



Etheridge

Shire Council

2015-16

ANNUAL REPORT

...the golden heart of the gulf

welcome

2015-2016

welcome to Etheridge Shire Council's 2015|2016 Annual Report. This report provides a comprehensive account of Council's performance from July 1, 2015 to June 30, 2016.

Council's 2015|2016 Annual Report details our achievements over the last 12 months, addresses the minor setbacks experienced and also identifies the future challenges that lie ahead for our region.

The information in this report demonstrates accountability to stakeholders, who include residents and ratepayers, staff, councillors, investors, community groups, government departments and other interested parties.

copies of the 2010-2017 Corporate Plan, this Annual Report and council's financial statements are available free of charge electronically on council's website at: www.etheridge.qld.gov.au

feedback Etheridge Shire Council aims to make this Annual Report transparent and easy to read. Council welcomes your feedback and suggestions for improvement.

If you have comments you wish to share, please direct them to council's Director of Corporate & Community Services by phoning 07 4062 1233 or emailing info@etheridge.qld.gov.au

our vision

a balanced community with robust economic and environmental assets which supports our youth and the wellbeing of our citizens

our mission

striving for excellence in planning and building a smart economy focused on long term prosperity, underpinned by education, industry and infrastructure



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.....“On behalf of my fellow Councillors I am proud to commend this Annual Report to the Community as a demonstration of the hard work & professional service delivery provided by the Staff and the Elected Representatives of the Etheridge Shire Council throughout the 2015/2016 financial year”.....

Cr. Warren Devlin

Phone: 0458 621233

Email: mayor@etheridge.qld.gov.au

It is appropriate that I take this opportunity to thank the former Council for their hard work and dedication to our community over the past four years and provide my sincere congratulations for their achievements during their term.

I would also like to express my sincere congratulations to the newly elected Councillors and I am looking forward to working with each and everyone of them and the Community over the next four years to continue to drive growth, and sustainable economic development within our shire and also to provide the necessary infrastructure that will be required to support such endeavours.

.....“Things are looking very positive for the future growth and well-being of the residents of the Etheridge Shire”.....

Since being elected, Council has discussed and workshopped a number of development opportunities for the Shire and as a Council we are excited and enthusiastic about implementing and progressing the following projects:

- Gilbert River Irrigation Area Development;
- Working with the various Ministers and State Departments to secure water allocations for the Gilbert;
- Sealing of the Georgetown-Forsayth Road;
- Working with Transport & Main Roads to improve the Gregory Development Road;
- Upgrading the single lane sections along the Gulf Development Road;
- Sealing of the Hann Highway;
- Water security for Forsayth and Georgetown;
- Land acquisitions for re-sale and future development; and
- To commence work aimed at nominating the Etheridge Region as a UNESCO Global GeoPark.

Council has a number of large scale developments that have been given development approval to commence such as the Solar Farm located at the old Kidston Mine site, Wind Farm located along the Forsayth-Einasleigh Road plus the ongoing internal development of Strathmore. Council is very supportive of new developments within our Shire, which brings me to my last point that I would like to make is; ... *“that whenever we look at infrastructure, it just isn't a road or a bridge or a building, it is the flow on effects that the infrastructure has created, it brings new opportunities to a region through business innovation, jobs, economic growth, development, confidence and provides social networking”.*

I for one have a new appreciation of what infrastructure can bring to the community and to the region.

Things are looking very positive for the future of the Etheridge Shire.

Cr Warren Devlin
MAYOR

a word from our ceo



This year I have had the pleasure of working with two elected Council's. This has brought with it the challenge of Change; with change comes opportunity. It is with this outlook that the entire team here at Council have viewed the opportunities of working with a new elected Council and the benefits of their fresh ideas.

The previous Council achieved quite a lot over its four year term and I would like to congratulate them on their achievements. The prudent financial management under the last Council has positioned the current Council well for the ongoing development within the Shire.

Michael Kitzelmann

Phone: 0458 621285

Email: michael.kitzelmann@etheridge.qld.gov.au

The new Council hit the ground running going straight into budget preparation and setting the strategic direction for Council. One of the greatest challenges faced by the new Council is setting goals to ensure our sustainability and for future opportunities within our great region. Having said this, the work initiated by the previous Council was picked up seamlessly. The Mayor and Councillors have been successful in raising the priority for the progressive dual lane sealing of the Gulf Development Road with the Department of Transport and Main Roads committing funding under the Western Roads Upgrade program to this critical transport linkage. In addition, the remaining 3 km's of the Kennedy Highway has been committed to being completed and the Hann Highway is in the final stages of negotiation between the Queensland State Government and the Australian Federal Government for progressive formation and sealing.

Operationally, Council has met all of its goals. Our core and non-core services have been maintained to a very high standard. We have reviewed internal practices to find efficiencies in how we operate. The internal organisational structure has been subject to ongoing review with some changes being made to better align the workforce with service delivery. Our procurement practices have been revamped, with Council adopting a more streamlined, efficient and most importantly open and transparent approach to procurement. Most importantly, we have achieved another un-qualified audit report from the Queensland Audit Office. This is a credit to the team and I would like to thank them for their efforts in the sound management over the Councils finances.

Council has worked relentlessly across all levels of Government to raise the profile of the region. A specific focus has been placed on Economic Development opportunities within the Shire. The Gilbert River Irrigation Area has been identified as a key to the diversification of our local economy, with Council formally taking a leading role in achieving this projects full potential. The Tourism industry is a key contributor to our local businesses. As such, Council has commenced the development of a strategic tourism development scheme where we will be working in partnership with local tourism operators, the QLD State Government, Tourism

Tropical North Queensland, the Ewamian People and the Geological Society of Australia to have Etheridge Shire recognised as a UNESCO accredited Geo-Park.

Although I have only mentioned a few of the strategic projects that Council is working towards achieving for our community. I am confident that our future will be one of strength and that the unified approach of the Councillors, Community and Staff will ensure our long term sustainability and growth. Over the past two and a half years as Chief Executive Officer I have been privileged to work with a very dedicated team, I would like to pass on my congratulations to the entire team for their efforts and I look forward to the next twelve months in delivering for our community.

On a final note, I would like to emphasise that Council is not just about Roads, Rates and Rubbish. We are about the Community, we are about Opportunity, and we are about Driving Economic Development and creating a strong future for everyone in this Great Shire.

Michael Kitzelmann
CHIEF EXECUTIVE OFFICER

fast facts

// our region's profile

Council acknowledges the **Ewamian** People as the Traditional Owners of most of the lands and waters within the Etheridge Shire.

The **Tagalaka** and the **Gugu Badhun** Peoples also claim a connection to a small portion of the Etheridge Shire

926 people

Area: **39,323 km²**

2.3% of the total area of Queensland

734 mm average rainfall per year

1 world class mineral collection

// council's profile

had a budget of **\$37.266** million

\$184.955 million in assets

269 water connections

1,781 km of roads and **476** floodway's and culverts

580 rateable properties

maintained **3.94** hectares of parks and

6,685 hectares of reserve land

173 tonnes of waste collected

managed **1** childcare centre

managed **5** aerodromes

managed **4** landfill sites

managed **1** student hostel

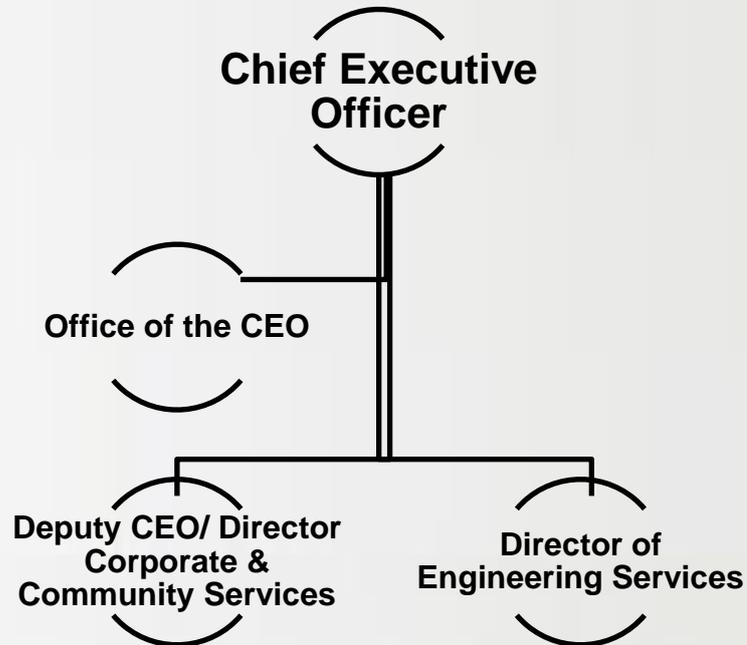
net rateable income **\$2.343** million



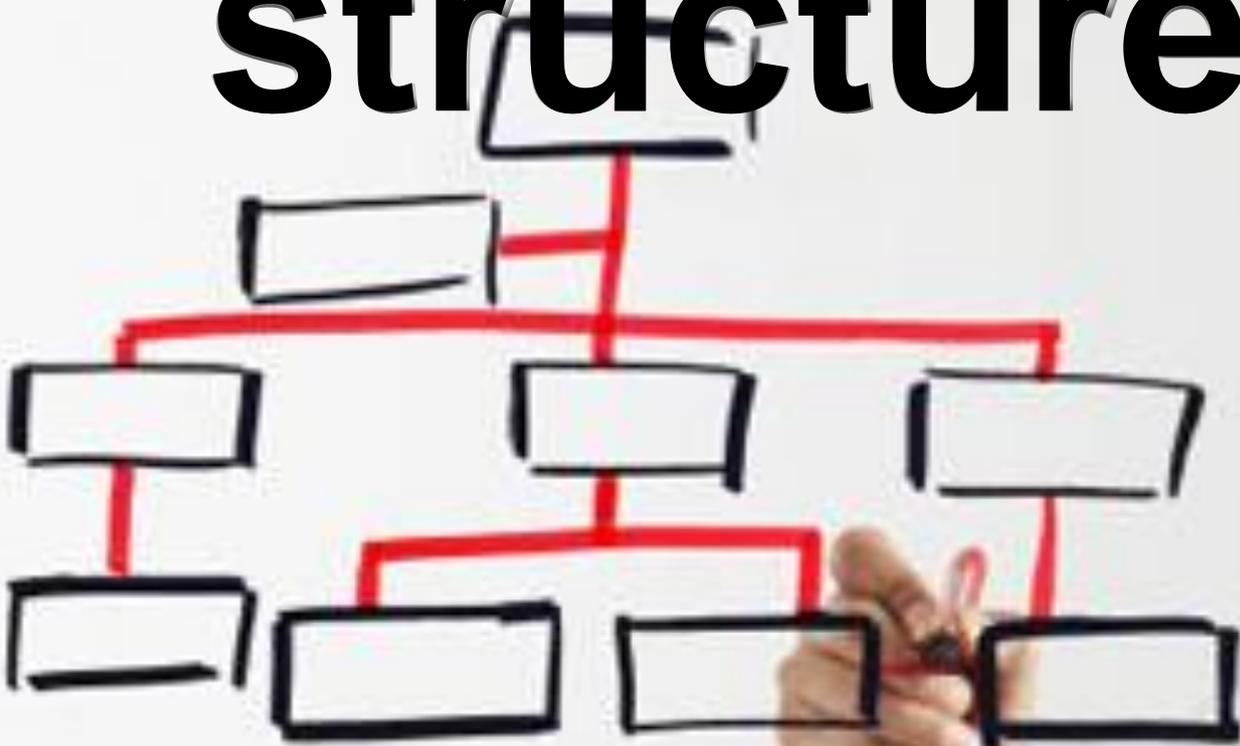


Bull Riding at the Georgetown Rodeo

corporate



structure



councillor profiles

Mayor & Councillors (pre Local Government Quadrennial Elections dated 19th March 2016)



Mayor Will Attwood

// Finance & Budget Portfolio
Phone: 0458 621233
Email: mayor@etheridge.qld.gov.au

Will was born and raised on a dairy farm near Daylesford in Victoria. He attended Daylesford Technical/High School. At 16 he joined the Victoria Police Cadets on 2/2/1971 and then graduated as a police officer 18 months later.

