEY ACTIONS	OUTCOMES	DELIVERABLES	STATUS
Waste is treated as a resource and is minimised through reducing, reusing and recycling. (9.5/5.1)	Maximise diversion of waste from landfilling through the kerbside recycling and green waste services and public transfer stations.	Increase waste diverted from landfilling at the Recycling and Refuse Centres.	On track
		Increase recycling diverted from domestic collection and disposal services.	On track
		Increase domestic green waste diverted from domestic refuse service.	On track
Water is treated as a precious resource within a total water cycle management framework. (9.5/5.3)	Review and implement the Integrated Water Strategy.	Review and report on water efficiency measures for council. Report for consideration by 31 December.	Delayed schedule

Strategy 6 Improve environmental awareness, education and compliance.

KEY ACTIONS	OUTCOMES	DELIVERABLES	STATUS
Ensure appropriate compliance is undertaken in relation to littering, dumping and air and water pollution. (9.5/6.2)	Ensure delivery of actions and outcomes in the Ipswich City Council Health and Amenity Plan are achieved.	Deliver actions from the Health and Amenity Plan identified for 2018/19.	Complete



THEME 5

LISTENING, LEADING AND FINANCIAL MANAGEMENT

GOAL 5: Visionary and accessible leadership is provided that consults and communicates on key decisions and delivers sound financial management and good governance outcomes.

INITIATIVES AND ACHIEVEMENTS

Changes to Council's Committee Structure

Prior to October 2018, council's committee structure included 10 standing committees with no clear alignment between council's Community Plan (Advance Ipswich) and Corporate Plan.

To ensure strategies and programs were delivered effectively and accountability and reporting lines were directed towards the outcomes in these two documents a new committee structure was formed.

The new structure which commenced from November 2018 aligns with council's strategic themes as articulated in the community plan which are:

- Strengthening our local economy and building prosperity
- Managing growth and delivering key infrastructure
- Caring for the Community
- Caring for the Environment
- Listening, Leading and Financial Management

The committee structure now aligns to the Advance Ipswich Community Plan strategies which is supported by the Corporate Plan and annual Operational Plan actions and outcomes.

As well as the community and corporate plan alignment a terms of reference was established for each standing committee which contains clear and specific information on what the committee is trying to achieve, who the members are, when and where they meet.

In keeping with the local government principle relating to "transparent and effective processes and decision making in the public interest" standing committee reports now include a statement of reasons for any amendments to an officer's recommendation as well as a written record of any significant points of discussion regarding the report and its recommendation/s.

Consolidation of Council Depots

Council closed its waste and fleet depot at Briggs Road and consolidated all of these activities into an existing depot at Riverview. This has created efficiencies for the servicing of council fleet and the ongoing management of resources.

Pulse Check Survey

For the first time, in November 2018, council undertook a survey to better understand community sentiment. Over 2,300 Ipswich residents participated in the survey, via telephone, face to face interviewing and an online survey.

The Pulse Check Survey revealed that while there was room for improvement in council's ability to build trust and confidence, 49 per cent of residents were satisfied with the services provided by council. Council will undertake the survey again in November 2019.

Eat Safe Program

Our community deserves local food establishments that adhere to food safety, hygiene and cleanliness compliance guidelines. In order to ensure that our food businesses are operating at high levels of compliance and food safety levels are regularly monitored, Ipswich City Council has implemented a regulatory scheme for licensed local food businesses based on a star rating system. After auditing local food businesses (excluding temporary food stalls and water carriers) for good management practices and adherence with the provisions set out in the Food Act 2006 and Food Safety Standards, each food business is assigned an Eat Safe Ipswich food safety star rating.

The program promotes food safety in our city and recognises and rewards high performing businesses based on their food safety practices. Eat Safe reduces the number of audits for businesses that demonstrate excellent food safety practices allowing council to focus more resources on poor performers.

Delivery of the program involved the development and publishing of business resources (in four different languages), and the creation of an online portal where members of the public can search food safety ratings for food businesses in the Ipswich area.

Eat Safe provides food businesses with education of food safety requirements and consumers with confidence in Ipswich's food industry, allowing them to make an informed choice when choosing a food business to visit.

OPERATIONAL PLAN PROGRESS

Strategy 1 The mayor and councillors represent the Ipswich community and provide strong and visionary leadership.			
KEY ACTIONS	OUTCOMES	DELIVERABLES	STATUS
The accessibility to and the visibility of the mayor and councillors are maintained. (9.6/1.1)	Maintain the accessibility of mayor and elected members in public and media platforms.	Deliver a contemporary, clear and consistent positioning and narrative representing the city.	On track
	Mayor's office and electorate offices have capacity, resources and visibility within the community.	Provide support, resources, training and up to date information about council activities and initiatives to electorate offices in order to maintain high standards of service delivery.	On track
The mayor and councillors continue to promote and advocate on behalf of the city and the community. (9.6/1.2)	Elected members undertake roles and responsibilities to a high standard.	Support and provide guidance for elected members in accordance with the Act and Code of Conduct.	On track
		Respond effectively to issues impacting on the city and community.	On track
		Ensure effective, timely and responsible policy and decision making.	On track
	Monitor and review council's performance, strategic and operational reporting.	Develop prioritised Reference Architectures and Roadmaps to guide ICT investment in existing key business domains to improve capabilities and opportunities.	On track
		Implement and operationalise a fit for purpose ICT contract management framework to ensure that council's ICT spend is compliant and monitored to deliver value and outcomes.	Delayed schedule
		Monitor and review council's performance, strategic and operational reporting to ensure alignment to strategic and operational activities in accordance with the Act.	On track
Strategy 2 Provide comprehensive and meaningful community engagement to inform council decision making.			
KEY ACTIONS	OUTCOMES	DELIVERABLES	STATUS
Council maintains a key focus on customer service and meeting the needs of the community. (9.6/2.3)	Meet or exceed corporate targets for customer service standards.	Achieve first-point-of-contact resolution when answering customer enquiries to targeted service standard.	On track
		Answer incoming customer calls directly in a timely manner.	On track
		Ensure rate arrears are kept low to targeted service standard.	At risk
		Complete customer service requests in a timely manner to targeted service standard.	On track
		Register and task all types of incoming council mail in a timely manner to targeted service standard.	On track
		Register and task all types of incoming council emails in a timely manner to targeted service standard.	On track
		Develop and Implement agreed Line of Sight Program, projects or project elements.	On track

Item N.2 / Attachment 1.

Strategy 3 Implement initiatives that strengthen governance skills and knowledge.			
KEY ACTIONS	OUTCOMES	DELIVERABLES	STATUS
Councillors and staff are provided with the necessary skills, training and resources to make informed, effective, efficient, impartial and timely decisions. (9.6/3.1)	Council continues to provide training, development and resources to councillors and staff to enable and support, effective, informed, timely and impartial decision making.	Deliver training, development and resources to councillors and staff to enable and support effective, information, timely and impartial decision making.	On track
		Develop and implement an effective development program for council leaders to improve alignment with Line of Sight principles and improve support in embracing cultural changes.	On track
		Develop an HR Strategy and business plan that aligns with organisational strategies and goals.	Delayed schedule
		Develop effective performance measures that ensure HR services meet business stakeholder needs.	Delayed schedule
		Implement employee awareness sessions through the Line of Sight program to improve customer focus and employee behaviours.	Delayed schedule
Council information is accurate and managed effectively to ensure appropriate access, confidentiality and security. (9.6/3.2)	Maintain an open and transparent approach to information.	Ensure corporate policies and procedures are current.	On track
		RTI and Privacy applications are received and processed within applicable timeframes.	On track
		Administrative reviews are processed within regulated timeframes. This includes Complaints Management Process and Ombudsman/Office of Information Commissioner Reviews and CCC.	On track
		Provide greater ease of use and functionality of external interfaces to provide greater transparency to constituents.	On track
		Implement an electronic solution for committee and council meetings to provide an innovative and transparent online meetings management solution.	Complete
	Review and maintain council's enterprise risk management framework.	Implement and embed an Enterprise Risk Management Program.	On track
		Implement regular monitoring and reporting of strategic and operational risks.	At risk
Strategy 4 Maintain a financially sustainable and resilient approach to budgeting.			
KEY ACTIONS	OUTCOMES	DELIVERABLES	STATUS
Aim to operate council's finances with a modest surplus. (9.6/4.1)	Ensure sound budgeting principles consistent with long-term financial targets.	Ensure the contract management framework improves productivity and performance of ICT contracts and assets.	Delayed schedule
		Regularly update and review council's long term financial plan (LTFP).	Complete
		Review input assumptions and financial sustainability targets as part of the LTFP's preparation.	Complete
		Prepare council's annual budget in line with LTFP's financial targets.	Complete
		Monitor and report council's performance compared to budget.	Complete
Manage and reduce the city's debt on the basis of 'don't spend more than you earn, and borrow for assets only'. (9.6/4.2)	Effectively manage revenue sources relative to debt and service levels.	Manage council's debt in accordance with council's debt policy.	On track
		Forecast council's debt position as part of council's long term financial planning and budget process.	Complete
		Monitor and review council's financial performance ratios and targets.	On track

Strategy 5 Good neighbourly relations are maintained through effective dispute resolution, community education and compliance.			
KEY ACTIONS	OUTCOMES	DELIVERABLES	STATUS
The community is provided with information, education and tools to minimise and, if necessary, resolve neighbourhood disputes and to be aware of their obligations under laws and regulations. (9.6/5.1)	Ensure delivery of actions and outcomes in the Ipswich City Council Health and Amenity Plan are achieved.	Deliver actions from the Health and Amenity Plan identified for 2018/19.	Complete
Council undertakes inspections and appropriate compliance action in respect to nuisance activities. (9.6/5.2)	Ensure delivery of actions and outcomes in the Ipswich City Council Health and Amenity Plan are achieved.	Deliver actions from the Health and Amenity Plan identified for 2018/19.	On track
Strategy 6 Maintain a consistent and efficient approach to laws and compliance activities across the city.			
KEY ACTIONS	OUTCOMES	DELIVERABLES	STATUS
The community is provided with information and access on how to apply for and comply with licences and permit conditions, and obligations under local laws and legislation. (9.6/6.1)	Ensure delivery of actions and outcomes in the Ipswich City Council Health and Amenity Plan are achieved.	Deliver actions from the Health and Amenity Plan identified for 2018/19.	Complete
Council will undertake programmed inspections and patrols and will respond to requests made by the community to ensure quality of life is being maintained across the city. (9.6/6.2)	Ensure delivery of actions and outcomes in the Ipswich City Council Health and Amenity Plan are achieved.	Deliver actions from the Health and Amenity Plan identified for 2018/19.	Complete
Council has local laws that are contemporary, sustainable and efficient for the good governance of the Local Government Area. (9.6/6.3)	The local laws provide clear and consistent outcomes for council and the community in resolving compliance matters and are reviewed regularly.	Deliver actions from the Health and Amenity Plan identified for 2018/19.	On track

GOVERNANCE ELECTED AND APPOINTED



FORMER MAYOR AND COUNCILLORS

Ipswich City Council was dissolved effective 22 August 2018 as a result of the *Local Government (Dissolution of Ipswich City Council) Act 2018*.

Councillor Andrew Antoniolli	Mayor	Suspended May 2018
Councillor David Morrison	Division 1	
Councillor Paul Tully	Division 2	
Councillor Kerry Silver	Division 3	
Councillor Kylie Stoneman	Division 4	
Councillor Wayne Wendt	Division 5	Acting Mayor
Councillor Cheryl Bromage	Division 6	
Councillor David Martin	Division 7	
Councillor Charlie Pisasale	Division 8	
Councillor Sheila Ireland	Division 9	
Councillor David Pahlke	Division 10	

COUNCILLOR REMUNERATION

Councillor remuneration was paid in accordance with the amounts set by the Local Government Remuneration and Discipline Tribunal, an independent body responsible for regularly reviewing and determining the remuneration payable to councillors. Council's superannuation contribution on behalf of all councillors was 12 per cent of their remuneration.

In accordance with section 186 of the *Local Government Regulation 2012*, the following table details the total remuneration, and superannuation for each councillor during the 2018–2019 financial year:

COUNCILLOR	DIVISION	PERIOD	REMUNERATION (\$)	SUPERANNUATION CONTRIBUTION (\$)	TOTAL REMUNERATION (\$)
Andrew Antoniolli	Mayor	Partial Year	31,782.18	3,813.87	35,596.05
David Morrison	Division 1	Partial Year	19,069.00	2,288.31	21,357.31
Paul Tully	Division 2	Partial Year	19,069.00	2,288.31	21,357.31
Kerry Silver	Division 3	Partial Year	19,069.00	2,288.31	21,357.31
Kylie Stoneman	Division 4	Partial Year	19,069.00	1,983.59	21,052.59
Wayne Wendt	Division 5	Partial Year	41,060.46	4,927.27	45,987.73
Cheryl Bromage	Division 6	Partial Year	19,069.00	2,288.31	21,357.31
David Martin	Division 7	Partial Year	19,069.00	1,811.55	20,880.55
Charlie Pisasale	Division 8	Partial Year	19,069.00	2,288.31	21,357.31
Sheila Ireland	Division 9	Partial Year	19,069.00	2,288.31	21,357.31
David Pahlke	Division 10	Partial Year	19,069.00	2,288.31	21,357.31

Remuneration for Wayne Wendt also includes additional amounts for Acting in the role of mayor for the period of 3 May 2018 until council dissolution on 22 August 2018. A decision from the Local Government Remuneration and Discipline Tribunal resulted in back pay to the amount of \$15,407 and was made in July 2018.

COUNCILLOR CONDUCT DISCLOSURES

Section 186 of the *Local Government Regulation 2012* states that a local government must include particulars of complaints associated with councillor conduct as detailed below:

For the period 1 July 2018 to 2 December 2018

ORDERS, RECOMMENDATIONS AND ASSESSMENTS	TOTAL
Orders and recommendations made under section 180(2) or (4) of the <i>Local Government Act 2009</i> ('the Act')	0
Orders made under section 181 of the Act	0
Complaints for which no further action was taken under section 176C(2) of the Act	0
Complaints referred to the Chief Executive Officer under section 176C(3)(a)(i) of the Act	0
Complaints referred to the Mayor under section 176C(3)(a)(ii) or (b)(i) of the Act	0
Complaints referred to the Chief Executive Officer under section 176C(4)(a) of the Act	1
Complaints assessed by the Chief Executive Officer as being about corrupt conduct under the <i>Crime and Corruption Act 2001</i>	1
Complaints heard by a regional conduct review panel	0
Complaints heard by the Local Government Remuneration and Discipline Tribunal	1
Complaints to which Section 176C (6) of the Act applied	0

For the period 3 December 2018 to 30 June 2019

Ipswich City Council was in Administration for the entirety of this period. Two matters received by the local government, mentioned in section 150P(3) of the Act were notified to the Crime and Corruption Commission.

COUNCILLOR REIMBURSEMENTS

Section 186 of the *Local Government Regulation 2012* states that a local government's annual report must include the expenses incurred by, and the facilities provided to, each councillor during the financial year under the local government's expenses reimbursement policy.

During the 2018–2019 financial year, councillors were provided with or reimbursed for costs incurred in maintaining a mayoral or divisional office⁵ and representing the city in their elected role:

COUNCILLOR	TOTAL (\$)	OFFICES	TOTAL (\$)
Andrew Antoniolli ^{1, 2}	54,055	Mayor's / Administrator's Office	30,641
David Morrison ²	4,170	Division 1 ⁴	66,121
Paul Tully ²	22,907	Division 2 ⁴	57,073
Kerry Silver ²	3,092	Division 3 ⁴	63,502
Kylie Stoneman ²	839	Division 4 ⁴	63,718
Wayne Wendt ²	4,051	Division 5 ⁴	77,266
Cheryl Bromage ²	4,414	Division 6 ⁴	52,050
David Martin ²	1,321	Division 7 ³	15,839
Charlie Pisasale ²	4,789	Division 8 ⁴	69,998
Sheila Ireland ²	4,063	Division 9 ⁴	81,449
David Pahlke ²	8,198	Division 10 ⁴	49,015

Interim Administrator Costs: \$386,762

Interim Management Committee Costs: \$1,149,806

Council's Expenses Reimbursement Policy was repealed 21 May 2019 and replaced with an amended version. The expenses detailed above were all incurred under the previous policy.

- **Councillor Expenses Reimbursement and Administrative Support Policy** (adopted 21 May 2019):
View at [Bit.ly/councillorexpensespolicy](https://bit.ly/councillorexpensespolicy)
- **Expenses Reimbursement Policy** (repealed 21 May 2019)
View at [Bit.ly/repealedexpensespolicy](https://bit.ly/repealedexpensespolicy)

¹ Remained suspended under Section 182A of the *Local Government Act 2009*

² On 22 Aug 2018 the Parliament of Queensland passed the *Local Government (Dissolution of Ipswich City Council) Act 2018* dismissing the mayor and 10 councillors of Ipswich City Council

³ On 21 Dec 2018 the Division 7 office closed to the public

⁴ On 31 May 2019 the remaining divisional offices closed to the public

⁵ The above office costs are for the full financial year including the time the offices were Community Offices from 23 August 2018

COUNCILLOR MEETING ATTENDANCE

Section 186 of the *Local Government Regulation 2012* requires a local government's annual report contain details on the number of local government meetings that each councillor attended during the financial year.

COMMITTEE ACRONYM AND NAME	
I&EM	Infrastructure and Emergency Management
WPS	Works, Parks and Sport
C&E	Conservation and Environment
L&T	Libraries and Tourism
A&CD	Arts and Community Development
HS&CS	Health, Security and Community Safety
PDH	Planning, Development and Heritage
ED&DC	Economic Development and Digital City
CMF&CE	City Management Finance and Community Engagement
A&R	Audit and Risk (Attendance restricted to members only)
Council	Ordinary Council
Special Council	Special Council

COMMITTEE AND COUNCIL MEETINGS												
Committee Membership July and August 2018	I&EM	WPS	C&E	L&T	A&CD	HS&CS	PDH	ED&DC	CMF&CE	A&R	Council	TOTAL
Number of Meetings	2	2	2	2	2	2	2	2	2	1	2	21
Cr Wayne Wendt (Acting Mayor)	2	2	2	2	2	2	2	2	2	1	2	21
Cr David Morrison	2	2	2	2	2	2	2	2	2	0	2	20
Cr Paul Tully	2	2	2	2	2	2	2	2	2	1	2	21
Cr Kerry Silver	2	2	2	2	2	2	2	2	2	0	2	20
Cr Kylie Stoneman	2	2	2	2	2	2	2	2	2	0	2	20
Cr Cheryl Bromage	2	2	2	2	2	2	2	2	2	0	2	20
Cr David Martin	2	2	2	2	2	2	2	2	2	0	2	20
Cr Charlie Pisasale	2	2	2	2	2	1	1	2	2	0	2	18
Cr Sheila Ireland	2	2	2	2	2	2	2	2	2	0	2	20
Cr David Pahlke	2	2	1	1	1	2	2	2	2	0	1	16

Committee Membership 28 August 2018	Special Council Meeting	TOTAL
Number of Meetings	1	1
Greg Chemello	1	1

COMMITTEE AND COUNCIL MEETINGS													
Committee Membership 1 September 2017– 19 September 2017	I&EM	WP&S	C&E	L&T	A&CD	HS&CS	PD&H	ED&DC	CMF&CE	A&R	Council	Special Council Meeting	TOTAL
Number of Meetings	2	2	2	2	2	2	2	2	2	1	2	1	22
Greg Chemello	2	2	2	2	2	2	2	2	2	1	2	1	22
Jan Taylor	2	2	2	2	2	2	2	2	2	0	2	0	20
Rob Jones	2	2	2	2	2	2	2	2	2	1	2	0	21
Simone Webbe	2	2	2	2	2	2	2	2	2	0	2	1	21
Stan Gallo	2	2	2	2	2	2	2	2	2	1	1	1	21
Steve Greenwood	2	2	2	2	2	2	2	2	2	0	2	0	20

■ Purple background depicts committee membership

■ Red background depicts alternate member only. Only required to attend if a member is unavailable

COMMITTEE ACRONYM AND NAME	
ED	Economic Development
G&I	Growth and Infrastructure
Comm	Communities
Enviro	Environment
Gov	Governance
A&RM	Audit and Risk Management (Attendance restricted to members only)
Council	Ordinary Council
Special Council	Special Council

COMMITTEE AND COUNCIL MEETINGS									
Committee Membership November 2018 to June 2019	ED	G&I	Comm	Enviro	Gov	A&RM	CI	Special Council Meeting	TOTAL
Number of Meetings	8	8	8	8	8	2	8	3	53
Greg Chemello	8	8	8	8	8	2	8	3	53
Jan Taylor	8	8	8	8	8		8	1	49
Rob Jones	8	8	8	8	8	2	7	0	49
Simone Webbe	7	8	8	8	8		8	1	48
Stan Gallo	8	8	8	8	8	1	6	1	48
Steve Greenwood	6	6	6	6	6		7	1	38

OVERSEAS TRAVEL

Section 188 of the *Local Government Regulation 2012* requires that a local government's annual report contain information on overseas travel by councillors or local government employees in the financial year including their name and details of the destination, purpose and cost.

During the 2018–2019 financial year there was no overseas travel taken by councillors, Interim Administrator or local government employees.

OFFICE OF THE INTERIM ADMINISTRATOR AND THE INTERIM MANAGEMENT COMMITTEE

Office of the Interim Administrator

On Wednesday, 22 August 2018 the Parliament of Queensland passed the *Local Government (Dissolution of Ipswich City Council) Act 2018* dismissing the mayor and 10 councillors of Ipswich City Council. Greg Chemello was appointed by the State Government as *Interim Administrator* of Ipswich City Council through to the next scheduled local government elections on Saturday, 28 March 2020.

The government also appointed a part-time *Interim Management Committee* (IMC), comprising five experts in their respective fields, to help Mr Chemello achieve his goal of bringing about positive, ethical change to Ipswich City Council. Mr Chemello acknowledges that he can only achieve this goal by working collaboratively with council's chief executive officer, executive leadership team and staff.

Role of the Interim Administrator

As Interim Administrator of Ipswich City Council, Mr Chemello has all the powers and responsibilities of the Ipswich City Council mayor and councillors. He is solely responsible for the good rule and local government of Ipswich, which means he will lead, manage and make decisions on behalf of council. His focus is on making the right policy decisions for the betterment of the long-term interests of the City of Ipswich as a whole. Operational issues are still handled by council officers under the direction and guidance of the CEO.

Interim Administrator Greg Chemello

Mr Chemello has 35 years of professional and management experience – the last two decades in leadership roles within public and private sector organisations undergoing significant change. His professional experience has generally been in the property and development sectors through senior professional, management and leadership roles with both property asset owners and advisory/consulting businesses and organisations.

In addition to roles involved with delivery of developments and capital works, Mr Chemello has extensive business management experience, having undertaken roles at director, general manager and senior executive levels for a number of private companies and public sector organisations. Mr Chemello has developed considerable expertise in areas such as strategic planning, governance, change management, commercial negotiation and stakeholder management and communication.

Mr Chemello's most recent role as general manager of Economic Development Queensland (EDQ) involved leading EDQ's land use and infrastructure planning, community consultation and property development teams to facilitate economic and community development opportunities on sites across the state.



Role of the Interim Management Committee

The part-time Interim Management Committee (IMC) is comprised of Stan Gallo, Simone Webbe, Jan Taylor, Steve Greenwood and Robert Jones. Mr Chemello is the Chair of the IMC and is responsible for the IMC's leadership, efficient organisation and conduct of its functions.

The role of the IMC is to assist the Interim Administrator perform his responsibilities as they collectively rebuild and maintain a healthy council culture, implement sound governance and financial management practices, progress key projects and manage considerable policy, procedural and operational reforms to enable Ipswich City Council to again be a leading local government in Australia. While the IMC attends committee and council meetings to advise the Interim Administrator at his request, they do not act in the place of the Ipswich City councillors. Only the Interim Administrator has the power to vote at council meetings.

Interim Management Committee Members

Each member of the IMC holds particular expertise and experience to support the Interim Administrator of Ipswich City Council – summaries of these areas of expertise are set out below.



Stan Gallo is a partner at KPMG and leads the firm's forensic practice in Queensland and Western Australia. His experience involves advising clients on good governance, risk, compliance, ethics and integrity. He is a proactive risk management specialist who combines unique insights and experiences with traditional investigative skills and forensic technology expertise to bring a different perspective.



Jan Taylor has 20 years of experience in community engagement and consultation around some of Australia's toughest projects, in both the public and private sectors. Her reputation has been built on the willingness of stakeholders and communities to accept her as the 'honest broker' (or independent conduit) between a project proponent, key stakeholders and affected communities.



Simone Webbe is a highly experienced barrister and former high-ranking public servant with extensive public sector experience in constitutional and public law, governance, accountability, anti-corruption and integrity reforms. Ms Webbe recently undertook a strategic review of the Office of the Queensland Ombudsman.



Steve Greenwood has significant experience in urban planning and the property sector and brings a great deal of insight into local government. In addition to being the founding CEO of the Queensland Futures Institute, Mr Greenwood has formerly held the roles of CEO of Canegrowers Australia, executive director of Property Council of Australia (Qld) and senior executive of the Local Government Association of Queensland and Brisbane City Council.



Robert Jones is the former chairman of Queensland's KPMG practice, where he worked for 41 years, 10 years as a partner in charge of KPMG's audit practice. His strong experience in corporate governance, risk management and assurance encompasses numerous sectors. In addition to his role with Ipswich City Council, Mr Jones is a member of several high level boards and advisory panels.

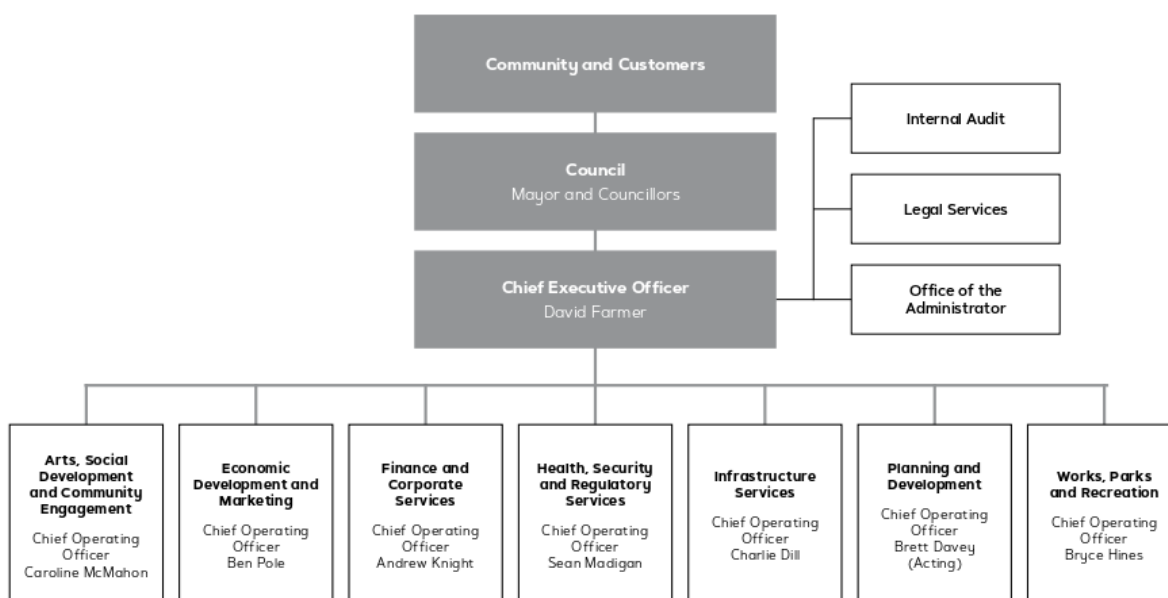
GOVERNANCE ORGANISATIONAL



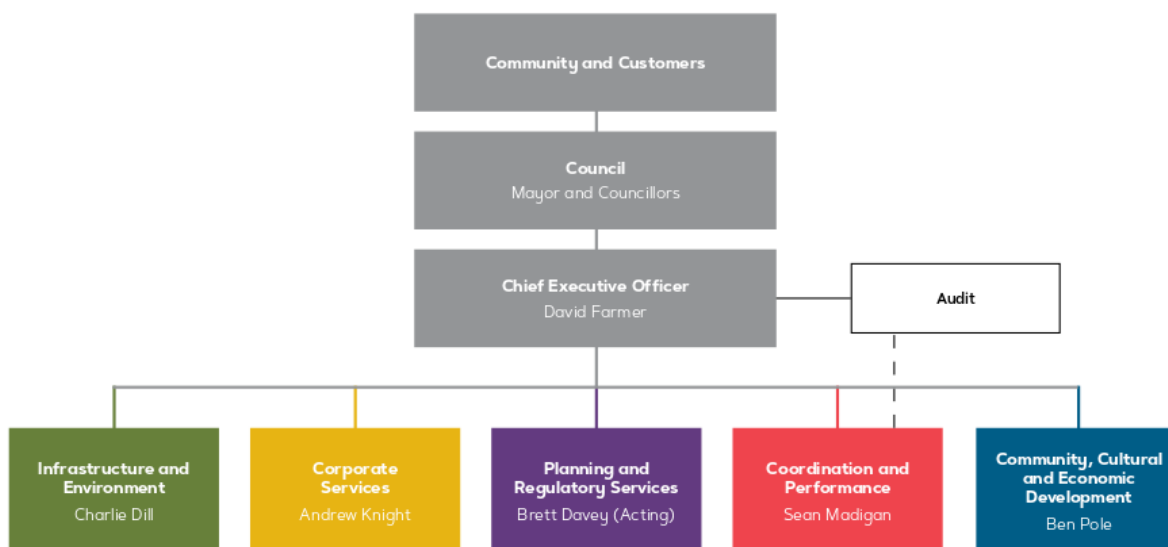
ORGANISATIONAL STRUCTURE

In May 2019, council undertook an organisational structure change. The realignment at the executive management level from seven to five departments, positions council more in line with industry norms, reduces costs and reduces risk.

BEFORE



AFTER



LEADERSHIP TEAM

Ipswich City Council's Executive Leadership Team (ELT) is made up of the chief executive officer and five general managers. The ELT is responsible for overseeing the performance of the organisation and for delivery of the outcomes expected by council (as expressed in Advance Ipswich, the Corporate Plan 2017-2022 and Operational Plan). The ELT meets weekly and on other occasions as required.



**Infrastructure and
Environment**
Charlie Dill

General Manager Infrastructure and Environment

Joined council 2013

Mr Dill oversees the management of all constructed and natural assets within the city.

This includes strategic asset management and investment planning, design, construction and maintenance of council-owned buildings, parks, stormwater drainage and road infrastructure.

He is also responsible for overseeing council's emergency management and sustainability responsibilities, including conservation efforts, protection of waterways and natural areas, resource recovery, cultural heritage and responses to emergency/local disaster events.

Mr Dill has extensive project and program management experience across the transport, utilities, civil infrastructure and resources sectors. His expertise lies in team leadership, governance, program delivery, construction management, contract administration, procurement and risk management strategies.

Mr Dill holds a Bachelor of Engineering Technology (Civil).



**Corporate
Services**
Andrew Knight

General Manager Corporate Services

Joined council December 2018

Mr Knight leads the teams managing areas of Finance, Information Communication and Technology, Legal Services, Governance, Property, Procurement and People and Culture.

Mr Knight joined council in December 2018, bringing with him a wealth of experience in the Local Government, State Government and Federal Government arenas as well as the private sector.

His passion is to support his team and his peers through a period of re-alignment following the dismissal of the council in August 2018. The opportunity to embed a set of good governance principles into the organisation provides an exciting challenge for the department.

Mr Knight holds a Bachelor of Economics, Master of Professional Accounting and a Graduate Certificate in Public Sector Management. He is a member of the Australian Society of Certified Practising Accountants, Fellow of the Governance Institute of Australia and a graduate of the Australian Institute of Company Directors course.



**Planning and
Regulatory Services**
Brett Davey (Acting)

**General Manager Planning and
Regulatory Services**

Joined council 2002

Mr Davey leads a diverse team encompassing City Design, Regulatory Services, Building and Plumbing, Engineering, Health and Environment and Development Planning. The core objective of this department is to build a balanced and sustainable Ipswich with a strong economy, key infrastructure and a community that cares for each other and the environment.

Mr Davey commenced with Ipswich City Council in June 2002 as a student planner while completing his university qualifications.

In February 2011, Mr Davey was appointed to the position of Team Coordinator (West) and promoted to the position of Development Planning Manager in July 2017. He is currently the Acting General Manager of the Planning and Regulatory Services Department and has been able to utilise the knowledge and experience he has gathered through years of moving through the various levels within the Planning and Development Department to achieve a solid career in town planning.

Mr Davey is a member of the Planning Institute of Australia and has qualifications including Bachelor's Degree in Built Environment (Majoring in Urban and Regional Planning) and a Graduate Diploma in Urban and Regional Planning, both from QUT. He has an outcomes focus and has an interest in continuous improvement and staff growth.



**Coordination and
Performance**
Sean Madigan

**General Manager Coordination
and Performance**

Joined council 2015

Mr Madigan has a broad range of responsibilities overseeing the sectional areas of Executive Services, Media and Engagement, Performance and Internal Audit.

Prior to joining council, Mr Madigan had a long career in enforcement both as a front line member of the Queensland Police Service and as the Manager of Investigations for the Queensland Government Department of Environment and Heritage Protection.

His focus is to imbed a high performance culture in the organisation. He holds a Bachelor of Environmental Science majoring in Natural Resource Management, a Bachelor of Arts majoring in Communications and a Masters of Public Administration.



**Community, Cultural and
Economic Development**
Ben Pole

**General Manager Community,
Cultural and Economic
Development**

Joined council 2015

Mr Pole joined Ipswich City Council after 10 years leading strategy, industry development, marketing and communications for Gold Coast Tourism Corporation.

Mr Pole's responsibilities at council include the strategic and operational leadership of Community Development and Engagement, Community and Cultural Services, Sports and Recreation, Libraries and Customer Services, Community Safety and Innovation, Economic Development, Tourism, Events and Marketing Services.

Mr Pole is committed to council's transformation and innovation agenda and sits on the Finance and Reporting Transformation Steering Committee, the Whole of Council Transformation Steering Committee, the Resilient Communities Community Reference Group and the Economic Development Community Reference Group.

Mr Pole is also a member of the Policy and Leadership Taskforce of the Smart Cities Council Australia New Zealand and the South East Queensland Council of Mayors Economic Development Working Group.

He holds a Master of Business Administration, a Master of International Relations and a Bachelor of Communications.

SENIOR MANAGEMENT REMUNERATION

Section 201 of the *Local Government Act 2009* requires that a local government's annual report state the total remuneration packages payable to the senior management of the local government and the number of employees in senior management who are being paid in each of band of remuneration.

Council's Executive Leadership Team (ELT), which consists of the chief executive officer and five department heads, provide oversight of the strategic, tactical and operational planning and activities of the local government. The ELT members are engaged on fixed-term contracts. The director of the New Ipswich Planning Scheme also reported to the CEO.

During the 2018–2019 year, the following senior management contract packages were paid:

- Nine senior contract employees with a total remuneration package in the range of \$250,000 – \$350,000
- One senior contract employee with a total remuneration package in the range of \$450,000 – \$550,000

The total of the remuneration packages payable to council's senior management as at 30 June 2019 equated to \$2,272,102.

ADMINISTRATIVE ACTION COMPLAINTS

Council recognises that it should be open and accountable for the decisions it makes. Council is committed to ensuring Administrative Action Complaints are dealt with in a confidential, efficient, effective, fair, transparent and economical manner.

To ensure this, council has:

- A formal Complaints Management Policy, Management Plan and Procedure currently available on council's website
- Competent staff trained in 'complaints and conflict management' and 'dealing with difficult people'
- Complaints are dealt with by the Complaints Management Officer and reviewed by the Corporate Services Manager, where necessary.

Pursuant to section 187 of the *Local Government Regulation 2012*, Administrative Action Complaints received during the 2018–2019 year were:

ADMINISTRATIVE ACTION COMPLAINTS	TOTAL
Administrative Action Complaints received 2018–2019	24
Resolved Administrative Action Complaints under council's Complaints Management Process	24
Number of Unresolved Administrative Action Complaints	0
Number of Unresolved Administrative Action Complaints from 2017–2018 Financial Year	0

Complaints were resolved in accordance with the associated policy and procedure. The resolution rate indicates council's commitment to dealing with administrative action complaints and that council's policy, management plan and procedure work effectively. All documents are subject to regular review by the Corporate Services section to ensure legislative compliance and that council's business processes provide for a satisfactory resolution outcome.

PUBLIC SECTOR ETHICS DISCLOSURES

Pursuant to the provisions of the *Public Sector Ethics Act 1994* which are applicable to local governments, council is required to have developed and implemented a Code of Conduct based on the following four ethics principles and values:

- Integrity and impartiality
- Promoting the public good
- Commitment to the system of government
- Accountability and transparency.

Council's adopted Code of Conduct outlines the expected behavioural standards required of its employees, regardless of their employment status. During the reporting period, council provided training and education to its workforce on its expectations regarding conduct through inductions of new staff members and re-inductions of existing staff. During the reporting period managers and supervisors were trained in Managing Organisational Risk which incorporated training in Good Decision Making and Public Interest Disclosures. Council supports its ongoing procedures and practices to ensure employees abide by and embrace principles of the legislation. Council's Code of Conduct is provided to staff via its internal intranet website.

EQUAL EMPLOYMENT OPPORTUNITY AND DIVERSITY

Council has continued to identify and implement strategies to ensure the fundamental principles of Equal Employment Opportunity and Workplace Diversity are embraced across council. During 2018–2019:

- Mandatory inductions for employees and contract staff ensured all new staff were made aware of council's Code of Conduct and Equal Employment Opportunity Policy.
- The Diversity and Inclusion Strategy and Implementation Plans 2018–2022 were adopted.
- Council commenced education and awareness training for employees and managers.
- The Diversity and Inclusion Consultative Committee was established to help guide the implementation of the strategy and associated actions.
- The E-Hub HR/Payroll system was implemented and includes the collection and reporting of additional diversity and inclusion data to enable council to measure the effectiveness of strategies implemented.

TRANSFORMATIONAL PROJECTS

In late 2018, council began its transformation journey by defining 18 major projects of business critical change needed to be delivered to reach the goals of VISION2020. It recognised an opportunity to better provide for our community and operate more effectively as an organisation defining our program

through engagement of our staff, executive and interim administration. The program was divided into three steering committees; Whole of Council, Risk and Governance, Finance and Reporting, ensuring governance and the delivery of all projects in line with cost, time and quality.

OUR 18 TRANSFORMATION PROJECTS	
STEERING COMMITTEE AND THEME	PROJECT
Whole of Council Projects which impact multiple departments and functions across council	TP2 – People and Culture
	TP8 – Information Knowledge Management
	TP9 – Policies, Procedures and Local Laws
	TP14 – Legislative Change
	TP15 – Community Engagement
	TP17 – ICT Strategy
Finance and Reporting Projects which have a significant financial component, and/or have a large impact on council's budget processes	TP1 – Reporting Framework
	TP3 – Procurement
	TP4 – Asset Management
	TP5 – Strategic Business Planning Framework
	TP16 – Budget Framework
	TP18 – Major Project Prioritisation and Advocacy
Risk and Governance Projects which relate to council's risk management policies and procedures	TP6 – Complaints Management Framework
	TP7 – Risk Management Framework
	TP10 – Fraud and Corruption Control
	TP11 – Delegations
	TP12 – Information and Transparency
	TP13 – Return to Elected Representatives

Thus far a number of key highlights have been achieved, namely:

- The drafting of a number of key strategic instruments and frameworks relating to ICT, asset management, People and Culture and financial management and reporting amongst others, that have been agreed at operational level and are due to be presented to council in second half of 2019
- A Transformational Coordination office was established providing standardised and rigorous ways of working for project management at council ensuring reduction in costs and improved project outcomes
- Key strategic partnerships achieved across the whole program with other government departments to ensure fit for purpose delivery and demonstrate progress of Ipswich's journey to become leading practice
- The introduction of our community reference groups, providing our community greater say in the direction of the city
- Greater scrutiny on business delivery to ensure work is prioritised and managed in line with business and community expectations.

Some future highlights expected from the program in 2019 include:

- An integrated complaints framework ensuring all complaints are dealt with in a consistent and effective manner, both internal and external
- Greater transparency on our financial reporting for the executive and community, providing increased engagement in the decisions being made today and impacting on our future
- A more engaged and supported employee network through the transformation of our People and Culture branch
- Further improvements in our community engagement program including a new software platform benefiting residents and allowing them to have a say
- A councillor and mayoral induction program that is clear and definitive on roles, responsibilities and expectations ensuring elected representatives better serve the interest of the community.

The program continues to make significant strides in how change is defined, delivered and monitored at council and lessons are consistently fed into business-as-usual operations to support key fundamentals behind our continuous improvement culture.

As our transformation journey continues to evolve, we look forward to sharing our results directly with the community, stakeholders and our community reference groups, to provide insight and transparency and ensure confidence in council operations for today and into the future.

COMMUNITY REFERENCE GROUPS

Ipswich City Council is committed to meaningful engagement with the community on issues affecting the city, and local issues that significantly impact the community. Public participation and engagement is the foundation of good decision-making and is mutually beneficial to the community and council. One of the ways council engages with the community is through its five Community Reference Groups, which are aligned with the five standing committees of council:

- Economic Development
(Economic Development Committee)
- Resilient Communities
(Communities Committee)
- Growth Management
(Growth and Infrastructure Committee)
- Environment
(Environment Committee)
- Transparent Governance
(Governance Committee)

Council's Community Reference Groups aim to:

- Provide a deliberative forum for members to discuss issues of community interest.
- Draw on local knowledge and enhance community voice in decision-making processes and outcomes.
- Build community understanding of council core business functions and specific projects and activities.

Council called for Expressions of Interest from community members in March 2019 and 99 people were selected for membership on council's Community Reference Groups. The inaugural meeting of the Community Reference Groups was held on 25 June 2019.

Guidelines for Community Reference groups and terms of reference for each group are available from https://www.ipswich.qld.gov.au/community/community_engagement/community-reference-groups

SUSTAINABILITY STRATEGY

Council's Sustainability Strategy was adopted in 2017 and is about managing the growth of our city by working together with the community, industry and other levels of government to protect and enhance our environment and its liveability for current and future generations.

This strategy outlines new initiatives (with some already in action) to build capacity within the community and to bring awareness, shared stories and practical knowledge to our residents. It also outlines targets to be delivered by 2021.

Council has four pathways to achieving sustainability targets across the city, including:

- The promotion of city wide sustainability through education, awareness and community involvement
- The protection of urban ecology and the natural environment
- Corporate sustainability
- Supporting sustainable industry

Some achievements from this financial year include:

- Council worked as part of a sub-regional alliance with Logan, Redland, Lockyer Valley and Somerset Regional Councils to develop alternative waste solutions.
- Council worked to monitor its utility consumption and has commenced base-lining its carbon emissions to inform future reduction actions towards achieving a carbon neutrality. Council is using ENVIZI as its sustainability reporting platform.
- Conservation and sustainability activities reached over 11,000 community participants, and 20 local schools were actively involved in the Youth Sustainability Summit.
- Sustainable Ipswich Week was developed to bring focus to environmental issues and what we can all do at home and at work to bring sustainability into our lives.
- In 2018-2019, council installed community glass recycling drop-off stations at Yamanto, Brassall, Riverview and Rosewood.

PARTICULAR RESOLUTIONS

In accordance with section 185 of the *Local Government Regulation 2012* (Reg) the following resolution was made in accordance with

- section 250(1) of the Reg –
- Ipswich City Council's Councillor Expenses Reimbursement and Administrative Support Policy was adopted by council on 21 May 2019.

No resolutions were made under section 206(2) of the *Local Government Regulation 2012*.

LOCAL GOVERNMENT COOPERATION

Section 190 of the *Local Government Regulation 2012* requires that local government's annual report include details of any action taken for, and expenditure on, a service, facility or activity:

- Supplied by another local government under an agreement for conducting a joint government activity
- For which the local government levied special rates or charges for the financial year.

During the 2018–2019 financial year, no such arrangements or related activities were undertaken.

REGISTERS AND RECORDS

Section 190 of *Local Government Regulation 2012* states a local government's annual report must contain a list of registers kept by the local government. In line with the Department of Local Government, Racing and Multicultural Affairs' checklist to assist local governments meet their obligations under *Local Government Act 2009* and the *Local Government Regulation 2012*, council maintained the following registers and records.

Registers

- Local Law Register
- Roads map and Register
- Register of cost-recovery fees
- Registers of Interests for:
 - Councillors
 - Senior executive employees
 - A person related to a councillor or senior executive employee
- Asset Register
- Councillor Conduct Register
- Delegations Register

Records

- Unsuitable meeting conduct orders
- Taking of declaration of office
- Declaration of material personal interest
- Declaration of conflict of interest
- Land
- Financial management risks and control measures
- Administrative action complaints

INTERNAL AUDIT

Section 190 of the *Local Government Regulation 2012* requires a local government's annual report to include a report on internal audit for the financial year.

The Internal Audit Branch provides council with an independent, objective assurance and consulting activity designed to add value and improve the organisation's operations. It helps council accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Internal Audit also has a liaison role with the Crime and Corruption Commission (CCC) and where appropriate, it is the intention to investigate and manage all corrupt conduct in-house. Investigations took up the majority of the internal audit effort in 2018–2019.

Authority and Independence

To preserve the independence and objectivity of Internal Audit, council's Internal Audit Charter provides that:

All Internal Audit staff and service providers report to the Chief Audit Executive who reports functionally for operations to the Audit and Risk Management Committee through the chair and administratively to the Chief Executive Officer.

The Chief Audit Executive and Internal Audit staff are authorised to review all areas of council and to have full, free, and unrestricted access to all council's activities, records (both manual and electronic), property, and personnel. Council activities include entities over which council has direct management, sponsorship or financial control.

Internal Audit shall not be responsible for the designing, installing or maintaining systems, procedures or controls, but will advise on these matters and provide assurance to management that completed systems will contribute to the achievement of the intended corporate objectives.

If, however, an officer of the Internal Audit Branch is involved in the detailed development or implementation of a system, then any post implementation review should, as far as possible, be conducted by another officer of the branch or by staff entirely independent of the branch.

Internal Audit may have an observer/adviser status on steering committees, formed to coordinate financial/information systems design and implementation, at the discretion of the Chief Audit Executive.

It is the policy of council that all internal audit activities remain free of influence by any organisational elements. This includes such matters as scope of internal audit programs, the frequency and timing of examinations and the content of internal audit reports.

Internal Audit's Approach and Coverage

Council's three year Strategic Internal Audit Plan and its Annual Internal Audit Plan are developed on a risk basis that is currently preferred as opposed to a rotational approach. The Executive Leadership Team contributes to the development of the audit plans, which are presented to the Audit and Risk Management Committee for consideration and then for final approval by the Chief Executive Officer.

Reporting

Internal Audit reports are provided to the Audit and Risk Management Committee for their consideration. These reports include the findings and recommendations of the internal auditors, management responses and accountability for implementation, the expected implementation date and a risk ranking for each audit recommendation. Throughout the year, the Audit and Risk Management Committee monitors the implementation of recommendations suggested by Internal Audit and also through External Audit as co-ordinated by the Queensland Audit Office.

Ethics and Values

Internal Audit is attempting to be influential in efforts to establish a culture that embraces ethics, honesty and integrity within the organisation. Internal auditors are governed by the Definition of Internal Auditing, Code of Ethics and the International Standards for the Professional Practice of Internal Auditing (Standards) that require council's internal auditors to perform engagements with proficiency and due professional care.

Professional Staff Qualifications and Experience

There is a strong focus on training, learning and professionalism because of Internal Audit's exposure to high risk, complex and problem areas. As at 30 June 2019, Internal Audit staff were well qualified and had relevant experience in internal auditing and investigations as well as held various professional affiliations and qualifications.

External Quality Assessment of Internal Audit Branch

Internal Audit currently satisfies the Institute of Internal Auditors' (IIA) requirement that external assessments should be conducted at least once every five years by a qualified, independent reviewer or review team from outside the organisation. An independent validation was conducted in June 2016 by the IIA Australia of council's quality self-assessment. The IIA found the branch was "representative of good practice in internal auditing" and was beyond general conformance. Internal Audit was rated to be optimised in eight out of 12 sections in the maturity model with the rest on the second highest level. A further comparison found that the branch provided cost effective services to council.

Client Feedback Result

At the completion of audit assignments, clients are asked for feedback and their assessment on the performance of each audit. The assessments for audits conducted during the 2018–2019 year achieved an average satisfaction rating of 75 per cent.

Future Challenges for the Internal Audit Branch

With the challenges council experienced and the issues still to be faced, expected growth in the region, coupled with the changes in council's systems, practices and procedures, Internal Audit is working to position itself as a trusted advisor in providing guidance to management and staff. In dealing with increased demands while staying effective, regardless of its size, the branch will have to continue using an integrated risk-based approach in that it combines aspects of auditing whilst including or excluding any aspect based on risk. The aim will be to continue to re-invent its approach or find innovative ways to serve the organisation, for example through the increased use of information technology, and assist council in dealing with related challenges.

Audits performed

AUDITABLE AREA	STATUS
Business Case Development	In Progress
Civic Hall Safety and Security	Completed
Change Management New Building	Cancelled – to use experts
Conflicts of Interests	Postponed to 2019–2020
Credit Cards Framework – Allocation and Use	In Progress
Cyber Security	Postponed to 2019–2020
Enterprise Resource Planning Observation/Advice	Completed
Fraud Prevention and Investigation Process	Completed
Infrastructure Services Capacity Review	In Progress
Lakes and Retention Basins	Postponed to 2019–2020
Objective – Record Storage, Clarification and Retrieval	In Progress
Operation of Fleet and Plant	In Progress
Penalty Infringement Process	In Progress
Portable and Attractive Assets	Postponed to 2019–2020
Pound Operations	Completed
Procurement (Review after new process has been implemented)	Postponed to 2019–2020
Tender Evaluation	Postponed to 2019–2020
Waste Business Management Systems	Completed

The result of the 2018–2019 Audit Program, as at 30 June 2019, is detailed in the following table. The number of audits conducted are a trade-off with the number of investigations undertaken.

Audit and risk management committee related output

DESCRIPTION	2018–2019	2017–2018
Audit and Risk Management Committee meetings held	5	5
Internal Audit recommendations reviewed and considered finalised	44	48
Internal Audit Reports/Tasks reviewed by the Audit and Risk Management Committee	11	11
External Audit recommendations reviewed and considered finalised	55	18
External Audit Reports reviewed by the Audit and Risk Management Committee	6	1

Other internal audit branch output

Internal Audit was involved in providing advice and assistance in a significant number of special and other investigations.

RISK MANAGEMENT AND ACCOUNTABILITY

Council recognises that risk management is an integral part of good management practice and fully supports risk management as part of its corporate governance processes.

Council is committed to managing identified risks by logically and systematically identifying, analysing, evaluating, treating, monitoring and communicating all risks that directly or indirectly impact positively or negatively on council's ability to achieve the strategic objectives outlined in *Advance Ipswich*, the Corporate Plan 2017–2022 and its annual operational plans.

Enterprise risk management linked to council's strategic objectives is adopted by management and staff as an integral part of organisational culture in the daily functions and activities in order to assist in protecting and improving council's overall business and performance.

Council does not want to become a 'risk adverse' organisation, but rather a 'risk aware' organisation. During the 2018–2019 financial year council approved a Risk Management Transformational Project known as TP7. The purpose of TP7 is to develop a better practice and consistent whole of council approach to Enterprise Risk Management (ERM) in order to proactively identify, manage and respond to issues that represent risks to the achievement of council's strategic objectives. The project is critical to increase the operational effectiveness and efficiency of council through a framework of transparent, compliance driven, informed decision making processes.

The objectives and benefits to be achieved by TP7 are:

- Better practice and legislatively compliant risk management framework (existing ERM Framework endorsed in 2018)
- A well-defined and consistent approach to risk management throughout council with risk informed decision making
- Appropriately identified and managed strategic and operational risks, treatment plans and controls
- A Fraud and Corruption Control Framework and a Fraud Risk Register
- Good decision making and actions across the organisation based on local government principles.
- The application of ethics (including integrity) principles in decision making and resulting actions to ensure integrity and impartiality, accountability and transparency, the promotion of the public good and a commitment to the system of government
- High-quality, current Business Continuity Plans across the organisation
- A better practice Project Risk Management Model.

TP7 will continue to be delivered during the 2019–2020 financial year. Implementation of the project is reported to the Chief Executive Officer, Interim Administrator and Interim Management Committee at the monthly Risk and Governance Steering Committee. The project is meeting agreed budget and milestones.



GOVERNANCE COMMERCIAL



BENEFICIAL ENTERPRISES

In accordance with section 41 of the *Local Government Act 2009*, the following beneficial enterprises were conducted by council during the 2018–2019 financial year. A beneficial enterprise is an enterprise that a local government considers benefits and/or can reasonably be expected to benefit the whole or part of its local government area.

Council has resolved to wind-up and deregister a number of its controlled entities. The status of each of the controlled entities are as follows:

Ipswich City Properties Pty Ltd – all assets and operations were transferred to council on the 27 June 2019. Wind-up and deregistration processes are in progress.

Ipswich City Developments Pty Ltd – deregistered on 20 June 2019.

Ipswich City Enterprises Pty Ltd – the operation of Fire Station 101 has been transferred to council. Wind-up and deregistration processes are in progress.

Ipswich City Enterprises Investments Pty Ltd – Wind-up and deregistration processes are in progress.

IPSWICH CITY PROPERTIES PTY LTD

Wholly owned by council, Ipswich City Properties Pty Ltd (the company) was established to provide a business vehicle to support council's intention to stimulate the revitalisation of the Ipswich Central Business District (CBD) under the Nicholas Street – Ipswich Central Project. The company's specific objective was to undertake all activities required to carry out and complete the acquisition, redevelopment, management and sale of Ipswich City Square. The project is also designed to enhance Ipswich's position as the Principal Regional Activity Centre of the Western Corridor.

The Nicholas Street – Ipswich Central Project is a transit oriented development in the CBD incorporating planned retail, commercial and civic offices, residential, cultural and recreational outcomes, including upgrades to both Nicholas Street and Union Place. The project has an estimated development timeline of approximately 10 years. The key focus is on 24/7 vitality and inner city living with the creation of a vibrant urban centre and a street based retail precinct centred around a new purpose built council administration building and a state of the art city library. The retail component is intended to be strongly focused on food, beverage and entertainment, all of which will be designed as much as possible to provide a distinct point of difference to that offered by Riverlink shopping centre located across the Bremer River. There is also scope to potentially accommodate a new performing arts centre as well as the provision of public art and a high quality public realm with improved visual and physical connections between the CBD and the Bremer River.

Significant activities conducted by the company in the 2018–2019 financial year included:

- Planning and design (based on the extensive community feedback) on both the new civic and community precincts, the administration building and retail precinct
- Subdivision and development approval for the future administration building
- Development application lodged for all other areas of the Nicholas Street – Ipswich Central Project
- Demolition and site preparation of the civic area and the area for the future administration building as well as the deconstruction and stabilisation of the Commonwealth Hotel
- Continuing a leasing strategy and market sounding for retail assets that focused on maximising flexibility for the future staging of the Nicholas Street – Ipswich Central Project by retaining as many tenants as possible on a monthly holdover basis
- Preparation of design concepts and business cases for retail assets.

On 16 October 2018, council resolved to endorse the winding up and ultimately deregistration of the company and the integration of the company assets and operations into council. The transfer of assets and operations to council occurred on 27 June 2019 with council now taking direct responsibility for the completion Nicholas Street – Ipswich Central Project.

The principal activities of the company have now ceased. The wind-up and deregistration processes for the company is progressing.

IPSWICH CITY DEVELOPMENTS PTY LTD

Wholly owned by council, Ipswich City Developments Pty Ltd was established to progress development related activities including the development of surplus council land.

As part of council's commitment to the winding up of its commercial entities, on 14 August 2018 the property at 101 Limestone Street Ipswich (housing the digital innovation hub Fire Station 101) was transferred to council. Following a member's resolution on 30 August 2018, the company entered into a Members Voluntary Liquidation process which resulted in the company's deregistration on 20 June 2019.

IPSWICH CITY ENTERPRISES PTY LTD

Wholly owned by council, Ipswich City Enterprises Pty Ltd (the company) was established as a beneficial enterprise to engage in activities that benefit council.

The company provided funds and managed the Ipswich innovation hub (Fire Station 101) supporting the start-up, developer, tech, designer, maker, marketer, inventor and investor community. The operations of Fire Station 101 were transferred to council during the 2018-2019 financial year.

The company has a wholly owned subsidiary, Ipswich City Enterprises Investments Pty Ltd and received distribution of dividends from its subsidiary during the year.

During the financial year the company distributed dividends to council. The balance of the retained earnings in the company remain available for distribution as future dividends.

The principal activities of the company have now ceased. Council has resolved to wind-up and deregister a number of its controlled entities including the company. The wind-up and deregistration processes for the company is progressing.

IPSWICH CITY ENTERPRISES INVESTMENTS PTY LTD

Ipswich City Enterprises Investments Pty Ltd (the company), wholly owned by Ipswich City Enterprises Pty Ltd, had a 50 per cent interest in the Services Queensland Partnership. The company provided sound governance of the Services Queensland Partnership as a commercial enterprise. The Services Queensland Partnership was conducted within the constraints of the budgeted costs estimated at the time the partnership agreement was established in November 2007 and in compliance with the partnership agreements. It achieved its financial and services objectives in 2017-2018. The company's interest in the Services Queensland Partnership ceased on 6 November 2017 coinciding with the end date of contractual arrangements for the partnership.

During the financial year, the company distributed dividends to Ipswich City Enterprises Pty Ltd. The balance of the retained earnings in the company remain available for distribution as future dividends.

The principal activities of the company have now ceased. Council has resolved to wind-up and deregister a number of its controlled entities including both the company and its parent entity, Ipswich City Enterprises Pty Ltd. The wind-up and deregistration processes for the company is progressing.

CHERISH THE ENVIRONMENT FOUNDATION LIMITED

The aim of Cherish the Environment Foundation Limited (the foundation) is to increase the area of natural bushland through environmental offsets and to increase the level of awareness and understanding in the community of Ipswich's environmental values. The foundation pursues these objectives within the Ipswich local government area by:

- Acquiring, managing and protecting bushland areas
- Protecting and enhancing biodiversity
- Improving the quality of water in rivers and streams
- Working towards decreasing the quantity of waste generated and building recycling capacity

- Increasing local food production and food production capacity
- Improving local food linkages and returns for food producers
- Minimising the impact of carbon emissions from Ipswich
- Promoting education within the community concerning adverse impacts on the environment
- Raising community awareness of the impact of carbon emissions and how to minimise or offset their impact.

In 2018–2019 the core activities of the foundation were maintaining and managing existing projects.

IPSWICH WASTE SERVICES

Ipswich Waste Services was established as a commercial business unit of council in 1998 for the purpose of delivering high-level waste management services to its domestic and commercial customers in a cost effective, efficient, timely and responsive manner through the application of commercial principles to service delivery. Section 190 of the *Local Government Regulation 2012* requires that a local government's annual report include information on a commercial business unit's operation and financial performance and achievements against its annual performance plan.

Services

Ipswich Waste Services provided the following services and facilities during the 2018–2019 financial year:

- Household general waste, green waste and recycling collection
- Dead animal collection
- Park bin collection
- Street litter bin collection
- Riverview Recycling and Refuse Centre
- Rosewood Recycling and Refuse Centre
- Household hazardous waste drop-off day
- Industrial general waste collection
- Industrial cardboard collection
- Industrial commingled recycling collection
- Skip bins

- Roll-on roll-off bins
- Stationary compactors
- Confidential paper disposal
- Workplace recycling program
- Clinical waste collection
- Liquid waste services.

Financial Performance

The following table outlines the financial performance of Ipswich Waste Services for the 2018–2019 financial year:

	RESULT (\$M)	BUDGET VARIATION (\$)
Revenue	39.5	1,327,000
3.5% over budget target 38.2m		
Operating Expenditure	27.5*	1,580,000
6.1% over budget target of 25.9m		
Net profit after tax	12.0	253,000
2.1% under budget target 12.3m		

*The above operating expenditure includes a provision of \$5.3m for tax equivalents (income, payroll and land tax) that was \$57,000 (1.1%) in excess of the \$5.3m budget target.

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Volume of Material Recycled and Disposed to Landfill from Domestic Services

	15/16	16/17	17/18	18/19
Kerbside green waste to compost	3,484	4,189	4,958	4,370
Recycling and Refuse Centre Recycling	16,046	19,250	16,754	12,722
Kerbside recycling	13,262	14,266	14,349	9,721
Kerbside waste to landfill	42,596	51,513	63,510	54,343
Recycling and Refuse Centre waste to landfill	20,211	19,206	24,318	23,239

The following details the changes to the previous 2017–2018 Annual Performance Plan:

- The reporting category for 'missed service requests' has been merged with 'extra service requests' in council's Customer Engagement System (CES). Therefore the IWS performance target for the number of domestic refuse and recycling bin missed service complaints per 1,000 bins in service has been amended to 'number of domestic refuse and recycling bin missed service complaints or extra services requested per 1,000 bins in service' and the service targets increased to accommodate the higher number of service requests in the new category.
- The performance standard for the commencement of green waste services has been reduced from 10 days to 5 days.
- The acceptable performance standard for 'per cent waste diverted from landfilling at the Recycling and Refuse Centres' has been decreased from 40 per cent to 35 per cent as a result of the need to direct concrete waste to landfill. There is currently no viable concrete recycling option available.
- The acceptable and target performance standards for 'per cent waste diverted from landfilling by commercial waste services' has been decreased as follows because of the lack of available recycling markets for commercial waste at the present time:

Per cent waste diverted from landfilling by commercial waste services	ACCEPTABLE STANDARD	TARGET
	Formerly 18% Decreased to 5%	Formerly 25% Decreased to 15%

- The average cost per customer transaction at the Recycling and Refuse Centre has increased from \$23.38 (2017–2018) to \$24.96 (2018–2019). The total subsidy for operating the Recycling and Refuse Centres (including overheads) was \$612,429 in the 2018–2019 financial year.

- Dialysis patients and people with disabilities were generally offered an additional recycling service to dispose of excess medical waste at no charge. Further research has indicated that most of the dialysis waste is not suitable for council's current kerbside recycling service. Therefore an additional refuse service is now offered as a community service obligation instead of the additional recycling service.

Number of Domestic Service Requests

TYPE OF SERVICE	TOTALS	%
Cancel service	417	2
Collection of dead animal	703	4
Commence of service	6,724	38
Extra Bin Service/Missed	3,001	17
Other Service Requests	1,194	7
Replace/Stolen Bin	5,417	31
Upsize Bin	248	1
GRAND TOTAL	17,704	100

Number of Domestic Service Requests

2015–2016	2016–2017	2017–2018	2018–2019
16,181	19,375	18,806	17,704

Growth in Green Waste Collection Service

2015–2016	2016–2017	2017–2018	2018–2019
12,865	14,452	16,538	17,709

Household Growth in Ipswich

2015–2016	2016–2017	2017–2018	2018–2019
71,667	74,807	78,213	81,580

Landfill Diversion

It should be noted that the recycling diversion rate was lower in 2018–2019 financial year as a result of the following factors:

- Household growth producing more waste for landfill disposal.
- Less green waste produced as a result of dry weather.

Per Cent of Domestic Service Material Diverted From Landfill

2015–2016	2016–2017	2017–2018	2018–2019
31.6	34.0	28.9	25.5

Key Performance Indicators

INDICATOR	RESULT	TARGET	TARGET MARKET
Provide value to customers			
Biennial customer satisfaction survey: Customer response to survey questions indicates customer satisfaction with the service	Not completed	>90%	Survey postponed due to resourcing issues
Number of domestic refuse, recycling bins repaired or replaced per 1,000 bins service	4.6	<5	✓
Number of domestic refuse and recycling bins missed services complaints per 1000 bins in service	2.8	<5	✓
Provide value to shareholders			
Net profit margin – calculated as net (surplus) deficit after tax/earning *100	30.4%	32.1%	Performance standard not achieved due to excess unbudgeted disposal and labour costs
Budget performance surplus on operations	\$12m	\$12.3m	Performance standard not achieved due to excess unbudgeted disposal and labour costs
Debtors days outstanding	25.8	<28	✓
Promote a climate for action in the workforce			
Absenteeism – % against available hours	No data	<3.5%	Data Not Available due to issues with payroll system
Lost Time Injury Frequency Rate (LTIFR) – Injuries / 1 million hours worked	No data	<9	Data Not Available due to issues with payroll system
Per cent IWS staff with annual leave balance of six weeks or less	No data	.95%	Data Not Available due to issues with payroll system
Achieve operational excellence			
Missed services requests completed within one working day	99%	>85%	✓
Domestic refuse and recycling service commencements actioned within five working days of notification	99.7%	>85%	✓
Green waste commencements actioned within 10 working days of notification	99%	>85%	✓
Request for bin replacements and repairs actioned within five working days	100%	>85%	✓
Be a good neighbour			
Per cent waste diverted from landfilling at the recycling and refuse centres	33.8%	>35%	Performance standard not achieved due to less green waste processed at centres as a result of dry weather
Per cent total recycling diverted from domestic collection and disposal services	25.5%	>25%	✓
Per cent domestic green waste diverted from domestic refuse service	7.3%	>3%	✓
Per cent waste diverted from landfilling by the kerbside recycling service	15.1%	>15%	✓
Per cent waste diverted from landfilling by commercial waste services	5.1%	>5%	✓

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Major highlights for Ipswich Waste Services in the 2018–2019 financial year:

- The number of rated waste services with Ipswich grew from 78,213 (June 2018) to 81,589 (June 2019)
- The number of household green waste services grew from 16,538 (June 2018) to 17,709 (June 2019)
- 17,704 domestic service requests were actioned in the financial year
- 99.9 per cent of all missed service requests actioned within one working day, 99.7 per cent of all domestic commencements achieved with five working days and 100 per cent of general bin repairs provided within the target of five working days
- 122,408 customers delivered waste to the Riverview and Rosewood Recycling and Refuse Centres
- 122,408 customers delivered waste to the Riverview and Rosewood Recycling and Refuse Centre
- Collection 104,405 tonnes of waste material through domestic kerbside collection services and the recycling and refuse centres – 26 per cent of this material was diverted from landfilling for recycling and composting
- A Household Chemical and Gas Bottle Collection Day was held at the Riverview Recycling and Refuse Centre in June 2019 to provide a safe disposal option for Ipswich residents for the household chemicals and gas bottles. A total of 2.7 tonnes of waste material was received on the day.

Community Service Obligations

In 2018–2019 Ipswich Waste Services provided the following Community Service Obligations totalling \$697,901 to the Ipswich community.

DESCRIPTION	2017–2018 (\$)	2018–2019 (\$)	COMMENTS
Waste services at Ipswich community events	36,984	32,177	Free subsidised waste services for community events
Schools recycling program	9,779	24,342	Free recycling collection services for local schools
Transfer station waste disposal charge exemptions	7,659	4,313	Waived transfer station fees for specific organisations
Subsidised householder waste disposal at the Riverview and Rosewood Recycling and Refuse Centres	621,429	618,854	Subsidy provided for the operation of the two recycling and refuse centres
Free recycling services to residents requesting additional kerbside recycling services	3,468	13,993	2017–2018 provision of 46 fortnightly services 2018–2019 provision of 69 fortnightly services
Free recycling services for dialysis patients and people with disabilities requiring additional volume for kerbside waste disposal	1,659	4,222	2018–2018 provision of 22 services 2018–2019 provision of 14 services

CODE OF COMPETITIVE CONDUCT

Section 45 of the *Local Government Act 2009* requires a local government's annual report include a list of all business activities conducted during the financial year. Under section 33 of the *Local Government Regulation 2012*, if a local government applies the Code of Competitive Conduct to a business activity, council must apply the principles of competitive neutrality, for example by removing any competitive advantage or disadvantage.

In 2018–2019, council undertook the following business activities to which it applied the Code of Competitive Conduct:

- Building Certification
- Roads and Drainage

In 2018–2019, the only significant business activity undertaken by council was Ipswich Waste Services which also applied the Code of Competitive Conduct. Ipswich Waste Services' cost framework is structured to ensure that the principles of competitive neutrality are met. No new significant business activities were undertaken during the 2018–2019 year.

Pursuant to the requirements of section 190 of the *Local Government Regulation 2012*, council did not receive nor did it make any decisions in relation to competitive neutrality complaints in the 2018–2019 financial year.

CHANGES TO TENDERS

In accordance with s228(7) of the *Local Government Regulation 2012*, Ipswich City Council did not invite tenderers to change their tenders to take into account a change in tender specifications during the financial year.

GOVERNANCE

FINANCIAL POLICY



REVENUE POLICY

1. Revenue Policy

In accordance with legislation, council has prepared and adopted this revenue policy.

The objective of this revenue policy is to help ensure consistency between the council's longer term objectives, as set out in the Financial Plan, and the revenue decisions made in the budget process. It is an intended outcome of the Financial Plan that council remains in a sound financial position at all times whilst delivering the Financial Plan's objectives.

To achieve this, council has adopted a set of principles relating to the levying of rates and charges, granting concessions for rates and charges, recovering overdue rates and charges and cost-recovery methods.

Council will take account the principles of equity, economic efficiency and simplicity in levying rates and charges and granting concessions for rates and charges.

2. Levying Rates and Charges

In levying rates and charges, council intends to:

- (a) make the system for paying rates and charges simple and inexpensive to administer
- (b) manage its cash flows from rates and charges by providing for quarterly payments, discounts for payment by the due date and interest on overdue amounts
- (c) provide an equitable payment system that provides a range of payment options for ratepayers to pay the rates and charges and arrears of any rates or charges.

Council specifically intends to levy differential general rates on all rateable land in the local government area. It is recognised that a single rate applied to all rateable land in the local government area would result in a substantial disparity in the general rates contributed by each rating category of rateable land.

Council may elect to levy special rates and charges, on a year by year basis, for facilities or services which it considers have a special association with particular land in the local government area. The proceeds of the particular special rate and charge are directed towards the costs of the relevant initiative or facility.

A separate charge will be levied equally on all rateable land within the local government area, to provide for the acquisition and protection of bushland areas and for the provision of facilities for public access to those areas, on the basis that the benefit is shared equally by all parcels of rateable land, regardless of their value. The revenue raised is used to contribute to the costs of acquiring bushland and for providing and managing public access.

Council's waste management utility charges are applied on a per waste management service basis. All costs associated with providing the waste management service are recovered by levying the waste management utility charges.

3. Granting Concessions for Rates and Charges

In accordance with legislation, council grants a range of concessions for rates and charges to assist the community (subject to conditions).

The purposes for the concession for rates and charges to be granted by the council are stated in the following table.

CONCESSION FOR RATES AND CHARGES	PURPOSE FOR THE CONCESSION
Concession to an eligible pensioner who owns and occupies rateable land.	Acknowledge that pensioners have limited financial capacity.
Concession to an eligible entity which owns rateable land, where the entity's objects do not include making a profit.	Support activities that do not make a profit.
Concession to an eligible entity which owns rateable land, where that entity provides assistance or encouragement for arts or cultural development.	Support activities that assist and encourage arts and cultural development.
Concession to an eligible landowner who is an individual and who is subject to financial hardship from the payment of rates and charges.	Support individuals where the payment of rates and charges will or has affected the wellbeing of the individuals in such a way as to constitute an unreasonable outcome based on present community standards.
Concession to an eligible landowner whose land is subject to a mining lease requiring the carrying out of improvement restoration for the mining lease.	Support the carrying out of improvement restoration for the mining lease which is exceptional and necessitated by the characteristics of the land.

4. Recovering Overdue Rates and Charges

Council exercises its rate recovery powers in order to reduce the overall rate burden on ratepayers.

Council also intends to charge interest on overdue rates and charges from the day on which they become overdue, however, if the overdue rates and charges are paid within 21 days from their due date, no interest shall be charged.

5. Cost-Recovery Methods

Council has fixed cost-recovery fees under section 97 of the *Local Government Act 2009*. All cost-recovery fees set by the council are included in the Register of Cost Recovery Fees which is available for inspection at the council's public office as well as council's web site.

DEBT POLICY

In accordance with section 192 of the *Local Government Regulation 2012*, it is council's intention to borrow only for growth/enhancement capital expenditure and commercial debt structures for its commercial business units. The authority to borrow is drawn from section 34 of the *Statutory Bodies Financial Arrangements Act 1982*.

Borrowings for the organisation are required by business units and council departments. These aspects of the organisation have different roles within the organisation and therefore different borrowing requirements.

Capital expenditure for the organisation is categorised into two different aspects, growth/enhancement and refurbishment. Borrowings required for growth/enhancement projects are calculated on a net basis. Net basis being the total value of those projects less any external funding such as developer cash contributions, donations, grants and subsidies. In addition to these external funding sources, council may determine that growth/enhancement projects be funded, in part or in full, from other available cash surplus. The final determination of the borrowing requirements is based on an assessment of existing debt levels and the requirement to maintain a prudent level of cash for operating purposes and employee provisions.

All Ipswich City Council borrowings including existing loan balances are on a principal and interest basis and have a maximum term to maturity of 15 years.

Loan borrowings including existing loan balances for strategic asset acquisitions are for projects that are intended to enhance the commercial business centres of the city. Loan borrowings including existing loan balances allocated to council departments are for growth/enhancement related projects and are required to meet the increasing service needs of council's customers and the Ipswich community.

All external borrowings are from the Queensland Treasury Corporation (QTC). The rate of payment is dependent upon market conditions and other principles agreed to between QTC and the Ipswich City Council.

The overall position of debt for the council for 2018–2019 is an increase of \$80.6 million to \$314.2 million from the previous level of \$233.6 million. The following table reflects the actual loan balances and movements for 2018–2019 and anticipated loan balance and movements for the next nine financial years.

LOAN LIABILITIES	2018–2019	2019–2020	2020–2021	2021–2022	2022–2023	2023–2024	2024–2025	2025–2026	2026–2027	2027–2028
	ACTUAL	ESTIMATED	ESTIMATED	ESTIMATED	ESTIMATED	ESTIMATED	ESTIMATED	ESTIMATED	ESTIMATED	ESTIMATED
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
OPENING BALANCE	233,568	314,229	328,585	351,514	350,566	350,876	356,936	367,976	368,722	347,659
ADD NEW BORROWINGS	101,000	41,000	55,000	35,000	40,000	50,000	60,000	55,000	25,000	15,000
LESS PRINCIPAL REPAYMENTS	20,339	26,644	32,071	35,948	39,690	43,940	48,960	54,254	46,063	35,721
CLOSING BALANCE	314,229	328,585	351,514	350,566	350,876	356,936	367,976	368,722	347,659	326,938
BORROWING COSTS	12,280	14,184	14,452	14,059	13,356	12,765	12,233	11,646	10,516	9,770

RATE CONCESSION POLICY

Section 190 of the *Local Government Regulation 2012* requires that a local government's annual report contain a summary of all concessions for rates and charges granted by the local government.

Rates Concession Policy

1.1 Objectives

The objective of this policy is to describe the criteria that determine which properties council may consider eligible for a rates concession and how an application for concession is processed and administered over time.

1.2 Regulatory Authority

Local Government Act 2009, Chapter 4 Rates and Charges, Part 10 Concessions

Local Government Regulation 2012, Chapter 4 Rates and Charges, Part 10 Concessions

Australian Charities and Not-for-profits Commission Charities Act 2013 (Commonwealth)

Charitable Funds Act 1958 (Queensland)

Office of Fair Trading Queensland – Associations, Charities and Not for Profits.

1.3 Policy Statement

The Rates Concession Policy shall be applied in accordance with council's Revenue Policy and Budget and Rating Resolutions with the result that eligible property owners undertaking specified activities at the property receive a concession on their rates.

1.4 Scope

The core matters addressed by the policy include which type of entities or landowners are eligible to be considered for a concession and the types of activities being conducted at the property that could be determined as qualifying for a concession.

This policy does not consider the concessions applicable for pensioners as the Pensioner Remission of Rates Policy deals with such matters.

This policy does not consider whether land is eligible to be exempt from rating, such determinations are made by reference to the appropriate legislation.

Eligible Property Owners

Property owners that are eligible to be considered for a concession:

- Charities
- Incorporated Associations and Not for Profit Organisations
- Property owners that are natural persons suffering hardship.

For a property owner to be granted a concession by council, they must not only be an eligible property owner but council must be satisfied that activities being conducted on the property or services being delivered from the property are consistent with activities described as eligible for a concession.

Eligible activities at the property

Eligible activities or services delivered at the property considered eligible to be considered for a concession.

ELIGIBLE PROPERTY OWNER	ELIGIBLE ACTIVITIES OR SERVICES DELIVERED AT THE PROPERTY
Charities	<p>The relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage; or</p> <p>The preservation, restoration or maintenance of structures or places of cultural, environmental, historic, heritage or scientific significance to the Ipswich City Council local government area; or</p> <p>To promote or assist in the promotion of providing educational, training or information aimed at youth development or leisure opportunities; or</p> <p>The assistance or encouragement for the arts or cultural development; or</p> <p>The provision of early childhood care and are affiliated with the Crèche and Kindergarten Association or is a community based early childhood provider.</p>
Incorporated Associations and Not for Profit Organisations	<p>The relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage; or</p> <p>The preservation, restoration or maintenance of structures or places of cultural, environmental, historic, heritage or scientific significance to the Ipswich City Council local government area; or</p> <p>The assistance or encouragement for the arts or cultural development; or</p> <p>The provision of early childhood care and are affiliated with the Crèche and Kindergarten Association or is a community based early childhood provider; or</p> <p>The provision of facilities for the conduct of amateur sport or recreational activities subject to any revenue from licensed premises, entrance fees or membership fees being deemed incidental to the main activity of conducting the sporting or recreational activities.</p>
Property Owners suffering hardship	<p>Property is owner occupied; and</p> <p>Hardship status is confirmed by a financial assessment of the property owner's circumstances</p>

Concession applicable if council resolves to allow concession

ELIGIBLE PROPERTY OWNER	CONCESSION
Charities	General Rates Concession of 100%
Incorporated Associations and Not for Profit Organisations	General Rates Concession of 100%
Property Owners suffering hardship	<p>Deferral of liability to pay rates for 6 months.</p> <p>Rates will still accrue over this period to be paid after the deferral period of 6 months.</p>

1.5 Roles and Responsibilities

Council officers in the Rating and Billing Team respond to enquiries and process applications for Concessions in accordance with Policy and Procedure. For approved concessions they make the necessary adjustments to the rates levied.

Divisional councillors are consulted at the time of application before a recommendation is made to council if the property the subject of the application is within their electoral division.

Recommendations for concessions are presented to council and do not take effect until council has resolved to grant the concession.

Council reviews concessions annually and makes a resolution each financial year of the concessions to be applied.

Chief Financial Officer has overall responsibility for delivery of the objectives and compliance with the legislation, Policy and Procedures.

1.6 Definitions

Charity as defined by reference to the Australian Charities and Not-for-profits Commission, *Charities Act 2013* (Commonwealth), *Charitable Funds Act 1958* (Queensland) and the Office of Fair Trading Queensland published information concerning: Associations, Charities and Not for Profits organisations.

A Not for Profit or Incorporated Organisation is an organisation that incorporates in its objectives and constitution that it does not make a profit which is distributed to the directors or principals but is only distributed for the purpose of the continued operation of the organisation. Such an organisation is usually currently registered with the Australian Charities and Not for Profits Commission and the Office of Fair Trading Queensland.

Property owner suffering hardship is a natural person that can demonstrate that payment of rates within the prescribed time period will or has affected the well-being of one or more individuals residing at the property in such a way as to constitute an unreasonable outcome based on present community standards.

1.7 Policy Author

Strategic Client Office Manager is responsible for maintaining of this policy.

Date of council resolution: 27 June 2017

Committee reference and date: City Management, Finance and Community Engagement Committee No. 2017(06) of 20 June 2017

No. of resolution: 4

2018-2019 CONCESSIONS GRANTED	AMOUNT (\$)
Council Granted Pensioner Remissions	1,307,528
Council Granted Non-Profit/Sporting Bodies Concessions	520,665
Total	1,828,193

PENSIONER REMISSION OF RATES POLICY

Section 190 of the *Local Government Regulation 2012* requires that a local government's annual report contain a summary of all concessions for rates and charges granted by the local government.

Pensioner Remission of Rates Policy

1.1 Objectives

The objective of this policy is to provide officers with a guide to determine which pensioners are eligible for a remission on their rates and how to administer that remission over time.

1.2 Regulatory Authority

Chapter 4 Rates and Charges, Part 10 Concessions of the *Local Government Regulation 2012*

Retirement Village Act 1999, Manufactured Homes (Residential Parks) Act 2003

Ipswich City Council Budget and Rating Resolutions each financial year

Revenue Policy

Revenue Statement.

1.3 Policy Statement

The Pensioner Remission of Rates shall be applied in accordance with council's Revenue Policy and Budget and Rating Resolutions with the result that eligible pensioners receive a remission on their rates and charges.

1.4 Scope

The core matter addressed by this policy is to define the eligibility requirements to receive the remission or concession.

A. Qualifying Pensions

Remission of part of the General Rate as determined by council from time to time may be granted to owners in receipt of:

- Age Pension
- Wife Pension
- Widow B Pension
- Disability Support Pension
- Parenting Payment Single
- Carer Payment
- War Widow(er)'s Pension
- Service Pension
- Disability Pension.

B. Conditions

The rate of pension received by any registered owner as shown on the rate record must be the maximum payable for the type of pension received.

Provided all other conditions are met, the proportion of remission applicable to an assessment, where not all owners meet the requirements of this clause, will be equal to the proportion of the property that the qualified owner or owners own.

Subject to evidence satisfactory to the council, a life tenant of property shall, for the purposes of this policy, be deemed to be the registered owner.

Life tenancy must be created by:

- (i) The last valid will of a deceased owner; or
- (ii) By an order of the Family Court.

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A remission may be granted only on the property which is the principal or sole residence of the applicant. Unless otherwise determined by council, a remission may be granted where the applicant is temporarily residing away from the premises.

The granting of a remission in respect of a pensioner who is in receipt of a pension which is not income-tested is subject to the production of evidence satisfactory to the council that any additional income would not preclude the pensioner from receiving the maximum age pension if he/she were an applicant for such pension.