Will was stationed in the Melbourne CBD and suburbs, Colac, Highway Patrol, Cheltenham Crime Car Unit, Community Policing Squad, Swan Hill, Portland, Traffic Research Section, Shepparton and Portland again.

Will moved to Qld in 1997 and after a short stint of retraining in Brisbane he was stationed at Cairns and the Esplanade Police beat for 5 years. Will then moved to Laura and then to Pormpuraaw. Finally he finished off his policing career at Georgetown.

Will retired from policing in July 2011 after having spent 40 years serving the communities of Victoria and Queensland. After six months of retirement Will was looking for a new challenge, he stood for election for Mayor.



Deputy Mayor Ian Tincknell

// Infrastructure Development Portfolio
// Asset Management Portfolio
Phone: 0448 089144
Email: cr.tincknell@etheridge.qld.gov.au

Ian along with his wife Pauline and their three young children own and operate Dagworth Station north of Georgetown.

Ian has held positions of vice and chairman of the Cattleman's Union and has been involved in the Gulf Ringer Training Association.

Ian has also been actively involved in the Georgetown Horse & Pony Club and the Georgetown Rodeo Association, where Ian held the position of President for the Rodeo Committee for seven years.

Ian is passionate about the region and is keen to see the use of local experience and encouraging people to stay within our communities



Councillor Trevor Arnett

// Engineering Portfolio
Phone: 0448 089068
Email: cr.arnett@etheridge.qld.gov.au

Trevor was born on the Atherton Tablelands in 1962, where he spent the next 18 years moving between the towns of Malanda, Ravenshoe and Milla Milla.

He then joined the Department of Defence (Army) for the next 13 years and travelled and visited places like Melbourne, Sydney, Brisbane and Townsville.

He left the Army in 1994 where he journeyed up to Georgetown and spent the next 16 years working with the Etheridge Shire Council.

Trevor left the Etheridge Shire Council in April 2012 when he took over the Elders Depot and became elected as councillor for Etheridge Shire Council.

Trevor has been an active member of the Georgetown community and is a volunteer member in both the Ambulance and Rural Fire Services.



Councillor Warren Bethel

// council personnel / shire well-being Portfolio
Phone: 0448 089140
Email: cr.bethel@etheridge.qld.gov.au

A grazier and Rodeo Stock Contractor who's family history dates back more than one hundred years in the Etheridge Shire.

This is Warren's second term as a Councillor with the Etheridge Shire and Warren was a previous councillor with the Croydon Shire Council.

Warren brings a balance of traditional rural skilling and temperate modernization to the table.

Warren's strong interest is to improve opportunities and skills for young people of the shire and provides a much needed rural appreciation to the team.



Councillor Pauline Royes

// Business Activity Portfolio
Phone: 0448 089140
Email: cr.royes@etheridge.qld.gov.au

Pauline moved to the Shire eight years ago.

A local business person who owns and operates along with her two daughters the "Oasis Roadhouse" at the Lynd Junction.

Before purchasing the Roadhouse in 2004, Pauline operated a Beef Cattle Station on the Tablelands as well a relief milking and butchering works, which Pauline still owns.

Pauline has been actively involved in many junior sports organisations and youth activities throughout North Queensland and is still pursuing these interests today.

Pauline is keen to see the Shire's potential grow, especially in the Tourism sector.

councillor profiles

Mayor & Councillors (post Local Government Quadrennial Elections dated 19th March 2016)



Mayor Warren Devlin

Phone: 0458 621233
Email: mayor@etheridge.qld.gov.au

A local businessman and bulk fuel depot operator, Warren has lived and worked in the region for many years in Mining, Tourism and Retail.

A progressive and forward thinking man whose driving ambition is to see the shire grow and prosper during his term in office, and as Mayor, Warren brings to the fore many fresh and innovative ideas to carry us into the future.



Deputy Mayor Tony Gallagher

Phone: 0448 089144
Email: cr.gallagher@etheridge.qld.gov.au

Born and raised on a cattle station outside of Normanton. I attended Normanton State School to grade 8 then Saint Theresa's Agricultural College outside of Ingham up to junior.

Started work at 15 years old on Esmeralda Station outside Croydon. I moved to Forest Home Station outside Georgetown then onto Lyndhurst with the same company as head stockman.

I became the manager of Carpentaria Downs and Lyndhurst and General Manager of Carpentaria Downs, Mywyn, The Lynd and Lyndhurst. Purchased the Butcher Shop in Georgetown in 1994 and moved here as a single parent with Aaron. I have two other children Brett and Juanita close by.

Aaron and I purchased Stoney Etheridge Station and Aaron now runs the shop whilst I live at Stoney Etheridge.

Most of my working life has been spent in the Shire and I would not want to live anywhere else.



Councillor Will Attwood

Phone: 0448 089068
Email: cr.attwood@etheridge.qld.gov.au

Will was born and raised on a dairy farm near Daylesford in Victoria. He attended Daylesford Technical/High School.

At 16 he joined the Victoria Police Cadets on 2/2/1971 and then graduated as a police officer 18 months later. Will was stationed in the Melbourne CBD and suburbs, Colac - Highway Patrol, Cheltenham Crime Car Unit, Community Policing Squad - Swan Hill, Portland - Traffic Research Section, Shepparton and Portland again.

Will moved to Qld in 1997 and after a short stint of retraining in Brisbane he was stationed at Cairns and the Esplanade Police beat for 5 years. Will then moved to Laura and then to Pomppuraaw.

Finally he finished off his policing career at Georgetown. Will retired from policing in July 2011 after having spent 40 years serving the communities of Victoria and Queensland.

After six months of retirement Will was looking for a new challenge, he stood for election for Mayor at the 2012 Quadrennial Local Government Elections and was successful. At the 2016 Local Government Quadrennial Elections, Will ran for one of the four positions as a Councillor.

Will is married to Dawn and they have six children, three of them live in Georgetown, Paul (Wilson), Felicity and Kathryn. The others reside in Weipa, Tamworth and the Gold Coast. Will has been a bit of a nomad but now Georgetown is home, Will and Dawn have bought a house in Crampton Road and intend staying put.



Councillor Troy Barnes

Phone: 0448 089047
Email: cr.barnes@etheridge.qld.gov.au

Troy was born in Atherton and spent his early years living in various locations across the Atherton Tablelands and Far North Queensland. He attended Yungaburra State Primary School and Atherton State High prior to moving to Brisbane for university studies in Commerce.

Following this he returned to the Tablelands where he operated a successful security company and became a part time Disc Jockey at several local nightclubs and hotels.

In 2004, Troy applied to and was accepted as a recruit for the Queensland Police Service and since then has worked in varying locations including Mareeba, Croydon and Tambo. Whilst serving in Croydon, Troy was the awarded recipient of Australian Citizen of the Year for his community involvement.

Being passionate about the Etheridge Shire and having a strong desire to raise a family in the area, Troy applied for, and was successfully promoted to his current role as Officer In Charge of Georgetown Police.

Troy is married to Sam and has 2 beautiful girls, Amber and Mikaylah, who keep him on his toes. Sam is currently completing university studies in early childhood education and has worked extensively in childcare and education roles. Troy, Sam and the family are passionate about the local area and have every intention of being long term residents of the Etheridge Shire.



Councillor Warren Bethel

Phone: 0448 089140

Email: cr.bethel@etheridge.qld.gov.au

A grazier and Rodeo Stock Contractor who's family history dates back more than one hundred years in the Etheridge Shire.

This is Warren's third term as a Councillor with the Etheridge Shire and Warren was a previous councillor with the Croydon Shire Council.

Warren brings a balance of traditional rural skilling and temperate modernization to the table.

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L-R Cr Attwood, Cr Barnes, Mayor Devlin, Cr Gallagher, Cr Bethel

executive management team



Michael Kitzelmann
// chief executive officer

// Phone: 0458 621285
// Email: michael.kitzelmann@etheridge.qld.gov.au

With over 25 years' experience in Government, Michael is well versed in the challenges associated with negotiating the systems, policies and priorities of Government in order to achieve local objectives.

Formal qualifications include;
Masters of Business Administration (MBA),
Master Neuro Linguistic Programming (MNLP),
Graduate Diploma Public Sector Executive Management (Grad Dip PSEM),
Certified Practitioner Risk Management and Assurance (CRMA),
Certified Information Systems Auditor (CISA),
Justice of Peace Qualified (JP-Q).

Past executive experience;
General Manager, Brisbane Prestige Property Development,
Senior Manager, Crow Horwath,
Principal Consultant, Department of the Premier and Cabinet QLD,
Management Consultant, Air Force Headquarters Royal Australian Air Force.

David Munro
// deputy chief executive officer /
// director corporate & community services

// Phone: 0458 621231
// Email: david.munro@etheridge.qld.gov.au

Bachelor of Banking & Finance, Bachelor of Human Resources, Diploma in Local Government Administration, Diploma of Planning, Snr Vice President of the Local Government Finance Professionals of Queensland, Member of Local Government Managers of Australia.

Thirteen (13) years' experience in Local Government Management.

Rohana Samarasekera
// director of engineering services

// Phone: 0458 621234
// Email: rohana@etheridge.qld.gov.au

Bachelor of Science Engineering, Master of Science Engineering Structures, Master of Science Engineering Public Health, Certificate Contract Engineering.

Has had experience in State Government, Local Government and the Private Sector

“...people are the key to Etheridge Shire Council’s future. The survival, growth and success of Etheridge Shire Council are directly linked to the quality of our staff as individuals and as collaborative team....”

our organisation

// human resource strategy

In 2010-11, Council developed a Human Resource Strategy to provide Council with an integrated framework of policies and practices that will guide Council in meeting its workforce needs, an enable individuals and the organisation to excel. Council’s people strategy must be aligned and informed by Council’s mission and goals and flexible to accommodate a changing environment.

Council faces a number of key challenges:

. As changes to the demographics of the Australian population continue, the attraction of high quality staff will become more acute as the generation of baby boomers move out of the workforce;

. With the shortage of appropriate candidates, there are now numerous career alternatives for employees;

. Changes to funding patterns in Local Government will require Local Authorities to develop commercial edges in order to attract monies from other than the more traditional government funding sources in order to adequately fund necessary infrastructure for future development.

// six (6) key principles of the strategy

1. RECRUITMENT, SELECTION AND APPOINTMENT

Aim: Recruitment, selection and appointment policies, procedures and practices position Etheridge Shire Council to attract and retain high quality professional and skilled labour staff in a competitive labour market.

2. REWARD, RECOGNITION AND REMUNERATION

Aim: To apply flexible remuneration arrangements for staff and have appropriate mechanisms to attract, recognize and reward high performing staff.

3. EQUITY AND DIVERSITY

Aim: To build a socially inclusive working environment that enables all staff to contribute to their full potential and to embed the responsibility for staff equity initiatives and matters within Etheridge Shire Council management practices.

4. STAFF DEVELOPMENT AND WORKPLACE CULTURE

Aim: To provide formative staff development programmes that enable staff to strengthen those skills, capabilities and experience which contribute to the achievement of organizational goals, job satisfaction and career aspirations.

5. DEVELOPMENT OF LEADERSHIP & MANAGEMENT CAPABILITIES

The quality of front-line leadership and management is essential to the retention, motivation and engagement of staff as Etheridge Shire Council strives to meet new organizational challenges.

6. A SAFE, HEALTHY AND PRODUCTIVE WORK ENVIRONMENT

Aim: To promote the highest practicable standard of occupational health and safety with the Etheridge Shire Council and to promote the good health and wellbeing of staff.

// headcount of staff by year

Annual headcount includes all staff except councillors. Full-time, part-time, casual, temps, apprentices and trainees. As at 30 June 2016, Etheridge Shire Council retained 57.4 FTE, in comparison as at 30 June 2015, Council retained 52.3 FTE.



// breakdown of staff



// training and development activities

More than 40 per cent of staff undertook some form of formal training during the 2015-16 financial year. Courses included:

- Queensland Disaster Management training;
- Trainee – Cert IV Business;
- Diploma in Business (Accounting);
- Cert IV – Civil Construction;
- Cert III – Plant Operations;
- Cert III – Road Construction & Maintenance;
- Personal Safety Sessions;
- Cert IV – WH & S;
- Cert III Children Services;
- Advanced Diploma Children Services;
- Confined Spaces
- Working at Heights

our organisation

// employees by gender

// workforce

The following charts give visual representations of the workplace demographics with a summary of changes over the past seven years (2010-2016)

Diagram 7

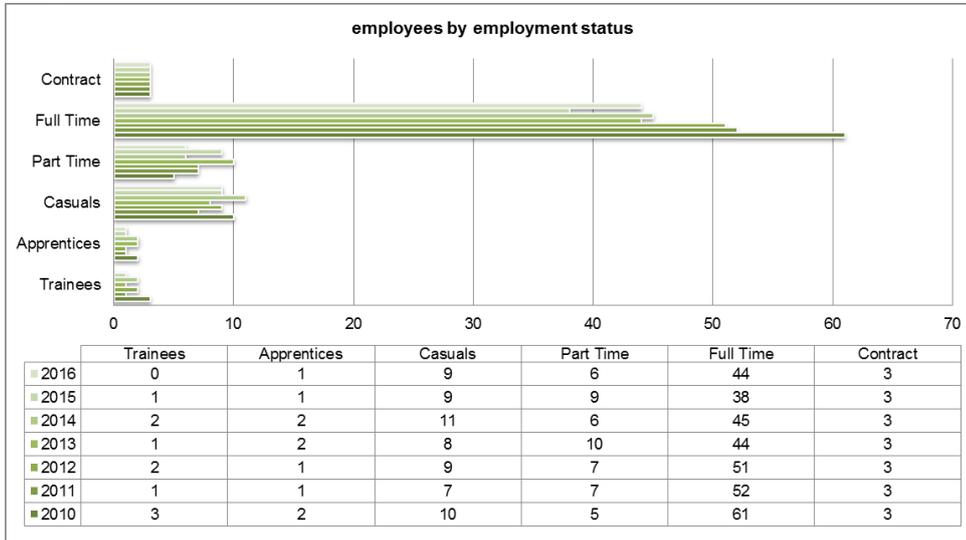


Diagram 1 - June 2016

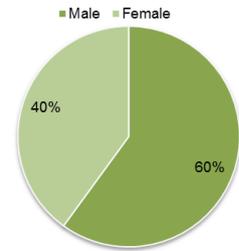


Diagram 2 - June 2015

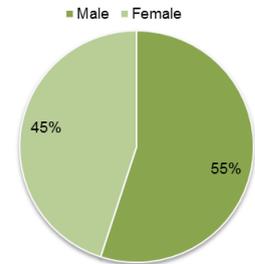


Diagram 3 - June 2014

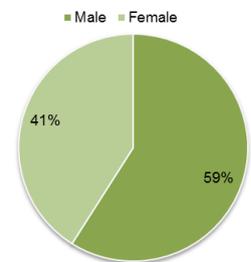


Diagram 8

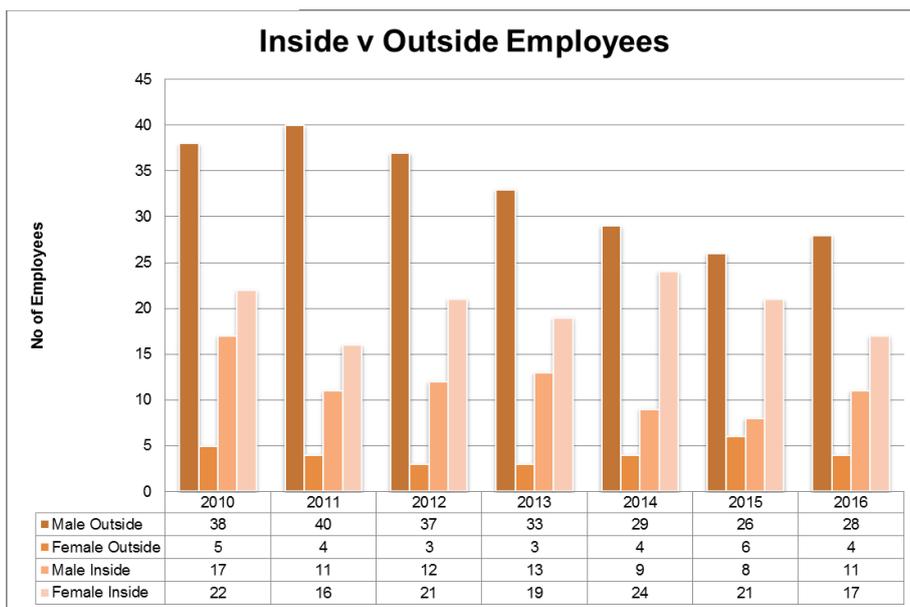


Diagram 4 - June 2013

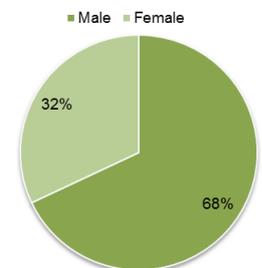


Diagram 5 - June 2012

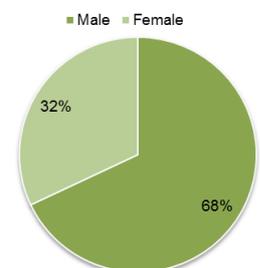
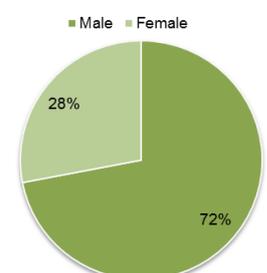


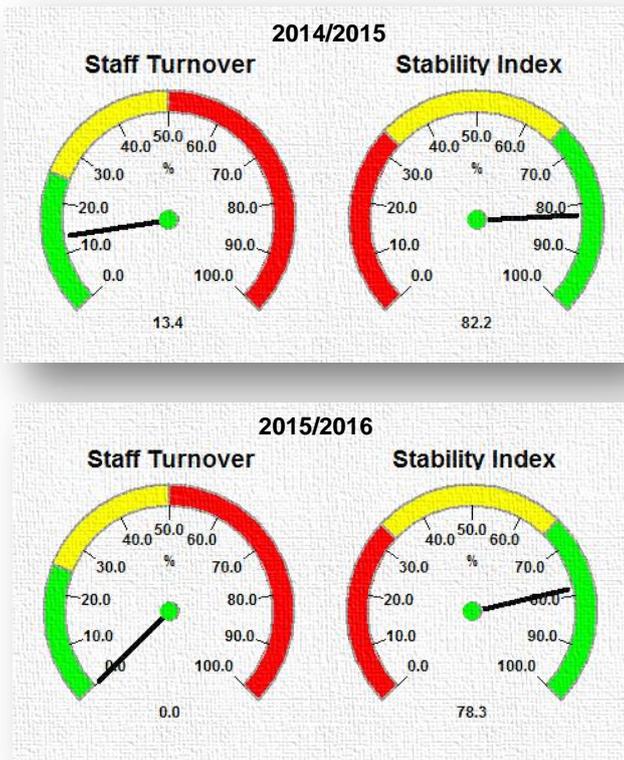
Diagram 6 - June 2011



While the outdoor workforce is predominantly male, gender equity is promoted within all areas of Council. Both women and men are employed as labourers, machine operators, office administration staff, childcare and professionals. Council is proud to be and actively promotes itself as an equal opportunity employer.

Diagram 9

our organisation



The staff turnover index shows a major improvement between the two financial periods. The reason for the unstable stability index is due to Council engaging staff on a casual basis, due to the uncertainty of long term work within the shire especially with major road contracts.

// benchmarking

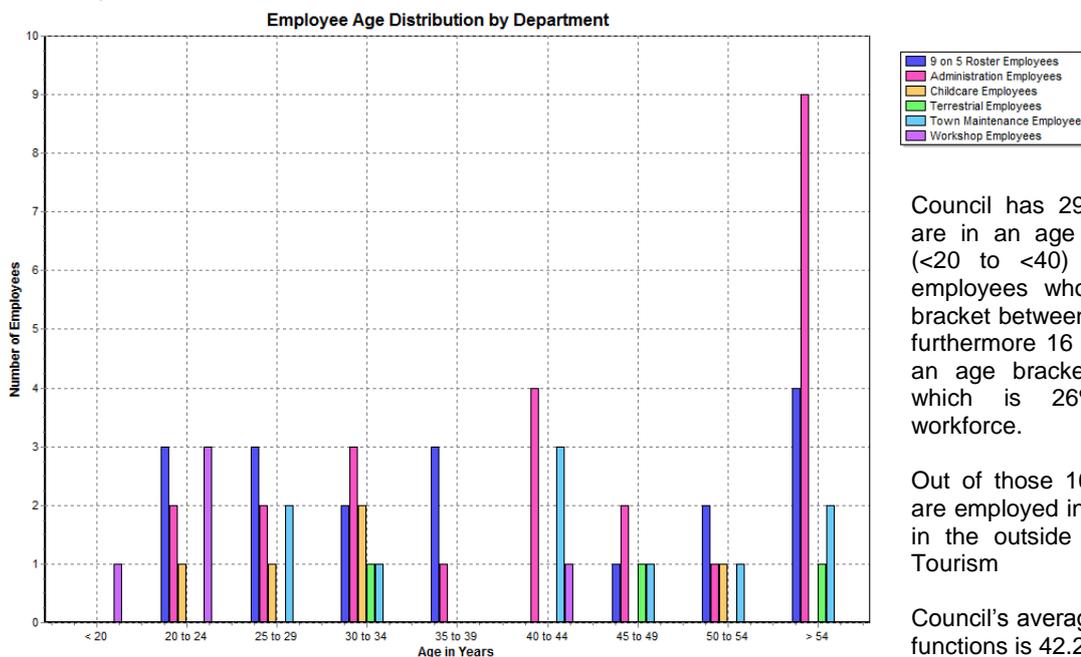
Striving for best practice is an ongoing task for Council and involves the continuous and ongoing improvement of policies, procedures and other general functions of Council.

When maintaining compliance with changes in legislation, industry standards, local government expectations and the needs of staff and the community, continual review is essential.

During 2015-16 financial year, Council undertook a review of its policies and procedures to ensure it maintained consistency with organisational and community needs. It is anticipated that during the 2016-17 financial year, additional policies and procedures will be implemented as the organisation and its needs evolve.

CORPORATE STRUCTURE//OUR ORGANISATION

Diagram 8



Council has 29 employees who are in an age bracket between (<20 to <40) Council has 16 employees who are in an age bracket between (40 to > 54) and furthermore 16 employees are in an age bracket between (>54) which is 26% of Councils workforce.

Out of those 16 aged >54yrs, 9 are employed in Administration, 6 in the outside crews, and 1 in Tourism

Council's averaged age across all functions is 42.22yrs



New Cumberland Dam Viewing Deck



corporate governance

// general meetings of council

The General Meeting of Council is responsible for managing the business of Council. Council must ensure decision making that supports the achievement of the community vision and the corporate plan in accordance with the *Local Government Act 2009* and other legislation.

The Local Government Act requires elected members to declare any material personal interests, in matters before Council and to remove themselves from any discussions or decision making on that matter. For a Councillor to have a material personal interest there must be an expectation of personal benefit gain or loss for the Councillor or an associate. A register listing Councillor's material personal interests is maintained.

// councillors code of conduct

It is so important the Community has confidence in its Council and Councillors. *The Local Government Act 2009* sets out specific rules Councillors must follow to ensure transparency and accountability, particularly in relation to receiving gifts and conflicts of interest.