The granting of a remission in respect of a pensioner who is in receipt of a part Australian pension and a part pension from an overseas country is subject to evidence satisfactory to the council that the sum of the overseas pension and any additional income would not preclude the pensioner from receiving the maximum age pension if he/she were an applicant for such pension.

Where a pensioner who is in receipt of a part pension and was in receipt of a remission of rates under this policy, such remission may continue provided the pensioner's total earnings from all sources (including any pensions) do not exceed, by more than 25 per cent, the total of the maximum Australian pension (including pharmaceutical allowance) plus permissible earnings for a pensioner on maximum rate pension.

C. Applications

First application for pension remission of rates must be made on the application form provided. Proof of pension paid must be in the form of a current advice from the pension paying authority provided at the time of application. Proof of pension received must be in the form of an eligible pension card and current advice from the pension paying authority.

For subsequent years confirmation of ongoing entitlement shall be in the form of advice provided by the pension paying authority unless the pension paying authority does not confirm the rate of payment at the maximum rate.

A pensioner who submits an eligible application is entitled to a remission calculated on a pro-rata basis from the date of application to the end of the quarter. The pro-rata adjustment will only apply for the quarter in which the application is made and is not retrospective to a prior quarter. However, where there are extenuating circumstances, council remission may be backdated to a maximum of the current year plus the two previous years.

D. Transitional Provision

Notwithstanding C Applications, council also provisions for pensioners who previously qualified for the extended discount concession under the previous Moreton Shire Council Policy and who would if it were not for this section no longer qualify for remission under the new policy, grant a remission of rates equivalent to the amount of discount which would otherwise be allowed provided the rates and property related debts are paid in full by the due date of the fourth quarter's rate notice and provided the owners are eligible for the state government subsidy.

E. Retirement Villages, Mobile Home Villages or Other Similar Facility

A remission may be granted to a resident of a retirement village, mobile home village or other similar residential facility approved by council, subject to the applicant meeting the eligibility criteria and conditions defined in this policy and the owner of the land or their agent:

- providing proof to council that the facility meets the appropriate guidelines in accordance with associated legislation including *Retirement Village Act 1999*, *Manufactured Homes (Residential Parks) Act 2003*
- providing proof that the applicant is the owner of the residential unit or holds tenure in perpetuity or a similar agreement approved by council
- confirming that the residential unit is the applicant's principle place of residence
- completing the appropriate documentation that binds the owner to pass on the remission to the successful applicant.

Remission will be calculated as 30 per cent of the general rate applicable to each residential unit where an eligible pensioner resides to a maximum of the Remission adopted by council in the Budget and Rating Resolutions.

F. Others

Where an application falls outside this policy and it is determined that the application requires special consideration by council, a report with a recommendation to the appropriate council meeting shall be made.

1.5 Roles and Responsibilities

Customer Service Officers to process applications for remission from property owners and confirm entitlement annually prior to the commencement of each financial year.

Delegated Officers to authorise backdating of remissions when requested.

1.6 Definitions

Qualifying Pensions are defined in the schedule 14 A. In the event that changes are made by Centrelink or Veterans Affairs to the name of the pension, the equivalent pension or entitlement will be considered a Qualifying Pension.

1.7 Policy Author

Strategic Client Office Manager

Date of council resolution: 23 October 2015

Committee reference and date: Policy and Administration Board No. 2015(10) of 6 October 2015 – City Management and Finance Committee No. 2015(10) of 13 October 2015

No. of resolution: 3

RURAL FIRE RESOURCES LEVY SPECIAL CHARGE

In accordance with section 94 of the *Local Government Act 2009*, section 94 of the *Local Government Regulation 2012* and section 128A of the *Fire and Emergency Services Act 1990*, the council has decided to levy a special charge for the Rural Fire Brigades Services (which are also known as a Rural Fire Resources levy) on rateable land in the local government area that specially benefits from the Rural Fire Brigades Services on the basis set out below.

Definitions

Applicable rateable land means the rateable land in the local government area to which the special charge for the Rural Fire Brigades Services applies.

Rural Fire Resources Levy overall plan means the overall plan for the Rural Fire Brigades Services to which the special charge for the Rural Fire Brigades Services applies.

Rural Fire Brigades Services means the purchase, maintenance of equipment and training by the Ipswich Group Rural Fire Brigades.

Rural Fire Brigades Services

- (1) In accordance with section 94 of the *Local Government Regulation 2012*, the council adopted the Rural Fire Resources Levy overall plan at its meeting of 25 June 2019.
- (2) The council has decided the following under the Rural Fire Resources Levy overall plan:
 - (a) the amount of special charges for the Rural Fire Brigades Services which is to be levied on the Applicable rateable land is \$42.00 per annum;
 - (b) the Applicable rateable land is the rateable land not within the boundary of the Urban Fire Boundaries of Queensland.
- (3) The special charges for the Rural Fire Brigades Services collected by the council are to be forwarded, at quarterly intervals, to the Ipswich Group Rural Fire Brigades to fund the Rural Fire Brigades Services.

COMMUNITY ASSISTANCE – GRANTS, BURSARIES, DONATIONS

The Community Grants and In-Kind Assistance Program framework and policy was reviewed in June 2018. A new set of community grants was introduced, and included a new policy and a comprehensive "Applicant Guidelines" document for the Community Grants and In-Kind Assistance Program.

Following a review of councillor discretionary funding in May 2018, council introduced a new Mayoral and Councillor Discretionary Funding Program on 1 July 2018. The new program is publically advertised, includes Administrative Guidelines, and applications are submitted via the online platform, SmartyGrants.

Following the dismissal of councillors on 22 August 2018, the program was renamed the 'Community Donations Program'. A funding register is available on council's website and outlines all community donations allocated throughout the year. A list of this expenditure can be found in the appendices.

Council's community funding programs are guided by the following policies:

- [Bursaries, Scholarships and Other Funding for Community Purposes Policy](#)
- [Community Donations Policy](#)
- [Community Grants and In-Kind Assistance Policy](#)

Section 189 of the *Local Government Regulation 2012* requires that a local government's annual report contain information on the local government's expenditure in relation to grants to community organisations for the financial year.

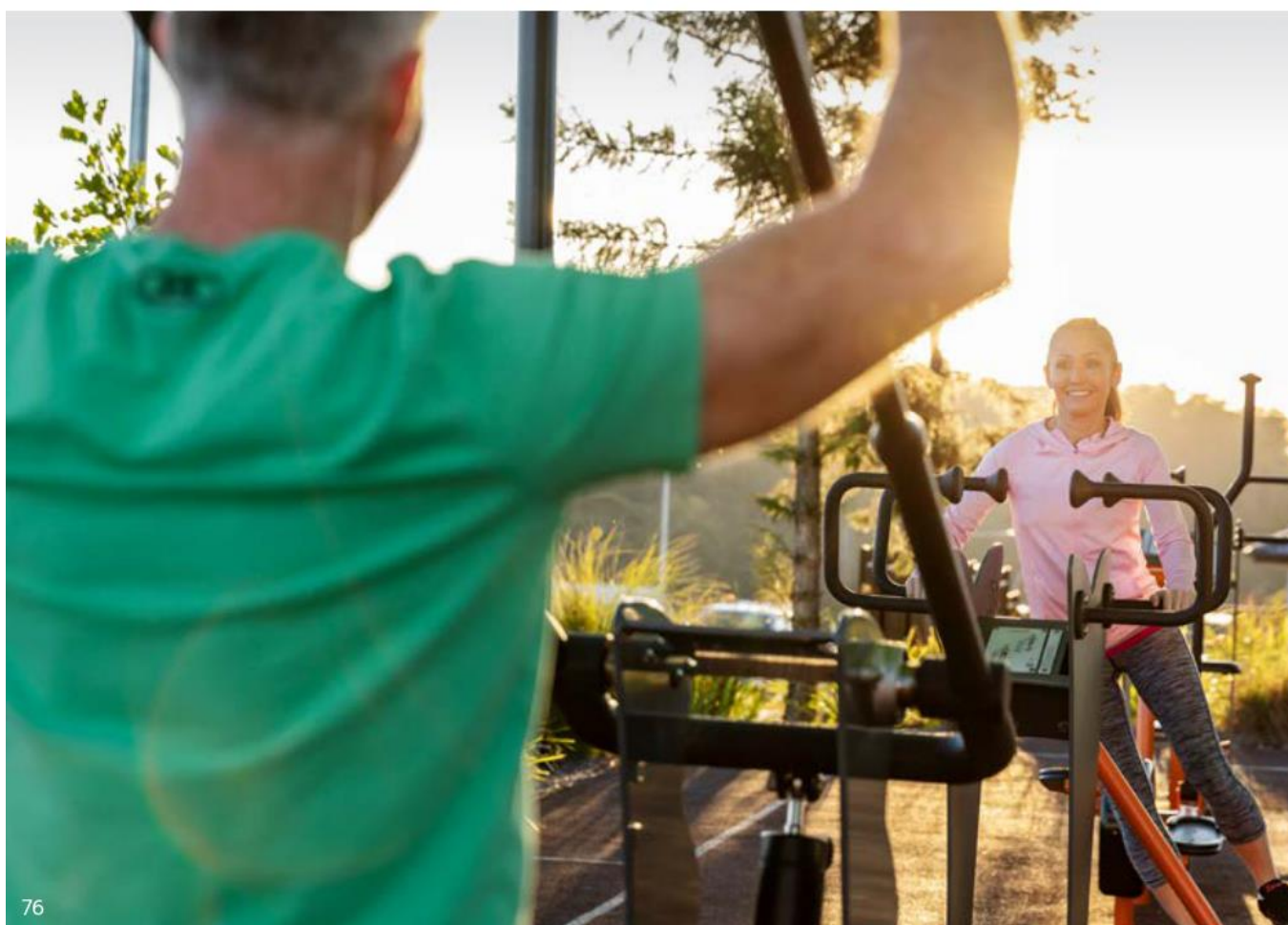
Additional reporting is required for expenditure from each councillor's discretionary fund, including the name of each community organisation funded and the amount and purpose of that allocation. This information can be found in the appendices.

In the 2018–2019 financial year, council administered community funding which included the following grants, donations and bursaries:









GRANT TYPE	NUMBER ISSUED	AMOUNT (\$)
Christmas/Festive Season Grants	25	\$27,441
Community Development Grants	12	\$33,449
Community Donations Program/Mayoral and Councillor Discretionary Funding Program	144	\$497,373
Regional Arts Development Fund (RADF) Grants	4	\$30,300
Viva Cribb Bursary	1	\$4,310
Environment and Sustainability Community Grants	5	\$15,881
Environment Weed Rebates	88	\$38,721
Ipswich Sports Awards	6	\$12,000
Nature Conservation Grant	18	\$63,925
Quick Response Grants	13	\$9,636
School Holiday Funding	25	\$32,750
Sport and Recreation Achievement Grant	31	\$133,920
Sport Excellence Bursaries	110	\$23,600
Waste Exemptions	21	\$8,733
Young Performing Artists Bursary	5	\$2,900



FINANCIAL PERFORMANCE



COMMUNITY FINANCIAL REPORT

			
2018 – 2019	\$203.6m Raised in rates and utilities	\$19.5m Net operating surplus (excluding capital revenue)	\$3b Assets (including infrastructure)
			
\$101.6m Grants, contributions and donations received	\$314.2m Total debt (including \$101m borrowed this year for CBD)	\$146m Increase in our community wealth	\$148.7m Capital investment

The Community Financial Report as required by Section 184 of the Local Government Regulations 2012, provides an explanation of the audited financial statements for the year as set out below. Council has maintained a financial management strategy over the last five financial years which has council well placed to manage a growing city. Council is continuing with this strategy over the coming financial year which is consistent with the long-term financial forecast presented in the 2019-2020 Budget and Long-Term Financial Plan. More information regarding Ipswich City Council's Financial and Planning documents can be accessed at council's website ipswich.qld.gov.au/about_council/corporate_publications/index.php

The financial statements for 2018-2019 also reflect the transfer of assets from Ipswich City Properties Pty Ltd (ICP) as a result of council's decision on 16 October 2018 to wind-up ICP and integrate the assets and operations into council. Details of council's Controlled Entities, their operations, current status and details of the transfer of assets to council is set out in Note 31 of the financial statements.

The results discussed below are for the council position reported in the financial statements and not the consolidated results.

Summary of Financial Statements for 2018-2019

Council completed the financial year with a net result of \$147.2 million including capital revenue which includes local roads, parks, drainage pipes etc constructed by developers. Capital revenue also includes cash contributions from developers towards shared infrastructure servicing these new developments.

The net result was also impacted by a \$40.5 million benefit from the accounting treatment of a revaluation increase. As the revaluation increase reverses a revaluation decrement in 2016; the accounting standards required the increase to be included in the Statement of Comprehensive Income.

The following comparison is provided between the previous year and the year in review:

	2018-2019	2017-2018	% CHANGE
	\$'000	\$'000	
Revenue (inc. capital revenue)	430,903	385,193	11.9%
Expense	283,752	291,963	-2.8%
Net Result	147,151	93,230	57.8%
Less Net Capital Revenue/ Expense	87,066	103,562	23.2%
Less Revaluation Increase	40,557	-	-
Net Operating Surplus	19,528	(10,332)	-289.0%
Net Operating Surplus %	6.49%	-0.88%	

Revenue**Where did the money come from?**

Council received \$430.9 million in revenue. The largest contributor was rates and utility charges of \$203.6 million (after discount and pensioner remissions). Rates and utility charges increased as a result of rate increases and growth in the Ipswich region.

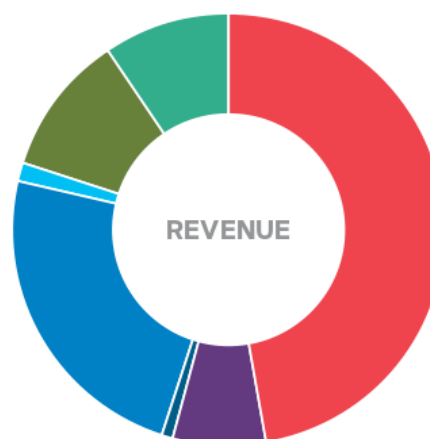
Other revenue increased by \$2.4 million to \$45.7 million and includes:

- Dividends of \$7.8 million were received from the controlled entities as part of their winding up.
- Dividends of \$18.7 million and tax equivalents of \$116 million were received from Queensland Urban Utilities. Council holds a 12.22% shareholding in Queensland Urban Utilities.

Fees and charges of \$30.6 million for the financial year was relatively consistent with the prior year.

As mentioned above, Capital revenue increased by \$40.5 million due to an increase in value of infrastructure assets during 2018-2019, this reversed a previous decrease in value of infrastructure assets recognised as a capital expense in 2016.

This was offset by a decrease in grants and contributions by \$14.8 million to \$101.6 million mainly due to a decrease in developer contributions and donated physical assets.



Type of revenue	Totals (\$'000)
■ Rates, levies and charges	203,609
■ Fees and charges	30,575
■ Sales revenue	3,341
■ Grants and contributions	101,649
■ Interest and investment revenue	5,401
■ Other revenue	45,771
■ Capital income	40,557
Grand Total	430,903

Expenses

Where was the money spent?

Council's expenditure was \$283.7 million for the financial year.

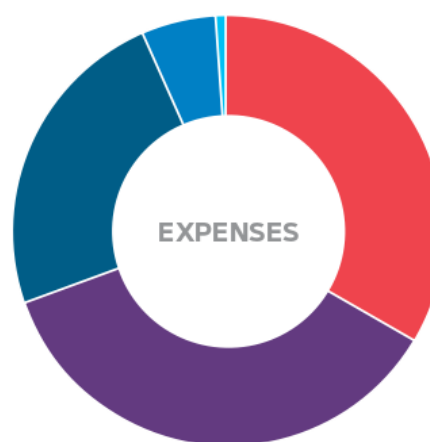
Employee expenses detailed in Note 6 were \$95 million for the year which was an increase of \$8.2 million (9.4%). This was mainly due to 2.5% wage increase relating to EBA agreement, a workplace restructure and additional new staff to support growth across the city. Council also accrued employee costs for work performed but not yet paid.

The materials and services expense of \$102.7 million are detailed in Note 7 of the financial statements. The major variations compared to the previous year include:

- Advertising and marketing costs increased by \$1.3 million as council delivered events and marketing itself this year vs engaging an external organisation, the costs of which were included in goods and services expense last year.
- Consultant costs include the costs of the Interim Administrator and Interim Management Committee and costs associated with council's transformation projects.
- General expenses decreased by \$4 million compared to 2017-2018 year due to one-off costs associated with the change in strategy for the delivery of the CBD of \$3.5 million.
- Donations increased as council donated \$2 million towards the Springfield Central Sports Hall and Community Centre construction.

There was also an increase in depreciation and amortisation costs by \$2.8 million to \$67.8 million.

Finance costs decreased by \$20.7 million due to the reversal of the impairment and subsequent write-off of the loan to Ipswich City Properties Pty Ltd (ICP). Council's decision to wind-up ICP resulted in the distribution of ICP's assets to council to offset the loan receivable and the remaining balance of the loan was written down.



Type of expense	Totals (\$'000)
Employee expenses	94,972
Materials and services	102,725
Depreciation and amortisation	67,784
Finance costs	15,666
Capital expenses	2,605
Grand Total	283,752

Assets

What do we own?

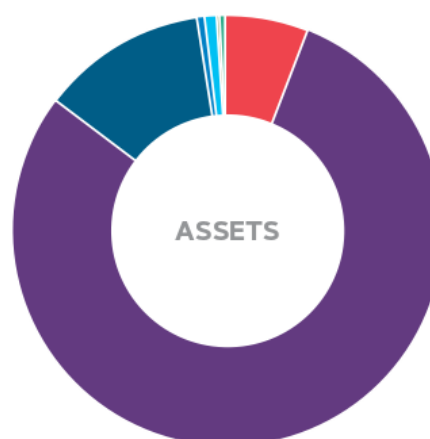
As at the 30 June 2019, council held \$3 billion in assets, \$224.9 million more than the previous year.

Property, plant and equipment increased by \$149.2 million to \$2.4 billion mainly due to asset additions of \$99.9 million, donated assets of \$63.9 million, transfer of Ipswich City Properties Pty Ltd (ICP) assets to council of \$31.9 million and an increase in value of infrastructure assets of \$40.5 million. This was offset by depreciation expense of \$61.5 million. Investment property increased by \$15 million due to the distribution of ICP's investment property to council.

Cash increased by \$110.1 million to \$180.7 million mainly due to unspent loan borrowings of \$71 million to fund the Nicholas Street – Ipswich Central Redevelopment.

Investments of \$372.4 million includes participation rights of \$310.3 million in Queensland Urban Utilities, while cash investments decreased by \$7 million to \$62 million.

Council previously loaned money to ICP in relation to the CBD purchase and redevelopment which is reported in the financial statements as a receivable. The receivables balance decreased by \$39.9 million mainly due to the extinguishment of this loan receivable from the distribution of ICP's assets to council against the loan and the remaining balance of the loan was written off as per council's resolution on 27 June 2019.



Type of assets	Totals (\$'000)
Cash and cash equivalents	180,734
Property, plant and equipment	2,425,253
Investments	372,390
Intangible assets	25,125
Receivables	26,338
Other assets	3,958
Investment property and assets held for sale	16,415
Grand Total	3,050,213

Liabilities

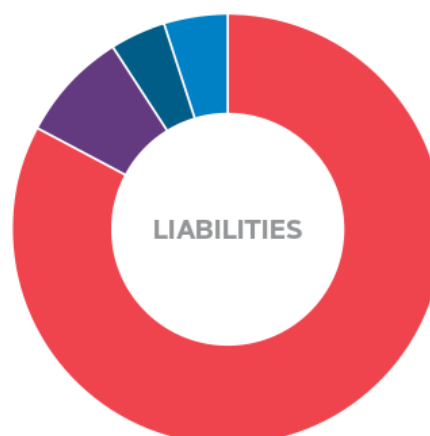
What do we owe?

As at the 30 June 2019, council had \$379.4 million in liabilities which is an increase of \$79 million when compared to the previous year.

Borrowings increased by \$80.6 million to \$314.2 million mainly due to loan borrowings of \$101 million to fund the Nicholas Street – Ipswich Central Redevelopment and other community infrastructure.

Other liabilities increased by \$12.7 million to \$18.2 million mainly due to the waste levy refund received in advance of \$7.4 million and other refunds of \$4 million.

This was offset by a decrease in payables by \$15.8 million to \$30.9 million mainly due to a decrease in accruals for creditors.



Type of liabilities	Totals (\$'000)
Borrowings	314,229
Payables	30,949
Provisions	15,972
Other liabilities	18,236
Grand Total	379,386

Community Equity

Ipswich's community equity is presented in two parts:

What is the difference between what we own and what we owe?

Ipswich's community equity (its net worth) as at the 30 June 2019 was \$2.7 billion which is \$146 million more than the previous year. Retained surplus increased by \$147.8 million to \$2 billion and the asset revaluation surplus decreased by \$1.8 million to \$482.9 million.

	2018-2019	2017-2018	% CHANGE
	\$'000	\$'000	
Asset Revaluation Surplus	482,967	484,851	-0.4%
Retained Surplus	2,187,860	2,040,034	7.2%
Total Community Equity	2,670,827	2,524,885	5.8%

Financial Ratios

The financial ratios are prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2013. For 2018-2019 council's performance against key financial ratios has improved meeting the target for the operating surplus ratio. While the target for net financial liabilities was still within target, the asset sustainability ratio slightly increased from the previous year.

SUSTAINABILITY RATIO	OBJECTIVE OF MEASUREMENT	HOW THE MEASURE IS CALCULATED	ACTUAL RESULT		
			2018-2019	2017-2018	TARGET
Operating Surplus Ratio	Is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.	Net result (excluding capital items) divided by total operating revenue (excluding capital items).	6.49%	-0.88%	Between 0-10%
Asset Sustainability Ratio	Is an approximation of the extent to which the infrastructure assets managed by a local government are being replaced as they reach the end of their useful lives.	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	62.95%	62.38%	Greater than 90%
Net Financial Liabilities Ratio	Is an indicator of the extent to which the net financial liabilities of a local government can be serviced by its operating revenues.	Total liabilities less current assets divided by total operating revenue (excluding capital items).	34.92%	31.20%	Not greater than 60%

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019



Ipswich City Council

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Ipswich City Council

Statements of Comprehensive Income
for the year ended 30 June 2019

		Consolidated		Council	
		2019	2018	2019	2018
	Notes	\$'000	\$'000	\$'000	\$'000
Income					
Recurrent Revenue					
Rates, Levies and Charges	3a	203,065	185,387	203,609	186,234
Fees and Charges	3b	30,564	30,409	30,575	30,438
Interest and Investment Revenue	3c	5,434	5,262	5,401	5,220
Sales Revenue		3,341	4,816	3,341	3,450
Other Income	3d	20,220	24,977	45,771	43,375
Grants, Subsidies, Contributions and Donations	4a	11,978	11,489	11,978	11,489
Total Recurrent Revenue		274,602	262,340	300,675	280,206
Capital Revenue					
Grants, Subsidies, Contributions and Donations	4b	89,671	104,987	89,671	104,987
Capital Income	5	40,570	-	40,557	-
Total Income		404,843	367,327	430,903	385,193
Expenses					
Recurrent Expenses					
Employee Benefits	6	95,567	86,844	94,972	86,805
Materials and Services	7	105,420	106,439	102,725	102,435
Finance Costs	8	12,841	13,781	15,666	36,316
Depreciation and Amortisation	13	67,790	65,002	67,784	64,982
Total Recurrent Expenses		281,618	272,066	281,147	290,538
Capital Expenses		4,105	2,365	2,605	1,425
Total Expenses		285,723	274,431	283,752	291,963
Share of Net Result of Associates	23	29,318	30,956	-	-
Net Result		148,438	123,852	147,151	93,230
Other Comprehensive Income					
Amounts which will not be reclassified subsequently to the Net Result					
Increase/(Decrease) in Asset Revaluation Surplus	19	(1,884)	(52,176)	(1,884)	(48,361)
Share of Other Comprehensive Income of Associates	23	21	65	-	-
Total Comprehensive Income		146,575	71,741	145,267	44,869

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

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Ipswich City Council

Statements of Financial Position as at 30 June 2019

		Consolidated		Council	
		2019	2018	2019	2018
	Notes	\$'000	\$'000	\$'000	\$'000
ASSETS					
Current Assets					
Cash and Cash Equivalents	9a	181,330	76,757	180,734	70,601
Investments	9b	62,000	69,000	62,000	69,000
Receivables	10	26,393	25,394	26,338	66,314
Inventories		765	837	1,065	956
Other Financial Assets		2,897	3,641	2,893	3,634
Non-Current Assets Held for Sale	11	1,370	12,750	1,370	-
Total Current Assets		274,755	188,379	274,400	210,505
Non-Current Assets					
Investments	9b	420,499	409,810	310,390	310,800
Investment Property	12	15,045	17,045	15,045	-
Property, Plant and Equipment	13	2,425,253	2,277,848	2,425,253	2,276,035
Intangible Assets		25,125	27,913	25,125	27,913
Total Non-Current Assets		2,885,922	2,732,616	2,775,813	2,614,748
TOTAL ASSETS		3,160,677	2,920,995	3,050,213	2,825,253
LIABILITIES					
Current Liabilities					
Payables	15	30,882	33,166	30,888	46,744
Borrowings	16	26,644	37,907	26,644	37,907
Provisions	17	13,295	12,708	13,295	12,708
Other Liabilities	18	15,963	4,377	15,963	4,219
Total Current Liabilities		86,784	88,158	86,790	101,578
Non-Current Liabilities					
Payables	15	61	53	61	53
Borrowings	16	287,585	195,661	287,585	195,661
Provisions	17	2,677	1,780	2,677	1,780
Other Liabilities	18	2,273	1,296	2,273	1,296
Total Non-Current Liabilities		292,596	198,790	292,596	198,790
TOTAL LIABILITIES		379,380	286,948	379,386	300,368
Net Community Assets		2,781,297	2,634,047	2,670,827	2,524,885
COMMUNITY EQUITY					
Asset Revaluation Surplus	19	482,967	484,851	482,967	484,851
Retained Surplus/(Deficiency)		2,298,330	2,149,196	2,187,860	2,040,034
Total Community Equity		2,781,297	2,634,047	2,670,827	2,524,885

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

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Ipswich City Council

Statements of Changes in Equity
for the year ended 30 June 2019

Consolidated		Asset Revaluation Surplus \$'000	Retained Surplus \$'000	Total Equity \$'000
	Notes			
2019				
Opening Balance		484,851	2,149,196	2,634,047
Assets Not Previously Recognised	13	-	698	698
Adjustment on initial application of AASB 9		-	(23)	(23)
Revised Opening Balance (as at 1/7/18)		484,851	2,149,871	2,634,722
Net Result		-	148,438	148,438
Other Comprehensive Income				
Increase / (decrease) in Asset Revaluation Surplus	19	(1,884)	-	(1,884)
Share of Other Comprehensive Income of Associates	23	-	21	21
Total Comprehensive Income		(1,884)	148,459	146,575
Balance as at 30 June 2019		482,967	2,298,330	2,781,297
2018				
Opening Balance		546,185	2,012,251	2,558,436
Assets Not Previously Recognised	13	-	3,870	3,870
Revised Opening Balance (as at 1/7/17)		546,185	2,016,121	2,562,306
Net Result		-	123,852	123,852
Other Comprehensive Income				
Increase / (decrease) in Asset Revaluation Surplus	19	(52,176)	-	(52,176)
Share of Other Comprehensive Income of Associates	23	-	65	65
Total Comprehensive Income		(52,176)	123,917	71,741
Transfers from Revaluation Surplus to Retained Surplus for Asset Disposals		(9,158)	9,158	-
Balance as at 30 June 2018		484,851	2,149,196	2,634,047

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

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Ipswich City Council

Statements of Changes in Equity
for the year ended 30 June 2019

Council		Asset Revaluation Surplus \$'000	Retained Surplus \$'000	Total Equity \$'000
	Notes			
2019				
Opening Balance		484,851	2,040,034	2,524,885
Assets Not Previously Recognised	13	-	698	698
Adjustment on initial application of AASB 9		-	(23)	(23)
Revised Opening Balance (as at 1/7/18)		484,851	2,040,709	2,525,560
Net Result		-	147,151	147,151
Other Comprehensive Income				
Increase / (decrease) in Asset Revaluation Surplus	19	(1,884)	-	(1,884)
Total Comprehensive Income		(1,884)	147,151	145,267
Balance as at 30 June 2019		482,967	2,187,860	2,670,827
2018				
Opening Balance		533,212	1,942,934	2,476,146
Assets not previously recognised	13	-	3,870	3,870
Revised Opening Balance (as at 1/7/17)		533,212	1,946,804	2,480,016
Net Result		-	93,230	93,230
Other Comprehensive Income				
Increase / (decrease) in Asset Revaluation Surplus	19	(48,361)	-	(48,361)
Total Comprehensive Income		(48,361)	93,230	44,869
Balance as at 30 June 2018		484,851	2,040,034	2,524,885

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

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Ipswich City Council

Statements of Cash Flows
for the year ended 30 June 2019

		Consolidated		Council	
		2019	2018	2019	2018
	Notes	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities					
Receipts from Customers		252,108	234,154	275,698	231,731
Payments to Suppliers and Employees		(195,954)	(199,565)	(206,261)	(183,045)
		56,154	34,589	69,437	48,686
Receipts:					
Interest and Investment Revenue		5,272	5,259	5,239	5,217
Non Capital Grants, Subsidies, Contributions and Donations		11,978	11,489	11,978	11,489
QUU Tax Equivalents and Participation Return		30,235	33,837	30,235	33,837
Payments:					
Borrowing Costs		(12,714)	(13,820)	(12,714)	(13,820)
Net Cash - Operating Activities	25	90,925	71,354	104,175	85,409
Cash Flows from Investing Activities					
Receipts:					
Proceeds from Property, Plant and Equipment		2,597	2,213	2,496	2,213
Distributions Received from Controlled Entities		-	-	750	2,441
Grants, Subsidies, Contributions and Donations		25,795	36,417	25,795	36,417
Payments:					
Net transfer (to) from Cash Investment		7,000	6,000	7,000	6,000
Purchase of Investment Property		-	(6,240)	-	-
Payments for Property, Plant and Equipment		(94,274)	(123,150)	(93,713)	(121,661)
Payments for Intangible Assets		(8,131)	(4,973)	(8,131)	(4,969)
Contributions Paid to Controlled Entities		-	-	(8,900)	(24,760)
Net Cash - Investing Activities		(67,013)	(89,733)	(74,703)	(104,319)
Cash Flows from Financing Activities					
Proceeds from Borrowings		101,000	-	101,000	-
Repayment of Borrowings		(20,339)	(19,240)	(20,339)	(19,240)
Net Cash Flow - Financing Activities		80,661	(19,240)	80,661	(19,240)
Net Increase/(Decrease) for the year		104,573	(37,619)	110,133	(38,150)
plus: Cash and Cash Equivalents - beginning		76,757	114,376	70,601	108,751
Cash and Cash Equivalents - closing	9	181,330	76,757	180,734	70,601

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

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Ipswich City Council

Notes to the Financial Statements for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies

(1.a) Basis of preparation

These general purpose financial statements are for the period 1 July 2018 to 30 June 2019 and have been prepared in accordance with the requirements of the *Local Government Act 2009*, *Local Government Regulation 2012*, Australian Accounting Standards, Australian Accounting Interpretations and other pronouncements issued by the Australian Accounting Standards Board.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period relating to grants, subsidies, contributions and donations (note 4).

(1.b) Statement of Compliance

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

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

(1.c) Basis of Consolidation

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

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

The financial results of Ipswich City Properties Pty Ltd, Ipswich City Enterprises Pty Ltd, Ipswich City Enterprises Investments Pty Ltd and Ipswich City Developments Pty Ltd have been consolidated into these financial statements as the transactions are

considered material. Information about controlled entities that have not been consolidated, because they are not considered material, is included in note 29.

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

It is expected that 2019 will be the last year of consolidation because controlled entities are expected to be immaterial in 2019-20 due to transition activities. This change will impact the measurement of the investment in Queensland Urban Utilities (QUU) as QUU will be equity accounted for in the Council column.

(1.d) Constitution

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

(1.e) New and Revised Accounting Standards

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

Ipswich City Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

This year Council has applied AASB 9 Financial Instruments for the first time. AASB 9 replaces AASB 139 and relates to the recognition, classification and measurement of financial assets and financial liabilities. Implementing AASB 9 has resulted in a change to the way council calculates impairment provisions, which are now based on expected credit losses instead of incurred credit losses.

On 1 July 2018 (the date of initial application), council re-assessed the classification, measurement category and carrying amount of each financial instrument (listed below) in accordance with AASB 9. There were no changes to classification and no changes to measurement categories (listed below). Carrying

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (continued)

amounts were also unchanged, except for receivables which decreased by \$23,271 due to an increase in impairment under the new rules. A corresponding adjustment was made to retained earnings as at 1 July 2018.

Financial asset/liability	Measurement Category (unchanged)
Cash and cash equivalents	Amortised cost
Receivables	Amortised cost
Other financial assets	Amortised cost
Borrowings	Amortised cost

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

The standards that are expected to have a material impact upon Council's future financial statements are:

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

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

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-to-profit (NFP) entities, in conjunction with AASB 15, and AASB 2016-8. These Standards supersede the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions.

Identifiable impacts at the date of this report are:

Some grants received by the Council will be recognised as a liability, and subsequently recognised progressively as revenue as the Council satisfies its performance obligations under the grant. These included roads to recovery and grant funding paid in advance for major infrastructure projects. At present, such grants are recognised as revenue upfront.

Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. Council receives several grants from the Federal Government and State Government for which there are no sufficiently specific performance obligations. These grants are expected to continue being recognised as revenue upfront assuming no change to the current grant arrangements.

Depending on the respective contractual terms, the new requirements of AASB 15 may potentially result in a change to the timing of revenue as some revenue may need to be deferred to a later reporting period to the extent that the Council has received payment but has not met its associated performance obligations (such amounts would be reported as a liability in the meantime).

Prepaid rates will not be recognised as revenue until the relevant rating period starts. Until that time these receipts will be recognised as a liability (unearned revenue). There will be no impact upon the recognition of other fees and charges.

Based on Council's assessment, if Council had adopted the new standards in the current financial year it would have had the following impacts:

- Revenue decrease of \$4 million due to deferral of grant funding, pre-paid rates, and other sales related revenue (based on the facts available to Council at the date of assessment).
- There would be an equal increase in the reported liabilities as the reduced revenue will require an increase in recognition of contract liabilities, and statutory receivables.
- A range of new disclosures will also be required by the new standards in respect of the council's revenue.

Transition method

The Council intends to apply AASB 15, AASB 1058 and AASB 2016-8 initially on 1 July 2019, using the modified retrospective approach. The recognition and measurement principles of the standards will be retrospectively applied for the current year and prior year comparatives as though the standards had always applied.

Ipswich City Council

Notes to the Financial Statements for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (continued)

The Council intends to apply the practical expedients available for the full retrospective method. Where revenue has been recognised in full under AASB 1004, prior to 1 July 2019, but where AASB 1058 would have required income to be recognised beyond that date, no adjustment is required. Further, Council is not required to restate income for completed contracts that start and complete within a financial year. This means where income under AASB 1004 was recognised in the comparative financial year (i.e. 2018/19), these also do not require restatement.

- **AASB 16 Leases** – The Council has assessed the impacts that initial application of AASB 16 will have on its consolidated financial statements, however, the actual impacts may differ as the new accounting policies are subject to change until the Council presents its first financial statements that include the date of initial application. AASB 16 will impact Council's lease agreements relating to properties which include car parks, sporting fields, dog parks and library sites.

AASB 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

Leases in which the Council is a lessee

The Council will recognise new assets and liabilities for its operating leases relating to properties. The nature of expenses related to those leases will now change because the Council will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Council has recognised an operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

The Council has elected not to recognise leases relating to information technology under the AASB 16 as they have been assessed as being low-value assets under the standard.

No significant impact is expected for the Council's finance leases.

Based on Council's assessment, it is expected that the first-time adoption of AASB 16 for the year ending 30 June 2020 will have the following impacts:

- Lease assets and financial liabilities on the balance sheet will increase/decrease by \$3.4 million and \$2.6 million respectively (based on the facts available to Council at the date of assessment).
- There will be a reduction in the reported equity as the carrying amount of lease assets will reduce more quickly than the carrying amount of lease liabilities.
- Net result will be lower on initial application as depreciation and the lease liability interest will be initially higher than operating lease expenses previously recorded.

Leases in which the Group is a lessor

No significant impact is expected for other leases in which the Council is a lessor.

Peppercorn Leases

Council is the lessee of Deed of Grant in Trust leases, for which nominal lease payments are made. These have been identified as peppercorn leases which are currently not recognised in Council's financial statements. Council does not intend to elect the fair value measurement requirements to these leases until such time as this requirement is mandated.

Transition method

The Council intends to apply AASB 16 initially on 1 July 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting AASB 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 July 2019, with no restatement of comparative information.

Ipswich City Council

Notes to the Financial Statements for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (continued)

The Council intends to apply the practical expedient for the definition of a lease on transition. This means that it will apply AASB 16 on transition only to contracts that were previously identified as leases applying AASB 117 Leases and Interpretation 4 Determining whether an Arrangement contains a Lease.

(1.f) Estimates and Judgements

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

- investment property (note 12)
- valuation and depreciation of property, plant and equipment (note 14)
- provisions (note 17)
- contingent liabilities (note 21)

(1.g) Rounding and Comparatives

The financial statements are in Australian dollar and have been rounded to the nearest (\$000) unless otherwise stated.

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

(1.h) Taxation

Ipswich City Council has exemption from the payment of Income Tax subject to Section 50.25 of the Income Tax Assessment Act 1997. Council incurs and collects Goods and Services Tax (GST) relating to goods and services, which are utilised and supplied in the normal course of conducting business. Council is also liable to pay Fringe Benefits Tax and Payroll Tax on applicable activities.

Ipswich City Council

Notes to the Financial Statements for the year ended 30 June 2019

Note 2(a). Analysis of Results by Function

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

Arts, Social Development and Community Engagement

This department's primary objective is to strengthen and contribute to the sense of community, and to enhance the lives of the City's residents and visitors through implementation and development of innovative programs and services.

Economic Development and Marketing

This department's primary objective is to develop, promote and implement innovative economic, marketing, communication, media, tourism and event initiatives.

Infrastructure Services

This department plans, designs and delivers assets to ensure the community is serviced by high quality and effective transport, open space and built environment networks.

Finance and Corporate Services

This department provides administrative, financial, customer service, insurance, business services, procurement and information and communications technology expertise to the departments of Council.

Works, Parks and Recreation

This department's primary objective is to provide strategic asset management, waste management services and planning for the City's sports, recreation and natural resources environment.

Health, Security and Regulatory Services

This department's objective is to ensure that the health, environment and safety of the City are protected and enhanced.

Planning and Development

This department's objective is to effectively manage growth and development in order to create a socially, ecologically and economically sustainable environment.

Ipswich Waste Services

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

Office of the Chief Executive Officer

This department provides a support function for Council's internal audit, legal and executive branch.

Ipswich City Council

Notes to the Financial Statements for the year ended 30 June 2019

Note 2(b). Analysis of Results by Function

Functions	Gross Program Income					Total Income	Total Expenses	Net Result	Total Assets
	Grants			Other					
	Recurrent	Capital							
	\$'000	\$'000	\$'000						
2019						\$'000	\$'000	\$'000	\$'000
Arts, Social Development and Community Engagement	2,327	-	-	4,760	7,087	(19,981)	(12,894)	8,443	
Economic Development and Marketing	262	-	-	1,127	1,389	(9,971)	(8,582)	6	
Infrastructure Services	-	-	-	67,454	67,454	(4,841)	62,613	68,609	
Finance and Corporate Services	4,467	-	-	183,829	188,296	(56,978)	131,318	79,905	
Works, Parks and Recreation	3,519	5,368	-	81,425	90,312	(145,712)	(55,400)	2,275,764	
Health, Security and Regulatory Services	211	-	-	5,134	5,345	(15,232)	(9,887)	4,888	
Planning and Development	-	-	-	16,074	16,074	(13,542)	2,532	72	
Ipswich Waste Services	-	-	-	39,486	39,486	(27,480)	12,006	13,403	
Office of the Chief Executive Officer	302	-	-	39,583	39,885	(13,427)	26,458	76	
Elimination of internal transfers	-	-	-	(24,425)	(24,425)	23,412	(1,013)	599,047	
Total Council	11,088	5,368		414,447	430,903	(283,752)	147,151	3,050,213	

Functions	Gross Program Income					Total Income	Total Expenses	Net Result	Total Assets
	Grants		Other						
	Recurrent	Capital							
	\$'000	\$'000	\$'000	\$'000					
2018						\$'000	\$'000	\$'000	\$'000
Arts, Social Development and Community Engagement	2,525	-	3,198		5,723	(17,995)	(12,272)	7,516	
Economic Development and Marketing	299	-	287		586	(8,559)	(7,973)	9	
Infrastructure Services	-	-	64,565		64,565	(3,205)	61,360	82,099	
Finance and Corporate Services	4,518	-	174,354		178,872	(65,961)	112,911	62,588	
Works, Parks and Recreation	3,420	7,991	55,342		66,753	(137,944)	(71,191)	2,134,380	
Health, Security and Regulatory Services	296	-	4,085		4,381	(13,831)	(9,450)	4,769	
Planning and Development	17	-	16,557		16,574	(12,055)	4,519	1	
Ipswich Waste Services	1	-	35,893		35,894	(24,704)	11,190	13,295	
Office of the Chief Executive Officer	-	-	34,959		34,959	(30,821)	4,138	80	
Elimination of internal transfers	-	-	(23,114)		(23,114)	23,112	(2)	520,516	
Total Council	11,076	7,991	366,126		385,193	(291,963)	93,230	2,825,253	

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 3. Revenue Analysis

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
(a). Rates, Levies and Charges				
General Rates and Charges	180,028	164,539	180,572	165,386
Garbage Charges	29,955	27,416	29,955	27,416
Property Related Charges	3,997	3,983	3,997	3,983
Total rates, levies and charges revenue	213,980	195,938	214,524	196,785
Less: Discounts	(9,087)	(8,783)	(9,087)	(8,783)
Less: Pensioner remissions	(1,828)	(1,768)	(1,828)	(1,768)
TOTAL RATES, LEVIES AND CHARGES	203,065	185,387	203,609	186,234

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

(b). Fees and Charges

Town Planning and Development Charges	15,090	16,012	15,090	16,030
Traffic Regulation Fees and Charges	3,272	2,390	3,272	2,390
Waste Disposal Fees and Charges	7,161	6,780	7,172	6,791
Health Regulation, Animal Control and Cemeteries	2,459	2,488	2,459	2,488
Other Administrative Charges	1,899	1,874	1,899	1,874
Change of Ownership Charges	568	664	568	664
Civic Centre Services	113	177	113	177
Library Fees and Fines	2	24	2	24
TOTAL FEES AND CHARGES	30,564	30,409	30,575	30,438

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

(c). Interest and Investment Revenue

Interest from Investments	4,685	4,724	4,652	4,591
Penalty Interest from Overdue Rates and Utility Charges	749	538	749	538
Interest on Loans to controlled entities	10	-	-	91
TOTAL INTEREST AND INVESTMENT REVENUE	5,434	5,262	5,401	5,220

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

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 3. Revenue Analysis (continued)

		Consolidated		Council	
		2019	2018	2019	2018
	Notes	\$'000	\$'000	\$'000	\$'000
(d). Other Income					
Dividend Revenue		102	120	7,858	120
Resourcing Fees		55	2,166	55	2,166
Other Sundry Receipts		7,464	8,018	6,609	6,152
Rental of Facilities		1,014	1,100	1,014	1,100
QUU Participation Return *	23	-	-	18,650	20,264
QUU Tax Equivalents Revenue *	23	11,585	13,573	11,585	13,573
TOTAL OTHER INCOME		20,220	24,977	45,771	43,375

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

* Queensland Urban Utilities (QUU)

Note 4. Grants, Subsidies, Contributions and Donations

(a) Recurrent

General Purpose Government Grants	7,807	7,300	7,807	7,300
State Government Subsidies and Grants	3,281	3,776	3,281	3,776
Contributions	890	413	890	413
<u>TOTAL RECURRENT GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS</u>	<u>11,978</u>	<u>11,489</u>	<u>11,978</u>	<u>11,489</u>

(b) Capital

State Government Subsidies and Grants	3,849	6,472	3,849	6,472
Commonwealth Government Subsidies and Grants	1,519	1,519	1,519	1,519
Developer Contributions - for Capital Purposes	20,427	28,426	20,427	28,426
Contributions of Physical Assets	63,941	68,503	63,941	68,503
Refund to Developer - Contributions of Physical Assets	(65)	67	(65)	67
<u>TOTAL CAPITAL GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS</u>	<u>89,671</u>	<u>104,987</u>	<u>89,671</u>	<u>104,987</u>

Grants subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them.

Physical assets contributed to Council by developers in the form of land, road works, stormwater and park equipment are recognised as revenue when the development becomes "on maintenance" (i.e. the Council obtains control of the assets and becomes liable for any ongoing maintenance) and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets.

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 5. Capital Income

		Consolidated		Council	
	Notes	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
(a) Gain on disposal of non-current assets					
Proceeds from the Disposal of Property, Plant and Equipment		2,584		2,483	
Less: Book Value of Property, Plant and Equipment Disposed	13	(2,497)		(2,409)	
		87	-	74	-
Proceeds from Disposal of Land and Improvements		13	-	13	-
Less: Book Value of Land Disposed	13	(1)	-	(1)	-
		12	-	12	-
Gain on disposal of non-current assets		99	-	86	-
(b) Revaluations					
Revaluation Up of Property, Plant and Equipment Reversing Previous Revaluation Down *	13	40,471	-	40,471	-
		40,471	-	40,471	-
TOTAL CAPITAL INCOME		40,570	-	40,557	-

* In 2019 a desktop valuation for roads, bridges and footpaths was performed by Cardno (QLD) Pty Ltd resulting in an increment of \$40.471m. The increment was recognised as capital revenue as this reversed a previous decrement recognised as a capital expense due to the 2016 formal valuation which resulted in a decrease to the asset revaluation surplus of \$75.1m and a loss of \$58.3m as the decrement exceeded the balance of the asset revaluation surplus for infrastructure assets. The 2016 formal valuation included the elimination of residual values as a result of clarification from the Australian Accounting Standards Board (AASB) of the definition for residual values in AASB 116 *Property, Plant and Equipment*.

Note 6. Employee Benefits

Wages and Salaries	85,234	77,923	84,640	77,884
Annual, Sick and Long Service Leave Entitlements	11,629	9,851	11,629	9,851
Superannuation	22 10,456	9,828	10,455	9,827
Workers Compensation Insurance	964	1,091	964	1,091
Fringe Benefits Tax (FBT)	274	367	274	367
Councillors Remuneration	244	1,355	244	1,355
	108,801	100,415	108,206	100,375
Less: Capitalised Employee Expenses	(13,234)	(13,571)	(13,234)	(13,570)
TOTAL EMPLOYEE BENEFITS	95,567	86,844	94,972	86,805

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

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 6. Employee Benefits (continued)

Notes	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Additional information:				
Total Employees at year end:				
Administration Staff	744	694	744	694
Depot and Outdoors Staff	386	384	386	384
Elected Members	-	11	-	11
Total full time equivalent employees	1,130	1,089	1,130	1,089

The Mayor and Councillors were dismissed on the 22 August 2018 when Queensland Parliament passed the Local Government (Dissolution of Ipswich City Council) Bill 2018.

Further compensation details are disclosed in Note 30 (d) for key management personnel.

Note 7. Materials and Services

Advertising and Marketing	3,765	2,567	3,598	2,254
Audit Fees	539	443	490	404
Communications	1,472	1,428	1,472	1,428
Consultants	7,062	4,557	7,025	4,275
Contractors	37,097	38,306	37,093	38,286
Donations Paid	3,522	2,073	3,522	2,073
Council's Insurance Premiums	1,476	1,238	1,401	1,186
Repairs and Maintenance	7,989	8,097	7,798	7,972
Operating Leases - Rentals	1,461	933	1,461	932
Goods and Services	17,904	18,220	16,736	16,190
Legal	2,641	2,042	2,528	2,032
Materials	8,389	8,386	8,389	8,386
Utilities	10,860	11,416	10,261	9,883
Rentals	1,554	1,920	1,368	1,672
General Expenses	1,412	4,626	1,364	5,280
Bad Debts Written off	104	17	46	12
Less: Capitalised Expenses	(1,827)	170	(1,827)	170
TOTAL MATERIALS AND SERVICES	105,420	106,439	102,725	102,435

Total audit fees quoted by the Queensland Audit Office relating to the 2018-19 financial statements are \$323,500 for Council and \$395,500 for the group. While in 2018, total audit fees were \$475,500 for Council and \$579,000 for the group.

Consultants expenses include other amounts payable in relation to the interim administrator and interim management committee costs totalling \$1,536,568.

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 8. Finance Costs

Notes	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Finance costs - Queensland Treasury Corporation	12,280	13,225	12,280	13,225
Bank Charges	561	550	561	550
Finance Costs associated with the present value of provisions	-	6	-	6
Impairment/(impairment reversal) of inter-entity loan	-	-	(22,100)	22,100
Write-down of inter-entity loan	-	-	24,925	435
TOTAL FINANCE COSTS	12,841	13,781	15,666	36,316

Refer to Note 10 for details about impairment and write-off of inter-entity loan.

Note 9. Cash, Cash Equivalents and Investments

(a) Cash and Cash Equivalents

Cash at Bank and on Hand	817	17,189	221	11,033
Cash Equivalent Assets				
- Deposits at Call	180,513	59,568	180,513	59,568
Total Cash and Cash Equivalents	181,330	76,757	180,734	70,601

(b) Investments

Current

Term Deposits	62,000	69,000	62,000	69,000
Total Current Investments	62,000	69,000	62,000	69,000

Non-Current

Shares in Controlled Entities and Other Entities	100	100	100	510
Participation Rights in QUU	420,399	409,710	310,290	310,290
Total Non-Current Investments	420,499	409,810	310,390	310,800

TOTAL CASH, CASH EQUIVALENTS AND INVESTMENTS

663,829	555,567	553,124	450,401
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Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 9. Cash, Cash Equivalents and Investments (continued)

Notes	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Restricted Cash and Cash Equivalents				
Council's Cash and Cash Equivalents are subject to a number of Internal and External Restrictions that limit amounts available for discretionary or future use. These include:				
Externally imposed Expenditure Restrictions at the reporting date relate to the following cash assets:				
Unspent Government Grants and Subsidies	-	198	-	198
Waste Levy Refund Received in Advance	7,361	-	7,361	-
Total External Restrictions	7,361	198	7,361	198
Internally imposed Expenditure Restrictions at the reporting date:				
Future Recurrent Expenditure	4,092	3,199	4,092	3,199
Total Internal Restrictions	4,092	3,199	4,092	3,199
Total Unspent Restricted Cash and Cash Equivalents	11,453	3,397	11,453	3,397

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

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

Investments in the form of fixed term deposits are carried at amortised cost as they meet the test of solely payments of principal and interest (SPPI). All term deposits are held to maturity.

Investments intended to be held longer than 12 months are non-current. Council policy limits the total amount of investments permitted to be lodged with any one financial institution to not more than 25% (except in the case of the Queensland Treasury Corporation (QTC) cash fund) of total investments with authorised financial institutions. This policy is part of Council's overall strategy to minimise exposure to interest rate and credit risk whilst pursuing higher investment returns.

Investments in financial instruments are required with Queensland Treasury Corporation (QTC) or similar State/Commonwealth bodies or financial institutions in Australia.

Council holds an equity investment in Queensland Urban Utilities (QUU) which pays participant returns and these are recognised as revenue on receipt. These long term investments are unquoted and there is no active market. As a result, the fair value of these investments cannot be reliably measured therefore they are measured at cost. Refer to Note 23 for further details.

Cash at bank and on hand at 30 June 2019 includes \$7,361,199 received from the State government to mitigate the direct impacts on households on the State Waste Levy, which comes into effect from 1 July 2019. This money has been set aside to help fund the Council's 2019-20 levy expense.

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 10. Receivables

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Current				
Rateable Revenue and Utility Charges	5,582	4,270	5,582	4,270
Trade Debtors	13,305	16,957	13,266	16,514
GST Recoverable	6,569	3,249	6,553	2,935
Accrued Interest Revenues				
- Interest on Investments	624	462	624	462
- Interest on Debts	425	503	425	503
Loan to Ipswich City Properties Pty Ltd	-	-	-	63,777
Impairment - Loan to Ipswich City Properties Pty Ltd	-	-	-	(22,100)
Impairment - Trade Debtors	(112)	(47)	(112)	(47)
TOTAL CURRENT RECEIVABLES	26,393	25,394	26,338	66,314
Movement in Impairment of Receivables				
Opening balance at 1 July	47	44	22,147	44
Adjustment to opening balance upon application of AASB 9	23	-	23	-
Add				
Impairments recognised	214	144	214	22,244
Less				
Impairment debts written off during the year	(46)	(35)	(46)	(35)
Impairments reversed	(126)	(106)	(22,226)	(106)
Balance at the end of the year	112	47	112	22,147

Council applied AASB 9 for the first time this year. As a result Council has calculated the impairment of receivables in a different way for 2019, using a lifetime expected loss allowance. The opening balance of impairment, as at 1 July 2018, has been recalculated using this new methodology and resulting in an opening balance adjustment of \$23,271.44. Further details of Council's expected credit loss assessment are contained in note 27.

Receivables are amounts owed to Council at year end. They are recognised at the amounts due at the time of sale or service delivery. Settlement is generally within 30 days from the invoice date. The collectability of receivables is assessed periodically for impairment. All known bad debts were written-off at 30 June.

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

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

Loans and advances are initially recognised at fair value. As no active market exists for these receivables their fair value cannot be reliably measured therefore they are measured at cost. Interest is charged as it accrues based on the rate established for each loan.

Council resolution passed on the 27 June 2019 for the wind up of Ipswich City Properties Pty Ltd (ICP) with the distribution of ICP's assets to Council to offset the loan receivable and the remaining balance of the loan to be written down. Further details are disclosed note 31.

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 11. Non-current assets held for sale

		Consolidated		Council	
		2019	2018	2019	2018
	Notes	\$'000	\$'000	\$'000	\$'000
Non-current assets held for sale					
Land		1,370	12,750	1,370	-
Total Non-current assets held for sale - Classified as current		1,370	12,750	1,370	-
Reconciliation of non-current assets held for sale					
Opening Balance		12,750	-	-	-
less: Transfer as a result of ICP Pty Ltd transition		(12,750)	-	-	-
plus New Transfer in:					
Assets held for sale from Property, Plant and Equipment	13	1,370	12,750	1,370	-
Closing Balance of held for sale Non-Current Assets		1,370	12,750	1,370	-

Council has declared to sell surplus land located at Redbank and West Ipswich which is expected to be settled within one year. The land is valued at the lower of carrying value and fair value less cost to sell.

Ipswich City Properties Pty Ltd transferred Civic Space (land) and the Administration Building (land) at fair value prior to the 30 June 2019. Council's intention is to principally recover the carrying value of these assets through use rather than through a sale and has recognised these assets in property, plant and equipment.

Civic Space (land) and the Administration Building (land) were independently valued by Jones Lang LaSelle Advisory Services Pty Ltd on 24 April 2019. The process involved a desktop valuation based on discounted cash flows.

Note 12. Investment Property

Fair value at beginning of financial year		17,045	2,000	-	-
Revaluation adjustment to the income account		-	(940)	-	-
Transfers from/(to) Property, Plant and Equipment	13	-	9,745	-	-
Acquisitions		-	6,240	-	-
Transfer as a result of ICP Pty Ltd transition		15,045	-	15,045	-
Disposals during the year		(17,045)	-	-	-
TOTAL INVESTMENT PROPERTY		15,045	17,045	15,045	-

Ipswich City Properties Pty Ltd (ICP) investment properties located at 2 Bell Street Ipswich, Ipswich City Square and 5 Union Place Ipswich were transferred to Council at fair value at 30 June 2019. Council's intention is to earn income from these properties and will continue to recognise them as investment properties.

The fair value model is applied for the investment properties. Investment property will be revalued each financial year. The movement in fair value will be recognised as an increment or decrement and will be accounted for in the Statement of Comprehensive Income in profit or loss.

All investment properties were independently valued by John Lang LaSelle Advisory Services Pty Ltd on 24 April 2019. The process involved a desktop valuation based on discounted cash flows.

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 13. Property, Plant and Equipment

Consolidated - 30 June 2019																			
		Capital Work in Progress		Land		Land Improvements		Buildings and Structures		Plant and Equipment		Roads, Bridges and Footpaths		Flooding and Drainage		Artworks		Total	
		\$'000	Cost	\$'000	Fair Value	\$'000	Cost	\$'000	Fair Value	\$'000	Cost	\$'000	Fair Value	\$'000	Fair Value	\$'000	Fair Value	\$'000	\$'000
Measurement Basis			Note																
Opening Gross Balance		112,618		293,237		32,421		492,117		122,138		1,227,490		825,754		3,978		3,109,753	
Additions*		-		5,131		2,934		29,733		15,648		39,262		7,116		96		99,920	
Contributed Assets*		-		6,992		2,966		7,149		1,120		27,628		18,043		43		63,941	
Assets not previously recognised		-		-		-		-		-		772		-		33		805	
Disposals		-		-		-		-		-		-		-		-		(9,540)	
Write-offs		(1,500)		(1)		-		(79)		(7,960)		(3,343)		(840)		(7)		(6,464)	
Impairment Loss (recognised in P/L)		-		-		-		(703)		(1,571)		-		-		-		(653)	
Reversal of prior period Reval. Decrements to P/L (Capital Income)		-	5	-		-		-		-		27,192		-		-		27,192	
Revaluation Adjustment to Equity (Asset Revaluation Surplus)		-	19	-		-		(5,771)		-		-		-		597		(5,174)	
Transfers from/to as a result of ICP Pty Ltd transition		19,178		12,750		-		-		19		-		-		-		31,945	
Transfers from/to Held for Sale category		-	11	(1,370)		-		-		-		-		-		-		(1,370)	
Transfers from/to Intangible Assets		-		-		-		-		(14)		-		-		-		(14)	
Transfers between classes		-		-		-		5,682		(5,642)		-		-		(40)		-	
Capital expenditure during the year		150,748		-		-		-		-		-		-		-		150,748	
Transfer from capital expenditure to additions and contributed assets		(167,184)		-		-		-		-		-		-		-		(167,184)	
Capital expenditure written off to expense		-		-		-		-		-		-		-		-		(1,800)	
Total Consolidated Gross Value of Property, Plant and Equipment		112,058		316,739		38,321		527,475		123,738		1,319,001		850,073		4,700		3,292,105	
Opening Accumulated Depreciation		-		-		-		209,764		62,809		359,210		200,122		-		831,905	
Depreciation Expense		-		-		-		14,363		11,499		26,979		8,597		28		61,466	
Assets not previously recognised		-		-		-		-		-		107		-		-		107	
Disposals		-		-		-		(12)		(5,532)		-		-		-		(5,544)	
Write-offs		-		-		-		(499)		(1,452)		(1,934)		(273)		-		(4,158)	
Impairment Loss (recognised in P/L)		-		-		-		(353)		-		-		-		-		(353)	
Reversal of prior period Reval. Decrements to P/L (Capital Income)		-	5	-		-		-		-		(13,279)		-		-		(13,279)	
Revaluation Adjustment to Equity (Asset Revaluation Surplus)		-	19	-		-		(3,290)		-		-		-		-		(3,290)	
Transfers from/to Intangible Assets		-		-		-		-		(2)		-		-		-		(2)	
Transfers between classes		-		-		-		3,198		(3,170)		-		-		(28)		-	
Total Consolidated Accumulated Depreciation of Property, Plant and Equipment		-		-		-		223,171		64,152		371,083		208,446		-		866,852	
Total Consolidated Net Book Value of Property, Plant and Equipment		112,058		316,739		38,321		304,304		59,586		947,918		641,627		4,700		2,425,253	
Other Information																			
Range of Estimated Useful Life (years)		Not depreciated		Not depreciated		Not depreciated		1-100 years		1-45 years		1-100 years		15-100 years		15-100 years		Not depreciated	

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 13. Property, Plant and Equipment (continued)

Consolidated - 30 June 2018																		
	Note	Capital Work in Progress		Land	Land Improvements		Buildings and Structures		Plant and Equipment		Roads, Bridges and Footpaths		Flooding and Drainage		Artworks	Total		
		\$'000	Cost		\$'000	Fair Value	\$'000	Cost	\$'000	Fair Value	\$'000	Fair Value	\$'000	Fair Value				
Measurement Basis																		
Opening Gross Balance		88,687		297,349		27,328		475,309		119,837		1,149,465		862,059		3,800		3,023,834
Additions*		-		3,784		3,679		9,825		14,619		55,035		10,370		17		97,329
Contributed Assets*		-		18,414		1,414		7,041		-		24,845		16,626		163		68,503
Assets not previously recognised		-		-		-		-		-		-		4,495		-		4,495
Disposals		-		-		-		-		(9,100)		-		-		-		(9,100)
Write-offs		-		-		-		(58)		(3,220)		(1,855)		(814)		-		(5,947)
Revaluation Adjustment to Equity (Asset Revaluation Surplus)	19	-		(3,815)		-		-		-		-		(66,982)		-		(70,797)
Assets classified as held for distribution to owners		-		(12,750)		-		-		-		-		-		-		(12,750)
Transfers from/(to) Investment Properties	12	-		(9,745)		-		-		-		-		-		-		(9,745)
Transfers between classes		-		-		-		-		2		-		-		(2)		-
Capital expenditure during the year		196,671		-		-		-		-		-		-		-		196,671
Transfer from capital expenditure to additions and contributed assets		(165,833)		-		-		-		-		-		-		-		(165,833)
Capital expenditure written off to expense		(6,907)		-		-		-		-		-		-		-		(6,907)
Total Consolidated Gross Value of Property, Plant and Equipment		112,618		293,237		32,421		492,117		122,138		1,227,490		825,754		3,978		3,109,753
Opening Accumulated Depreciation		-		-		-		196,652		62,191		334,761		208,504		-		802,108
Depreciation Expense		-		-		-		13,146		10,619		25,518		9,917		2		59,202
Assets not previously recognised		-		-		-		-		-		-		626		-		626
Disposals		-		-		-		-		(6,862)		-		-		-		(6,862)
Write-offs		-		-		-		(34)		(3,141)		(1,069)		(304)		-		(4,548)
Revaluation Adjustment to Equity (Asset Revaluation Surplus)	19	-		-		-		-		-		-		(18,621)		-		(18,621)
Transfers between classes		-		-		-		-		2		-		-		(2)		-
Total Consolidated Accumulated Depreciation of Property, Plant and Equipment		-		-		-		209,764		62,809		359,210		200,122		-		831,905
Total Consolidated Net Book Value of Property, Plant and Equipment		112,618		293,237		32,421		282,353		59,329		868,280		625,632		3,978		2,277,848
Other Information																		
Range of Estimated Useful Life (years)		Not depreciated	Not depreciated	Not depreciated	Not depreciated	Not depreciated	Not depreciated	1-100 years	1-45 years	1.5-100 years	15-100 years	Not depreciated						

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 13. Property, Plant and Equipment (continued)

Council - 30 June 2019																			
Measurement Basis		Capital Work in Progress		Land		Land Improvements		Buildings and Structures		Plant and Equipment		Roads, Bridges and Footpaths		Flooding and Drainage		Artworks		Total	
	Note	\$'000	Cost	\$'000	Fair Value	\$'000	Cost	\$'000	Fair Value	\$'000	Cost	\$'000	Fair Value	\$'000	Fair Value	\$'000	Fair Value	\$'000	\$'000
Opening Gross Balance		110,896		293,237		32,421		492,038		122,086		1,227,490		825,754		3,978		3,107,900	
Additions*		-		5,131		2,934		29,733		15,648		39,262		7,116		96		99,920	
Contributed Assets*		-		6,992		2,966		7,149		1,120		27,628		18,043		43		63,941	
Assets not previously recognised		-		-		-		-		-		772		-		33		805	
Disposals		-		(1)		-		-		(7,908)		-		-		-		(7,909)	
Write-offs		-		-		-		(703)		(1,571)		(3,343)		(840)		(7)		(6,464)	
Impairment Loss (recognised in P/L)		-		-		-		(653)		-		-		-		-		(653)	
Reversal of prior period Reval. Decrements to P/L (Capital Income)		5		-		-		-		-		27,192		-		-		27,192	
Revaluation Adjustment to Equity (Asset Revaluation Surplus)		19		-		-		(5,771)		-		-		-		597		(5,174)	
Transfers from/to as a result of ICP Pty Ltd transition		31		12,750		-		19		-		-		-		-		31,945	
Transfers from/to Held for Sale category		11		(1,370)		-		-		(14)		-		-		-		(1,370)	
Transfers from/to Intangible Assets		-		-		-		-		(14)		-		-		-		(14)	
Transfers between classes		-		-		-		5,682		(5,642)		-		-		(40)		-	
Capital expenditure during the year		-		-		-		-		-		-		-		-		148,670	
Transfer from capital expenditure to additions and contributed assets		-		-		-		-		-		-		-		-		(164,884)	
Capital expenditure written off to expense		-		-		-		-		-		-		-		-		-	
Total Council Gross Value of Property, Plant and Equipment			112,058	316,739		38,321		527,475		123,738		1,319,001		850,073		4,700		3,292,105	
Opening Accumulated Depreciation		-		-		-		209,754		62,779		359,210		200,122		-		831,865	
Depreciation Expense		-		-		-		14,361		11,495		26,979		8,597		28		61,460	
Assets not previously recognised		-		-		-		-		(5,498)		107		-		-		107	
Disposals		-		-		-		(499)		(1,452)		(1,934)		(273)		-		(5,498)	
Write-offs		-		-		-		(353)		-		-		-		-		(4,158)	
Impairment Loss (recognised in P/L)		-		-		-		-		-		(13,279)		-		-		(353)	
Reversal of prior period Reval. Decrements to P/L (Capital Income)		5		-		-		-		-		-		-		-		(13,279)	
Revaluation Adjustment to Equity (Asset Revaluation Surplus)		19		-		-		(3,290)		-		-		-		-		(3,290)	
Transfers from/to Intangible Assets		-		-		-		-		(2)		-		-		-		(2)	
Transfers between classes		-		-		-		3,198		(3,170)		-		-		(28)		-	
Total Council Accumulated Depreciation of Property, Plant and Equipment			-	-		-		223,171		64,152		371,083		208,446		-		866,852	
Total Council Net Book Value of Property, Plant and Equipment			112,058	316,739		38,321		304,304		59,586		947,918		641,627		4,700		2,425,253	
Other Information																			
Range of Estimated Useful Life (Years)		Not depreciated		Not depreciated		Not depreciated		1-100 years		1-45 years		1.5-100 years		15-100 years		Not depreciated			

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 13. Property, Plant and Equipment (continued)

Council - 30 June 2018																		
Measurement Basis	Notes	Capital Work in Progress		Land		Land Improvements		Buildings and Structures		Plant and Equipment		Roads, Bridges and Footpaths		Flooding and Drainage		Artworks		Total
		\$'000	Cost	\$'000	Fair Value	\$'000	Cost	\$'000	Fair Value	\$'000	Cost	\$'000	Fair Value	\$'000	Fair Value	\$'000	Fair Value	
Opening Gross Balance		88,458		271,039		27,328		475,230		119,784		1,149,465		862,059		3,800		2,997,163
Additions*		-		3,784		3,679		9,825		14,619		55,035		10,370		17		97,329
Contributed Assets*		-		18,414		1,414		7,041		-		24,845		16,626		163		66,503
Assets not previously recognised		-		-		-		-		-		-		4,495		-		4,495
Disposals		-		-		-		-		(9,100)		-		-		-		(9,100)
Write-offs		-		-		-		-		(3,219)		(1,855)		(814)		-		(5,946)
Revaluation Adjustment to Equity (Asset Revaluation Surplus)	19	-		-		-		(58)		-		-		(66,982)		(2)		(66,982)
Transfers between classes		-		-		-		-		2		-		-		-		-
Capital expenditure during the year		-		-		-		-		-		-		-		-		195,178
Transfer from capital expenditure to additions and contributed assets		-		-		-		-		-		-		-		-		(165,833)
Capital expenditure written off to expense		-		-		-		-		-		-		-		-		(6,907)
Total Council Gross Value of Property, Plant and Equipment		110,896		293,237		32,421		492,038		122,086		1,227,490		825,754		3,978		3,107,900
Opening Accumulated Depreciation		-		-		-		196,642		62,181		334,761		208,504		-		802,088
Depreciation Expense		-		-		-		13,146		10,599		25,518		9,917		2		59,182
Assets not previously recognised		-		-		-		-		-		-		626		-		626
Disposals		-		-		-		(6,862)		(6,862)		-		-		-		(6,862)
Write-offs		-		-		-		(34)		(3,141)		(1,069)		(304)		-		(4,548)
Revaluation Adjustment to Equity (Asset Revaluation Surplus)	19	-		-		-		-		-		-		(18,621)		-		(18,621)
Transfers between classes		-		-		-		-		2		-		-		(2)		-
Total Council Accumulated Depreciation of Property, Plant and Equipment		-		-		-		209,754		62,779		359,210		200,122		-		831,865
Total Council Net Book Value of Property, Plant and Equipment		110,896		293,237		32,421		282,284		59,307		868,280		625,632		3,978		2,276,035
Other Information																		
Range of Estimated Useful Life (years)		Not depreciated		Not depreciated		Not depreciated		1-100 years		1-45 years		1.5-100 years		15-100 years		Not depreciated		

Ipswich City Council

Notes to the Financial Statements for the year ended 30 June 2019

Note 13. Property, Plant and Equipment (continued)

(a). Recognition

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

(b). Measurement

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

(c). Depreciation

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

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

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

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

(d). Impairment

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

Ipswich City Council

Notes to the Financial Statements for the year ended 30 June 2019

Note 13. Property, Plant and Equipment (continued)

(e). Valuation

Land, buildings and structures, artworks and infrastructure assets are measured on the revaluation basis, at fair value. Land improvements, plant and equipment and work in progress are measured at cost.

Non-current physical assets measured at fair value are revalued where required so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers to determine the fair value for each class of property, plant and equipment assets at least once every five years. The valuer physically sights a representative sample of Council assets across all asset classes. The asset's condition assessment can be determined by either Council Engineers or by the valuer depending on the asset being valued. The remaining useful life is based on the condition or by assigning the actual remaining useful life based on replacement dates. In the intervening years, a desktop valuation is performed which involves Council providing updated information to the valuer regarding any additions and deletions. The valuer then determines suitable indices to apply to each of these assets. Where the results of the desktop valuation are significant indexation is applied.

Any revaluation increment arising on the revaluation of an asset is credited to the appropriate class of the asset revaluation surplus, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense to the extent it exceeds the balance, if any, in the revaluation surplus to that asset class. On revaluation, accumulated depreciation is restated proportionately to the change in the carrying amount of the asset and any charge in the estimate of remaining useful life.

Note 14. Fair Value Measurements

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities,
Level 2: Inputs that are directly or indirectly observable for the asset or liability, such as prices for similar assets.
Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If all significant inputs required to fair value an asset are observable, the asset is included in level 2. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3. This is the case for Council infrastructure assets, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

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

Valuation techniques used to derive fair value

Land (level 2)

Land was revalued during 2015 by Cardno (QLD) Pty Ltd using the fair market value approach. Land was valued using land indices which are derived from Cardno's assessment of movement in land prices based on sales evidence over the past 12 months. Level 2 valuation inputs were used to value land in freehold title as well as land used for special purposes, which is restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.

Ipswich City Council

Notes to the Financial Statements for the year ended 30 June 2019

Note 14. Fair Value Measurements (continued)

Land (level 2) (continued)

A desktop valuation for land was performed by Cardno as at the 30 June 2019.

Prior to transition of land assets to Council, Ipswich City Properties Pty Ltd (ICP) engaged independent valuer, Jones Lang LaSalle to perform a desktop valuation as at the 24 April 2019. The desktop valuation used a market value approach. The land is categorised as a level 2 valuation with the most significant inputs into this market valuation approach being price per square metre.

Buildings and Structures (level 3)

Buildings and structures were revalued using the current replacement cost method (including physical inspection) for the year ended 30 June 2017 by Cardno (QLD) Pty Ltd valuers. Cardno (QLD) Pty Ltd's valuation methodology for buildings and structures included site visits and condition assessment. A desktop valuation for buildings and structures was performed by Cardno as at 30 June 2019.

Where Council's buildings are held to provide essential services to the community and there is no active market for the assets, fair value has been determined on the basis of replacement with a new asset having similar service potential including allowances for preliminaries and professional fees. The calculation for the current replacement cost method is based on Cardno's unit rate model with rates derived from Cardno databases, Rawlinson's rates for building and construction, building price index tables, scheduled rates for construction of asset or similar assets, and recent contract and tender data. Cardno also assessed the remaining useful life of buildings and structures with calculations based on recent condition data collected by Cardno.

In determining the level of accumulated depreciation the asset has been disaggregated into significant components which exhibit different useful lives. Allowance has been made for the typical asset life cycle and renewal treatments of each component and the condition of the asset. Condition was assessed taking into account both physical characteristics as well as holistic factors such as functionality, capability, utilisation and obsolescence.

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

The fair value of buildings of the former Ipswich City Properties Pty Ltd were determined by independent valuer, Jones Lang LaSalle as at the 24 April 2019.

Infrastructure assets (level 3)

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

All other Council infrastructure assets are valued using current replacement cost (CRC). This valuation comprises the asset's current replacement cost less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Council first determined the gross cost of replacing the full service potential of the asset and then adjusted this amount to take account of the expired service potential of the asset.

Ipswich City Council

Notes to the Financial Statements for the year ended 30 June 2019

Note 14. Fair Value Measurements (continued)

Infrastructure assets (level 3) (continued)

CRC was measured by reference to the lowest cost at which the gross future economic benefits of the asset could currently be obtained in the normal course of business. Where existing assets were over designed, had excess capacity, or were redundant an adjustment was made so that the resulting valuation reflected the cost of replacing the existing economic benefits based on an efficient set of modern equivalent assets to achieve the required level of service output within the Council's planning horizon.

The unit rates (labour and materials) and quantities applied to determine the current replacement cost (CRC) of an asset or asset component were based on a "Greenfield" assumption meaning that the CRC was determined as the full cost of replacement with a new asset including components that may not need to be replaced, such as earthworks. The condition assessment of roads is undertaken by an external consultant and managed by Council's Asset Management Section. The assessment includes a visual condition assessment and roughness / rutting survey which is undertaken every four years across the entire network. The CRC was determined using methods relevant to the asset class as described under individual asset categories below.

Roads, Bridges, Footpaths and Drainage Network - Calculation of Current Replacement Cost

Roads and Footpaths

Current replacement cost (CRC)

Council categorises its road infrastructure into urban and rural roads and then further sub-categorises these into sealed and unsealed roads. Individual road segment lengths vary, however in general, urban roads are managed in segments of approximately 200m, while rural roads are managed in approximately 500m segments. All road segments are then componentised into formation, pavement and seal. Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

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

Council carried out an external valuation of road and footpath assets based on current replacement cost as supplied by Cardno (QLD) Pty Ltd in June 2016. In valuing roads Cardno has adopted the condition assessments as provided by Council engineers and valuations have been undertaken for different categories based on road type such as sealed and unsealed. A desktop valuation for roads and footpaths was performed by Cardno as at the 30 June 2019.

Accumulated Depreciation

In determining the level of accumulated depreciation roads were disaggregated into significant components which exhibited different useful lives, remaining useful lives were calculated based on either condition or by assigning the actual remaining useful life based on replacement dates provided by Council.

Ipswich City Council

Notes to the Financial Statements for the year ended 30 June 2019

Note 14. Fair Value Measurements (continued)

Roads, Bridges, Footpaths and Drainage Network - Calculation of Current Replacement Cost **Roads and Footpaths (continued)**

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

Bridges

Current replacement cost (CRC)

A full valuation of bridge assets was undertaken by independent valuers, Cardno (QLD) Pty Ltd, effective 30 June 2016. In valuing bridges Cardno has adopted the condition assessments as provided by both council engineers and consultants. Each bridge is assessed individually, with the valuation varying according to the material type used for construction, the deck area, condition and modern equivalent asset. A desktop valuation for bridges was performed by Cardno as at the 30 June 2019 and an appropriate indexation applied.

The inspections of the condition of both vehicular and pedestrian bridges were carried out by a qualified engineering consulting firm (Pitt and Sherry) in June 2019 and June 2018, respectively. Construction estimates were determined on a similar basis to roads and footpaths.

Accumulated Depreciation

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

Flooding and Drainage

Current replacement cost (CRC)

A full valuation of flooding and drainage assets was undertaken by independent valuers, Cardno (QLD) Pty Ltd, effective 30 June 2018. Flooding and drainage assets are segmented from pit (structure) to pit (structure) regardless of length.

CRC is based on Cardno's unit rate model with rates derived from Cardno databases, Rawlinson's rates for building and construction, building price index tables, scheduled rates for construction of asset or similar assets, and recent contract and tender data. A desktop valuation for flooding and drainage was performed by Cardno as at the 30 June 2019.

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

Accumulated depreciation

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

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

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 14. Fair Value Measurements (continued)

Artworks (level 2 and level 3)

A full valuation of artworks was undertaken by independent valuers, Ross Searle and Associates, effective 30 June 2019. The valuer made a full inspection of all artwork assets.

For marketable cultural/heritage assets, valuation is determined using observable market prices for similar assets or using comparable inputs of a similar class of asset (level 2). While for other assets that have a thin market which have unobservable market prices rely on a combination of observable and unobservable inputs (level 3).

Note 15. Payables

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Current				
Accrued Interest Expense	722	595	722	595
Creditors and Accruals	21,872	26,359	21,878	39,938
Annual Leave	6,645	6,128	6,645	6,128
Accrued Wages and Salaries	1,594	(6)	1,594	(7)
Retention Allowances	49	90	49	90
<u>TOTAL CURRENT PAYABLES</u>	<u>30,882</u>	<u>33,166</u>	<u>30,888</u>	<u>46,744</u>
Non-current				
Retention Allowances	61	53	61	53
<u>TOTAL NON-CURRENT PAYABLES</u>	<u>61</u>	<u>53</u>	<u>61</u>	<u>53</u>

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

A liability for annual leave is recognised. Amounts expected to be settled within 12 months are calculated on current wage and salary levels and includes related employee on-costs. As council does not have an unconditional right to defer this liability beyond 12 months annual leave is classified as a current liability.

Retention bonus is an incentive clause to encourage completion of the term of a fixed term employment contract to employees who normally have as a minimum level of responsibility, the management of a branch in Council which is significant in size.

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 16. Borrowings

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current				
Loans - Queensland Treasury Corporation	26,644	37,907	26,644	37,907
<u>TOTAL CURRENT BORROWINGS</u>	<u>26,644</u>	<u>37,907</u>	<u>26,644</u>	<u>37,907</u>
Non-current				
Loans - Queensland Treasury Corporation	287,585	195,661	287,585	195,661
<u>TOTAL NON-CURRENT BORROWINGS</u>	<u>287,585</u>	<u>195,661</u>	<u>287,585</u>	<u>195,661</u>
Reconciliation of Loan Movements for the year				
Opening Balance at 1 July	233,567	252,807	233,567	252,807
Loans Raised	101,000	-	101,000	-
Principal Repayments	(20,339)	(19,240)	(20,339)	(19,240)
Closing Balance at 30 June	<u>314,229</u>	<u>233,567</u>	<u>314,229</u>	<u>233,567</u>

The Queensland Treasury Corporation (QTC) loan market value at the reporting date was \$345,071,198. This represents the value of the debt if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts.

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

All borrowings are in \$A denominated amounts and carried at amortised cost, interest being expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 15 December 2026 to 15 June 2039. Principal and interest repayments are made quarterly in arrears.

All loans are unsecured except for the loan to finance the activities of Ipswich City Properties Pty Ltd in which Council has provided security of real property with a collective net fair value of \$63.7m for the original \$50m loan between Council and Queensland Treasury Corporation. Specific Council properties provided as security were land and buildings located at 50 South Street Ipswich, 56 South Street Ipswich, 40 South Street Ipswich, 116 Brisbane Street Ipswich, 50 Nicholas Street Ipswich and 37 South Street Ipswich. Council undertook this loan to finance the activities of Ipswich City Properties Pty Ltd in acquiring and redeveloping the Ipswich City Square. This redevelopment will be a significant contribution towards the revitalisation of the Central Business District (CBD) under the Ipswich Regional Centre Strategy.

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

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 17. Provisions

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current				
Long Service Leave	13,295	12,708	13,295	12,708
<u>TOTAL CURRENT PROVISIONS</u>	<u>13,295</u>	<u>12,708</u>	<u>13,295</u>	<u>12,708</u>
Non-current				
Long Service Leave	2,542	1,690	2,542	1,690
Provision for Perpetual Care Fund	135	90	135	90
<u>TOTAL NON-CURRENT PROVISIONS</u>	<u>2,677</u>	<u>1,780</u>	<u>2,677</u>	<u>1,780</u>
Long Service Leave				
Opening Balance at 1 July	14,398	14,453	14,398	14,453
Additional Provision	3,270	2,304	3,270	2,304
Decrease due to Payments	(1,831)	(2,359)	(1,831)	(2,359)
Closing Balance at 30 June	<u>15,837</u>	<u>14,398</u>	<u>15,837</u>	<u>14,398</u>

The provision for long service leave is measured as the present value of the estimated future leave payments for which Council had an obligation to pay in respect of services provided by employees up to 30 June. The value of the liability is calculated using current pay rates and projected future increase in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment or other associated employment which would result in Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities as at 30 June are used to discount the estimated future cash outflows to their present value.