Etheridge Shire Council utilises the Councillor Code of Conduct in accordance with the procedures set down in the Act and Regulations and further that Councils existing Code of Conduct was rescinded.

The Code provides Councillors with a frame of reference about their roles, obligations and acceptable behavioural standards.

There are a number of requirements contained within Section 180 & 181 of the *Local Government Act 2009*, that are required to be reported within the Annual Report, regarding complaints made about councillors. During the 2015|2016 financial year there were no complaints received against any of the Councillors.

// employee code of conduct

The Employee Code of Conduct assists Council in maintaining public trust and confidence in the integrity and professionalism of its employees by ensuring all employees maintain and enhance Councils reputation.

Employees are required to display the personal and professional behaviours that could be reasonably expected from persons holding positions that serve the community. More specifically, it requires employees to perform professional duties with care, skill, fairness and diligence. Employees are required to engage in ethical conduct, treat all others with courtesy, respect and with due regard to the rights of others.

The Code of Conduct is taken into account in the development and preparation of Council's Policies and guidelines. All new employees are provided with training regarding their obligations under the Code of Conduct. Any alleged breaches of the code are investigated in accordance with Councils guidelines.

// external audit

Council is audited annually by either the State Government's Queensland Audit Office or by a duly authorised representative of the Queensland Audit Office.

This provides a statutory mechanism for external review of Councils financial operations and other corporate matters affecting the sound management of the organisation.

Council has received an **"Unmodified / Unqualified Audit"** Report for 2015-2016 financial year.

// tenders

Changes to Tenders in accordance with S.228(7) of the *Local Government Regulation 2012*

Council had no occasion to invite tenderers to change their submissions in the manner contemplated in the Regulation.

Expressions of Interest in Accordance with S.228(6) of the *Local Government Regulation 2012*

Council did not have any reason to call for Expressions of Interests in accordance with Section 228(6) of the Regulation during the financial year.

// administrative complaints process

Council adopted a new 'Administrative Complaints Policy' which replaced the old General Complaints Policy. The old policy was compliant in relation to the *Local Government Act 1993*, however, with the introduction of the new *Local Government Act* and in particular the *Local Government Regulation 2012*, council was required to review its complaints process and ensure compliance with the new Act and Regulations.

Complaints to be welcomed

- Anyone who is dissatisfied about a decision or other action of the council, a council officer can easily and simply lodge a complaint.
- Complainants are to be provided with information on the complaints process and, if necessary, assistance to make their complaint.
- Each complaint is initially assessed in terms of its seriousness, safety implications, complexity and degree of urgency.
- Council officers will receive complaints in a professional manner and welcome valid feedback as an opportunity for improvement of the council's administrative practices.
- Complaints are to be responded to as quickly as possible and in accordance with the timeframes set out in the complaints process.
- Complainants will not suffer any reprisal from council or its officers for making a complaint.
- Complaints are properly monitored with a view to continuous improvement of the council's business processes.
- If a complainant is not satisfied that a complaint has been satisfactorily resolved, he/she will be informed of any statutory right of review and, if they request, be provided with details of any further review mechanism that is available.

The complaints process has been established for resolving complaints by affected persons about administrative action of the council.

However, the complaints process does not apply to a complaint-

1. That relates to competitive neutrality issues;
2. About official misconduct that should be directed to the Crime and Corruption Commission; made under the *Whistleblowers Protection Act 1994*; or relate to actions of an elected member of Council.

"A complaint is a statement of dissatisfaction regarding the unsatisfactory delivery of a product or service offered by Council or the unsatisfactory conduct of Council officers. A complaint may be received in person, over the phone or by written or documented communication including electronic communication"

A complaint should not be confused with an action request. For example:-

A person may phone and request a pothole in a road be repaired. This is a request for service. If they phone to complain that he/she had requested a pothole be repaired weeks ago and nothing had been done, then this constitutes a complaint.

During the 2015/16 financial year a total of 82 'request for action' were received and 2 complaints. All complaints have been actioned and completed in terms of Councils policy.

// revenue policy

The Revenue Policy, adopted annually at the budget meeting governs council's revenue raising activities. The policy provides details on how rates are levied and explains the differential rating system that more fairly shares the burden of rates including differential categories. All water and waste charges are based on this policy, as well as special levies, rate remissions, payments and discounts, and overheads on private work. Copies of the Revenue Policy are available from www.etheridge.qld.gov.au

// special rates and charges

Under Section 190(d)(ii) and Section 190(g) of the *Local Government Regulation 2012*, council is required to provide details of action taken in relation to, and expenditure on, a service facility or activity for which the local government made and levied a special rate or charge for the financial year and a summary of all rebates and concessions allowed by the local government in relation to rates.

special Charge

A special charge was levied on properties within the Forsayth, Einasleigh and Mt Surprise townships for "Waste Management".

The revenue from these rates was used as core funding for the provision of maintenance and operations of all waste management facilities for the towns of Einasleigh, Mt Surprise and Forsayth. The Special Charge will fund the activity, however Council may determine to subsidise the service in view of the high costs of this service provision and the undue hardship that may result if full cost recovery was sought from the special charge.

rebates and concessions

Council has four different rebates and concessions in relation to rates. These are Pensioner Rates Concession, Rates Remission for non-profit community organisations, Natural Hardship and Economic or Social Incentives. Full details of these rebates and concessions are available within the Revenue Statement from www.etheridge.qld.gov.au.

community awards & events

2016 Etheridge Shire
Australia Day Award recipients



L-R Noeline Ikin, Matthew Nagas, Lyn French, Abbey Martin, Jake Wieland, Mayor Will Attwood, Jake Bethel, Gary Butler

Community Event – Football in the Shire

Etheridge Shire organised a community event through the Community Drought Assistance funding program in September 2015. This event had two main games a junior and a senior match between Normanton Stingers & Mornington Island Raiders against the Etheridge Brumbies and Boars.



community

financial

Income Statement
How did we perform in relation to our trading result over the past 12 months?

Balance Sheet
What do we own and owe at year end?

Statement of cash flows Where has our cash been received and used during the past 12 months and how much remains at year end?

Statement of changes in equity
What is the wealth of the community at year end?

report

A Community Financial Report contains a summary and analysis of a Local Government's financial performance and position for the financial year.

This report makes it easier for readers to understand Council's financial management and performance by focusing on the four key financial statements.

statement of comprehensive income

This statement measures how Council performed in relation to income and expenses during the financial year.

This result does not necessarily represent surplus funds available for general use as certain items of revenue have restrictions on their use. Some revenue is non-monetary (e.g. contributed infrastructure assets such as roads and water mains, constructed by developers on council's behalf, in new land subdivisions), while other revenue is constrained for use on specific future activities (e.g. developer contributions or grants used to maintain and/or expand the region's infrastructure).

// 2015-2016 result

While further explanation is offered below, council continues to provide a wide range of services whilst maintaining a financially sustainable long term outlook.

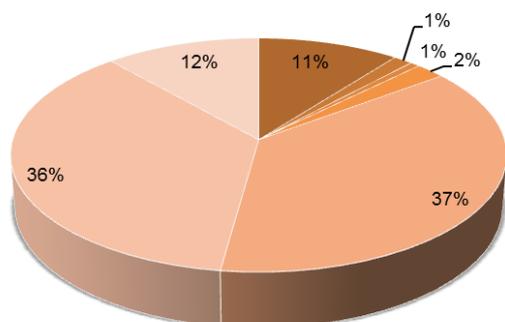
// total revenue – where our money comes from

Revenue totalled \$22.385 million in the 12 months to June 30, 2016. The graph below indicates that 73 per cent of council's revenue is generated from operating & capital grants and around 11 per cent from sales revenue. Only 10 per cent of council's revenue is generated from rates and charges. The high percentage of revenue from operating & capital grants is directly related to the funding for the delivery of significant flood damage repairs and the receipt of the Federal Financial Assistance Grant. This was the case with sales revenue; council was successful in gaining additional Main Roads works in 2015-2016 for widening works on the Kennedy Highway & Gulf Developmental Road.

Council actively seeks revenue from other sources and attempts to maximise investment earnings to assist in funding the many services council provides.

Where our money is generated from, is shown in the accompanying graph.

Revenue



// 2015-2016 result

\$22,385,732

total income

-\$14,112,382

total expenses

\$ 8,273,350

surplus

Council's Result

\$ '000	Actual 2016	Actual 2015
Expenditure	14,112	16,886
Revenues (excl. income for capital purposes)	14,246	15,787
Net Result before Capital Grants & Contributions	134	(1,099)
Capital Grants & Contributions	8,139	5,942
Net Result	8,273	4,843

Statement of Comprehensive Income for the year ended 30 June 2016

\$ '000	Actual 2016	% of sub-total
Income		
Rates, Levies and Charges	2,344	10%
Fees and Charges	318	1%
Rental Income	158	1%
Interest & Investment Revenue	488	2%
Grants & Contributions - Operating	8,370	37%
Grants & Contributions - Capital	8,139	36%
Sales Revenue	2,568	11%
Total Income	22,385	100%

- Rates, Levies and Charges
- Fees and Charges
- Rental Income
- Interest & Investment Revenue
- Grants & Contributions - Operating
- Grants & Contributions - Capital
- Sales Revenue

// where our money goes

Council incurs both operational and capital expenditure in providing services to the community. Capital spending is added to the carrying value of assets as it maintains and expands council's asset base. The graph shows the components of operating expenditure only.

The level of Council's expenditure is monitored constantly throughout the year. Detailed estimates are prepared at the beginning of each financial year and performance is measured against these estimates through regular budget reviews, ensuring funds are utilised as efficiently as possible.

While council's operating costs amounted to \$14.1126 million, council also spent \$9.676 million on capital projects during the year.

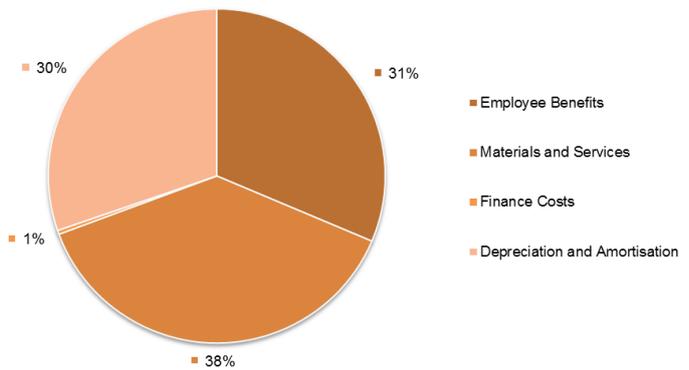
// major items of capital expenditure
 roads, bridges and drainage (\$8.457M)
 buildings & other structures (\$0.487M)
 plant and equipment (\$0.539M)
 water (\$0.100M)

// operating expenditure 2015-2016

Statement of Comprehensive Income
 for the year ended 30 June 2016

\$ '000	Actual 2014	% of sub-total
Expenses		
Employee Benefits	4,428	31%
Materials and Services	5,355	38%
Finance Costs	54	0%
Depreciation and Amortisation	4,275	30%
Total Expenses	14,112	100%

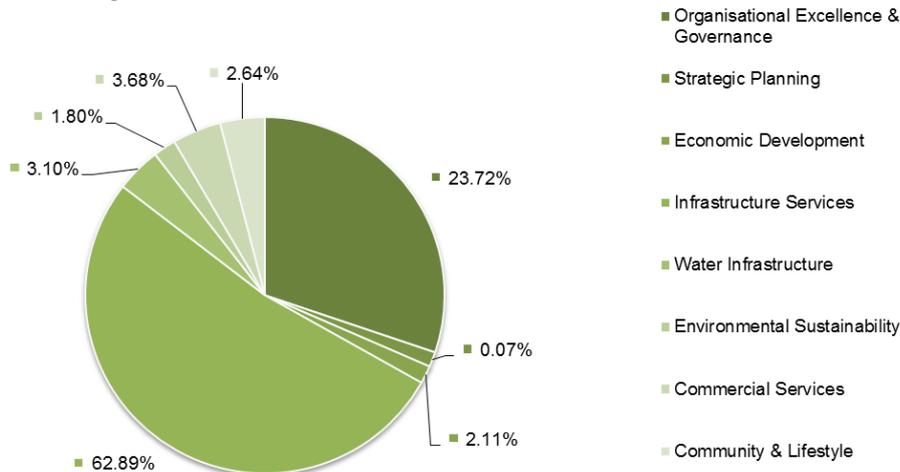
Expenses



Statement of Comprehensive Income
 for the year ended 30 June 2016

\$ '000	Actual 2016	% of sub-total
Expenses by functions		
Organisational Excellence & Governance	4,261	30.19%
Strategic Planning	191	1.35%
Economic Development	228	1.62%
Infrastructure Services	7,380	52.30%
Water Infrastructure	573	4.06%
Environmental Sustainability	290	2.05%
Commercial Services	621	4.40%
Community & Lifestyle	568	4.02%
Total Expenses	14,112	100%

Expenses by functions



statement of financial position

The statement of financial position measures what council owns (assets) and owes (liabilities) to relevant stakeholders at the end of the financial year. The result of these two components determines the net wealth of council, which is net wealth of the community (equity).