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

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 18. Other Liabilities

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Current				
Unearned Revenue	734	575	734	417
Refunds	7,868	3,802	7,868	3,802
Waste Levy Refund Received in Advance	7,361	-	7,361	-
<u>TOTAL CURRENT OTHER LIABILITIES</u>	<u>15,963</u>	<u>4,377</u>	<u>15,963</u>	<u>4,219</u>
Non-Current				
Lease Incentive Liability	480	-	480	-
Other Liabilities	1,793	1,296	1,793	1,296
<u>TOTAL NON-CURRENT OTHER LIABILITIES</u>	<u>2,273</u>	<u>1,296</u>	<u>2,273</u>	<u>1,296</u>

The State government made an advance payment to Council in June 2019 to mitigate the impacts on households for 2019-20 of the State Waste Levy, which takes effect from 1 July 2019. The Council will be liable to the State for payment of the Levy on most forms of commercial and household waste delivered to its disposal sites from 1 July 2019. The State is required to make an annual payment to the Council that essentially refunds the Council for the portion of the Levy that relates to households. Council will fund the portion of the Levy that relates to commercial waste through charges to commercial users of disposal sites from 1 July 2019. As the receipt from the State in June 2019 is for a refund of Council's 2019-20 Levy expense, the full amount has been recognised as a liability at 30 June 2019.

Note 19. Asset Revaluation Surplus

Movements in the asset revaluation surplus:

Balance at beginning of financial year	484,851	546,185	484,851	533,212
Net adjustment to non-current assets at end of period to reflect a change in current fair value:				
Land	-	(3,815)	-	-
Buildings and Structures	(2,481)	-	(2,481)	-
Flooding and Drainage	-	(48,361)	-	(48,361)
Artworks	597	-	597	-
	<u>(1,884)</u>	<u>(52,176)</u>	<u>(1,884)</u>	<u>(48,361)</u>
Other movements:				
Tfr to Retained Surplus for Asset Disposals	-	(9,158)	-	-
	-	(9,158)	-	-
Balance at end of financial year	<u>482,967</u>	<u>484,851</u>	<u>482,967</u>	<u>484,851</u>

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 19. Asset Revaluation Surplus (continued)

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Asset revaluation surplus analysis				
The closing balance of the Asset Revaluation Surplus comprises the following asset categories:				
Land	103,370	103,370	103,370	103,370
Buildings and Structures	72,609	75,089	72,609	75,089
Flooding and Drainage	305,793	305,793	305,793	305,793
Artworks	1,195	599	1,195	599
Balance at end of financial year	482,967	484,851	482,967	484,851

Note 20. Commitments for Expenditure

(a) Capital Commitments (exclusive of GST)

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Property, Plant and Equipment

Corporate Finance - IT Infrastructure	5,222	3,503	5,222	3,503
Works Parks and Recreation - Infrastructure	13,039	9,530	13,039	9,530
Total Capital Commitments	18,261	13,033	18,261	13,033

These expenditures are payable as follows:

Within the next year	8,883	4,954	8,883	4,954
Later than one year and not later than 5 years	9,378	8,079	9,378	8,079
Total Payable	18,261	13,033	18,261	13,033

(b) Operating leases (Non Cancellable)

Minimum lease payments in relation to non-cancellable operating leases are as follows:

Within one year	1,091	572	1,091	572
One to five years	2,525	553	2,525	553
Later than five years	-	45	-	45
	3,616	1,170	3,616	1,170

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 20. Commitments for Expenditure (continued)

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
(c) Contractual commitments				
Contractual commitments at end of financial year but not recognised in the financial statements are as follows:				
Corporate Finance - Services Agreement	9,200	4,550	9,200	4,550
Corporate Finance - IT Service Agreement	15,594	16,275	15,594	16,275
Health, Security and Regulatory Services - Operations	11,525	7,510	11,525	7,510
Works Parks and Recreation - Operations	18,748	25,094	18,748	25,094
Works Parks and Recreation - Waste Disposal	7,201	11,771	7,201	11,771
Total Contractual Commitments	62,268	65,200	62,268	65,200
These expenditures are payable as follows:				
Within the next year	25,635	18,065	25,635	18,065
Later than one year and not later than 5 years	34,375	41,720	34,375	41,720
Later than 5 years	2,258	5,415	2,258	5,415
Total Payable	62,268	65,200	62,268	65,200

Note 21. Contingencies

(a) Contingent Asset

Details of contingent asset are as follows:

Mining Royalties

After the financial year end; Council has been contacted regarding possible mining royalties owing to Council on freehold title land granted before 1910. Council is currently unable to quantify fully and confirm specifically, any entitlement to receive royalties. It is anticipated that any entitlement would be resolved in the 2019-2020 financial year.

(b) Contingent Liabilities

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

Local Government Mutual

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

As at 30 June 2019 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Ipswich City Council

Notes to the Financial Statements for the year ended 30 June 2019

Note 21. Contingencies (continued)

Local Government Workcare

The Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$1,669,714.56 (2018: \$1,737,685).

Legal Claims

The Council is a defendant in a number of claims that arise as a result of the operations of the Council and its ownership of public assets.

The Council is of the opinion that the claims can be successfully defended. Information in respect of individual claims has not been disclosed on the basis that Council considers such disclosures would seriously prejudice the outcome of the claim. The total maximum exposure is estimated to be \$3,934,247.

With the above exception, there were no other known outstanding contingencies as at year end.

Note 22. Superannuation

Council contributes to the LGIASuper Regional Defined Benefits Fund (the scheme), at the rate of 12% for each permanent employee who is a defined benefit member. This rate is set in accordance with the LGIASuper trust deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the Local Government Act 2009.

The scheme is a defined benefit plan, however Council is not able to account for it as a defined benefit plan in accordance with AASB119 because LGIASuper is unable to account for its proportionate share of the defined benefit obligation, plan assets and costs.

Any amount by which the scheme is over or under funded may affect future benefits and result in a change to the contribution rate, but has not been recognised as an asset or liability of the Council.

Technically Ipswich City Council can be liable to the scheme for a portion of another local governments' obligations should that local government be unable to meet them. However the risk of this occurring is extremely low and in accordance with the LGIASuper trust deed changes to Council's obligations will only be made on the advice of an actuary.

The last completed actuarial assessment of the scheme was undertaken as at 1 July 2018. The actuary indicated that "At the valuation date of 1 July 2018, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

Another actuarial investigation is being conducted as at 1 July 2019. At the time of signing these financial statements this investigation is still in progress.

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 22. Superannuation (continued)

The most significant risks that may result in LGIASuper increasing the contribution rate, on the advice of the actuary, are:

Investment risk - The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.

Salary growth risk - The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

There are currently 62 entities contributing to the scheme and any changes in contribution rates would apply equally to all 62 entities. Ipswich City Council made 5.26% of the total contributions to the plan in the 2018-19 financial year.

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Superannuation contributions made to the Regional Defined Benefits Fund	9,046	9,381	9,046	9,381
Other superannuation contributions for employees	1,410	446	1,409	446
Total superannuation contributions paid by Council for employees	10,456	9,827	10,455	9,827
			Consolidated	Council
			2020	2020
			\$'000	\$'000
Contributions council expects to make to the Regional Defined Benefits Fund for 2019-20			10,467	10,467

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 23. Associates

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

Net Carrying Amounts - Council's Share

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

Council holds participation rights of 12.222% in QUU which is a minority interest. Council is considered to have a significant influence over QUU and as such these assets are considered to be an investment in an associate. In applying the equity method the investment in QUU is initially recognised at cost and adjusted thereafter to recognise Council's share of the net profit and other comprehensive income of QUU. (Refer to Note 9.) Developer contributions for water and sewerage are held in trust and forwarded to QUU at month end.

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Reconciliation of the Carrying Amount				
Opening balance at 1 July	409,710	398,953	310,290	310,290
Share of AASB Adjustments	1,628	-	-	-
Share of Profit for the period	27,690	30,956	-	-
Share of Other Comprehensive Income	21	65	-	-
Dividends received and accrued	(18,650)	(20,264)	-	-
Closing balance at 30 June	420,399	409,710	310,290	310,290

	Queensland Urban Utilities	
	2019	2018
	\$'000	\$'000
Extract from the associate's statement of comprehensive income		
Revenue	1,377,659	1,348,322
Net Profit	226,554	253,281
Other Comprehensive Income	168	533
Total Comprehensive Income	226,722	253,814
Extract from the associates' statements of financial position		
Current Assets	240,263	332,971
Non-Current Assets	5,787,505	5,569,303
Current Liabilities	323,086	301,705
Non-Current Liabilities	2,264,994	2,248,337
Net Assets	3,439,688	3,352,232
Share of associates net assets	420,399	409,710

Transactions with Associate

	2019	2018
	\$'000	\$'000
Amounts received or receivable by Council from QUU	12	15
Amounts paid or payable by Council to QUU	3,438	3,092
Tax received and receivable (QUU operates under a tax equivalent regime)	11,585	13,573
Participation returns received and accrued	18,650	20,264
Water and sewerage contributions held in trust and forwarded to QUU at month end	12,925	8,026

All amounts are exclusive of GST.

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 24. Trust Funds

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Trust funds held for outside parties				
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities	13,699	8,715	13,699	8,715
Security Deposits	13,798	13,180	13,798	13,180
	<u>27,497</u>	<u>21,895</u>	<u>27,497</u>	<u>21,895</u>

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

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

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

Item N.2 / Attachment 1.

Financial Statements 2019

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019Note 25. Reconciliation of Net Result for the year to Net
Cash Inflow/(Outflow) from Operating Activities

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Net result	148,438	123,852	147,151	93,230
Non-cash items				
Depreciation and Amortisation	67,790	65,002	67,784	64,982
Non Cash Capital Grants and Contributions	(63,941)	(68,503)	(63,941)	(68,503)
Impairment Losses Recognition - Property, Plant and Equipment	300	-	300	-
Reversal of prior period Property, Plant and Equipment revaluation decrements costed direct to the P&L	(40,471)	-	(40,471)	-
	<u>(36,322)</u>	<u>(3,501)</u>	<u>(36,328)</u>	<u>(3,521)</u>
Losses/(Gains) recognised on fair value re-measurements through the P&L				
Investment Properties	-	940	-	-
	<u>-</u>	<u>940</u>	<u>-</u>	<u>-</u>
Investing and development activities				
Net Losses/(Gains) on Disposal of Assets	(99)	25	(86)	25
Loss on Write-Off of Assets	2,305	1,400	2,305	1,400
Cash Capital Grants and Contributions	(25,795)	(36,417)	(25,795)	(36,417)
Share of Net (Profits)/Losses of Associates	(10,669)	(10,692)	-	-
Losses/(Gains) on Transition of Assets from ICP Pty Ltd	1,500	-	(46,990)	-
Write-down of loan receivable from ICP Pty Ltd	-	-	24,925	-
Write-down of loan receivable from IMP Pty Ltd	-	-	-	435
	<u>(32,758)</u>	<u>(45,684)</u>	<u>(45,641)</u>	<u>(34,557)</u>
Changes in operating assets and liabilities:				
(Increase)/Decrease in Receivables	(1,085)	2,132	62,039	2,065
Increase/(Decrease) in Provision for Impairment	65	3	(22,035)	22,103
(Increase)/Decrease in Inventories	72	3,384	(109)	114
(Increase)/Decrease in Prepayments	744	64	741	63
Increase/(Decrease) in Payables	(2,276)	(13,495)	(15,848)	2,582
Increase/(Decrease) in Other Liabilities	12,563	4,758	12,721	4,429
Increase/(Decrease) in Provisions	1,484	(1,099)	1,484	(1,099)
	<u>11,567</u>	<u>(4,253)</u>	<u>38,993</u>	<u>30,257</u>
Net cash provided from/(used in) Operating Activities from the Statement of Cash Flows	<u>90,925</u>	<u>71,354</u>	<u>104,175</u>	<u>85,409</u>

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Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 26. Reconciliation of Liabilities arising from Financing Activities

	As at 30-Jun-18 \$'000	Cashflows \$'000	Non-Cash Changes (New Leases) \$'000	As at 30-Jun-19 \$'000
Loans	233,568	80,661	-	314,229
	<u>233,568</u>	<u>80,661</u>	<u>-</u>	<u>314,229</u>

	As at 30-Jun-17 \$'000	Cashflows \$'000	Non-Cash Changes (New Leases) \$'000	As at 30-Jun-18 \$'000
Loans	252,808	(19,240)	-	233,568
	<u>252,808</u>	<u>(19,240)</u>	<u>-</u>	<u>233,568</u>

Note 27. Financial Instruments

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

Financial Risk Management

Council is responsible for the establishment and oversight of the risk management framework, together with developing and monitoring risk management policies. Council's policy and administration board approves policies for overall risk management, as well as specifically for managing credit, liquidity and market risk. The Council's risk management policies are established to identify and analyse the risks faced, to set appropriate limits and controls and to monitor these risks and adherence against limits. The Council aims to manage volatility to minimise potential adverse effects on the financial performance of the Council.

Council does not enter into derivatives.

Credit Risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. These obligations arise principally from the Council's investments and receivables from customers. Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations. The carrying amount of financial assets represents the maximum credit exposure.

No collateral is held as security relating to the financial assets held by the Council, except for the loan to finance the activities to revitalise the Central Business District (CBD) under the Ipswich Regional Centre Strategy. (Refer to Note 16.)

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 27. Financial Instruments (continued)

Trade and Other Receivables

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

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

The Council does not require collateral in respect of trade and other receivables. The Council does not have trade receivables for which no loss allowance is recognised because of collateral.

At 30 June 2019, the exposure to credit risk for trade and other receivables by type of counterparty was as follows:

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Rates and Property Charges	5,582	4,270	5,582	4,270
GST Recoverable	6,551	3,249	6,553	2,935
Loans to Controlled Entities	-	-	-	41,677
Community Organisations Receivables	122	75	122	75
Other Receivables	14,138	17,800	14,081	17,357
Total	26,393	25,394	26,338	66,314

A summary of the Council's exposure to credit risk for trade receivables is as follows:

	Consolidated			Council		
	Not credit- impaired 2019 \$'000	Credit- impaired 2019 \$'000	2018 \$'000	Not credit- impaired 2019 \$'000	Credit- impaired 2019 \$'000	2018 \$'000
Receivables						
Not Past Due	2,140	66	2,402	2,140	66	1,645
Less than 30 days overdue	153	5	173	153	5	173
Past Due 31-60 Days	28	1	47	28	1	47
Past Due 61-90 Days	15	2	22	15	2	22
More than 90 Days	68	38	40	68	38	63,817
	2,404	112	2,684	2,404	112	65,704
Loss Allowance	(112)	-	(47)	(112)	-	(22,147)
Total	2,292	112	2,637	2,292	112	43,557

Expected credit loss assessment as at 1 July 2018 and 30 June 2019

The Council uses an allowance matrix to measure the expected credit losses of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 27. Financial Instruments (continued)

The following table provides information about the exposure to credit risk and expected losses for trade receivables from individual customers as at 30 June 2019:

	Weighted- average loss rate	Gross carrying amount	Loss allowance	Credit- impaired
	%	\$'000	\$'000	(Y/N)
Council - 2019				
Not Past Due	2.98%	2,206	66	Yes
Less than 30 days overdue	2.98%	158	5	Yes
Past Due 31-60 Days	2.98%	29	1	Yes
Past Due 61-90 Days	12.75%	17	2	Yes
More than 90 Days	36.24%	106	38	Yes
Total		2,516	112	

Loss rates are based on actual credit loss experience over the past ten years. These rates are multiplied by factors which reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Council's view of economic conditions over the expected lives of the receivables.

The movement in the allowance for impairment in respect of trade receivables during the year was \$22,035,323, mainly due to the partial write-off of the loan receivable relating to Ipswich City Properties Pty Ltd of \$24,925,371.

Liquidity Risk

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

The Council's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Council's reputation.

Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in Note 9.

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 27. Financial Instruments (continued)

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

	0 to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total Contractual Cash Flows \$'000	Carrying Amount \$'000
Consolidated - 2019					
Payables	30,882	61	-	30,943	30,943
Loans - QTC	40,117	160,722	182,874	383,713	314,229
	<u>70,999</u>	<u>160,783</u>	<u>182,874</u>	<u>414,656</u>	<u>345,172</u>
Consolidated - 2018					
Payables	33,166	53	-	33,219	33,219
Loans - QTC	32,379	129,515	135,461	297,355	233,568
	<u>65,545</u>	<u>129,568</u>	<u>135,461</u>	<u>330,574</u>	<u>266,787</u>
Council - 2019					
Payables	30,888	61	-	30,949	30,949
Loans - QTC	40,117	160,722	182,874	383,713	314,229
	<u>71,005</u>	<u>160,783</u>	<u>182,874</u>	<u>414,662</u>	<u>345,178</u>
Council - 2018					
Payables	46,744	53	-	46,797	46,797
Loans - QTC	32,379	129,515	135,461	297,355	233,568
	<u>79,123</u>	<u>129,568</u>	<u>135,461</u>	<u>344,152</u>	<u>280,365</u>

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

Market Risk

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

Interest Rate Risk

The Council is exposed to interest rate risk through investments and borrowings with Queensland Treasury Corporation and/or other financial institutions. The Council has access to a mix of variable and fixed rate funding options through QTC so that interest rate risk exposure can be minimised.

Sensitivity to interest rate movements is shown for variable financial assets and liabilities based on the carrying amount at reporting date.

The Council does not account for any fixed-rate financial assets or financial liabilities at Fair Value through Profit or Loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

Interest rate sensitivity analysis evaluates what effect a reasonably possible change in interest rates (assumed to be 1%) would have on profit based on the carrying values of financial assets at the end of the reporting period. If the change in interest rates was held constant over the period this would increase / (decrease) profit by \$2,080,000 (2018: \$923,000).

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 28. National Competition Policy

Business activities to which the code of competitive conduct is applied

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

Building Certification Roads and Drainage

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

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

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

	Roads and Drainage 2019 \$'000	Roads and Drainage 2018 \$'000	Building Certification 2019 \$'000	Building Certification 2018 \$'000
Revenue for services provided to external clients	3,272	3,492	103	104
Community service obligations	-	-	170	170
	3,272	3,492	273	274
Less : Expenditure	(2,865)	(3,167)	(279)	(231)
Surplus/(Deficit)	407	325	(6)	43

Description of CSO's provided to business activities:

Activities	CSO Description	Actual 2019 \$'000	Actual 2018 \$'000
Planning and Development - Building Certification	Concession for building certification services for approved community groups	170	170

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 29. Controlled Entities that have not been Consolidated

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

A summary of those entities, their net assets and results for the year ended 30 June 2019 follows:

Controlled Entities - Financial Results:

Controlled Entity

2019	Interest in Ownership	Revenue	Expenses	Profit/(Loss)	Assets	Liabilities
	%	\$'000	\$'000	\$'000	\$'000	\$'000
Ipswich Arts Foundation	100	73	145	(72)	11	11
Ipswich Arts Foundation Trust	100	245	32	213	866	9
IA Foundation Limited (dormant)	100	-	-	-	-	-
Cherish the Environment Foundation Limited	50	686	477	209	3,418	229
		1,004	654	350	4,295	249

Controlled Entity

2018	Interest in Ownership	Revenue	Expenses	Profit/(Loss)	Assets	Liabilities
	%	\$'000	\$'000	\$'000	\$'000	\$'000
Ipswich Arts Foundation	100	72	27	45	80	8
Ipswich Arts Foundation Trust	100	220	242	(22)	652	8
IA Foundation Limited (dormant)	100	-	-	-	-	-
Cherish the Environment Foundation Limited	50	883	675	208	3,799	565
		1,175	944	231	4,531	581

Ipswich Arts Foundation

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

Ipswich Arts Foundation Trust

Ipswich Arts Foundation Trust was established for public charitable purposes and maintained solely for the purpose of providing money, property or benefits. Donations to the trust are deductible under Item 2 of the table in subsection 30.15(1) of the Income Tax Assessment Act 1997.

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

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 29. Controlled Entities that have not been Consolidated (continued)

IA Foundation Limited

The Ipswich Arts Foundation and Ipswich Arts Foundation Trust will be amalgamated into a single entity. The IA Foundation Limited was established as the new trustee of the Ipswich Arts Foundation Trust and the entity is currently dormant.

Cherish the Environment Foundation Limited

Cherish the Environment Foundation Limited was established to protect and enhance the natural environment and provide information or education or the carrying on of research about the natural environment.

Note 30. Transactions with Related Parties

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

Name of Operation/Entity	Interests in Subsidiary	Registration	De-registration
Ipswich City Properties Pty Ltd	100% Ownership	9 March 2009	
Ipswich City Developments Pty Ltd	100% Ownership	13 January 2012	20 June 2019
Ipswich City Enterprises Pty Ltd	100% Ownership	29 December 2000	
Ipswich City Enterprises Investments Pty Ltd	100% Ownership	5 October 2007	
Ipswich Motorsport Park Pty Ltd	100% Ownership	7 March 2016	3 September 2018
Ipswich Arts Foundation	100% Ownership	27 August 1997	
Ipswich Arts Foundation Trust	100% Ownership	27 February 2003	
IA Foundation Ltd	100% Ownership	12 February 2018	
Cherish the Environment Foundation Ltd	50% Ownership	30 November 2011	

Refer to Note 31 for further details.

All amounts are exclusive of GST.

Transactions with Subsidiaries

	2019 \$000	2018 \$000
Amounts received or receivable by Council from subsidiaries		
Administration, rental and other services provided.	1,174	1,164
Donated artworks from the Art Foundation Trust.	-	213
Return paid up capital from ICD Pty Ltd.	410	213
Dividends received from subsidiaries.	7,756	-
ICP loan receivable partial write-off.	(24,925)	-
ICP assets transferred to Council.	46,990	-
Total	31,405	1,590

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 30. Transactions with Related Parties (continued)

	2019 \$000	2018 \$000
(a) Subsidiaries (ie. Entities and Operations controlled by Council)		
Amounts paid or payable by Council to subsidiaries		
Payment for construction services related to the Ipswich CBD redevelopment.	-	14,406
Contribution, donation and other services.	142	427
Administration, property management fees and other services.	125	-
Purchase Firestation 101.	2,079	-
Purchase of property and other assets from subsidiaries.	10	-
Total	2,356	14,833

All funding support given to subsidiaries was agreed to by the Council.

(b) Other Related Parties

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

Amounts received or receivable by Council from other related parties

Administration services provided to Services Queensland.	-	2,553
Services provided to Ipswich Events Corporation.	-	51
Reimbursements	-	12
Total	-	2,616

Services Queensland and Ipswich Events Corporation were related entities of Council. Services Queensland ceased trading on 6 November 2017 and the Partnership Agreement expired on 7 November 2017. While, Ipswich Events Corporation ceased trading on the 1 July 2018.

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

Amounts paid or payable by Council to other related parties

Customer and administration services provided by Queensland Partnership Group. ¹	-	3,805
Event management services provided by Ipswich Events Corporation. ¹	-	972
Purchase parcel of land for Ipswich Rivers Improvement Trust from related party of key management personnel to be used for open space. ¹	-	128
Contributions, sponsorship and donations. ²	150	32
Employee expenses for close family members of key management personnel. ³	31	146
Total	181	5,083

¹ Purchases of services and land from other related parties were at arm's length, on normal terms and conditions and were in the normal course of Council's operations.

² Contributions and sponsorships paid to related entities were on an arm's length basis in accordance with sponsorship and donation policies adopted by Council.

³ All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with the Award for the job they perform. The Council employs 1,130 staff, prior to Council's dismissal 3 staff were close family members of key management personnel.

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 30. Transactions with Related Parties (continued)

	2019	2018
	\$000	\$000

(c) Associates

For details refer to Note 23 Associates.

(d) Key Management Personnel

Transactions with Key Management Personnel

Key management personnel consists of interim administrator, chief executive officer, general managers and the city solicitor. On the 2 May 2019 five of the six former chief operating officers were appointed to the newly created general managers positions. The former Mayor and Councillors were included as key management personnel prior to their dismissal on the 22 August 2018.

The compensation paid to Key Management Personnel comprises:

Short-Term Employee Benefits	3,555	3,756
Post-Employment Benefits	314	421
Long-Term Benefits	69	52
Termination Benefits	128	54
Total	4,066	4,283

Short-term employee benefits include wages, salaries, allowances, annual leave, long service leave taken, sick leave, fringe benefits, councillor expense claims (eg. mobile phone charges) and complimentary reduced tickets. Post-employment benefits include superannuation. Long-term benefits include long service leave accrued. Termination benefits include employment termination payments.

(e) Outstanding Balances

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

Receivables Aging	Related Entity	2019	2018
		Receivables \$000	Receivables \$000
0-30 days	Ipswich City Properties Pty Ltd	-	-
31-60 days	Ipswich City Properties Pty Ltd	1	44
Total		1	44

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 30. Transactions with Related Parties (continued)

	2019	2018
	\$000	\$000
(f) Loans and Guarantees to/from Related Parties		
Loan facility limit - Ipswich City Properties Pty Ltd	-	75,000
Total	-	75,000

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

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

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

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

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 31. Controlled Entities Transition

Ipswich City Council resolved to wind-up the following controlled entities:

Name of Controlled Entity	Resolution Date
Ipswich Motorsport Park Pty Ltd	23 April 2018
Ipswich City Enterprises Pty Ltd	23 April 2018
Ipswich City Enterprises Investments Pty Ltd	23 April 2018
Ipswich City Developments Pty Ltd	23 April 2018
Ipswich City Properties Pty Ltd	16 October 2018

Following a voluntary deregistration Ipswich Motorsport Park Pty Ltd (IMP) was deregistered 3 September 2018. Following a Members Voluntary Liquidation Ipswich City Developments Pty Ltd (ICD) was deregistered 20 June 2019. Ipswich City Enterprises Pty Ltd (ICE), Ipswich City Enterprises Investments Pty Ltd (ICEI) and Ipswich City Properties Pty Ltd (ICP) remain registered companies but are not actively trading.

The respective boards of ICD, ICE and ICEI passed a resolution on the 20 August 2018 recommending to the members that the winding up and ultimately deregistration of the companies occurs through a Members Voluntary Liquidation. IMP passed a similar resolution in regards to a voluntary deregistration on 14 November 2017. IMP subsequently proceeded with a voluntary deregistration, while ICD was subsequently placed into Members Voluntary Liquidation. ICE and ICEI did not proceed to Members Voluntary Liquidation. On 16 October 2018, the Council resolved to endorse the winding up and ultimately deregistration of ICP and the integration of ICP's assets and operations into Council.

Accounting requirements

In accordance with AASB 1004 Contributions and Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities, the vesting of the controlled entities assets to Council (being a local government parent) from the controlled entities (it's wholly-owned subsidiaries) was considered a distribution to owners. In the application of this standard, Council was required to account for the transfer by reducing its loan receivable in ICP and investment in ICP, ICD, ICE, ICEI and IMP to nil, and recognise the assets of these controlled entities at fair value or cost.

Council acquired ICD's investment property on 14 August 2018. ICD's furniture and fittings were sold to Council and ICP on 14 August 2018. ICD declared and paid a dividend to Council on 20 August 2018 of \$2,500,000. On the 15 March 2019, ICD by resolution of liquidators distributed the remaining assets to Council with paid up capital of \$410,257 being returned and a cash dividend of \$40,746. Final deregistration of ICD occurred on 20 June 2019.

ICE sold its property, plant and equipment to Council on 14 August 2018 for \$69,533. ICE declared and paid dividends to Council totalling \$5,215,000 in July and August 2018.

ICEI declared and paid dividends of \$4,885,000 to ICE in July and August 2018.

The distribution of ICP's assets to Council offset the loan receivable (ie. loan receivable (asset) to asset swap). On the 30 June 2018, the loan to Ipswich City Properties Pty Ltd (ICP) was impaired due to Council's decision to wind up ICP which adversely impacts ICP's ability to continue to earn development profits from its assets to repay the loan balance. Council resolution passed on the 27 June 2019 concerning the requirements for the wind up of ICP, outlined the distribution of ICP's assets to Council to offset the loan receivable and the remaining balance of the loan to be written down. Effective from 27 June 2019, ICP's assets with a fair value of \$46,990,351 transferred to Council and the balance of the loan receivable was written down by \$24,925,371.

Ipswich City Council

Notes to the Financial Statements
for the year ended 30 June 2019

Note 31. Controlled Entities Transition (continued)

Tabled below are the assets transferred to Council, along with their respective carrying value, as disclosed within the controlled entities financial statements as at the 30 June 2019. ICD was deregistered on 20 June 2019.

	Notes	Controlled Entities 2019 \$'000
Ipswich City Developments Pty Ltd		
Assets transferred or sold to Council		
Paid up capital returned	9	410
Cash - Dividend paid	3 (d)	2,541
Land sold to Council (Fire station - 101 Limestone Street, Ipswich)	13	2,000
Furniture and Fittings sold to Council	13	10
Total assets transferred to Council		4,961
Ipswich City Enterprises Pty Ltd		
Assets transferred or sold to Council		
Cash - Dividend paid	3 (d)	5,215
Furniture and Fittings sold to Council	13	69
Total assets transferred to Council		5,284
Ipswich City Enterprises Investments Pty Ltd		
Assets transferred between controlled entities		
Cash - Dividend paid to ICE		4,885
Total assets transferred between controlled entities		4,885
Ipswich City Properties Pty Ltd		
Assets transferred or sold to Council		
Property, plant and equipment	13	12,769
Capital works in progress	13	19,176
Investment Property	12	15,045
Total assets transferred to Council		46,990
Liabilities eliminated upon assets transferred to Council		
Borrowings		71,915
Write-off of Borrowings	8	(24,925)
Total assets transferred to Council		(46,990)
Total liabilities as at the 30 June 2019		-

Ipswich City Council

Notes to the Financial Statements for the year ended 30 June 2019

Note 32. Other Matters

On 14 August 2018 the Crime and Corruption Commission (CCC) tabled in State Parliament its report titled *Culture and corruption risks in Local Government: Lessons learned from an investigation into Ipswich City Council (Operation Windage)*. The Operation Windage report “found that the ratepayers of that community were not well served by council members they had elected and employees whose salaries they paid. It found evidence of a wide spectrum of governance and integrity failures, from inappropriate workplace interactions and consistent breaches of policy to evidence of serious criminal offences, including official corruption”.

As a result of the investigation:

Serious charges were laid against former or current council employees or councillors including two former mayors, two former Chief Executive Officers and a former Chief Operating Officer which have proceeded to court or for which court proceedings remain on-going; and

The Mayor and Councillors were dismissed on the 22 August 2018 after the Queensland Parliament passed the Local Government (Dissolution of Ipswich City Council) Bill 2018. On 23 August 2018 Mr Greg Chemello was appointed Interim Administrator along with an interim management committee of five experts in the areas of governance, risk, business, finance and community engagement to lead and reform the Council until the 28 March 2020 local government elections.

To the best of Council’s knowledge at the date of this financial report, there is no material impact in relation to the matters identified through the CCC investigations, on this financial report.

Ipswich City Council

General Purpose Financial Statements
for the year ended 30 June 2019

Management Certificate
for the year ended 30 June 2019

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


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

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulations 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the General Purpose Financial Statements, as set out on pages 2 to 53, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's and the Consolidated Entity's transactions for the financial year and financial position at the end of the year.



Greg Chemello
INTERIM ADMINISTRATOR

10 October 2019



David Farmer
CHIEF EXECUTIVE OFFICER

10 October 2019



INDEPENDENT AUDITOR'S REPORT

To the Interim Administrator of Ipswich City Council

Report on the audit of the financial report

Opinion

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

In my opinion, the financial report:

- a) gives a true and fair view of the council's and group's financial position as at 30 June 2019, and of their financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statements of financial position as at 30 June 2019, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Interim Administrator and Chief Executive Officer.

Basis for opinion

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

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

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

Other information

Other information comprises the information included in Ipswich City Council's annual report for the year ended 30 June 2019, but does not include the financial report and my auditor's report thereon. At the date of this auditor's report, the other information was the current year financial sustainability statement and long-term financial sustainability statement.

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



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

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

Responsibilities of the council for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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



- Conclude on the appropriateness of the council's and group's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's or group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council or group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the group. I remain solely responsible for my audit opinion.

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

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2019:

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

Patrick Flemming
as delegate of the Auditor-General

14 October 2019

Queensland Audit Office
Brisbane

Ipswich City Council

Current Year Financial Sustainability Statement
for the year ended 30 June 2019

	Actual Consolidated 2019	Actual Council 2019	Target 2019
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Measures of Financial Sustainability

Council's performance at 30 June 2019 against key financial ratios and targets.

Performance Indicators

1. Operating Surplus Ratio

Net Result (excluding capital items)	7.34%	6.49%	0 - 10%
Total Operating Revenue (excluding capital items)			

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

2. Asset Sustainability Ratio

Capital Expenditure on the Replacement of Assets (renewals)	62.95%	62.95%	more than 90%
Depreciation Expense			

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

3. Net Financial Liabilities Ratio

Total Liabilities less Current Assets	34.43%	34.92%	less than 60%
Total Operating Revenue (excluding capital items)			

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

Note 1 - Basis of Preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2019.

Financial Statements 2019

Ipswich City Council

Current Year Financial Sustainability Statement
for the year ended 30 June 2019


Certificate of Accuracy
for the year ended 30 June 2019

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

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


Greg Chenfello
INTERIM ADMINISTRATOR

10 October 2019


David Farmer
CHIEF EXECUTIVE OFFICER

10 October 2019



INDEPENDENT AUDITOR'S REPORT

To the Interim Administrator of Ipswich City Council

Report on the Current Year Financial Sustainability Statement

Opinion

I have audited the accompanying current year financial sustainability statement of Ipswich City Council for the year ended 30 June 2019, comprising the statement, explanatory notes, and the certificate of accuracy given by the Interim Administrator and the Chief Executive Officer.

In accordance with section 212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Ipswich City Council for the year ended 30 June 2019 has been accurately calculated.

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

Other information comprises the information included in Ipswich City Council's annual report for the year ended 30 June 2019, but does not include the current year financial sustainability statement and my auditor's report thereon. At the date of this auditor's report, the other information was the general purpose financial statements and long-term financial sustainability statement.

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



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

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

Responsibilities of the council for the current year financial sustainability statement

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

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

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

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

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

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



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

A handwritten signature in blue ink, appearing to read 'P. Flemming'.

Patrick Flemming
as delegate of the Auditor-General

14 October 2019

Queensland Audit Office
Brisbane

Ipswich City Council

Unaudited Long-Term Financial Sustainability Statement
prepared as at 30 June 2019

	Target 2019	Actual 2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
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Measures of Financial Sustainability

Council's performance at 30 June 2019 against key financial ratios and targets.

Performance Indicators - Consolidated

1. Operating Surplus Ratio

Net Result (excluding capital items) ⁽¹⁾
Total Operating Revenue (excluding capital items) ⁽²⁾

0 - 10%	7.34%	1.06%	2.84%	3.46%	5.35%	6.02%	7.89%	8.76%	10.68%	12.31%	14.05%
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An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.

2. Asset Sustainability Ratio

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

> 90%	62.95%	74.89%	80.61%	78.64%	78.92%	92.26%	90.50%	97.04%	93.37%	102.26%	110.37%
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An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.

3. Net Financial Liabilities Ratio

Total Liabilities less Current Assets
Total Operating Revenue (excluding capital items) ⁽²⁾

< 60%	34.43%	92.79%	97.24%	94.56%	91.27%	90.07%	92.86%	91.71%	77.04%	64.24%	50.13%
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An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.

Ipswich City Council

Unaudited Long-Term Financial Sustainability Statement (continued)
prepared as at 30 June 2019

	Target 2019	Actual 2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Forecast												
Measures of Financial Sustainability (continued)												
Performance Indicators - Council												
1. Operating Surplus Ratio												
Net Result (excluding capital items) ⁽¹⁾												
Total Operating Revenue (excluding capital items) ⁽²⁾	0 - 10%	6.49%	1.06%	2.84%	3.46%	5.35%	6.02%	7.89%	8.76%	10.68%	12.31%	14.05%
An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.												
2. Asset Sustainability Ratio												
Capital Expenditure on the Replacement of Assets (renewals) Depreciation Expense	> 90%	62.95%	74.89%	80.61%	78.64%	78.92%	92.26%	90.50%	97.04%	93.37%	102.26%	110.37%
An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.												
3. Net Financial Liabilities Ratio												
Total Liabilities less Current Assets Total Operating Revenue (excluding capital items) ⁽²⁾	< 60%	34.92%	92.79%	97.24%	94.56%	91.27%	90.07%	92.86%	91.71%	77.04%	64.24%	50.13%
An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.												

Ipswich City Council

Unaudited Long-Term Financial Sustainability Statement (continued)
prepared as at 30 June 2019

Ipswich City Council Financial Management Strategy

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

Notes

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

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

These ratios are the relevant measures of financial sustainability required to be reported under section 178(1) of the *Local Government Regulation 2012*.
Definitions are sourced from the Financial Management (Sustainability) Guideline issued by the Department of Local Government, Racing and Multicultural Affairs.

Ipswich City Council

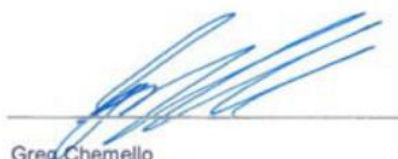
Unaudited Long-Term Financial Sustainability Statement

Certificate of Accuracy

for the unaudited long-term financial sustainability statement prepared as at 30 June 2019

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


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



Greg Chemello

INTERIM ADMINISTRATOR

10 October 2019



David Farmer

CHIEF EXECUTIVE OFFICER

10 October 2019



APPENDICES



LEGISLATIVE INDEX**Legislative Compliance**

The following provides references to the relevant pages of this report that relate to the legislative disclosure requirements of the *Local Government Act 2009* and *Local Government Regulation 2012*.

LOCAL GOVERNMENT ACT 2009		
Section		Page
s41	Beneficial enterprises	59
s45	Significant business activities	65
	(a) List of all the business activities	
	(b) Identification of significant business activities	
	(c) Statement of competitive neutrality application	
	(d) Statement of significant business activities not conducted in preceding year	
s201	Remuneration	48
	1(a) The total of all remuneration packages that are payable to the senior management	
	1(b) The number of employees in senior management who are being paid each band of remuneration.	
	2 The senior management, of a local government, consists of the chief executive officer and all senior executive employees of the local government.	
	3 Each band of remuneration is an increment of \$100,000.	
	4 To remove any doubt, it is declared that nothing in this section requires the exact salary of any employee in senior management to be separately stated in the annual report.	
LOCAL GOVERNMENT REGULATION 2012		
Section		Page
s182	Preparation of annual report	
	Adopt Annual Report within one month after the QAO provides certification.	
	Annual Report placed on council website within 2 weeks of adoption.	
s183	General purpose financial statements	83
	(a) General purpose financial statement for the financial year, audited by the auditor-general	
	(b) Current-year financial sustainability statement for the financial year, audited by the auditor-general	
	(c) Long term financial sustainability statement for the financial year	
	(d) Auditor-general's audit reports about the general purpose financial statements and the current year sustainability statement.	
s184	Community financial report	76
	The community financial report for the financial year.	
s185	Resolutions	53
	(a) A copy of the resolutions made during the financial year under s250(1) – expenses reimbursement policy	
	(b) A list of any resolutions made during the financial year under s206(2) – non-current physical assets.	

Section	Page
s186 Councillors	
(a) Total remuneration, including superannuation contributions	37
(b) Expenses incurred by, and the facilities provided	39
(c) Number of local government meetings attended	40
(d) (e) (f) Number of orders, recommendations and complaints	38
s187 Administrative action complaints	48
1 (a) to 2 (b) Statements, processes and number of administrative action complaints.	
s188 Overseas travel	41
1 (a) to 2 (b) Inclusion of official overseas travel made by a councillor or local government employee.	
s189 Expenditure on grants to community organisations	155
(a) Expenditure on grants to community organisations	
(b) Expenditure from each councillor's discretionary fund, including (i) the name of each community organisation to which an amount was allocated from the fund; and (ii) the amount and purpose of the allocation;	
s190 Other contents	
1 (a) Assessment of progress towards implementing the 5-year corporate plan and annual operational plan	12
1 (b) Assessment of operations and performance in the financial year	12
1 (c) Operations report for each commercial business unit	61
1 (d) Expenditure on, a service, facility or activity (i) supplied by another local government (ii) for which special rates or charges were levied	53
1 (e) Number of invitations to change tenders under S228(7)	65
1 (f) a list of the registers kept	53
1 (g) Summary of all rates and charges concessions	69
1 (h) Report on the internal audit	54
1 (i) Summary of investigation notices under S49 for competitive neutrality complaints	65
1 (j) Responses competitive neutrality complaints under S52(3)	65
2 (a) to (d) Annual operations report for a commercial business unit	61
S176C Action after preliminary assessments	38
S180 Taking disciplinary action	38
S181 Inappropriate conduct	38
PUBLIC SECTOR ETHICS ACT 1994	
Section	Page
s23 Reporting	49
Code of conduct – implementation statement	

GLOSSARY

TERM	DEFINITION
Advocacy	Support and action by individuals, organisations, groups and other community members in support of, or against, a particular issue or policy.
Advance Ipswich	Council's long-term plan for the city, built on community desires for the city's future and reflecting the actions that council and the community need to progress to realise this vision. The plan responds to the current and future changes in the city and the related opportunities and challenges. Advance Ipswich builds on the programs and strategies in the previous i2020 and i2031 Community Plans. The document is publically available on council's website.
Annual Operational Plan	The <i>Local Government Regulation 2012</i> requires council to annually adopt an operational plan. Council's adopted Operational Plan for 2018–2019 identified the key activities that council needed to undertake during the financial year to achieve the longer-term outcomes of the 2017–2022 Corporate Plan. The plan for 2019–2020 is publically available on council's website.
Annual Report	Legislatively required to be produced annually, the report details council's financial performance and progress with the implementation of the city's vision as reflected in Advance Ipswich and the Corporate Plan 2017–2022. The report is publically available on council's website.
Arts and Cultural Strategy 2018–2026	The strategy (Framing our City's Future) will guide investment in building community cultural capacity and assist council in responding to community requirements, building upon its strengths and cementing council's commitment to arts and culture into the future.
Asset	Tangible and intangible holdings, possessions, capital or resources belonging to and controlled by council.
Audit	Inspection and/or examination of an organisation's systems, processes, procedures, statements, records and stated performance claims.
Beautiful Ipswich	A council initiative aiming to beautify major thoroughfares and streetscapes, create attractive parks and recreational pathways and improve waterways throughout time-honoured suburbs.
Budget (annual)	Outlines revenue and planned capital and operational expenditure approved for a financial year. The budget document is publically available on council's website.
Business Planning	Organisational planning focusing on the local government's direction, objectives, strategies and projected actions in order to achieve its longer-term goals.
Capital Works Program	The annual program of activities of building, engineering and other works that council adopts to create, construct and install assets and other facilities. For council, the program's projects typically include construction of buildings, roads and bridges, structures, parks and playgrounds.
City	The City of Ipswich
Code of Conduct – Councillor	The adopted Code of Conduct provides guiding principles on a councillor's role, obligations and behavioural standards and demonstrates council's commitment to conducting its business with integrity, honesty and fairness.
Commercial Business Unit	A unit of a local government that conducts business in accordance with the key principles of commercialisation (e.g. clarity of objectives; robust governance and competitive neutrality) in order to maximise benefits to customers and the community. Ipswich Waste Services is council's sole commercial business unit.
Community	Ipswich's residents, ratepayers, businesses, investors, visitors and tourists.
Community Engagement	Process council utilises to build relationships with community organisations and/or groups of individuals united under a common cause or objective and work collaboratively with them towards common goals that benefit the engaged stakeholders and the wider community.
Competitive Neutrality	Local government business activities which are in competition with the private sector should not have competitive advantages or disadvantages simply by virtue of their council ownership or control.
Council	Ipswich City Council
Council of Mayors (SEQ)	Australia's largest regional local government advocacy group involving ten local governments across South East Queensland including Toowoomba Regional Council. The organisation strives to deliver better regional funding, policy and collaborative outcomes for the local governments and communities of South East Queensland.
Corporate Plan 2017–2022	This legislative requirement documents council's key strategic objectives and the steps towards their realisation over the plan's five-year life. The Corporate Plan 2017–2022 identifies five themes which align with the overarching Advance Ipswich' goals. The plan is publically available on council's website.
Culture	Culture defines who council is – it is the underlying beliefs, assumptions, values and ways of interacting that contribute to the uniqueness of council.
Department	Council has five operational departments each headed by a general manager – Community, Cultural and Economic Development, Coordination and Performance, Corporate Services, Infrastructure and Environment, and Planning and Regulatory Services.

Item N.2 / Attachment 1.

Executive Leadership Team (ELT)	Council's executive management team consists of the Chief Executive Officer and five general managers. The ELT oversee organisational performance and the delivery of council's direction as reflected in key vision and planning documentation.
Fire Station 101	Fire Station 101 is an innovation hub that assists start-ups, entrepreneurs and innovators to create and grow their business ideas. It is located within the former Ipswich Fire Station at Limestone Street Ipswich.
Financial Year	A 12 month reporting period which for this annual report is the period from 1 July 2018 to 30 June 2019.
Governance	Council's process by which it makes and implements decisions, is controlled and managed, is directed and reviewed.
Governance Review	A 2017 consultancy focusing on the interaction of elected members with the administrative organisation which resulted in 19 recommendations.
Health and Amenity (HAP) Plan	The annual plan's purpose is to provide members of the Ipswich community with an understanding of council's approach to the education and enforcement of activities under council's control e.g. animal management and parking.
IGO Public Transport Advocacy and Action Plan	The Ipswich Transport Plan (IGO) that outlines council's aspirations to advance Ipswich's transport system and guide future transport policy, resourcing and investment decision making.
Ipswich First	Ipswich First is a newsfeed initiative delivering city and community news to inboxes.
Ipswich Heritage Program	The program's objective is the identification of places of cultural heritage significance within Ipswich and encouragement of their conservation for present and future generations.
Key Performance Indicators	Also known as KPIs, these indicators exist as objective evidence on the extent of, or progress towards, achievement of a desired outcome.
Koala Conservation and Habitat Management Plan	Identifies the important koala habitat areas and corridors for koala conservation and recommends actions to reduce the impact of key threats and to support the management of priority habitat areas.
Line of Sight	The program designed to empowering council staff so they feel recognised, acknowledged and valued in their service delivery to the Ipswich community. Line of Sight has a strong focus on culture change.
Local Government Act 2009	The principal legislation which provides the legal framework for Queensland's local government sector.
Local Government Area (LGA)	An administrative division of the State of Queensland for which council is responsible for managing. In Ipswich the LGA has an area of 1090 square kilometres.
Local Government Regulation 2012	Subordinate legislation to the <i>Local Government Act 2009</i> .
Ipswich Planning Scheme	The statutory local planning instrument that provides the framework for managing development in the Ipswich local government area in an integrated, efficient, effective, transparent and ecologically sustainable way. The scheme was prepared in accordance with the requirements of the (now repealed) Integrated Planning Act 1997.
Policies	A policy sets out council's strategic position, viewpoints and values, and assists decision-making on matters that often impact on, and are of concern to, the community.
Queensland Audit Office (QAO)	Council's auditor
Recycle 4	Council's recycling program.
Risk Management	The processes and activities relating to the identification, evaluation and controlling of an organisation with regard to risk as outlined in the Australian Standard AS/NZS ISO 31000:2009 Risk management: principles and guidelines.
Smart City Program	Smart City sets the framework for embracing new ways of working and service delivery through technology adoption.
South East Queensland Regional Plan 2017	A Queensland Government Plan (also known as ShapingSEQ) which provides a regional framework for growth management, and sets planning direction for sustainable growth, global economic competitiveness and the quality of life.
Strategic Planning	The overarching continuous and systematic process council uses to identify future outcomes and how these outcomes will be achieved and their success measured.
Strategies	To deliver against the five themes of Advance Ipswich, council identified a number of strategies in the plan to guide the organisational direction. These strategies assist council in preparing prioritised action plans over a periods of time with the intention of achieving the desired outcomes.
Sustainability Strategy	The strategy's focus is about managing the growth of Ipswich by working with the community, industry and other levels of government to protect and enhance the city's environment and its liveability for current and future generations. The strategy is available on council's website.
Target	A quantifiable performance level for attainment by a future date. Target setting is important in driving improvements in service delivery across council.

COMMUNITY GRANTS

Section 189 of the *Local Government Regulation 2012* requires that a local government's annual report contain information on the local government's expenditure in relation to grants to community organisations for the financial year. This information must contain expenditure from each councillor's discretionary fund, the name of each community organisation funded and the amount and purpose of that allocation. In the 2018–2019 financial year, council administered community funding which included the following grants, donations and bursaries:

COMMUNITY DONATIONS REGISTER			
Mayor/Division	Recipient	Purpose of Funding	Funded Amount
Citywide	Bremer State High School	2018 Instrumental Music Tour	\$500.00
Citywide	Ipswich Junior Grammar School	Bright Sparks Program	\$2,500.00
Citywide	Redbank Plains Bears JRLFC	Laurie Spinner Shield U11s Townsville	\$250.00
Citywide	VITAL ProJeX	Culture Change Program - Rosewood State High School	\$500.00
Citywide	Cure Brain Cancer Foundation	Walk4brain Cancer 2018	\$500.00
Citywide	Tivoli Social Enterprises Limited	Ipswich Community Christmas Spectacular	\$5,000.00
Citywide	Apprenticeships Queensland Limited	Apprenticeships Queensland 2018 Awards Night	\$1,500.00
Citywide	Riverview Neighbourhood House Ass Inc	Springfield Mini Show Day	\$250.00
Citywide	Ipswich West State School P&C Association	Native Stingless Bees	\$998.00
Citywide	Sudanese-Australian Lost Boys and Girls of South Sudan (SALBAGOSS)	Homework Club and Other activities	\$500.00
Citywide	Greater Springfield Combined Churches	2018 Christmas Carols at Robelle Domain	\$500.00
Citywide	Ipswich Musical Theatre Company	Production of Strictly Ballroom	\$1,000.00
Citywide	Brisbane Super Kings Cricket Club Inc	Multicultural T20 Tournament	\$250.00
Citywide	Goodna Little Athletics	Line Marker	\$200.00
Citywide	Ipswich Veteran & Vintage Vehicle Club Inc	2018 Swap Meet	\$996.00
Citywide	Harvest Rain Christian Care Limited	Ipswich Christmas Day Community Dinner	\$2,000.00
Citywide	White Rock Warriors Inc	Capital purchase	\$500.00
Citywide	Riverview Neighbourhood House Ass Inc	Community Shed	\$1,000.00
Citywide	St Mary's College Ipswich P&F	St Mary's College 2018 Gala Dinner	\$5,000.00
Citywide	Riverview State School	Indigenous Cultural Garden	\$4,305.00
Citywide	Blair State School Parents and Citizens Assoc	Blair Arts Showcase and End of Year Concert	\$2,565.00
Citywide	Western Pride Football Club	Assistance with loss of club house facilities	\$5,929.50
Citywide	CRI Network Ltd	Religious Instruction in State Primary Schools	\$6,855.00
Citywide	Football Queensland	Football for All' Project	\$2,377.00
Citywide	The Salvation Army	Salvation Army Red Shield Appeal	\$6,000.00
Citywide	Queensland Tamil Mandram Inc	Pongal Festival Queensland 2019	\$4,201.19

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COMMUNITY DONATIONS REGISTER			
Mayor/Division	Recipient	Purpose of Funding	Funded Amount
Citywide	Ipswich North Rotary Club Inc	Police and Emergency Services Awards	\$1,500.00
Citywide	Souths Diamondbacks Aboriginal Corporation	Stan Alberts Shields	\$3,932.25
Citywide	Queensland Council of Unions Ipswich Labour Day Committee	Ipswich Labour Day Celebrations	\$1,057.80
Citywide	Ipswich District Teacher-Librarian Network	StoryArts Festival Ipswich	\$45,547.00
Citywide	Queensland Pioneer Steam Railway Co-op LTD	Relocation of Locomotive 761 to Ipswich	\$10,000.00
Citywide	Down Syndrome Queensland	Step Up for Down Syndrome Queensland	\$3,750.00
Division 1	Bremer State High School	2018 Instrumental Music Tour	\$500.00
Division 1	VITAL ProJeX	Culture Change Program - Rosewood State High School	\$250.00
Division 1	Springfield Christian Family Church Limited	Community Funday - in Support of Anti-bullying	\$500.00
Division 1	Cure Brain Cancer Foundation	Walk4brain Cancer 2018	\$250.00
Division 1	Riverview Neighbourhood House Ass Inc	Springfield Mini Show Day	\$250.00
Division 1	Springfield Light Tower	ANZAC Day	\$3,000.00
Division 1	Greater Springfield Combined Churches	2018 Christmas Carols at Robelle Domain	\$5,000.00
Division 1	Ipswich Musical Theatre Company	Production of Strictly Ballroom	\$500.00
Division 1	Goodna Little Athletics	Line Marker	\$300.00
Division 1	Springfield Lakes State School P&C	Springfield Lakes State School Spring Fair	\$4,009.00
Division 1	Goodna-Springfield Combined Probus Club Inc	10th Birthday Celebration	\$375.00
Division 1	St. Andrew's Anglican Church, Springfield	The Alpha Course and The Marriage Course	\$1,485.00
Division 2	Kruger State School P&C	Kruger's Got Talent Fundraising Event	\$2,000.00
Division 2	Goodna Community Association	Goodna Jacaranda Festival 2018	\$4,000.00
Division 2	Redbank Plains Bears JRLFC	Laurie Spinner Shield U11s Townsville	\$200.00
Division 2	Ipswich State High School	Met West State Championships - Rugby Union	\$900.00
Division 2	Cure Brain Cancer Foundation	Walk4brain Cancer 2018	\$250.00
Division 2	Shiloh Church (Shiloh Christian Family Centre)	Western Gateway Christmas Carols	\$10,000.00
Division 2	Riverview Neighbourhood House Ass Inc	Springfield Mini Show Day	\$250.00
Division 2	Sudanese-Australian Lost Boys and Girls of South Sudan (SALBAGOSS)	Homework Club and other activities	\$500.00
Division 2	Greater Springfield Combined Churches	2018 Christmas Carols at Robelle Domain	\$2,000.00
Division 2	Ipswich Musical Theatre Company	Production of Strictly Ballroom	\$200.00
Division 2	Goodna Little Athletics	Line Marker	\$905.00
Division 2	Gailes Residents Committee Inc	Christmas on Karina	\$1,737.11

COMMUNITY DONATIONS REGISTER			
Mayor/Division	Recipient	Purpose of Funding	Funded Amount
Division 2	White Rock Warriors Inc	Capital purchase	\$3,500.00
Division 2	Goodna Community Assoc Inc.	Goodna Jacaranda Festival	\$7,500.00
Division 2	Goodna Street Life Inc	Goodna Street Life Carols in The Park	\$1,650.00
Division 2	St Vincent de Paul Society Queensland	Goodna Homework Club and African Women's Sewing Group	\$1,125.00
Division 2	GoodnaYouth Services Inc	Youth workshop and space	\$5,565.39
Division 2	Congo Konexion Inc.	Congolese Women Celebration	\$5,015.64
Division 2	Goodna Rugby Union Club Inc	Purchase of Uniform	\$3,191.76
Division 2	St Francis Xavier Parish School P&F Association	St Francis Xavier School 2019 Fete	\$8,786.25
Division 3	Redbank Plains Bears JRLFC	Laurie Spinner Shield U11s Townsville	\$300.00
Division 3	Cure Brain Cancer Foundation	Walk4brain Cancer 2018	\$1,000.00
Division 3	Riverview Neighbourhood House Ass Inc	Springfield Mini Show Day	\$650.00
Division 3	Occasionals Vigoro Club	Junior development program	\$805.88
Division 3	Ipswich Musical Theatre Company	Production of Strictly Ballroom	\$1,500.00
Division 3	Riverview State School	African Nations Cultural Group	\$251.00
Division 3	Dinmore Bushrats Soccer & Sports Club Inc.	R2R Return to Riverview Family Fun Day	\$1,425.00
Division 3	Goodna Little Athletics	Line Marker	\$200.00
Division 3	Riverview Neighbourhood House Ass Inc	Community Shed	\$11,000.00
Division 3	Redbank Plains State High School	2018 Mystery Tour	\$350.00
Division 3	Ipswich Genealogical Society Inc	Sanding and Sealing Ramp and Deck of Brigg House	\$570.00
Division 3	Riverview State School	Indigenous Cultural Garden	\$8,000.00
Division 3	Redbank Primary P&C	Garden Club - Garden Sprinklers	\$1,108.00
Division 3	Riverview State School	Graduation	\$1,125.00
Division 3	Collingwood Park Primary P&C Association	2018 School Year Book	\$500.00
Division 3	Ipswich Community Care Fund	Volunteer Xmas luncheon	\$459.25
Division 3	Redbank Plains RSL Sub Branch	Anzac Day Dawn and Commemorative services	\$966.75
Division 3	Collingwood Park State School	NAIDOC Education Week	\$1,000.00
Division 4	Blackstone Girl Guides	Guide Trip to Bundaberg	\$3,990.00
Division 4	Cure Brain Cancer Foundation	Walk4brain Cancer 2018	\$500.00
Division 4	Raceview State School P&C Association	Catchbox Microphone	\$740.00
Division 4	Ipswich Musical Theatre Company	Production of Strictly Ballroom	\$2,000.00
Division 4	Rotary Club of Booval (Ipswich) Inc.	Footprints in the Park Program	\$4,000.00
Division 4	Brothers Football Club Ipswich Inc	Ladies Football Program	\$5,101.60
Division 4	Ipswich Cycling Club	State Mountain Bike Championships	\$2,871.75

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COMMUNITY DONATIONS REGISTER			
Mayor/Division	Recipient	Purpose of Funding	Funded Amount
Division 4	ICYS Ipswich Community Youth Service Inc.	Ipswich & West Moreton Region Child Protection Week Symposium	\$2,000.00
Division 4	ArtsConnect Ipswich Inc	Connecting with Community	\$772.50
Division 4	Silkstone Baptist Church	Community Birthday Party Event	\$750.00
Division 4	Y-Care (South East Queensland) Inc	Year 12 Graduation -Formal	\$2,000.00
Division 4	Ipswich & District Lapidary Club Inc	Annual Gem Show	\$191.25
Division 4	Queensland Pathways State College	Holiday Engagement Program	\$1,750.50
Division 4	Queensland Independent Cat Council Inc	Australian Style 3 ring All Breed Cat Show and Golden Oldies	\$195.00
Division 4	Vision Christian Family	Family Funday	\$2,000.00
Division 4	Raceview State School P & C Association	Sunshine Coast School Netball Competition	\$2,079.00
Division 5	Tivoli State School P&C	Driveways for Drop off / Pick up Zone	\$10,000.00
Division 5	Rivers of Life Christian Church	WHS Upgrade Community Sign	\$930.00
Division 5	Cure Brain Cancer Foundation	Walk4brain Cancer 2018	\$500.00
Division 5	Tivoli Social Enterprises Limited	Ipswich Community Christmas Spectacular	\$10,000.00
Division 5	Apprenticeships Queensland Limited	Apprenticeships Queensland 2018 Awards Night	\$1,000.00
Division 5	Riverview Neighbourhood House Ass Inc	Springfield Mini Show Day	\$250.00
Division 5	Sudanese-Australian Lost Boys and Girls of South Sudan (SALBAGOSS)	Homework Club and other activities	\$250.00
Division 5	Greater Springfield Combined Churches	2018 Christmas Carols at Robelle Domain	\$500.00
Division 5	Ipswich Musical Theatre Company	Production of Strictly Ballroom	\$1,000.00
Division 5	Goodna Little Athletics	Line Marker	\$200.00
Division 5	Harvest Rain Christian Care Limited	Ipswich Christmas Day Community Dinner	\$2,000.00
Division 5	Riverview Neighbourhood House Ass Inc	Community Shed	\$500.00
Division 5	St Edmund's Old Boys Assoc	St Edmund's Old Boys Golf Day	\$300.00
Division 5	Able Australia	Community Seniors Christmas Party	\$785.77
Division 5	Ipswich Model Band Inc.	Advancing the Ipswich Model Band	\$4,869.00
Division 5	United Bowls Club Inc.	Ladies Invitation Fours	\$750.00
Division 5	Booval 50's and Over Club Inc	Booval 50's & Over Club Bus trips to other Seniors Clubs	\$1,650.00
Division 5	Legacy Club of Ipswich Inc.	Ipswich Legacy 90th Anniversary Breakfast	\$5,500.00
Division 6	Jubilee Ranger Guides	Jubilee Rangers' Great Victorian Adventure	\$1,000.00
Division 6	Cure Brain Cancer Foundation	Walk4brain Cancer 2018	\$100.00
Division 6	No. 225 Squadron - Australian Air Force Cadets	Radio Replacement	\$1,741.00
Division 6	Western Pride Football Club	Junior Strip	\$5,000.00

COMMUNITY DONATIONS REGISTER			
Mayor/Division	Recipient	Purpose of Funding	Funded Amount
Division 6	Rugby League Ipswich	Rugby League Ipswich Grand Final	\$5,000.00
Division 6	Jets Rugby League Club Inc	Jets Junior Development Program	\$5,000.00
Division 6	Ipswich Triathlon Club inc.	Volunteer Training, Equipment & Training Camp	\$2,050.00
Division 6	St Joseph's North Ipswich P & F Association	School Christmas Carols	\$1,075.00
Division 7	Raceview Congregational Kindergarten	Shade for Playground	\$500.00
Division 7	VITAL ProJeX	Culture Change Program - Rosewood State High School	\$500.00
Division 7	Cure Brain Cancer Foundation	Walk4brain Cancer 2018	\$1,050.00
Division 7	Sudanese-Australian Lost Boys and Girls of South Sudan (SALBAGOSS)	Homework Club and other activities	\$200.00
Division 7	Riverview Neighbourhood House Ass Inc	Springfield Mini Show Day	\$250.00
Division 7	Ipswich Musical Theatre Company	Production of Strictly Ballroom	\$1,000.00
Division 7	Goodna Little Athletics	Line Marker	\$200.00
Division 7	Music Heritage Group Ipswich Inc.	Festival Gala 2019	\$3,000.00
Division 7	Jets Rugby League Club Inc	Jets Junior Ballboy Program	\$554.00
Division 7	Ipswich Grammar School Junior School Parent Support Group	2018 Colour Fun Run	\$675.00
Division 7	Ipswich Hospice Care Inc	Adopt A Room	\$15,000.00
Division 7	Raceview Congregational Fellowship Inc	Upgrade of External Security Lighting	\$372.75
Division 7	St Edmund's College	Confraternity Rugby League Carnival	\$900.00
Division 7	Ipswich and West Moreton Bmx Club Inc	To provide infrastructure for event patrons	\$1,165.65
Division 7	Ipswich Community Alliance Network INC	Tools & amenities for meeting the community	\$3,711.90
Division 7	Zonta Club of Ipswich	2019 International Women's Day Celebrations and Community Hubs Volunteers Project	\$3,800.00
Division 7	Naval association of Australia, Ipswich & West Moreton sub branch	Welfare trip- Ballina	\$250.00
Division 7	Ipswich RSL Sub Branch	ANZAC Day Commemoration	\$1,125.00
Division 7	Ipswich and West Moreton BMX Club Inc	Hosting 2019 BMXA National Series Round 3	\$7,766.74
Division 7	Apprenticeships Queensland	Building futures 2019	\$3,750.00
Division 7	Life Without Barriers	Foster and Kinship Care Week Appreciation Event	\$1,485.00
Division 7	Apprenticeships Queensland Limited	2019 Apprentice and trainee Awards Night	\$1,250.00
Division 7	Silkstone State School P&C	Silkstone Under the Stars	\$2,700.00
Division 7	Ipswich Assist	Streetlinks	\$1,965.00
Division 7	Ipswich Little Theatre Society Inc	One Act Play Festival 2019	\$945.38
Division 7	Ipswich and West Moreton BMX Club Inc	2019 BMXSQ Championships	\$983.70

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COMMUNITY DONATIONS REGISTER			
Mayor/Division	Recipient	Purpose of Funding	Funded Amount
Division 7	St Edmunds College - Skool 2 Skoolies	Skool 2 Skoolies Charity Ride	\$3,720.00
Division 7	Bremer State High School	Bremer SHS Instrumental Music Tour	\$750.00
Division 7	Ipswich Kindergarten Association Inc	Wellbeing workshop for families: "Building Resilience in Families"	\$588.75
Division 7	Bremer State High School	Pantomime - The Nutcracker	\$1,500.00
Division 8	Cure Brain Cancer Foundation	Walk4brain Cancer 2018	\$200.00
Division 8	Leichhardt Baptist Church	Painting of Church Ministry Centre	\$4,000.00
Division 8	Ipswich Arts Foundation Trust	Fundraising for the Collection Growth	\$10,000.00
Division 8	Music Heritage Group Ipswich Inc.	Festival Gala 2019	\$5,000.00
Division 8	Leichhardt Community Group Inc.	Community Resources	\$11,000.00
Division 8	Greater Springfield Combined Churches	2018 Christmas Carols at Robelle Domain	\$250.00
Division 8	Ipswich Musical Theatre Company	Production of Strictly Ballroom	\$2,000.00
Division 8	Churchill State School	Grade 6 School Camp	\$900.00
Division 8	The Allison Baden-Clay Foundation	Strive To Be Kind Event	\$5,000.00
Division 9	Springfield Malayalee Association Inc	Organisation's Website Annual Maintenance Expenses	\$250.00
Division 9	Redbank Plains Bears JRLFC	Laurie Spinner Shield U11s Townsville	\$250.00
Division 9	Western Pride Football Club	Purchase of practice equipment	\$5,000.00
Division 9	LiveCity Church	Redbank Plains Community Christmas Carols	\$14,995.00
Division 9	Springfield Christian Family Church Limited	Community Funday - in Support of Anti-bullying	\$500.00
Division 9	Cure Brain Cancer Foundation	Walk4brain Cancer 2018	\$250.00
Division 9	Springfield Light Tower	ANZAC Day	\$1,582.50
Division 9	Friends Of Lakes Cultural Association Inc	Cultural and Sporting Activities	\$2,000.00
Division 9	Riverview Neighbourhood House Ass Inc	Springfield Mini Show Day	\$100.00
Division 9	Greater Springfield Combined Churches	2018 Christmas Carols at Robelle Domain	\$1,000.00
Division 9	Ipswich Musical Theatre Company	Production of Strictly Ballroom	\$500.00
Division 9	Springfield Central State School P&C Assoc	Moving Forward Project	\$3,935.00
Division 9	Springfield Lakes Nature Care INC	Detect & protect	\$1,388.00
Division 9	Goodna Little Athletics	Line Marker	\$200.00
Division 9	White Rock Warriors Inc	Capital purchase	\$2,000.00
Division 9	Music Heritage Group Ipswich Inc.	Festival Gala 2019	\$3,000.00
Division 9	Redbank Plains State High School P&C	Canoeing / Camping	\$2,357.85
Division 9	Friends of Lakes Cultural Association Inc	Christmas and New Year Celebration	\$350.00
Division 9	Collingwood Park Power J AFC	Medical supplies	\$959.53
Division 9	Together We are Powerful	Clean Up Australia Day	\$446.23

COMMUNITY DONATIONS REGISTER			
Mayor/Division	Recipient	Purpose of Funding	Funded Amount
Division 9	Multicultural Australia Ltd	Redbank Plains Empower Me Program	\$750.00
Division 9	Lanka Lions Australia Inc	Sri Lankan New year Festival - 2019	\$2,625.00
Division 9	Friends of Lakes Cultural Association Inc	Easter and Vishu Cultural Party	\$400.00
Division 9	Congolese United for Peace and Reconciliation in Australia (CUPRA)	Congolese Lunch and Consultation Day	\$3,190.55
Division 10	Mount Marrow State School P&C Association	Year 6 Graduation Books	\$198.00
Division 10	Purga Elders and Descendants Aboriginal Corporation	Mowing for Fireworks Safety	\$550.00
Division 10	Artisan's Co-op Rosewood Ltd	Set-Up Costs for Not-For-Profit Co-op	\$500.00
Division 10	VITAL ProJeX	Culture Change Program - Rosewood State High School	\$750.00
Division 10	Cure Brain Cancer Foundation	Walk4brain Cancer 2018	\$400.00
Division 10	St Vincent de Paul Society Queensland	Pilgrimage walk of the Ipswich Catholic Community	\$250.00
Division 10	Greater Springfield Combined Churches	2018 Christmas Carols at Rabelle Domain	\$400.00
Division 10	Ipswich Musical Theatre Company	Production of Strictly Ballroom	\$1,000.00
Division 10	Lions Club of Rosewood Inc.	Lions Club of Rosewood Christmas Street Carnival 2018	\$2,838.00
Division 10	Marburg & District Agricultural & Industrial Assoc Inc	Marburg Show Schoolwork Section	\$562.50
Division 10	Rosewood Masonic Lodge	Commemorative Plaque and Storage Cabinet	\$206.25
Division 10	Purga Elders & Descendants Aboriginal Corporation	Purga Christmas Party	\$2,250.00
Division 10	Rosewood Equestrian Group Inc	Fundraising Murder Mystery Dinner	\$3,970.50
Division 10	Swifts Rugby League Club Inc.	NRL Masters	\$1,125.00
Division 10	Rosewood RSL Sub Branch Inc.	Anzac Day Event Programs	\$152.50
Division 10	Rosewood A & H Assoc	Rosewood Show	\$1,420.00
Division 10	Queensland Pioneer Steam Railway Co-op LTD	Relocation of Locomotive 761 to Ipswich	\$11,000.00
TOTAL			\$497,373.42



Doc ID No: A5858529

ITEM: N.3

SUBJECT: 60 SPRINGFIELD GREENBANK ARTERIAL, SPRINGFIELD CENTRAL, MASTER AREA DEVELOPMENT PLAN - DEVELOPMENT AREA 22A AND 22B

AUTHOR: SENIOR PLANNER (DEVELOPMENT)

DATE: 22 OCTOBER 2019

EXECUTIVE SUMMARY

This is a report concerning an application seeking approval for a Master Area Development Plan for Development Area 22A and 22B of the Springfield Town Centre, which is proposing to develop a Premier Sport facility (AFL) and Local Sports and Courts facility. The development has been assessed with regard to the applicable assessment benchmarks, the Town Centre Concept Plan and the Springfield Town Centre Infrastructure Agreement. The proposed development generally complies with the assessment benchmarks or can be conditioned to comply.

RECOMMENDATION/S

That the Interim Administrator of Ipswich City Council resolve:

- A. That Council (Interim Administrator of Ipswich City Council) resolve to approve development application no. 1421/2019 subject to conditions in accordance with section 2.2.4.10 of the Springfield Structure Plan.**
- B. That the General Manager – Planning and Regulatory Services be authorised to prepare conditions in accordance with section 2.2.4.10 of the Springfield Structure Plan.**

RELATED PARTIES

The related parties to this application are:

- Ipswich City Council (Landowner) – Council is landowner and has engaged the Brisbane Lions Football Club to undertake fit for purpose works.
- Brisbane Lions Football Club (Developer) – Details extracted from the ASIC database indicate that the current directors are Michael Christopher Power, Leigh Raymond Matthews, Sarah Jane Kelly, Andrew John Wellington, Cyril Jinks, Catherine Gay Reid, Timothy Denham Forrester, and current secretary is Kevin Albert Samson

- Springfield City Group (Master Developer) – Details extracted from the ASIC database indicate that the Business Name Holder is THE TRUSTEE FOR SPRINGFIELD DEVELOPMENT TRUST, the organisational representative is Raynuha Sinnathamby.

ADVANCE IPSWICH THEME LINKAGE

Managing growth and delivering key infrastructure

PURPOSE OF REPORT/BACKGROUND

SITE ADDRESS:	60 Springfield Greenbank Arterial, SPRINGFIELD CENTRAL, 4300
APPLICATION TYPE:	Master Area Development Plan
PROPOSAL:	Master Area Development Plan for Development Areas 22A and 22B
DESIGNATION:	Recreation
OVERLAYS:	OV1 – Transitional Bushfire Risk Area
APPLICANT:	Springfield City Group
OWNER:	Ipswich City Council
EXISTING OR PROPOSED TRADING NAMES:	Springfield City Group
APPLICATION NO:	1421/2019/ADP
AREA:	17.8389ha
REFERRAL AGENCIES:	Department of Transport and Main Roads (Advice)
EXISTING USE:	Vacant land.
PREVIOUS RELATED APPROVALS:	Not Applicable
DATE RECEIVED:	27 February 2019 (properly made 14 May 2019)
DECISION PERIOD START DATE:	21 June 2019
EXPECTED DETERMINATION DATE:	29 October 2019

SITE LOCATION

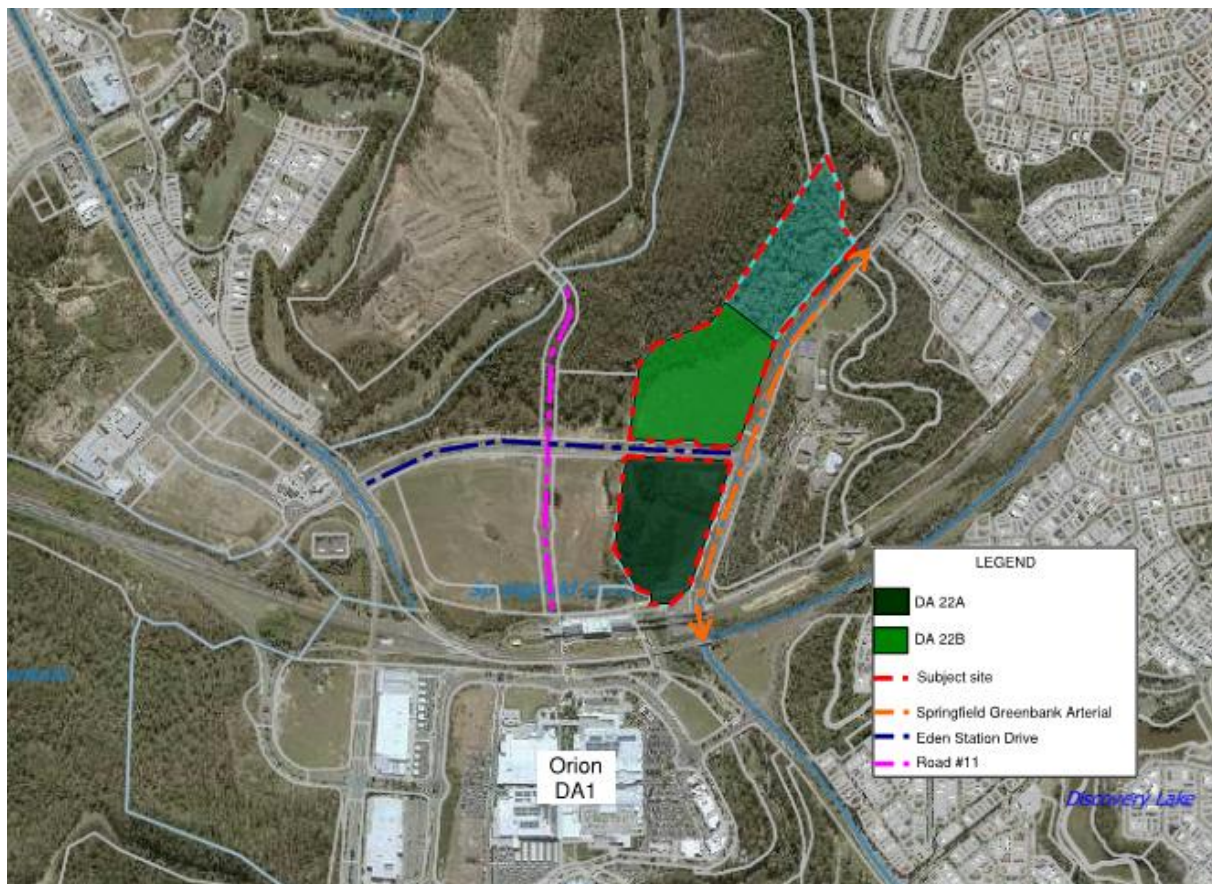


FIGURE 1: Subject Site and Locality Plan

PROPOSAL OVERVIEW

The applicant seeks approval for a Master Area Development Plan for Development Area 22A and 22B of the Springfield Town Centre. The Development Area is proposed to include:

- (a) Development of a Premier Sports Facility within DA 22A, which is to include provision for complimentary commercial activities; and
- (b) Development of a Local Sports Facility within DA 22B.

Master ADPs are the mechanism whereby the master planning of the Springfield Structure Plan is put into effect for the Development Areas within the Town Centre. They are intended to describe the indicative pattern and form of development that will occur over time within each Development Area (i.e. produce an integrated master plan) and outline the indicative dominant land uses.

The master plan for DA22A/22B is provided in **Figure 2**. DA 22A and 22B covers approximately 17.84 hectares of land located within the Town Centre Frame of the Springfield Town Centre. DA 22A/22B is broadly defined by the alignment of Springfield Greenbank Arterial to the east, Centenary Highway and the Springfield Central Train Station to the south, and Mountain Creek and undeveloped land to the west (DA5 and DA20).

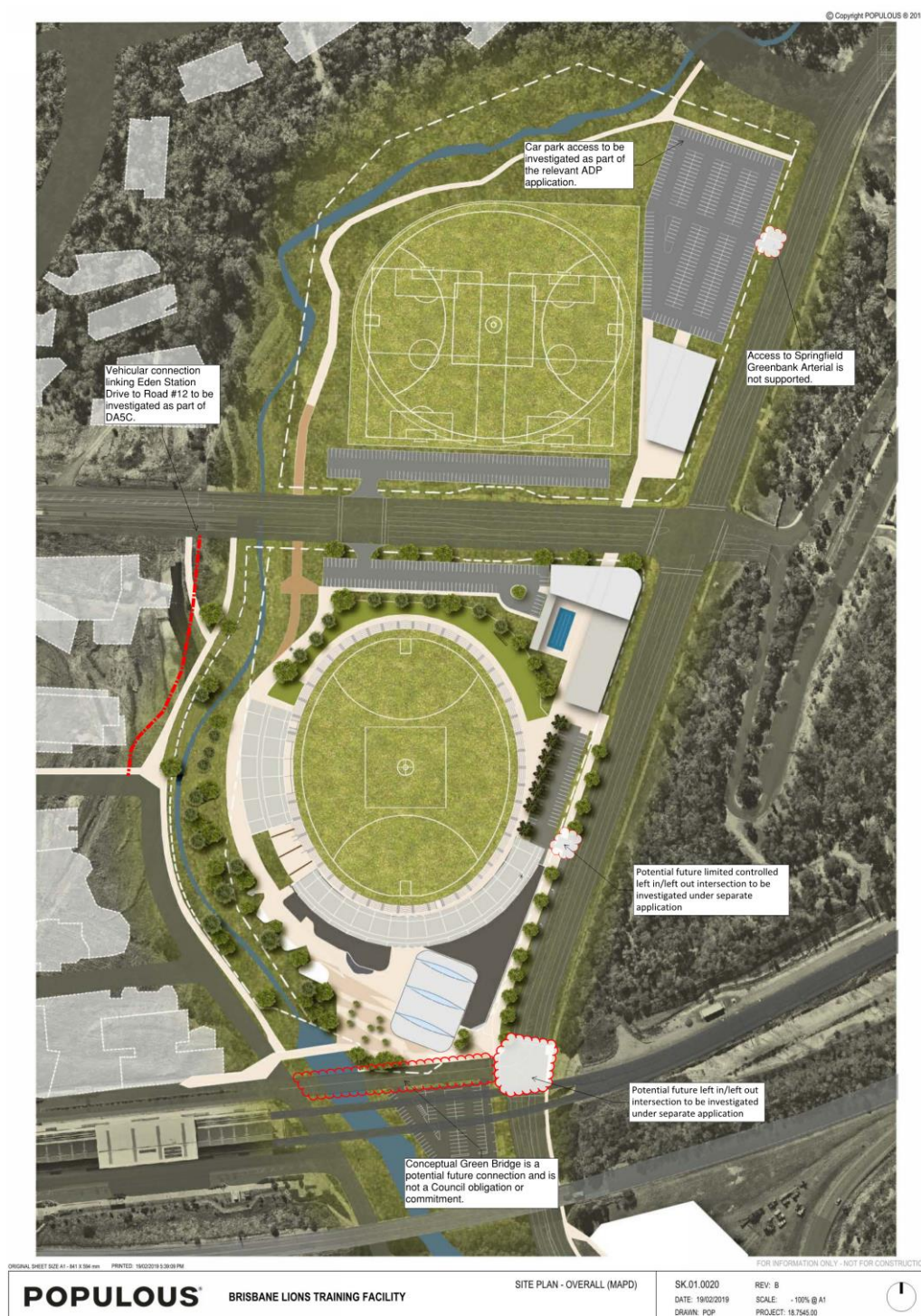


FIGURE 2: Springfield Central Stadium Precinct

In conjunction with this application, the applicant is seeking to amend the Town Centre Concept Plan to include the Town Business Precinct within Development Area 22A. Section 4.3.3.20 of the Springfield Town Centre Concept Plan is proposed to be amended to identify that DA 22A/22B is to *comprise Citywide sporting facilities with complementary commercial uses, Local sporting facilities, Citywide linear parkland and District recreation parkland incorporating the preferred dominant land uses of Recreation Precinct and Town Business Precinct.*

The proposed MADP is consistent with the proposed amended Springfield Town Centre Concept Plan that is currently being considered under application 4741/2019. The proposed MADP is detailed in **Attachment A**.

The minimum standard of facility intended to be developed within DA22A is to be the equivalent of one (1) citywide level sporting facility that is consistent with the desired standards of service for Citywide level sportsgrounds and courts as detailed in Ipswich City Council's Local Government Infrastructure Plan. It is noted that the Developer has provided the required courts in the Southern Sportsfields (Development Area 16 and 17). Consequently, no courts are proposed in Development Area 22A and the respective embellishment value is to be adjusted.

The minimum standard of facility intended to be developed within DA22B is to be the equivalent of One (1) local sports and courts facility that is consistent with the desired standards of service for Local level sportsgrounds and courts as detailed in Ipswich City Council's Local Government Infrastructure Plan.

Development Areas 22A-22B will provide a high degree of permeability within the site and connectivity to pedestrian and bikeway networks leading into and out of the Town Centre to form an integral part of the open space network. DA22A-22B will provide pedestrian pathways to link the open space and activity areas with the built environment of the Town Centre, train and bus stations, and community Open Space parks (neighbourhood and local parks). Connections will be physical, via pedestrian pathways and cycleways, and also visual, via views to and through the open space sportsfields environment.

DA22A is intended to be developed as a premier sports facility that is to accommodate elite teams/clubs involved in the Australian Football League (AFL). The facility will include a Clubhouse, administration and storage facilities, indoor and outdoor training areas, rehabilitation and recovery facilities, Indoor Recreation (Gymnasium and aquatic centre), Medical Centre (sports medicine), Child Care Centre, Café/Restaurant, and catering and concessionary areas capable of providing services to spectators, media and broadcasting facilities. The sports fields will be supported by a range of seating options, including potential for covered grandstands, open terraces and grassed areas. Outdoor broadcast quality lighting will also be provided. Subject to acoustic and lighting assessment (which is to be provided as part of a future ADP application), lighting and the design of safe routes through the precinct will enable evening and night time use of areas of the park and the undertaking of events. Concerts and other outdoor entertaining activities may be accommodated in this precinct from time to time.