Our community's net worth (what we own less what we owe) at the end of the financial year was approximately \$200.498 million.

// what do our assets consist of?

The bulk of Council's assets are in the form of infrastructure such as roads, bridges and drainage, buildings, plant and equipment and water assets which collectively make up 90 per cent of Council's total asset base.

Significant parts of Council's expenditure in the long term financial forecast are focused on maintaining and upgrading these infrastructure assets, to ensure use by future generations and cater for projected future growth.

// 2015-2016 result

\$202,481,722 assets
-\$ 1,983,523 liabilities

\$200,498,199 equity

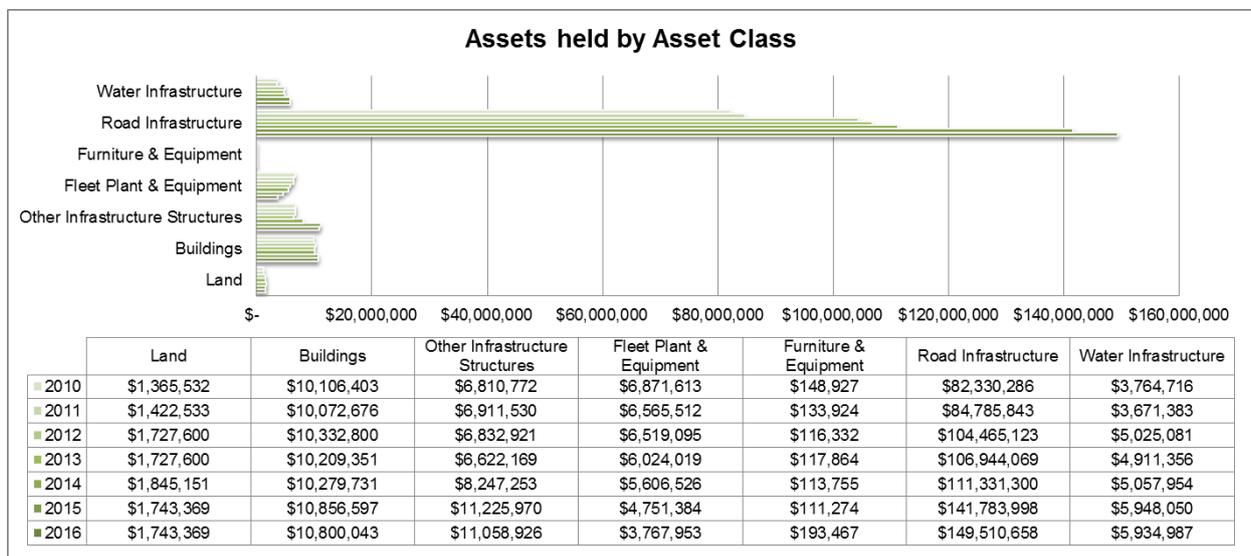
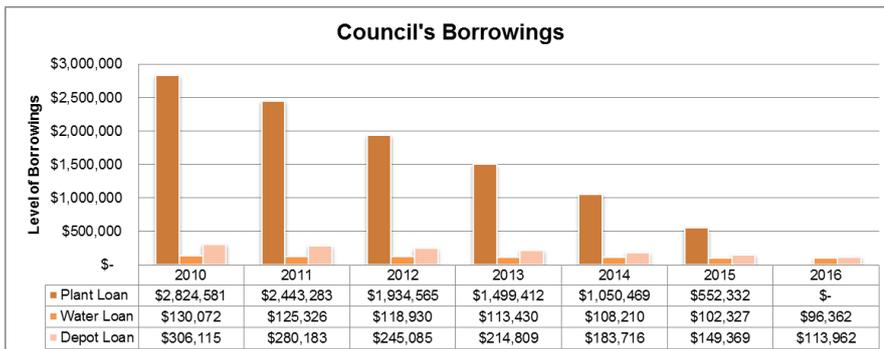
// what do our liabilities consist of?

The bulk of council's liabilities are in the form of loans and provisions which collectively represent 50 per cent of council's total liabilities. Council uses loans to finance certain projects in order to ensure costs are shared across the generations who will receive a benefit from those assets. Provisions include the setting aside of funds to cover expenses relating to employee entitlements (e.g. long service leave).

Council's long term financial forecast shows debt decreasing with the majority of council's debt clearing in the next 15 months.

The borrowings that are outstanding relate to the water treatment plant at Forsyth, improvements to council's depot. The use of debt ensures that residents of the future also contribute their fair share to the cost for these long life assets.

Council's outstanding debt at financial year end was approximately \$0.211 million. The graph below shows the borrowings of Etheridge Shire Council over the past four years.



statement of cashflows

This statement identifies how council received and spent its money during the year. The end result details what cash is available at year end.

While Council's cash balance is \$13.218 million, it is important to note that a large portion of this amount is restricted for specific purposes such as flood damage repairs and future capital works.

Council pools and invests funds throughout the year in low risk short term investments in accordance with council's investment policy.

Council's short and long term cash flows indicate that sufficient cash is available to meet recurring activities and capital expenditure.

// 2015-2016 result

\$10,613,842	opening balance
+ \$22,859,148	cash received
- \$20,254,888	cash spent
<div style="text-align: right; padding-right: 10px;">\$13,218,102</div> <div style="text-align: right; padding-right: 10px;">cash available at year end</div>	

statement of changes in equity

This statement measures the change in our net wealth and considers such items as retained earnings, revaluations of our asset base and reserves held for future capital works.

A portion of the community wealth is cash backed by an appropriate level of reserves held to plan for future projects.

With good planning this can place less reliance on loan borrowings and provides flexibility to ensure council can weather any unforeseen financial shocks or adverse changes in its business.

The current balance of these reserves total approximately \$8.707 million.

2015/2016 CASH CAPITAL RESERVES						
1. OTHER RESERVES:						
Particulars	2014/15 Actuals			2015/16 Actuals		
	Transfers (from) 2014/15 \$	Transfers to 2014/15 \$	Balance 30-Jun-15 \$	Transfers (from) 2015/16 \$	Transfers to 2015/16 \$	Balance 30-Jun-16 \$
Future Capital Reserve	0	383,834	6,446,182	(64,985)	662,254	7,043,451
Plant Replacement Reserve		180,000	861,912			861,912
Road Improvement Reserve			400,000			400,000
Georgetown Town Improvement Reserve		10,000	40,000	(43,664)	10,000	6,336
Forsyth Town Improvement Reserve		10,000	48,000	(8,598)	2,000	41,402
Elmasleigh Town Improvement Reserve	(30,000)	10,000	10,000	(16,225)	10,000	3,775
Mt Surprise Town Improvement Reserve		10,000	30,000		10,000	40,000
Oak Park Community Infrastructure Reserve	(26,000)	10,000	13,148		10,000	23,148
Sports Stadium Reserve			0			0
Disaster Management Reserve			20,000			20,000
Bridge & Culvert Reserve		0	267,500		0	267,500
Total Other Reserves	(56,000)	613,834	8,136,742	(133,472)	704,254	8,707,524
			8,686,742			8,707,524

overall trends

Council ended the 2015-2016 financial year in a solid financial position, and Council's long term position remains sustainable based on current assumptions.

Council is committed to maintaining financial sustainability in the long term which allows us to meet our future obligations and the demands of our community for the foreseeable future.

// operating surplus ratio

This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes. A positive ratio indicates that funds are available for capital expenditure and the suggested target range is between 0% and 10%. Council's long term commitment to funding future capital growth is reflected in these results. The result for 2015 has been hampered by Council receiving payments in advance for flood damage works. This has meant that Council has received the revenue in the prior financial year with Council undertaken the associated works within the current financial year.

// relevant measures of financial sustainability

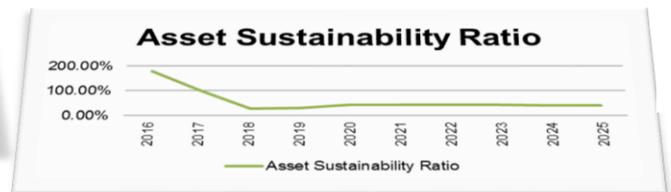
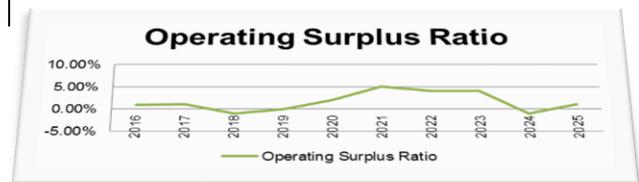
Financial Sustainability Indicators for the year ended 30 June 2016 Measures of financial sustainability			
	Target	Actual 2016	Budget 2017
Ratio			
Operating Surplus Ratio	0 - 10%	0.90%	1.00%
Asset Sustainability Ratio	> 90%	178.00%	99.00%
Net Financial Liabilities Ratio	< 60%	-109.10%	-49.00%

// net financial liabilities ratio

This is an indicator of the extent to which the net financial liabilities of council can be serviced by its operating revenues. The benchmark established for the Local Government sector is a maximum of 60 per cent and results higher than this indicate that the flexibility to use debt to fund future projects may be restricted. Council is currently within this target range, and council's long term financial forecast indicates that council will continue to fall within this benchmark, which means that council would have the capacity to increase its debt levels if required to assist in any future growth in the shire / region and to utilise borrowings as a source of funds.

// asset sustainability ratio

This ratio indicates whether council is renewing or replacing its existing assets at the same time that its overall stock of assets is wearing out, expressed as a percentage. The benchmark established for the Local Government sector is to have a ratio greater than 90 per cent. Council is currently above this target range, and Council's long term financial forecast indicates that Council will continue to meet this benchmark.



// relevant measures of financial sustainability (long term financial forecast)

Financial Sustainability Indicators for the year ended 30 June 2016 Measures of financial sustainability											
	Target	Actual 2016	Budget 2017	Long Term Financial Plan Projections							
				Yr 1 2018	Yr 2 2019	Yr 3 2020	Yr 4 2021	Yr 5 2022	Yr 6 2023	Yr 7 2024	Yr 8 2025
Ratio											
Operating Surplus Ratio	0 - 10%	0.90%	1.00%	-1.00%	0.00%	2.00%	5.00%	4.00%	4.00%	-1.00%	1.00%
Asset Sustainability Ratio	> 90%	178.00%	99.00%	27.00%	29.00%	41.00%	42.00%	42.00%	42.00%	40.00%	39.00%
Net Financial Liabilities Ratio	< 60%	-109.10%	-49.00%	-116.00%	-124.00%	-141.00%	-156.00%	-177.00%	-195.00%	-197.00%	-207.00%

// looking ahead

Etheridge Shire Council's Long Term Financial Plan is a dynamic tool which analysis financial trends over a ten (10) year period on a range of assumptions and provides the Shire with information to assess resourcing requirements to achieve its strategic objectives and to assist the Shire to ensure its future financial sustainability.

The objective is to provide a number of programs and services at desired levels in a financially sustainable manner. Some of these services that are provided by Council are capital intensive. This in effect means that the infrastructure assets that are associated with the service provision have to be strategically managed and aligned with the service demands.

Long term Financial Sustainability can only be said to have been achieved when Council is actually providing a number of services at defined levels to its community that are adequately funded, not only on an annual basis, but in the long term.

Long-term planning for infrastructure assets allows councils to understand the future financial commitments, and to develop strategies that address key strategic issues such as the local government's approach to service provision and service levels, its debt borrowing policy and revenue policy—including its rating methodology. A local government needs to clearly understand what its future commitments are in order to prepare budgets properly.

Financial sustainability is about the Shire being able to maintain its infrastructure capital and financial capital over the long-term. Debt when used sensibly and prudently to fund important infrastructure can help the Shire achieve the financial sustainability objectives and continue to provide a reliable level of service to the community.

// rates 2015-2016

567 number of rateable assessments

\$2,035,576 general rates

\$ 273,500 water charge

\$ 107,308 water consumption charge

\$ 125,539 waste management & garbage charges

\$ 101,712 EMFRL Levy

\$2,643,635 total rates & charges

-\$ 280,010 rates discount

-\$ 19,896 pensioner remissions

\$2,343,729 net rates & charges

communication links

The dialogue between council and the community is open, transparent and on-going. It is exercised through four-yearly Local Government elections, deputations, correspondence, public meetings and planned consultation on projects and initiatives.

More informally, the community's views are submitted through regular meetings and community engagement opportunities, surveys, community participation opportunities at council meetings and contact with councillors.

A formally adopted Community Engagement Policy ensures that all groups - council, community and other spheres of government - are clear about the principles that guide council's efforts to involve the community in the planning and evaluation of council's activities.





Copperfield River Dam, Kidston

legislative

requirements

policies

borrowing policy

As a general principle, Council recognises that loan borrowings for capital works are an important funding source for Local Government and that the full cost of infrastructure should not be borne entirely by present day ratepayers but be contributed to by future ratepayers who will also benefit.

Whilst recognising the importance of loan borrowings, Council should not place undue reliance upon loans as a source of income.

Council restricts all borrowings to expenditure on identified capital projects that are considered by Council to be of the highest priority, and which cannot be funded from revenue, as identified by the adopted budget. In no circumstances should Council borrow funds for recurrent expenditure.

The Borrowings Policy deals with new borrowings, the purpose of the borrowings, and repayment terms. Proposed borrowings and repayments are as follows:

purposes of borrowing

The types of projects that are funded by loan borrowings are usually large infrastructure projects which would have a significant financial impact if funded in one financial year.

This method ensures that ratepayers are not burdened with unrealistic expenditure levels.

The repayment for these capital works creates an asset for council, which can then be repaid over a number of years reflective of the extended life of the asset, where appropriate.

The term of any loan should not exceed the expected life of the asset being funded.

// borrowing table 2015-2016

Project	Opening Book Value 06/2015	Interest	Admin Fee	Redemption Payment	New Advances	Closing Book Value 06/2016	Repayment Term
Water	\$102,417	\$6,513	\$135	\$12,703	Nil	\$96,362	10 years 6 months
Depot	\$149,657	\$9,845	\$166	\$45,706	Nil	\$113,962	2years 9 months
Plant	\$546,874	\$33,000	\$398	\$546,874	Nil	Paid Out	

Councillors' remuneration policy

Councillors' remuneration is determined by the Local Government Remuneration Tribunal who set remuneration levels for all councils across the State. Etheridge Shire Council adheres to the recommendation by the Local Government Remuneration Tribunal.

policies

councillors' reimbursement policy

The councillors' reimbursement of expenses and provision of facilities policy (as required under the *Local Government Act and Regulation 2012*) ensures accountability and transparency in the reimbursement of expenses incurred by councillors and ensures that councillors are provided with reasonable facilities to assist them in carrying out their civic duties.

// payment of expenses

Expenses will be paid to a councillor through administrative processes approved by Etheridge Shire Council's Chief Executive Officer (CEO) subject to the limits outlined in this policy, or council endorsement by resolution.

// expense categories

(i) Professional development

Council will reimburse expenses incurred for mandatory professional development and/or discretionary professional development deemed essential for the councillors' role. The Mayor attends the Local Government Association Queensland (LGAQ), Australian Local Government Association (ALGA) and any other relevant conferences/seminars/workshops as the primary delegate (Council shall appoint the other delegates). Councillors can attend workshops, courses, seminars and conferences that are related to the role of a councillor. Approval to attend is made by Council resolution and therefore councillors should advise the CEO of their desire to attend an event. The CEO will provide a report to Council seeking approval on behalf of the councillor.

(ii) Discretionary professional development

Each councillor can attend (at their own discretion) workshops, courses, seminars and conferences that improve the skills relevant to their role. This training is initially limited to \$5000 per councillor over the current term of office, but will be reviewed annually when setting the budget. There is no requirement for a council resolution to approve these attendances, however, the councillor would need to submit a request to the CEO (prior to attendance) and provide all relevant documentation within 14 days of attending the event to ensure their expenses are reimbursed.

(iii) Travel as required to represent council

Council will reimburse local, interstate and, in some cases, intrastate and overseas travel expenses (such as flights, motor vehicle, accommodation, meals and associated registration fees) deemed necessary to achieve the business of Council where a councillor is an official representative of Council and the activity/event and travel has been endorsed by resolution of Council.

Council will pay for reasonable expenses incurred for overnight accommodation when a councillor is required to stay outside or in some cases within the Etheridge Shire. All councillor travel approved by council will be booked and paid for by council. This includes transfers to and from airports (eg. taxis, trains and buses).

(iv) Private vehicle usage

Councillors' private vehicle usage will be reimbursed if the usage is for official council business. This includes travel to and from councillors' principal place of residence to:

- attend official council business/meetings/functions/community events and public meetings in the role of councillor;
- investigate issues/complaints regarding council services raised by residents/rate payers and visitors to the region.

Councillors making a claim for reimbursement of private vehicle usage can do so by submitting the appropriate form detailing the relevant travel based on log book details. The amount reimbursed will be based on the published Australian Tax Office business-use-of-motor vehicle-cents-per-kilometre method and kilometre rate applicable at the time of travel.

(v) Meals

Council will reimburse reasonable costs of meals for a councillor when the councillor has incurred the cost personally and the meal was not provided within the registration cost of the approved activity/event, upon production of a valid tax invoice. If a councillor elects not to produce tax invoices and seek reimbursement for meals while attending official council business, he/she may claim the following meal allowance where the meal was not provided within the registration costs of the approved activity/event: \$25 for breakfast (if the councillor is required to depart their home prior to 6am) \$15 for lunch and \$45 for dinner (if the councillor returns to their home after 9pm). Expenses relating to the consumption of alcohol will not be reimbursed. Should the councillor choose not to attend a provided dinner/meal, then the full cost of the alternative meal shall be met by the councillor.

(vi) Incidental daily allowance

An incidental daily allowance of \$10.00 up to five nights away and \$15.00 after five nights will be paid to councillors to cover incidental costs incurred while they are traveling and staying away from home overnight. Councillors claiming this allowance should do so on the appropriate form within 14 days of the conclusion of the event and submit to the CEO for reimbursement.

(vii) Hospitality

Councillors may have occasion to incur hospitality expenses while conducting council business apart from civic receptions organised by council. The Mayor may particularly require additional reimbursement when entertaining dignitaries outside of official events. To allow for this expense, the following amounts can be claimed: \$500 per annum for councillors and up to \$5,000 per annum for the Mayor.

(viii) Accommodation

Councillors may need to stay away from home overnight while attending to council business. When attending conferences, councillors should take advantage of the package provided by conference organisers (if applicable) and therefore stay in the recommended accommodation unless prior approval has been granted by the CEO. All councillor accommodation for council business will be booked and paid for by council. Suitable accommodation will be sought within a reasonable distance to the venue that the councillor is to attend. Should more than one councillor attend the same event, council will book and pay for a separate room for each attending councillor.

// provision of facilities

Council will provide facilities for the use of councillors in the conduct of their respective roles with council. All facilities provided remain the property of council and must be returned when the councillor's term expires.

The facilities provided by Council to councillors are to be used only for council business unless prior approval has been granted by resolution of Council.

// facility categories

(a) Administrative tools and access to council office amenities.

- Councillors will be provided with the following:
- secretarial support for Mayor and councillors via the Executive Assistant to the Chief Executive Officer;
- laptop computer and/or tablet device
- use of council landline telephone and internet access, fax and/or scanner, printer, photocopier, paper shredder and stationery
- any other administrative necessities, which council resolves are necessary to meet the business of council.

Maintenance costs of council-owned equipment

Council is responsible for the ongoing maintenance and reasonable wear-and-tear costs of council-owned equipment that is supplied to councillors for official business use. This includes the replacement of any facilities that fall under council's Asset Replacement Program.

Uniforms and safety equipment

Council will provide to a councillor:

- Uniform allowance as per staff policy
- Necessary safety equipment for use on official business (eg. safety helmet, boots and safety glasses).

Use of council vehicles on council business

Councillors will have access to a suitable council vehicle for official business. A councillor wishing to use a council vehicle for council business use must submit a request to the CEO at least two days prior, except in exceptional circumstances as determined between the councillor concerned, Mayor and CEO.

Private use of council vehicles

The Mayor will be provided with a fully maintained Executive Style 4wd Wagon (i.e Toyota Prado or equivalent) including all running costs provided for unlimited and unrestricted use by the Mayor for council business in recognition of the duties required to be performed by the Mayor and the irregular hours required to attend council, community and civic responsibilities. This vehicle is also available for councillor's use while the Mayor is not utilizing the vehicle.

Fuel costs

- All fuel used in a council-owned vehicle on official council business will be provided or paid for by council.

Car parking amenities

- Councillors will be reimbursed for parking costs they have paid while attending to official council business (eg. secured vehicle parking at the airport).

Telecommunication needs: mobile phones

Either of the following options for mobile phones shall be available to councillors

(a) Mobile phone provided by council

- Where a councillor is provided with a mobile phone by council, all costs attributed to council-business use shall be paid by council (including total plan costs).

Insurance cover

Councillors will be covered under relevant council insurance policies while discharging civic duties. Specifically, insurance cover will be provided for public liability, professional indemnity, councillors' liability and personal accident. Council will pay the excess for injury claims made by a councillor resulting from the conduct of official council business and on any claim made under insurance cover.

Council will cover costs incurred through injury, investigation, hearings or legal proceedings into the conduct of a councillor, or arising out of (or in connection with) the councillor's performance of his/her civic functions. If it is found the councillor breached the provisions of the Local Government Act 2009 the councillor will reimburse council with all associated costs incurred by council.

Limit

Council may by resolution reduce or limit benefits receivable under this policy.

// returning of facilities

It is outlined within this policy that Council will provide reasonable facilities to a Councillor during their term to assist Councillors in carrying out their civic duties.

Councillors are entitled to use these facilities until such time as their term of office comes to an end. If a Councillor is not re-elected the term of office ends when the returning officer declares the result of the election of the council.

However, to ensure that facilities are returned in a reasonable period, and to assist the Chief Executive Officer in the collection of facilities (as stated within this policy), it is required that all Councillors return all facilities to the Chief Executive Officer on or before the Friday preceding the Quadrennial Local Government Elections, or if a Councillor resigns during their term, the facilities are to be returned to the Chief Executive Officer prior to their last day in active office.

// Misuse of Council Provided Resources for Electoral Purposes

This policy provides for the following –

- a payment of reasonable expenses incurred, or to be incurred, by councillors for discharging their duties and responsibilities as councillors;
- provision of facilities to the councillors for that purpose.