The minimum level / standard of facilities to be delivered within DA22B is to be the equivalent of one (1) local sports and courts facility as detailed in Ipswich City Council's LGIP to provide active and passive recreational opportunities. The facilities will be supported by a range of recreation facilities including clubhouses, pedestrian and cycle facilities and linkages.

An event management plan is required to be prepared as part of the relevant ADP application and must include input from relevant stakeholders including *inter alia* Council, Queensland Rail, Translink, Orion Springfield Central and the Springfield Anglican College.

Springfield Town Centre Concept Plan

The Springfield Town Centre Concept Plan (TCCP) was originally approved by Council on 16 July 2002. The TCCP guides development within the Town Centre in a progressive manner with appropriate interface between precincts and development areas. The TCCP delineates the development areas within the Town Centre in respect of which the initial Area Development Plans (MADPs) must be prepared. The TCCP identifies DA 22A and 22B as Recreation, however in order to facilitate the development of complementary land uses that will be associated with the Premier Sports Facility, the applicant is proposing to amend the TCCP to include the Town Business Precinct within Development Area 22A.

Flooding and Drainage

The Springfield Drainage Master Plan (DMP) (2000) has been approved by Council and outlines the proposed drainage infrastructure and design criteria for stormwater infrastructure within the Springfield Structure Plan area. However, the entire Woogaroo Creek catchment has undergone significant changes since the DMP was approved in 2000, which has not been updated to reflect the changes in development over time. Consequently, the MADP requires the Master Developer (Springfield City Group) to lodge with Council and obtain approval of an updated DMP. The updated DMP must ensure that the initial outcomes set in the approved DMP (2000) are still achieved and that the flooding and waterway impacts are clearly understood. An updated DMP is required to provide a clear baseline from where impacts for the creek realignment works can be satisfactorily quantified, assessed and where necessary mitigated/managed.

To facilitate the development of a premier sports facility, Mountain Creek is proposed for realignment. The MADP will require that the creek realignment achieve 1% Annual Exceedance Probability plus climate change (AEP+CC) flood immunity with appropriate freeboard. A flood impact assessment is required to be provided as part of the submission of the first ADP over the site. The flood impact assessment, should demonstrate that the realignment of the creek post development can achieve a no worsening impact (on the pre-development condition) for all flood and stormwater events that exist prior to development and up to a 1% AEP+CC. The MADP also requires that a stormwater management plan be submitted as part of the first ADP application for the site, which must provide hydraulic calculations for all storm events up to and including the 1% AEP+CC event, in accordance with QUDM, Council's *Implementation Guideline 24 - Stormwater Management* and Council's *Planning Scheme Policy 3 - General Works*.

Roads and Transport

On site at-grade car parking areas will be provided within both DA22A and DA22B. The car parking areas will be accessed off Eden Station Drive and located in close proximity to the clubhouses and training and administration facilities, to suit operational requirements of each site. This will require the construction of a four way signalised intersection on Eden Station Drive. As part of the first Area Development Plan application, the applicant will be required to provide a traffic impact assessment, and parking layout plans, prepared by a

traffic engineering professional (RPEQ) that provides commentary on how the proposed access driveways, aisles and parking configuration meets Australian Standards, and recommends any required mitigation measures.

Springfield Greenbank Arterial will be duplicated by Council as required under the Springfield Town Centre Infrastructure Agreement and Springfield Infrastructure Agreement. The intersection of Springfield Greenbank Arterial and Eden Station Drive is currently signalised but will be upgraded in conjunction with the duplication of Eden Station Drive. A Transport Impact Assessment (TIA) will be required with an Area Development Plan application for 22A, which will need to identify the trigger and extent of road and intersection upgrades required to support the proposed development outcomes.

A Public Transport Impact Assessment is to be provided as part of the first ADP application for DA22A, which demonstrates the traffic generation impacts to the Springfield Central Station and how they will be mitigated.

An Active Transport Impact Assessment and associated proposal plans must be submitted with the first ADP application for DA22A that demonstrate how direct, safe and convenient access to public passenger transport and also pedestrian/ cycle access to the Precinct will be achieved in day to day operation and event modes.

RESOURCE IMPLICATIONS

Under the Springfield Infrastructure Agreement and the Springfield Town Centre Infrastructure Agreement, the Developer (Springfield City Group) are required to complete embellishment works for the equivalent of a Citywide sports facility in accordance with the Springfield Town Centre Infrastructure Agreement. The Developer is proposing to provide an equivalent financial contribution to Council for the facility. The value of the embellishment work (for one [1] Citywide [Level 1] sportsground) is as at the 2019/20 financial year is \$10,087,507.28. Where an equivalent financial contribution is made, the Developer (Springfield City Group) is relieved of their embellishment obligations and that obligation is transferred to Council. The proposal by the Developer will require Council enter into a separate agreement with the Developer to provide a financial contribution.

RISK MANAGEMENT IMPLICATIONS

The Master (initial) ADP, including any supporting information, does not in any way allocate construction or financial responsibility to Council or the Developer outside of that already outlined in the Springfield Infrastructure Agreement or Springfield Town Centre Infrastructure Agreement.

As provided for in Section 2.2.4 of the Springfield Structure Plan (SSP), *Area Development Plans are the mechanism whereby the master planning of the Structure Plan area is put into effect*. With respect to the Town Centre, Section 2.2.2 of the SSP identifies that the *first ADP over land in a Development Area must include the whole of the land in the Development Area as a Master Area Development Plan (MADP)*. Upon approval of the MADP for Development Area 22A and 22B, Council will be in a position to consider future Area Development Plan applications for the proposed development that will permit development to occur.

LEGAL/POLICY BASIS

This report and its recommendations are consistent with the following legislative provisions:

Planning Act 2016

Ipswich Planning Scheme 2006

Springfield Structure Plan

RISK MANAGEMENT IMPLICATIONS

The Master (initial) ADP, including any supporting information, does not in any way allocate construction or financial responsibility to Council or the Developer outside of that already outlined in the Springfield Infrastructure Agreement or Springfield Town Centre Infrastructure Agreement.

As provided for in Section 2.2.4 of the Springfield Structure Plan (SSP), *Area Development Plans are the mechanism whereby the master planning of the Structure Plan area is put into effect*. With respect to the Town Centre, Section 2.2.2 of the SSP identifies that the *first ADP over land in a Development Area must include the whole of the land in the Development Area as a Master Area Development Plan (MADP)*. Upon approval of the MADP for Development Area 22A and 22B, Council will be in a position to consider future Area Development Plan applications for the proposed development that will permit development to occur.

FINANCIAL/RESOURCE IMPLICATIONS

Under the Springfield Infrastructure Agreement and the Springfield Town Centre Infrastructure Agreement, the Developer (Springfield City Group) is required to complete embellishment works for the equivalent of a Citywide sports facility in accordance with the Springfield Town Centre Infrastructure Agreement. The Developer is proposing to provide an equivalent financial contribution to Council for the facility. The value of the embellishment work (for one [1] Citywide [Level 1] sportsground) is in the order of \$10,087,507.28. Where an equivalent financial contribution is made, the Developer (Springfield City Group) is relieved of their embellishment obligations and that obligation is transferred to Council. The proposal by the Developer will necessitate a separate agreement between the Developer and Ipswich City Council to finalise these arrangements.

COMMUNITY AND OTHER CONSULTATION

Referral Agency (Third Party Advice)

The application was referred to the Department of Transport and Main Roads for third party advice, owing to the proximity of the site to the Springfield Central train station and the potential impact that the proposed use will likely have on the state controlled road network. The Department provided advice that requested the applicant provide the following assessments:

- Public Transport Impact Assessment to provide an assessment of the overall impact of the proposed development on all forms of public passenger transport.

- Active Transport Impact Assessment that demonstrate how direct, safe and convenient access to public passenger transport and also pedestrian/cycle access to the Precinct will be achieved in day to day operation and event modes.
- Stormwater management plan and flood assessment.

The Master Area Development Plan has been amended to require the submission of the reports as part of the first Area Development Plan application lodged over the site.

Consultation with Applicant

The applicant was provided with a draft MADP document for review prior to the exercise delegation. The applicant has requested amendment to the draft MADP document, which has been summarised in the following table:

MADP Section	Applicant Representation	Planning Remarks
2.1.6 – Springfield Infrastructure Agreement/Springfield Town Centre Infrastructure Agreement	<p>The existing STCIA, needs to be amended or a separate agreement entered into requiring the Developer (SCG) to make a cash contribution to the equivalent to a Level 1 sportsgrounds. The value of the cash contribution is identified in Annexure 5 and is valued at 8,931,262.84 in the 2019/20 financial year. The associated credits are to be Level 1 Open Space credits that can be applied under the SIA and the STCIA (i.e. interchangeable). The timing of the cash contribution is to be made of three financial years as follows:</p> <p>(a) June 2020 - \$3 Million (Noting that the Council to refund \$500,000 to SCG in accordance with the Categorization of Land for Rates Dispute Settlement Agreement upon this payment being received);</p> <p>(b) June 2021 - \$3 Million;</p> <p>(c) June 2022 – Balance contribution.</p> <p>(d) The Council to embellishment a Local Courts and sports facility in Development Area 22B or make an equivalent</p>	<p>The MADP identifies that agreements <i>may be entered into whereby the Developer may make a cash contribution to the equivalent to a level 1 sportsground and courts facility towards the Development Area 22A area</i>". Moreover, it should be noted that an MADP is not intended to allocate construction or financial responsibility to Council or the Developer (This is described in the Purpose Statement of the MADP). To this end, under Section 157 of the Planning Act an Infrastructure Agreement will take precedence over any development approval.</p> <p>Details of the timing and value of the contribution is a matter that should be finalised and detailed in a separate Infrastructure Agreement (or variation to an existing infrastructure Agreement).</p> <p>The Town Centre Concept Plan identifies a requirement for Council to provide an additional Citywide and 4 Local Sports and Courts, external to the Town Centre, which is proposed to be funded through Infrastructure Contributions. It is proposed to locate one (1) of the Local Sportsgrounds within Development Area 22B. The applicant's proposal to include a</p>

	<p>cash contribution towards the agreed embellishment outcome for area 22B;</p> <p>(e) The Developer to dedicate the additional land required to accommodate the Premier Sports Facility in Development Area 22A.</p>	<p>requirement to embellish 22B is unnecessary because Council is fulfilling a future requirement that is not linked to any triggers in an Infrastructure Agreement.</p>
Section 1.4 - Aims of the MDP 22A-22B <i>ff</i>	<p>References to 15,000 capacity should be changed back to 30,000 plus as agreed with Council previously.</p>	<p>Seating capacity of 15,000 was referenced in the MADP document as this was based on previous advice provided from the Lions Football Club. The Applicant and the Lions Football Club are now indicating that 15,000 is insufficient and 30,000 is more appropriate.</p> <p>Seating references in the MADP are indicative only and in no way commit Council to constructing a 30,000 seat stadium. Consequently the request to amend these references are agreeable and therefore the MADP has been amended to indicate a potential seating capacity of 30,000 seats.</p>
Section 3.1. - Vision	<p>To facilitate access between the commuter car park and the rail station, the Council in conjunction with the Queensland Government is to construct an all movement signalised intersection on the Springfield Greenbank Arterial and construct a 'green' bridge connection between the Springfield Greenbank Arterial and the rail station. The 'green' bridge is to accommodate pedestrian, cycle and bus movements only. The green bridge is not required at the initial development phase but will be required to be provided once the stadium capacity exceeds 15,000 people or the stadium hosts more the 25 events annually that attract crowds in excess of 10,000 people. This requirement needs to be incorporated within the MADP.</p>	<p>The MADP document includes aspirational commentary discussing the future potential construction of a 'green bridge' which is to provide cycle and public transport connection between Springfield Greenbank Arterial and Sir Llew Edwards Drive (Springfield Central train station).</p> <p>The 'Green' Bridge link is not identified as trunk infrastructure, nor has Council or the State Government provided a commitment to funding the project. Consequently, the applicant's request to include wording in the MADP that suggests that both Council and the State Government are committed to funding the project and detail triggers for its construction is inaccurate.</p> <p>The principle of the 'Green' bridge is recommended to remain as it may be considered in the future. To this end, it is recommended that the MADP be</p>

		amended to clearly identify the 'Green' bridge as an aspirational project that may be considered in the future.
Section 3.4 – Design Response	Access (controlled) off SGA is critical to the operation of the stadium.	<p>The MADP proposes to include access to a car parking area located adjacent to Springfield Greenbank Arterial. Preliminary review by Council officers indicated that the proposed access would be problematic for the future duplication and signalised intersection works required to Springfield Greenbank Arterial.</p> <p>The applicant, in concert with the Lions Football Club, have indicated that the access is to be limited to staff/players, service vehicles and is also required for emergency services. Consequently it is recommended that the MADP be amended to permit limited access from Springfield Greenbank Arterial (details of this access will need to be assessed as part of the Area Development Plan application).</p>
Section 6 - Infrastructure	Council needs to clearly identify triggers for roads upgrade surrounding the site.	<p>The MADP identifies the current expected timeframe for upgrading of Council infrastructure, and is based on the current construction program. It is noted that the timing for duplication of the Springfield Greenbank Arterial is not in line with the triggers in the SIA, however again it should be noted that the MADP is not intended to allocate construction or financial responsibility to Council or the Developer (This is described in the Purpose Statement of the MADP).</p> <p>The MADP provides an outline of the expected timing for the delivery of duplication and upgrade works surrounding Development Area 22A and 22B, and further detail is not required.</p>
Section 6.3.5 – Roadworks	Road 11 is a headwords road accordingly Council should be responsible for its construction, not the 'Developer' as highlighted in the draft MADP.	Road 11 is not identified under the Local Government Infrastructure Plan as a creditable road. It is however identified in the STCIA, which states that the <i>"Developer accrues credit for</i>

		<p><i>the construction of the road” (cf. 3.4[c] STCIA). It is recommended that the section remain unchanged.</i></p> <p>The MADP includes a requirement for the Developer to construct Road 11 if required as part of a Public Transport Impact Assessment.</p>
Section 3.3 – Master Plan – Key Elements	Road 12 is not linked or associated with the stadium development. Accordingly, we seek Council feedback as to why it has been referenced in the draft MADP?	<p>Road 12 is an adjacent future road to be located along the western boundary of the precinct. References to Road 12 in the MADP are required as it provides context with adjacent development. Road 12 is associated with the Development Area because it is an adjacent future road, and is shown on the proposal plans provided by the applicant.</p> <p>The MADP includes a requirement for the Developer to construct Road 12 if required as part of a Public Transport Impact Assessment.</p>
Section 1.4 – Aims of the MADP 22A-22B ff	There are many references to “subject to appropriate acoustic and lighting assessment” throughout the document. These considerations are not appropriate in the MADP and should be an ADP matter. Also, the document should make it clear that the facility is intended to be used for events, including at night so any assessments are undertaken in that context. Further, we can’t design for something that may or may not be there in 5-10 years’ time.	The references to acoustic and lighting assessment have been included as it will be required that this assessment be undertaken. With any ADP application the applicant will need to ensure that the proposed development will function in accordance with the relevant legislation (EPA). As such, it is recommended that the MADP be amended to identify that the assessments are required as part of the relevant ADP application.
Section 4, Table 4.1 - Indicative Dominant Land Use	In section 4, particular table 4.1, SCG and the Brisbane Lions do not support gaming on-site. Accordingly, this use should be limited and prevented. This is a community asset and the land was dedicated to Council for the purpose of community open space. Permitted gaming activities on-site is inconsistent with the community open space purpose for which the land was dedicated.	References to prohibiting gambling and gaming were originally proposed to be removed from the MADP as it is limiting commercial activity. The Brisbane Lions Football club have indicated that they do not intend to provide gambling/gaming services. In addition, given that this is Council owned land that is utilised for a community purpose, the inclusion of a prohibiting gambling is appropriate and as such the MADP document has been amended to reinstate the

		prohibition.
Section 1.4 – Aims of the MADP 22A and 22B	In section 1.4 there is reference to “Educating key stakeholders on what is “best practice” and “needs versus wants” and “containing costs within reasonable levels of funding attainment”. These are not relevant in a planning document in our view.	The commentary in Section 1.4 was included in the original submission provided by the applicant and was not included by Council as suggested by the applicant. The removal of these statements however are not critical and have therefore been removed from the proposed MADP.
Section 1.4 – Aims of the MADP 22A and 22B	Also, in section 1.4 there is a reference to “private sporting club” which should be changed to “elite sporting club”	The comment in section 1.4 requires that <i>private sporting club use is balanced with reasonable public access to the facility</i> , and relates to any private club that may use the site. Replacing the word “private” to “elite” may be construed to mean that only elite sporting clubs are required to balance private and public access. As the current wording relates to all private clubs, it is recommended that the wording remain unchanged.
Sections 2.1.9 – Springfield Drainage Master Plan, 2.3.5 - Drainage and Flooding, and 3.3.9 - Drainage	Section 2.1.9 updated DMP and 2.3.5 flood impact assessment and 3.3.9 detailed stormwater management plan; <ul style="list-style-type: none"> including the DMP be a predecessor for the ADP will add another 3-4 months to the process. Delete this sentence in 2.1.9 and make it an obligation on all future ADPs, not retrospectively which this clause (and MADP timing) does now. Also, we understand that Cardno were engaged by ICC to review firstly the veracity of the Flooding Guidelines and then to review modelling to see whether the FFP creek design complies with these guidelines. We understand this has now been successfully completed on both fronts. 	The original Drainage Master Plan was completed in 2000, since that time the Master Developer has not updated the document, despite the Master Developer not complying with the outcomes of the original Drainage Master Plan. This site is adjacent Mountain Creek and is proposing creek diversion works. Updated drainage details is required to provide an accurate baseline for preparation of a flood report in relation to the creek diversion works. Therefore it is recommended that the requirement to provide an updated Drainage Master Plan should remain but the trigger for this work to be undertaken prior to the first ADP be deleted.
Section 3.1. - Vision	Section 3.1- the DA22A facility will not be suitable for “cricket and/or athletics” so this should be deleted.	This section has not been amended by Council and is the applicant’s own words. The section refers to the precinct as a whole. To that end, DA

		22B will be providing opportunity for other sports such as cricket and athletics.
Section 6.3 Embellishment – DA22A Section 6.4 Embellishments – DA22B	Minimum level/standard of facilities for DA22B is stated as “local sports and courts facility”. A clause needs to be included indicating that ICC can make an equivalent cash contribution towards the agreed embellishment outcome given its unlikely that this precinct will be embellished in accordance with Council policy.	Embellishment of DA22B is a Council responsibility and is dependent on Council obtaining sufficient funding. If in the event that the site is to be over embellished, this will be subject to an agreement. It is therefore recommended that no clause be included as it is not required for Council to enter into any future agreement with a third party and is solely a Council matter.
Section 3.3.1 – Key Issues	Third bullet point – “The creek design and associated corridor widths is subject to an MADP, which once developed...” This MADP deals with the creek and the design and corridor has already been established and is being constructed.	It is recommended that reference to MADP be amended to “future application” as the works will require approval from the Department of Natural Resources and Mines and operational works approval.
Figure 4.1 - Indicative Master Plan	It is proposed that a multi-use oval with rectangular fields within will be delivered on site DA22B. Suggest figure 4.1 is updated to reflect this.	Figure 4.1 is an indicative illustration that was originally submitted by the applicant. To this end, Council is electing to embellish 22B as a Local Sports and Courts Facility and this is detailed in the MADP document, the illustration is indicative only and identifies DA22B as a Local Sports and Courts Facility. Further amendment to the illustration is not warranted given that details of DA22B is provided in Volume 2.
Section 4.1.2 - Land Use Types	Section 4.1.2 “Complimentary uses may comprise areas or structures that perform a commercial function and are suitably licensed by Council to operate within the area under the jurisdiction of Council.” The Club will have a lease over the premises which will deal with permitted uses. Is this reference meant to cover other licensing such as food licences etc rather than rights of use under the occupancy arrangement.	Section 4.1.2 relates to all necessary approvals/licencing required to be obtained for each relevant use.
Section 4.1.2 - Land Use Types	Does reference to “Local Utility” or “Public Utility” cover a District Cooling System.	Local Utility and Public Utility do not relate to a District Cooling System.

Section 6.0 - Infrastructure	The MADP should allow at Council discretion, the Developer converting the obligation to contribute land in Development Area 5 for a Community Facility site into an equivalent cash contribution toward the Reserve project. The value of the cash contribution would be consistent with the valuation method used to determine the value of sites current dedicated to Council.	The Springfield Town Centre Infrastructure Agreement requires the dedication of land for community facilities. Council has not agreed to the converting this obligation to a financial contribution, and the obligation to provide land for community facilities within DA5 is not related to this MADP. As such the request to include this comment in the MADP is not supported. These arrangements may be subject to separate approvals, conditions and agreements at some time in the future.
Sections 5.1.6 - Car Parking and 5.1.7 - Public Safety	<p>Section 5.1.6 which are requirements inserted at the request of DTMR. This should be dealt with by Council and not the ADP as it is Council which is designating the site as a stadium site we have reviewed 5.1.6 and 5.1.7 and our comments are:</p> <ul style="list-style-type: none"> ○ To say no development should adversely affect a state controlled road is problematic. Firstly, this is not relevant in an MADP, it is more an ADP issue. Secondly, what does adversely impact mean? We are building five buildings and housing about 250 cars. We are going to be adding to traffic congestion on ESD and SGA. ICC need to duplicate their roads to cater for the growth in the area; ○ Wording such as "The first ADP should" Is, in our view, not appropriate for an MADP. The MADP should establish parameters, set the vision/desired outcomes, etc. Whatever happens with ADP's, and however many ADPs there will be is not relevant; ○ 5.1.6 items (i) to (vi) reads more like ADP Conditions than an MADP; 	These items were provided from the Department of Main Roads and have been included in the MADP as a future ADP requirement as no traffic impact assessment has been provided as part of the MADP. As such it is recommended that the sections remain unchanged.
Section 5.6.1 -	Section 5.6.1 be amended to	Upon review of the applicant's

Carparking	<p>include the following:</p> <ul style="list-style-type: none"> • Avoid conflicts with pedestrians; • Take into account the requirements for AFL stadium • “As part of the first Area Development plan application, the applicant will provide a traffic impact assessment, and revised parking layout plans...” Revised from what? • Point (v) should be removed. 	representations it is recommended that the MADP be amended as requested.
Section 6.1 – Fit for Purpose – DA22A Section 6.2 – Fit for Purpose – DA22B	Section 6.1 “These works are to be completed by within 6 months of the completion of the revised flood study reference in Section 2.3.5”. This is a Council obligation. Same for 6.2.	These sections identify that fit for purpose works are a Council obligation. No further amendment is required.
Section 6.3.4 - Water	Section 6.3.4, 6.4.3 Council are providing water and recycled water connections as part of its Fit For Purpose works.	The Master Developer is required to embellish the Citywide Sports Facility in accordance with the STCIA and SIA. The Master Developer has suggested that they may elect to provide a financial contribution in lieu of construction. In accordance with these agreements it is the Master Developer that is provide a water connection. Therefore, if the Master Developer does not provide a financial contribution the requirement to provide a connection is the Developer’s responsibility.
Section 6.3.5 - Roadworks	Section 6.3.5 Delete “unless required earlier and delivered by the Developer as part of an ADP for Development Area 22A or 22B”. 22A and 22B are Council assets and this should not be an ADP condition.	The intersection works are a Council requirement. It is recommended that the wording be amended to indicate same.

Internal Stakeholders

Internal stakeholders were consulted in the preparation of the MADP document, including:

- Infrastructure and Environment Department with respect to floodplain management, public open space and transport planning, provided comment on the draft MADP document. Their comments were considered as part of the preparation of the MADP



document. Transport planning did recommend that no access be permitted from Springfield Greenbank Arterial, however it was decided that limited access from Springfield Greenbank Arterial may be considered as part of an ADP application.

- Coordination and Performance Department, acting on behalf of Council as landowner, provided comments which were including in the preparation of the MADP document.

CONCLUSION

An assessment of the proposed Master Area Development Plan for Development Area 22A and 22B has been undertaken. It has been determined that the proposed master plan generally complies with the intent of the amended Town Centre Concept Plan and the Springfield Town Centre Infrastructure Agreement. It is therefore recommended that this Master Area Development Plan be decided in accordance with the recommendations and attachments of this report.

ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

1.	Master Area Development Plan Vol. 1 
2.	Master Area Development Plan Final Draft Vol. 2 

Sean Dickson

SENIOR PLANNER (DEVELOPMENT)

I concur with the recommendations contained in this report.

Anthony Bowles

ACTING DEVELOPMENT PLANNING MANAGER

I concur with the recommendations contained in this report.

Brett Davey

ACTING GENERAL MANAGER - PLANNING AND REGULATORY SERVICES

“Together, we proudly enhance the quality of life for our community”



SPRINGFIELD CENTRAL STADIUM PRECINCT

Development Areas 22A and 22B

Master Area Development Plan (MADP) – Volume 1

22 October 2019

Purpose of Document

Master Area Development Plan (DA22A- 22B)

This document should be read in conjunction with the supporting document entitled: "Master Area Development Plan 22A-22B: Volume 2 Supporting Information" and the following documents:

- ☐ Springfield Town Centre Concept Plan (including the Springfield Town Centre North Overarching Master Planning Framework); and
- ☐ Springfield Open Space Master Plan



The Supporting information provided in Volume 2 does not form part of the Master Area Development Plan (MADP) but provides information required in accordance with the Springfield Town Centre Concept Plan (TCCP) to assist with the implementation of the Master ADP and has been utilised to support various outcomes detailed in this Master ADP.

The Master (initial) ADP, including any supporting information, does not in any way allocate construction or financial responsibility to Council or the Developer outside of that already outlined in the Springfield Infrastructure Agreement or Springfield Town Centre Infrastructure Agreement.



This MADP was prepared and submitted to Ipswich City Council by Springfield City Group (formerly Springfield Land Corporation) in accordance with the requirements of the Springfield Structure Plan (SSP) and Springfield Town Centre Concept Plan (TCCP).

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Annexure (2) Road Network Plans

Annexure (3) Sewer Connections and Opossum Creek Trunk Sewer Alignment

a. Developer's Trunk responsibility

Annexure (4) Mountain Creek Realignment Plans (Council's Responsibility)

Annexure (5) Cultural Heritage

1. Introduction

This document reflects the principal considerations that underpin the master plan for Development Areas 22A and 22B (DA22A-22B), to be known as the Springfield Central Stadium Precinct, of the Springfield Town Centre North area.

1.1. Purpose and Applicability of Document

The Springfield Central Stadium Precinct will ultimately be established as a boutique Premier Sports Stadium Facility of regional and national significance which will be developed over time.

This Master Area Development Plan (MADP) document has been prepared in accordance with the Springfield Structure Plan (SSP) and the Springfield Town Centre Concept Plan (TCCP). The TCCP was first approved on 16 July 2002 and provides a conceptual framework for the whole of the Springfield Town Centre including DA22A-22B. The TCCP has been amended on several occasions since it was adopted.

1.2. Role of MADP for DA22A-22B

This MADP document intends to communicate the site characteristics, open space principles, conceptual master planning ingredients, development guidelines, and implementation measures appropriate for the construction of the Springfield Central Stadium Precinct on DA22A-22B of the Springfield Town Centre. Specifically, this MADP for DA22A-22B:

- ☐ relates to the whole of the land identified as DA22A- 22B in the TCCP;
- ☐ is the mechanism whereby the master planning of the SSP and TCCP, including the Springfield Town Centre North Overarching Master Planning Framework (OMPF), is put into effect for DA22A-22B;
- ☐ illustrates the indicative master planning and design elements involved in the creation of the Springfield Central Stadium Precinct;
- ☐ describes the range of land uses and design guidelines;
- ☐ describes the indicative pattern and form of development that will be developed in stages over time; and
- ☐ functions as a subdivision proposal and/or potential land use proposal to produce an integrated master plan for development.

1.3. MADP Approval

Upon Council approval, this MADP will authorise the proposed development of DA22A-22B in accordance with this MADP. However, approval of the MADP does not limit evolution of the conceptual design illustrated in the Master Plan at the ADP stage.

Before development can occur on DA22A-22B or any part thereof, it will be necessary to apply to Council for a Development Permit approval for an ADP which authorises the

Springfield Central Stadium Precinct MADP (Development Areas 22A and 22B) - Volume 1 (22 October 2019)

reconfiguration and/or use of all or part of DA22A-22B for the purposes shown or nominated on the ADP.

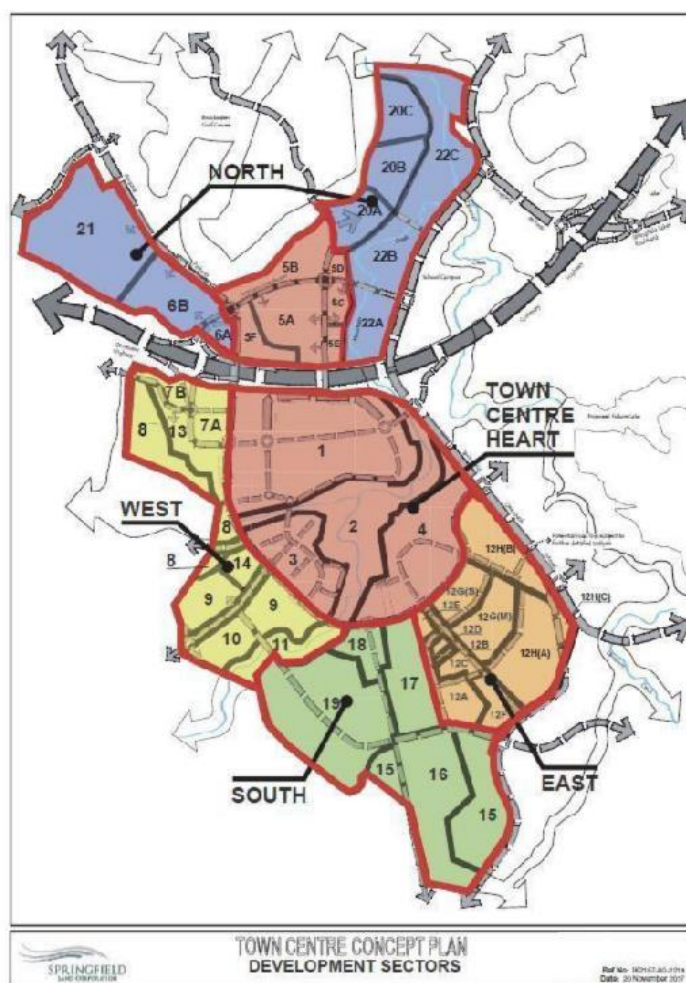


Figure 1.1- Development Sectors- (Town Centre Concept Plan) (as it relates to Development Sectors only)

1.4. Aims of MADP 22A-22B

DA22A-22B is located in the Town Centre Frame – Town Centre North (**Figure 1.1**) and includes the Recreation Precinct and Town Business Precinct (**Figure 1.2**) in accordance with the TCCP (as amended).

The TCCP states the intent of Development Areas 22A-22C as:

"These Development Areas are to comprise Citywide sporting facilities with complimentary commercial uses, Local sporting facilities, Citywide linear parkland and District recreation parkland incorporating the preferred dominant land uses of the Recreation Precinct and Town Business Precinct."

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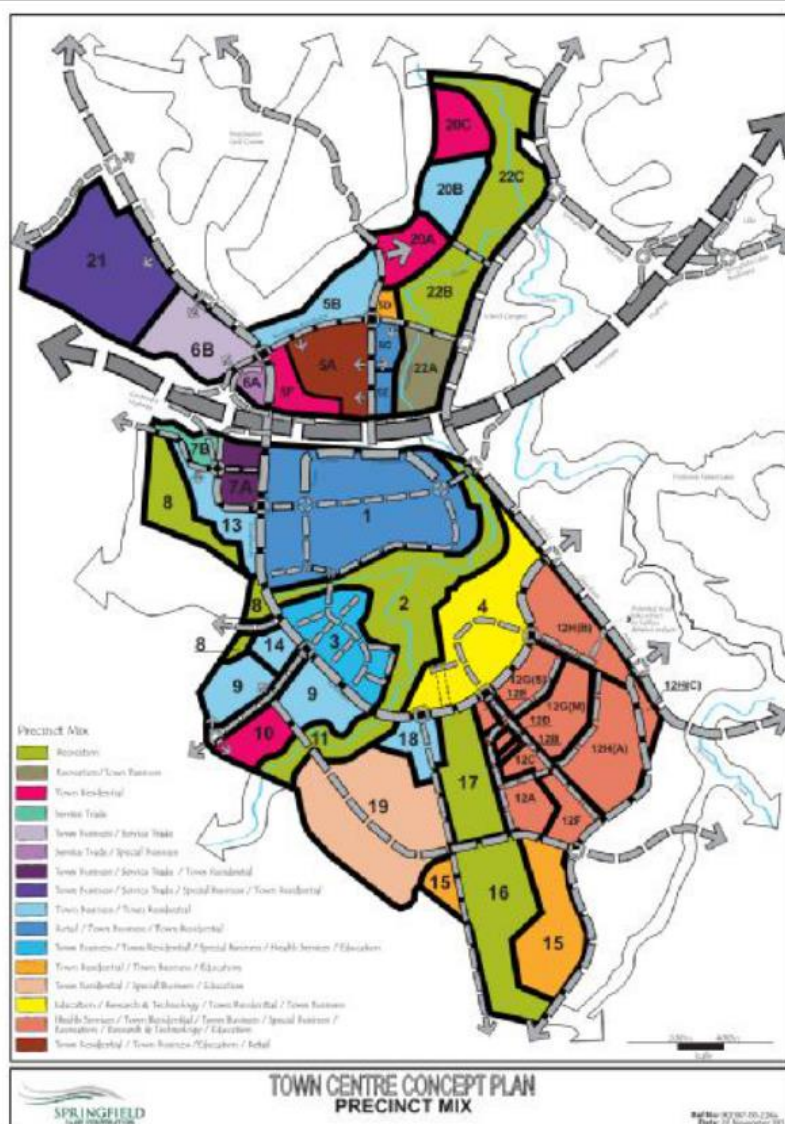


Figure 1.2- Precinct Mix (Town Centre Concept Plan) (as it relates to DA22A – 22C only)

Development Areas 22A and 22B forms an integral part of the Town Centre Frame for the Springfield community, linking the high intensity mixed use nature of the surrounding commercial, retail, educational and residential uses around a high-quality sporting corridor. The sporting facility represents a rare opportunity to incorporate a range of active and passive recreational opportunities that will act as a central focus of the development of the town centre.

The statutory obligations as originally planned in relation to Development Areas 22A and 22B relate to the delivery of a Citywide Sports Facility over the whole of the precinct. However, with the intention to deliver a boutique 'Premier Sports Facility' with stadium, the planning for the precinct is now envisaged as detailed below.

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The minimum standard of facilities to be delivered within DA22A is to be the equivalent of one (1) citywide level sporting facility consistent with the desired standards of service for Citywide level sportsgrounds and courts as detailed in Ipswich City Council's *Local Government Infrastructure Plan (LGIP; Public Parks Update 2016 and associated Schedule of Works and Desired Standards of Service and supporting information)* to provide active and passive recreational opportunities. Such facilities will be supported by a range of recreation facilities including clubhouse, pedestrian and cycle facilities and linkages. A regionally or nationally significant facility of this nature will require co-investment and cooperation from all levels of Government and the commercial sector. However, for this infrastructure to be eligible for any trunk infrastructure offsets or funding, must for the perpetuity of the facility, provide freely accessible public open space to the community (in accordance with the park type and function outlined in Council's LGIP and associated supporting documentation). To this end, appropriate planning, community engagement (in accordance with Council Policy), design and operational consideration is needed to ensure a minimum level of public accessibility is preserved and appropriate measures in place to prevent limitations or removal of this accessibility in the future.

The minimum standard of facilities to be delivered within DA22B is to be the equivalent of one (1) local sports and courts facility as detailed in Ipswich City Council's *LGIP* to provide publicly and freely accessible active and passive recreational opportunities. Such facilities will be supported by a range of recreation facilities including clubhouse, pedestrian and cycle linkages.

However, the ultimate development form for DA22A is a boutique 'Premier Sports Facility', in accordance with the role and function outlined in Council's *Local Government Infrastructure Plan* (and associated supporting documentation and Implementation Guideline 27: *Guidance on Recreation Range and Opportunity Outcomes Arising from Embellishment of Public Parks*). DA22B is intended to provide local sporting facilities. These sporting facilities are to be known as the Springfield Central Stadium Precinct and will evolve over a long period of time. Stadium facilities with the potential to accommodate 30,000 people on DA22A will develop over time.

Development Area 22A will accommodate a stadium primarily designed for use by the AFL. Development Area 22B will accommodate local sporting fields. The facility on Development Area 22A may include a high-performance training and administration centre, which includes a broad range of land uses that will provide every opportunity for a sporting team participating in an elite national sport to be successful, both on field and off field. Subject to appropriate acoustic and lighting assessment (submitted as part of the relevant ADP application), both facilities may be designed to permit other community and entertainment activities such as concerts, festivals and extreme sports events on occasions.

Given the time required for the precinct to evolve and achieve its full development form, interim or intermediate options for the precinct may be developed. Consideration may also be given to a potential all-weather artificial hybrid playing surface on DA22B should suitable funding become available. The sports fields will be supported by a range of seating options, including covered grandstands on DA22A, open terraces and grassed areas, clubhouse and administration facilities, indoor and outdoor training and recovery areas, amenities, parking and plaza areas. Outdoor broadcast quality lighting may also be provided on DA22A where elite level sports are being played, subject to lighting assessment on amenity of sensitive receivers.

To achieve the long-term objective for a boutique 'Premier Sports Facility', the MADP seeks to maximise flexibility. Key elements/factors that may be considered in developing a sports facility include:

- ☐ Build an AFL stadium of national significance;
- ☐ Build a suitable training facility;
- ☐ Optimising facility functionality and flexibility;
- ☐ Ensuring that any private sporting club use is balanced with reasonable public access to the facility;
- ☐ Maximising relevant commercial and opportunities within the precinct and also capitalising on and enhancing public and community outcomes;
- ☐ Identifying spatial needs of a football club and the community in 10-15-20 years' time; and
- ☐ Identifying a strategy for the 30+ year vision, which must include engagement with the community to develop a vision that responds to the needs of Ipswich.

This MADP document aims to communicate the intentions and elements that form the basis for the development of the Springfield Central Stadium Precinct as a recreational/sporting focus of the Springfield Town Centre. In illustrating an indicative master plan for the precinct, the document aims to provide a picture of the development and layout of the area towards achieving the desired outcomes while allowing flexibility during more detailed design stages.

Specifically, the Springfield Central Stadium Precinct:

- ☐ Offers the ability for the provision of a diverse variety of sporting facilities and recreation areas that provide formal and informal environments in which to pursue active and/or passive recreational activities, as well as ancillary commercial activities that promote gathering, interaction and a healthy outdoor lifestyle;
- ☐ Contributes to the connectivity and accessibility of the Springfield Town Centre through vehicular, cycle and pedestrian linkages between nearby activity precincts as well as the overall open space network;
- ☐ Will support the ongoing principle of encouraging non-vehicular modes of transport;
- ☐ Will enhance and support physical and visual interaction between the precinct and adjacent activity areas through legible and permeable external interfaces between the Mountain Creek riparian corridor, neighbouring Development Areas, the public open space corridor and the road network;
- ☐ Will provide for car and bus parking and set-down areas accessed via adjoining road frontages to minimise impacts on public road infrastructure along with providing a comprehensive integration with the adjacent Springfield Central railway station and associated public transport network.

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To this end, this MADP seeks to:

- ☐ Identify the road network and other services necessary to service the Springfield Central Stadium Precinct within the context of the Town Centre;
- ☐ Outline the range of potential intended uses and activities for recreational outcomes and ancillary or complementary commercial development within the precinct;
- ☐ Ensure the creation of high quality and safe pedestrian and cycle friendly networks integrated with the overall movement network;
- ☐ Capitalise on the signature location of the Development Areas, through emphasis on a high quality and comprehensive offering of recreational and sporting opportunities for the Springfield community, with the potential to develop to a future level of regional and/or national significance which could conceivably facilitate a sporting team participating in an elite national sport;
- ☐ Create a relationship with the adjacent road frontages and adjoining Development Areas by activating frontages at strategic locations, creating specific access entry points, promoting strong landscaping features and encouraging community gathering and interaction with the sportsfields; and
- ☐ Ensure best practice water sensitive urban design (and necessary land area) is planned and implemented to support, integrate with and protect Mountain Creek, respond to stormwater management requirements and enhance public open space, amenity and livability.

This MADP also aims to outline the indicative phasing and implementation measures for the parkland development, including area staging and timing, embellishment and maintenance responsibilities.

2. Site Context and Analysis

2.1. Planning and Statutory Context

2.1.1. South East Queensland Regional Plan

The South East Queensland Regional Plan 2017 (Shaping SEQ) sets out a 50 year outlook for the development of the SEQ region, establishing a policy framework focusing on the next 25 years. Its aims are to ensure that this population can be accommodated and that adequate housing diversity, services, and infrastructure can be provided to ensure a quality urban environment and lifestyle is achieved.

The Springfield Structure Plan area represents a significant opportunity to accommodate a proportion of this future growth and provide appropriate and timely services and facilities. It is in this context that the MADP for DA22A-22B proposes Citywide and Local Sporting facilities to support the residential population growth within Ipswich, with the ultimate objective to develop over time a boutique premier stadium precinct of regional significance.

Development Areas 22A-22B, like the rest of the Springfield Structure Plan area, is able to utilise site specific master planning processes, such as in the form of this MADP, to realise the required scope and flexibly for development and ensure efficient use of 'development committed' greenfield land.

2.1.2. Planning Scheme & Strategic Framework

The Ipswich Planning Scheme under the *Integrated Planning Act* was adopted on the 5 April 2006. The Planning Scheme includes the SSP that includes the suburbs of Springfield, Springfield Lakes, Spring Mountain, Springfield Central, Augustine Heights (part) and Brookwater. The SSP area has a total area in the order of 2860 hectares.

The SSP area is a significant Urban Development Area for the City of Ipswich which contributes residential, commercial and civic infrastructure within local and regional contexts. The Ipswich Planning Scheme directs the development of the Springfield Master Planned Community to the SSP. This document provides the detailed classifications in relation to planning and development applications for the Springfield area.

The remainder of the Planning Scheme is overridden by the SSP, with the exception of any applicable codes and provisions where not in conflict with the SSP, Land Use Concept Master Plan, Precinct Plan or any Area Development Plan (ADP). These planning documents, among other relevant documents, are further outlined and discussed below.

2.1.3. Springfield Structure Plan

The SSP directs and controls the process of development for the Springfield area. The SSP sets out a flexible structure for development, outlining the intents for the area, planning and design controls, and a system for the progression of more detailed planning for land within the SSP area.

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Development Areas 22A-22B are identified under the Town Centre Designation, and further classified as being within the Recreation Precinct and Town Business Precinct under the SSP as illustrated in **Figure 1.1**.

The intent of the Town Centre Designation Recreation Precinct is to:

“...reserve a large area within the Town Centre as a major parkland/recreational base with an emphasis on outdoor uses.”

The Town Business Precinct provides additional support to achieve the outcomes for a boutique Premier Sports Facility of regional significance and its contribution to the ‘civic, commercial and cultural heart’ for the Springfield Town Centre as intended by the SSP. The designations in the SSP are indicative only and are subject to more detailed investigation under the MADP and ADP processes.

2.1.4. Springfield Town Centre Concept Plan

The TCCP was originally approved by Council on 16 July 2002 and has been amended over time (last amended in conjunction with the approval of this MADP). The TCCP guides development within the Town Centre in a progressive manner with appropriate interface between precincts and development areas. The TCCP delineates the development areas within the Town Centre in respect of which the initial Area Development Plans (MADPs) must be prepared by Springfield Land Corporation and approved by the Council, as well as indicate the applicable Precincts (as outlined in the SSP) for each development area. Additionally, the TCCP provides a set of guidelines and standards which directs and outlines requirements for development within the Town Centre.

2.1.5. Area Development Plans

ADPs function as reconfiguration or land use proposals to produce an integrated plan for the development of an area, putting into effect the previous master planning initiatives of the Land Use Concept Master Plan, TCCP and MADP for the site. ADPs are to be lodged subsequent to the approval of a MADP to approve a development proposal (i.e. Development Permit).

2.1.6. Springfield Infrastructure Agreement / Springfield Town Centre Infrastructure Agreement

The Springfield Infrastructure Agreement (SIA) was adopted in 1998 and sets out the criteria for the planning and provisioning of the relevant and required infrastructure for the whole of Springfield. The Springfield Town Centre Infrastructure Agreement (STCIA) was signed on 1 December 2015 in relation to the criteria for the planning and provisioning of infrastructure within the Springfield Town Centre. These criteria relate to the requirements for traffic and transport, water, sewerage, stormwater drainage, open space, community facilities and conservation. Subsequent documents include the Springfield Indicative Phasing Concept Plan, the Springfield Water Supply Master Plan, the Springfield Sewerage Master Plan, and the Springfield Open Space Master Plan.

This MADP is in accordance with the requirements of the STCIA, but also reflects the amendments to the master plans for water and sewerage which have been approved by Queensland Urban Utilities (QUU).

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The STCIA requires the following:

- ☐ The Developer must by 31 March 2016 either:-
 - a) construct at the Developer's cost an appropriate underground stormwater drain across the Northern Sportsgrounds from Springfield Greenbank Arterial road to the creek adjoining the Northern Sportsgrounds; or
 - b) pay to Council an amount agreed between the Developer and Council (both acting reasonably) as representing the cost of construction of that work.

The Developer completed these works by the nominated date.

- ☐ After these requirements are fulfilled, Council must:
 - a) Obtain vacant possession of the area on which the northern sportsfield facilities are to be located;
 - b) Remediate the area to a state which is suitable for commencement of embellishment of the northern sports field facilities; and
 - c) Notify the Developer when these requirements have been fulfilled.

At the time of approving this MADP, Council had commenced works.

- ☐ The Developer must embellish the northern sports field facilities in accordance with the Amended Brookwater Precinct Plan by the date which is 2 years after the later of:-
 - a) the date on which the last of the above requirements are met; and
 - b) the date on which Council gives notice.
- ☐ Embellishment is at the cost of the Developer.

In lieu of undertaking the embellishment works and in acknowledgement of the Northern Sportsfield area becoming part of the Town Centre (and being removed from the Brookwater Precinct Plan) following signing of the STCIA, agreements may be entered into whereby the Developer may make a cash contribution to the equivalent to a Level 1 sportsgrounds and courts facility towards the Development Area 22A area.

2.1.7. Springfield Indicative Phasing Concept Plan

The Springfield Indicative Phasing Concept Plan (IPCP) outlines the intended land uses, lot yields and the development sequence for the SSP area. The IPCP was approved by Council (2008) and is subject to future review in conjunction with Water and Sewer Master Plans.

This MADP proposes recreational uses as expected by the TCCP and no large scale residential or commercial development (apart from a broad range of complementary land uses which support a high-performance training and administration centre) are proposed.

It is noted that the TCCP represents the Precinct Indicative Phasing Concept Plan as required by the IPCP and the requirements outlined 1.2 of the IPCP.

2.1.8. Springfield Open Space Master Plan

The Springfield Open Space Master Plan (OSMP) has been devised to support the Springfield Infrastructure Agreement and outlines the requirements and principles for the

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provision of open space within the Springfield Structure Plan area. Open space, and more specifically, access to open space opportunities, are to be generally provided in accordance with the OSMP, and allow for an integrated and complementary relationship between proposed developable areas and public open space within the catchment area.

This MADP has considered the potential and requirements for parkland opportunities for Citywide level Sportsgrounds and Courts as indicated by the OSMP and as outlined within the TCCP. Pedestrian permeability and access to recreational opportunities will be encouraged through the surrounding movement network of roads and open space connections, with detailed design and outcomes to be confirmed during the ADP process.

The development of this MADP and its conceptual master plan has necessitated the consideration of the spatial distribution of open space requirements (as identified by the TCCP) within the Springfield Central Stadium Precinct (i.e. across DA22A and DA22B). For the purposes of this MADP, the open space outcomes outlined within this MADP seek to achieve the overall intent of open space provision for Development Area 22A-22C, but only specifically applying to DA22A and DA22B in the first instance. Further details will need to be tabled for DA22C in the form of a separate MADP submission and incorporate the equivalent district recreation park facilities required pursuant to the STCIA.

2.1.9. Springfield Drainage Master Plan

The Springfield Drainage Master Plan (DMP) (2000) has been approved by Council and outlines the proposed drainage infrastructure and design criteria for stormwater infrastructure within the Springfield Structure Plan area. Drainage concepts, infrastructure and standards within the Springfield Central Stadium Precinct have been reassessed as part of this MADP in accordance with the DMP.

However, the entire Woogaroo Creek catchment has undergone significant changes since the DMP was approved in 2000 and it should be noted that the DMP has not been updated to reflect the changes in development over time. The Master Developer (Springfield City Group) is required to lodge with Council and obtain approval of an updated DMP. The updated DMP must ensure that the initial outcomes set in the approved DMP (2000) are still achieved and that the flooding and waterway impacts are clearly understood. An updated DMP must provide a clear baseline from where impacts for the creek realignment works can be satisfactorily quantified, assessed and where necessary mitigated/managed.

2.1.10. Springfield Water Supply Master Plan

The requirements of the Springfield Water Master Plan (WMP) (16 June 2015 update) are to be considered within this MADP and compliance with the desired level of service for water supply infrastructure under the approved Master Plan is to be achieved.

The equivalent populations for Development Areas 22A-22B generally accord with the current Water Supply Master Plan approved by QUU for the projected population and phasing illustrated in this MADP.

2.1.11. Springfield Sewerage Master Plan

The requirements of the Springfield Sewerage Master Plan (SMP) (16 June 2015 update) are to be considered within this MADP and compliance with the desired level of service for sewerage infrastructure under the approved Master Plan is to be achieved.

The equivalent populations for DA22A-22B generally accord with the current Sewer Master Plan approved by QUU for the projected population and phasing illustrated in this MADP.

2.2. Site Context

2.2.1. Regional Context

The Springfield Central Stadium Precinct (Development Areas 22A-22B) is located within the Local Government Area of Ipswich and is approximately 15km south east of Ipswich CBD and 25km south west of the Brisbane CBD (refer **Figure 2.1**). It lies within the western sub region, as outlined in the South East Queensland Regional Plan 2017, which is expected to accommodate in the order of 520,000 additional people by 2041. The Springfield community has been envisaged to accommodate a proportion of this growth expected within both Ipswich and the broader western corridor.

The Springfield Town Centre represents a Principal Regional Activity Centre under the SEQRP and as such is to accommodate a comprehensive range of land uses and activities to serve a sub-regional catchment. Springfield enjoys a strategic location within the region with major connections to nearby growth areas and major employment bases, as well as the surrounding Local Government Areas of Brisbane, Scenic Rim, Logan and the Gold Coast.

2.2.2. Locality & Development Area Context

Within the context of Ipswich City, the SSP area constitutes a greenfield development that is surrounded by established areas such as Forest Lake and Camira to the north-east and Bellbird Park and Redbank Plains to the north-west. The Springfield Town Centre also interacts with large greenfield opportunities and developing areas within the immediate locality such as Augustine Heights, Springfield Lakes, Spring Mountain and Redbank Plains (South).

The Town Centre capitalises on the major transport corridor of the Centenary Highway that inherently links the SSP area with these growth areas and reinforces the Town Centre as a gateway centre to the new communities of the western corridor and within Ipswich City. In addition to vehicular transport integration, the Centenary Highway corridor also provides passenger rail services adjacent to the Town Centre that will improve the ability to service significant growth areas as well as provide direct access to the overall rail transport network.

Development Areas 22A-22B is located within the northern area of the Springfield Town Centre, and is adjoined by the Springfield Anglican College to the east, Springfield Central railway station and Orion Springfield Central to the south, Mountain Creek and future

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Springfield Town Centre to the west and north. Development within DA22A-22B will provide a range of pedestrian and cycle linkages and connections to adjoining areas.

Details of the proposed pedestrian and cycle linkages must be submitted and approved as part of the first ADP application.

2.3. Site Analysis

2.3.1. Development Area Boundaries

Development Areas 22A-22B comprises land north of Springfield Central railway station and west of Springfield Greenbank Arterial with a total area of approximately 17.84ha. The boundaries of Development Areas 22A-22B have been identified having regard to:

- ☐ Existing road networks;
- ☐ Ultimate Mountain Creek alignment;
- ☐ Proposed road alignments;
- ☐ Existing adjoining development;
- ☐ Existing and proposed landform; and
- ☐ Fulfilment of the required facilities and embellishments for the Springfield Central Stadium Precinct (Development Areas 22A and 22B).

The boundaries of Development Area 22A-22B are indicated by the Master Plan and broadly defined by the alignment of Springfield Greenbank Arterial, future Roads 12, 20, the realignment of a portion of Mountain Creek and the Centenary Highway. The cadastral boundaries associated with this development will be finalised as part of the ADP process.



Figure 2.1- Regional and Locality Context

2.3.2. Setting, Views and Interfaces

Development Areas 22A-22B form part of the Open Space Parklands and Northern Sports Fields Precinct of Springfield Town Centre North. The development areas comprise part of an open space corridor, which includes Mountain Creek, Development Area 22C, linking Robelle Domain in the south to Brookwater in the north. This corridor provides a strong visual and physical linkage from the Town Centre Heart to the northern Open Space corridor.

The development areas incorporate a proposed realignment of a portion of Mountain Creek and earthworks to provide for the intended sporting facility functions and to integrate with the development levels of adjoining precincts.

2.3.3. Topography

This development area includes Mountain Creek. Subject to flooding assessment and impact to the Opossum Creek Wildlife Corridor, significant earthworks may be required to functionally accommodate the sporting facilities and the adjoining road network design levels.

Holistic and integrated urban design is required to respond to the sensitive flooding and environmental values of Mountain Creek, Opossum Creek and Woogaroo Creek. This requires careful consideration of the land form, profiles and interfaces on both the eastern and western sides of Mountain Creek.

2.3.4. Access and Connectivity

Development Areas 22A-22B address Springfield Greenbank Arterial and Eden Station Drive. Both roads provide key road connections to the region. Development Area 22A directly adjoins the Springfield Central railway station which provides convenient pedestrian access for future major sporting and community events. Subject to flood mitigation measures, the open space corridors along Mountain Creek and Opossum Creek, which include linear pathway networks and a dedicated, separated bicycle path, also provide uninterrupted linkages throughout the SSP area and offer an alternative mode of transport. This movement context is to be provided with the following characteristics:

Connectivity: Broad scale connectivity to pedestrian, cycle, open space and road networks within the Town Centre and the broader Springfield Central locality.

Permeability: Activation of all edges of the park and integrating them with the adjacent land-uses and road corridors to create a permeable park that is well used by the community and that adds value to the surrounding areas. However, access to the stadium precinct will be limited on event/game days.

Circulation: The topography of the site presents a challenge to achieving a path network that is accessible to all. The circulation network of the park will connect it to the broader Springfield Central networks, ensuring that the park is an accessible destination for pedestrians and cyclists and contributes to the overall non-motorised circulation framework for the Springfield Town Centre.

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Visual: The topography of the site creates opportunities for views across the site, and into the various spaces within it, encouraging visitors to explore the site further. Views should be enhanced within the park design that promote long distance connection to surrounding areas and short distance opportunities for surveillance to enhance the park safety.

Spatial: The relationship of the spaces within the site will be important in creating distinctive spaces that interrelate so that a variety of uses can be seamlessly accommodated within the park connected by a network of paths and cycleways.

2.3.5. Drainage and Flooding

Development Areas 22A-22B includes Mountain Creek. Mountain Creek has been proposed for realignment in order to accommodate the proposed sports facility including a boutique premier stadium precinct capable of accommodating regional scale events and thereby achieve 1% Annual Exceedance Probability plus climate change (AEP+CC) flood immunity with appropriate freeboard.

With the first stage of creek realignment works having been completed, should the intention in the first instance be for embellishment of DA22A with minimum Council infrastructure with the creek in its current alignment, further investigations are required with any future (Park) ADP submission to demonstrate that 1% AEP+CC flood immunity can be achieved. Ultimate creek realignment works have been envisaged to accommodate the ultimate stadium-based infrastructure.

A flood impact assessment is required to be provided as part of the submission of the first ADP over the site. The flood impact assessment, should demonstrate that the realignment of the creek post development can achieve a no worsening impact (on the pre-development condition) for all flood and stormwater events that exist prior to development and up to a 1% AEP+CC. Stormwater and flooding management for the proposed development must ensure no worsening or actionable nuisance to the surrounding land, caused by peak discharges, flood levels, frequency/duration of flooding, flow velocities, water quality, sedimentation and scour effects.

The flood impact assessment should consider as a minimum, the following:

- (i) Earthworks details, including existing and proposed design levels and creek realignment works;
- (ii) Catchment analysis, including pre and post developed catchment plans, catchment sizing, and lawful points of discharge;
- (iii) Provide a hydraulic and hydrological analysis demonstrating the design flood peak discharges for the site and surrounding area for the pre and post development scenarios for all flood events up to and including a 1% AEP+CC;
- (iv) Mapping (afflux, water level/depth and velocity) should be provided to clearly illustrate the pre-development scenario, and the post development impacts for all relevant design events;

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- (v) Catchment-wide flood impact assessments are required. This includes upstream and downstream towards Woogaroo/Brisbane confluence;
- (vi) AEPs to be investigated to include the 1% AEP+CC (20% additional rainfall/Representative Concentration Pathway [RCP] 8.5 conditions);
- (vii) All storm durations relevant for the site and catchment are to be modelled;
- (viii) Modelling outputs to include bed shear stress, stream power and hazard (handbook 7) components and associated comparison maps.

2.3.6. Cultural Heritage Assessment

The Cultural Heritage Conservation Plan provided in Supporting Documents was developed for the Springfield Estate in conjunction with the Environmental Protection Agency (Southern Region Cultural Heritage Program) based on the work of Satterthwait (1998) and reviewed by Alfredson (1999). The EPA's cultural heritage conservation planning initiative within the Springfield Structure Plan area is 'to ensure a good representative sample of the artefacts found on the Springfield development are retained on site'. It is confirmed that neither DA22A nor DA22B contain any known areas of cultural heritage significance.

3. Master Plan - Vision, Principles and Elements

3.1. Vision

The Springfield Central Stadium Precinct forms an integral part of the Town Centre Frame for the Springfield community, incorporating a range of active and passive recreational opportunities that will act as a central focus of the development of the Town Centre. Building on the appeal of Robelle Domain for quality recreational opportunities and park experiences, the Springfield Central Stadium Precinct provides opportunities to residents and workers to achieve a healthy and active lifestyle, within an environment integrated into the urban fabric of the Town Centre.

The Springfield Central Stadium Precinct will be a core landscape and recreational feature of the Springfield Town Centre that reinforces Robelle Domain in providing a wide spectrum of high quality sporting and recreation facilities for the Springfield community and region. It will have the capacity to accommodate functions ranging from local requirements up to regional activities, and reflects the regional nature of the Springfield Town Centre as a whole.

Central to the role of the precinct will be the development of a boutique premier sporting facility, capable of accommodating elite teams or clubs involved in sports such as AFL, cricket and/or athletics. Development Area 22A will accommodate a stadium primarily designed for use by the AFL. Subject to appropriate acoustic and lighting assessment (submitted as part of the relevant ADP application), the seating capacity of the facility will grow over time (depending upon demand and funding), however ultimately this facility may have capacity to potentially accommodate 30,000 spectators. Development Area 22B will accommodate local sporting facilities that will evolve over time. Subject to appropriate acoustic and lighting assessment (submitted as part of the relevant ADP application), the stadium will be designed to permit other community and entertainment activities, such as concerts and festivals on occasions.

The precinct will include a high-performance training and administration centre, encompassing a broad range of ancillary and complementary land uses, which will provide every opportunity for a sporting team participating in an elite national sport to be successful, both on-field and off-field. These uses may include Clubhouse, administration and storage facilities, indoor and outdoor training areas, rehabilitation and recovery facilities, gymnasium, sports medicine, aquatic centre, Child Care Centre, and catering areas capable of providing services to spectators, media and broadcasting facilities.

Supporting these major sporting facilities will be a range of active and passive recreational opportunities in a landscaped open space setting, offering areas for viewing and gathering in connection with the sporting activities, as well as facilitating the needs of participants and organised community clubs in the conduct of those various sports and events. Cafes, kiosks and concessionary areas provide opportunities for gathering and refreshment within the parkland environment, as well as the precinct as a destination for the walkers and cyclists who enjoy the network of pathways and cycleways of which the sportsfields form a key part.

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The open space setting around the stadium responds to the needs of a wide spectrum of ages and interests, providing plaza areas and pathway networks capable of informal relaxation and programmed activities where children can be safely monitored. These areas are set within a landscaped environment of shaded and grassed embankments, formal gardens, vegetated areas and bleacher seating around the sportsfield that encourage gathering with family and friends as much as an active engagement in sporting activities.

Surrounding areas are able to embrace the adjoining central spine of Mountain Creek and Robelle Domain through an open interface that is integrated with the adjoining road networks in both circulation and landscape, as well as directly interfacing with key development sites and facilities such as Town Centre North area, commercial/retail opportunities and established schools.

Dependent upon pedestrian demands, additional pedestrian pathways and bridges may ultimately traverse Mountain Creek to connect the Stadium Precinct to Road 12 and into the Town Centre (DA5C and DA5E). Hardstand plaza areas will be located in high pedestrian areas, which will support the parkland setting adjacent to Mountain Creek and around the sports fields.

A 'green bridge' providing pedestrian and public transport access from Springfield Greenbank Arterial to Springfield Central railway station may be considered in the future subject to construction funding being sourced and an appropriate left in/left out intersection configuration being designed such that major roads are not impacted upon. Pedestrian connection via the existing bridge will be utilised to connect the rail station to DA22A. Pedestrian access will be provided across Springfield Greenbank Arterial to enable safe and equitable pedestrian access between the planned State Government multi-deck 'park and ride' facility (south of the Centenary Highway) to the Precinct and the rail station.

Springfield Greenbank Arterial will be duplicated by Ipswich City Council as required under the STCIA and SIA. Eden Station Drive will ultimately be duplicated by Council and will include a four way signalised intersection to provide vehicular access to DA22A-DA22B. Interim access arrangements for DA22A and DA22B will be determined as part of the ADP process. The intersection of Springfield Greenbank Arterial and Eden Station Drive is currently signalised but will be upgraded in conjunction with the duplication of Eden Station Drive. A Transport Impact Assessment (TIA) will be required with an Area Development Plan application for 22A which will need to identify the trigger and extent of road and intersection upgrades required to support the proposed development outcomes.

On site at-grade car parking areas will be provided within both DA22A and DA22B. The car parking areas will be accessed off Eden Station Drive and located in close proximity to the clubhouses and training and administration facilities, to suit operational requirements of each site. This parking will be supported by significant off-site private car parking opportunities that may provide the necessary availability for the sporting facilities as well as the general parking demands within the Town Centre locality. The use of these private car parks will be subject to formal property owner agreement.

A multi-deck commuter 'park and ride' facility (in conjunction with the Springfield Central rail station) may be provided by the State Government on a parcel of land on the southern side of the Centenary Highway, adjacent to the off-ramp that intersects with Springfield

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Greenbank Arterial. This car park facility is anticipated to provide approximately 1,000 car parking spaces, which will enable part of the current temporary commuter car park on DA22A to be removed.

The first ADP over DA22A or 22B shall investigate the potential use of the commuter 'park and ride' facility by visitors during sporting, community and entertainment events. Any use of the commuter 'park and ride' facility for events associated with DA22A or DA22B will be subject to a formal agreement with the State Government. The construction of this car park will incorporate construction of pedestrian links between the rail station and car park that also provides access to the stadium in DA22A. A Transport Impact Assessment will be required with the ADP application for DA22A that is to address the adequacy of the proposed parking provisions.

Given the time required for the precinct to evolve and achieve its full development form, interim or intermediate options for the precinct include the development of a boutique premier sports field for oval sports on DA22A and a multi-purpose playfield on DA22B, potentially with an all-weather artificial playing surface. The sports fields will be supported by a range of seating options, including potential for covered grandstands, open terraces and grassed areas, clubhouse and administration facilities, indoor and outdoor training and recovery areas, amenities, parking and hardstand plaza areas. Outdoor broadcast quality lighting will also be provided. It is expected these key supporting facilities, such as clubhouse, are co-located in central positions that can be recycled over time as the facility matures. It is intended that the facilities, while in Council ownership, may be leased to third parties to operate on a long term basis.

The minimum level / standard of facilities to be delivered within DA22A is to be the equivalent of one (1) citywide level sporting facility, consistent with the desired standards of service for Citywide level sportsgrounds and courts as detailed in Ipswich City Council's LGIP to provide active and passive recreational opportunities. The facilities will be supported by a range of recreation facilities including clubhouse, pedestrian and cycle facilities and linkages. This is a Developer obligation. The minimum level / standard of facilities to be delivered within DA22B is to be the equivalent of one (1) local sports and courts facility as detailed in Ipswich City Council's LGIP to provide active and passive recreational opportunities. The facilities will be supported by a range of recreation facilities including clubhouses, pedestrian and cycle facilities and linkages. This is a Council obligation.

3.2. Master Plan Principles

The following are the master plan principles that underpin the philosophy of creating a regional destination sport and recreation facility:

- a) **Create sportsfields that are of national significance** – Development Areas 22A and 22B are capable of accommodating a wide range of sporting events, from nationally televised sporting competitions to regional level competition and weekly club gatherings. Ultimately the DA22A-22B Precinct is being planned to be a boutique premier stadium development with the ability to accommodate national level sporting competitions on a weekly basis, and subject to acoustic and lighting assessment (submitted as part of the relevant ADP application), other sporting/recreational or entertainment opportunities such as festivals or concerts on an 'as required' basis.

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- b) **A range of open space character and experience** - Variety in the character of the spaces created within the sportsfields to provide for a range of experiences and activities and creating opportunities for discovery of new experiences on each visit. Provision of formal and informal/active and passive spaces to accommodate all ages and interests.
- c) **Creating a sense of place** - High standards for placemaking, legibility, safety, comfort and convenience are of importance for Development Areas 22A-22B. The range of users and uses is reflected in the variety of individual spaces provided. Crime Prevention Through Environmental Design (CPTED) principles applied to the design of the parkland will ensure its safe use by the community at all times.
- d) **Establishing a quality environment and landscape** — Development Areas 22A-22B contributes, and preserves appropriate land area for environmental sustainability through protection and enhancement of Mountain Creek, urban greening, landscape character and treatments, subtropical character, efficient water use, and water quality management both within the sportsfields and its broader context.
- e) **Facilitating movement and access** - Development Areas 22A-22B encourages people to move through and around the parklands and sportsfields, linking activity areas via direct connections and more casual connections created by the network of pathways incorporated into the open spaces. These pathways further connect to the overall open space network and cycleways, resulting in a constant use of the sportsfields and the adoption of non-motorised mobility options. The level of activity within the sportsfields, and occurring within the adjacent high-density activity areas, creates a safe and enjoyable facility within a quality town centre environment.

Details of the pathway connectivity must be provided as part of the first Area Development Plan application over the site.
- f) **Providing a quality built form and land use** - The recreational and community focus of the parklands and sportsfields is supported through the inclusion of facilities such as a clubhouse, cafe/restaurant/kiosk, amenities blocks, service points for mobile concessions, and potential function facilities. The design of the parkland allows for changes in use over time in response to increasing density within the surrounding catchment and the needs and desires of the community. The structures and furniture within the parkland will form part of a distinctive family of elements. The scale and form of these facilities will evolve as the precinct achieves its intended function as a boutique premier sports facility.

3.3. Master Plan- Key elements

3.3.1. Key Issues

Key issues to note in the Springfield Central Stadium Precinct Master Plan include:

- ☐ Equivalent provision of the facilities identified in the Planning Scheme LGIP, Springfield Open Space Master Plan and Springfield Town Centre Concept Plan provided as a minimum level of embellishment;

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- ☐ Provision of alternative commuter car parking to replace the temporary commuter car parking within DA22A prior to the State Government's completion of a multi-deck commuter 'park and ride' facility on a parcel of land on the southern side of the Centenary Highway, adjacent to the off-ramp that intersects with Springfield Greenbank Arterial;
- ☐ Subject to Department of Natural Resources and Mines Waterway Barrier Works and Taking and Interfering with Water approval, realignment of a portion of Mountain Creek identified as key enabling infrastructure works. The environmental values and urban design outcome of Mountain Creek is fundamental to achieving a balanced planning outcome appropriate to a major urban centre. The creek design and associated corridor widths is subject to future application, which once developed will determine the adjacent interface levels, bank profiles and landscape treatments;
- ☐ Construction of Road 11 including traffic signals at the intersection with Eden Station Drive, Road 12 and a signalized intersection on Eden Station Drive at the DA22A-22B access;
- ☐ Boundary design that allows casual overlooking of the facilities, and enhance informal surveillance from the public domain that enhances internal safety aspects;
- ☐ Achieving legible integration with the existing schools and surrounding development in Development Area 5 and 20 directly adjoining the facilities;
- ☐ Incorporation of spaces and activities that appeal to all ages as well as catering for specific interests where possible (e.g. playgrounds, cycling etc);
- ☐ Direct pedestrian and cycle linkages between Town Centre Heart Precincts, the Springfield Central railway station and the sportsfield via the existing pedestrian bridge over Mountain Creek;
- ☐ Industry best practice design to ensure functional, safe and attractive off-street pedestrian and cycling routes and infrastructure are planned and delivered;
- ☐ Direct pedestrian connections to Robelle Domain and multi-deck commuter 'park and ride' facility along Mountain Creek within both linear open space and adjoining road network as required;
- ☐ Ancillary and complementary commercial opportunities that provide the social and lifestyle opportunities on non-game days; and
- ☐ Realising the collective nature of the Springfield Town Centre area in performing open space, sporting and recreational roles at a broader scale, appealing to and attracting visitors on a regional level initially and national level ultimately. This perception is created by the integration of regional urban activity centre activities and major institutions with the large scale high quality multi- function sportsfields, providing day and subject to acoustic and lighting assessment (submitted as part of the relevant ADP application) potentially night time sporting, recreational and open space opportunities for an enlivened urban centre.

3.3.2. Site specific opportunities

A number of other specific opportunities will be developed within the Master Plan such as:

- ☐ The creation of a Citywide/Regional/National sports facility that is admired and appreciated by a regional catchment and, in conjunction with Robelle Domain, reinforces the focus on achieving a 'Green and Active CBD';
- ☐ A hub for community organisations that will be based within clubhouses or ancillary buildings to be constructed adjacent to the sportsfields and courts or within the designated future community facilities site. Ultimately this precinct will be a hub for elite sporting teams;
- ☐ Subject to acoustic and lighting assessment (submitted as part of the relevant ADP application), the provision for potential outdoor activities or events within the parkland;
- ☐ Subject to acoustic and lighting assessment (submitted as part of the relevant ADP application), opportunity for the precinct, including a future stadium, to be used as a venue for concerts, or other outdoor entertainment events that complement the opportunities within Robelle Domain;
- ☐ Subject to acoustic and lighting assessment (submitted as part of the relevant ADP application), opportunity to utilise facilities for small-scale functions and receptions arranged on a hire basis with members of the public;
- ☐ Small scale ancillary provision of light refreshments through opportunities such as cafés/restaurants/kiosks, and concession areas (mobile vendors) can be developed, with the opportunity to expand the scale and form of these ancillary activities to support a premier stadium precinct including high performance training and administration centre; and
- ☐ Unique opportunity for the sportsfield to develop and evolve in parallel with the growth of the surrounding community, providing physical and social contributions to the locality. Community uses in conjunction with the on-site sporting activities maybe incorporated within the facility.

3.3.3. Context

The DA22A-22C precinct is intended to become a core feature of the Springfield Open Space Master Plan, providing major sporting and recreational facilities with high quality formal urban space setting within a landscaped environment with strong interfaces to adjoining Town Centre commercial and residential activities.

Development Areas 22A-22B will become a focus for both the Town Centre and the broader locality and as such, will provide a high degree of permeability within the site and connectivity to pedestrian and bikeway networks leading into and out of the Town Centre to form an integral part of the movement network.

The precinct will provide connectivity south to Robelle Domain (Town Centre Parkland) and Mountain Creek. DA22A-22B will provide pedestrian pathways to link the open space and

activity areas with the built environment of the Town Centre, train and bus stations, and Community Open Space parks (neighbourhood and local parks).

Connections will be physical, via pedestrian pathways and cycleways, and also visual, via views to and through the open space sportsfields environment. The uses provided within the park will have a sporting/recreation focus and will complement but not duplicate the uses provided within Robelle Domain.

The natural landform will be significantly altered to accommodate the intended uses. As a function of the uses, limited natural vegetation will be retained and preliminary bulk earthworks previously undertaken have cleared significant areas of these Development Areas to facilitate the initial level of embellishment for DA22A-22B.

3.3.4. Character

Presentation and maintenance standards

As a minimum, the Citywide level sportsgrounds and courts facility will have a premier field (1 x Oval) that is to be maintained to a high standard. A number of supporting facilities and informal play areas will be maintained to allow sporting activities to occur throughout the year. Quality vegetated and landscaped areas distributed around the periphery will provide a visually appealing park character linked with the broader open space network.

Evening and night time use

Subject to acoustic and lighting assessment to demonstrate compliance with amenity standards for current and future sensitive receivers (submitted as part of the relevant ADP application), lighting and the design of safe routes through the precinct will enable evening and night time use of areas of the park and the undertaking of events at these times. Concerts and other outdoor entertaining activities may be accommodated in this precinct from time to time, however night activities primarily occurring in the form of evening sport may occur on a regular basis.

Landform and landscape

The natural landform will be significantly altered to accommodate the proposed sports facilities and ancillary uses. Earthworks are required to realign a portion of Mountain Creek to ensure there are sufficient facilities to achieve the (ultimate aspirational) desired level of service. The precinct will achieve a 1% AEP+CC flood immunity whether 'interim' or 'ultimate' facilities are to be delivered.

3.3.5. Streets

The proposed street network around the precinct is comprised of existing and future streets. These are identified as follows:

- ☐ Springfield Greenbank Arterial – Existing road defining the eastern boundary of DA22A – 22B.
- ☐ Eden Station Drive – Existing road that splits the precinct (Development Areas 22A & 22B).
- ☐ Road 11 – Future road to the west of DA 22A-22B connecting Eden Station Drive to Trackstar Way.

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- ☐ Road 12 – Future road that defines the western boundary of DA22A, connecting Eden Station Drive to Sir Llew Edwards Drive.
- ☐ Refer to the Road Network Plans provided in Volume 2.

3.3.6. Access

Accessibility is a key component of making the Springfield Central Stadium Precinct useable to people of all ages and abilities and to maximise its patronage. A comprehensive network of pedestrian and cycle paths have been designed to work with the proposed levels and interfaces with adjoining roads and Mountain Creek to create a range of accessible routes and utilise the precinct for pedestrian and cycle circulation and access.

3.3.7. Topography

A significant amount of fill is required to be imported and, subject to Department of Natural Resources and Mines Waterway Barrier Works and Taking and Interfering with Water approval, a portion of Mountain Creek may be realigned to facilitate the (ultimate) sportsfield proposal to be constructed over DA22A in accordance with the this Master Area Development Plan.

Bulk earthworks has occurred over part of the site in accordance with Council approval(s). Further works will be undertaken to accord with the development levels of the Master Plan (subject to detailed design).

3.3.8. Vegetation

Due to the highly modified nature of the final ground level, little opportunity exists to retain existing vegetation cover in the area. The site development intends to achieve key focus areas for landscaping outcomes as well as peripheral and fill plantings, using a range of sustainable native species to provide ease of maintenance and a high-quality visual appeal within the precinct.

Volume 2 - Appendix 4 (a) contains relevant information associated with waterway stability and the ecological function of the Mountain Creek waterway.

3.3.9. Drainage

The Springfield Central Stadium Precinct will be designed and constructed to achieve drainage and flooding requirements within the site, as well as macro stormwater outcomes for the overall Springfield development in accordance with the Drainage Master Plan.

The drainage and flooding design criteria that are adopted with respect to the precinct (combined DA22A & 22B), and the surrounding areas are as follows:

- ☐ The sportsfield (DA22B) is to have 1% AEP+CC flood immunity to courts and all buildings;
- ☐ There must be no worsening of existing flooding as a result of the development;
- ☐ The proposed Premier Oval (DA22A) and buildings must have 1% AEP+CC flood immunity;

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- ☐ No increase in peak flow at the northern end of the sports fields (relevant for future DA22C MADP).
- ☐ Must include outcomes provided from the Flooding Impact Assessment required in section 2.3.5 and revised DMP required in section 2.1.9.

Drainage for DA22A-22B will be managed on site and principally discharge to the proposed stormwater network provided along Mountain Creek to the west. All discharge, both quality and quantity, will be subject to the requirements of the parameters outlined in this MADP.

A detailed stormwater management plan, completed by an RPEQ, must be submitted as part of the submission for the first Area Development Plan over the site. The stormwater management plan must provide hydraulic calculations for all storm events up to and including the 1% AEP+CC event, in accordance with QUDM, Council's *Implementation Guideline 24 - Stormwater Management* and Council's *Planning Scheme Policy 3 - General Works*. In particular, the report must provide, *inter alia*, the following details:

- ☐ The hydrology used to inform the SMP;
- ☐ Increase in stormwater runoff that will be generated by the development;
- ☐ Nomination of a lawful point(s) of discharge associated with the required allotment drainage system;
- ☐ Management strategies to ensure no-worsening at the nominated lawful point(s) of discharge.

3.3.10. Minimum Level of Embellishment

As indicated previously, the minimum level / standard of embellishment to be delivered in Development Area DA22A is to comprise the equivalent of one (1) Citywide level sportsground and courts facility incorporating the preferred dominant land uses of the Recreation Precinct and Town Business Precinct. The minimum level / standard of embellishment to be delivered in Development Area DA22B is to comprise one (1) Local sports and courts facility incorporating the preferred dominant land uses of the Recreation Precinct.

Whilst this MADP relates to DA22A-22B (a separate MADP will be prepared for DA22C at some future time), overall the precinct is considered central to the overall open space network as described in the Framework Plan of the TCCP. Citywide level sporting and recreation facilities will spread along the spine. Pedestrian and cycle facilities and linkages will be part of the embellishment program for this area consistent with the principles of the OSMP.

3.3.11. Phasing

DA22A-22B is intended to be developed as either interim (i.e. Delivery of minimum prerequisite infrastructure) or ultimate (i.e. via assistance with third party funding arrangements) to create the Springfield Central Stadium Precinct. This will be confirmed as part of relevant ADP and Operational Works applications.

3.4. Design Response

The above issues, opportunities and elements are reflected by this design response and the Conceptual Master Plan for the Springfield Central Stadium Precinct. This Master Plan is conceptual only and subject to an updated Drainage Master Plan, detailed design and approval at the ADP stage. It is intended that this MADP be used to communicate the overall design intent and initiatives for the Springfield Central Stadium Precinct, in achieving desired outcomes and may therefore be subject to alternative design responses which are generally in accordance with this plan. The design will evolve over time as the precinct progresses towards accommodating national elite level sport.

The site's topography and community demand will be a driving factor in the creation of a multi-field facility catering to a number of sporting disciplines. Development Area 22A-22B will be developed to incorporate a wide range of sporting facilities to enable informal and formal gatherings, requiring large scale sporting ovals and fields suitable for the playing of organised sports. The fields will cater to the primary sports of AFL, cricket, soccer and/or rugby league as well as various forms of athletics. DA22A will primarily service AFL, whilst DA22B may accommodate a various of sporting and recreational pursuits.

These sporting facilities will be supported by clubhouse facilities within each portion that forms the primary structural focus of each Development Area and will adjoin the areas of onsite parking. The clubhouses will be designed with suitable orientation and structure to enable aspects and physical connection towards the adjoining sporting facilities, as well as accommodate viewing decks, team change rooms, ancillary outdoor dining and café facilities, public amenities and meeting rooms.

As identified above, while the Developer is responsible for the embellishment of a Citywide Sportgrounds and Courts facility, it is noted that the Developer has provided the required courts in the Southern Sportsfields (Development Area 16 and 17). Consequently, no courts are proposed in Development Area 22A and the respective embellishment value is to be adjusted.

In addition to the minimum embellishment standards, potential embellishment options have been included below in **Figures 3.1, 3.2** and in **Volume 2 - Annexure (1)**. Subsequent options are subject to resolution of relevant funding provisions and future ADP approval(s) and will incorporate staging and designs not contemplated or illustrated in these figures. These options demonstrate that the Springfield Central Sporting Precinct is intended to ultimately accommodate a stadium capable of accommodating crowds in the order of 30,000 spectators, subject to acoustic and lighting assessment (submitted as part of the relevant ADP application).

Item N.3 / Attachment 1.