A breach of the reimbursement of expenses and facilities policy is a misuse of information or material acquired in or in connection with the performance of the councillor's responsibilities would be "misconduct". (as provided in Chapter 6, Part 2, Division 6 of the *Local Government Act 2009*).

Therefore, elected members should pay particular care in any campaign activity to ensure that there can be no possible perception of use of council provided resources / facilities for activity that could be perceived as having some electoral favour.

// Policy was updated and approved by Council as at 11th April 2016 under resolution number 2016/GM003

allowances

councillor's allowances

Each year the Local Government Remuneration and Discipline Tribunal review the rate of pay applicable to Councillors in each category of Council. In the past, Council has been able to nominate the rate they should be paid from a band of salaries. However, following the Tribunal's review they have this year again set single remuneration levels for all Councillors and the choice of level within a band has been taken away from Councils. Council must adopt the remuneration schedule by resolution within 90 days of gazettal of the Schedule.

On the 18 February 2015 council resolved in accordance with Section 247 of the Local Government Regulation 2012, Council resolve to set a remuneration payment as determined by the local Government Remuneration Tribunal as shown below:-

	<i>Remuneration 2014/2015</i>	<i>Remuneration 2015/2016</i>	<i>Remuneration (current) 2016/2017</i>
<i>Mayor</i>	<i>95,488</i>	<i>97,684</i>	<i>99,638</i>
<i>Deputy Mayor</i>	<i>55,089</i>	<i>56,356</i>	<i>57,483</i>
<i>Councillors</i>	<i>47,744</i>	<i>48,842</i>	<i>49,819</i>
	<i>(As set by the Local Government Remuneration Tribunal effective 1/7/2014)</i>	<i>(As set by the Local Government Remuneration Tribunal effective 1/7/2015)</i>	<i>(As set by the Local Government Remuneration Tribunal effective 1/7/2016)</i>

// remuneration paid to councillors during 2015-2016

Period 1st July 2015 to 30th March 2016

Councillor	General Meetings Attended	Special Meetings Attended	Remuneration (set by the Local Government Remuneration Tribunal)	Mileage & Other Allowances	Total Remuneration
Mayor Will Attwood	9	Nil	\$70,505.83	Nil	\$70,505.83
Deputy Mayor Ian Tincknell	9	Nil	\$40,519.63	\$4,014.72	\$44,534.35
Cr Trevor Arnett	9	Nil	\$35,046.65	\$ 697.00	\$35,743.65
Cr Warren Bethel	9	Nil	\$34,875.05	\$ 535.30	\$35,410.35
Cr Pauline Royes	9	Nil	\$35,046.65	\$1,382.84	\$36,429.49

Period 1st April 2015 to 30th June 2016

Councillor	General Meetings Attended	Special Meetings Attended	Remuneration (set by the Local Government Remuneration Tribunal)	Mileage & Other Allowances	Total Remuneration
Mayor Warren Devlin	3	1	\$23,079.19	Nil	\$23,079.19
Deputy Mayor Tony Gallagher	3	1	\$15,695.59	\$ 792.00	\$16,487.59
Cr Will Attwood	3	DNA	\$10,779.18	Nil	\$10,779.18
Cr Troy Barnes	3	1	\$11,673.74	Nil	\$11,673.74
Cr Warren Bethel	3	1	\$11,576.97	\$ 171.60	\$11,748.57

list of registers

Council maintains a list of registers and documents that are available on request. These include:

- Register of assets
 - Register of authorised persons
 - Register of cemetery
 - Register of complaints
 - Register of conflict/material personal interest
 - Register of contracts
 - Register of councillor complaints
 - Register of delegations
 - Register of electoral gifts
 - Register of gifts and benefits
 - Register of interests
-
- Register of land records
 - Register of licensing
 - Register of lobbyists
 - Register of local laws and subordinate local laws
 - Register of regulatory fees
 - Register of roads and road maps
 - Minutes of council meetings
 - Annual budget
 - Annual report
 - Operational plan
 - Corporate plan
 - Town planning scheme and town planning maps

committees

// committees 2015-2016

Mayor & Councillors (pre Local Government Quadrennial Elections dated 19th March 2016)

Councillor	Committees
Cr Will Attwood	NWQROC; District Disaster Management Group; Chair of the Local Disaster Management Group; Deputy Chair Gulf Savannah Development Inc; FNQRRG (Regional Road Group); Southern Gulf Catchments Chair of Internal Audit & Risk Management Committee; Member of the Cairns & Hinterland Health Services
Cr Ian Tincknell	Chair of Etheridge Pest Management Committee; Deputy Chair of the Local Disaster Management Group; Chair of Etheridge Learning Facility Advisory Committee
Cr Trevor Arnett	FNQRRG (Regional Road Group); Etheridge Pest Management Committee
Cr Warren Bethel	Southern Gulf Catchments
Cr Pauline Royes	Board Member of Savannah Way Limited ; Council representative on Etheridge Tourism Advisory Group (ETAG)

// committees 2015-2016

Mayor & Councillors (post Local Government Quadrennial Elections dated 19th March 2016)

Councillor	Committees
Cr Warren Devlin	Gulf Savannah Development (GSD); FNQRRG (Regional Road Group) NWQROC; Chair of the Local Disaster Management Group; Chair of Internal Audit & Risk Management Committee; Gulf Cattleman's Association ; Gilbert River Irrigation Area; Etheridge Road Action Group Tablelands Futures; Advance Cairns; TTNQ; FNQROC
Cr Tony Gallagher	NWQROC; Savannah Way Ltd ; ETAG; Gulf Cattleman's Association Forsyth Improvements Group; Etheridge Road Action Group
Cr Will Attwood	District Disaster Management Group; Member of the Cairns & Hinterland Health Services; Local Disaster Management Group; Gulf Cattleman's Association; Georgetown Progress Association; Tablelands Futures; NGRMG
Cr Troy Barnes	Savannah Way Ltd; Internal Audit & Risk Management Committee; ELF Advisory Committee; ETAG; Gilbert River Irrigation Area; TTNQ
Cr Warren Bethel	Pest Management Committee; NGRMG; Southern Gulf Catchments Group; Einasleigh Progress Association

expenses

senior officer's remuneration

Under S.201(1) of the *Local Government Act 2009* the annual report of a local government must state -

- the total of all remuneration packages that are payable (in the year to which the annual report relates) to the senior management of the local government; and
- the number of employees in senior management who are being paid each band of remuneration.

Senior management of a local government is -

- the chief executive officer; and
- all senior executive employees of the local government.

The Senior Offices at Etheridge Shire Council during the 2015-2016 year were:

- Michael Kitzelmann
Chief Executive Officer
- David Munro
*Deputy Chief Executive Officer/
Director Corporate & Community Services*
- Rohana Samarasekera
Director of Engineering Services

// total remuneration packages for senior officers during 2014-2015

- 3 senior contracts with a total remuneration package in the range of \$100,000 – \$200,000

grants to community organisations

During the 2015-2016 financial year, Council did not implement this policy within its Community Services Section. Council provides Community Assistance through other mediums such as

- Community Assistance Donations;
- Concessions to Community Groups through Rating

overseas travel

During the 2015 - 2016 financial year there was no overseas travel undertaken by a Councillor and or an Employee of Etheridge Shire Council for business purposes.

It is a requirement under Section 190 of the Local Government Regulation 2012, that the annual report has summary of the activities undertaken by the Internal Auditor.

The Internal Audit function represents an integral part of Etheridge Shire Council's governance framework. It is designed to provide the organisation's stakeholders with assurance that business processes are operating appropriately and effectively in accordance with organisational and legislative requirements. The Internal Audit function is designed to assess and evaluate the control measures the organisation has adopted, or plans to adopt, to manage the operational risks to which the local government operations are exposed.

Council has an Internal Audit Policy supporting the creation of an Internal Audit function within the organisation in accordance with S.207 of the Local Government Regulation 2012. The Regulation requires that Council must:

- Undertake an internal audit each financial year;
- Prepare an internal audit plan after evaluating operational risks and relevant accounting documentation;
- Monitor its implementation of the internal audit plan;
- Prepare and present an internal audit progress report; and
- At least once per financial year, a summary of Internal Audit recommendations and the actions taken by management, if any, in response to the recommendations.

// internal audit projects 2015|2016

Year	Project Description	Department	Overview of Project Scope	Link to Corporate Plan 2010 2015	Est Days
2014 2015 2015 2016	Risk Control Review (Revenue & Expenditure)	Corporate Services (Finance)	The primary objective of this audit was to perform a high level general controls review in relation to the following revenue & expense functions: <ul style="list-style-type: none"> ➢ Rates, Grants, Fees & Charges, Interest received, Contracts ➢ Payroll, Accounts Payable & Receivable, Stores & Inventory 	Objective #7 – Organisational Excellence & Governance Risks: <ul style="list-style-type: none"> <input type="checkbox"/> Project Risk <input type="checkbox"/> Property/Asset Risk <input type="checkbox"/> Financial Risk <input type="checkbox"/> Fraud/Probity Risk 	10 days

The purpose of Council's Internal Audit function is to objectively evaluate the organisation's business processes, work practices and systems of internal control to report opportunities for improvement to recommend enhancements to improve effectiveness and control.

Internal Audit will operate across all levels of the organisation, with the aim of developing practical recommendations to improve the adequacy and effectiveness of Council activities, operations and procedures.

The Internal Audit function reports to the Chief Executive Officer. To ensure the internal audit activity is directed to areas of most benefit, a number of Council processes have been selected for review during 2015-2016 and are incorporated into this Internal Audit Plan.

To be compliant with the professional standards of the Institute of Internal Audit, Council, through its Internal Audit function will also prepare a Strategic Internal Audit Plan including specific projects and activities that will be undertaken in each year of the next three years. The Annual and Strategic Internal Audit Plan will be reviewed at least annually to ensure they continue to reflect the areas of greatest importance to the organisation.

// composition of the annual internal audit plan

The following table represents the projects to be delivered during the 2015-16 financial year. For each project we have included a brief overview of the scope of review and the link to the Corporate Plan. Each project will culminate in the distribution of a report to the Chief Executive Officer.

In our assessment of the Operational Risk Register, we considered the residual risk ratings and management's assessment of the effectiveness of existing systems and controls to mitigate those risks. The risks have been prioritised for Internal Audit Planning purposes (distinct from the Executive Team/Corporate prioritisation).

For each risk we reflected on the timing, appropriateness and type of Internal Audit activity that could be performed. The basis for our rationale, as it relates to each risk is outlined in the table below. It is important to recognise that not all risks and/or risk treatments are auditable.

Link to ESC Operational Risk Register	PROPOSED 2017 INTERNAL AUDIT				PROPOSED 2018 INTERNAL AUDIT			PROPOSED 2019 INTERNAL AUDIT			SUBSTITUTABLE PROJECTS NOT CURRENTLY IN INTERNAL AUDIT PLAN						
	Procurement, Contract Establishment and Administration - 13 days	Human Resources Practices - 5 days	Payroll - 5 days	Fraud Risk Assessment - 4 days	Stores and Inventory Management - 7 days	Revenue Assurance - Key Revenue Streams & Debtor Management - 13 days	Contractor Performance Monitoring - 5 days	Grant Application and Delivery Processes - 5 days	Project Management, including Project Costing & Estimating - 15 days	Plant Management Practices - 8 days	Customer Request Management	Customer Complaints Management	Capital Works Programme Development and Reporting	Water Management Practices	Delegations of Authority and Authorised Persons	IT Governance	Disaster Management Act Compliance
Major loss of critical technology infrastructure, business systems and software impacts substantial business operations and potential loss of data																	
Significant financial and non-financial harm from fraud, corrupt or unethical conduct.																	
Ineffective financial management, including inefficient and ineffective processes																	
Failure to adjust or adhere to legislative and compliance requirements																	
Failure to attract and retain appropriately skilled workforce impacts Council's ability to meet internal and legislative requirements																	
Inadequate and inappropriate work practices leads to injury or damage to persons or property																	
Infrastructure does not meet community needs and expectations, and is not safe and reliable																	
Insufficient or ineffective community engagement and management of public events																	
Risk coverage from IA Project (portion)	5	3	4	3	4	5	4	2	4	3	3	3	2	3	3	3	5

Composition of the Strategic Internal Audit Plan

The following tables represent each of the projects we have proposed for delivery during 2017-19. For each project we have included a brief overview of the scope of review to support why it was chosen and prioritised.