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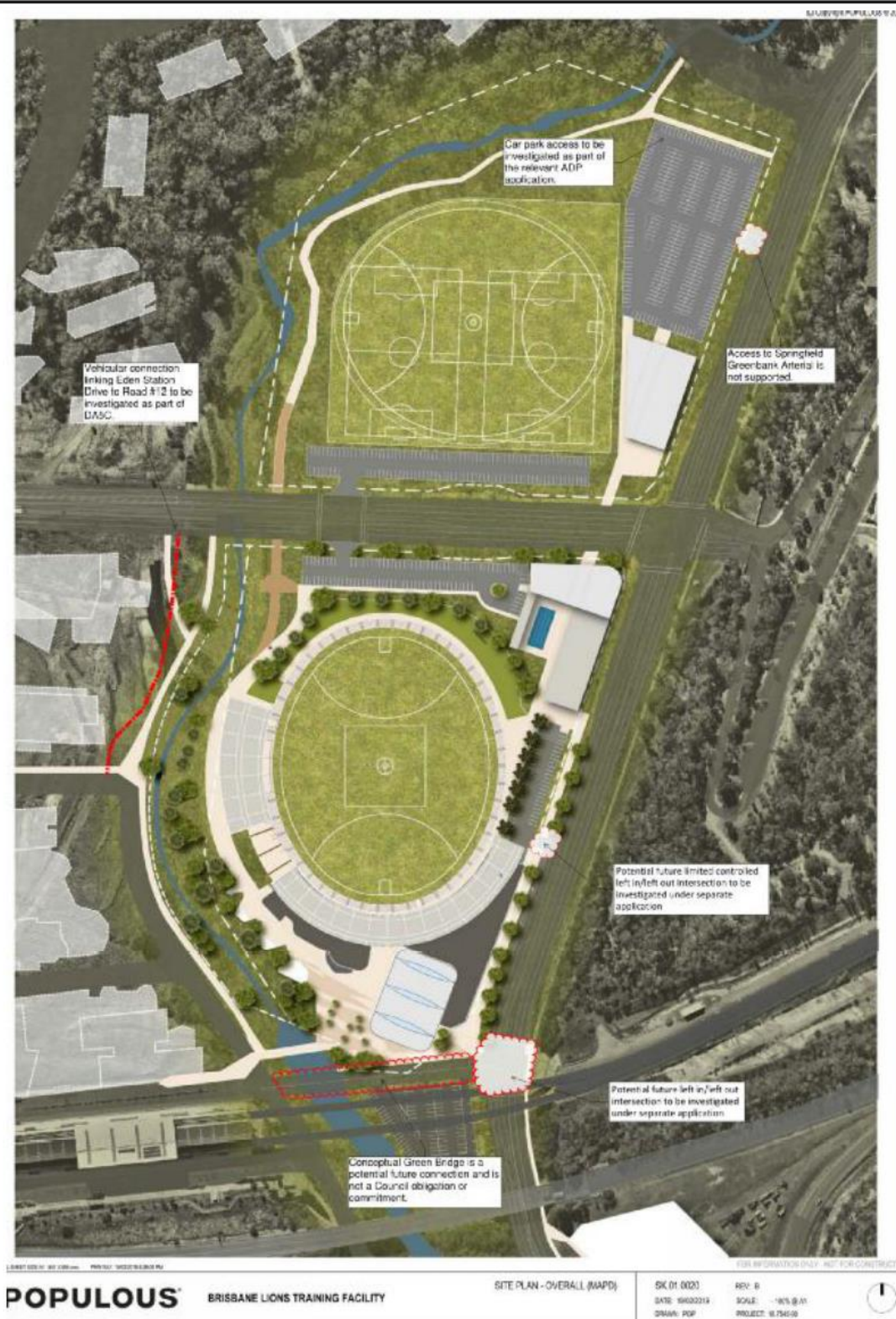


Figure 3.1 – Option 1

Item N.3 / Attachment 1.

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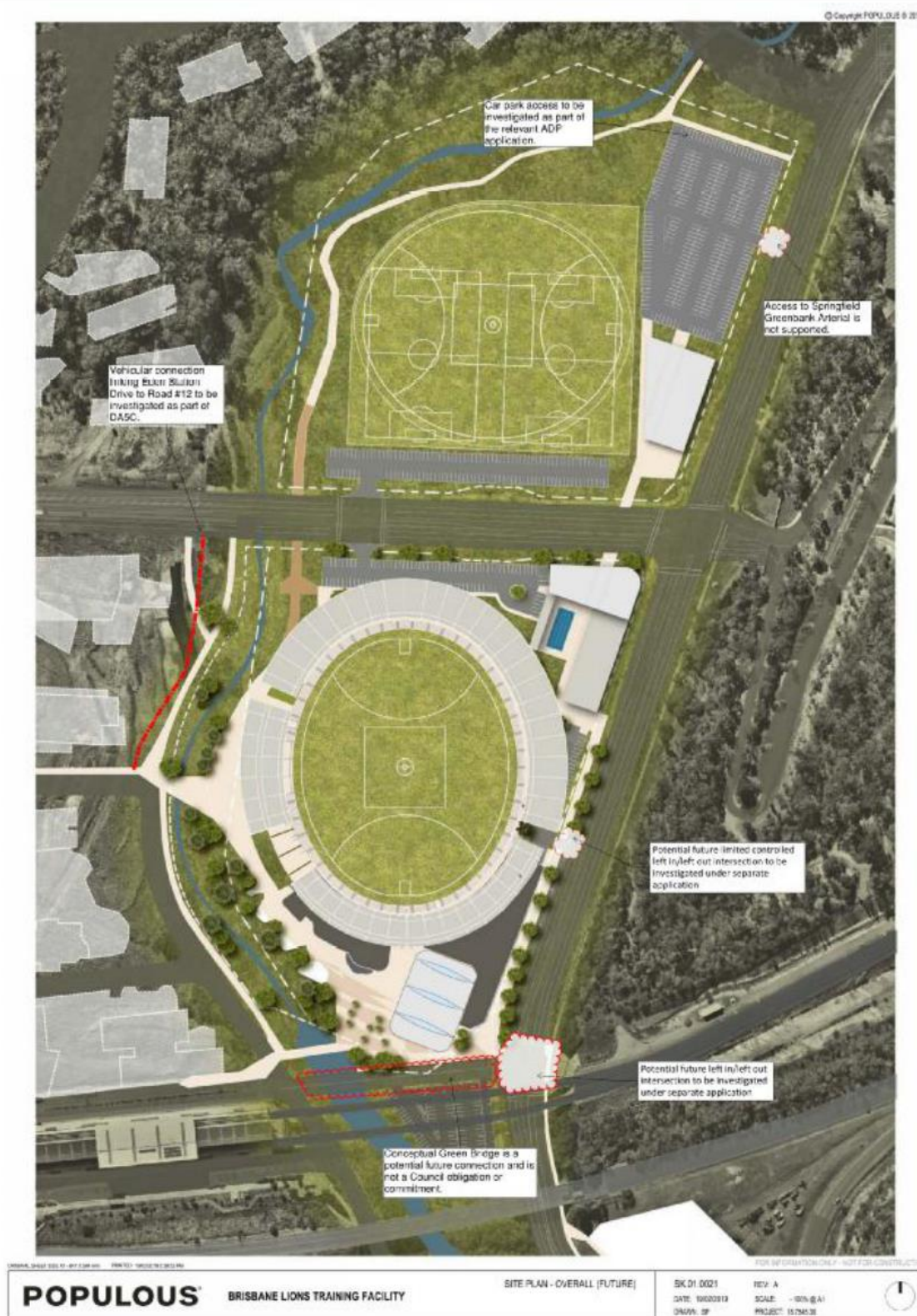


Figure 3.2 – Option 2

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3.4.1 Lighting and Noise

Noise and lighting impacts will need to be considered as part of subsequent Area Development Plan applications. Noise and lighting impacts will need to be managed to ensure there is no adverse impacts on all sensitive receivers.

4. Master Plan

4.1. Land Use

4.1.1. Overall Structure

The Springfield Central Stadium Precinct is a public open space and sportsfields precinct comprised of the Recreation Precinct and Town Business Precinct under the Springfield Town Centre Concept Plan.

Development Areas 22A and 22B will ultimately be developed as a comprehensive sporting and recreation precinct designated as a 'Premier Sports Facility', as shown in **Figure 4.1**. The precinct will evolve over time. DA22A will accommodate a stadium primarily designed for use by the AFL, while DA22B will accommodate a local sports and courts facility for various sporting and recreational pursuits. Both facilities, subject to lighting and acoustic assessment (submitted as part of the relevant ADP application), will be designed to permit other activities such as concerts and community events on occasions.

The precinct may comprise the equivalent of Citywide sporting facility and ancillary structures for clubhouses and amenities, as well as public plaza, adjoining linear parkland and other publicly accessible open space.



Figure 4.1- Indicative Development Concept

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4.1.2. Land Use Types

Development will be proposed in accordance with the dominant land uses of the Recreation Precinct and Town Business Precinct as identified in the Springfield Structure Plan. The indicative land uses are outlined in Table 4.1.

Indicative Dominant Land Uses

Indicative Dominant Land Uses are the broad land use categories that are indicatively designated in different parts of Development Areas in a MADP. The TCCP Indicative Dominant Land Uses and Development Yields assigns development yields for certain dominant land uses identified within Development Areas.

Development Areas 22A and 22B primarily comprise the Recreation Precinct. However an allocation of supporting Town Business Precinct is identified for Development Area 22A, to facilitate the establishment of commercial functions for the training and administrative centre and opportunities for the broader community resulting from the establishment of an elite stadium facility.

Land uses within Development Areas 22A-22B will initially perform roles which complement the recreational and open space use of the area. Limited commercial or other uses will be required within the parkland to support the open space opportunities and cater for the desirable range of activities during the initial stages of development of the parklands and sports fields. While the majority of these uses and activities will be accommodated under the dominant land use definition of "Park" under the Springfield Structure Plan, additional complementary land uses are appropriate for the area as outlined in the Table 4.1 for the Recreation Precinct and Town Business Precinct of the Springfield Town Centre.

However, to provide flexibility for the precinct to evolve over time, and to achieve its intended role and function, including becoming a sporting facility of regional and/or national significance, a broader range of complementary uses are intended to be accommodated within the precinct. Complementary uses will include training and administration facilities, Medical Centre and allied health services, Child Care Centre, Indoor Recreation (gymnasium and aquatic centre) and outdoor entertainment venue. These additional complementary land uses are appropriate for the area as outlined in the Table 4.1 for the Town Business Precinct of the Springfield Town Centre.

These land uses will be subject to the levels of assessment for the Recreation Precinct and Town Business Precinct as outlined in the Springfield Structure Plan.

For clarity purposes, the Park definition under the SSP will accommodate the majority of uses and facilities within the park including:

- ☐ Sporting ovals and fields
- ☐ Indoor sporting facilities
- ☐ Picnic places, viewing areas and trails
- ☐ Swimming pools

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- ☐ Pedestrian and cycle tracks
- ☐ Kiosks and refreshment booths
- ☐ Parking spaces and footpaths
- ☐ Information and display areas
- ☐ Shelters and other public conveniences
- ☐ Children's play areas
- ☐ Clubhouses

In addition to development within the scope of the Park definition, Council may allow the development of complementary uses generally in accordance with the parameters outlined in this MADP. Complementary uses may comprise areas or structures that perform a commercial function and are suitably licensed by Council to operate within the area under the jurisdiction of Council.

For the purposes of this MADP, a concurrent amendment to the TCCP has been made allocating 16,000sqm of the 'Unallocated' Town Business (office) GFA listed under *Table 4 - Indicative Dominant Land Use Development Yields* for Development Area 22A.

Table 4.1 Indicative Dominant Land Uses and Complementary Land Uses
(Note: Table identifies defined land uses in the Springfield Structure Plan)

Recreation Precinct	Town Business Precinct
Caretakers Residence	Child Care Centre ⁽¹⁾
Club ⁽³⁾	Commercial Premises ⁽¹⁾
Indoor Entertainment	Educational Establishment ⁽¹⁾
Indoor Recreation	Medical Centre ⁽¹⁾
Outdoor Recreation	Outdoor Entertainment ⁽¹⁾⁽²⁾
Park	Produce / Craft Market
Restaurant	Radio Station ⁽¹⁾
Sports Complex ⁽³⁾	Reception and Function Rooms ⁽¹⁾⁽³⁾
Tourist Facility	Television Station ⁽¹⁾⁽²⁾
⁽¹⁾ This land use is a complementary land use and is not intended to be the dominant use of the site. Accordingly, any commercial use must have a nexus to the open space function of the site.	
⁽²⁾ Special Development Area provisions of the Springfield Structure Plan allow for Outdoor Entertainment (subject to acoustic and lighting assessment submitted as part of the relevant ADP application) and Television Station to be approved subject to the Code Assessment Process. Outdoor Entertainment functions may be considered compatible with the nature of the Premier Sports Facility and the opportunities available from related infrastructure.	
⁽³⁾ No gaming or gambling activities are permitted in this precinct.	

In nominating the abovementioned 'complementary' land uses, it is recognised that the Springfield Central Stadium Precinct (i.e. combined DA22A & DA22B) is currently described as Lot 60 on SP221816 and is in Council ownership. This land was initially transferred on the basis of Council as trustee, whereby the land is ultimately intended for 'open space' purposes. This trust has been removed to facilitate the complimentary uses associated with these development areas. Notwithstanding that the trust has been removed, any future land uses / activities for DA22A-22B need to either contain or ultimately remain complimentary to the development of DA22A-22B maintaining an open space function and thereby directly benefiting

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the wider community.

Unallocated Land Uses

Unallocated Land Uses are the following:

- ☐ Advertising Structure;
- ☐ Car Park;
- ☐ Community Building;
- ☐ Emergency Services Depot;
- ☐ Environmental Facility;
- ☐ Local Utility;
- ☐ Park;
- ☐ Place of Public Worship;
- ☐ Public Building;
- ☐ Public Utility

The unallocated uses are not subject to the development yields specified in the TCCP (Any floor area for unallocated uses is additional to the development yields).

5. Design Theme Response

5.1. Placemaking and Streetscapes

Development Areas 22A-22B will provide a public space that integrates with the adjoining road network and Springfield Central Train Station, and provides a road network that contributes to and reflects the requirements of the overall movement network for the Springfield Town Centre.

Any ADP for development within the precinct is to reflect the outcomes detailed in Design Theme 1 Placemaking and Streetscapes of Section 8.0 Design Guidelines of the Springfield Town Centre Concept Plan.

5.1.1. Mobility Network & Overall Strategy

The road system for Development Areas 22A-22B is to create a robust structure that in the long term as the area matures, provides a sustainable transport system based on modes of transport where walking, cycling and public transport dominate.

The overall movement network has been designed to provide high levels of internal and external connectivity for both pedestrian/cyclist and vehicle modes. Streets provide a high level of internal accessibility and good external connections for vehicle, cycle and pedestrian movements to the higher order road network and public transport services.

The connection to the Springfield Central railway station and the future commuter carpark from the railway station, is considered a critical component of the movement network, particularly for events with high pedestrian traffic. A dedicated pedestrian connection over Mountain Creek to connect the train station to the sportsfields has been provided. A future grade separated pedestrian connection over the Springfield Greenbank Arterial may be provided by the State Government providing access to the future multi-deck 'park and ride' facility.

5.1.2. Street Network and Circulation System

Streets provide the primary movement network for vehicles (including public transport), bicycles and pedestrians surrounding Development Areas 22A-22B, however pedestrian and cycling modes will be strongly enhanced through linkages within the parkland itself. Street development will be of a form whereby pedestrian movements are prioritised, supported by landscaped pedestrian verges on both sides and signalised intersections.

Signalised intersection crossings at the intersection of Eden Station Drive and Springfield Greenbank Arterial will facilitate safe access. A continuous pedestrian link to the Orion retail precinct, the Springfield Central train station and Robelle Domain will be provided via a pedestrian underpass under the Centenary Highway. A signalised intersection on Eden Station Drive, near Mountain Creek, will facilitate safe access for vehicles and pedestrian to and between DA22A and DA22B.

The Site Context Plans (Figures 3.1 & 3.2) contain the key elements of the mobility and access network as it relates to Development Areas 22A-22B and the surrounding context.

5.1.3. Street Type

Various road profiles for the street network will be employed based on the desired interfaces with Development Areas 22A-22B and their function as part of the overall Town Centre movement network. The proposed street network provides the principal circulation as part of the Town Centre and provides for both vehicles and on-road and off-road cycleways and footpaths for pedestrian movements, integrated with the parkland network.

5.1.4. Pedestrian and Bike Network

The Springfield Town Centre is proposed as a walkable urban environment providing convenient access to key public spaces, places, facilities and services. Pedestrian and cycle movement will be catered for through the provision of pedestrian routes along the road verges and dedicated on-road bicycle lanes within the carriageway. The surrounding roads will be provided as a commuter cycle road with a dedicated cycle lane provided on-road.

Footpaths are located on both sides of the street and lined with street trees to provide shade for comfortable pedestrian movement as required by the TCCP. Development Areas 22A-22B will provide end of trip facilities as required by the Ipswich Planning Scheme encouraging access and use for cycling, and to encourage anticipated modal shift.

The construction of a pedestrian connection across Mountain Creek, linking Development Area 22A to Road 12 may be considered to improve connectivity, should the pedestrian numbers warrant additional connecting linkages over Mountain Creek.

5.1.5. Access

The precinct is well positioned to capitalise on access to future public transport links. Pedestrian and cyclist pathways connect the sportsfields with adjoining activity areas, Springfield Central train station, and the bus interchange within Orion Springfield Central.

Pedestrian and cycle pathways have been designed within the masterplan to fulfil the following objectives:

- ☐ Provide routes to fulfil the mobility/accessibility requirements as outlined in the Springfield Growth Management Strategy and the primary corridors illustrated in the Framework Plan in the TCCP;
- ☐ Maintain accessible gradients (3% target with 5% maximum in some areas);
- ☐ Integrate with the pathways provided within adjoining road verges;
- ☐ Provide alternative route choices where practicable;
- ☐ Provide a quality north/south link via a commuter cycle link along Mountain Creek; and
- ☐ Provide practical access and proximity for emergency vehicles;

Vehicular access to Development Areas 22A-22B is via proposed and existing roads providing access to the distributed car parking areas. Limited controlled access from Springfield Greenbank Arterial may be considered as part of the relevant ADP

application. In the event that direct access is to be proposed, a deceleration lane is to be provided to facilitate direct access and is to be at no cost to Council.

5.1.6. Public Transport

Bus route services will be provided along all roads around Development Areas 22A-22B. Furthermore, high frequency bus services are to be provided at the Springfield Central train station. Direct and convenient pedestrian linkages from Development Areas 22A-22B to adjoining roads and Springfield Central train station are to be provided.

It should be demonstrated through the submission of appropriate supporting information as part of the first ADP application, the traffic generation impacts to the Springfield Central Station and how they will be mitigated. Any development should not adversely impact the operation of the State Controlled road network. In particular, consideration should be given to the safety and operation of the Centenary Motorway interchanges at Augusta Parkway (exit 33), Springfield Parkway (exit 31) and the off ramp at Springfield Greenbank Arterial (exit 32).

A Public Transport Impact Assessment should be provided as part of the first ADP application for DA22A. The report should be prepared in accordance with Austroads Guide to Traffic Management, Parts 1-13, to provide an assessment of the overall impact of the proposed development on all forms of public passenger transport such as urban bus services, passenger railway services, private/chartered buses, taxis and rideshare. The assessment should address the following:

- (i) Establish the existing context of Development Areas 22A and 22B – identify the location (within or beyond a walkable catchment) and capacity (i.e. number of parking bays) of all existing public passenger transport infrastructure and all existing public passenger transport services (bus stops, bus routes, railway services, commuter car parking and taxi facilities etc) in relation to Development Areas 22A and 22B.
- (ii) Describe the development proposal with respect to:
 - ☐ The likely timing of the interim and ultimate stages;
 - ☐ The anticipated day to day operation (non-event mode) of the precinct in the interim and ultimate scenarios;
 - ☐ The event mode of the precinct in the interim and ultimate stages, including all anticipated event types (sporting and non-sporting events and their frequency and likely maximum attendance.
- (iii) Modal split – Estimate the likely modal split of travel to and from the precinct supported by appropriate justifications in event and non-event modes. The modal split should differentiate between the different public transport modes, active transport modes and private vehicle travel.
- (iv) Demand analysis – Assess the impact of the proposed development on all forms of existing and planned public passenger transport. The demand analysis should address day to day operation and non-event modes.
- (vi) Capacity assessment – Assess the capacity of the existing public transport network to support the anticipated development impacts including demand during day to day operation and event modes. This should give consideration to, for example, consultation with relevant operators and Department of Transport and Main Roads and factors such as

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bus size, public passenger transport timetables, demographics, existing available service capacity and impact of the development demand.

- (vii) Recommendations – identify the necessary public passenger transport infrastructure (temporary and permanent) required to support the development (day to day operation and event modes) including the upgrade of existing facilities and/or provision of new facilities. This should consider how public passenger transport outcomes will be achieved across all stages of development, including compliance with relevant design requirements, such as the Department of Transport and Main Roads Public Transport Infrastructure Manual (2015), relevant Australian Standards, Disability Standards for Accessible Public Transport 2002 made under section 31(1) of the *Disability Discrimination Act 1992*, the Department of Transport and Main Roads Road Planning and Design Manual, 2nd edition, volume 3 – Guide to Road Design (March 2016) and other applicable requirements.

5.1.7. Active Transport

An Active Transport Impact Assessment and associated proposal plans must be submitted with the first ADP application for DA22A that demonstrate how direct, safe and convenient access to public passenger transport and also pedestrian/ cycle access to the Precinct will be achieved in day to day operation and event modes. This should:

- ☐ Generally give highest priority to active transport facilities with less priority to private vehicles with the aim to decrease private vehicle trips and increase active transport trips.
- ☐ Endeavour to separate transport modes, with an increased emphasis on building active transport facilities.
- ☐ Ensure consistency and good connectivity to the existing and future public transport network.

In particular, the Active Transport Impact Assessment should address the following:

- ☐ The existing and planned active transport infrastructure servicing the Precinct, for example, pedestrian paths, crossing arrangements, shared/ bicycle paths, cycle lanes/dedicated cycle paths.
- ☐ Anticipated cyclist and pedestrian demand generated by the development proposal based on the modal split to walking and cycling and a walkable catchment of 800m and cycling catchment of 2km.
- ☐ Gaps and deficiencies in existing active transport provision within and the surrounding area in relation to the demand generated by the development.
- ☐ Potential safety risks to visitors, employees, spectators, patrons etc. walking or cycling to the Precinct including vehicular/ pedestrian conflict and crossing arrangements of roads.
- ☐ Identify the necessary active transport infrastructure (temporary and permanent) required to support the development including the upgrade of existing facilities and/or provision of new facilities. This should consider how public passenger transport

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outcomes will be achieved across all stages of the development in both day to day operation and event modes.

5.1.8. Permeability, Activity Areas and Active Frontages

The focus for Development Areas 22A-22B will be on ensuring the ability to provide large scale sporting facilities including sportsfields and other recreational opportunities. The interfaces between the sportsfields and parklands and the adjoining road network will ensure visual and physical permeability to encourage entry into the sportsfields and connection to the internal movement networks.

The major structures to be provided will comprise the clubhouses within each development area and these will aim to achieve a presentation to street frontages as part of their design and siting within the sportsfields. These structures, while primarily supporting the sporting activities, will provide the opportunity for small scale commerce (i.e. cafés).

Additional activity and gathering areas will be distributed throughout the sportsfields, including concessionary areas (i.e. for mobile food and drink opportunities) located adjacent to roadways which will support temporary structures in the provision of refreshments within the sportsfields as well as enliven the streetscape.

However, as the precinct evolves, the nature and scale of the buildings and structures will increase commensurate with its role as a regional and nationally significant sports precinct. These structures will include grandstands, training and administration facilities, medical and allied health services for recovery and rehabilitation, a Child Care Centre, as well as a range of function, entertainment, catering, merchandising and retail offerings. These activities may be physically separate to the stadium structures and therefore provide greater opportunity to directly address adjoining road frontages.

Any Area Development Plan for development within the precinct is to reflect the outcomes outlined in Design Theme 2 Permeability, Activity Areas and Active Frontages of Section 8.0 Design Guidelines of the TCCP.

5.1.9. Event Management Plan

An event management plan is to be prepared and must include input from relevant stakeholders including *inter alia* Council, Queensland Rail, Translink, Orion Springfield Central and the Springfield Anglican College. It is to include the following information:

- ☐ Stakeholder Summary;
- ☐ Survey of transport options to be managed;
- ☐ Summary of logistical requirements for event;
- ☐ Calculation of predicted vehicle and pedestrian movements;
- ☐ Scheduling of delivery and equipment loading/unloading;
- ☐ Preparation of plans describing general logistics traffic management plus any special plans for unique vehicles (ie. Crane arrival);

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- ☐ Detail of traffic management strategy for event (pre-during-post);
- ☐ Detail communication strategy; and
- ☐ Set benchmarks for timeliness of restoring usual traffic around each management plan.
- ☐ Emergency management;
- ☐ Acoustic and lighting management.

5.2. Public Realm Open Space

The proposed development within Development Area 22A represents an equivalent Citywide level sporting facility and forms part of the open space network identified by the Springfield Open Space Master Plan. Development Area 22B comprises a local level sports and courts facility.

Any ADP for development within the precinct is to reflect the outcomes outlined in Design Theme 3 Public Realm Open Space of Section 8.0 Design Guidelines of the TCCP.

5.3. Building Form Intent, Building Footprints, Landmark Buildings and Corner Sites

The development of DA22A-22B will initially comprise the provision of small-scale structures that support the primary sporting and recreation activities of the parkland.

The number, bulk and height of buildings within the precinct are to reflect an integrated design character and a high-quality appearance for both the internal context and to the external streetscape with a legible character and presentation that communicates their function and their contribution to the amenity of the precinct.

Design of the precinct must reflect the outcomes outlined in Design Theme 4 Building Form Intent, Building Footprints, Landmark Buildings and Corner Sites of Section 8 Design Guidelines of the TCCP.

5.3.1. Building Height

Within the Development Area building heights will generally reflect the 2-3 storey range initially, however the construction of a stadium will ultimately result in building heights that exceed this initial range. Future building heights associated with any stadium-based facilities are to be addressed in further detail against the TCCP and related Council requirements / expectations in conjunction with relevant built form proposal details submitted with the ADP. For clarity, the height of the lighting structures is not subject to the height range identified.

Given the nature of the proposed development within the precinct, being large in scale and footprint, the Table 4.1 of the TCCP is not considered to apply to development within DA22A and DA22B.

5.3.2. Landmark Buildings

Buildings provided within Development Areas 22A-22B are required to achieve a legible communication of their function within the sportsfields (i.e. clubhouse, amenities, sheltered

seating etc.). As such, they are expected to achieve high visibility and contribute to the overall legibility of Development Areas 22A-22B and represent landmarks within the context of the Springfield Central Stadium Precinct.

5.3.3. Fences and Walls

In a general sense fences and walls to the periphery are not intended to be provided to ensure that an open and permeable interface with the surrounding road network is achieved.

However, due to the earthworks required and the potential for providing batters, retaining structures and/or drainage infrastructure within the parkland, fences and walls may be used for practical and safety reasons where necessary. Additionally, due to the nature of the facility for key recreation and entertainment functions, secure thresholds will be required in places throughout the site that legibly delineate areas that are not to be publicly accessible for operational and security reasons. In such cases, the fencing to be provided is to be of an open (i.e. visually permeable) construction and is to be confirmed as part of the ADP process.

5.4 Building Mass and Setbacks

The development of Development Areas 22A-22B will initially comprise the provision of small-scale structures that support the primary sporting and recreation activities of the parkland. Future development associated with any stadium-based facilities are expected to be more significant. There are no particular requirements for building mass and setbacks for the development within the precinct.

Design of the precinct must reflect the outcomes outlined in Design Theme 5 Building Mass and Setbacks of Section 8 Design Guidelines of the TCCP.

5.5. Building Elements and Detail

The visual framework of the Development Areas will respond to its location along a primary movement corridor and its visibility to and from other areas within the Town Centre. The development of Development Areas 22A-22B will generally comprise the provision of small-scale structures that support the primary sporting and recreation activities of the parkland, with future development for stadium-based facilities to be more significant in scale.

The design of buildings and structures within the precinct are to reflect an integrated design character and a high-quality appearance for both the internal context and to the external streetscape with a legible character and presentation that communicates their function and their contribution to the amenity of the precinct.

The buildings and structures within the Springfield Central Stadium Precinct, in general are to:

- ☐ Reinforce a central node that supports the sporting functions of the sportsfields as well as highlighting potential for small scale complementary commercial activities (i.e. cafes); and
- ☐ Define and reinforce the activity areas to which they are adjacent as well as highlight primary pedestrian entries and networks.

Building elements and details must reflect the outcomes identified in Design Theme 6 Building Elements and Detail of Section 8.0 Design Guidelines of the TCCP.

5.6. Car Parking and Servicing

5.6.1. Car Parking

Car parking on site will be provided as a combination of formal sealed car parking areas and informal grassed overflow parking areas.

Given the proximity to significant car park opportunities and major transport networks, it is envisaged that in addition to the on-site parking provision, car parking may be made available by utilising the existing car parking areas in proximity to Development Areas 22A-22B (subject to landowner's agreement) as well as limited on street parking along adjoining roads.

Parking for coaches will be facilitated within the development area. Coach parking facilities are to be centrally located and in proximity to primary entries. Details will need to be provided as part of the Area Development Plan application demonstrating appropriate access and areas for coach parking.

The requirements for parking have been considered with regard to the achievement of the Desired Standards of Service contained within Local Government Infrastructure Plan for car parking. The carparks provided or available for Development Areas 22A-22B are shown in the Conceptual Master Plan and are provided to collectively service the precinct.

Development Areas 22A-22B Conceptual Master Plan illustrates the total provision of approximately 590 seal spaces, 100 overflow spaces and 2 coach spaces.

The car parking areas have been designed to enable detailed design to:

- ☐ Avoid large extent of hard paving in a single car parking area and minimise vehicle intrusion into Development Areas 22A-22B;
- ☐ Avoid conflicts with pedestrians;
- ☐ Provide arrival points near the attractive destinations such as clubhouses, formal areas and informal play;
- ☐ Locate car parking near key junctions in the pedestrian / bikeway system;
- ☐ Distribute parking through the sportsfields with clear primary and secondary parking areas;
- ☐ Allow the clustering of car parking areas with other built items including amenities blocks;
- ☐ Enable car parking to be successfully integrated with proposed landform without the need for extensive earthworks;
- ☐ Enable screen planting to carparks but maintain good sightlines to access roads and adjoining public areas to maximise CPTED principles;
- ☐ Provide car parking spaces for disabled users throughout the parking areas with close proximity to entries of key focal points or structures.

As part of the first Area Development Plan application, the applicant will provide a traffic impact assessment, and parking layout plans, prepared by a traffic engineering professional (RPEQ) that provides commentary on how the proposed access driveways, aisles and parking configuration meets Australian Standards, and recommends any required mitigation measures. The traffic impact assessment is required to include the following detail:

- (i) An assessment (including SIDRA analysis) of the interaction between the Eden Station Drive/Stadium entrance intersection and the Eden Station Drive/SGA intersection for, at the year of opening, + 10 years post development and ultimate development;
- (ii) A detailed assessment of the pedestrian and cycle provisions;
- (iii) Demonstrate where pick-up and drop-off areas are proposed;
- (iv) Demonstrate the provision for coaches (internally and externally);
- (v) Details of the controlled limited car parking access from Springfield Greenbank Arterial;
- (vi) Details of queuing and storage within the carparks to provide safe and efficient access to the signalised intersection in Eden Station Drive and limit impacts on the signal operation at this intersection;
- (vii) Vehicle swept paths for a coach; and
- (viii) Details of proposed servicing areas, refuse vehicle swept paths and information on how service and refuse vehicles will access the site.

Car parking will be provided in accordance with Design Theme 7 Car Parking and Servicing of Section 8.0 Design Guidelines of the TCCP.

5.6.2. Servicing

Service access and loading areas will be provided as part of car parking areas and located adjacent to relevant on-site facilities (ie. clubhouses). Service and refuse collection areas are not to be visible from the street or public realm spaces and are to be contained or screened to the satisfaction of Ipswich Waste Services and is to be addressed at the ADP stage.

Service areas are grouped together where possible to mitigate visual impacts of these facilities. Proposed access points will provide logical points of access with minimal pedestrian and vehicle conflict.

Servicing is to be provided in accordance with Design Theme 7 Car Parking and Servicing of Section 8.0 Design Guidelines of the TCCP.

5.7 Public Safety

Crime Prevention Through Environmental Design (CPTED) principles have been incorporated to ensure that the Springfield Central Stadium Precinct can be used safely by all ages and abilities during both day and night, as follows:

- ☐ Promotion of views into the parklands from adjacent developments to enable passive surveillance;
- ☐ Creation of strong view corridors across the site and through its spaces to enhance passive surveillance and promote a feeling of security;

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- ☐ Elimination of any dead ends within the circulation system;
- ☐ Planting of low level vegetation to allow for good visibility across spaces, while using screen planting where access is discouraged;
- ☐ Ample night lighting for afterhours usage and thoroughfare;
- ☐ Activation of the parkland through a strong pedestrian and cycle circulation system, commercial concessions, and a program of events;
- ☐ Highly accessible building and structure entries that are well lit;
- ☐ Night time alarm communication posts and other operational security measures are capable of being accommodated;
- ☐ clubhouses, toilets and other amenities incorporating both CPTED and accessibility design to the current Australian standards.

Such considerations will be addressed at the detailed design stage. All development is to consider the requirements outlined in Design Theme 8 Public Safety of Section 8.0 Design Guidelines of the TCCP.

5.8. Public Lighting and Noise

Lighting and noise emanating from the proposed facility is to be managed in such a way as not to detrimentally impact on proposed or existing sensitive land uses such as, *inter alia*, residential, hotels and schools. Suitable acoustic and lighting assessment will be provided at the ADP stage.

5.9. Climatic Design Considerations

Buildings are, as much as practical and economical, to achieve an industry standard with respect to climatic response, energy efficiency and acoustic design. Building design will facilitate the provision of shade and gathering spaces in conjunction with their function as the primary nodes for the sportsfields.

All development is to comply with the requirements outlined in Design Theme 9 Climatic Design Considerations of section 8.0 Design Guidelines of the TCCP.

5.10. Landscape, Streetscaping, Signage and Advertising

5.10.1. Landscape Intent

The landscape response will be determined by the site conditions which will be highly modified by earthworks. As such, it is expected that the entirety of the sportsfields with respect to landscape outcomes will be formed as part of the site development.

The sportsfields should include areas of planting that facilitate passive and active recreation areas in addition to the primary facilities for active and organised sports.

Landscape themes and choice of plant material will respond to the desired function and

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character of spaces within the sportsfields, ameliorating local climatic conditions, providing ease of maintenance, and reinforcing pedestrian movement and activity through shade and shelter provision. Planting will include native species unless otherwise approved by Council at the detailed design stage of development.

The overall design will provide for the development of zones or use areas within the overall park which are differentiated by the character of the built and natural environments and intended use of that area.

The landscape character is established by utilising the following principles:

- ☐ Produce a high-quality environment which complements the primary sporting (and spectating) activities within the precinct;
- ☐ Facilitate the creation of spaces for passive recreation or relaxation in soft landscaped environments;
- ☐ Promote an environment that creates an affinity with the community and a real sense of place and public ownership;
- ☐ Incorporating landscaped focus points where possible including feature trees, deep planting and extensive use of shrubs and ground covers;
- ☐ Utilising local plant species that will perform in the expected landscape conditions;
- ☐ Integrating irrigation requirements for sportsfields; and
- ☐ Taking advantage of the topography and terraced structure to maintain views across the Precinct.

In addition, the precinct will be designed to incorporate:

- ☐ a high standard of accessibility for people of all ages and mobility;
- ☐ ramp and walkway alternatives where steps are located;
- ☐ clear path delineation and hazard identification;
- ☐ accessible signage and interpretation throughout the site; and
- ☐ disabled parking facilities.

Landscaping measures are to be implemented as defined in Design Theme 10 Landscape, Streetscape, Signage and Advertising of Section 8.0 Design Guidelines of the TCCP.

5.10.2. Planting

Plants used are suited to the harsh conditions of an urban environment, being tolerant of:

- ☐ Physical abuse – an ability to grow back;

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- ☐ Desertified and compacted soils;
- ☐ Reflective heat and glare;
- ☐ Chemicals toxins, dust and smog; and
- ☐ Local humid subtropical climate conditions.

The planting is to reflect the landscape intent provided in Section 5.10.1 and be in accordance with Council's Streetscape Design Guidelines.

5.10.3. Plant Selection

The majority of plants species are indigenous to the locality and where approved by Council may be supplemented with some exotic species which enhance the landscape and feature appeal of the open space.

5.10.4. Streetscaping

Streetscaping will be provided generally in accordance with Design Theme 10 Landscaping, Streetscaping, Signage and Advertising of Section 8.0 Design Guidelines of the TCCP and Council's Streetscape Design Guidelines.

Streetscape planting and materials should, where possible, be integrated into the frontage landscaping and design of the adjacent open space areas and movement networks. This will reinforce the verge provided for adjoining road corridors and the blending of the interface in facilitating pedestrian and cycle movements such that the streetscape is enhanced to the benefit of both the open space and road networks.

Streetscape elements will be selected that contribute to a distinctive local character and that perform exceptionally well utilising high-quality materials, design and ease of maintenance.

5.10.5. Signage and Advertising

Signage and advertising will be provided in a form consistent with the outcomes expected of a national level sporting and entertainment facility.

6. Infrastructure

Infrastructure provisions, as detailed in this section, are in general accordance with the SSP, TCCP, the Springfield Water Supply Master Plan, Springfield Sewerage Master Plan, the SIA, STCIA and previously approved requirements resulting from existing approved MADPs from adjoining Development Areas.

The infrastructure provisions outlined in this section do not extinguish any obligations under the SIA or STCIA.

6.1. Fit for purpose – DA22A

- ☐ Council to complete the fit for purpose earthworks to the ultimate footprint of Development Area 22A. The site shall be delivered to a level which has an appropriate freeboard to regional Q100 flows and meeting the following specifications. These works are to be completed by within 6 months of the completion of the revised flood study reference in Section 2.3.5.
- ☐ The Developer is to realign Opossum Creek Trunk Sewer in accordance with Annexure (3), including ensuring Commonwealth approval is achieved in the event clearing within the Opossum Creek Wildlife Corridor triggers a controlled action. Suitable remediation and rehabilitation works to reinstate native vegetation with structural complexity. These works are to be undertaken in conjunction with the realignment of Mountain Creek but are to occur no later than December 2019.
- ☐ Council to realign Mountain Creek to provide sufficient area to accommodate the 'Premier' sports facility. The realigned creek is to be generally in accordance with the sketch incorporated in Annexure (4). These works are to occur in conjunction with the realignment of the Opossum Creek Trunk sewer and must be completed within 6 months of the completion of the revised flood study reference in Section 2.3.5. Council or its nominated agent will be responsible for these works and no Open Space credits are applicable.
- ☐ All works must be in accordance with the revised flood study referenced in section 2.3.5 of this MADP.

6.2. Fit for purpose - DA22B

- ☐ Council to complete the fit for purpose earthworks to the ultimate footprint of Development Area 22B. The site shall be delivered to a level which has an appropriate freeboard to regional Q100 flows for any clubhouses, buildings or courts. These works are to be completed within 6 months of the completion of the revised flood study reference in Section 2.3.5.
- ☐ If necessary, Council to realign the creek to provide sufficient area to accommodate the Local Sports and Courts facility. The realigned creek is to be in accordance with the sketch incorporated in Annexure (4). These works are to occur in conjunction with the realignment of the Opossum Creek Trunk sewer and must be completed within 6 months

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of the completion of the revised flood study reference in Section 2.3.5. Council or its nominated agent will be responsible for these works and no Open Space credits are applicable.

- ☐ All works must be in accordance with the revised flood study referenced in section 2.3.5 of this MADP.

6.3. Embellishment – DA22A

6.3.1 Open Space Embellishment

- ☐ The development of DA22A represents public realm open space as indicated. This is comprised of one (1) equivalent Citywide Sportsgrounds/Courts facility (excluding the requirement for eights courts as these are located in the Southern Precinct being Development Area 16 and 17) as identified in the Local Government Infrastructure Plan. The equivalent facility will be delivered as a Premier facility.
- ☐ Developer to complete embellishment works for the equivalent of a 'Premier' Citywide sports facility in accordance with the Springfield Town Centre Infrastructure Agreement, unless the Developer provides an equivalent financial contribution to Council for the facility.
- ☐ Where an equivalent financial contribution is made, the Developer is relieved of their embellishment obligations and that obligation is transferred to Council.
- ☐ Open space embellishment credits will accrue up to the maximum embellishment value identified in Council's Local Government Infrastructure Plan for one (1) Citywide (Level 1) sportsground less the value of the relocated courts. Credits accrued may be used to satisfy an obligation to pay contributions in accordance with the provisions of the Springfield Town Centre Infrastructure Agreement.
- ☐ Council is required to stabilise and landscape the realigned creek corridor to meet the requirements of flood conveyance, embankment stability and achieving the necessary environmental considerations for the designated fish passage.
- ☐ The Developer is required to dedicate the additional land to allow the ultimate footprint for the 'premier' facility and creek realignment at no cost to Council. No open space credits are applicable for the additional land.

6.3.2 Sewerage

- ☐ Development Area 22A will be serviced in accordance with the Greater Springfield Sewer Master Plan updated by Cardno 16 June 2015 and approved by Queensland Urban Utilities.
- ☐ The site discharges into the Opossum Creek Trunk Sewer.
- ☐ Development Area 22A will utilise 200EP at the interim development stage. More EP will be allocated by the Developer to the site to facilitate the ultimate development scenario as

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required.

- ☐ The Developer is to realign the Mountain Creek Trunk Sewer in accordance with the plans contained in Annexure (4). These works are to occur in conjunction with the realignment of the Mountain Creek and must be completed within 6 months of the completion of the revised flood study reference in Section 2.3.5.
- ☐ Subject to the financial contribution being made in accordance with section 6.3.1, Council is to provide a sewerage connection to Development Area 22A which connects with the realigned Opossum Creek Trunk Sewer. Alternatively, the Developer is to provide the sewerage connection.
- ☐ The nominated connection point is identified in Annexure (3).

6.3.3 Electricity

Subject to the financial contribution being made in accordance with section 6.3.1, Council to provide suitable electrical transformers to ensure the development can proceed. Alternatively, the Developer is responsible for electricity provision.

6.3.4 Water

- ☐ Development Area 22A will be serviced in accordance with the Greater Springfield Water Master Plan updated by Cardno 16 June 2015 and approved by Queensland Urban Utilities.
- ☐ The existing trunk main in the Springfield Greenbank Arterial are part of the Springfield Low Level Supply Zone capable of serving areas up to RL80.0m.
- ☐ Internal mains will provide minimum fire flows at ground level.
- ☐ Development Area 22A will utilise approximately 200EP.
- ☐ Subject to the financial contribution being made in accordance with section 6.3.1, Council to provide a water connection to Development Area 22A. Alternatively, the Developer is responsible for the water connection.
- ☐ Subject to the financial contribution being made in accordance with section 6.3.1, Council may provide a connection to the recycled water main.

6.3.5 Roadworks

- ☐ Council to duplicate Springfield Greenbank Arterial between Eden Station Drive and Springfield Parkway with construction commencing in the 2020/2021 financial year and construction being completed within the 2021/2022 financial year.
- ☐ Council to duplicate Springfield Greenbank Arterial between Main Street and Eden Station Drive, with construction commencing in the 2021/2022 financial year and construction being completed within the 2022/2023 financial year.
- ☐ Council to duplicate Eden Station Drive between Springfield Greenbank Arterial and Mark Herring Bridge, in accordance with the SIA and at a date when traffic demands as

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determined by Council requires duplication.

- ☐ Council to construct an all movement signalised intersection on Eden Station Drive to provide access to Development Areas 22A and 22B with the future duplication of Eden Station Drive, unless required earlier as part of an ADP for Development Area 22A or 22B.
- ☐ Developer to construct Road 11 from Trackstar Drive to Eden Station Drive including an all movements signalised intersection on Eden Station Drive if required by the Public Transport Impact Assessment detailed in Section 5.1.6.
- ☐ Developer to construct Road 12 from Eden Station Drive to Sir Llew Edwards Drive, including a left in/left out intersection on Eden Station Drive if required by the Public Transport Impact Assessment detailed in Section 5.1.6.

6.3.6 General

Subject to the financial contribution being made in accordance with section 6.3.1, Council is to demolish / remove any existing structure, roadways, overland flow paths and underground services which will encumber development of the site into a premier sporting facility.

6.4. Embellishments – DA22B

6.4.1 Open Space Embellishment

- ☐ The development of DA22B represents public realm open space as indicated. This is comprised of one (1) Local Sportsground and Courts facility in accordance with Council's Local Government Infrastructure Plan.
- ☐ The embellishment of these facilities is to be completed by Council upon receipt of sufficient infrastructure contribution payments associated with residential development within the Springfield Town Centre, or earlier if alternative funding arrangements can be sourced by Council.

6.4.2 Sewerage

- ☐ Development Area 22B will be serviced in accordance with the Greater Springfield Sewer Master Plan updated by Cardno 16 June 2015 and approved by Queensland Urban Utilities.
- ☐ The site discharges into the Opossum Creek Trunk Sewer.
- ☐ Development Area 22B will utilise approximately 15EP at the interim development stage. More EP will be allocated by the Developer to the site to facilitate the Ultimate Development scenario as required;
- ☐ The Developer is to realign the Mountain Creek Trunk Sewer in accordance with the plans contained in Annexure (4), including ensuring Commonwealth approval is achieved in the event clearing within the Opossum Creek Wildlife Corridor triggers a controlled action. Suitable remediation and rehabilitation works to reinstate native vegetation with structural complexity. These works are to occur in conjunction with the

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realignment of the Mountain Creek and must be completed by December 2019.

- ☐ Subject to the financial contribution being made in accordance with section 6.3.1, Council is to provide a sewerage connection to Development Area 22B which connects with the realigned Opossum Creek Trunk Sewer. The nominated connection point is identified in Annexure (3). Alternatively, the Developer is responsible for providing the sewerage

6.4.3 Water

- ☐ Development Area 22B will be serviced in accordance with the Greater Springfield Water Master Plan updated by Cardno 16 June 2015 and approved by Queensland Urban Utilities.
- ☐ The existing trunk main in the Springfield Greenbank Arterial are part of the Springfield Low Level Supply Zone capable of serving areas up to RL80.0m.
- ☐ Internal mains will provide minimum fire flows at ground level.
- ☐ Development Area 22B will utilise approximately 15EP. More EP will be allocated by the Developer to the site to facilitate the Ultimate Development scenario.
- ☐ Subject to the financial contribution being made in accordance with section 6.3.1, Council to provide a water connection to Development Area 22B. Alternatively, the Developer is responsible for providing the water connection;
- ☐ Subject to the financial contribution being made in accordance with section 6.3.1, Council may provide a connection to the recycled water main.

6.4.4 Roadworks

- ☐ Council to duplicate Springfield Greenbank Arterial between Eden Station Drive and Springfield Parkway with construction commencing in the 2020/2021 financial year and construction being completed within the 2021/2022 financial year.
- ☐ Council to duplicate the Springfield Greenbank Arterial between Main Street and Eden Station Drive with construction commencing in the 2021/2022 financial year and construction being completed within the 2022/2023 financial year.
- ☐ Council to duplicate Eden Station Drive between the Springfield Greenbank Arterial and Mark Herringe Bridge in accordance with the SIA when traffic demands the duplication works as determined by Council.
- ☐ Council to construct an all movement signalised intersection on Eden Station Drive to provide access to Development Areas 22A and 22B with the future duplication of Eden Station Drive, unless required earlier and delivered by the Developer as part of an ADP for Development Area 22A or 22B.
- ☐ Developer to construct Road 11 from Trackstar Way to Eden Station Drive including an all movements signalised intersection on Eden Station Drive if required by the Public Transport Impact Assessment detailed in Section 5.1.6.

Springfield Central Stadium Precinct MADP (Development Areas 22A and 22B) - Volume 1 (22 October 2019)

- ☐ Developer to construct Road 12 from Eden Station Drive to Sir Llew Edwards Drive, including a left in/left out intersection on Eden Station Drive if required by the Public Transport Impact Assessment detailed in Section 5.1.6.

6.4.5 Electricity

Subject to the financial contribution being made in accordance with section 6.3.1, Council to provide suitable electrical transformers to ensure the development can proceed. Alternatively, the Developer is responsible for electrical provision.

6.4.6 General

Subject to the financial contribution being made in accordance with section 6.3.1, Council is to demolish / remove any existing structure, roadways, overland flow paths and underground services which will encumber development of the site into a premier sporting facility. Alternatively, the Developer is to undertake such works.

6.5. Stormwater

The drainage assessment for the Northern Sportsfields (i.e. combined embellishment of DA22A & DA22B) has been prepared with regard to the relevant provisions set out in:

- ☐ Springfield Drainage Master Plan September 2000 (SDMP 2000);
- ☐ Springfield Town Centre Drainage Master Plan (Flooding) November 2010 (STCDMP 2010);
- ☐ Section 5 of the Springfield Town Centre Concept Plan (TCCP);
- ☐ Ipswich City Council Implementation Guideline No. 24 Stormwater Management (September 2011);
- ☐ Spring Mountain Precinct Stormwater Management Strategy; and
- ☐ Springfield Town Centre Water Quality Master Plan October 2003 (STCWQMP 2003).

Development Areas 22A and 22B are located adjacent to Mountain Creek. The major drainage catchment from this precinct discharges at Mountain Creek. The drainage assessment is to be amended as necessary to incorporate the amended DMP required in Section 2.1.9 and the Flooding Impact Assessment required in section 2.3.5, with an AEP to include 1% AEP+CC.

6.5.1 Stormwater Quantity Management

The main intent of the site's (Development Areas 22A and 22B) proposed drainage design is to ensure that the buildings, fields and courts drain effectively and efficiently. Where possible, excess rainfall will be directed to landscaped areas via grass and vegetated swales. This will maximise retention and infiltration of stormwater before discharge at appropriate locations.

Dependent on the irrigation regime and treatment of the playing surfaces, opportunities may exist to harness, reuse and recycle underground water sources in conjunction with

Springfield Central Stadium Precinct MADP (Development Areas 22A and 22B) - Volume 1 (22 October 2019)

other surface detention and stormwater treatment devices. It is proposed to utilise the playing fields as detention for storm events greater than 5% AEP+CC event, to offset the impact of development on the peak flow discharged from the site for a range of storm events up to and including the 1% AEP+CC event. Buildings and playgrounds are to be located above the 1% AEP+CC event. Detailed and site-specific stormwater management plans are to be submitted with each Area Development Plan application that demonstrates compliance with the aforementioned stormwater reports and Council's requirements.

A detailed stormwater management plan, completed by a RPEQ, will be submitted by the applicant as part of the submission for the first Area Development Plan over the site. The stormwater management plan will provide hydraulic calculations for all storm events up to and including the 1% AEP+CC event, in accordance with QUDM, Council's *Implementation Guideline 24 - Stormwater Management* and Council's *Planning Scheme Policy 3 - General Works*. In particular, the report will provide the following details:

- ☐ The hydrology used to inform the SMP;
- ☐ Increase in stormwater runoff that will be generated by the development;
- ☐ Nomination of a lawful point(s) of discharge associated with the required allotment drainage system;
- ☐ Management strategies to ensure no-worsening at the nominated lawful point(s) of discharge.

6.5.2 Stormwater Quality Management

Water Quality Objectives

The STCWQMP (Water Studies, 2003) refers to concentration-based water quality objectives set in Ipswich City Council (ICC) Planning Scheme Policy 3 (ICC, 2004). Since the STCWQMP was written, ICC has moved away from concentration-based objectives to annual load-based reduction targets, in accordance with best practice standards. These load-based reduction targets are in line with the Healthy Waterways Design Objectives for Water Sensitive Urban Design in South-East Queensland (HW, 2006). There is no correlation available linking concentration-based objectives and load based reduction targets. As a result, the load-based reduction targets have been adopted as water quality objectives for this study.

The stormwater objectives for Development Areas 22A and 22B are separated into the construction phase and operational phase of the development. Table 6.1 identifies the pollutants expected during the development's construction phase.

Table 6.1 – Pollutants Typically Generated During Construction Phase	
POLLUTANT	SOURCES
Litter	paper, construction packaging, food packaging, cement bags, off-cuts
Sediment	unprotected exposed soils and stockpiles during earthworks and building
Hydrocarbons	Fuel and oil spills, leaks from construction

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	equipment
Toxic Materials	cement slurry, asphalt prime, solvents, cleansing agents
PH altering substances	acid sulphate soils, cement slurry and wash waters

Source - Healthy Waterways (2006)

The operational phase of the development will adhere to the load-based approach established by Healthy Waterways to be consistent with best practice. It has been shown that the Healthy Waterways (2006) load based objectives are far more stringent than previous standards. Therefore, these load based objectives will be adopted. The load-based water quality objectives will be adopted for the total discharge from:

- ☐ The entire site;
- ☐ Each ADP; and
- ☐ Each stage within the ADP.

Table 6.2 gives the best practice load based objectives set out in Healthy Waterways Design Objectives for Water Sensitive Urban Design in South East Queensland (2006).

Table 6.2 - Operational Phase Water Quality Objectives	
POLLUTANT TYPES	WATER QUALITY OBJECTIVES
Gross Pollutants	90% Reduction
Total Suspended Solids (TSS)	80% Reduction
Total Phosphorous (TP)	60% Reduction
Total Nitrogen (TN)	45% Reduction

Potential Stormwater Treatment Measures

Water quality management for Development Areas 22A and 22B will be implemented as follows:

- ☐ Each ADP application will be treated in isolation. The developer of each ADP is given the option of adopting 'deemed to comply' treatments as defined in the SMP (without further water quality modelling). Alternatively, if the deemed to comply options are not adopted, the developer of each ADP must undertake further water quality analysis and modelling.
- ☐ Roads and open space will be treated as precinct-wide 'regional' treatment areas.

Stormwater treatment measures will be selected on the required level of treatment and characteristics of the stormwater runoff from the catchment. Best practice treatment of stormwater runoff is achieved by way of a treatment train of devices, ranging from near the source, to larger more regional measures in lower portions of the catchment. Potential treatment measures for each type of pollutant source-area may include either a combination or singularly where appropriate, the following:

Roof Areas

Roof areas will undergo deposition and collection of atmospheric pollutants (dust) containing fine sediments and bound nutrients. In addition to this, the material type of the roof can contribute contaminants to stormwater runoff. Capture of the first flush is an effective method to address this contamination and possible measures may include:

- ☐ First-flush capture (e.g. in the downpipe collector) with trickle irrigation-release to adjacent vegetation areas;
- ☐ Runoff quantity reduction by using roof-water tanks;
- ☐ Separation, where appropriate, of roof-water from surface stormwater, as roof-water (especially after first-flush capture) will be of a relatively clean nature.

These treatment measures would be located at all the source (roof) area of each building. The (clean) roofwater would be discharged directly to the stormwater drainage system to avoid it mixing with (dirty) runoff from ground-areas.

Roadway and Carpark (Trafficable) Areas

The impervious nature of trafficable areas means that contaminants collect on the ground surface are displaced and transported by scoured flows. The contaminants of concern from trafficable areas are suspended sediments (which will have nutrients, oils and metals absorbed), nutrients and litter. Potential treatment measures may include:

- ☐ Runoff reduction achieved by way of permeable pavements, roof water tanks;
- ☐ Bioretention trenches and devices;
- ☐ Stormwater 360 devices;
- ☐ Vegetated buffer swales;
- ☐ Vegetated swales;
- ☐ Infiltration trenches and or pipes;
- ☐ Wetlands;
- ☐ Gross pollutant traps (trash racks);
- ☐ Erosion control devices; and/or
- ☐ Waterway bank stabilisation and erosion control works.

6.5.3 Water Sensitive Urban Design

In general, the principles for water sensitive urban design will:

- ☐ Protect natural systems by protecting and enhancing natural water systems within and adjacent to the Springfield Town Centre;
- ☐ Integrate and preserve sufficient land area for stormwater treatment into each stage of development as part of the landscape design;

Springfield Central Stadium Precinct MADP (Development Areas 22A and 22B) - Volume 1 (22 October 2019)

- ☐ Encourage a range of applications for the integration of water-sensitive urban design concepts and technologies into the Springfield Town Centre;
- ☐ Reduce run-off and peak flows by reducing peak flows from Spring Mountain and Development Areas 22A and 22B through local and sub-catchment detention measures, minimising impervious areas, and encouraging on-site infiltration; and
- ☐ Add value while minimising development costs by minimising the drainage infrastructure cost of development.

6.6. Maintenance responsibilities within DA22A

Maintenance works will be the responsibility of the Council, subject to Acceptance on Warranty by Council, unless otherwise agreed.

7. Reconfiguring a Lot

The Springfield Central Stadium Precinct (DA22A-22B) is predominantly described as Lot 60 on SP271657 and is in Council ownership. There are also some parts of Lot 64 on SP291400 and Lot 1 on SP251824, under the current ownership of SLC No. 2 Pty Ltd that forms part of the precinct. The draft reconfiguration plan identifies the intended reconfigured boundaries.

To remove any doubt, a review of the Springfield Structure Plan boundaries associated with the creation of the lots in Figure 7/1 will be required. South of Eden Station Drive, the boundaries of Mountain Creek will be defined by proposed Lot 2.

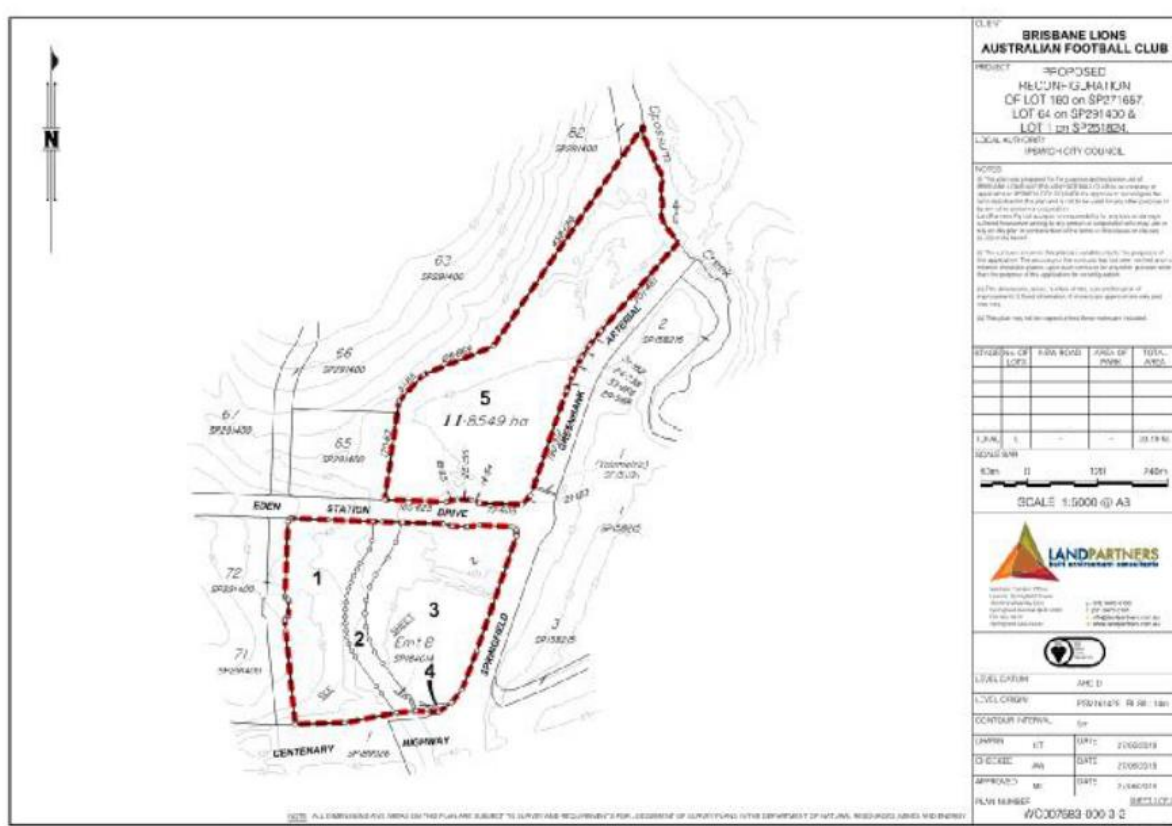


Figure 7.1- Draft Reconfiguration Plan

ANNEXURE 1 POTENTIAL EMBELLISHMENT OPTIONS

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POPULOUS

BRISBANE LIONS TRAINING FACILITY

SITE PLAN - OVERALL (MAPD)

SK.01.0020
DATE: 19/02/2019
DRAWN: POP

REV: B
SCALE: - 100% @ A1
PROJECT: 18.7545.00



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BRISBANE LIONS TRAINING FACILITY

SITE PLAN - OVERALL (FUTURE)

SK.01.0021

DATE: 19/02/2019

DRAWN: SP

REV: A

SCALE: - 100% @ A1

PROJECT: 18.7545.00



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BRISBANE LIONS TRAINING FACILITY

SITE PLAN - OVERALL (FUTURE)

SK.01.0021
DATE: 19/02/2019
DRAWN: SP

REV: A
SCALE: - 100% @ A1
PROJECT: 18.7545.00



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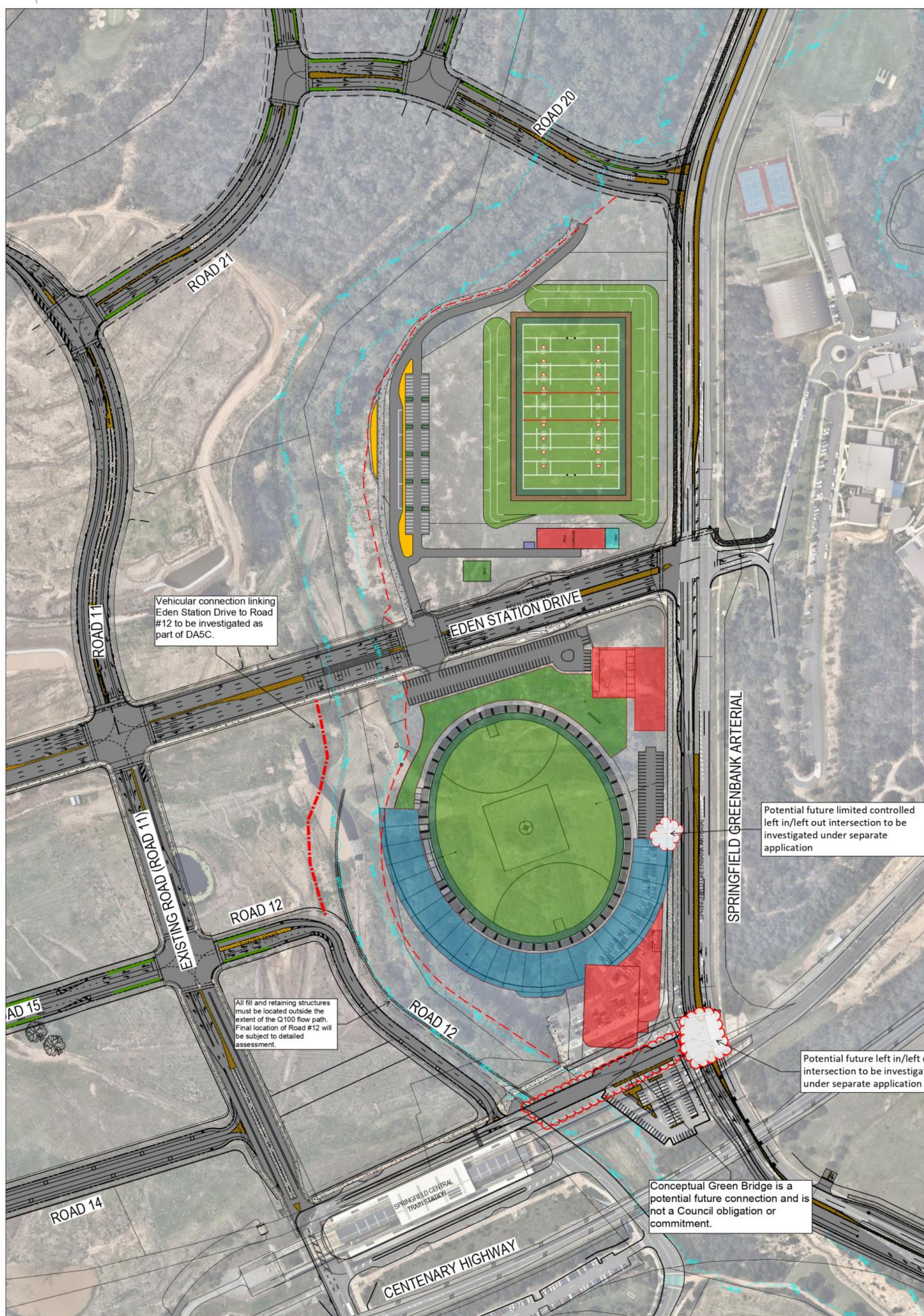
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SK.01.0021
DATE: 19/02/2019
DRAWN: SP

REV: A
SCALE: - 100% @ A1
PROJECT: 18.7545.00



ANNEXURE 2 ROAD NETWORK PLANS



LIONS ULTIMATE - OPT2

ANNEXURE 3 OPOSSUM CREEK TRUNK SEWER

A. Developer Responsibility

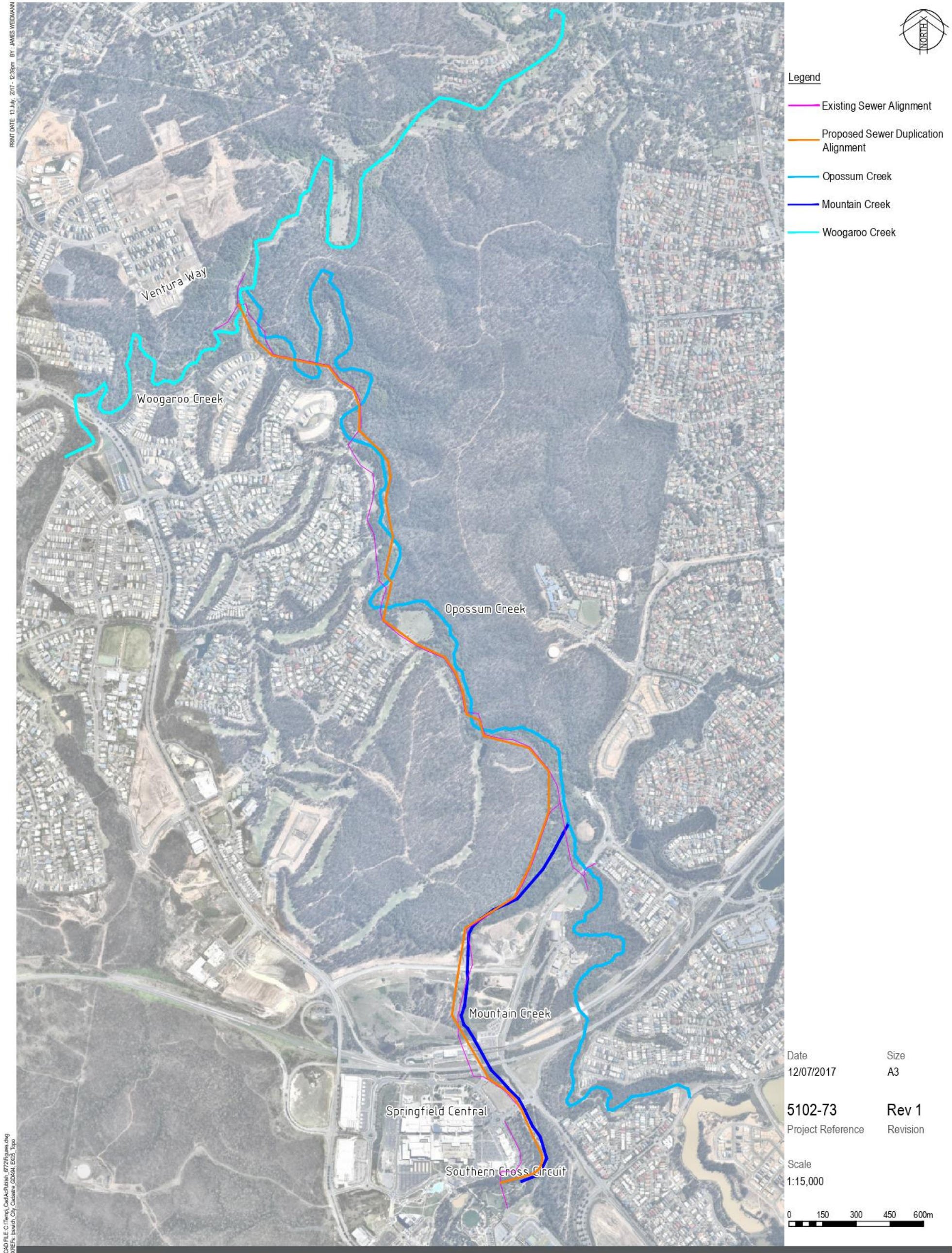


Figure 1
Site Location
Opossum Creek Hydraulic Assessment
Trunk Sewer Duplication
Springfield Land Corporation

ANNEXURE 4 MOUNTAIN CREEK REALIGNMENT PLANS (Council Responsibility)



Cardno (Qld) Pty Ltd | ABN 57 051 074 992
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IPSWICH CITY COUNCIL

DEVELOPMENT AREA 22A MOUNTAIN CREEK REALIGNMENT AND FIT FOR PURPOSE EARTHWORKS

Final realignment works to be determined by a revised flood study



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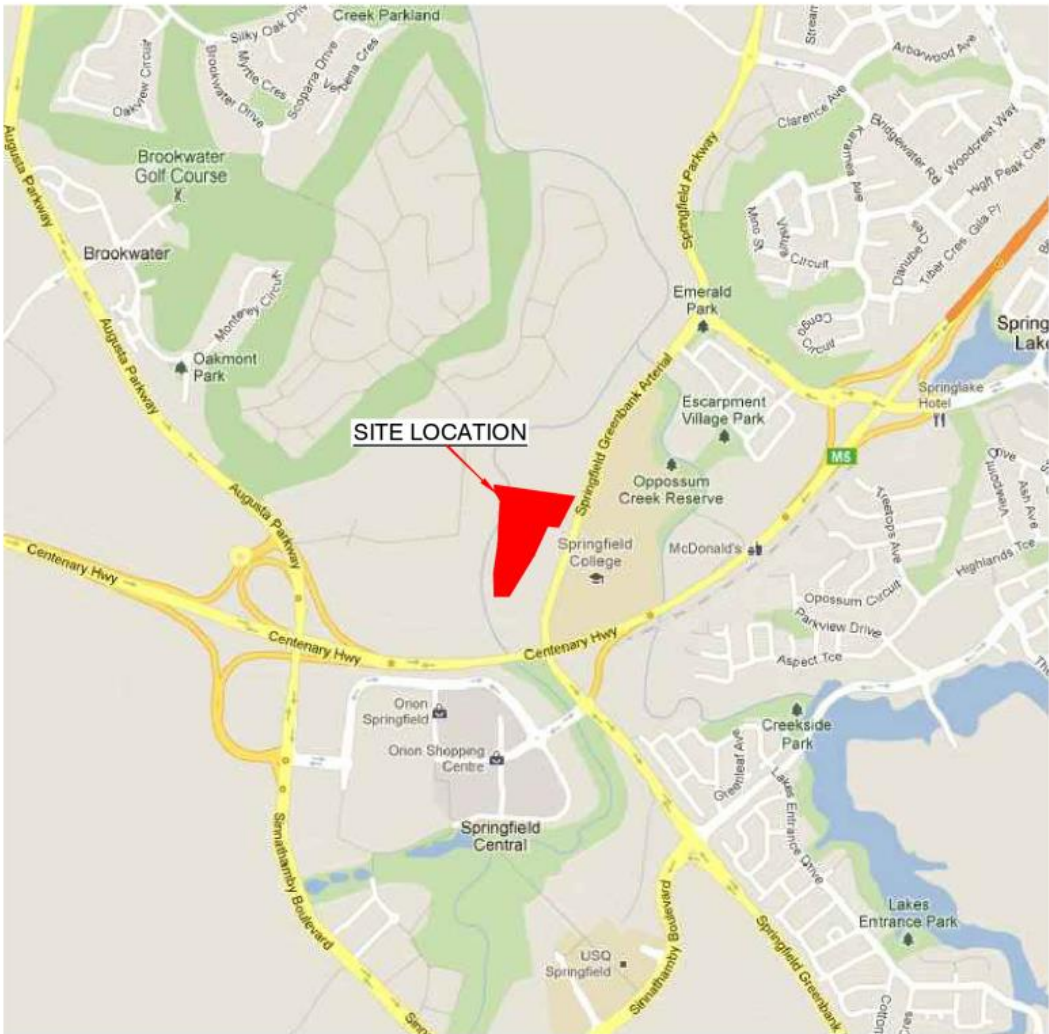
DATE PLOTTED: 21 June 2019 3:18 PM BY: JARON GLEBOY

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CARDNO L:\010-0505 - NORTHERN SPORTS FIELDS OPEN CHANNEL Drawings\510182-005-CI-1001.dwg

SCHEDULE OF DRAWINGS	
DRAWING No.	DESCRIPTION
GENERAL	
510182-005-CI-1000	COVER SHEET
510182-005-CI-1001	LOCALITY PLAN AND DRAWING SCHEDULE
510182-005-CI-1002	EXISTING FEATURES AND CONSTRAINTS PLAN
INTERIM CONFIGURATION	
510182-005-CI-1003	BULK EARTHWORKS AND SEDIMENT EROSION CONTROL
510182-005-CI-1004	SEDIMENT EROSION CONTROL DETAILS
510182-005-CI-1005	GENERAL LAYOUT PLAN
510182-005-CI-1010	TYPICAL SECTIONS
510182-005-CI-1011	LONGITUDINAL SECTION - CREEK REALIGNMENT
510182-005-CI-1012	CROSS SECTIONS - CREEK REALIGNMENT - SHEET 1
510182-005-CI-1013	CROSS SECTIONS - CREEK REALIGNMENT - SHEET 2
ULTIMATE CONFIGURATION	
510182-005-CI-2003	BULK EARTHWORKS AND SEDIMENT EROSION CONTROL
510182-005-CI-2005	GENERAL LAYOUT PLAN
510182-005-CI-2010	TYPICAL SECTIONS
510182-005-CI-2011	LONGITUDINAL SECTION - CREEK REALIGNMENT
510182-005-CI-2012	CROSS SECTIONS - CREEK REALIGNMENT SHEET 1 OF 2
510182-005-CI-2013	CROSS SECTIONS - CREEK REALIGNMENT SHEET 2 OF 2

GENERAL NOTES:

1. SHOULD SITEWORKS EXPOSE ANY ARCHAEOLOGICAL OR CULTURAL MATERIAL ALL WORKS SHALL CEASE AND OFFICIALS OF THE NATIONAL PARKS AND WILDLIFE, ABORIGINAL LAND COUNCIL AND IPSWICH CITY COUNCIL ARE TO BE NOTIFIED.
2. THE CONTRACTOR SHALL ADHERE TO ALL REQUIREMENTS OF THE ENVIRONMENTAL PROTECTION AUTHORITY E.P.A
3. WHERE IN THIS SET OF DRAWINGS REFERENCE IS MADE TO THE ENGINEER, CONSULTING ENGINEER AND OR COUNCIL ENGINEER IT SHALL MEAN THE SUPERINTENDENT UNDER THE CONTRACT FOR THE WORKS.
4. WHERE A DISCREPANCY AND / OR CONFLICT EXISTS BETWEEN THE DRAWING PREPARED BY CARDNO AND ANY STANDARD DRAWING OF THE LOCAL GOVERNMENT AUTHORITY AND / OR GOVERNMENT ORGANISATION THE DETAILS AND / OR INFORMATION OR THE CARDNO DRAWINGS SHALL TAKE PRECEDENCE . ADVISE THE SUPERINTENDENT IMMEDIATELY OF THE DETAILS OF ANY AND ALL CONFLICTS FOUND.
5. PRIOR TO COMMENCEMENT OF WORK, FENCE OFF AND CLEARLY DELINEATE ALL AREAS WHERE WORK CANNOT BE CARRIED OUT.
6. THE CONTRACTOR IS TO VERIFY LOCATION AND LEVELS OF ALL SERVICES AND TO LIAISE WITH THE LOCAL AND SERVICE AUTHORITIES PRIOR TO COMMENCING CONSTRUCTION.
7. ELECTRICAL AND TELECOMMUNICATION SERVICES CONTRACTOR TO CONFIRM LOCATIONS OF ALL EXISTING SERVICES ON SITE, INCLUDING LIAISON WITH RELEVANT AUTHORITIES.
8. THE CONTRACTOR IS TO INFORM IPSWICH CITY COUNCIL AND THE SUPERINTENDENT PRIOR TO COMMENCEMENT OF WORK.
9. PRIOR TO COMMENCEMENT OF WORK, A SIGN DETAILING THE PROJECT AND CONTAINING THE NAMES AND CONTACT NAMES OF THE DEVELOPER, CONTRACTOR AND PRINCIPAL CONSULTANT SHALL BE ERECTED AND MAINTAINED IN A PROMINENT POSITION AT THE SITE TO THE SATISFACTION OF IPSWICH CITY COUNCIL. THE SIGN SHALL REMAIN IN PLACE UNTIL COMPLETION OF THE CONTRACT.
10. LEVELS SHOWN AT ALL INTERFACES ARE TO BE CONFIRMED PRIOR TO COMMENCEMENT OF CONSTRUCTION.
11. ALL WORKS SHALL BE CARRIED OUT IN ACCORDANCE WITH THE APPROVED CONDITIONS OF CONSENT.
12. ALL DWG.'S LISTED ON DWG. 510182-005-CI-1001 ARE TO BE READ AS A WHOLE AND NOT IN ISOLATION.
13. ALL DRAWINGS TO BE READ IN CONJUNCTION WITH PROJECT SPECIFICATION.
14. THE CONTRACTOR IS TO ENSURE THAT ALL SURFACE GRADES TO BE A MINIMUM OF 0.5%.



LOCALITY PLAN
NOT TO SCALE
UBD MAP REF: 256 P.1

Final realignment works to be determined by a revised flood study

SAFETY IN DESIGN NOTES:

1. CONSTRUCTION ACTIVITY CAN BE HAZARDOUS. POTENTIAL SAFETY HAZARDS CONSIDERED BY THE DESIGNERS TO HAVE A HIGHER RISK THAN NORMAL CONSTRUCTION ACTIVITY ARE IDENTIFIED WITH APPROPRIATE NOTES ON THESE DRAWINGS. IT SHOULD BE NOTED THAT DESIGNERS HAVE A LOWER LEVEL OF UNDERSTANDING OF THE RISKS INVOLVED IN CONSTRUCTION COMPARED TO THAT OF A COMPETENT CONTRACTOR. IT IS THEREFORE ESSENTIAL THAT AN ADEQUATE SAFETY PLAN IS PREPARED BY THE CONTRACTOR FOR THE WORKS. THE DESIGNERS MAY NOT BE AWARE OF ALL SAFETY RISKS AND HAZARDS INVOLVED IN HIS PROJECT AND THE ABSENCE OF COMMENT DOES NOT IMPLY THAT THERE ARE NO RISKS OR HAZARDS INVOLVED IN THIS PROJECT.
2. THE CONTRACTOR SHALL COMPLETE WILL/SOLELY BE RESPONSIBLE FOR THE IMPLEMENTATION OF ANY NECESSARY SAFETY PLANS TO COMPLETE THE WORKS.
3. THE CONTRACTOR MUST COMPLY WITH ANY GUIDELINE ACTS OR CODE OF PRACTICE AND OTHER RELEVANT DOCUMENTS REGARDING SAFE WORK PRACTICES.
4. THE CONTRACTOR WILL HAVE A NOMINATED WH&S OFFICER FOR THE DURATION OF THE CONTRACT. THE WH&S OFFICER WILL BE RESPONSIBLE FOR ALL THE WH&S ISSUES ON THE SITE.
5. ALL PERSONS ENTERING THE SITE SHALL COMPLETE A SAFETY INDUCTION WITH THE NOMINATE WH&S OFFICE. THIS IS TO INCLUDE REFERENCE TO SAFETY IN DESIGN ISSUES RELIANT TO THE PROJECT.

Rev	Date	Description	Des.	Verif	Appd.
C	3/05/2016	FOR CONSTRUCTION			
B	12/02/2015	SCHEDULE UPDATED	BJF	AG	PW
A	1/09/2014	FOR APPROVAL	LW	AG	PW
2	31/07/2014	PRELIMINARY ISSUE	-	-	-
1	18/07/2014	PRELIMINARY ISSUE	-	-	-



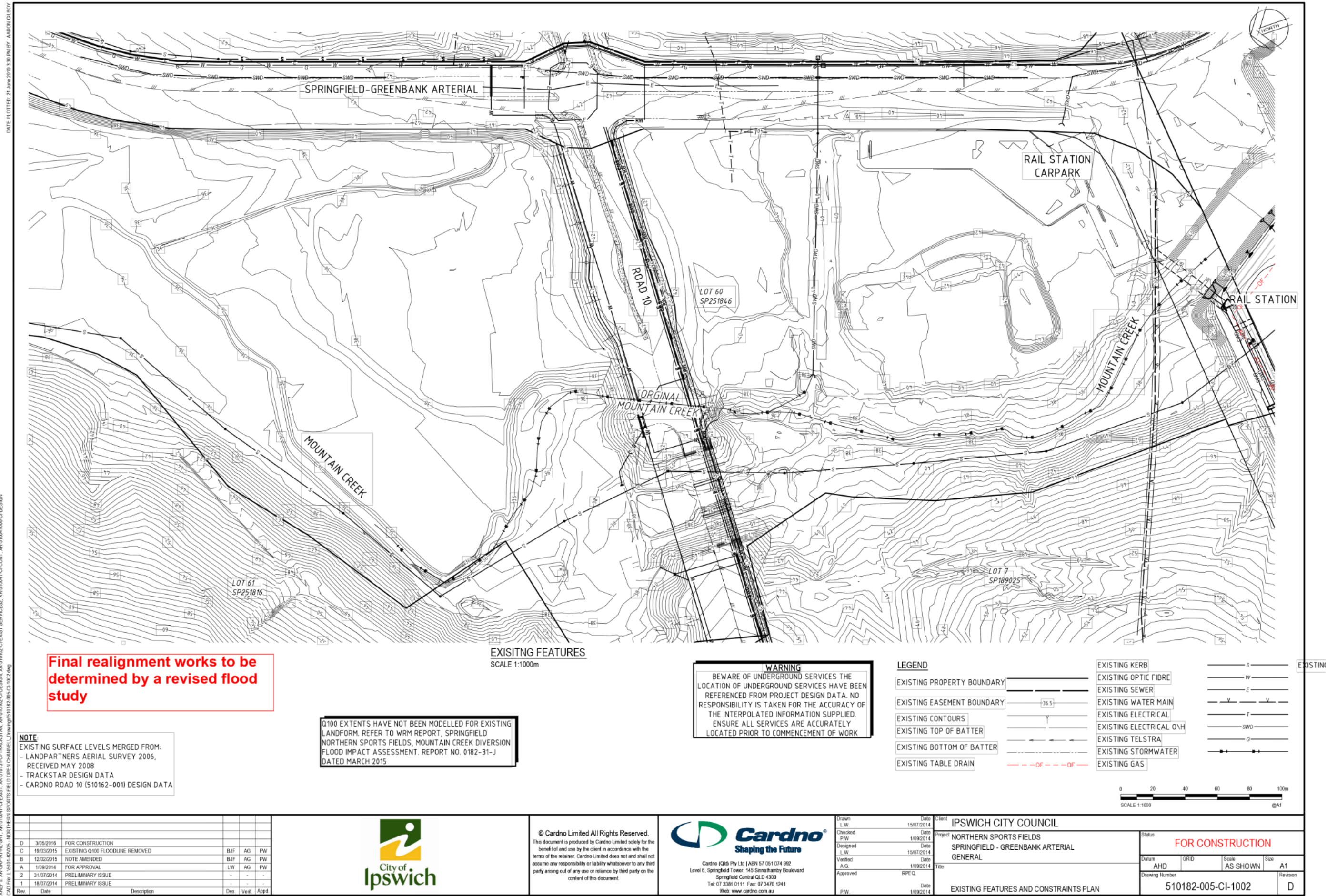
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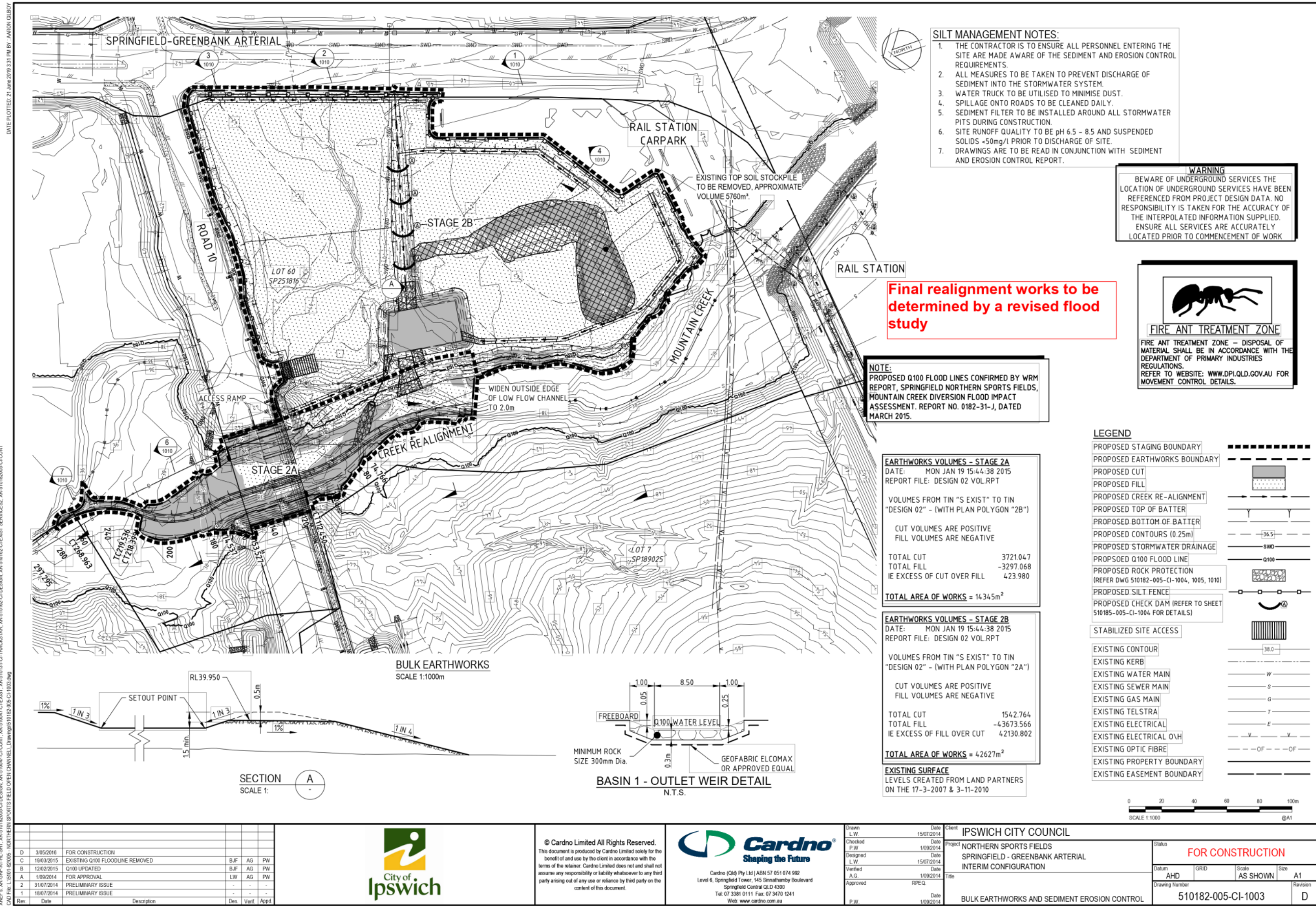
**Cardno**
Shaping the Future

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Drawn	Date	Client
LW	15/07/2014	IPSWICH CITY COUNCIL
Checked	Date	Project
PW	1/09/2014	NORTHERN SPORTS FIELDS
Designed	Date	SPRINGFIELD - GREENBANK ARTERIAL
LW	15/07/2014	GENERAL
Verified	Date	Title
A.G.	1/09/2014	LOCALITY PLAN AND DRAWING SCHEDULE
Approved	RPEQ	
PW	Date	
	1/09/2014	

Status	FOR CONSTRUCTION
Datum	AHD
GRID	AS SHOWN
Scale	A1
Drawing Number	510182-005-CI-1001
Revision	C





DATE PLOTTED: 21 Jun 2019 3:31 PM BY: JASON GLEBOY

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EROSION MANAGEMENT NOTES

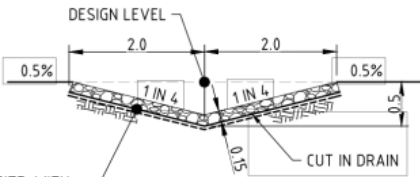
1. THE CONTRACTOR IS TO TAKE ALL NECESSARY PRECAUTIONS TO CONTROL EROSION AND DOWNSTREAM SEDIMENTATION DURING ALL STAGES OF CONSTRUCTION INCLUDING THE MAINTENANCE PERIOD.
2. ALL SEDIMENT CONTROL DEVICES SHALL BE MONITORED, CLEARED AND/OR REPAIRED WHENEVER THE ACCUMULATED SEDIMENT REDUCES THE CAPACITY BY 50%.
3. ALL PERIMETER BANK/SWALE SHALL HAVE UNINTERRUPTED POSITIVE GRADE TO AN OUTLET.
4. AT ALL TIMES THE CONTRACTOR SHALL MONITOR THE PREVAILING WEATHER CONDITIONS AND PROTECT ANY DOWNSTREAM CONSTRUCTION AND GULLY INLETS.
5. DURING CONSTRUCTION, ALL INLETS TO HAVE SILT PROTECTION IN ACCORDANCE WITH KERB INLET PROTECTION DETAIL AT LOCATIONS SHOWN OR AS DIRECTED BY THE ENGINEER.
6. THE EXTENT OF GRASSING SHALL BE DETERMINED BY THE PROJECT SUPERINTENDENT.
7. EXTRA EROSION CONTROLS ARE TO BE ERECTED AS ORDERED BY THE SUPERINTENDENT.
8. WORKS WILL NOT BE ACCEPTED "ON MAINTENANCE" WITH THESE FACILITIES IN PLACE.
9. TURF STRIPS TO BE PLACE IN THE INVERT OF ALL V-DRAINS.
10. ALL DISTURBED AREAS TO BE HYDROSEEDING AS SPECIFIED AS SOON AS WORKS ARE COMPLETED WITHIN 7 DAYS OF FINAL TRIMMING OF EARTHWORKS.
11. DUMPED ROCK SHALL NOT BE LESS THAN THE NOMINATED $\phi 50$. IF THE NOMINATED SIZE IS NOT AVAILABLE, USE NEXT AVAILABLE SIZE APPROVED BY SUPERINTENDENT.

SILT MANAGEMENT PROGRAM

- CLEARING**
- EARTH BANK AND TABLE DRAIN TO BE CONSTRUCTED ALONG THE TOP OF THE EXISTING BATTER.
 - SILT FENCE, SAND BAGS AND EARTH BUNDS TO BE ERECTED AS INDICATED OR REQUIRED.
 - EXISTING GRASSED AREAS TO BE KEPT WHERE POSSIBLE.
 - BARRIER FENCING TO BE ERECTED AROUND ALL NON-DISTURBED AREAS TO PREVENT ACCESS BY CONSTRUCTION MACHINERY.
- EARTHWORKS**
- SILT FENCES AND EARTH BUNDS WITHIN ROADS TO BE ERECTED AS INDICATED OR REQUIRED.
 - HYDRO MULCHING OF ALL DISTURBED AREAS UNLESS NOTED OTHERWISE TO OCCUR WITHIN 48 HOURS OF REACHING FINISHED SURFACE.
 - AN ADEQUATE SUPPLY OF GEOTEXTILE MATERIAL SHOULD BE KEPT ON SITE TO ENSURE THE DISTURBED AREA CAN BE PHYSICALLY COVERED IN THE EVENT OF A HIGH INTENSITY RAINFALL EVENT PRIOR TO THE HYDRO MULCHING OCCURRING.
 - ALL VERGES TO BE TOP SOILED AND TURFED WITHIN 48 HOURS OF REACHING FINISHED SURFACE.
- STORMWATER/SERVICES**
- EXCAVATED MATERIAL TO BE PLACED ON HIGH SIDE OF TRENCH TO PROTECT PIPE WORK AND DIRECT SURFACE RUNOFF AWAY FROM EXCAVATIONS.
 - TOPSOIL AND GRASS SEED AREAS IN ROAD BATTERS IMMEDIATELY AFTER COMPLETING THE TRENCHING WORKS.
 - DEPRESS GROUND AROUND TEMPORARY FIELD INLETS TO CREATE SILT POND.
- MAINTENANCE**
- THE SILT FENCES ARE TO BE INSPECTED WEEKLY. ANY REPAIRS REQUIRED ARE TO BE EFFECTED IMMEDIATELY.
 - SILT AFTER RAIN IS TO BE CLEARED FROM ROADWAY AND FOOTPATH IMMEDIATELY AND CORRECTIVE ACTION TAKEN TO AVOID A REOCCURRENCE OF THE FAILURE.
 - SEDIMENT BASIN TO BE DOSED WITH GYPSUM A RATE OF 32KG PER 100m³ OF WATER AFTER EACH RAIN EVENT.

EARTHWORK NOTES

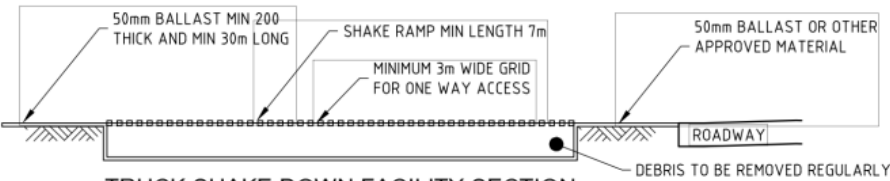
1. NOT WITHSTANDING THE LIMITS OF EARTHWORKS SHOWN ON THE DRAWINGS, THE ACTUAL LIMIT SHALL BE DETERMINED ON SITE BY THE SUPERINTENDENT.
2. THE LOCATION OF EXISTING SERVICES AS SHOWN ON THE PLAN IS INDICATIVE ONLY AND THE CONTRACTOR MUST ASCERTAIN THE LOCATION OF ALL SERVICES (I.E. WATER, ELECTRICITY, TELSTRA, GAS ETC) AND ADVISE THE SUPERINTENDENT IF REDESIGN IS NECESSARY BEFORE COMMENCING CONSTRUCTION.
3. ALL EXISTING SERVICES AND STRUCTURES ARE TO BE MAINTAINED IN GOOD ORDER FOR THE DURATION OF THE CONTRACT AND WHERE RELOCATION IS REQUIRED REFER TO SPECIFICATION.
4. FILLING ON ROAD EMBANKMENT TO BE COMPACTED TO 95% STANDARD DRY DENSITY AS1289 5.1.1 AND TRIMMED TO BE FREE DRAINING. ALL ROAD EMBANKMENT FILL SHALL BE SUPERVISED BY A QUALIFIED GEOTECHNICAL ENGINEER TO LEVEL 1 REQUIREMENTS IN ACCORDANCE WITH THE AS.3798-2007.
5. CONTRACTOR SHALL (IF IN DOUBT) DURING EARTHWORK OPERATION DIRECT CONCERN TO THE SUPERINTENDENT WHO SHALL SEEK ADVICE FROM GEOTECHNICAL CONSULTANT.
6. EARTHWORK QUANTITIES ON DRAWINGS AND SCHEDULES ARE NETT AND EXCLUDE TOPSOIL STRIPPING.
7. EARTHWORKS QUANTITIES, CUT VOLUME INCLUDES ROAD BOX (500mm)
8. CLEARING AND GRUBBING AS DIRECTED, INCLUDING REMOVAL AND DISPOSAL OF CLEARED VEGETATION BY METHODS APPROVED BY LOCAL COUNCIL. ALL CHIPPED MATERIAL TO BE REMOVED FROM SITE UNLESS DIRECTED BY SUPERINTENDENT.



SECTION A
N.T.S. 1003

NOTE:
MIN. LONGITUDINAL GRADE 0.5%.
Q_{max} = 600 l/sec.
0.5% - d=0.455m V=0.74m/s dgV=0.36m²/s

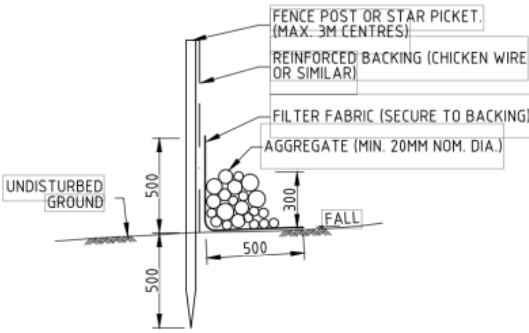
CHECK DAM DETAILS
N.T.S.



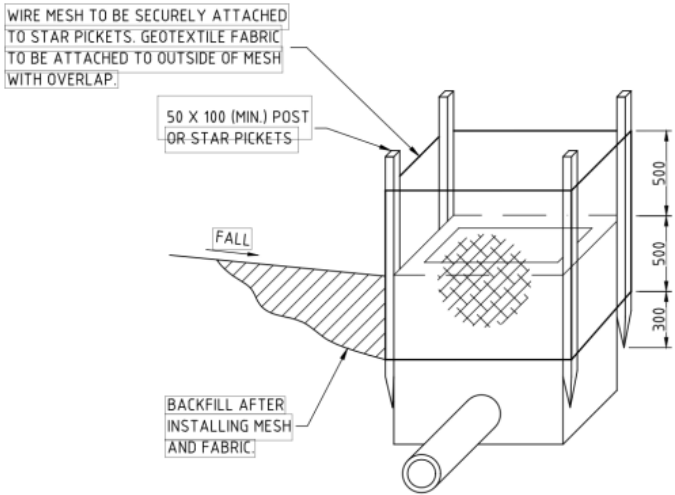
TRUCK SHAKE DOWN FACILITY SECTION
N.T.S.

NOTE:
ALL VEHICLES EXITING FROM THE SITE ARE TO BE CLEANED AND TREATED TO PREVENT MATERIAL BEING TRACKED OR DEPOSITED ONTO PUBLIC ROADS. IF MATERIAL IS ACCIDENTALLY DEPOSITED ONTO PUBLIC ROADS IT SHALL BE REMOVED WITHOUT DELAY. IF THE SHAKEDOWN DEVICE PROVES TO BE INEFFECTIVE THE CONTRACTOR IS TO USE OTHER MEANS TO PREVENT MATERIAL BEING DEPOSITED ONTO PUBLIC ROADS.

Final realignment works to be determined by a revised flood study



SILT FENCE
N.T.S.



FILTER FENCE AROUND FIELD INLET PIT
N.T.S.



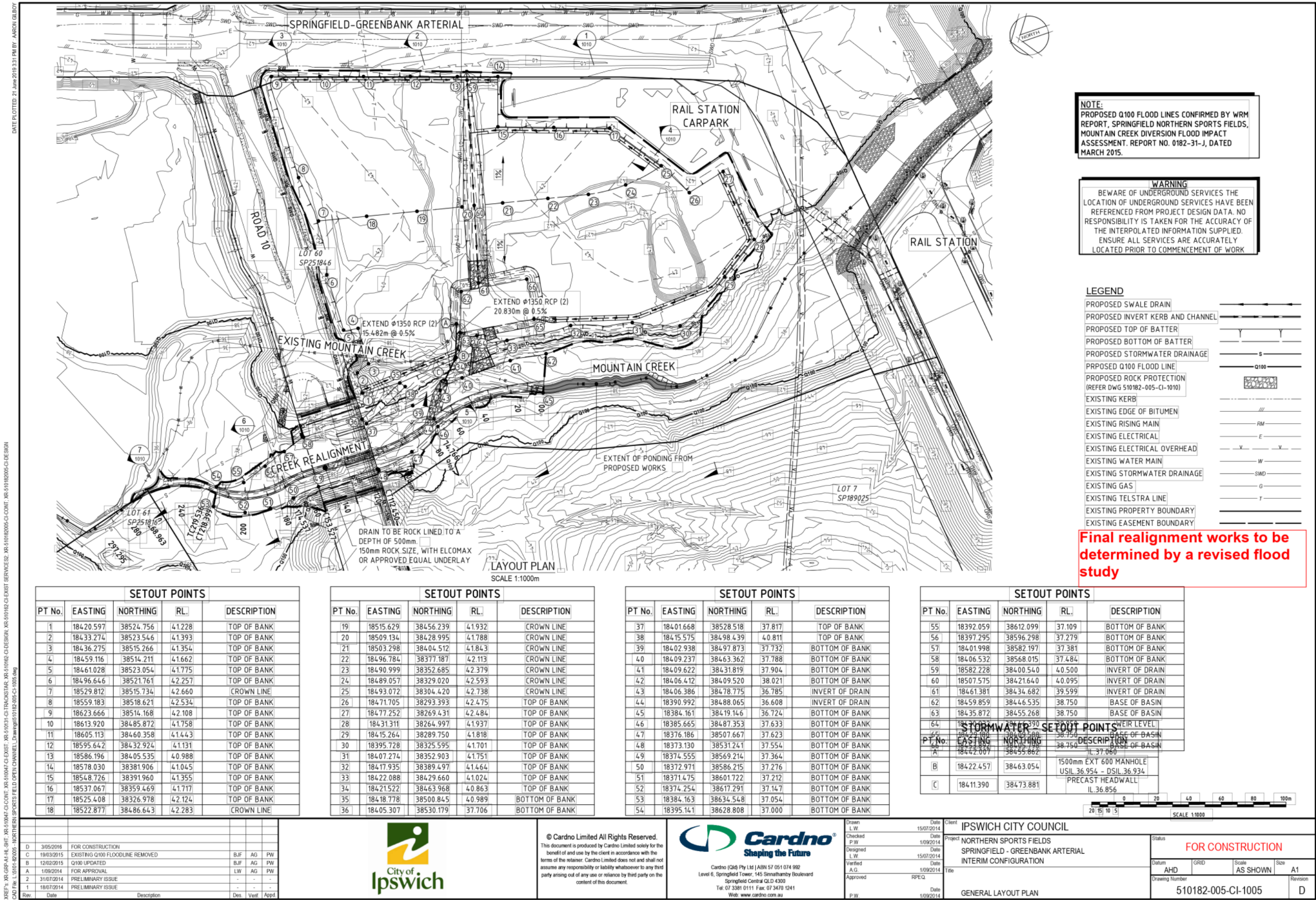
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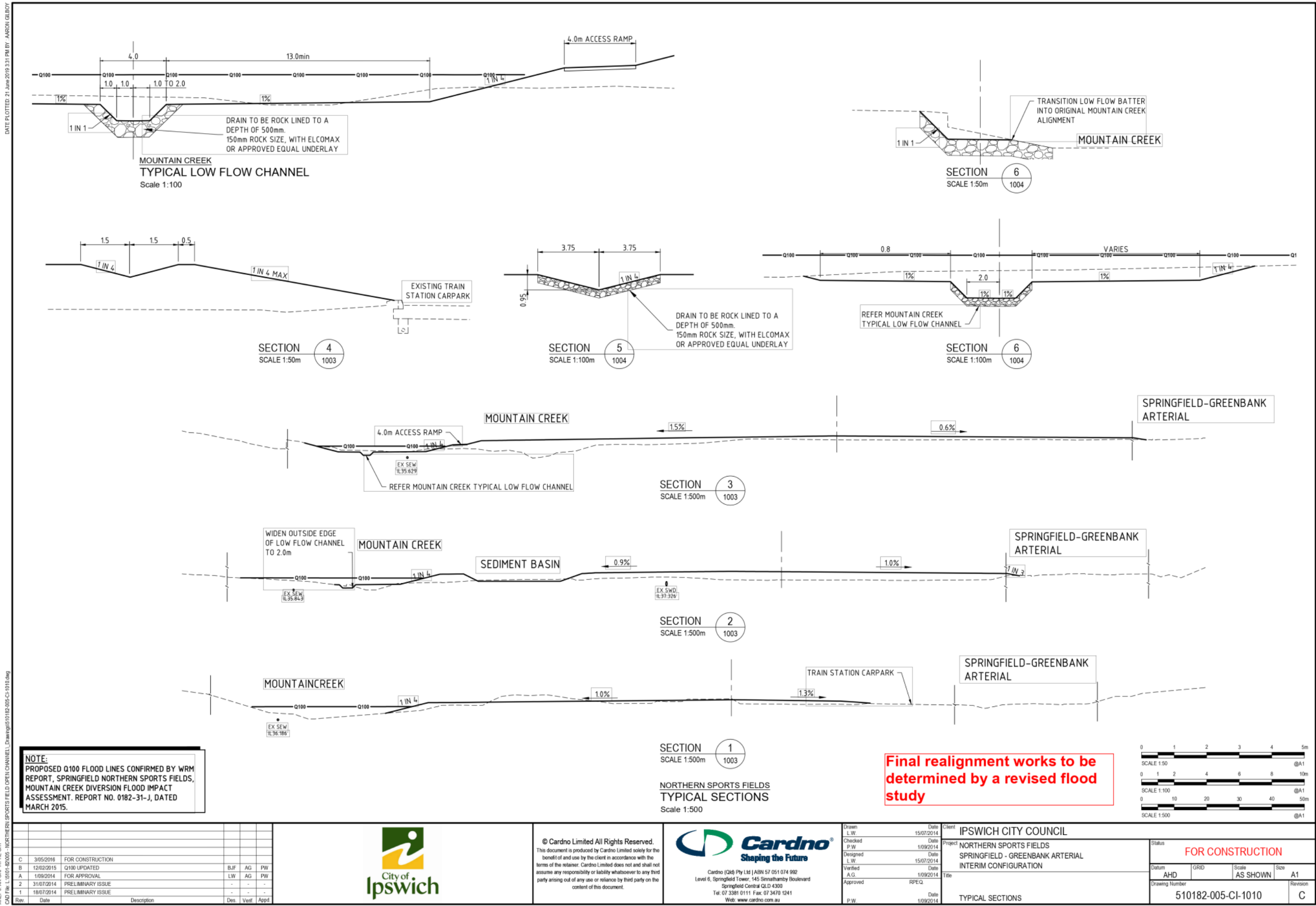


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Drawn	Date	Client	IPSWICH CITY COUNCIL
L.W.	15/07/2014		
Checked	Date	Project	
P.W.	1/09/2014	NORTHERN SPORTS FIELDS	
Designed	Date	SPRINGFIELD - GREENBANK ARTERIAL	
L.W.	15/07/2014	INTERIM CONFIGURATION	
Verified	Date	Title	
A.G.	1/09/2014	SEDIMENT EROSION CONTROL DETAILS	
Approved	RPEQ		
P.W.	Date		
	1/09/2014		
Status	FOR CONSTRUCTION		
Datum	GRID	Scale	Size
AHD		AS SHOWN	A1
Drawing Number	Revision		
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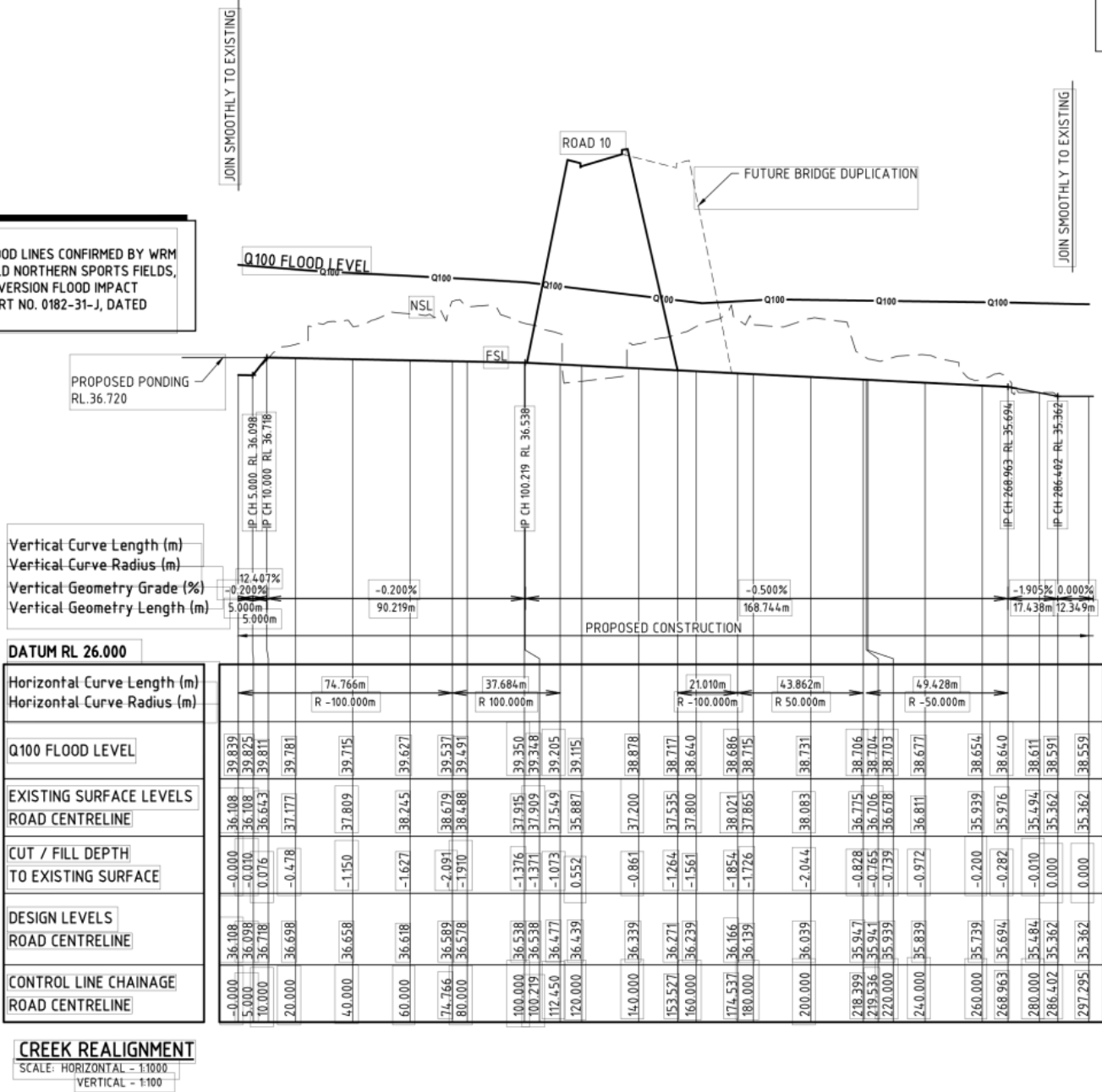




DATE PLOTTED 21 June 2019 3:11 PM BY: JASON GLEBOY

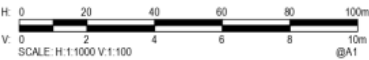
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CARDNO L:\027-1\0205 - NORTHERN SPORTS FIELDS OPEN CHANNEL Drawings\510182-005-CI-1011.dwg

NOTE:
PROPOSED Q100 FLOOD LINES CONFIRMED BY WRM
REPORT, SPRINGFIELD NORTHERN SPORTS FIELDS,
MOUNTAIN CREEK DIVERSION FLOOD IMPACT
ASSESSMENT, REPORT NO. 0182-31-J, DATED
MARCH 2015.



CONTROL LINE – CREEK REALIGNMENT							
PT	CHAINAGE	EASTING	NORTHING	BEARING	RAD/SPIRAL	A.LENGTH	D.ANGLE
IP1	00	18386.142	38418.289	23°23'40.94"	-100.000	74.766	42°50'15.96"
IP2	37.383	18401.718	38454.292	340°33'24.98"			
CC	74.766	18388.66	38491.282				
IP3	93.608	18382.313	38509.263	2°08'53.33"	100.000	37.684	21°35'28.35"
CT	112.45	18383.028	38528.318				
IP4	166.887	18385.068	38582.716				
TC	273.059	18403.124	38687.342	9°47'28.98"	80.000	68.081	48°45'34.02"
IP5	307.099	18409.29	38723.07				
CT	341.14	18440.219	38741.986				
IP6	355.885	18452.799	38749.679	58°33'03.00"			

Final realignment works to be
determined by a revised flood
study



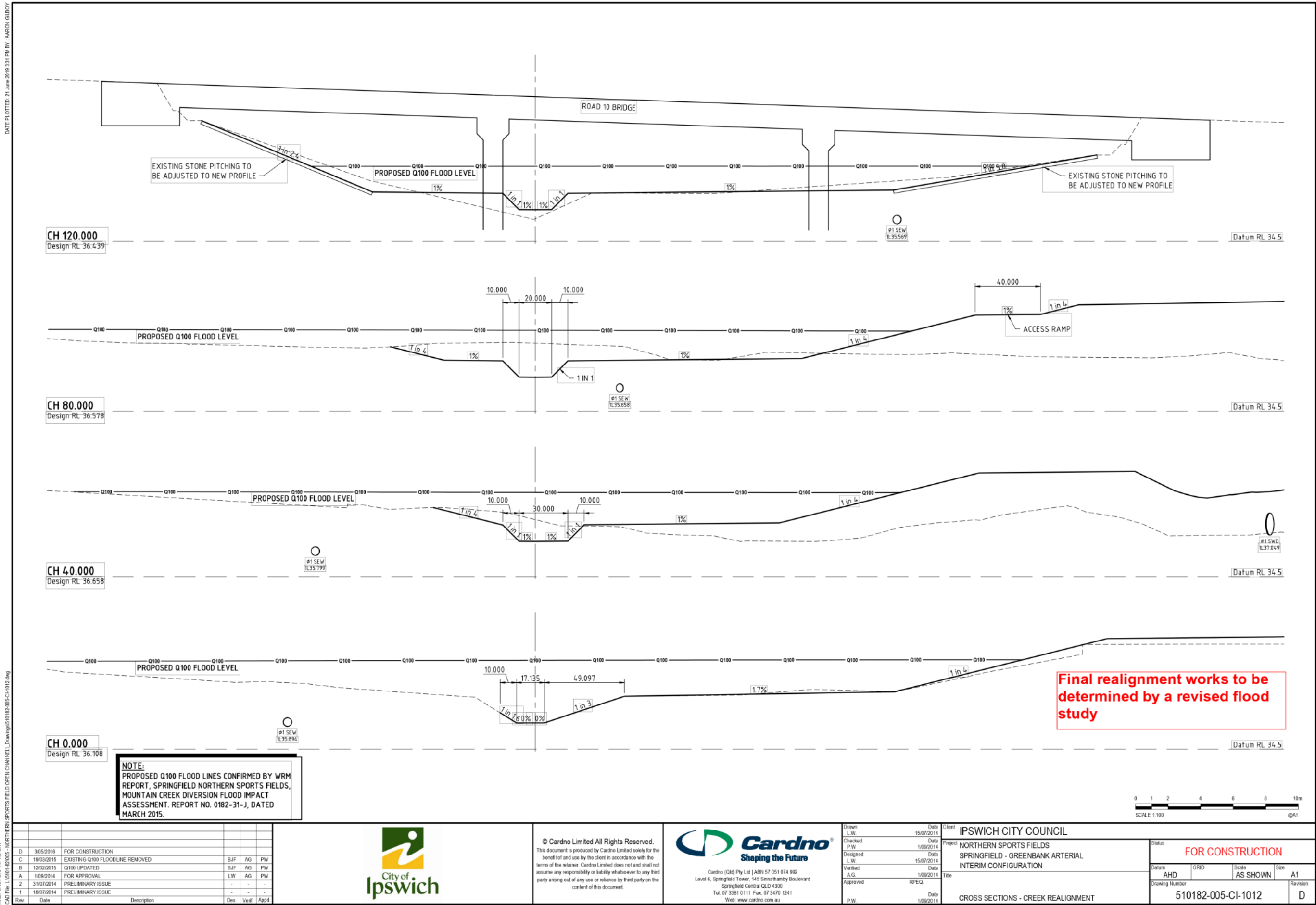
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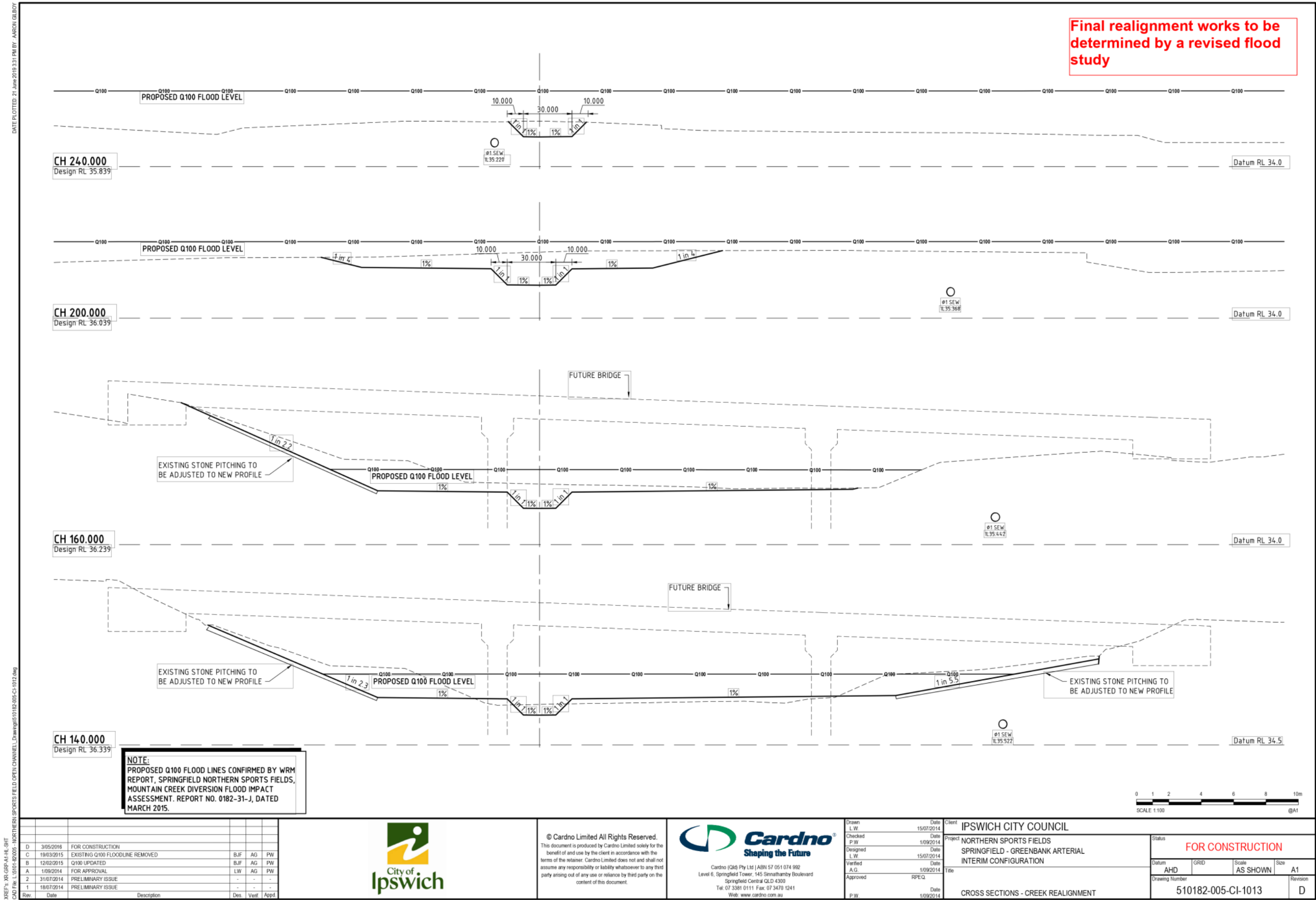


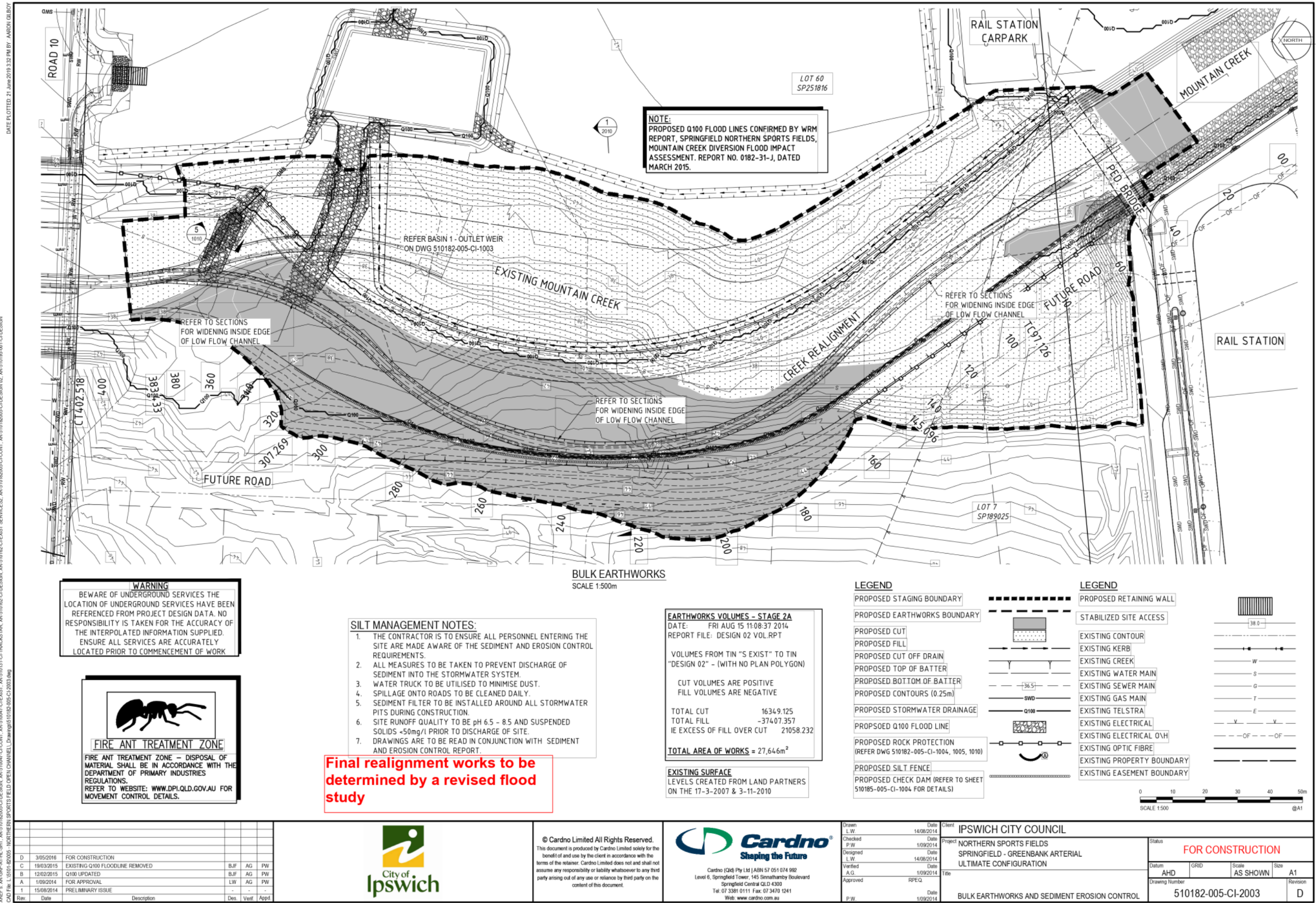
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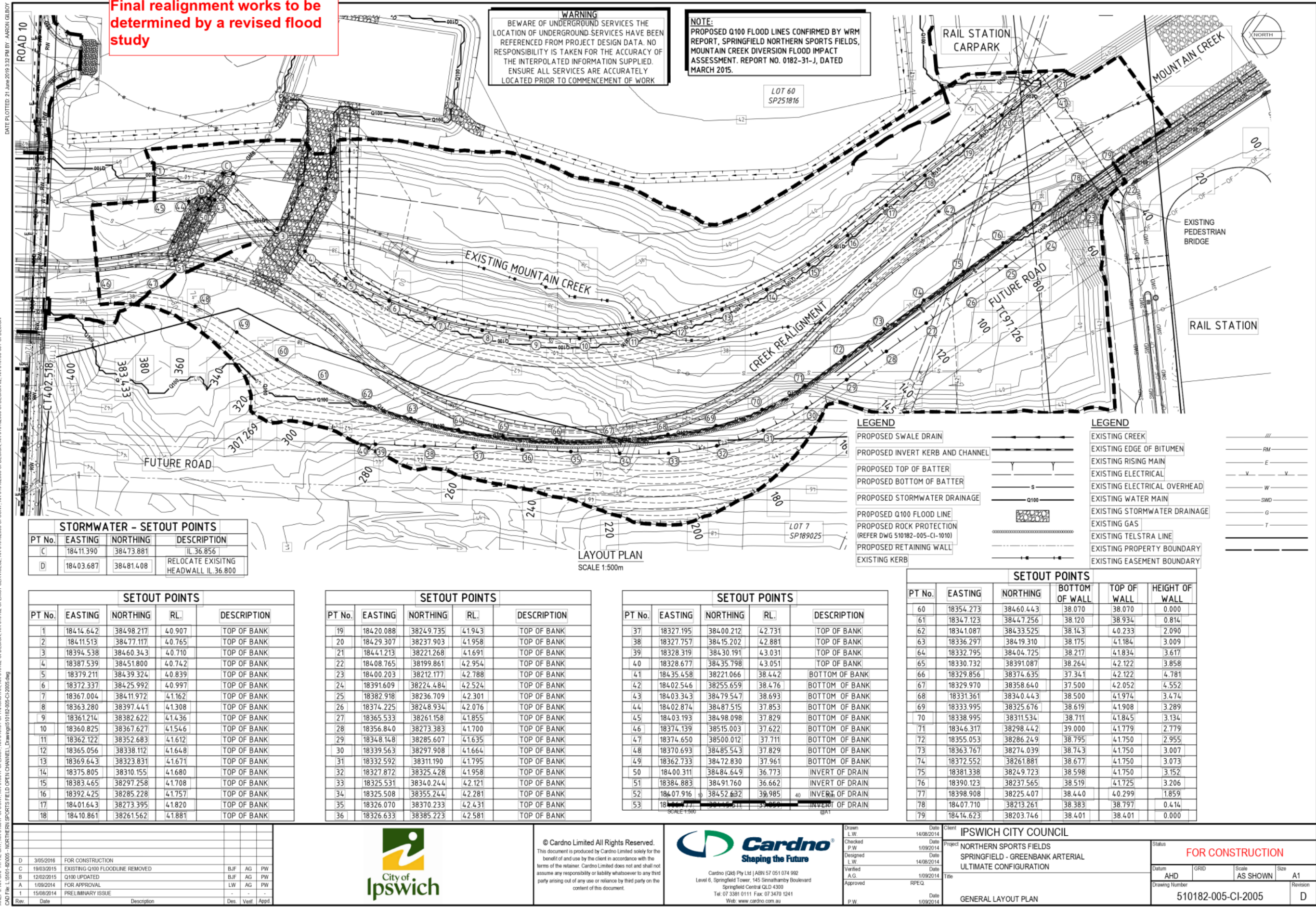


Drawn LW	Date 15/07/2014	Client IPSWICH CITY COUNCIL
Checked P.W.	Date 1/09/2014	Project NORTHERN SPORTS FIELDS SPRINGFIELD - GREENBANK ARTERIAL INTERIM CONFIGURATION
Designed LW	Date 15/07/2014	Status FOR CONSTRUCTION
Verified A.G.	Date 1/09/2014	Datum AHD
Approved RPEQ	Date 1/09/2014	Grid AS SHOWN
P.W.	Date 1/09/2014	Scale A1
Title LONGITUDINAL SECTION - CREEK REALIGNMENT		Size A1
Drawing Number 510182-005-CI-1011		Revision C









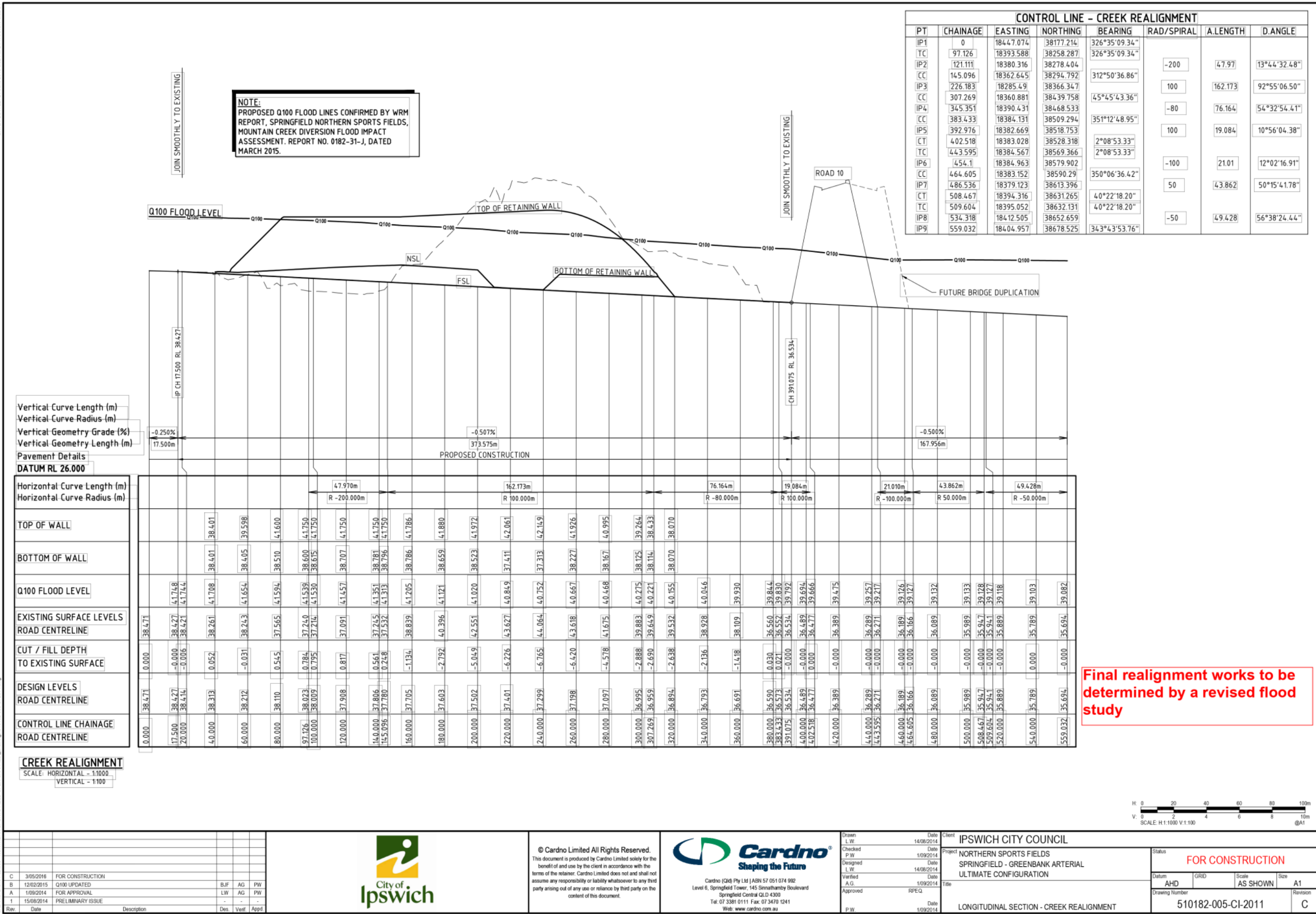




						 City of Ipswich		<p>© Cardno Limited All Rights Reserved.</p> <p>This document is produced by Cardno Limited solely for the benefit of and use by the client in accordance with the terms of the retainer. Cardno Limited does not and shall not assume any responsibility or liability whatsoever to any third party arising out of any use or reliance by third party on the content of this document.</p>		 Cardno (Qld) Pty Ltd ABN 57 051 074 992 Level 6, Springfield Tower, 145 Sinnathurby Boulevard Springfield Central QLD 4300 Tel: 07 3381 0111 Fax: 07 3470 1241 Web: www.cardno.com.au		<table><tr><td>Drawn</td><td>Date</td><td rowspan="5">Client IPSWICH CITY COUNCIL Project NORTHERN SPORTS FIELDS SPRINGFIELD - GREENBANK ARTERIAL ULTIMATE CONFIGURATION Title TYPICAL SECTIONS</td><td rowspan="5">Status <div>FOR CONSTRUCTION</div></td></tr><tr><td>L.W.</td><td>14/08/2014</td></tr><tr><td>Checked</td><td>Date</td></tr><tr><td>P.W.</td><td>1/09/2014</td></tr><tr><td>Designed</td><td>Date</td></tr><tr><td>L.W.</td><td>14/08/2014</td><td></td><td></td></tr><tr><td>Verified</td><td>Date</td><td></td><td></td></tr><tr><td>A.G.</td><td>1/09/2014</td><td></td><td></td></tr><tr><td>Approved</td><td>RPEQ.</td><td></td><td></td></tr><tr><td>P.W.</td><td>Date</td><td></td><td></td></tr><tr><td></td><td>1/09/2014</td><td></td><td></td></tr></table>		Drawn	Date	Client IPSWICH CITY COUNCIL Project NORTHERN SPORTS FIELDS SPRINGFIELD - GREENBANK ARTERIAL ULTIMATE CONFIGURATION Title TYPICAL SECTIONS	Status <div>FOR CONSTRUCTION</div>	L.W.	14/08/2014	Checked	Date	P.W.	1/09/2014	Designed	Date	L.W.	14/08/2014			Verified	Date			A.G.	1/09/2014			Approved	RPEQ.			P.W.	Date				1/09/2014		
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DATE PLOTTED: 21 Jun 2019 3:12 PM BY: ANDREW GLEBOV

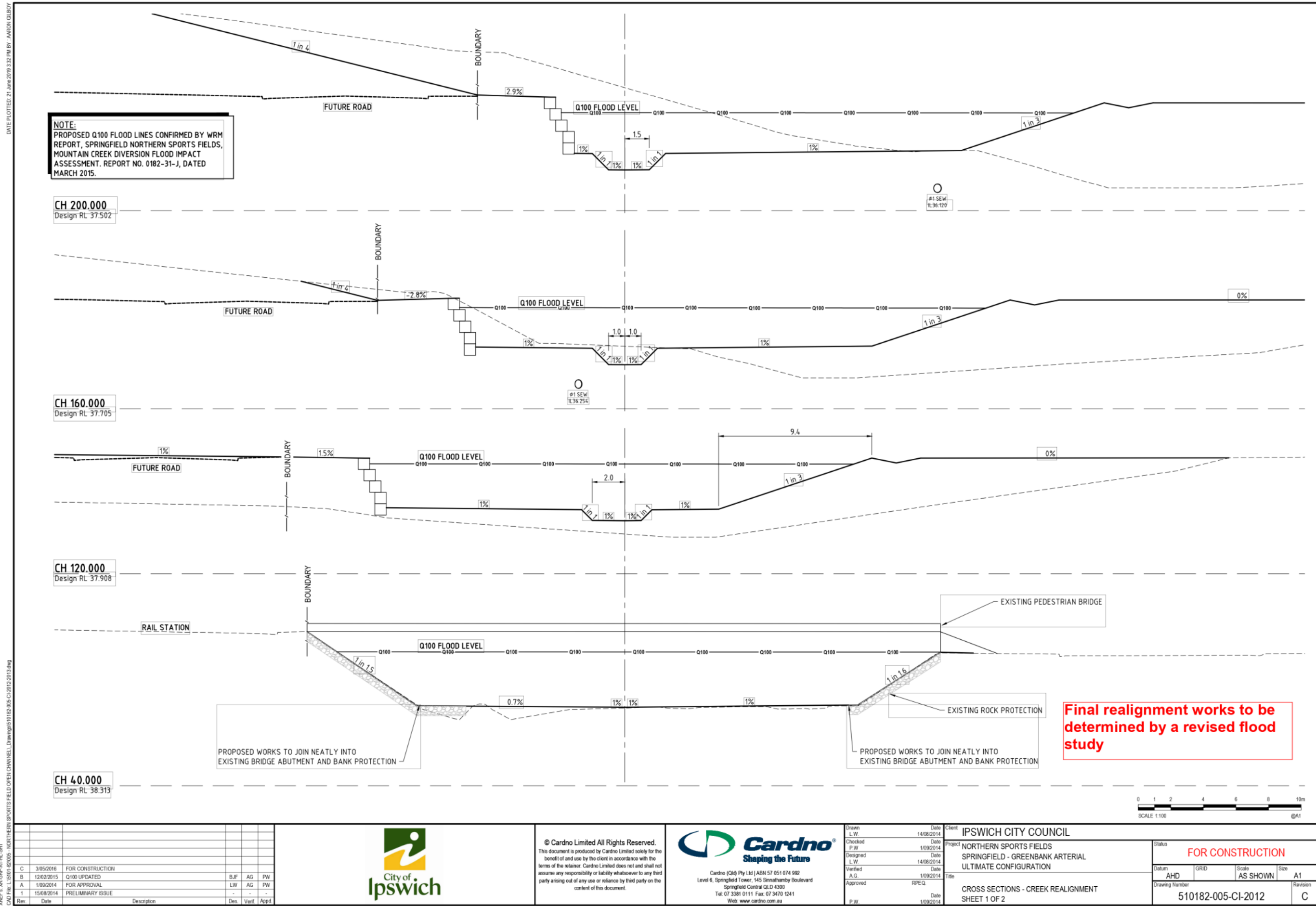
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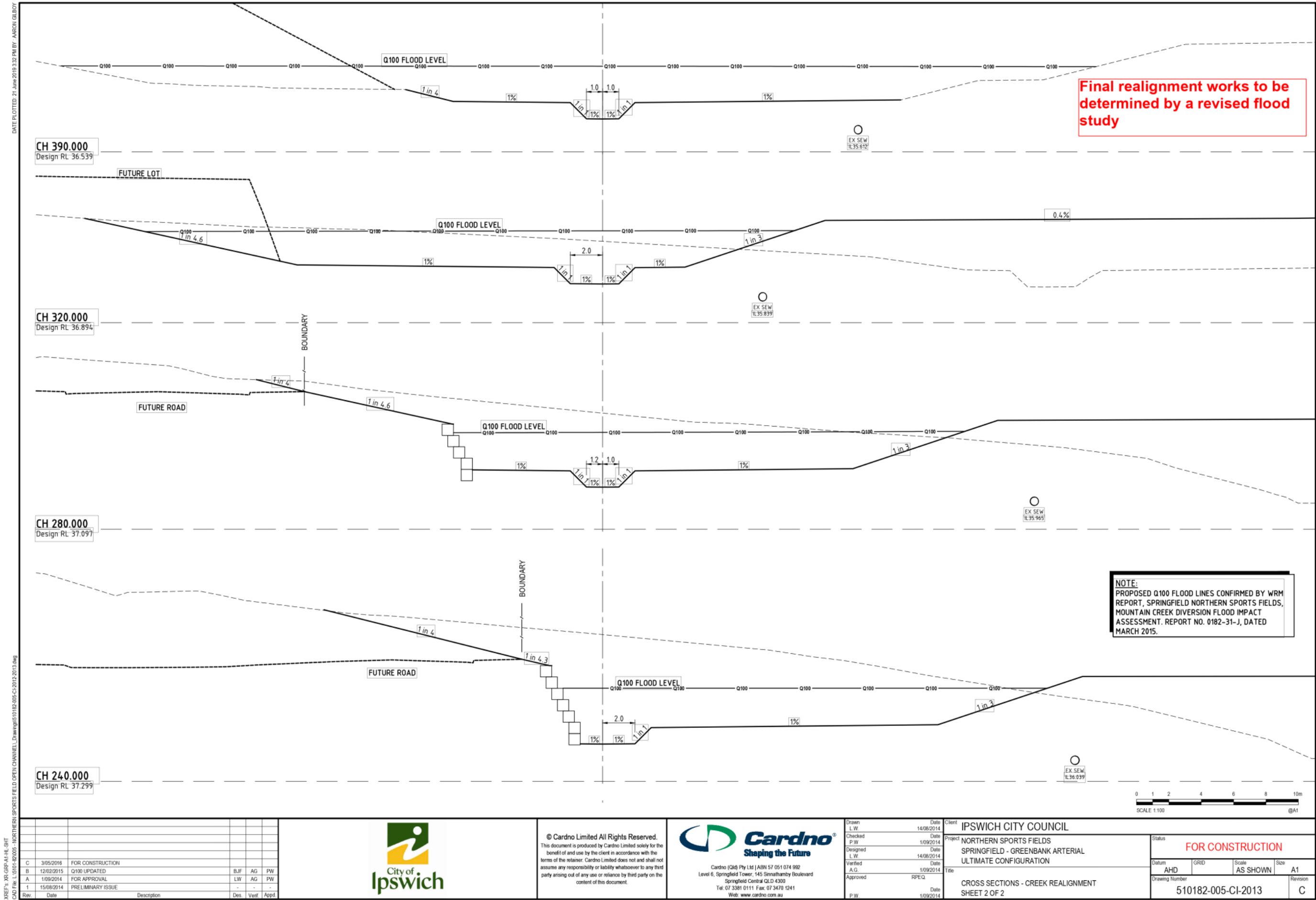


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Drawn LW	Date 14/08/2014	Client IPSWICH CITY COUNCIL
Checked P.W.	Date 1/09/2014	Project NORTHERN SPORTS FIELDS SPRINGFIELD - GREENBANK ARTERIAL ULTIMATE CONFIGURATION
Designed LW	Date 14/08/2014	Status FOR CONSTRUCTION
Verified A.G.	Date 1/09/2014	Datum AHD
Approved RPEQ	Date 1/09/2014	Scale AS SHOWN
		Size A1
		Drawing Number 510182-005-CI-2011
		Revision C





ANNEXURE 5 CULTURAL HERITAGE



**Environmental
Protection
Agency**

288 Edward Street • Brisbane, Queensland • PO Box 2771 • BRISBANE GPO QLD 4001 • AUSTRALIA
Telephone (07) 3225 8443 • Facsimile (07) 3225 8723 • www.env.qld.gov.au

Enquiries	Robert Neal
Telephone	(07) 3225 8426
Your reference	
Our reference	961RC256

25 June 1999

Chief Executive Officer
Ipswich City Council
PO Box 191
IPSWICH QLD 4305

Attention Mr Michael McMahon (A/Team Co-ordinator - Springfield)

Dear Mr McMahon

RE: Cultural Heritage Conservation Plan for the Springfield Development

I refer to your letter of 4 June 1999 requesting advice on the cultural heritage assessment and conservation plan for the Springfield Development. The following documents were supplied to this office and have been reviewed to develop an appropriate cultural heritage conservation plan for Springfield.

1. Alfredson, Gillian 1999. A Review of an Aboriginal Cultural Heritage Assessment and Clearance of the Springfield Development, Ipswich, Queensland. Unpublished Report. Chapel Hill: Alfredson Consulting Pty Ltd.
2. Satterthwait, Leonn 1998. An Aboriginal Cultural Heritage Assessment and Clearance of the Springfield Development, Ipswich, Queensland. Unpublished Report. Ipswich: The Ugarapul Tribal Aboriginal Corporation.
3. Correspondence from Dr Leonn Satterthwait, University of Queensland to Keilor Fox and McGhie dated 16 October 1998, 17 August 1998, 2 August 1998, 27 July 1998, 20 July 1998, 12 July 1998, and 5 July 1998,
4. Davies, SJ and A Stewart-Zerba 1994. A Cultural Heritage Assessment of the Proposed Camira Bypass Road and Rail Corridors from Richlands to Keidges Road, Redbank Plains, Moreton Shire, SEQ. St Lucia: UQASU Report No.233
5. Alfredson, Gillian 1991. Report on an Archaeological Inspection of a Proposed Integrated Development at Camira. Unpublished Report. Chapel Hill: Alfredson Consulting Pty Ltd.
6. Springfield Development Control Plan. Ipswich: Ipswich City Council. January 1997.
7. Springfield Master Concept Plan, Keilor Fox and McGhie. January 1999.

APPENDIX 4

Collectively, the above documentation provides a detailed record of the initiation, conduct, and results of a comprehensive investigation and assessment of the cultural heritage values of the Springfield Development.

Satterthwait (1998) identified 481 artefact find locations giving a find location density of 18 locations per square kilometre. On the basis of artifact density and proximity, Satterthwait identified 32 distinct areas within the Springfield Development area which may be described as archaeological sites. Satterthwait recommended the in situ protection of 63% (N= 20); collection 22% (N= 7); collection/protection for 14% (N=4); and no further action with respect to 3% (N= 1) which was previously disturbed.

Alfredson (1999) provides a peer review of Satterthwait's reports.

The cultural resource management plans developed by Satterthwait (1998) and reviewed by Alfredson (1999) were assessed by the Southern Region Cultural Heritage Program. Field inspection was also undertaken. The appropriate cultural heritage conservation plan for the Springfield Development was determined on these bases.

The thrust of the Environmental Protection Agency's heritage conservation planning in this instance is 'to ensure a good representative sample of the artefacts found on the Springfield Development are retained on-site'.

The following sites are considered to be adequately protected within proposed land allocations of the Master Concept Plan (January 1999): A, B, D, E, G, J, M, Q, U, X, Y, AA, DD, EE, GG.

The above sites are considered to be adequately protected within proposed land allocations of the Master Concept Plan (January 1999). To clarify, the areas of those sites that lie within the 'open space' or 'conservation' allocations as shown in the Master Concept Plan (January 1999) are considered to provide an adequate and appropriate representative sample of the known/identified archaeological heritage resources. The parts of the above sites which occur in zoning's other than 'open space' do not warrant protection or collection and should not pose constraint to development of the local area.

Some sites do not warrant protection or collection and should not pose constraint to development of the local area, as follows: C, F, G, I, K, O, R, S, T, W, Z, BB, CC, FF, and HH.

In some cases the proposed conservation area as shown in the Master Concept Plan is inadequate should be extended to provide additional protection for sites L, N and V.

Site P should be systematically collected in accordance with the recommendations of Satterthwait (1998) and Alfredson (1999). The financial responsibilities for this exercise lie with the Springfield Land Corporation.

Site H lies outside the Springfield Development.

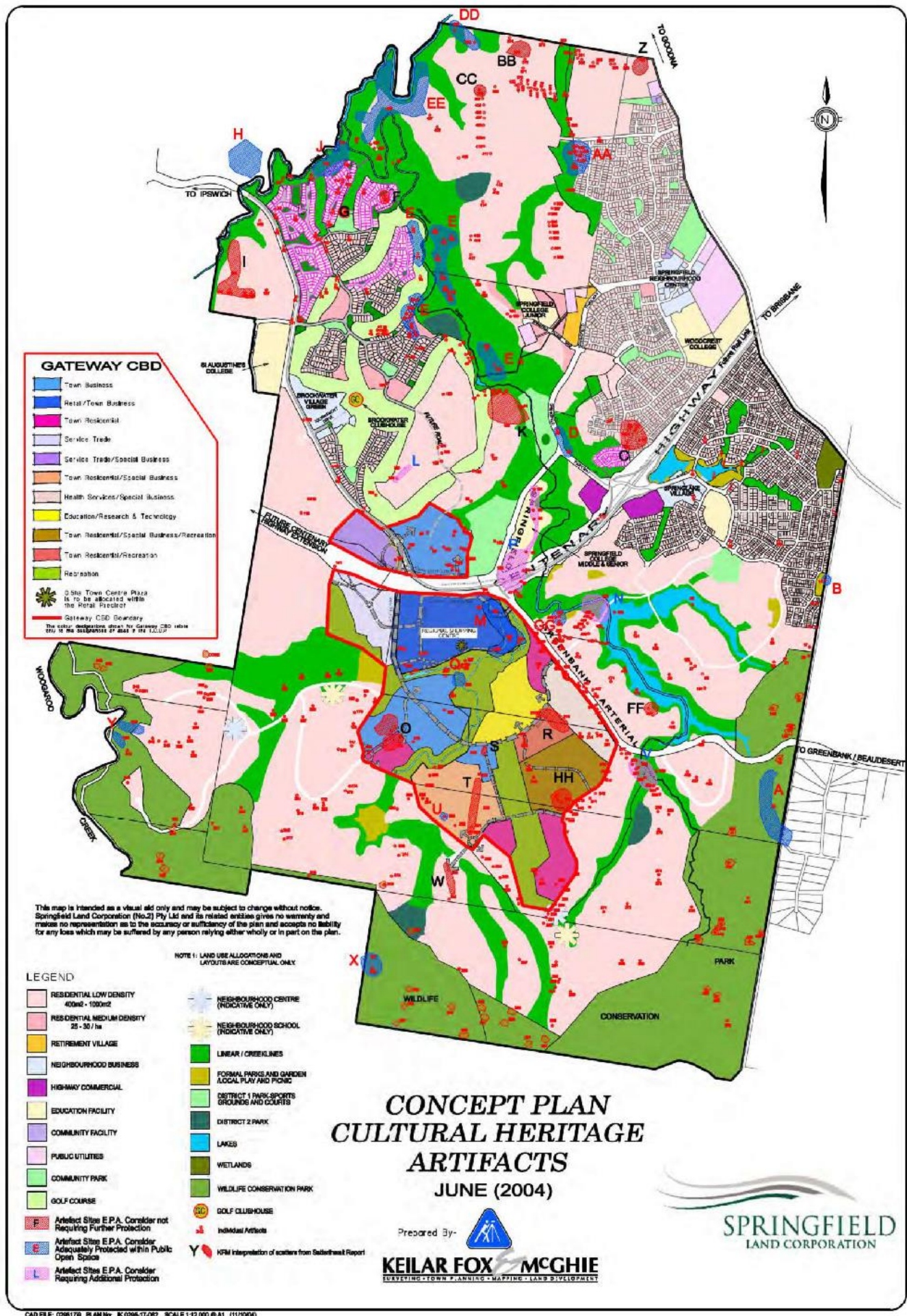
Should any Aboriginal, archaeological or historic sites, item or places may be identified, located or exposed during the course of the development, please cease operations and contact the Regional Manager (Cultural Heritage) on (07) 3225 8443.

The above cultural heritage conservation plan collates and summarises the information previously supplied to Keilor Fox & McGhie in our correspondence dated 1 June 1999, 9 June 1999 and 16 June 1999.

Yours sincerely



Robert Neal
Regional Manager - Cultural Heritage
Southern Region
Environmental Protection Agency



Doc ID No: A5861372

ITEM: N.4

SUBJECT: TENDER CONSIDERATION PLAN - DEVELOPMENT OF RETAIL ASSETS IPSWICH CENTRAL

AUTHOR: GENERAL MANAGER - COORDINATION AND PERFORMANCE

DATE: 24 OCTOBER 2019

EXECUTIVE SUMMARY

This is a report concerning procurement alternatives for the construction work associated with the retail areas on Nicholas Street in the Ipswich CBD. The report recommends that a Tender Consideration Plan (TCP) be prepared to confirm the most suitable construction procurement option, with Hutchinson Builders potentially performing the works as a variation to their existing contract with Council.

The Local Government Regulation 2012 Section 230 allows a local government to enter into medium and large contractual agreements, without first inviting written quotes or tenders, through the preparation and adoption of a TCP. The TCP provides the information required to comply with the regulation and to justify the use of the plan as an effective and appropriate alternative to seeking quotes or to calling for open tenders.

The scope of work for which the proposed TCP relates are summarized below as demolition and landlord works for:

- Eats Building
- Venue Building
- Metro B
- Metro A (price to be broken out as an optional additional scope item)

The work will exclude tenant fit out.

RECOMMENDATION/S

That the Interim Administrator of Ipswich City Council resolve:

That a Tender Consideration Plan be prepared in accordance with section 230 (1) (a) of the *Local Government Regulation 2012 (Qld)* to confirm the best option for procurement of demolition and construction work for landlord works to the Eats, Venue, Metro A and Metro B buildings.

RELATED PARTIES

Ranbury Property Management

The Interim Administrator has previously stated that he has, or could reasonably be taken to have a perceived conflict of interest in relation to Ranbury Management Group. The nature of the perceived conflict of interest is that Ranbury Management Group is the primary consultant for the CBD Redevelopment and from 2008 to 2012 the interim administrator was an employee and was a director and part owner of Ranbury but has had no association with the company since then other than through his current role.

Hutchinson Builders

There are no other known conflicts of interest.

ADVANCE IPSWICH THEME

Strengthening our local economy and building prosperity

PURPOSE OF REPORT/BACKGROUND

The Retail Project is part of a broader program of works taking place to revitalise the Ipswich CBD around Nicholas Street, the largest part of which is the Civic Project. A competitive tender process was undertaken to appoint the D&C Contractor for the Civic Project and Hutchinson Builders were awarded the contract.

Prior to award of the contract for the Civic Project to Hutchinson Builders, during commercial negotiations, clauses were included in the Civic Project Contract to enable the Retail Projects to be added to the scope of the Civic Project if the Principal (ICC) requested it. The Retail Project is likely to be 25% to 35% of the value of the Civic Project depending on the elements that are chosen to proceed.

Rates for profit and overheads were included pursuant to review by the ICC's cost consultant (Rider Levett and Bucknall). The relevant Retail Project terms were drafted by ICC's lawyers (Clayton Utz) and included in the Contract.

The Retail Project is co-located with the Civic Project as summarised below:

- The Eats building is partially located within the Civic Project construction site. For example, the elevator to the Eats Building and several internal walls are being replaced as part of the Civic Project.
- The Metro B building is immediately adjacent the Civic Project and external paving that serves Metro B is part of the Civic Project scope of work. Work to the exterior of the Metro B will require access from the Civic Project construction site.
- The Metro A building is adjacent Metro B. It doesn't directly interface with the Civic Project however it is also likely that work to this building may not proceed.

- The Venue building is located on Nicholas Street approximately 50m from the current site

This report is now seeking approval from Council to prepare a tender consideration plan in accordance with section 230 (1) (a) of the *Local Government Regulation 2012 (Qld)* to confirm the best option for procurement of demolition and construction work for landlord works to the Eats, Venue, Metro A and Metro B buildings.

It is recommended that Council agree to prepare a TCP to assess the suitability for Hutchinson Builders to conduct the works as a variation to their existing contract for the following reasons:

- Preserve a single Principal Contractor on the existing site and the expanded site area to facilitate safety for workers and the public.
- Preserve a single Principal Contractor in the precinct to streamline activities that may be disruptive to the tenants and public within the precinct.
- Minimise tender management costs for ICC
- Minimise tendering costs to industry.
- Make use of the Civic Project Contract clauses and rates that were negotiated prior to contract award.
- Avoid delays associated with a full procurement process.
- Gain a program benefit by starting on works while the site is still in possession of the current Principal Contractor.
- Reduce construction risk by conducting selective demolition and site investigation using resources and expertise currently on site and familiar with the precinct.
- Ensure consistency with finishes and fixtures across the precinct between the Civic Project and Retail Project.

The preparation of a tender consideration plan for Hutchinson Builders to conduct these works as a variation does not commit Council to awarding the works to Hutchinson Builders. The tender consideration plan will investigate and review the costs for Hutchinson Builders to conduct the works and have this assessed against known market values. The tender consideration plan will then be provided to Council to consider if Hutchinson Builders are the appropriate delivery contractor for these works, taking into account value for money and other procurement principles.

LEGAL/POLICY BASIS

This report and its recommendations are consistent with the following legislative provisions:
Local Government Regulation 2012

RISK MANAGEMENT IMPLICATIONS

There are potentially significant future financial risks associated with adopting the recommendation of this report. The construction estimate for the development of all of the retail assets is approximately \$47.14 million, however this report is seeking only to prepare a tender consideration plan to be considered by Council at a future Council meeting. The tender consideration plan will ensure that Council achieves value for money for the proposed works, if Council decides to proceed with the development of the assets. Once the tender consideration plan is completed, the costs for the development of these retail assets will be confirmed and Council can then consider the decision on whether or not to expend funds and the financial implications of this.

If Council were not to adopt this recommendation, there will be delays in delivering the retail assets which may have implications for the community objectives of activation of the Ipswich Central precinct.

FINANCIAL/RESOURCE IMPLICATIONS

The funding for the Retail Project will be addressed as part of a future report to Council.

The Tender Consideration Plan will investigate the likely cost impact of proceeding with the construction work as a variation to the Hutchinson contract, compared to an open tender or short-list tender pursuant to an expression of interest process. The likely advantages of proceeding with the work as a variation include:

- Reduced management costs to ICC
- Reduced tendering burden on the industry
- Competitive pricing will still be undertaken for the majority of subcontract work on site, the main item being single-sourced is the Principal Contractor role

As previously stated, the construction costs for full development of all the retail assets is approximately \$47.14 million, however this report is not seeking approval to expend these funds.

COMMUNITY AND OTHER CONSULTATION

Council's finance department was consulted in relation to this report and supports the preparation of a tender consideration plan.

No community consultation has been conducted in relation to this report.

CONCLUSION

This report seeks approval from Council to prepare a tender consideration plan for the development of the Council owned retail assets in the Ipswich Central precinct.

Sean Madigan

GENERAL MANAGER - COORDINATION AND PERFORMANCE

I concur with the recommendations contained in this report.

David Farmer
CHIEF EXECUTIVE OFFICER

“Together, we proudly enhance the quality of life for our community”

Doc ID No: A5800272

ITEM: N.5

SUBJECT: PROJECT MANAGEMENT SERVICES - NICHOLAS ST IPSWICH CENTRAL PROJECT

AUTHOR: GENERAL MANAGER - COORDINATION AND PERFORMANCE

DATE: 23 OCTOBER 2019

EXECUTIVE SUMMARY

This is a report concerning the provision of program management services for the remaining works for the Nicholas St – Ipswich Central Project (Project). The report is seeking approval from Council for a variation of contract No. 13908 with Ranbury Management Group Pty Ltd. The variation sought is to approve a fixed management fee for Ranbury for program management services for the Ipswich Central Civic Project and the Nicholas Street / Union Place upgrade. These are defined as Package 1 and Package 2 respectively.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

- A. That Council (Interim Administrator of Ipswich City Council) approve a variation to Contract No. 13908 with Ranbury Management Group Pty Ltd for the provision of Program Management Services for Package 1 (Ipswich Central Civic Project) and Package 2 (Nicholas St/Union Place Upgrade) as outlined in confidential Attachment 3.**
- B. That the Chief Executive Officer be authorised to negotiate and finalise any amendments or variations to the terms of the contract No/ 13908 executed by Council and to do any other act necessary to implement Council's decision in accordance with section 13(3) of the *Local Government Act 2009*.**

RELATED PARTIES

Ranbury Management Group Pty Ltd (Program Management Partner).

The Interim Administrator informs that he has, or could reasonably be taken to have a perceived conflict of interest in this report titled *Project Management Services - Nicholas St Ipswich Central Project*. The nature of the perceived interest is that Ranbury Management Group is the primary consultant for the CBD Redevelopment and from 2008 to 2012 he was an employee and was a director and part owner of Ranbury but has had no association with the company since then other than through his current role.

ADVANCE IPSWICH THEME

Strengthening our local economy and building prosperity

PURPOSE OF REPORT/BACKGROUND

The purpose of this report is to seek approval for a variation of Contract No. 13908 with Ranbury Management Group for the provision of program management services for the Ipswich Central redevelopment.

In 2016, Ranbury was engaged following an open public tender process as the Program Management Partner and entered into a Management Services Agreement (MSA) with Ipswich City Properties Pty Ltd (ICP). By resolution of Council on 27 June 2019, this MSA was novated to council as part of the process to transition ICP's activities to council to allow Ranbury to continue to deliver Program Management Services to the Project.

The MSA includes a schedule of rates for Ranbury to provide various roles to undertake typical project delivery services. The term of the MSA is 36 months, with the option for the parties to extend for a further 12 months with the initial three-year term expiring in April 2020. It will be necessary to modify the terms and conditions of this contract to allow its extension to encompass the remaining works on the Project.

The MSA terms include Ranbury's original tender proposal which included the ability for the parties to agree to fixed fees as appropriate for a particular scope of works when the scope and duration can be adequately described.

The Project has four main components (packages of work):

- Package 1 - Ipswich Central Civic Project (Administration Building, Library, Civic Space and Car Park;
- Package 2 - Nicholas Street/Union Place upgrade (new pavement, roadway, in-ground services, paving and landscaping
- Package 3 - Commonwealth Hotel (deconstruction, stabilisation and reestablishment of the building structure)
- Package 4 - Retail Precinct (refurbishment and fit-out of existing tenancies and buildings).

On the 15th of May 2018, the Ipswich City Property Board approved a fixed fee of \$2.04 million for Ranbury to program manage the construction of the Council administration building only. It is council's ultimate intention where possible, to secure a fixed fee arrangement for the above four work packages to achieve value for money and control risk for Ipswich ratepayers.

It was considered appropriate given the history of Ranbury's involvement in this project to seek proposals for variations from Ranbury to manage the additional components. In this case additional work as part of package 1 and all of package 2 were requested from Ranbury.

Ranbury's Fee Proposals dated 11 September 2019 and 17 October 2019 encompassing submission of fixed fee arrangements for the above-listed packages is included in confidential Attachments 4 and 5 respectively.

The fixed fee for Package 1 is \$2,854,000 (ex GST) as this now includes the Civic Space, Library and Carpark.

The fixed fee for Package 2, being the remainder of the Nicholas Street / Union Place works, is \$79,800 (ex GST).

A detailed assessment of these fee proposals is included in confidential Attachment 3.

The documents are confidential due to the commercial in-confidence nature of them that could have adverse commercial impacts on Ranbury Management Group Pty Ltd if they were publically released.

Independent Third-Party Reviews

Quantity Surveyor

Independent Quantity Surveyor, Rider Levett Bucknall (RLB), performed a fee/rate benchmarking and advice exercise of Ranbury's two fee proposal submissions, and their conclusions are set out in the report included in confidential Attachment 6. The three (3) reports RLB prepared addressed the following:

- Compare applicable hourly rates included in the two fee proposal from Ranbury against standard current industry market rates.
- Compare quantum of fee proposal for Package 1 against projects of a similar nature.
- Compare quantum of fee proposal for Packages 2, 3 and 4 against projects of a similar nature.

Packages 1 and 2 fees and rates fell within or below standard market range.

Probity Advisor

Independent Probity Consultant, Argyle Corporate Advisers, performed a review to confirm that the process to negotiate additional project management services for the Project is consistent with:

- Council's procurement principles;
- The existing MSA; and
- Adheres to the sound contracting principles as set out in Section 104(3) of the *Local Government Act 2009*.

A probity statement is included in Attachment 1, with a more detailed probity review report included in confidential Attachment 2 – both of which confirm compliance.

Based on the assessments conducted by RLB and the probity advisors advice, it is recommended that Council approve the variation to the contract to a fixed fee to achieve value for money for Ipswich ratepayers.

LEGAL/POLICY BASIS

This report and its recommendations are consistent with the following legislative provisions:
Local Government Act 2009

RISK MANAGEMENT IMPLICATIONS

Failure to secure the necessary contractual variations may impact the Project's delivery costs in relation to the program management services being provided by Ranbury Management Group. If Ranbury were to continue on the MSA hourly rates Council are unable to accurately forecast what this would ultimately cost over the duration of the project. Varying the contract to fixed fees for Packages 1 and 2 provides Council with budget certainty for the program management services for the Ipswich Central redevelopment.

There are no identified risks to Council's reputation by approving the contract variation proposed as extensive due diligence has been conducted to ensure value for money and sound contracting principles.

FINANCIAL/RESOURCE IMPLICATIONS

Converting from the MSA hourly rates to the fixed fee provides Council with budgetary certainty in relation to the delivery of the program management services being provided by Ranbury.

The fixed price fee for Package 1 - Ipswich Central Civic Project (Administration Building, Library, Civic Space and Car Park) is \$2,854,000 (ex GST).

The fixed price fee for Package 2 - Nicholas Street/Union Place upgrade (new pavement, roadway, in-ground services, paving and landscaping) is \$79,800 (ex GST).

The funding for these program management services are covered under the approved Ipswich Central Redevelopment budget.

COMMUNITY AND OTHER CONSULTATION

This report follows ongoing consultation with the Project Steering Committee and relevant internal stakeholders including Council's Finance team.



No community consultation was required in relation to this matter.

CONCLUSION

Awarding of a fixed fee variation for remaining works will provide certainty in the scope and financial impact of services being provided by Ranbury for the remainder of the Project, and will ensure that intellectual property and knowledge is maintained. Reports provided by

independent consultants confirming the procurement process followed with this engagement is acceptable, as well as assessment of the fee proposal issued ensuring value for money to council, provide substantiation to the recommendations of this report.

ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

1.	Probity Review Statement  
	CONFIDENTIAL
2.	Probity Review Report
3.	Fee Proposal Assessment
4.	Ranbury Fee Proposal 11 September 2019
5.	Ranbury Fee Proposal 17 October 2019
5.1	Quantity Surveyor Report Hourly Rate Benchmarking and Advice
5.2	Quantity Surveyor Report Admin Civic Project Fees Benchmarking and Advice
5.3	Quantity Surveyor Report Awnings and Retail Fees Benchmarking and Advice

Sean Madigan

GENERAL MANAGER - COORDINATION AND PERFORMANCE

I concur with the recommendations contained in this report.

David Farmer

CHIEF EXECUTIVE OFFICER

“Together, we proudly enhance the quality of life for our community”



ARGYLE CORPORATE ADVISERS

**IPSWICH CITY COUNCIL
IPSWICH CENTRAL CIVIC PROJECT
PROBITY REVIEW OF THE PROCUREMENT OF
PROJECT MANAGEMENT SERVICES**

PROBITY STATEMENT

Origin Securities Pty Limited as Trustee for the Origin Securities Trust trading as Argyle Corporate Advisers (Argyle), in its role as Probity Advisor to Ipswich City Council (Council) in the Ipswich Central Civic Project (the Project), has been requested to undertake a Process and Probity Review of the appointment of Ranbury Management Group (Ranbury) as the provider of Project Management Services since 2016 and subsequently requiring a number of changes to contracting arrangements dictated by changing circumstances involving the contract principal and including necessary variations.

Fee Proposals from Ranbury, dated 11 September 2019 and 17 October 2019, set out their scope of work and the costs relating to the following:

- Package 1 – Civic Project – 11 September 2019
- Package 2 – Nicholas/Union Streets – 17 October 2019
- Package 3 – Commonwealth Hotel – 17 October 2019
- Package 4 – Retail Projects -17 October 2019

Council has sought our advice that the process to negotiate additional project management services for the project is consistent with:

- ICC procurement principles;
- the existing Management Services Agreement (MSA); and
- the sound contracting principles, including value for money, as set out in Section 104 (3) of the Local Government Act, 2009.

Further, Council sought Argyle's advice in relation to the administration of the MSA and an appropriate course of action to extend the MSA to mid-2022 to meet the revised timing requirements for the project, including works which have been added with Council approval.

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ARGYLE CORPORATE ADVISERS

Argyle has undertaken this Process and Probity Review with information and assistance from representatives of Ranbury and Council who have provided significant information including documents and information in meetings.

Ranbury's previous fee proposals, since their appointment in 2016 including Package 1, have been the subject of both internal and independent quantity surveyor reviews in relation to value for money. The same process is being followed in respect of Ranbury's proposal for Packages 2 – 4.

PROBITY OPINION

It is Argyle's opinion that the administration of the MSA to date has been consistent with ICC's procurement principles and probity requirements with due process being followed and is therefore able to withstand scrutiny. Further, an appropriate course of action is to extend the MSA to mid-2022 to meet the revised timing requirements for the project including some works (set out in the packages above) which have been added and allowing for work which may be required to the end of the defects period.

Peter Bruton
Probity Advisor
23 October 2019

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ITEM: N.6
SUBJECT: RETAIL PROPERTY STRATEGY IPSWICH CENTRAL
AUTHOR: GENERAL MANAGER - COORDINATION AND PERFORMANCE
DATE: 23 OCTOBER 2019

EXECUTIVE SUMMARY

This is a report concerning Council's development and ultimate divestment strategy for the various retail, commercial and entertainment assets owned by Council in the Ipswich Central redevelopment area. This report will detail a proposed development and divestment strategy that has been informed by a market sounding a financial analysis conducted by KPMG. KPMG's analysis is based on extensive investigations by various professional firms including Ranbury Management Group, Urbis, Brain and Poulter, WSP, RLB, McKenzie Group and Savills.

The report will recommend that Council expend funds to develop the retail, commercial and entertainment assets in a staged approach designed to achieve the key objectives of the Ipswich Central redevelopment. The report cites that Council will need to hold and operate these "non-core" assets to demonstrate that they are an ongoing commercial success in order to divest the assets to maximise the return on investment for Ipswich ratepayers.

RECOMMENDATION/S

That the Interim Administrator of Ipswich City Council resolve:

That the Recommended Development Strategy for the Nicholas Street Retail Assets as detailed in the report be adopted.

RELATED PARTIES

Ranbury Management Group Pty Ltd (Program Management Partner).

The Interim Administrator has previously stated that he has, or could reasonably be taken to have a perceived conflict of interest in relation to Ranbury Management Group. The nature of the perceived conflict of interest is that Ranbury Management Group is the primary consultant for the CBD Redevelopment and from 2008 to 2012 the interim administrator was an employee and was a director and part owner of Ranbury but has had no association with the company since then other than through his current role.

KPMG

There are no other known conflicts of interest in relation to this report.

ADVANCE IPSWICH THEME

Strengthening our local economy and building prosperity

PURPOSE OF REPORT/BACKGROUND

Ipswich City Council (ICC) is currently undertaking a major redevelopment of the Ipswich Central Business District referred to as Ipswich Central. The Ipswich Central project includes a civic precinct, a community library and the Council Administration building. These are referred to as council’s “civic assets”. The precinct also includes a number of retail, commercial and entertainment assets that had been acquired by Council over the last decade which when fully developed will comprise retail, cinemas, food and beverage and commercial buildings. These are referred to as the “Nicholas Street retail assets”. For ease of reference, Table 1 below has been included to clearly identify the various Council owned assets in the precinct.

Table 1: Ipswich CBD Redevelopment – Key Components

ICC Civic Assets	Nicholas Street Retail Assets
Admin Building	Venue
Library	Metro A and B
Civic Precinct	Eats
Nicholas Street / Union Place	Commonwealth Hotel

Table 1: Components of the Ipswich Central Development
Source: Nicholas Street Retail – Business Case, 2019.

A construction manager, Hutchinson Builders, has been contracted by Council to deliver the Civic Precinct, community library and the Ipswich City Council Administration building. These components of the Ipswich Central redevelopment are integral to the operations of Council and will be retained in long-term Council ownership. The adjoining retail, commercial and entertainment assets owned by Ipswich City Council are largely vacant in advance of redevelopment.

In May 2019, Council commenced a review of the then strategy around the development and divestment of the Nicholas Street retail assets. In determining a pathway forward, Council was seeking to balance its primary objective of renewing the Ipswich CBD with a prudent financial and risk management overlay. Council commissioned Ranbury Management Group to prepare a business case for the redevelopment of the Nicholas Street retail assets owned by Council (hereinafter referred to as the “Project”). This business case was issued in draft format in June 2019 and was then submitted by Council to KPMG for peer review. The review of the business case was conducted by KPMG who provided Council with a number of recommendations, including that Council:

- Undertake market sounding to better inform the optimum delivery pathway and divestment strategy.
- Establish Council's financial and commercial objectives for the Project;
- Update the financial analysis for the Project; and
- Further progress design and obtain updated cost estimates for the Project;

Council subsequently engaged KPMG to undertake the following scope of works:

- **Establish Financial and Capital Management Objectives:** assist Council define its key financial and commercial Project objectives.
- **Market Sounding:** Engage with real estate developers, investors and agents to seek insights on the Project, including market and project risks and appetite for end asset take out and participation in delivery.
- **Coordinate an Independent Valuation:** coordinate and manage an independent valuation to provide a valuation of the Project assets on an "as-is" basis and an "as-if complete" basis.
- **Financial Analysis:** undertake financial analysis based on the updated Project inputs and assess the alternate development and divestment pathways. As part of their financial analysis, KPMG also analysed the staged delivery of the components of the Project.

KPMG completed this scope of work and provided Council with a final report detailing their findings. A copy of the KPMG report "Ipswich Central Redevelopment – Nicholas Street Retail" is attached to this report.

A summary of the key findings for each component of the scope of works conducted by KPMG are as follows:

Establish Financial and Capital Management Objectives

The overarching objectives of the CBD precinct redevelopment have previously been established by Council and are as follows:

- Deliver an enduring and activated Civic Heart;
- Deliver cultural and entertainment activities that complement other activity centres;
- Provide space for growth of key employers and service providers;
- Relocate Council's administration centre and unlock Council land for Queensland Health;
- Provide opportunities for Private sector investment in the renewal; and
- Project governance is robust, resilient and replicable.

Council worked with KPMG to clearly define and refine the retail Project objectives to support the assessment of the optimum development and divestment strategy for the Project. The strategic objectives were identified as:

- **Community:** Deliver a vibrant city centre; Provide complementary retail offerings; Generate growth opportunities.

- **Financial:** Achieve a positive project return; Income certainty to cover debt serviceability; Minimise funding cost.
- **Commercial:** Divest on or before construction completion; Stage delivery to inject critical mass; Optimise commercial offering.

Further details in relation to these objectives are contained in pages 18 to 21 of the KPMG report.

Market Sounding

Market sounding was conducted by KPMG in relation to external investment interest in project delivery, ultimate asset divestment and leasing. Some of the key findings of this market sounding are as follows:

Investment

- Proven letting up and tenant trading performance is needed before market investment. Due to the history of the precinct, a history of proven trading performance (up to 24-months) will be important to support investment confidence and pricing from investors.
- Quality of asset, including tenant covenant and long lease profile, is critical to support marketability.

Project Delivery

- There is limited interest from the market to deliver the project.
- Any private sector involvement in project delivery will likely be highly conditional and unlikely to provide value for money to Council.
- Stage the project to deliver a sustainable quantum of retail initially. Staging the project to support retail operators and build trading history will support the long-term viability of the project.
- Co-timed delivery of the Council Administration building will support retail trading.

Leasing

- Reputable national anchor tenants, particularly a cinema operator, are required to activate the precinct and underpin the end value of the development. Nationally recognised anchor tenants will also help to attract food and beverage operators and other retailers into the precinct.
- Entertainment / Leisure offerings are needed to generate critical mass. Delivery of these offerings is required upfront in the project.
- Curate the tenancy mix to minimise competition and provide a point of difference.

The significant implications for Council identified from the market sounding include:

- The market sounding has identified that Council will be unlikely to achieve its stated objective of divesting the assets prior to or upon completion of construction. There is

limited interest from investors to purchase the assets prior to or upon completion of construction. The market sounding has indicated that the Project needs to demonstrate proven letting up and tenant trading performance before the market is likely to be interested in acquiring the assets.

- Council needs to invest in the quality of the assets to support marketability
- Council needs to plan on potentially holding the assets for an extended period post completion of the development to maximise market interest in a future divestment
- Development and leasing of the Venue asset is critical to the success of the precinct
- Council needs to coordinate an extended and diverse events programme to drive trade, critical mass and precinct brand.

Coordinate an Independent Valuation

KPMG commissioned Savills Valuations to provide an independent valuation of all assets within the scope of the Project. The outcomes of this valuation are presented in Page 35 of the KPMG report. The “As-Is” valuation for all of the assets totals \$18.85 million. The “As If Complete” valuation based on a fully let scenario totals \$60.8 million.

Financial Analysis

KPMG conducted a detailed financial analysis of the Project. This analysis is contained in pages 42 to 51 of the KPMG report. The KPMG analysis determined that the Project generates a loss of \$19.92 million, with a negative NPV of \$20.45 million. This figure incorporates the “As-Is” valuation of the land of \$18.85 million as a development cost.

The sites are already owned by council. Whilst it is entirely appropriate for KPMG to include the land costs as part of their feasibility analysis (as that reflects the conventional approach to such reports), it is critical to note that council will not actually be incurring any further land acquisition costs for the Project.

Removing the “As-Is” value from the development costs, the Project in fact is projected to generate a loss of \$1.07 million, with a negative NPV of \$1.6 million.

Whilst this analysis reveals that Council will not meet its stated financial objective of achieving a positive return, the market sounding has identified that there is limited interest from the market to purchase the assets as they are at present. If Council decides not to invest in the development of these assets in a staged approach, it is considered that the stated Community Objectives of the Project will be put at significant additional risk.

In plain terms, should council elect not to proceed with the Project, Ipswich Central will continue to have a substantively derelict Nicholas Street precinct with minimal retail, commercial and entertainment “life”, albeit near a new library, plaza and council administration building.

KPMG also conducted a delivery analysis of the various assets, based on the assumption of Council retaining ownership of the assets for a 24 month period (As per the market sounding). This analysis is contained on pages 55 to 58 of the KPMG report.

KPMG finalise the report with their Conclusion and Key Considerations (Pg 61). In terms of the delivery considerations, they state that Council should consider staging project delivery to balance community and financial objectives tied to a maximum peak exposure that is manageable within Council's forecast financial capacity. The report also states that the market feedback is that delivery of the Venue asset as part of the initial stage is critical to support precinct activation. Finally, the report states that market feedback is that the number of food and beverage offerings is too large for an unproven precinct and that it should be staged and aligned to the opening of the Council Administration building.

Recommended Development Strategy for the Nicholas Street Retail Assets

Based on the market sounding and the financial analysis conducted by KPMG the following staged development strategy is recommended for the development and ultimate divestment of the retail assets that are part of the Project:

Stage 1: The development of the Venue and Eats assets, dependent on the securing of key tenants such as a cinema offering. It is critical to the successful activation of the precinct and the commercial viability of the food and beverage offerings in the other assets that a nationally recognised entertainment offering such as a cinema is operating in the Venue asset.

It is also recommended that Council continue with the development of the Commonwealth Hotel as part of Stage 1. The Commonwealth Hotel has been deconstructed and it is considered imperative that the asset be developed to prevent further deterioration.

Stage 2: Development of the Metro B Asset with a completion date to coincide with the Council occupation of the new Council Administration building, again dependent of securing of key tenants.

Stage 3: Development of the Metro A asset: At this time it is not recommended that Council proceed with the development of the Metro A asset. It is proposed that the development of this asset be considered at a later time, once the rest of the assets have been developed and have been proven as ongoing commercial successes.

LEGAL/POLICY BASIS

This report and its recommendations are consistent with the following legislative provisions:
Not Applicable

RISK MANAGEMENT IMPLICATIONS

There are a number of significant risks associated with the recommendations contained in this report for the development of the retail assets in Ipswich Central.

Financial Risk

There is a significant financial risk associated with investing in the development of the retail assets, in what the market has advised is an unproven retail precinct. If Council develops the retail assets and then fails to operate them as a commercial success, the value and marketability of these assets will be reduced and Council's return on investment will be impacted. Further, if the precinct is not commercially successful, Council may be forced to retain possession of the retail assets beyond the proposed 2 year period which will have cost implications.

Reputational Risk

If Council approves the recommended strategy, the reputation of Council could be damaged if the development of the retail assets is not successful in terms of demonstrating that the precinct is a commercial success and Council is then able to maximise its return on investment when the assets are divested.

Whilst there are significant financial and reputational risks associated with the recommendation to develop the retail assets in a staged approach, extensive due diligence has been conducted through the engagement of KPMG to inform this report and its recommendation. The market sounding has identified that there is limited market interest from investors to purchase or develop the assets and that the development of the Venue asset in particular, is critical to bringing people back into the Ipswich Central precinct to activate the area. If Council were to decide to not proceed with development of the retail assets, the community objectives of the precinct would be negatively impacted.

FINANCIAL/RESOURCE IMPLICATIONS

The KPMG report conducted an analysis of the construction costs for the project based on the schematic designs developed by Ranbury Management Group. The schematic design report completed by Ranbury Management is attached to this report. The schematic designs were assessed by a quantity surveyor who has provided a construction cost estimate for the Project of approximately \$47.14 million which allows for full replacement of the services in the assets. KPMG then assessed the total development costs at \$53.29 million. The details of these costings are contained in pages 30 and 31 of the KPMG report.

Further work is required to be conducted by the project team to test the construction costs with the market. This report is not seeking Council approval for the expenditure of these funds, however it is prudent that the financial implications of the strategy to develop these assets are considered by Council. If the strategy to develop these commercial assets is approved by Council, further analysis will be conducted by the project team in consultation with Council's Finance Department. If the strategy to develop the assets is adopted, a report will be presented at a future Council meeting, seeking funding approval.

COMMUNITY AND OTHER CONSULTATION

The community was consulted in relation to the Ipswich Central Master Plan that was reviewed by KPMG in the completion of their report.





The Council Finance team were consulted as part of the KPMG review and agree with the recommendations of this report.

The Interim Administrator and CEO were consulted in the development of this report.

CONCLUSION

The Ipswich Central redevelopment is of significant importance to the future of the city of Ipswich. The CBD needs to be developed to bring people back into the area and the development of the retail assets is a key factor in achieving the community and economic objectives of the precinct.

ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

1.	Ranbury Schematic Design Report  
2.	KPMG Nicholas Street Market Sounding and Financial Analysis - Public  
	CONFIDENTIAL
3.	Ranbury Schematic Design Report - Construction Cost Summary
4.	KPMG Nicholas Street Market Sounding and Financial Analysis - Confidential

Sean Madigan

GENERAL MANAGER - COORDINATION AND PERFORMANCE

I concur with the recommendations contained in this report.

David Farmer

CHIEF EXECUTIVE OFFICER

“Together, we proudly enhance the quality of life for our community”

NICHOLASST
Ipswich Central



Nicholas St - Ipswich Central Schematic Design Report

23 October 2019



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1. Background

1.1. Introduction

Ipswich City Council (ICC) is currently undertaking a major redevelopment of the Ipswich CBD referred to as Ipswich Central (the Project). A combination of Council-owned assets makes up the entire project site which is geographically located on the southern side of the Bremer River within the boundaries of Bremer St to the North, Bell St to the East, Brisbane St to the South and Ellenborough St to the West. The assets are intermixed with existing and heritage commercial buildings as well as the newer Icon Tower built in 2013.

The Masterplan for the Ipswich Central precinct was approved by ICC in April 2018 following detailed community consultation as well as analysis and reports from specialist urban redevelopment advisers. It included a range of dining, retail and entertainment/leisure offerings.

The Retail Projects include the following buildings:

- **Metro A and B** (previously known as Bell St Link and 2 Bell St respectively);
- **Eats** (previously known as the Food & Beverage building);
- **Venue** (previously known as the Entertainment Building); and,
- **Commonwealth Hotel** (also known as Murphy's Pub).

Figure 1 below highlights in red the position of the Retail buildings within the approved Master Plan for the Nicholas St Project.

Figure 1 – Nicholas St, Ipswich Central Masterplan





In late 2018 through to early 2019, Urbis undertook multiple reviews of the precinct Master plan to evaluate the project's evolving urban renewal strategy and its effectiveness in supporting the retail strategy to drive the reactivation of the city centre (refer to Appendix A). The precinct's Master plan, concept design and leasing plans were all updated and refined based on Urbis' feedback.

Specialist Food & Beverage Consultants Brain & Poulter were also engaged in late 2018 to undertake a critical review of the proposed leasing and tenancy scheme for the project. Brain & Poulter's recommendations (refer to Appendix B) focused on a mix of value-focused offers including fast brands, quick service restaurants, all-day casual dining and destination dining.

Buchan (project architect) produced a Concept Design for the redevelopment of the Metro, Eats and Venue retail assets which have been well received by key ICC stakeholders and the community following multiple public information sessions.

Council commissioned Due Diligence investigations to be undertaken across the retail buildings to identify any high-level concerns with building structure, services and or compliance issues based on the proposed Concept Plans, and the age of the retail buildings. An update to the project cost estimate initially prepared during the Concept phase was also undertaken based on the recommendations arising from the Due Diligence investigations. Refer to Appendix C for the full Due Diligence report.

In July 2019, Council gave approval for the Concept Design to be progressed to the next level of design - Schematic Design (SD). This Schematic Design report outlines key design refinements as well as providing an update on the previous cost estimate.



1.2. Retail Buildings

The five key retail buildings across the Nicholas St precinct are described as follows:

1.2.1. Venue Building

Located on corner of Brisbane Road and Nicholas Street, the building comprises of a 3 storey commercial retail space.

- Lower level accessible from Nicholas street will comprise of a combination of large and small retail tenancies.
- Level-1 accessible from Brisbane Road will comprise of cinemas and other retail tenancies.
- Level-2 and level-3 accessible via internal stairs only comprises of plantrooms and projection rooms.

1.2.2. Eats Building

Located on Nicholas street, the building comprises of a 2 storey building built above Queensland Rail corridor. There are services restrictions associated with this location as no services can penetrate into QR corridor below.

- Lower level accessible from Nicholas street will comprise of Food and Beverage tenancies.
- Upper level accessible via internal stairs will comprise of a large commercial tenancy.
- Roof level including much mechanical services plant.

1.2.3. Metro A

Located between Nicholas Street and Bell Street and accessible from both streets the building comprises of a 3 storey retail area, lower ground accessible only from Bell street with upper level accessible from Nicholas Street.

- Lower ground accessible from Bell street will comprise loading dock and large commercial tenancies.
- Upper level accessible from Nicholas street will comprise a combination of commercial, and food and beverage tenancies.
- Level-3 accessible by internal stairs only will comprise of commercial tenancies. Several main plantrooms are also located on this level.

1.2.4. Metro B

Located between Nicholas Street and Bell Street and also accessible from both streets the building comprises of a 2 storey retail area with a multi-storey commercial tower above. The commercial tower is not part of this scope of works, however will remain operational during new works.

- Lower level comprises plant rooms and a commercial tenancy.
- Ground level accessible from both Nicholas and Bell Street, will comprise multi retail tenancies being either food and beverage or commercial areas.

1.2.5. Commonwealth Hotel

Located on Union Place opposite Metro B and adjacent to the new, 8 storey Council Admin Building currently under construction. A 2 storey culturally significant 'pub' that was half deconstructed to allow underpinning rectification works on the building's foundations to prevent further subsiding and damage. Rebuilding of the culturally significant proportion of the building is forecast to start in 2020. Note that the Commonwealth Hotel does not form part of this SD Report.

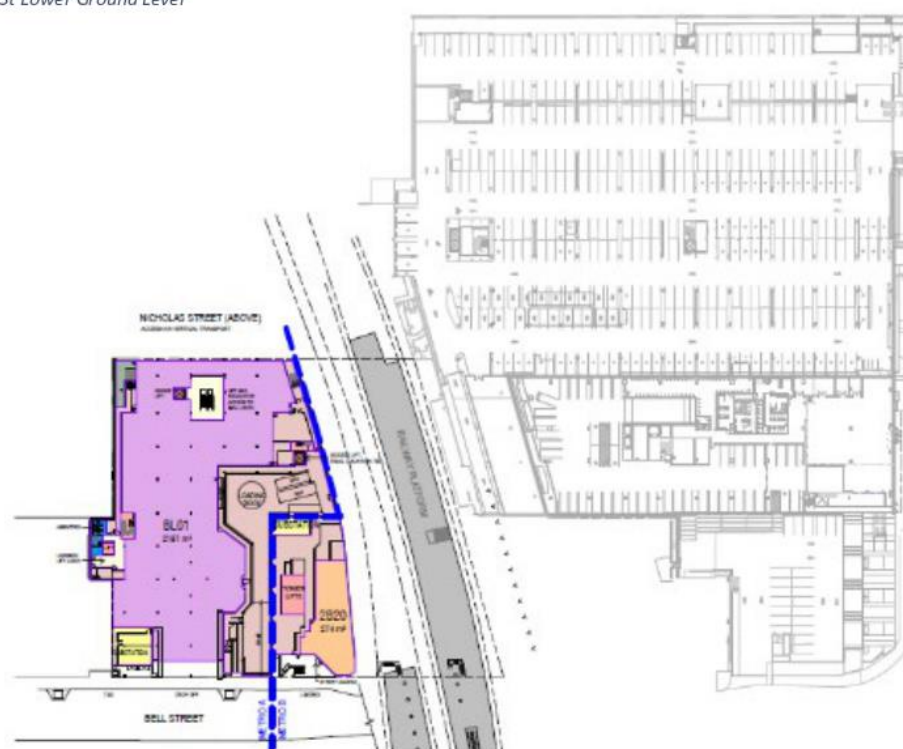
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1.3. Overall Retail Leasing Plans

Figures 2, 3 and 4 below are extracts from the Overall Leasing Plans that capture the proposed tenancy mixes across the four main retail buildings (refer to Appendix D for the full Leasing Plans), and explain how the levels of each building relate to each other across the Nicholas St precinct. The Leasing Plans are important because the tenancy mix effectively drives key design elements and building services required for each building. Note that these leasing plans are 'live documents' which will continue to evolve over the course of the project as prospective deals are negotiated and secured.

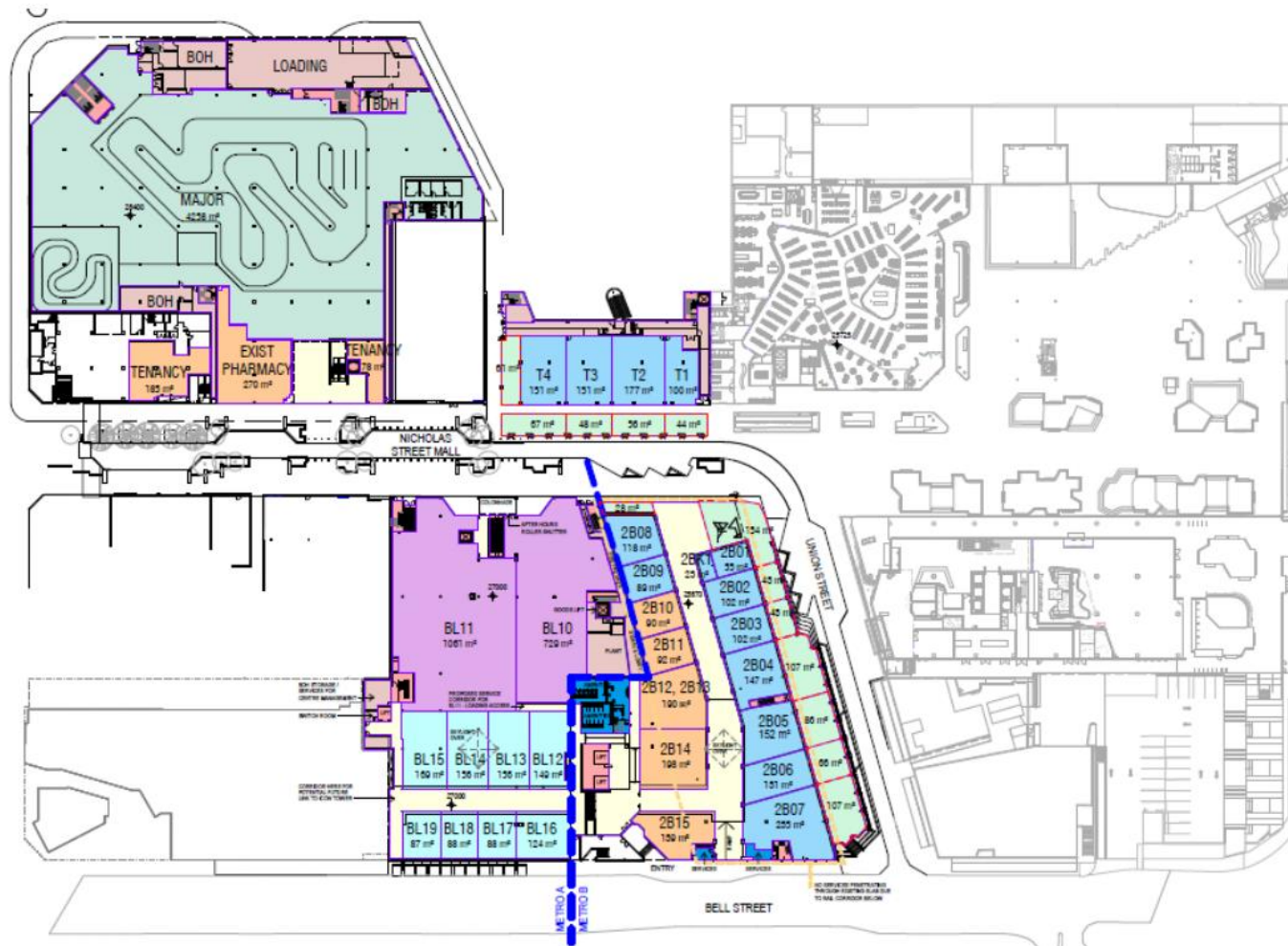
Figure 2 - Retail Precinct Bell St Lower Ground Level



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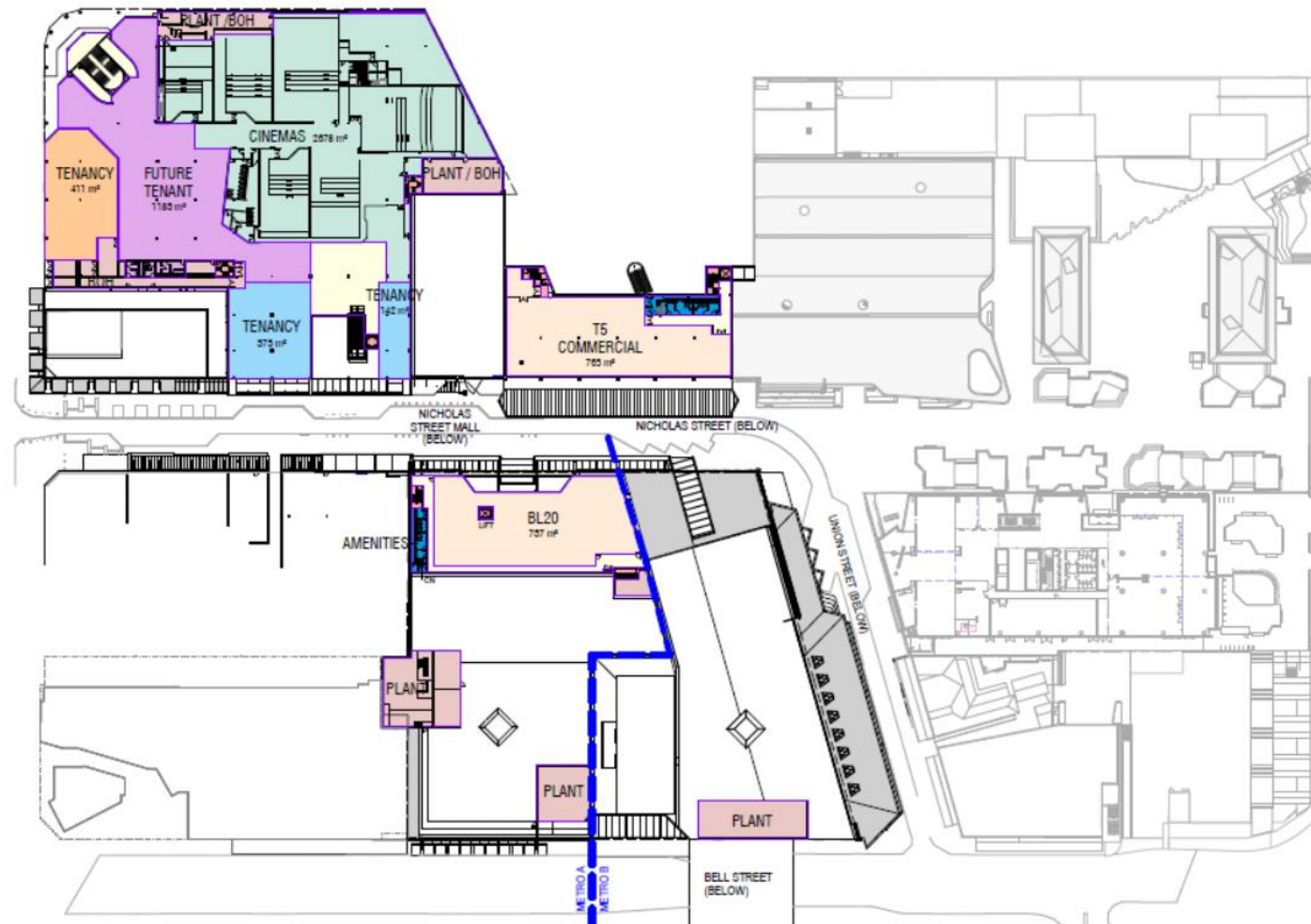
Figure 3- Retail Precinct Nicholas St Ground Floor Level



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Figure 4 - Retail Precinct Level 1





1.4. Design Team

The consultant team that undertook the Schematic Design works are outlined in Table 1 below:

Table 1 - SD Phase Design Team

Discipline	Company	Key Personnel
Client	Ipswich City Council	Sean Madigan Greg Thomas
Project Manager	Ranbury	Scott Kennelly Jason Simes Bob Newberry
Architect	Buchan	Gerry Holmes Greg Cochrane Magda Kowalczyk Katrina Tolhurst
Quantity Surveyor	RLB	Colin Brien Rowena Weeks
Structural Engineer	Bornhorst & Ward	Paul Kelly Stuart Niven
Building Services Consultants - Mechanical - Electrical - Hydraulic - Fire	WSP	Tony Pereira John Whitmore Matt Keene Aaron Zyle
Building Certification & Accessibility Consultant	McKenzie Group	Sean Igoe
Acoustic Consultant	WSP	Chris Grainger
Food & Beverage Consultant	Brain & Poulter	Taylor Westlake Kate Poulter

All consultants have been previously engaged by Ipswich City Properties (ICP) for consultancy and design services across the Nicholas St precinct. With the winding up of ICP at 30 June 2019 it was recommended that all consultants be directly engaged by Council, and standard ICC contracts or Local Buy agreements be put in place.

A tender consideration plan was approved by Council to extend the engagement of all consultants through the SD phase without having to retender. This was to ensure continuity of project works, retention of IP and avoidance of project delays due to standard procurement processes.



2. Design

2.1. Consultation Process

The brief was to incorporate learnings and recommendations from the Due Diligence investigations and further develop the existing Concept Design into a consolidated set of SD documents, with an associated updated cost estimate.

A six-week period for schematic design commenced on Monday 22 July 2019 with design meetings held weekly at Buchan's offices. Site visits were also undertaken with guidance from Council's Facilities Manager and Security team to get a thorough understanding of the building topography and existing setup.

A design/decision tracking register was kept during the SD period to ensure the design evolved within the parameters of the brief. The purpose of the tracking register was to capture outcomes agreed and or proposals made by the design team during the coordination and resolution of design elements during this phase. As an example, the decision was made to retain and refurb existing building services, where possible, to reduce construction costs. This was most applicable to the mechanical and fire services across the retail buildings which incorporated air conditioning plant, and fire sprinklers and hydrants accordingly.

Greg Thomas, Project Manager for Ipswich City Council, also attended two of the weekly design meetings and was kept informed of any major concerns that arose during the SD period.

Final SD documentation was issued on Friday 30 August, with some further updated documentation issued post this date. The consolidated documentation pack consists of:

Items	Discipline / Details	Reference
Overall Leasing Plans	Showing tenancy mixes	Appendix D
Schematic Design Drawings	<ul style="list-style-type: none">• Architectural• Structural• Mechanical Services• Electrical Services• Hydraulic Services• Fire Services	Appendix E
Fixtures & Fittings Schedule	Architectural	Appendix F
Retail Presentation Pack	Architectural 3D Renders	Appendix G
Building Services Specifications	<ul style="list-style-type: none">• Mechanical Services• Electrical Services• Hydraulic Services• Fire Services	Appendix H
Tenancy Services Matrix	For each retail building	Appendix I
Fire Concept Report	Fire Services	Appendix J

Furthermore, an updated Cost Plan Estimate and Building Code Compliance Report were issued based on the SD outcomes, by the project Quantity Surveyor and Building Certifier respectively.

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2.2. Eats Building

2.2.1. Concept

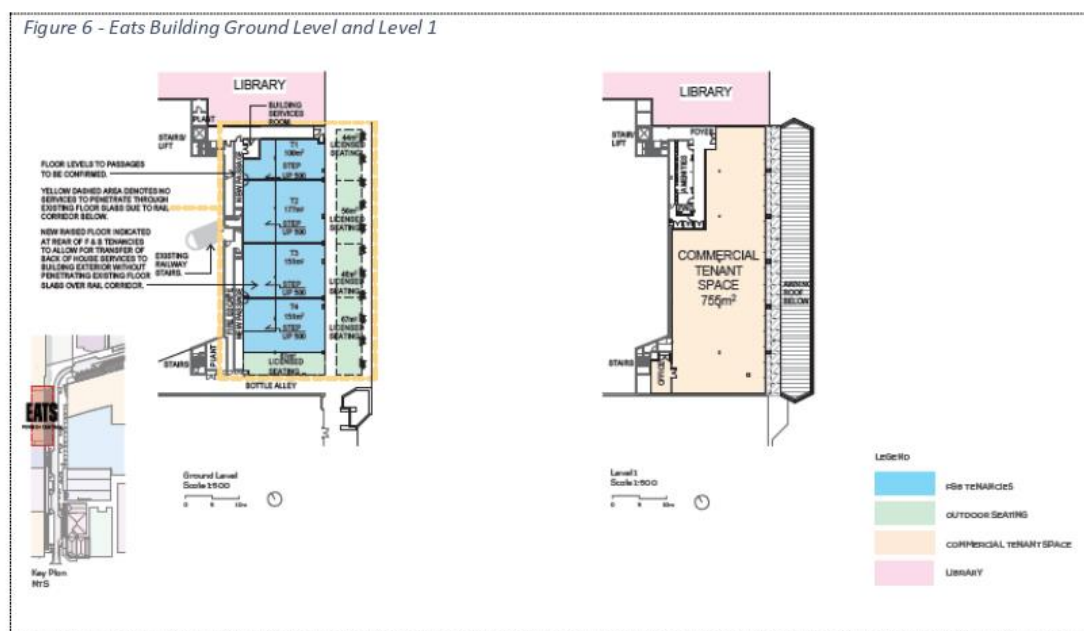
Figure 5 below shows the 3D graphical render of the Eats external dining area looking south along Nicholas St. The full pack of 3D renders are included in Appendix G.

Figure 5 - Eats building viewed from Nicholas St



2.2.2. Proposed tenancy layout

Figure 6 below outlines the tenancy mix for the ground floor and Level 1 tenancies within the Eats building.





2.2.3. Key Schematic Design Outcomes

- Level 1 tenancy space has been changed to a more appropriate commercial/office use;
- The scope and complexity of the street awning has been significantly reduced from a three-tiered structure to a two-tiered structure;
- Amenities on Level 1 will be refurbished and made available to customers of the ground floor food and beverage tenants;
- Existing lift at north-west corner of building will be refurbished and provide access between ground floor and Level 1;
- Entry to lift lobby will be via ground floor corridor off Nicholas St alongside new library building;
- Building façade will be retained, cleaned and repainted since AV projection is no longer proposed to the Eats' façade on the Western side of Nicholas St.
- Existing building fire services supplied from car park along Bremer St meet building code requirements, and are proposed to be retained, if possible.
- Some existing mechanical AC units serving Level 1 tenancy space are in useable condition and are proposed to be retained, if possible.

2.2.4. Building Services

Refurbishment, upgrade and or replacement of building services account for a significant amount of scope and subsequent cost within all retail buildings. Full details of the scope of works for building services can be found in the following sections of the Building Services Specifications enclosed within Appendix H:

- Mechanical Services – Section 3.4
- Electrical Services – Section 3.2
- Hydraulic Services – Sections 3.5 and 3.6
- Fire Services – Section 3.3

2.2.5. Risk Review

Several risks associated with the Eats building need to be addressed in future design and delivery phases of the retail project. Table 2 below outlines the key risks identified and mitigation strategies to deal with them.

Table 2 - Eats Building Risk Review Analysis

No	Category	Challenge	Mitigation Strategy
1.	Construction	Clash of proposed awning and existing landscaping and public seating requires resolution in order to provide licenced seating areas to Eats tenancy T4	Redesign landscaping to accommodate awning structure and licenced seating area, whilst retaining road crossover.
2.	Building Services	Raised kitchen areas are required to accommodate hydraulic drainage which can't be underslung due to the rail corridor underneath.	Nominated kitchen zones have outlined in lease deals. X-ray/core holing of slabs will be undertaken to confirm assumptions. Drainage works can be performed as Cat1 works to maintain control by the Principal.
3.	Building Services	Refurbing and reusing existing building services comes with the	An alternate cost estimate has been prepared for full replacement of

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No	Category	Challenge	Mitigation Strategy
		risk of breakdown and or failure due to lifecycle	building services. This increases development costs by approx. \$4m which is taken into account with financial model outcomes.
4.	Property Title	Building services are located in adjacent properties – Building Management Statement will be required to outline how maintenance, servicing and shared use happens	Reconfiguration of lots will be completed between Civic Plaza, car park and Eats building. Building Management Statement will be put in place to confirm how maintenance, and shared use of services will occur.
5.	Construction	Coordination with adjacent building site/s and head contractor/s	It is proposed to engage the same head contractor delivering the Civic Admin project to mitigate risk of overlapping construction boundaries and site access.
6.	Building Services	Lights to retail awnings are required to achieve street lighting levels, however buildings will be sold to private landlords.	Local council by-laws to be put in place requiring building owners' requirement to maintain awning lights and street lighting levels.
7.	Property Title	Title is leasehold over rail corridor meaning end sale value may be less than a freehold property.	Investigations being made into transferring leasehold to freehold.

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2.3. Metro A Building

2.3.1. Concept

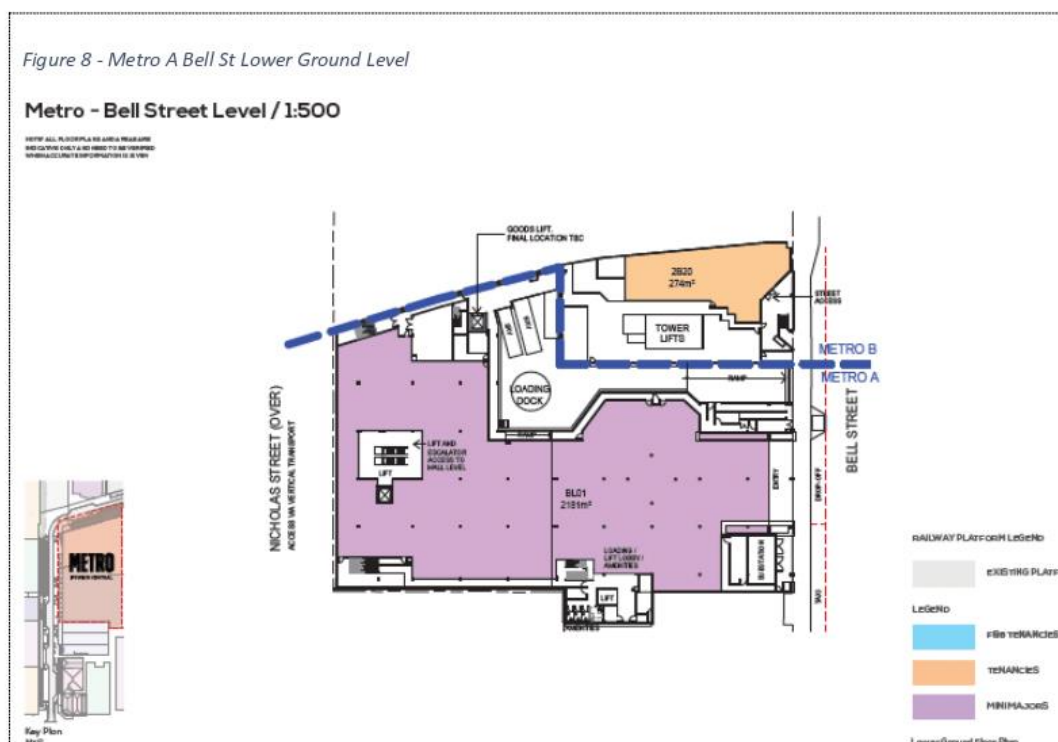
Figure 7 below shows the 3D graphical render of Bell St façade of Metro A with the new awning and main entrance for the lower level tenant. Note the proposed link to the Icon Building at the left hand edge of the building. The full pack of 3D renders are included in Appendix G.

Figure 7- Metro A Building viewed from Bell St



2.3.2. Proposed Tenancy Layout

The following figures 8, 9 and 9 outline the tenancy mix for the lower ground, ground floor and Level 1 tenancies within the Metro A building.



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Figure 9 - Metro A Nicholas St Ground Floor Level

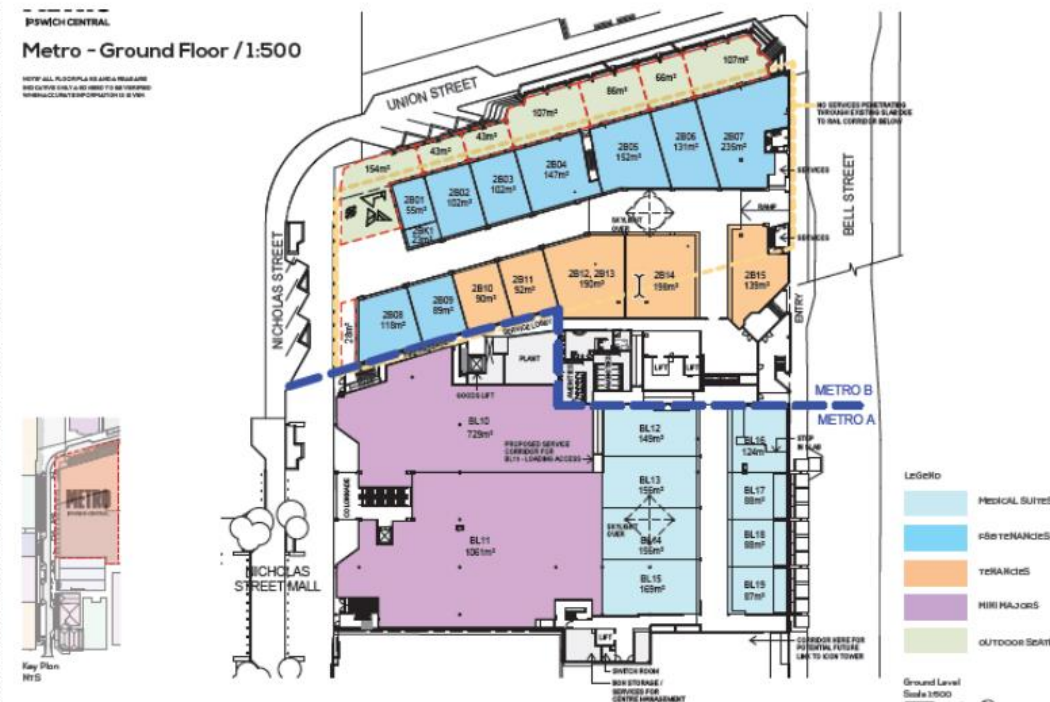
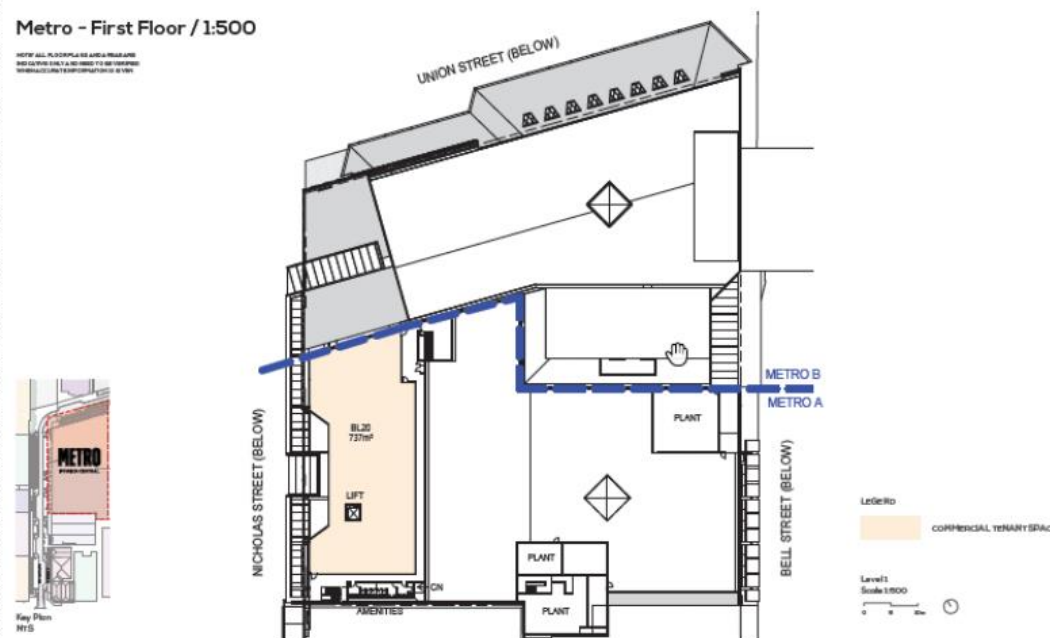


Figure 10 - Metro A Level 1





2.3.3. Key Schematic Design Outcomes

- Existing void and escalators between Bell St and Nicholas St levels are being deleted to regain lettable space.
- Entry lobby to medical precinct has been reconfigured and expanded amenities block around either side of lift core
- New elevator between loading dock and ground level, and back of house storage spaces to service both Metro A and Metro B tenancies
- New elevator to service Ground level and Level 1 commercial space along at Nicholas St;
- Negotiations are ongoing with a 'Mystery' tenant to occupy the entire lower ground floor area, and a drop-off zone on Bell St is proposed to allow movements of buses, taxis etc. for customers.
- Temporary substation on Bell St is required by Energex to be relocated within Metro A building footprint on lower ground level.
- Edge of building adjoining Icon tower (i.e. demising wall, roof, old amenities block) is to be refurbished to acceptable level.
- Connection between Ground level medical precinct and adjoining Icon tower is proposed.
- Demolition of Bell St overpass is required to enable proposed layout of Medical Suite to be achieved.
- Existing building fire services meet building code requirements, and are proposed to be retained, if possible.
- Some existing mechanical AC units are in useable condition and are proposed to be retained, if possible.

2.3.4. Building Services

Refurbishment, upgrade and or replacement of building services account for a significant amount of scope and subsequent cost within all retail buildings. Full details of the scope of works for building services can be found in the following sections of the Building Services Specifications enclosed within Appendix H:

- Mechanical Services – Section 3.4
- Electrical Services – Section 3.2
- Hydraulic Services – Sections 3.5 and 3.6
- Fire Services – Section 3.3

2.3.5. Risk Review

Several risks associated with the Metro A building need to be addressed in future design and delivery phases of the retail project. Table 3 below outlines the key risks identified and mitigation strategies to deal with them.

Table 3 – Metro A Risk Review Analysis

No	Category	Risk	Mitigation Strategy
1.	Construction	Demolition of Bell St overpass is not approved requiring redesign to proposed Medical Suite layout	Continue liaising with DNRME to agree transfer of ownership of asset.
2.	Property Title	Building services (ie. Amenities, loading dock) service adjacent properties	Building Management Statement will be required to outline how maintenance, servicing and shared use is achieved.

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No	Category	Risk	Mitigation Strategy
3.	Substation	Energex have advised the Temporary substation on Bell St footpath is to be relocated within building footprint.	Substation will be located within area to be rebuilt adjacent to Icon tower.
4.	Construction	Coordination of awning works along Nicholas St once road reopens Dec 2019.	Construction works and vehicle movements to be managed by hoarding/ gantries and traffic management respectively.
5.	Construction	Latent Conditions in 30-year-old buildings	Early demolition works during next Design Development phase will assist with understanding and addressing some items.
6.	Building Services	Lights to retail awnings are required to achieve street lighting levels, however buildings will be sold to private landlords.	Local council by-laws to be put in place requiring building owners' requirement to maintain awning lights and street lighting levels.

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2.4. Metro B Building

2.4.1. Concept

The following figures 11 and 12 show the 3D graphical renders of the proposed Metro B external balcony along Union Place, looking from Nicholas St and Bell St respectively. The full pack of 3D renders are included in Appendix G.

Figure 11 - Metro B Union St balcony viewed from Union Place



Figure 12 - Metro B Union St balcony viewed from Bell St

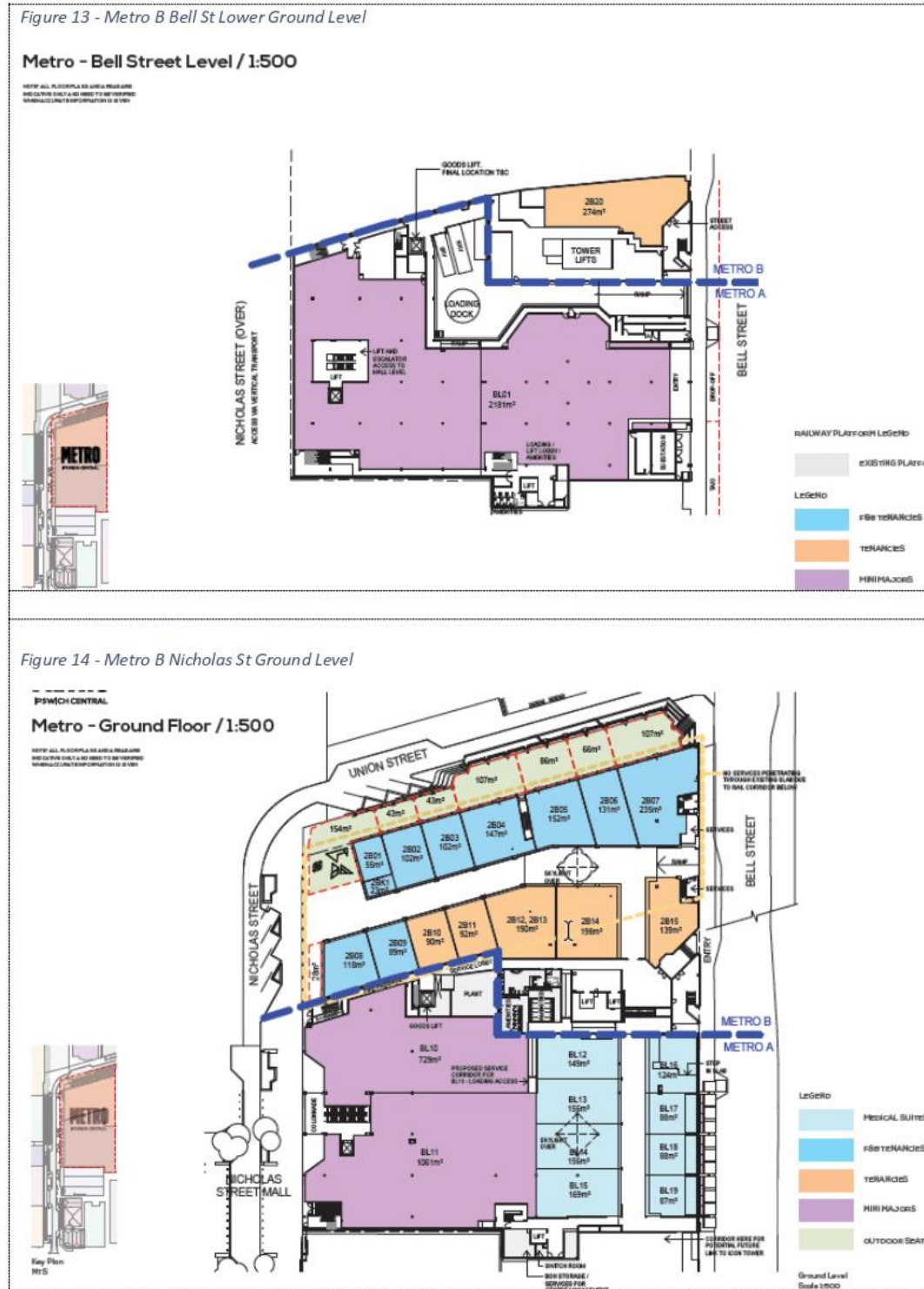


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2.4.2. Proposed Tenancy Layout

Figures 13 and 14 outline the tenancy mix for the lower ground and ground floor tenancies within the Metro B building.





2.4.3. Key Schematic Design Outcomes

- The scope and complexity of the Union Place balcony and awning has been greatly reduced to save costs
- Internal mall connection and lift lobby entrance to medical precinct in Metro A has been reconfigured to address height changes and fire safety requirements between buildings
- Amenities block has increased in size to increase provision for food and beverage tenancies.
- Building façade at corner of Nicholas and Union has been cut back to create and articulated internal-external connection.
- Level 1 – 7 tower tenancies will receive minor cosmetic updates only, i.e. repaint, new carpet etc.
- Existing building fire services meet building code requirements, and are proposed to be retained, if possible.
- Some existing mechanical AC units are in useable condition and are proposed to be retained, if possible.

2.4.4. Building Services

Refurbishment, upgrade and or replacement of building services account for a significant amount of scope and subsequent cost within all retail buildings. Full details of the scope of works for building services can be found in the following sections of the Building Services Specifications enclosed within Appendix H:

- Mechanical Services – Section 3.4
- Electrical Services – Section 3.2
- Hydraulic Services – Sections 3.5 and 3.6
- Fire Services – Section 3.3

2.4.5. Risk Review

Several risks associated with the Metro B building need to be addressed in future design and delivery phases of the retail project. Table 4 below outlines the key risks identified and mitigation strategies to deal with them.

Table 4 - Metro B Risk Review Analysis

No	Category	Risk	Mitigation Strategy
1.	Tenant Fitout	Raised kitchen areas to accommodate hydraulic drainage that can't be underslung due to the building being over the rail corridor.	Nominate kitchen zones for tenants and outline in lease deals. X-ray/core hole slabs to confirm assumptions. Perform as Cat1 works to maintain control.
2.	Property Title	Building services (ie. Amenities, loading dock) service adjacent properties	Building Management Statement will be required to outline how maintenance, servicing and shared use is achieved.
3.	Building Services	Refurbishing and reusing existing building services comes with the risk of breakdown and or failure due to lifecycle	An alternate cost estimate has been prepared for full replacement of building services. This increases development costs by approx. \$4m which is taken into account with financial model outcomes.

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No	Category	Risk	Mitigation Strategy
4.	Design	Roof structure at Nicholas St end of building requires significant upgrade to support new projection façade.	Value management options to be explored to reduce extent of projection façade and structural requirements.
5.	Design	Building parapet along Union Place requires replacement to install proposed balcony awning design.	Value management options to be explored to retain existing parapet whilst maintaining design intent of awning.
6.	Construction	Latent Conditions in 30-year-old buildings	Early demolition works during next Design Development phase will assist with understanding and addressing some items.
7.	Construction	Coordination with adjacent building site/s and head contractor/s	It is proposed to engage the same head contractor delivering the Civic Admin project to mitigate risk of overlapping construction boundaries and site access.
8.	Building Services	Lights to retail awnings are required to achieve street lighting levels, however buildings will be sold to private landlords.	Local council by-laws to be put in place requiring building owners' requirement to maintain awning lights and street lighting levels.
9.	Property Title	Title is leasehold over rail corridor meaning end sale value may be less than a freehold property.	Investigations being made into transferring leasehold to freehold.

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2.5. Venue Building

2.5.1. Concept

Figure 15 below is the 3D graphical render of the revamped Nicholas St entry to Venue, with proposed atrium/void as main entrance for new cinema tenant. The full pack of 3D renders are included in Appendix G.

Figure 15 - Venue Building viewed from Nicholas St





Figures 16 and 17 outline the tenancy mix for the lower ground and ground floor tenancies within the Venue building.

Figure 16 - Venue Building Nicholas St Lower Ground Floor

Venue - Lower Ground Level / 1:500

NOTE: ALL PLOTTING PLAN IS IN CONFORMANCE WITH THE NATIONAL BOARD OF FIRE UNDERWRITERS' (NBFU) REQUIREMENTS. SEE THE NBFU PLOTTING PLAN FOR FURTHER INFORMATION.



Figure 17 - Venue Building Brisbane St Ground Floor

Venue - Ground Level / 1:500

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2.5.3. Key Schematic Design Outcomes

- Existing Nicholas St façade will be retained as AV projection no longer proposed to the Western side of Nicholas St.
- The main cinema entrance has been relocated to the Nicholas St entrance and will incorporate a new elevator and large void at the top of the escalators to create a double storey entrance volume.
- Two of the larger cinema boxes were proposed to be split in two, however subsequent discussions with the leasing market indicate that creating two additional cinema boxes in the tenancy is more desirable.
- Existing tenancies in lower ground level will be demolished and taken back to open plan layout, with the exception of the existing pharmacy tenant which is proposed to remain trading throughout the construction period.
- Existing building fire services meet building code requirements, and are proposed to be retained, if possible.
- Some existing mechanical AC units are in useable condition and are proposed to be retained, if possible.

2.5.4. Building Services

Refurbishment, upgrade and or replacement of building services account for a significant amount of scope and subsequent cost within all retail buildings. Full details of the scope of works for building services can be found in the following sections of the Building Services Specifications enclosed within Appendix H:

- Mechanical Services – Section 3.4
- Electrical Services – Section 3.2
- Hydraulic Services – Sections 3.5 and 3.6
- Fire Services – Section 3.3

2.5.5. Risk Review

Several risks associated with the Venue building need to be addressed in future design and delivery phases of the retail project. Table 5 below outlines the key risks identified and mitigation strategies to deal with them.

Table 5 - Venue Building Risk Review Analysis

No	Category	Risk	Mitigation Strategy
a)	Construction	Latent Conditions in 30-year-old buildings	Early demolition works during next Design Development phase will assist with understanding and addressing some items.
b)	Construction	SD cost estimate includes basic sound attenuation for lower ground floor tenant, however further acoustic treatment may be required.	Acoustic Engineer recommendations to be refined through next phase of design.
c)	Building Services	Refurbishing and reusing existing building services comes with the risk of breakdown and or failure due to lifecycle	An alternate cost estimate has been prepared for full replacement of building services. This increases development costs by approx. \$4m

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No	Category	Risk	Mitigation Strategy
			which is taken into account with financial model outcomes.
d)	Existing tenant/s	Pharmacy tenant will remain open during Venue project works.	Safety, noise, dust, access to tenancy etc. to be managed within strict parameters by head contractor.
e)	Building Services	Lights to retail awnings are required to achieve street lighting levels, however buildings will be sold to private landlords.	Local council by-laws to be put in place requiring building owners' requirement to maintain awning lights and street lighting levels.



2.6. Review Against Specialist Advice

Table 6 below outlines key design advice provided by external economic and planning consultants Urbis and food and beverage specialist Brain and Poulter, and how/if it was incorporated in the final Schematic Design documentation.

Table 6 – Schematic Design review against Urbis and Brain & Poulter recommendations

Report	Criteria/ Building	Recommendation	Included	Commentary
Urbis Master Plan Review, Apr 2019	Urban Structure	Concentrate the connection from the rail station into the heart of the city centre through Union Place.	Yes	Metro B also have an internal mall connecting the rail station directly to Nicholas St.
	Urban Structure	Maximise footfall to Union Place by ensuring the location and alignment of Metro A (Bell St Link) does not compete.	Yes	Metro A tenancy mix does provide a thoroughfare for customers.
	Experience & Place	Concentrate and connect active edges to maintain energy at the ground plane	Yes	Venue, Eats and Metro building tenancies focus, concentrate and connect key frontages to create activated edges.
	Experience & Place	Create F&B edges around water element to enhance the value of the retail.	Yes	A bar, café and provision for temporary food stalls/trucks are being incorporated in the Civic Square.
	Experience & Place	Deliver a clear public realm and landscape strategy built around retail principles of desire lines, sightlines, anchored connections and a central feature.	Yes	Nicholas St and Union Place awnings/balcony, seating and soft landscaping provide improved sightlines and reprieve from the harder urban fabric. AV projection technology is also used atop the Metro building facades.
	Commercial	Concentrate entertainment, leisure and culture around the public Civic space	No	However, Nicholas Street can contribute to supporting the Venue entertainment precinct through street based activation of food & beverage tenants.
	Commercial	Deliver continuous active edges with consideration to hours of operation to maintain activation by day and night.	Yes	Development application is being submitted for new trading hours in precinct to accommodate food & beverage trade up to midnight.
	Commercial	Deliver a development that seamlessly connect retail uses on Nicholas Street to transport and other tenancies along Bell Street.	Yes	Metro B also have an internal mall connecting Nicholas St to Bell St transport links.
	Masterplan	Leisure and Entertainment facilities are core strategic success drivers for the Ipswich City Centre. The range of planned uses will attract residents, visitors and city workers.	Yes	An expanded, major cinema operation is a key target in Council's leasing campaign for Venue.
	Masterplan	Focus on establishing the City Centre as a successful entertainment, leisure and dining precinct to provide foundation for extra services & convenience retail.	Yes	Proposed tenancy mixes to Venue, Eats and Metro Buildings focus on entertainment and food & beverage uses, with internal areas to Metro A & B targeting medical services and speciality retail.

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Report	Criteria/ Building	Recommendation	Included	Commentary
Brain & Poulter Food & Beverage Strategy, Mar 2019	All	Dining located on main travel path	Yes	Overall leasing mix places food & beverage tenancies on main street frontages and thoroughfares from adjacent car parks/train station.
	All	High visibility of food tenancies	Yes	Food & beverage tenancies are all external street facing
	All	Adequate tenancy frontages	Yes	Food & beverage tenancies are all external street facing
	All	Mix of internal & external seating	Yes	Food & beverage tenancies are all external street facing
	All	Provide external weather protection	Yes	Awnings will include shade blinds, ceiling fans and provision for heaters.
	Metro	Tenancies onto mall to be dual-sided	Yes	Tenancies will open to internal mall and external balcony
	Metro	Use balconies at Level 1 tenancies	No	Level 1 tenancies are being targeted as commercial spaces
	Metro	Create pedestrian travel path along balcony edge	No	Travel path is along shopfront edge to make pedestrians walk past shop entrances and achieve building code access/egress requirements.
	Metro	Group adjacent kitchen areas along IT walls	Yes	Incorporated in Tenancy Fitout Guide/Design Guidelines, and to be managed through tenancy delivery process.
	Metro	No more than 30% licenced seating	Yes	Proposed tenancy boxes reflect this, where possible.
	Metro	'Fast zone' on Nicholas – Union corner	Yes	Suitable prospective operators being targeted, and a kiosk is proposed in this location.
	Metro	BOH access for loading & waste	Yes	New lift from Metro A loading dock will services Metro B tenancies.
	Eats	Create pedestrian travel path between road and licenced seating	No	Travel path is along shopfront edge to make pedestrians walk past shop entrances and achieve building code access/egress requirements.
	Eats	Allow tenants to design external seating areas.	Yes	Incorporated in Tenancy Fitout Guide/Design Guidelines, and to be managed through tenancy delivery process.
	Eats	No more than 30% licenced seating	Yes	Proposed tenancy boxes reflect this, where possible.
	Eats	Sight lines through external seating	Yes	Pedestrian travel path is outside shopfronts, and height of awning creates inviting space and sightlines.
	Eats	Rear lane accessibility for loading & waste	Yes	Eats tenancies can use either Venue loading dock or refurbished lift coming from car park, although vehicle heights will be constrained within car park.
	Eats	Provision of amenities in each tenancy	No	Refurbishment of existing Level 1 amenities will service tenant's customers.



3. Procurement Strategy

3.1. Overview

Subject to Council approval the retail works are proposed to be undertaken as a contract variation to the existing Civic project contract. The contract in place was specifically drafted with a special clause to facilitate the addition of the retail precinct works, if required.

The rationale for this is that the current D&C contractor is already mobilised onsite and will be able to offer efficiencies with preliminaries and site establishment etc. and having one contractor control the entire site removes complexities and risk of access and interface of construction site boundaries between two separate contractors.

Two available contracting options were assessed for their suitability for delivering the Retail Project, as follows:

- a) Traditional Procurement (fully documented design)
- b) Design & Construct (D&C)

The decision was made to utilise a D&C delivery methodology not only because it is the most common contracting option for retail projects, but also because it is the same as the existing Civic project contract.

Furthermore, a 2-stage D&C procurement methodology is proposed as follows:

- **Stage 1** – Preferred Contractor is to undertake Design Development (DD) phase, using their own design consultants to progress the existing Schematic Design and produce a coordinated set of DD documents suitable for tender (refer to Appendix L for a detailed outline of requirements). In addition, a Guaranteed Maximum Price (GMP) and construction program for the Retail Project works will also be provided.

Note: due to the timeframes involved it is understood that some trades or certain building elements may be priced as provisional sums.

It is also anticipated that during Stage 1 some early demolition works and procurement of long lead time items (i.e. elevators and escalators) may be possible.

- **Stage 2** – If Council accepts the design, GMP and construction program presented, then the Preferred Contractor will commence D&C delivery of construction works. If the proposal is not acceptable to Council, they reserve their rights to retender the Retail Project to the open market.

3.2. Design Development Phase

Further design elements to be refined or resolved during future design stages include:

- Loading and access for tenant deliveries
- Waste management
- Signage and wayfinding/
- Traffic management
- Safety in design
- Fire Engineering performance solution



3.3. ESD Requirements

The retail project is not targeting any specific ESD outcomes (i.e. NABERS, Greenstar) other than best practice requirements under the National Construction Code.



4. Project Program

A high-level overview of the retail project delivery program is outlined in table 7 below:

Table 7 - Project Delivery Program

Item	Forecast Timeframe
D&C Stage 1 – Design Development Phase by Preferred Contractor	Oct 2019 – Dec 2019
Council Review and Approval	Dec 2019
Finalise Engagement of Preferred Contractor	Jan 2020 – Mar 2020
D&C Stage 1 – Delivery of Project by Preferred Contractor	Mar 2020 – Mar 2021
Practical Completion & Handover to Tenants	25 Mar 2021
Tenant Fitout Period	Mar 2021 – Jun 2021
Open for Trade	24 Jun 2021



5. Cost Estimate

RLB, the project Quantity Surveyor, issue an updated construction estimate in September 2019 following the completion of the SD phase. This scenario was based on the reuse and refurbishment of existing building services, where possible.

RLB also provided on value management items during the schematic design process, and prepared an additional SD cost estimate based on replacing all building services.

Both of the construction estimates prepared by RLB are '**commercial in confidence**' because the detail within them will be utilised during the negotiation of the Stage 1 Phase of the D&C procurement with the Preferred Contractor, and as such are not included within this report.

6. Building Code Compliance

McKenzie Group have assessed the Schematic Design documentation for compliance with the National Construction Code of Australia and provided summary recommendations for project elements requiring review in future design phases (refer to Appendix K for full report).

McKenzie's report identifies that the proposed building modifications to the retail buildings do not unduly reduce the level of fire safety within the buildings, and therefore does not require the upgrade of existing buildings as if they were new buildings.

However, they have identified specific areas of the Schematic Design that are expected to be assessed against the relevant performance requirements of the National Construction Code and require referral to Queensland Fire and Emergency Service as part of the Building Approval process. The two key elements involve egress/travel distances in excess of deemed to satisfy requirements, and the reuse of existing building fire services.

These will be addressed during the 2-stage D&C delivery method with the preferred contractor. Refer to Appendix K for the full Building Code Assessment Report.

7. Development Approval Status

Initial advice from Ipswich Council Planning Department was that an application for 'building works not associated with a material change of use (MCU)' could be made for the main retail buildings due to the scope of building works being mainly internal with additional refurbishment and upgrade to external facades and awnings.

This advice has since been amended to submit an MCU application. This is required due to the food and beverage uses proposed and the associated trading hours. There is a large value of existing infrastructure credits across the properties which means there will likely be no out of pocket infrastructure charges for the project.

In addition, this allows treatment of changes in GLA between the exiting building layouts and the new proposed retail mix, and address the rebuilding and reinstatement works required to the Metro A building adjacent to Icon tower. The current state of this part of the building is not fit for future use by tenants and needs to be addressed to create a saleable asset.



8. List of Appendices

A summary of Appendices referred to within this report is as follows:

- A. Urbis Master Plan Review Update, April 2019
- B. Brain & Poulter Updated Food & Beverage Strategy, March 2019
- C. Retail Due Diligence Report, June 2019
- D. Overall Leasing Plans
- E. Schematic Design Drawings
 - i) Architectural
 - ii) Structural
 - iii) Mechanical Services
 - iv) Electrical Services
 - v) Hydraulic Services
 - vi) Fire Services
- F. Fittings, Furniture and Equipment schedule
- G. Retail Presentation Pack – Architectural 3D Renders
- H. Building Services Specifications
 - i) Mechanical Services
 - ii) Electrical Services
 - iii) Hydraulic Services
 - iv) Fire Services
- I. Tenancy Services Matrices
- J. Fire Concept Report
- K. Building Code Assessment Report
- L. Design Development Documentation Requirements



Ipswich Central Redevelopment – Nicholas Street Retail

Public Access

Ipswich City Council
October 2019



KPMG

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24 October 2019

Private and confidential

Greg Chemello
Interim Administrator
Ipswich City Council
PO Box 191
Ipswich QLD 4305

Dear Greg,

Ipswich Central – Nicholas Street Retail

We have been engaged by the Ipswich City Council (ICC) to undertake financial analysis and a market sounding of the Ipswich Central Redevelopment Nicholas Street Retail Project (the "Project") to assist ICC assess the scope, timing and delivery model for the Project.

We attach our report in connection with providing these services.

Scope of Work

Our work has been performed in accordance with our Engagement Letter dated 6 August 2019.

Information

In undertaking our work we have relied on information provided to us by ICC, Ranbury (project manager and retail leasing agent), RLB (cost estimators) and Savills (independent valuer), in addition to publicly available information, industry resources and KPMG analysis.

We have indicated in this report the sources of the information presented.

Distribution

This report has been prepared exclusively for ICC in relation to the Nicholas Street Retail Project. This report must not be used for any other purpose or distributed to any other person or party or as otherwise agreed by us in writing.

Yours sincerely,



Paul Morris
Partner



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Ipswich Central Redevelopment – Nicholas Street Retail

Disclaimer

Important Notice

- If you are a party other than ICC, KPMG:
 - owes you no duty (whether in contract or in tort or under statute or otherwise) with respect to or in connection with the attached report or any part thereof; and
 - will have no liability to you for any loss or damage suffered or costs incurred by you or any other person arising out of or in connection with the provision to you of the attached report or any part thereof, however the loss or damage is caused, including, but not limited to, as a result of negligence.
- If you are a party other than ICC and you choose to rely upon the attached report or any part thereof, you do so entirely at your own risk.

Limitations

- The responsibility for determining the adequacy or otherwise of our terms of reference is that of ICC.
- The services provided under our engagement contract ('Services') have not been undertaken in accordance with any auditing, review or assurance standards. Any reference to 'audit' and 'review', throughout this report, is not intended to convey that the Services have been conducted in accordance with any auditing, review or assurance standards. Further, as our scope of work does not constitute an audit or review in accordance with any auditing, review or assurance standards, our work will not necessarily disclose all matters that may be of interest to ICC or reveal errors and irregularities, if any, in the underlying information.
- In preparing this report, we have had access to information provided by ICC and its specialist advisors, and publicly available information. We have relied upon the truth, accuracy and completeness of any information provided or made available to us in connection with the Services without independently verifying it.
- Any findings or recommendations contained within this report are based upon our reasonable professional judgement based on the information that is available from the sources indicated. Should the Project elements, external factors and assumptions change then the findings and recommendations contained in this report may no longer be appropriate. Accordingly, we do not confirm, underwrite or guarantee that the outcomes referred to in this report will be achieved.
- We do not make any statement as to whether any forecasts or projections will be achieved, or whether the assumptions and data underlying any such prospective financial information are accurate, complete or reasonable. We will not warrant or guarantee the achievement of any such forecasts or projections. There will usually be differences between forecast or projected and actual results, because events and circumstances frequently do not occur as expected or predicted, and those differences may be material.
- We will perform certain tests on the Financial Model to satisfy ourselves that the Model is operating as per the specifications agreed with you during the initial model development phase of our work. However, this will not constitute a full integrity check of the Model. We will provide no representation or warranty of accuracy, completeness, reasonableness or reliability of the Information included (whether directly or by reference) in the Model, including the achievement or reasonableness of any plans, projections, forecasts, management targets, prospects or returns described (whether express or implied) in the Model.



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Glossary

AFL	Agreement for Lease	IRR	Internal Rate of Return
AV	Asset Value	NLA	Net Lettable Area
CGI	Computer-generated imagery	NOI	Net Operating Income
F&B	Food and Beverage	NPV	Net Present Value
GLV	Gross Land Value	P&R	Profit and risk
HoA	Heads of Agreement	Sqm	Square metre
ICC	Ipswich City Council	TDC	Total Development Cost



Background & Scope

Background

ICC is currently progressing with the development of the Ipswich Central Business District (CBD), known as Ipswich Central. The project contains a number of assets owned by ICC and, when fully developed, will comprise retail, entertainment and leisure, food and beverage, commercial buildings, civic space and a community library.

A preferred tenderer has been selected to deliver the Civic Precinct, community library, streetscape upgrades and ICC Administration Centre. These components of the Ipswich Central Redevelopment are integral to the operations of ICC and will be retained in long-term ICC ownership.

The adjoining retail and mixed-use assets owned by ICC (collectively known as 'Nicholas Street Retail'), are largely vacant in advance of redevelopment.

ICC is seeking a pathway for development and divestment of the Nicholas Street Retail assets. In determining a preferred pathway, ICC is seeking to balance its primary objective of renewing the Ipswich CBD as a thriving precinct with a prudent financial and risk management overlay.

In June 2019, Ranbury (project manager and retail leasing agent) prepared a draft Business Case for the redevelopment of the Project. KPMG undertook a peer review of the draft Business Case and made a number of recommendations, including that ICC:

- establish ICC financial and commercial objectives for the Project;
- further progress design and obtain updated cost estimates;
- obtain updated valuations of the development;
- update the financial analysis for the Project; and
- undertake market sounding to better inform the optimum delivery pathway and divestment strategy.

Scope

Post KPMG's review of the draft Business Case, ICC has engaged KPMG to undertake the following:

- *Market Sounding*: engage with real estate developers, investors and agents to seek insights on the Project including market and Project risks and appetite for end asset take out and participation in delivery.
- *Co-ordinate an Independent Valuation*: coordinate and manage an independent valuation to provide a valuation of the Nicholas Street Retail assets on an "As Is" basis and an "As If Complete" basis.
- *Establish Financial and Capital Management Objectives*: assist ICC define its key financial and commercial Project objectives.
- *Financial Analysis*: undertake financial analysis based on the updated Project inputs and assess the alternate development and divestment pathways.

At the same time, Ranbury progressed updated the Project designs and construction cost estimates.

Sources of Information

In undertaking the scope of works, KPMG has relied upon the following sources of information:

- Draft Nicholas Street Retail - Business Case Report (Version 1.1), dated 27 June 2019 as prepared by Ranbury;
- Development costs prepared by RLB and Ranbury, transmitted to KPMG on 19 September; and
- Valuation report and calculations from Savills (report dated 27 August 2019, and issued in final on 22 October 2019).

We have indicated in this report the sources of the information presented.



Project Overview



Project Overview - Ipswich Central

Overview

The Ipswich Central Redevelopment Project is a key project within Ipswich City's Economic Development Plan and is situated in the heart of the Ipswich CBD, bound by Bell Street to the east, Brisbane Street to the south, Ellenborough Street to the west and Bremer Street to the north.

The precinct is currently underutilised and largely vacant in advance of redevelopment. The Ipswich Central Redevelopment seeks to contribute to a re-enlivenment of the CBD by delivering an integrated entertainment, civic, retail and commercial precinct.

Development is underway for the civic assets within the Ipswich Central Redevelopment, which incorporate the following elements:

- a new council Administration Centre and office building over 8 storeys (target completion Q2 2021);
- a new Civic Precinct including a new Public Library and a versatile 14,500sqm public realm with water park features, that will host Ipswich City events, markets and activities (target completion Q2 2020);
- an upgraded street scape and public area along Nicholas Street and Union Place (target completion Q1 2020); and
- an upgraded 1,000 car undercover car park, with adjacency to the Ipswich Rail Station.

An events and marketing programme for the Civic Precinct is currently being developed by ICC. This programme will be essential to attract foot traffic and underpin activity in the Ipswich Central Redevelopment.

Table 1: Ipswich CBD Redevelopment – Key Components

ICC Civic Assets	Nicholas Street Retail Assets
Admin Building	Venue
Library	Metro A and B
Civic Precinct	Eats
Nicholas Street / Union Place	Commonwealth Hotel

Table 1: Components of the Ipswich Central Development
Source: Nicholas Street Retail – Business Case, 2019.



Image 1: Ipswich Central master plan

Source: Draft Nicholas Street Retail - Business Case Report (Version 1.1), dated 27 June 2019

Project Overview - Nicholas Street Retail

Overview

The Nicholas Street Retail Project components of the Ipswich Central Redevelopment comprises four separate 'precincts'. These precincts are outlined as follows and detailed further overleaf:

- Metro A and B – proposed for F&B offerings along the street frontage, in addition to mini-majors, general retail and medical uses internally and commercial uses above;
- Eats – proposed for F&B offerings along the street frontage, in addition to potential commercial uses on the upper level;
- Venue – proposed for entertainment and leisure uses, in addition to general retail; and
- Commonwealth Hotel (also known as Murphy's' Pub) – a heritage listed building proposed for use as a pub style F&B destination.

Current Status

The Project is in the early phases of the redevelopment life cycle and has been informed by a number of consultants. The current status is summarised below:

- concept and schematic designs have been developed by Buchan;
- master planning/design, research and retail mix review has been provided by Urbis and Brain & Poulter;
- RLB have provided cost estimates based on schematic designs (for replacing and re-using existing services);
- technical due diligence has been provided by Ranbury, WSP and McKenzie Group;
- marketing and leasing of the space is being undertaken by the Nicholas Street Project Leasing Team (Ranbury); and
- marketing commenced in November 2018 and eleven (11) Heads of Agreements (HOA) have been secured to date.

Table 2: Components of Nicholas Street Retail

Component	Intended uses
Venue	Entertainment, leisure & retail.
Metro A	Mini-majors, medical, health, office.
Metro B	Food & beverage, general retail, commercial office.
Eats	Food & beverage, commercial office.
Commonwealth Hotel	Hotel/pub.

Table 2: Components of Nicholas Street Retail



Image 2: Schematic Design – View along Nicholas Street, towards Brisbane Street

Source: Nicholas St, Ipswich Retail Presentation (Revision B) prepared by Buchan dated 4 September 2019.



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Project Overview - Metro A

Overview

Metro A (also known as the Bell Street Link building) is situated around the centre of Nicholas Street, near opposite the proposed Eats building. The asset comprises three levels, with the middle level adjoining and providing internal access to the Metro B building. Metro A is of a dated condition and is currently fully vacant.

Proposed Development

The internal layout of Metro A is proposed to be redeveloped to contain one large tenancy on the lower level, mini-majors and a medical precinct on the Nicholas Street level and a commercial/lifestyle tenancy (i.e. gymnasium) on the upper level. Accessibility to each level will be via escalators or internal lift.

The internal mall and connection between Metro A and B is proposed to be retained as part of the redevelopment.

A summary of the 'As If Complete' development is provided in Table 3 below, with CGIs shown in adjacent Images 3 and 4.

Table 3: Metro A 'As If Complete' Summary

Tenure	• Freehold
Land Area	• 3,772 sqm
NLA	• 5,124 sqm (retail); 737 sqm (commercial)
Tenancies	• 13
Target Mix	• Mini Majors, Medical, Health, Commercial
Target NOI	• Circa \$1.32m

Table 3: Metro A 'As If Complete' Summary
Source: Savills Valuation, 27 August 2019



Images 3 and 4: Schematic Design – Metro A
Source: Nicholas St, Ipswich Retail Presentation (Revision B) prepared by Buchan dated 4 September 2019.

Project Overview - Metro B

Overview

Metro B is situated on the corner of Nicholas Street and Union Place, directly opposite the proposed Civic Precinct and community library.

The asset contains a ground level along Nicholas Street and Union Place, plus one tenancy to the Bell Street frontage. In addition, a seven-storey commercial tower sits above the retail component. The asset is of an older standard and the retail component is fully vacant. The office component is currently occupied by various tenants on short term leases.

Proposed Development

Metro B is considered to be situated on a high profile corner within the Ipswich Central Redevelopment. The asset is proposed to be redeveloped to maximise street activation, with food and beverage proposed along the perimeter of the ground level with generous outdoor dining areas.

The internal ground mall is proposed to contain a mix of commercial, specialty and convenience retail. The office component will not be refurbished as part of the redevelopment.

A summary of the 'As If Complete' development is provided in Table 4 below, with CGIs shown in adjacent Images 5 and 6.

Table 4: Metro B 'As If Complete' Summary

Tenure	• Leasehold (58.2 years remaining as at August 19)
Land Area	• 3,334 sqm
NLA	• 3,524 sqm (retail); 1,154 sqm (commercial)
Tenancies	• 25
Target Mix	• F&B, general retail , commercial office
Target NOI	• Circa \$1.43m

Table 4: Metro B 'As If Complete' Summary.
Source: Savills Valuation, 27 August 2019



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Images 5 and 6: Schematic Design – Metro B
Source: Nicholas St, Ipswich Retail Presentation (Revision B) prepared by Buchan dated 4 September 2019.

Project Overview - Venue

Overview

Venue is situated on the corner of Nicholas and Brisbane Streets and comprises a two-storey retail building, which is of an older standard. The building is currently occupied by a chemist and is otherwise vacant.

Proposed Development

Venue is intended to be redeveloped to contain a mix of entertainment and leisure offerings that will serve to drive critical mass and activate the precinct as a strong destination appeal. In particular, this asset is intended to contain a cinema on the upper level and a leisure offering on the lower level (for example, indoor karting), in addition to general retail.

A summary of the 'As If Complete' development is provided in Table 5 below, with CGIs shown in the adjacent Images 7 and 8.

Table 5: Venue 'As If Complete' Summary

Tenure	• Freehold
Land Area	• 6,202 sqm
NLA	• 9,395 sqm
Tenancies	• 8
Target Mix	• Entertainment (e.g. Cinema, Lasertag, Indoor Karting, Kids Play) and additional F&B / general retail
Target NOI	• \$1.60m

Table 5: Venue 'As If Complete' Summary
Source: Savills Valuation, 27 August 2019



Images 7 and 8: Schematic Design – Venue
Source: Nicholas St, Ipswich Retail Presentation (Revision B) prepared by Buchan dated 4 September 2019.

Project Overview - Eats

Overview

Eats is situated to the centre of Nicholas Street, on the corner of a laneway known as 'Bottle Alley' and adjoining the proposed community library. The asset comprises a two-storey building, which is of an older standard and is fully vacant.

The building is currently situated over multiple tenures (leasehold and freehold), which may impact the marketability of the asset.

Proposed Development

Eats is considered to provide a critical connection between the proposed Civic Precinct and the Venue building, along Nicholas Street.

The proposed development will incorporate reactivation of the Nicholas Street and Bottle Alley laneway frontages of the building with covered external dining areas for food and beverage uses and undercover foot traffic.

The asset is proposed to contain food and beverage uses of complementary cuisine on the ground level, in addition to commercial uses on the upper level.

A summary of the 'As If Complete' development is provided in Table 6 below, with CGIs shown in adjacent Images 9 and 10.

Table 6: Eats 'As If Complete' Summary	
Tenure	• Mix of freehold and leasehold
Land Area	• 1,322 sqm
NLA	• 579 sqm (retail) and 755 sqm (commercial)
Tenancies	• 5
Target Mix	• F&B, commercial
Target NOI	• Circa \$0.58m

Table 6: Eats 'As If Complete' Summary
Source: Savills Valuation, 27 August 2019



Images 9 and 10: Schematic Design – Eats
Source: Nicholas St, Ipswich Retail Presentation, prepared by Buchan dated 4 September 2019



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Commonwealth Hotel

Overview

The Commonwealth Hotel is a two-storey heritage listed building, which is situated on Union Place, opposite Metro B.

The asset is in a poor state of repair and foundation stabilisation works were recently undertaken.

Proposed Redevelopment

As part of the proposed redevelopment, the asset will be rebuilt, refurbished and expanded, with the intention of procuring a hotel operator.

A summary of the 'As If Complete' development is provided in Table 7 below, with floor plans shown in adjacent Images 11 and 12.

Table 7: Commonwealth Hotel 'As If Complete' Summary

Tenure	• Freehold
Land Area	• 539 sqm
NLA	• 416 sqm
Tenancies	• 1
Target Mix	• Microbrewery, gastropub
Target NOI	• Circa \$0.18m

Table 7: Commonwealth Hotel 'As If Complete' Summary
Source: Savills Valuation, 27 August 2019

Ground Level



Upper Level



Images 11 and 12: Floor Plans – Commonwealth Hotel
Source: Draft Nicholas St Retail - Business Case Report (Version 1.1), dated 27 June 2019



Project Objectives

Introduction

ICC has established a range of project objectives for the Ipswich Central Redevelopment. These objectives guide decision making for the broader redevelopment and were set during the assessment of delivering the Civic assets.

Reflecting the overarching intent for the redevelopment to contribute to a re-enlivenment of the CBD, the supporting objectives established by ICC are set out below:

- deliver an enduring and activated Civic Heart (i.e. Civic Precinct);
- deliver cultural and entertainment activities that complement other activity centres;
- provide space for growth of key employers and service providers;
- relocate Council's administration centre and unlock Council land for Queensland Health;
- provide opportunities for private sector investment in the renewal; and
- project governance is robust, resilient and replicable.

Nicholas Street Retail Project Objectives

To support assessment of the optimum development and divestment strategy for the Nicholas Street Retail, the Ipswich Central Redevelopment Project Objectives were refined to incorporate financial and commercial objectives. These refined Project Objectives seek to balance community with prudent financial and commercial considerations.

The Project Objectives were established by ICC through a workshop facilitated by KPMG, in conjunction with Ranbury, taking into account the following key considerations.

Key financial considerations:

- desired and minimum acceptable Project returns;
- funding gates / thresholds required to be achieved prior to commencing development; and
- finance strategy.

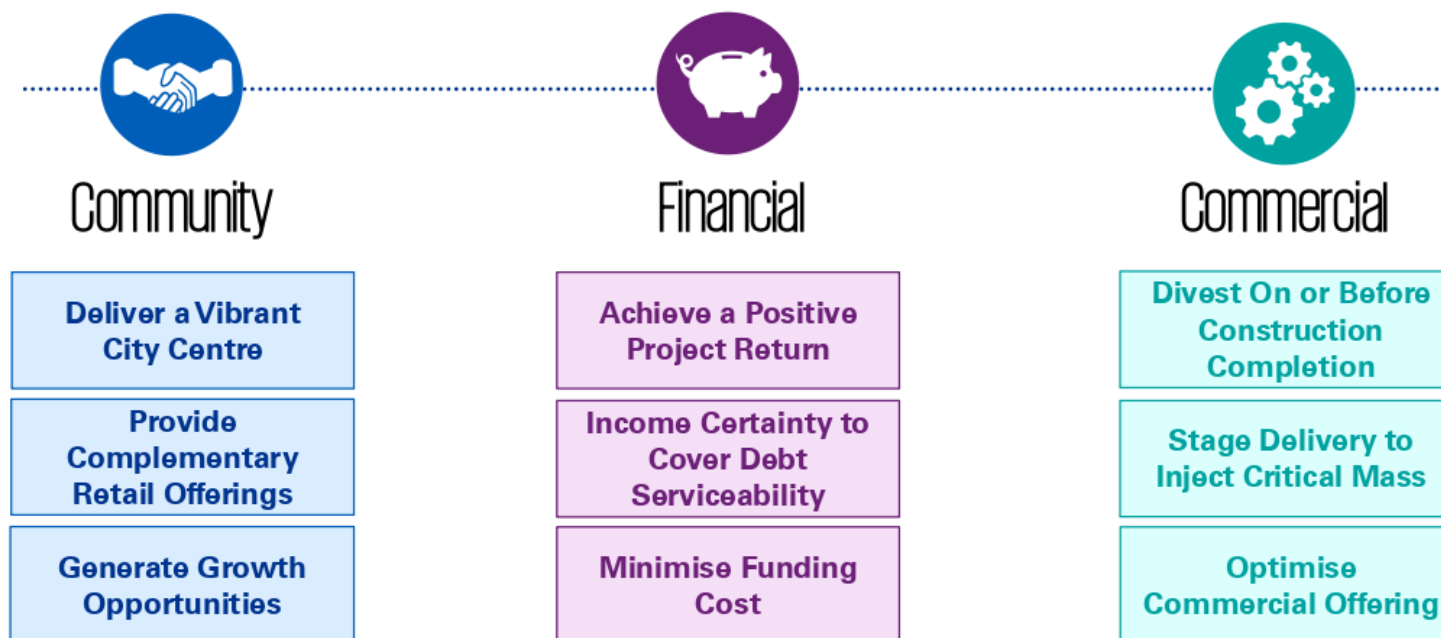
Key commercial considerations:

- desired staging strategy;
- preferred delivery strategy (private sector participation or ICC to deliver);
- willingness to consider alternate transaction structures to optimise divestment outcome (rental guarantees, pre-committing to accommodation); and
- divestment strategy (timing, portfolio or individual asset, Administration Centre to be divested or retained).

Nicholas St Retail Objectives

Overview

The strategic objectives established by ICC for the Project are identified below and further outlined on the following slides.



Community Objectives

Overview

Table 8 below outlines the community objectives adopted by ICC for the Ipswich Central project and updated to reflect the desired outcomes for the Nicholas Street Retail Project.

Table 8: Community Objectives

	Theme	Objective	Key Considerations
Community	Deliver a Vibrant City Centre	Deliver retail and commercial offerings that complement the Civic Heart and generate critical mass in the precinct.	<p>Place making: deliver retail and commercial offerings that create a 'destination' within the heart of the Ipswich CBD and supports activity in the Civic Heart.</p> <p>Connectivity: optimise design to enhance pedestrian footfall, shop front activation and public transport connections to, and through, the redevelopment.</p> <p>Sustainability: design solutions, offerings and mix ensure future-proofing concepts that deliver sustainability and smart technology integration to enhance customer experience over the long term.</p>
	Provide Complementary Retail Offerings	Provide retail, cultural and entertainment offerings that supports and reinforces differentiation rather than competes with other more retail-focused centres such as Riverlink and Springfield.	<p>Support and reinforce: uses within the precinct are aligned to community need, the civic / cultural / entertainment intent and drive place activation.</p> <p>Tenant attraction: secure key anchor tenants and service offerings, such as a Cinema operator, that will drive momentum and secure further interest in the precinct, prior to delivery of the Project.</p> <p>Complementary: attract a diverse range of operators that are differentiated from local competition.</p>
	Generate Growth Opportunities	Provide an ecosystem of offerings that provide the foundation for future growth in the Precinct, including key employers and service providers.	<p>Retain capacity for growth: maintain flexibility in the precinct to accommodate commercial tenants and higher density redevelopment.</p> <p>Tenant attraction: develop a strategy to attract commercial tenants with a large or growing presence in the region to further support critical mass injection and place making.</p> <p>Amenity: lifestyle amenity, such as food and beverage, is delivered in the initial stage of development. Scale is "right-sized" to market.</p>

Table 8: Community Objectives



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Financial Objectives

Overview

The financial objectives established by ICC for the Nicholas Street Retail Project are outlined in Table 9 below.

Table 9: Financial Objectives

	Theme	Objective	Key Considerations
Financial	Achieve a Positive Project Return	The financial return of the Project is to reflect a positive Net Present Value.	<p>Net Present Value (NPV): An NPV >\$0, including 'As Is' value but excluding sunk costs and the Commonwealth Hotel.</p> <p>Discount Rate: 2.50% without adjustment for project specific risk.</p> <p>Loss Leader: Catalyst Project components can be delivered at a loss, providing a positive NPV in aggregate.</p> <p>Current Value: the current value of each Project component ('As Is') is to be incorporated in the financial assessment of the Project.</p> <p>Commonwealth Hotel: considered a community obligation and the cost of redevelopment is to be considered 'below the line' from the financial returns of other Project components.</p>
	Income Certainty to Cover Debt Serviceability	The Project is to provide sufficient income certainty to cover ICC debt servicing at construction completion to minimise financial risk if the assets are not sold on or prior to completion.	Pre-Commitment Threshold: prior to commencing development, the committed net operating income (held via Agreements for Lease) must be no less than the forecast interest repayments on ICC debt finance.
	Minimise Funding Cost	Utilise the low cost of capital available to deliver the Project, or leverage private sector involvement if the cost versus benefit is comparable to taking on delivery risk with internal funding costs.	<p>Funding Cost: ICC will fund development utilising ICC's QTC funding facility. Modelling is to assume 80% gearing at ICC's cost of funds of 1.50%.</p> <p>Terms of Debt: construction debt will be capitalised with interest only repayment following completion. Debt will be repaid from sale of the assets.</p> <p>Alternative Funding: ICC may consider alternative sources of funding if the balance of cost, risk allocation and exit certainty outweighs traditional funding.</p>

Table 9: Financial Objectives



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Commercial Objectives

Overview

The commercial objectives established by ICC for the Nicholas Street Retail Project are outlined in Table 10 below.

Table 10: Commercial Objectives			
	Theme	Objective	Key Considerations
Commercial	Stage Delivery to Inject Critical Mass	Deliver all components of the Project if the financial outcome is positive, or stage delivery in a way that injects critical mass initially to drive broader precinct outcomes.	<p>Staging: ensure that the staging of investment and design maximises the catalytic effect of the redevelopment on the use of the Civic Heart asset and surrounding retail / commercial offerings, whilst ensuring the sustainability of operators.</p> <p>Development Trajectory: retail and commercial assets are developed in line with market demand to ensure viability and optimise value.</p>
	Divest on or Before Construction Completion	The Nicholas Street assets are to be divested on or before practical completion.	<p>Marketing: the assets are to be taken to market during construction with the aim of effecting a sale prior to, or on construction completion.</p> <p>Strategy: in considering delivery and divestment options, the preferable divestment strategy is a portfolio-wide transaction that minimises the risk of holding lesser desirable assets within the precinct. [Note: a flexible approach reflective of market conditions will be taken to divestment.]</p> <p>Timing: approval to divest the assets is to be achieved prior to March 2020 (noting a sale process is unlikely to commence until after completion of construction).</p>
	Optimise Commercial Offering	Structure the asset offering to market in a way that maximises the net monetary outcome and exit certainty to Council in the shortest timeframe.	<p>Asset Value: ICC will consider the option of rental guarantees if the value outweighs the cost and achieves other critical project objectives, such as timing of divestment.</p>

Table 10: Commercial Objectives



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Market Sounding



Market Sounding

Introduction

KPMG, in conjunction with Ranbury, established a list of key market participants including developers, institutions and commercial agents to conduct market sounding and engage with regarding the Project.

Each participant was contacted and offered the opportunity to be part of the market sounding exercise. The participants who responded and subsequently engaged are detailed in the adjacent table (Table 11). There were parties who were invited, although preferred not to participate in the market sounding exercise.

A market sounding pack was developed for the selected participants to provide context for the Project and give further detail on the development. Questions to participants were categorised under the following aspects:

- **General Views of the Market and Project:** gauge market perception of the Project, including considerations for a successful precinct and market views on retail and office assets in Ipswich.
- **End Asset Appetite:** ascertain market appetite to acquire the Nicholas Street Retail assets and potential precinct considerations, transaction structure and asset quality requirements to support market buy-in.
- **Project Delivery Appetite:** understand what risks the market would accept and if it would have the appetite to deliver the Project, including views on structuring and degree of project resolution.

The following slides outline the key themes established across the market sounding, as they relate to leasing, investment and delivery. All responses represent the views of participants and respondent's responses have been de-identified.

The participants in the market sounding were Sentinel, CBRE, First National, Cromwell Property, McConaghy Properties and Consolidated Properties.



Key Findings – Leasing

Overview

A summary of the feedback from the market sounding relating to the leasing strategy for the Project is provided below.



Leasing

Reputable national anchors are critical (cinema, national brands).

- In the absence of a supermarket or alternate retail anchor tenant to draw critical mass, reputable national anchor tenants (particularly a reputable cinema operator) are required to activate the Precinct and underpin the end value of the development.
- Nationally recognised anchor tenants will also help to attract F&B operators and other retailers into the Precinct.

Other entertainment/leisure offerings are needed to generate critical mass.

- Delivery of Venue with entertainment and leisure anchor tenants is needed upfront and will support curation of a destination to support foot traffic through the Precinct.

Provide an incentive structure to support operators during the ramp-up period.

- Provide a balance of fit-out contribution and rent-free period to retailers (particularly F&B tenants) to support stabilisation of operations whilst the Precinct is being established.

Lease covenants are critical to investment.

- As part of lease negotiations, obtain bank guarantees with support from strong parent entities and where necessary, personal guarantees, for a minimum of 3 to 6 months rent.

Curate the tenancy mix to minimise competition and provide a point of difference.

- The Project needs to provide an unique experience that will attract consumers from other city centres or retail offerings, such as Riverlink.
- Curate the tenancy mix to minimise inter-precinct competition and cannibalisation.

Key Findings – Investment

Overview

A summary of the feedback from the market sounding relating to the end asset appetite for the Project is provided below.



Investment

Proven letting up and tenant trading performance is needed before investment.

- Due to the history of the precinct, a history of proven trading performance (up to 24-months) will be important to support investment confidence (and pricing) from investors.
- The success of the precinct is contingent upon attracting critical mass through entertainment/leisure offerings, as opposed to servicing a neighbourhood. Therefore, proven up trading performance is more critical to support end asset appetite.

A continuous programme of high quality events for the Civic Precinct is important to drive activity.

- ICC needs to invest in a high quality events marketing programme within the Civic Precinct to support a point of difference and establish a Precinct brand, as well as curating tenants during the establishment phase of the Project.

Quality of asset, including tenant covenant and long lease profile, is critical to support marketability.

- Strong tenant covenant, a minimum occupancy of 80% to 90% with an attractive WALE, is required to support investment confidence.
- Bank guarantees, preferably equivalent to 6 to 9 months rent, will be critical for non-national tenants to support asset pricing.
- Quality of the end asset build will support marketability of the asset (i.e. if the services are not replaced, this may impact saleability and divestment outcome).

High occupancy is more desirable than rental guarantees (particularly retail).

- Income certainty via rental guarantees (i.e. ICC underwriting income on vacant spaces) would not significantly support interest in the end assets.
- Low vacancy and sustainable rents (i.e. sustainable gross occupancy cost) are more critical to support market appetite.

There is otherwise limited appetite for retail and office assets in Ipswich. Leasehold tenure extension will be important.

- Regional or secondary located assets are less desirable amongst institutional investors.
- There is demand from private investors and self-managed super funds, however asset quality is critical to support demand.



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Key Findings - Project Delivery

Overview

A summary of the feedback from the market sounding relating to the delivery of the Project is provided below.



Project Delivery

Stage the Project to deliver a sustainable quantum of retail initially.

- Consistent with ICC's own studies on retail demand, the quantum of food and beverage offering is considered high for an unproven Precinct. Staging the Project to support retail operators and build trading history will support the long-term viability of the Precinct.

Co-timed delivery to the ICC Administration Centre will support retail trading.

- Delivery of the ICC Administration Centre will inject critical mass into the Precinct, which supports a staged delivery of the F&B offering timed to delivery of the ICC Administration Centre.

Any private sector involvement in delivery will likely be highly conditional and unlikely to provide value for money to ICC

- Participants indicated appetite for risk allocation would be low for an unproven Precinct and involvement in delivery would be highly conditional with long lead times for due diligence, requirement for termination rights etc.

There is limited interest from the market to deliver the Project

- Due to the unproven nature of the Precinct and level of current Project risk (market, leasing, delivery etc.), there is limited appetite from Participants to be involved in the delivery of the Project.

Implications for Nicholas Street Retail

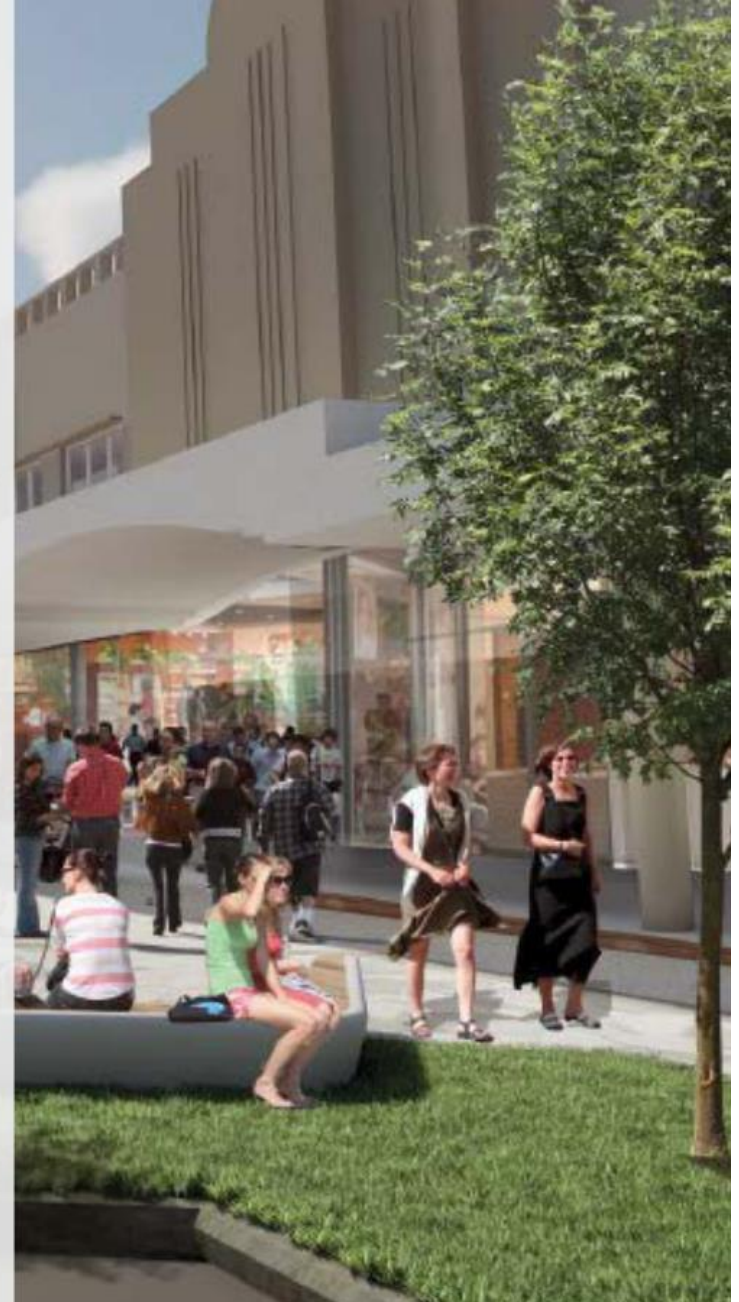
Overview

The implications from the market sounding feedback are summarised below as they relate to the leasing, investment, delivery, development and divestment aspects of the Project.

1	2	3	4
Leasing	Investment	Delivery	Development & Divestment
<ul style="list-style-type: none"> Focus on securing a reputable cinema operator and / or other anchor entertainment / leisure tenants. Focus leasing campaign on quality tenant covenants (including bank guarantees). Provide a sustainable incentive structure that supports operators during the ramp-up period (i.e. rent relief or rent free periods) with a sustainable rent level. 	<ul style="list-style-type: none"> Invest in Precinct activation to curate tenants during the establishment phase and build market awareness in advance of a future divestment. Although there is additional cost associated with replacement of services, it will support marketability and may alleviate potential for post-redevelopment downtime and cost from services failure. Co-ordinate an extended and diverse events programme to drive trade, critical mass and Precinct brand. 	<ul style="list-style-type: none"> Stage delivery of the Project, particularly food and beverage offering, to enhance sustainability of the Precinct and retail operators and support long term viability. There is limited appetite to deliver the initial phase of the development based on the current Precinct status. Venue is critical to the Precinct's success as it will provide entertainment and leisure offerings. 	<ul style="list-style-type: none"> Obtain binding agreements for a minimum rent income sufficient to cover finance costs prior to commencing development. Sustain the leasing campaign during, and post development, to secure a high level of occupancy and support end saleability. Plan on holding the assets for an extended period post completion as the assets are established and to maximise market interest in a future divestment.



Project Development Costs



Project Development Costs - Overview

Introduction

RLB have been engaged as Quantity Surveyor on the Ipswich Central Redevelopment and the Nicholas Street Retail Project.

Cost estimates were initially developed based on concept designs, which informed the draft Business Case.

These cost estimates have since been revised and a more detailed assessment undertaken by RLB and Ranbury based on schematic designs of the development and value management opportunities/efficiencies.

RLB and Ranbury have provided two cost estimates for the Nicholas Street Retail Project, as summarised below:

- **Replace services:** cost estimates based on full replacement of mechanical and fire services for all buildings.
- **Re-use services:** cost estimates based on re-use of mechanical and fire services for all buildings.

This section provides a summary of the development and project costs based on the schematic designs, relative to the cost estimates for the concept designs.

Key Considerations

The following aspects are noted on the development costs shown in this section:

- the construction and development costs are reflective of those prepared by RLB and Ranbury, transmitted to KPMG on 19 September, and relate to Schematic Designs as at this date;
- the Project is in the early stages of redevelopment and therefore, design and costs are likely to be refined;
- costs spent to date are excluded;
- the cost estimates assume efficiencies and delivery of the Project in a single stage. Costs may increase if the Project is staged;
- a number of broader precinct costs that are not incorporated in the current tender for the Civic assets have been excluded (for example, 143 Brisbane Street awning);
- no allowance has been incorporated for the refurbishment of the Metro B commercial tower;
- the nature of redeveloping older style improvements generally entails unexpected costs during construction that may not have been accounted for during the design and cost estimate phases; and
- KPMG have allowed for a 5% contingency based on feedback from Ranbury.

Construction Costs

Overview

A summary of how the construction costs for each asset within the Nicholas Street Retail Project have changed from the Concept Design to the current Schematic Design is summarised below.

Key Findings

- Construction costs for **re-using and replacing services** is **\$43.46m** and **\$47.14m** respectively.
- Revised construction costs based on the Schematic Design have increased relative to the Concept Design estimate.
- Re-using existing services results in a net increase in construction cost of **\$2.57m**.
- Replacing existing services results in a net increase in construction cost of **\$6.25m**.
- The largest contribution to the increase in construction costs has been Metro A and Venue**, with increases of \$3.63m and \$3.40m, respectively.
- Construction costs for Metro B have decreased, although currently exclude any works to the tower (including repainting of the exterior).
- Pursuing the re-use services may result in an increase in costs to fix or replace services during the operational period if Council hold the assets post completion.
- KPMG have incorporated an additional ~\$300,000 in Metro A costs based on feedback from Ranbury.

Table 12: Construction Cost Overview (\$ millions)

	Concept Design (Business Case)	Schematic Design (Re-use Services)	Schematic Design (Replace Services)
Metro A	10.37	13.65	14.00
Metro B	11.52	10.11	10.93
Venue	13.26	14.26	16.66
Eats	3.68	3.24	3.35
Hotel	2.07 ¹	2.20	2.20
Total	40.89	43.46	47.14

Table 12: Construction cost overview.

Note: (1) Hotel construction costs exclude costs spent to date.

All figures are exclusive of GST and contingencies.

Source: RLB and Ranbury, 19 September 2019; Draft Business Case (Version 1.1).

Construction costs have increased for the Project. Full replacement of services is an additional **\$6.25m** and re-using existing services is an additional **\$2.57m** relative to Concept Design estimates.

Total Development Costs

Overview

Development costs of the Project incorporate construction costs, professional fees and statutory costs. A summary of how these have changed for each asset within the Project from the Concept Design to the current Schematic Design is summarised below.

Key Findings

- Project costs for **re-using and replacing services is \$49.39m and \$53.29m respectively.**
- Based on the concept design, the total development cost for the Project was estimated at \$46.77m. This excluded allowance for statutory costs.
- There has been a considerable increase in development costs under the 'full service replacement' scenario (**additional \$6.52m**), relative to the Concept Design.
- The 're-use services' scenario does not provide any savings relative to the Concept Design, with revised costs reflecting an **increase of \$2.62m**.
- Relative to replacing services, re-using existing services provides a **total saving of \$3.90m**. However, this saving may be eroded if services are required to be replaced before the asset is divested, or the impact to marketability (and end asset revenue) is greater than the savings.
- It is noted that Ranbury have only incorporated a 5% contingency into their cost estimates and consider this to be an appropriate contingency. At this stage of design (Schematic Design), additional design contingency may be required.

Table 13: Development Cost Overview (\$ millions)

	Concept Design (Business Case)	Schematic Design (Re-use Services)	Schematic Design (Replace Services)
Metro A	11.57	15.40	15.72
Metro B	12.57	11.44	12.30
Venue	14.17	16.14	18.76
Eats	4.04	3.67	3.77
Hotel	2.26	2.73	2.73
Total (inc. 5% Contingency)¹	46.77	49.39	53.29

Table 13: Development cost overview.

Note: (1) Contingency is calculated on construction cost for the Business Case and on construction cost and authority fees in the Re-use and Replace Services scenarios (noting that no statutory fees were incorporated in the Business case).

All figures are exclusive of GST.

Source: RLB and Ranbury, 19 September 2019; Draft Business Case (Version 1.1).

Development costs have increased for the Project.

Full replacement of services is an additional **\$6.52m** and re-using existing services is an additional **\$2.62m** relative to Concept Design estimates.



Overview

Introduction

Ranbury (project manager and retail leasing agent) prepared a draft Business Case, which assessed rent, incentives and market value for the individual assets within the Project.

In order to obtain an independent assessment, KPMG in conjunction with Ranbury, managed the instruction of an independent valuation to inform rent, incentives and market value of the individual assets within the Project.

Three Tier 1 valuation firms were invited to submit a fee proposal. Savills were successful based on a balance of fee and timing proposition.

The scope of works was to carry out the following:

- 'As Is' – an assessment of the current value of the Nicholas Street Retail assets; and
- 'As If Complete' – an assessment of Nicholas Street Retail assets under three scenarios (vacant, based on current HoAs and fully leased).

This section provides a summary of the values as assessed by Savills. It is noted that KPMG have not undertaken any independent market research or analysis and relied upon the assessment undertaken by Savills to inform the financial analysis presented in this report.

The 'vacant' scenario has been excluded from the summary on following slides, however the associated financial assumptions adopted by the independent valuation firm under this scenario are detailed in the Savills valuation report dated 27th August 2019 and issued on 22 October 2019.

'As Is' Assessment

The 'As Is' assessment has been completed based on the current leasing status, improvements and condition of each individual asset.

It is noted that Council previously obtained a desktop valuation from JLL to inform the current 'As Is' values of each asset within the Project.

'As If Complete' Assessment

The 'As If Complete' assessment was completed based on a number of assumptions including:

- parking on-site is to remain free for patrons for the first 3 hours;
- refurbishment capital expenditure are treated as a development cost and have not been incorporated in the valuation;
- full replacement of services;
- the HoA scenario assumes that existing HoAs are binding and executed lease agreements;
- the HoA scenario assumes existing HoAs as at the valuation date (i.e. nine (9) HoAs. KPMG understand that two (2) additional HoAs have been executed since);
- divestment of each individual asset occurs on construction completion (i.e. the valuation assumes a hypothetical sale, as at the valuation date);
- the Eats building is assumed to be freehold (i.e. existing tenure is simplified and converted to freehold); and
- delivery of the project occurs in a single stage (as at the valuation date).

'As Is' Assessment Summary

Overview

A summary of the 'As Is' assessment for each asset within the Nicholas Street Retail Project relative to JLL Desktop Valuation is summarised below.

Key Findings

- The JLL Desktop Valuation indicates an 'As Is' value of **\$15.05m** for the Project.
- The Savills Valuation indicates an 'As Is' valuation of **\$18.85m** for the Project.
- Overall, the 'As Is' value has increased by **\$3.80m**.
- The variation is driven by Metro A (increase of \$1.80m), Metro B (increase of \$1.15m) and Eats (increase of \$1.16m).
- The 'As Is' value of Venue and Commonwealth Hotel have decreased by \$250,000 and \$60,000 respectively.
- KPMG consider that it will be difficult to market the assets on an 'As Is' basis and the Project objectives (particularly community based objectives) are less likely to be realised.

Table 14: 'As Is' Valuation Summary (\$ millions)

	JLL Desktop Valuation (Business Case)	Savills Valuation	Net Change
Metro A	3.20	5.00	1.80
Metro B	5.30	6.45	1.15
Venue	5.25	5.00	(0.25)
Eats	0.84	2.00	1.16
Hotel	0.46	0.40	(0.06)
Total:	15.05	18.85	3.80

Table 14: 'As Is' valuation summary.

Source: Draft Business Case (Version 1.1); Savills Valuation, dated 27 August 2019.

The Savills assessed 'As Is' value has increased by **\$3.80m** relative to the JLL Desktop Valuation.



'As If Complete' Net Asset Value Assessment Summary

Overview

A summary of the 'As If Complete' assessment of the net asset value for each asset within the Nicholas Street Retail Project relative to the Business Case is summarised below.

Key Findings

- The draft Business Case 'As If Complete' assessment reflects an aggregate net asset value of **\$61.02m**.
- The Savills 'As If Complete' assessment under the fully let scenario is **\$60.80m** for the Project.
- The Savills 'As If Complete' assessment under the HoA scenario is **\$52.25m** for the Project.
- The aggregate asset value of the Project under the independent HoA assessment is **\$8.77m below** the draft Business Case assessment under the HoA scenario, and **\$0.22m below** under the fully let scenario.
- The lower net asset value under the HoA scenario is largely driven by letting up allowances incorporated as a capital adjustment.
- It is noted that there are variances between investment metrics adopted (capitalisation rate), income and incentives. These are detailed in the asset by asset summaries.

Table 15: 'As If Complete' – Net Asset Valuation Summary (\$ millions)

	Business Case	HoA	Fully Let
Metro A	13.50	13.60	16.20
Metro B	20.64	11.55	15.15
Venue	15.51	18.30	19.95
Eats	8.43	6.80	7.30
Hotel	2.94	2.00	2.20
Total:	61.02	52.25	60.80

Table 15: 'As If Complete' valuation summary.

Source: Draft Business Case (Version 1.1); Savills Valuation, dated 27 August 2019.

The independent 'As If Complete' assessment is below the Business case assessment.



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'As If Complete' Summary – Metro A

Overview

A summary of the 'As If Complete' assessment of Metro A under the HoA and fully leased scenarios, which have been undertaken by the Independent Valuer, relative to the Business Case is provided below.

Key Findings
<ul style="list-style-type: none"> The independent assessment has adopted a market net income of \$1.32m for Metro A. The independent assessment has adopted an investment metric of 7.50% and 7.00% for the HoA and fully leased scenarios respectively. The independent assessment has adopted a net asset value of \$13.60m and \$16.20m for the HoA and fully leased scenarios respectively. Net income for Metro A is slightly higher under the independent assessment relative to the draft Business Case due to an increase in the NLA of the building. Capital adjustments under the HoA scenario incorporate letting up allowances and outstanding leasing commissions.

Table 16: Metro A 'As If Complete' Summary (\$ millions)			
	Business Case	Current HOA	Fully Leased
Assumed Occupancy (%)	100%	2.12%	100%
Net Income ¹	1.22	1.32	1.32
Capitalisation Rate (%)	7.00%	7.50%	7.00%
Gross Asset Value	17.37	17.56	18.81
Capital Adjustments ³	(3.86) ²	(3.92)	(2.66)
Adopted Asset Value ⁴	13.50	13.60	16.20

Table 16: Metro A 'As If Complete' valuation summary.

Note: (1) After vacancy allowances.

(2) Incentives reflect those adopted in the draft Business Case, and may differ from those reflected in the current budget.

(3) All capital adjustments under the Current HOA and Fully Leased scenarios reflect the present value, as calculated in the independent assessment.

(4) Values adopted represent rounded value.

Source: Draft Business Case (Version 1.1); Savills Valuation, dated 27 August 2019.

'As If Complete' Summary – Metro B

Overview

A summary of the 'As If Complete' assessment of Metro B under the HoA and fully leased scenarios, which have been undertaken by the Independent Valuer, relative to the Business Case is provided below.

Key Findings

- The independent assessment has adopted a **market net income of \$1.43m** for Metro B.
- The independent assessment has adopted an investment metric of **8.75% and 8.25%** for the HoA and fully leased scenarios respectively.
- The investment metric adopted by the independent assessment is **125 to 175 basis points softer** relative to the business case, which results in a substantially lower asset value. This is largely due to the risk associated with the office component of this asset and the 58.2 year leasehold interest.
- The independent assessment has adopted a net asset value of **\$11.55m and \$15.15m** for the HoA and fully leased scenarios respectively.
- Capital adjustments under the HoA scenario incorporate letting up allowances and outstanding leasing commissions.

Table 17: Metro B 'As If Complete' Summary (\$ millions)

	Business Case	Current HOA	Fully Leased
Assumed Occupancy (%)	100%	4.51%	100%
Net Income ¹	1.64	1.43	1.43
Capitalisation Rate (%)	7.00%	8.75%	8.25%
Gross Asset Value	23.49	16.25	17.20
Capital Adjustments ³	(2.85) ²	(4.77)	(2.05)
Adopted Asset Value ⁴	20.64	11.55	15.15

Table 17: Metro B 'As If Complete' valuation summary.

Note: (1) After vacancy allowances.

(2) Incentives reflect those adopted in the draft Business Case, and may differ from those reflected in the current budget.

(3) All capital adjustments under the Current HOA and Fully Leased scenarios reflect the present value, as calculated in the independent assessment.

(4) Values adopted represent rounded value.

Source: Draft Business Case (Version 1.1); Savills Valuation, dated 27 August 2019.

'As If Complete' Summary - Venue

Overview

A summary of the 'As If Complete' assessment of Venue under the HoA and fully leased scenarios, which have been undertaken by the Independent Valuer, relative to the Business Case is provided below.

Key Findings
<ul style="list-style-type: none"> The independent assessment has adopted a market net income of \$1.59m for Venue. The independent assessment has adopted an investment metric of 7.50% and 7.25% for the HoA and fully leased scenarios respectively. The independent assessment has adopted a net asset value of \$18.30m and \$19.95m for the HoA and fully leased scenarios respectively.
<p>This information has been removed as it is commercial in confidence. Disclosure may influence ICC's commercial negotiations with tenants.</p>
<ul style="list-style-type: none"> Capital adjustments under the HoA scenario incorporate letting up allowances and outstanding leasing commissions.

Table 18: Venue 'As If Complete' Summary (\$ millions)			
	Business Case	Current HOA	Fully Leased
Assumed Occupancy (%)	100%	48.22%	100%
Net Income ¹	1.48	1.59	1.59
Capitalisation Rate (%)	7.00%	7.50%	7.25%
Gross Asset Value	21.12	21.17	21.90
Capital Adjustments ³	(5.46) ²	(2.87)	(1.92)
Adopted Asset Value ⁴	15.51	18.30	19.95

Table 18: Venue 'As If Complete' valuation summary.

Note: (1) After vacancy allowances.

(2) Incentives reflect those adopted in the draft Business Case, and may differ from those reflected in the current budget.

(3) All capital adjustments under the Current HoA and Fully Leased scenarios reflect the present value, as calculated in the independent assessment.

(4) Values adopted represent rounded value.

Source: Draft Business Case (Version 1.1); Savills Valuation, dated 27 August 2019.

'As If Complete' Summary - Eats

Overview

A summary of the 'As If Complete' assessment of Eats under the HoA and fully leased scenarios, which have been undertaken by the Independent Valuer, relative to the Business Case is provided below.

Key Findings
<ul style="list-style-type: none"> The independent assessment has adopted a market net income of \$0.58m for Eats. The independent assessment has adopted an investment metric of 7.00% and 6.75% for the HoA and fully leased scenarios respectively. The independent assessment has adopted a net asset value of \$6.80m and \$7.30m for the HoA and fully leased scenarios respectively. The independent assessment adopted a lower market net income and higher capital adjustment, which is driving the lower net asset value relative to the Business Case. The assessments assume the asset holds a freehold tenure and makes no capital cost allowance to convert the current mixed tenure. Capital adjustments under the HoA scenario incorporate letting up allowances and outstanding leasing commissions.

Table 19: Eats 'As If Complete' Summary (\$ millions)			
	Business Case	Current HOA	Fully Leased
Assumed Occupancy (%)	100%	30.13%	100%
Net Income ¹	0.68	0.58	0.58
Capitalisation Rate (%)	7.00%	7.00%	6.75%
Gross Asset Value	9.64	8.29	8.60
Capital Adjustments ³	(1.24) ²	(1.51)	(1.27)
Adopted Asset Value ⁴	8.43	6.80	7.30

Table 19: Eats 'As If Complete' valuation summary.

Note: (1) After vacancy allowances.

(2) Incentives reflect those adopted in the draft Business Case, and may differ from those reflected in the current budget.

(3) All capital adjustments under the Current HOA and Fully Leased scenarios reflect the present value, as calculated in the independent assessment.

(4) Values adopted represent rounded value.

Source: Draft Business Case (Version 1.1); Savills Valuation, dated 27 August 2019.

'As If Complete' Summary – Commonwealth Hotel

Overview

A summary of the 'As If Complete' assessment of Commonwealth Hotel under the vacant and fully leased scenarios, which have been undertaken by the Independent Valuer, relative to the Business Case is provided below.

Key Findings

- The independent assessment has adopted a **market net income of \$0.58m** for Commonwealth Hotel.
- The independent assessment has adopted an investment metric of **8.00% and 7.75%** for the vacant and fully leased scenarios respectively.
- The independent assessment has adopted a net asset value of **\$2.00m and \$2.20m** for the vacant and fully leased scenarios respectively.
- The independent assessment adopted a lower market net income and higher investment metric, which is driving the lower net asset value relative to the Business Case.
- Capital adjustments under the vacant scenario incorporate letting up allowances and outstanding leasing commissions.

Table 20: Commonwealth Hotel 'As If Complete' Summary (\$ millions)

	Business Case	Vacant	Fully Leased
Assumed Occupancy (%)	100%	0%	100%
Net Income ¹	0.27	0.18	0.18
Capitalisation Rate (%)	7.00%	8.00%	7.75%
Gross Asset Value	3.87	2.26	2.34
Capital Adjustments ³	(0.93) ²	(0.25)	(0.11)
Adopted Asset Value ⁴	2.94	2.00	2.20

Table 20: Commonwealth Hotel 'As If Complete' valuation summary.

Note: (1) After vacancy allowances.

(2) Incentives reflect those adopted in the draft Business Case, and may differ from those reflected in the current budget.

(3) All capital adjustments under the Current HoA and Fully Leased scenarios reflect the present value, as calculated in the independent assessment.

(4) Values adopted represent rounded value.

Source: Draft Business Case (Version 1.1); Savills Valuation, dated 27 August 2019.

Tenant Incentives

Overview

A summary of the tenant incentives adopted in the independent valuation relative to the leasing budget that Ranbury have advised for each asset within the Nicholas Street Retail Project is summarised below.

Key Findings

This table contains information on estimated lease incentives.

This information has been removed as it is commercial in confidence. Disclosure may influence ICC's commercial negotiations with tenants.

Table 21: Tenant Incentives Summary (\$ millions)			
	Leasing Budget	Independent Valuation ¹	Net Change
Metro A	<p>This table contains information on estimated lease incentives.</p> <p>This information has been removed as it is commercial in confidence. Disclosure may influence ICC's commercial negotiations with tenants.</p>		
Metro B			
Venue			
Eats			
Hotel			
Total			

Table 21: Tenant Incentives Summary

Note: (1) The independent valuation figures are based on the fully leased scenario and incorporate incentives for current HoAs.

(2) No leasing budget has been established for Metro B office component.

Source: Draft Business Case (Version 1.1); Savills Valuation, dated 27 August 2019.

The independent valuation has adopted lower incentives relative to the leasing budget.

This variation could be larger if the leasing budget incorporated incentives for the office component of Metro B.



Overview

Introduction

KPMG has undertaken financial analysis to determine the indicative return and commercial viability of developing the Project, in addition to each individual asset.

The financial analysis presented in this section reflects an industry accepted baseline development feasibility analysis, which assumes a hypothetical sale of the asset on construction completion.

The indicative return of development has also been analysed under the 'HoA' and 'fully let' valuation scenarios. In this regard, the analysis presents a potential range of development return outcomes.

Given that the Project is still in the early phases of development, the final return outcome could be lower, or higher, than the potential range presented in this report and will be dependent on:

- leasing outcomes (i.e. ability to secure quality anchor tenants, high pre-commitment prior to delivery, market rents and viable incentive structure);
- continued refinement and finalisation of design and construction costs; and
- future market conditions and success of the Precinct (i.e. Precinct brand curation, Civic Precinct marketing programme, tenant mix curation etc.).

Modelling Approach

The key aspects of KPMG's modelling approach, which have been endorsed by ICC, are outlined below:

- the 'As Is' assessment for each asset is assumed to be a development cost (i.e. a land acquisition cost);
- all costs expended previously (i.e. sunk costs) have been excluded from the financial analysis;
- the Project is deemed to be 'development ready' and construction can start immediately;
- the 'As If Complete' values reflect the independent assessment, which in some cases reflects the present value of future costs (such as incentives and adjustments to asset value in a capitalisation analysis); and
- the feasibility assumes a hypothetical sale on construction completion.

Sources of Inputs

KPMG have relied upon the following sources of inputs into the feasibility analysis:

- Construction and development costs have been sourced from RLB and Ranbury, as electronically transmitted on the 19 September 2019.
- 'As Is' and 'As If Complete' asset values, investment metrics, income, outgoings, tenant costs and income/outgoings growth rate assumptions have been obtained from the Savills valuation report, dated 27 August 2019.
- Discount rate, debt to equity ratio and the cost of capital has been sourced from ICC.

Key Modelling Assumptions

Overview

A summary of the key modelling assumptions is provided below.

Key Modelling Assumptions	
Item	Description
Land Value	<ul style="list-style-type: none"> Land value has been incorporated as a development cost based on the 'As Is' independent assessment.
Holding Costs	<ul style="list-style-type: none"> Holding costs are incorporated in the development period, including statutory fees, insurance and pest control, based upon the independent assessment of outgoings 'As If Complete'.
Development Cost	<ul style="list-style-type: none"> Construction, professional fees and statutory costs have been sourced from RLB and Ranbury, and assume full replacement of services for each building. No other potential costs have been included (for e.g. development management, legal fees, stamp duty and selling costs).
Contingency	<ul style="list-style-type: none"> 5% contingency on construction and statutory costs have been allowed based on feedback provided from RLB and Ranbury. KPMG consider that the contingency is low for a development project at the schematic design stage.
Incentives	<ul style="list-style-type: none"> Incentives adopted reflect the greater of the independent Valuer's assessment and the current leasing budget.
Debt	<ul style="list-style-type: none"> 80% debt funding is assumed at 1.50% interest, based on instructions from ICC. Debt Principle is only paid down on sale of the asset.
Discount Rate	<ul style="list-style-type: none"> Assumed discount rate of 2.50% for purposes of NPV calculation, based on instructions from ICC.
Sunk Costs	<ul style="list-style-type: none"> Costs spent to date have been excluded, based on instructions from ICC.
Funding Cost Coverage	<ul style="list-style-type: none"> The minimum approximate net operating income required to cover finance costs is after all outgoings (including statutory costs which may not be incurred whilst in ICC control).
Timing	<ul style="list-style-type: none"> The model start date is assumed to be 31 October and 1 November is construction commencement (i.e. development ready). The construction period is 10 months, as per feedback from RLB and Ranbury. Assumed hypothetical sale of the asset on construction completion to determine development returns.



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Development Feasibility – Project Level (Fully Leased)

Overview

A summary of the development feasibility assessment for the Project under the fully leased valuation scenario, relative to the Business Case is provided below.

Key Findings & Considerations
<ul style="list-style-type: none"> The Project generates a loss of \$19.92m, with a negative NPV of \$20.45m. The feasibility analysis incorporates the 'As Is' value of \$18.85m as a development cost. Metro A, Metro B and Venue all contribute to the loss of the Project. Venue is the largest contributor to the loss of the Project. Part of the loss is attributable to the large incentive that may be required to procure an anchor cinema tenant. The development of Eats is showing a positive return. Project costs that are not asset specific have been excluded from this analysis (such as common areas). Approximately 35% of the fully leased income is needed to cover finance costs. Peak negative cumulative cash flow of (\$~73.94m), assuming a sale on completion.

Table 22: Project Level Development Feasibility (\$ millions, NPV 2.5% at October-19)					
	Business Case	Fully Leased			
Total Asset Value	75.36	68.84			
Total Dev. Cost	(77.13)	(88.76)			
Development Costs (including land)	(61.67)	(72.66)			
Letting Up Allowance On Sale	-	-			
Tenant costs / capital adjustments	(15.46)	(15.63)			
Finance	-	(0.48)			
Dev. Profit	(1.7)	(19.92) ²			
NPV	-	(20.45) ²			
IRR (%)	-	-			
P&R (%)	(2.20%)	(11.57%)			
Development Feasibility - Per Asset Overview (\$ millions) ¹					
	Metro A	Metro B	Venue	Eats	Hotel
Dev Profit	(6.18)	(5.42)	(7.96)	1.40	(1.76)
NPV	(6.33)	(5.57)	(8.09)	1.29	(1.76)

Note: (1) The profit and NPV on a per asset basis differ slightly to individual asset results due to finance costs being apportioned at a project level.

(2) Excluding the 'As Is' land value, the Project development loss is \$0.88m (NPV: (\$1.42m)).

All return metrics are post finance.

Source: KPMG Analysis.

Development Revenue & Costs: Draft Business Case (Version 1.1); Savills Valuation, dated 27 August 2019.

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Development Feasibility – Project Level (Current HoAs)

Overview

A summary of the development feasibility assessment for the Project under the HoA valuation scenario, relative to the Business Case is provided below.

Key Findings & Considerations

- **The Project generates a loss of \$27.82m, with a negative NPV of \$28.19m.**
- The feasibility analysis incorporates the 'As Is' value of **\$18.85m** as a development cost.
- Metro A, Metro B and Venue all contribute to the loss of the Project.
- The development of Eats is showing a positive return.
- Project costs that are not asset specific have been excluded from this analysis (such as common areas).
- There is considerable letting up allowance (\$4.66 million) that would be applied as a capital adjustment if the asset was sold with current HoAs.
- A strong leasing campaign is needed to minimise letting up allowance capital adjustment that may be applied by a prospective purchaser on the sale of the asset and to enhance marketability.
- Approximately 35% of the fully leased gross income is needed to cover finance costs on construction completion.
- Peak negative cumulative cash flow of (\$73.22m), assuming a sale on completion.

Table 21: Project Level Development Feasibility (\$ millions, NPV 2.5% at October-19)

	Business Case	Current HoAs
Total Asset Value	75.36	65.54
Total Dev. Cost	(77.13)	(93.36)
<i>Development Costs (including land)</i>	<i>(61.67)</i>	<i>(72.66)</i>
<i>Letting Up Allowance On Sale</i>	<i>-</i>	<i>(4.66)</i>
<i>Tenant costs / capital adjustments</i>	<i>(15.46)</i>	<i>(15.57)</i>
<i>Finance</i>	<i>-</i>	<i>(0.48)</i>
Dev. Profit	(1.7)	(27.82)²
NPV	-	(28.19)²
IRR (%)	-	-
P&R (%)	(2.20%)	(15.84%)

Development Feasibility - Per Asset Overview (\$ millions)¹

	Metro A	Metro B	Venue	Eats	Hotel
Dev Profit	(8.48)	(8.83)	(9.48)	0.90	(1.94)
NPV	(8.57)	(8.90)	(9.58)	0.80	(1.94)

Note: (1) The profit and NPV on a per asset basis differ slightly to individual asset results due to finance costs being apportioned at a project level.

(2) Excluding the 'As Is' land value, the Project development loss is \$8.78m (NPV: (\$9.16m)).

All return metrics are post finance.

Source: KPMG Analysis.

Development Revenue & Costs: Draft Business Case (Version 1.1); Savills Valuation, dated 27 August 2019.

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Development Feasibility - Metro A

Overview

A summary of the development feasibility assessment of Metro A under the HoA and fully leased scenarios, relative to the Business Case is provided below.

Key Findings & Considerations
<ul style="list-style-type: none"> Development of Metro A generates a negative return. The feasibility analysis incorporates the 'As Is' value of \$5m as a development cost. Additional incentives of \$1.09m has been incorporated to align with the leasing budget. Approximately ~40% of fully leased gross income is needed to cover finance costs at construction completion. Costs associated with Bell Street link, which is a proposed connection between Metro A and the station (~\$600K) has been incorporated as a construction cost.

Table 23: Metro A Development Feasibility (\$ millions, NPV 2.5% at October-19)			
	Business Case	Current HOA	Fully Let
Asset Value	17.27	17.56	18.81
TDC	(19.38)	(26.03)	(24.99)
<i>Development Costs (including land)</i>	<i>(15.28)</i>	<i>(20.88)</i>	<i>(20.88)</i>
<i>Tenant Cost / Capital Adjustments¹</i>	<i>(4.10)</i>	<i>(5.02)</i>	<i>(3.98)</i>
<i>Finance</i>	-	<i>(0.13)</i>	<i>(0.13)</i>
Dev. Profit	(2.11)	(8.47)²	(6.18)²
NPV	-	(8.57)²	(6.32)²
IRR (%)	-	-	-
P&R (%)	<i>(0.90%)</i>	<i>(17.37%)</i>	<i>(12.87%)</i>

Note: (1) Variance between the HoA and fully let scenarios is largely attributed to letting up allowance.

(2) Excluding the 'As Is' land value, the development loss under the HoA and fully let scenarios is \$3.42m (NPV: (\$3.52m)) and \$1.13m (NPV: (\$1.27m)) respectively.

All return metrics are post finance.

Source: KPMG Analysis.

Development Revenue & Costs: Draft Business Case (Version 1.1); Savills Valuation, dated 27 August 2019.



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Development Feasibility - Metro B

Overview

A summary of the development feasibility assessment of Metro B under the HoA and fully leased scenarios, relative to the Business Case is provided below.

Key Findings & Considerations
<ul style="list-style-type: none"> Development of Metro B generates a negative return. The feasibility analysis incorporates the 'As Is' value of \$6.45m as a development cost. Additional incentives of \$1.27m has been incorporated to align with the leasing budget, with incentives adopted for the office component from the independent assessment. Approximately ~40% of fully leased gross income is needed to cover finance costs at construction completion. No allowance has been made for refurbishment of the office component of the building. The asset is assessed on the basis of the leasehold interest with 58 years remaining. There is the potential to compress the capitalisation rate should this lease be extended to 99 years.

Table 24: Metro B Development Feasibility (\$ millions, NPV 2.5% at October-19)			
	Business Case	Current HOA	Fully Let
Asset Value	23.49	16.25	17.20
TDC	(21.74)	(25.10)	(22.63)
Development Costs (including land)	(18.45)	(18.89)	(18.89)
Tenant Cost / Capital Adjustments ¹	(3.29)	(6.07)	(3.61)
Finance	-	(0.13)	(0.13)
Dev. Profit	1.75	(8.84) ²	(5.44) ²
NPV	-	(8.92) ²	(5.59) ²
IRR (%)	-	-	-
P&R (%)	7.40%	(19.25%)	(12.39%)

Note: (1) Variance between the HoA and fully let scenarios is largely attributed to letting up allowance.

(2) Excluding the 'As Is' land value, the development loss under the HoA scenario is \$2.33m (NPV: (\$2.41m)). The development profit under the fully let scenario is \$1.08m (NPV: 0.93m).

All return metrics are post finance.

Source: KPMG Analysis.

Development Revenue & Costs: Draft Business Case (Version 1.1); Savills Valuation, dated 27 August 2019.



Development Feasibility - Venue

Overview

A summary of the development feasibility assessment of Venue under the HoA and fully leased scenarios, relative to the Business Case is provided below.

Key Findings & Considerations
<ul style="list-style-type: none"> Development of Venue generates a negative return. The feasibility analysis incorporates the 'As Is' value of \$5m as a development cost.
This information has been removed as it is commercial in confidence. Disclosure may influence ICC's commercial negotiations with tenants.
<ul style="list-style-type: none"> Approximately ~40% of fully leased gross income is needed to cover finance costs at construction completion. Potential additional development costs associated with acoustics and sound proofing may be required if the tenancy mix intent is to procure a cinema and a go-karting operator. These costs have not yet been fully quantified.

Table 25: Venue Development Feasibility (\$ millions, NPV 2.5% at October-19)			
	Business Case	Current HOA	Fully Let
Asset Value	21.12	21.17	21.90
TDC	(25.79)	(30.63)	(29.84)
<i>Development Costs (including land)</i>	<i>(20.07)</i>	<i>(23.94)</i>	<i>(23.94)</i>
<i>Tenant Cost / Capital Adjustments¹</i>	<i>(5.72)</i>	<i>(6.53)</i>	<i>(5.74)</i>
<i>Finance</i>	<i>-</i>	<i>(0.15)</i>	<i>(0.15)</i>
Dev. Profit	(4.67)	(9.46)²	(7.94)²
NPV	-	(9.56)²	(8.08)²
IRR (%)	-	-	-
P&R (%)	(18.40%)	(16.01%)	(13.58%)

Note: (1) Variance between the HoA and fully let scenarios is largely attributed to letting up allowance.
(2) Excluding the 'As Is' land value, the development loss under the HoA and fully let scenarios is \$4.41m (NPV: (\$4.52m)) and \$2.89m (NPV: (\$3.03m)) respectively.
All return metrics are post finance.
Source: KPMG Analysis.
Development Revenue & Costs: Draft Business Case (Version 1.1); Savills Valuation, dated 27 August 2019.



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Development Feasibility - Eats

Overview

A summary of the development feasibility assessment of Eats under the HoA and fully leased scenarios, relative to the Business Case is provided below.

Key Findings & Considerations
<ul style="list-style-type: none"> Development of Eats generates a positive return. The feasibility analysis incorporates the 'As Is' value of \$2m as a development cost. Incentives reflect the independent assessment. At the current level of HoAs, gross income covers debt. <p>Approximately ~32% of fully leased gross income is needed to cover finance costs at construction completion.</p> <ul style="list-style-type: none"> The asset is situated over three separate titles with a mix of leasehold and freehold tenure, potentially impacting marketability. The current valuation and feasibility analysis assumes freehold and does not incorporate any additional costs to change the tenure.

Table 26: Eats Development Feasibility (\$ millions, NPV 2.5% at October-19)			
	Business Case	Current HOA	Fully Let
Asset Value	9.64	8.29	8.60
TDC	(6.43)	(7.40)	(7.21)
<i>Development Costs (including land)</i>	<i>(5.05)</i>	<i>(5.81)</i>	<i>(5.81)</i>
<i>Tenant Cost / Capital Adjustments¹</i>	<i>(1.38)</i>	<i>(1.56)</i>	<i>(1.36)</i>
<i>Finance</i>	-	<i>(0.04)</i>	<i>(0.04)</i>
Dev. Profit	3.21	0.89²	1.39²
NPV	-	0.79²	1.28²
IRR (%)	-	28.19%	44.73%
P&R (%)	49.90%	7.11%	11.11%

Note: (1) Variance between the HoA and fully let scenarios is largely attributed to letting up allowance.
(2) Excluding the 'As Is' land value, the development profit under the HoA and fully let scenarios is \$2.91m (NPV: \$2.81m) and \$3.41m (NPV: \$3.30m) respectively.

All return metrics are post finance.

Source: KPMG Analysis.

Development Revenue & Costs: Draft Business Case (Version 1.1); Savills Valuation, dated 27 August 2019.



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Development Feasibility – Commonwealth Hotel

Overview

A summary of the development feasibility assessment of the Commonwealth Hotel under the HoA and fully leased scenarios, relative to the Business Case is provided below.

Key Findings & Considerations
<ul style="list-style-type: none"> Commonwealth Hotel does not generate a positive development return. The feasibility analysis incorporates the 'As Is' value of \$0.4m as a development cost. Additional incentives of \$790K have been incorporated to align with the leasing budget. The final design and construction works are likely to reflect operator requirements. An operator would need to be procured to cover debt costs.

Table 27: Commonwealth Hotel Development Feasibility (\$ millions, NPV 2.5% at October-19)			
	Business Case	Current HOA	Fully Let
Asset Value	3.84	2.26	2.34
TDC	(3.79)	(4.20)	(4.09)
<i>Development Costs (including land)</i>	<i>(2.82)</i>	<i>(3.14)</i>	<i>(3.14)</i>
<i>Tenant Cost / Capital Adjustments¹</i>	<i>(0.97)</i>	<i>(1.04)</i>	<i>(0.93)</i>
<i>Finance</i>	<i>-</i>	<i>(0.02)</i>	<i>(0.02)</i>
Dev. Profit	0.05	(1.94)²	(1.75)²
NPV	-	(1.93)²	(1.75)²
IRR (%)	-	-	-
P&R (%)	1.32%	(23.58%)	(21.62%)

Note: (1) Variance between the HoA and fully let scenarios is largely attributed to letting up allowance.
 (2) Excluding the 'As Is' land value, the development loss under the HoA and fully let scenarios is \$1.53m (NPV: (\$1.53m)) and \$1.35m (NPV: (\$1.35m)) respectively.
 All return metrics are post finance.
 Source: KPMG Analysis.
 Development Revenue & Costs: Draft Business Case (Version 1.1); Savills Valuation, dated 27 August 2019.



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Delivery Analysis



Overview

Introduction

KPMG has undertaken financial analysis to determine the indicative return from developing and operating the assets (i.e. ICC retaining ownership of the assets on completion) under alternate initial staging strategies.

The analysis adopts similar assumptions to the development feasibility analysis presented in the previous section, although assumes a sale after a 24 month operational period, as opposed to a sale on construction completion.

The basis of the 24 month operational period assumption has been informed from market sounding (as detailed previously), which indicates that an established and successful precinct would support marketability and divestment outcomes.

It is difficult to predict the trajectory of Precinct outcomes, future operational circumstances and future market conditions. In this regard, the final return outcome from holding the assets is dependent on:

- the level of success in curating a Precinct brand with a strong events programme in the Civic Precinct;
- attraction of critical mass / foot traffic, that supports a sustainable day/night and 7-day retail trading environment;
- leasing status and curation of tenancy mix;
- effective and efficient management of the assets during the operational period; and
- future market conditions and investor confidence in the Precinct.

Modelling Approach

In addition to the development feasibility aspects, key features of KPMG's modelling approach under the scenario analysis, which have been endorsed by ICC, are outlined below:

- KPMG have included two cash flow analysis under each delivery scenario, that either includes or excludes the 'As Is' asset value as a cash outflow.
- a minimum pre-commitment that will generate sufficient net operating income to cover all funding costs of development on construction completion is assumed to have been achieved prior to delivery of the assets under each staging scenario;
- the staging analysis presented incorporates initial delivery of:
 - Eats and Venue;
 - Eats, Venue and Metro B; or
 - all assets within the Project, with exception to the Commonwealth Hotel.
- incentives and leasing costs have been treated as a development cost and incurred prior to construction completion, to represent a 'sinking fund' from which tenant costs can be withdrawn during the operational period (i.e. rent relief or rent free period, fitout costs etc.);
- occupancy is assumed to grow to 100% fully leased during the 24-month holding; and
- fully leased investment metrics adopted in the independent assessment are assumed on sale of the asset.

Sources of Inputs

The sources of inputs into the financial model that KPMG have relied upon are consistent with the development feasibility analysis detailed previously.



Key Operational Assumptions

Overview

A summary of the key operational modelling assumptions is provided below.

Key Modelling Assumptions	
Item	Description
Timing	<ul style="list-style-type: none"> Assume a sale of the asset 24 months post construction completion.
Occupancy Profile	<ul style="list-style-type: none"> It is assumed that on construction completion, there is sufficient pre-commitment that net operating income approximately covers finance cost, including the finance costs for the 'As Is' asset value. The net operating income fully reflects the independent valuation's assumptions as they relate to income and outgoings.
Occupancy Growth	<ul style="list-style-type: none"> Assume fully-let at the end of the operational period (i.e. 24 month period to lease up, post construction completion).
Incentives	<ul style="list-style-type: none"> Incentives are assumed to incur as a lump-sum cost on construction completion to act as a sinking fund to draw down during the operational period, as per instruction from ICC.
Escalation	<ul style="list-style-type: none"> Assume 2.11 % for revenues and expenses (noting an average would be achieved from existing and new leasing).
Precinct Activation	<ul style="list-style-type: none"> Marketing costs for the Precinct during the operational period and any holding costs associated with the broader Precinct (i.e. assets not delivered under alternate staging) has been excluded, as per instruction from ICC.
Commonwealth Hotel	<ul style="list-style-type: none"> Delivery of Commonwealth Hotel has been excluded from the delivery analysis due to the community and heritage aspect of the asset, as per instruction from ICC.

Delivery Analysis Summary

Overview

A summary of the returns and cumulative cash flow from the alternate delivery analysis is provided below.

Key Findings & Considerations

- The **NPV** of delivering the Project (excluding Commonwealth Hotel) is:
 - Including 'As Is' Values - (\$16.45m).
 - Excluding 'As Is' Values - \$4.01m.**
- The **net cash position** of delivering the Project (excluding Commonwealth Hotel) is:
 - Including 'As Is' Values - (\$12.43m).
 - Excluding 'As Is' Values - \$8.15m.**
- The **peak cumulative exposure** of delivering the Project (excluding Commonwealth Hotel) is:
 - Including 'As Is' Values - (\$84.73m).
 - Excluding 'As Is' Values - (\$66.12m).**
- The delivery analysis for alternate initial staging is outlined in the adjacent tables (Tables 28 and 29), in addition to the following slides.

Table 28: Delivery Analysis Summary – Including 'As Is' Value (\$ millions)

	Eats & Venue	Eats, Venue & Metro B	All assets (exc. Hotel)
NPV	(5.29)	(9.71)	(16.45)
Net Cash Position	(3.41)	(6.74)	(12.43)
Peak Cumulative Cash Position	(37.12)	(59.74)	(84.73)

Table 29: Delivery Analysis Summary – Excluding 'As Is' Value (\$ millions)

	Eats & Venue	Eats, Venue & Metro B	All assets (exc. Hotel)
NPV	1.94	4.18	4.01
Net Cash Position	3.82	7.16	8.15
Peak Cumulative Cash Position	(30.06)	(46.17)	(66.12)

Source: KPMG Analysis.



Delivery Analysis - All Assets (with exception to Hotel)

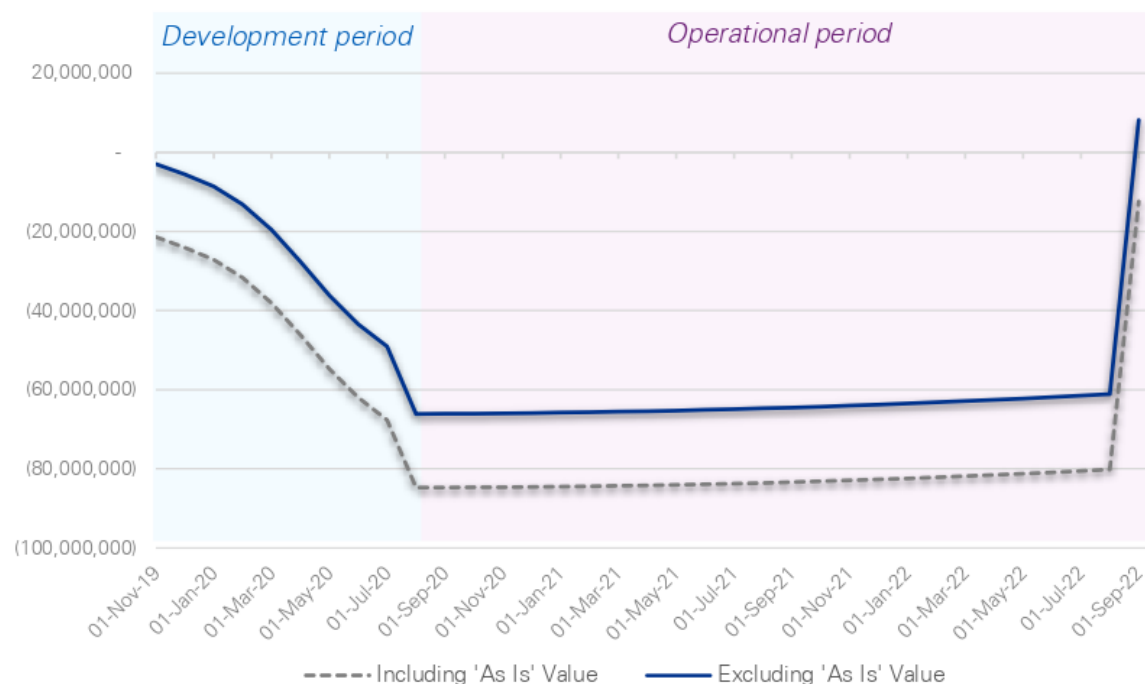
Overview

A summary of the returns and cumulative cash flow and peak exposure from delivering all assets with exception to the Commonwealth Hotel, including and excluding the 'As Is' land value (\$18.45 million) as an upfront outflow for the development.

Key Findings & Considerations

- Including the 'As Is' land value, this scenario delivers a **post-finance NPV loss of \$16.45m**.
- Excluding the 'As Is' land value, this scenario delivers a **post-finance NPV gain of \$4.01m**.
- **Peak negative cumulative cash flow is \$84.73m** when the 'As Is' land value is included.
- **Peak negative cumulative cash flow is \$66.12m** when the 'As Is' land value is excluded.
- Including the 'As Is' land value, **approximately ~40% of fully leased gross income** is required to cover finance costs at construction completion. This pre-commitment threshold is assumed constant for the alternate cash flow.

Cumulative Cash Flow / Peak Exposure



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Delivery Analysis - Eats & Venue

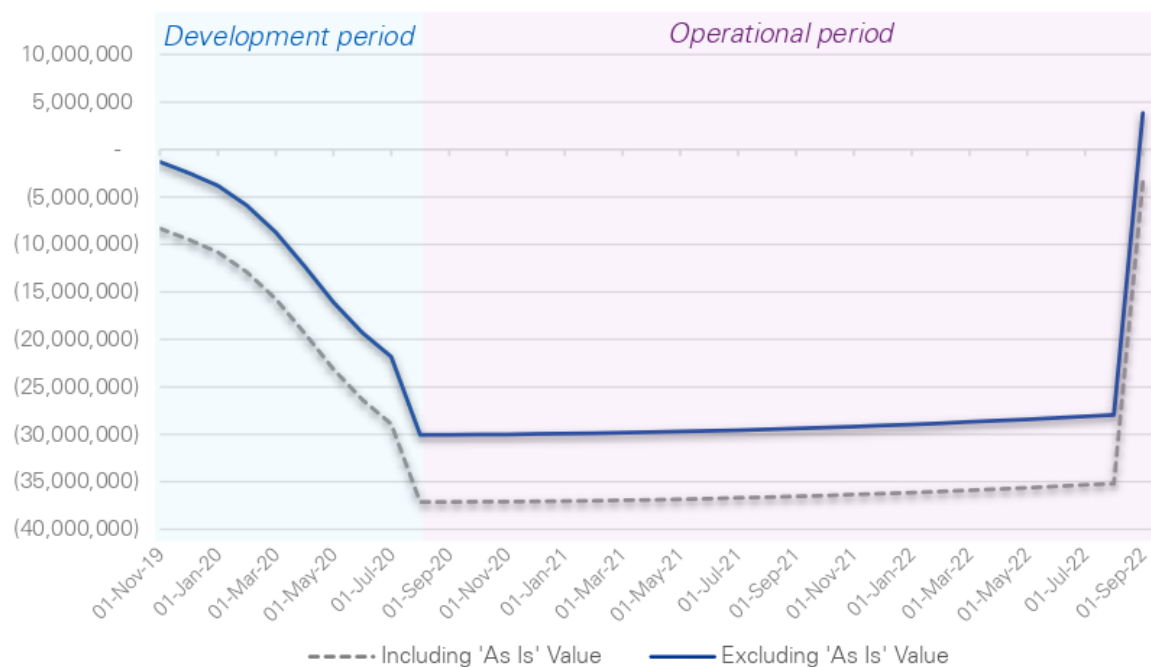
Overview

A summary of the returns and cumulative cash flow and peak exposure from delivering Eats and Venue, including and excluding the 'As Is' land value (\$7 million), as an upfront outflow for the development.

Key Findings & Considerations

- Including the 'As Is' land value, this scenario delivers a **post-finance NPV loss of \$5.29m**.
- Excluding the 'As Is' land value, this scenario delivers a **post-finance NPV gain of \$1.94m**.
- **Peak negative cumulative cash flow is \$37.12m** when the 'As Is' land value is included.
- **Peak negative cumulative cash flow is \$30.06m** when the 'As Is' land value is excluded.
- Including the 'As Is' land value, **approximately ~40% of fully leased gross income** is required to cover finance costs at construction completion. This pre-commitment threshold is assumed constant for the alternate cash flow.

Cumulative Cash Flow / Peak Exposure



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Delivery Analysis - Eats, Venue & Metro B

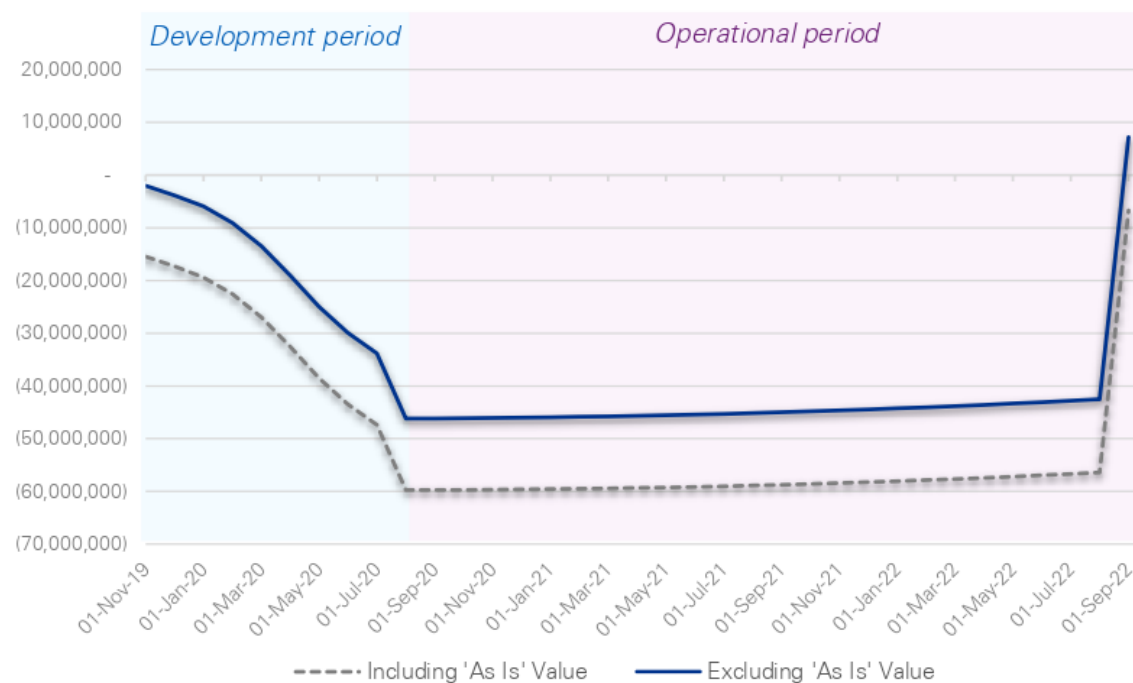
Overview

A summary of the returns and cumulative cash flow and peak exposure from delivering Eats, Venue and Metro B, including and excluding the 'As Is' land value (\$13.45 million), as an upfront outflow for the development.

Key Findings & Considerations

- Including the 'As Is' land value, this scenario delivers a **post-finance NPV loss of \$9.71m**.
- Excluding the 'As Is' land value, this scenario delivers a **post-finance NPV gain of \$4.18m**.
- **Peak negative cumulative cash flow is \$59.74m** when the 'As Is' land value is included.
- **Peak negative cumulative cash flow is \$46.17m** when the 'As Is' land value is excluded.
- Including the 'As Is' land value, **approximately ~40% of fully leased gross income** is required to cover finance costs at construction completion. This pre-commitment threshold is assumed constant for the alternate cash flow.

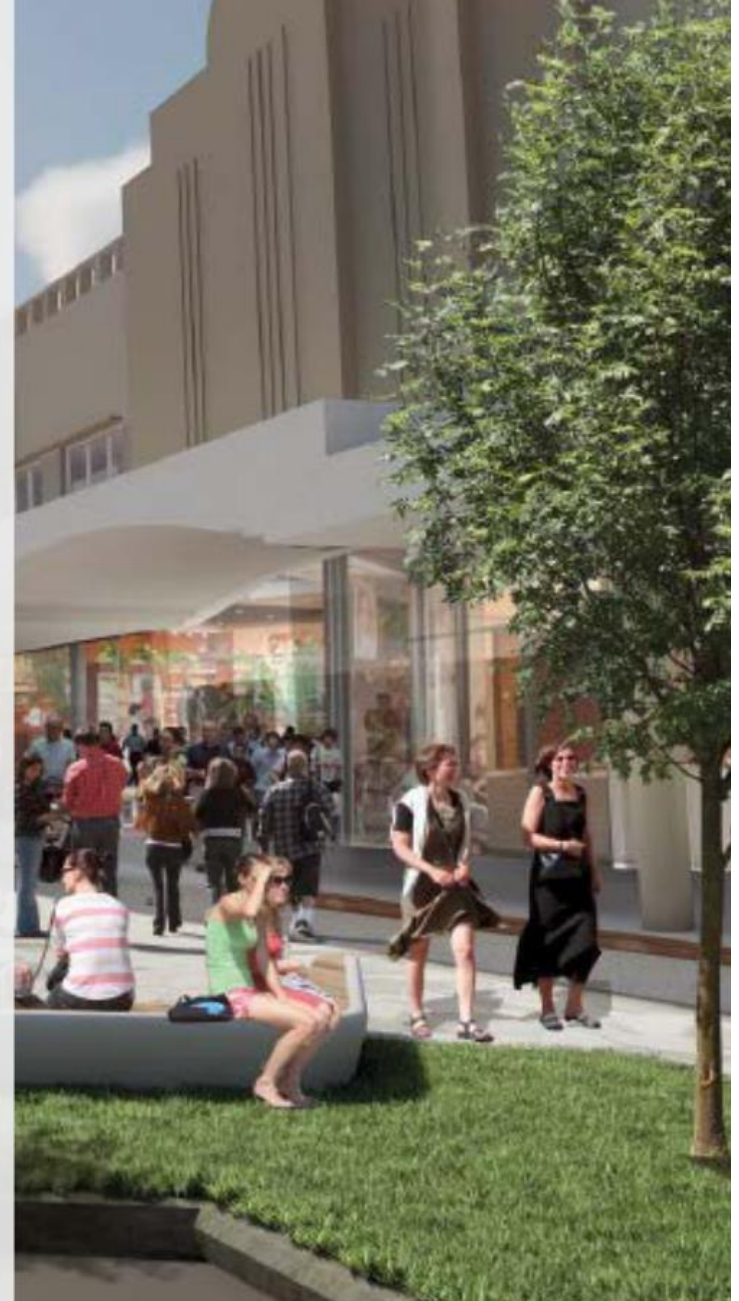
Cumulative Cash Flow / Peak Exposure



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Conclusion & Key Considerations



Conclusion & Key Considerations

Conclusion & Key Considerations

The development of the Nicholas Street Retail Project will serve to revitalise the Ipswich Central offering and deliver broader community outcomes.

However, the development of the Project does not deliver on ICC's objective for a zero or positive NPV return (when incorporating the 'As Is' Value of the Nicholas Street Retail).

Additionally, market sounding feedback indicates that investment confidence will be enhanced after the Precinct is rebranded and established with proven trading performance of tenants. In this regard, ICC should consider holding the assets for an extended period of time post-completion.

Acknowledging that ICC's objectives will seek to optimise community and financial components of the Project Objectives, on the following page we have summarised the key considerations for ICC in making a decision to proceed with delivery.

The Project is in the early phases of development, with continued design refinement and development cost resolution. Additionally, progressing the leasing campaign to convert existing HoAs to binding leases is critical prior to delivery.

As the Project evolves, continued revision and monitoring of potential return impacts from development is required to ensure Council's Project objectives are being met.

Conclusion & Key Considerations

Key Considerations for Project Delivery

1

Leasing Considerations

- Commit anchor tenants into the Precinct pre-delivery, including a national / global cinema operator and / or other entertainment / leisure offerings, that enhance interest from other tenants and will complement the Civic Precinct.
- Focus leasing targets outcomes on sustainable rents (in line with the current leasing budget) and securing terms with quality covenants (national retailers or strong bank guarantees).
- Structure incentives to support tenants in the establishment phase by balancing upfront capital contributions with partial rent abatement.
- Consider expanding the leasing team to drive retail and office lease commitments. Consider inclusion of a local agent with office expertise and a national brand with retail expertise.

2

Delivery Considerations

- Consider staging Project delivery to balance community and financial objectives (tied to a maximum peak exposure that is manageable within ICC's forecast financial capacity).
- Market feedback is that delivery of Venue as part of an initial stage is critical to support Precinct activation. This is a substantial driver of the Project development loss ((\$8m) to (\$9.5m) in NPV terms).
- Market feedback indicates that the number of food and beverage offering is too large for an unproven precinct. Food and beverage should be staged and aligned to opening of the ICC Administration Building.
- Set minimum leasing pre-commitment thresholds as a condition to development.

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Divestment Considerations

- Commit a budget to re-brand the Precinct, deliver events that complement the Civic Precinct and drive Precinct activation.
- Divestment of the Nicholas Street Retail assets post establishment of the Precinct and with strong trading history, will support market confidence to acquire the completed assets.
- Consider extending the leasehold tenure on Metro B and consolidating the tenure on Eats to support marketability.
- Procure an experienced team to manage the Precinct and tenants in the operational period.



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