The projects included in Year 2 and Year 3 is subject to an annual review process. This may involve revision of planned projects and re-prioritisation, where appropriate, to meet the changing needs of the organisation.

Annual Internal Audit Plan 2016-17

Year 1	Project description	Department	Overview of project scope
2017-1	Procurement, Contract Establishment and Administration	All Departments	Review the effectiveness of procedures and internal controls over the Department's procurement activities. Determine whether suppliers are selected in accordance with legislative requirements/Council's formal procurement guidelines and that procurement is initiated on the basis of legitimate business need. Evaluate the Department's approach to contract establishment and administration processes, including needs analysis and project authorisation controls, the appropriateness and effectiveness of selection criteria, supplier assessment methodology, notifications of successful and unsuccessful tenderers, use of probity reviews, review by legal and application of Council's standard terms and conditions, and adherence to the Local Government Act and Local Government Regulation.
2017-2	Human Resources Practices	All Departments	Review the effectiveness of procedures and internal controls over the career succession planning, employee performance appraisals and employee training needs assessments. Determine whether the internal controls over employee selection and exit procedures are sufficient to ensure the integrity of the recruitment, on-boarding and induction processes, and that the exit processes are adequate to protect employees, the organisation and consultants. This project will also consider the processes in place regarding the career succession planning, employee performance appraisals and employee training needs assessments.
2017-3	Payroll	Financial and Corporate Services	As one of the largest operational expenses, payroll, including overtime and allowances will be examined by Internal Audit to ensure that the internal controls surrounding additions, deletion and changes to key information are adequate
2017-4	Fraud Risk Assessment	All Departments	Fraud and corruption control has received renewed focus from the Auditor-General recently. <i>The Fraud Management in Local Government Report</i> was critical of the awareness, effectiveness and responsiveness of Councils in implementing fraud prevention and detection strategies to manage fraud risk. The QAO have since released a Fraud Self-Assessment tool for Local Government.

Year 2 - Proposed Internal Audit projects

Year 2	Project description	Department	Overview of project scope
2018-1	Stores and Inventory Management	All relevant Departments	Inventory management practices and movements, and maintenance of store items represent a large volume of purchasing activity. This review complements the previous reviews in the purchasing and procurement area, and will examine the operational effectiveness of processes for ordering, receiving, recording and updating inventory movements within the management system; effectiveness of physical security controls; and controls over issuing items to employees, including portable and attractive items such as generators, electronic devices, fuel.
2018-2	Revenue Assurance – Key Revenue Streams & Debtor Management	All Departments	Assess whether the internal controls over key revenue streams are sufficient and appropriate to ensure that all revenue to which Council is entitled is identified, captured, reported, charged/invoiced and collected. The review will focus on: <ul style="list-style-type: none"> ▪ High-risk fees and charges. ▪ Activity-driven revenue. ▪ Rates and levies. ▪ Waivers, discounts and rebates. ▪ Cash handling and bank reconciliation processes. ▪ Controls around credit worthiness, credit approval, maintenance of accounts receivable master file, reporting, treatment of overdue accounts, doubtful debts, provisioning for bad and doubtful debts.
2018-3	Contractor Performance Monitoring	Engineering Services	Most departments have a number of large scale contracts that are highly visible to the community. In many cases these directly affect the aesthetic, amenity and/or safety of Council's community-facing facilities (public space cleaning) or core services (waste collection). Such contracts carry a significant reputational risk to Council and can have safety implications for the community. This review will examine the processes and controls in place to monitor and ensure that third-party contractors are performing the duties for which they are contracted to Council, and in the manner specified.

Year 3 - Proposed Internal Audit projects

Year 3	Project description	Department	Overview of project scope
2019-1	Grant Application and Delivery Processes	All Departments	A significant proportion of council activities are funded from grants. It is important to ensure that funding obtained is appropriate for council needs, used for its intended purpose and can be monitored and report upon. This review will determine the adequacy and effectiveness of the Council's processes for identifying, costing and preparing grant funding submissions and the subsequent delivery, monitoring, and reporting of grant funding requirements (internally and to external stakeholders). This review will not include grant acquittal processes.
2019-2	Project Management, Project Costing & Estimating	Engineering Services	Analysis of risks and controls including planning, proposal, design, approval, execution, finalisation and contract management systems. Review practices relating to specification, tender and evaluation of offers, negotiation of terms, monitoring of contractor performance and budgets.
2019-3	Plant Management Practices	Engineering Services	Council has a fleet of heavy plant which it supplements with third-party plant hire (wet/dry). The objective of this review is to examine the organisation's plant management practices including: compilation of plant rates charged to projects, utilisation rates of existing Council plant, process for sourcing external plant hire (wet/dry); and plant replacement approach.

principles of financial management

To comply with statutory requirements outlined in the Local Government Act and Regulations, Council continually takes into consideration the principles of financial management while at the same time bearing in mind the financial constraints imposed by local economic conditions which are a result of long term drought, commodity prices and the restricted capacity of ratepayers to meet any additional financial commitment.

The financial result for year ending 30 June 2016 and the Auditors Report reflect the effectiveness of the operation of internal control.

The depreciation of non-current assets and the amount of funded depreciation demonstrates Council's awareness of the need to have regard for the equity between people presently living in the area and between different generations. Council's corporate and operations plans set out their aims and objectives which together with the implementation of strategic management results in Council becoming very conscious of the importance of ensuring that every effort is made to achieve efficient, effective and proper management of the Local Government in the interests of all people living in the area, and the planning for those who will live in the area in the future.

right to information

Requests for information under the Right to Information Act (RTI) must be made on the required form (available on council's website or by contacting Council. During the period 1 July 2015 to 30 June 2016 council received one (1) RTI application.

business activities

Activities to which the Code of Competitive Conduct applies. A "business activity" of a Local Government is divided into two categories:

a) Roads business activity means.

i) The construction or maintenance of State controlled roads for which the Local Government submits an offer to carry out work in response to a tender invitation other than through a sole supplier arrangement; or

ii) Submission of a competitive tender for construction or road maintenance on the Local Government's roads which the Local Government has put out to tender, or called for by another Local Government.

b) Business activity means.

i) Trading in goods and services to clients in competition with the private sector; or

ii) Submission of a competitive tender in the Local Government's own tendering process in competition with others for the provision of goods and services to itself.

Excluded activities are (a) library services, (b) an activity or part thereof prescribed by legislation.

These business activities are referred to as type 3 activities.

Local Governments may elect to apply a Code of Competitive Conduct (CCC) to their identified business activities. 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 application of the CCC to the roads business activity is compulsory.

The Council has resolved not to apply the CCC to the following activities.

- Plant Hire
- Waste Services
- Road Services
- Water Services

Land and roads prescribed not to have a value

Etheridge Shire Council has control of:

1. 6,689 hectares of reserve land under the Land Act 1994. (Includes Reserves for Parks, Recreation, Water Supply, Rubbish Disposal and Local Government Purposes); and
2. 1,797.1 km of Roads. This land does not have a value in the financial statements.

A photograph of the Georgetown Cenotaph in Greens Park. The cenotaph is a central stone structure with a flagpole on top, surrounded by several smaller stone markers and red wreaths. The background features lush green trees under a blue sky with scattered clouds. The text "meeting our corporate plan" is overlaid in large white font across the center of the image.

meeting our corporate plan

Council's strategic priorities are those major opportunities and challenges that our community believes need to be addressed in the Etheridge Shire.

The key strategic priorities and their corresponding corporate objectives identified are listed below.

// Community and Lifestyle

To provide accessible lifestyle choices through the provision of recreational and public facilities and services that will enhance community health, happiness and connections.

// Economic Development

To stimulate investment for existing and new industries creating a sustainable, diverse economy that is regionally significant.

// Environmental Sustainability

To ensure environmental assets and ecosystem services are available for future generations.

// Strategic Planning

To ensure the aspirations and safety of our community will be achieved through collaborative planning and action.

// Infrastructure Services

To ensure that service delivery and infrastructure is rolled out, maintenance and improvement underpins a healthy and growing economy and a comfortable lifestyle in the gulf region.

// Commercial Services

To ensure that substantial income is awarded and generated for foundation services, building infrastructure and implementing regional and local priorities.

// Organisational Excellence & Governance

To ensure that we deliver excellence as an organisation, embracing exceptional customer service, valuing staff and promoting ethical standards of practice supported by clear policies and strategies.

community and lifestyle

1

// to provide accessible lifestyle choices through the provision of recreational and public facilities and services that will enhance community health, happiness and connections.

Operational Plan Action / Outputs	Link to Strategy	Accomplished Outcome(s)
<p>Libraries</p> <ol style="list-style-type: none"> 1. Maintain Library services 2. Maintain Internet services provided through the Shire Library(s) 3. Continue to provide support & training to library staff 	<p>1.3 1.9</p>	<p>Etheridge Shire has continued to provide Library services to the Etheridge community over the past 12 months. The operating system has been upgraded to Aurora 4 which provides a better service to our rural members and furthermore to the travelling public. The system allows for online borrowing and direct access to the catalogue of books. Council's library can also accept other Shires library returns and the Centre can also allow other library users the freedom of utilising our collection as well.</p> <p>Council's internet room has been downsized with the installation of free Wi-Fi to the Centre. This was co-funded by Tourism Queensland and Council.</p> <p>Training has been completed by the librarians to become familiar with the new operating platform known as Aurora 4.</p>
<p>Cultural Development</p> <ol style="list-style-type: none"> 1. Continue participation in RADF program 2. Continue to hold RADF meetings with the committee and continue to educate and entice the community to utilize this funding program. 3. Maintain Arts & Cultural Policy 	<p>1.1</p>	<p>Council has continued to support the Regional Arts Development Fund (RADF) throughout the financial year. Several funding rounds were held with all applications submitted under this funding program being approved by and endorsed by Council.</p> <p>Council has reviewed several Arts & Cultural Polices to enable compliance with the new Arts Queensland Framework.</p>
<p>Cemeteries</p> <ol style="list-style-type: none"> 1. Continue to maintain the Shire's cemeteries 2. Continue to develop and maintain Cemetery Register and Cemetery history 	<p>1.17</p>	<p>Council has continued its ongoing maintenance programs for the Shire's cemeteries, by undertaking maintenance to fencing, and the cemetery grounds.</p> <p>Council has also continued to maintain the cemetery records and has been continuing to undertake research into past cemetery records.</p>
<p>Halls & Public Facilities</p> <ol style="list-style-type: none"> 1. Maintain Public Halls within Georgetown 2. Maintain Public Halls within Einasleigh 3. Maintain Public Halls within Mt Surprise 	<p>5.5</p>	<p>Georgetown Hall has been maintained in accordance with Council's internal maintenance program. No major work was carried out in the 2015/16 financial year. Work completed being: Repainted decks and stairs and ramp; Re-nailed decks and internal floors. Some minor work to remove rotten floorboards.</p> <p>Einasleigh Hall is being maintained in accordance with Council's internal maintenance program. Schedule work that was completed includes the repaint to the external decks and ramps.</p> <p>Mt Surprise Hall is being maintained in accordance with Council's internal maintenance program. Schedule work that has been completed to date includes the repaint to the external decks and ramps to the Hall plus the installation of air-conditioning to the facility.</p>
<p>Swimming Pool</p> <ol style="list-style-type: none"> 1. Maintain swimming pool facilities for public use 	<p>1.1</p>	<p>The Shire's aquatic Centre located within Georgetown has been maintained throughout the financial year and has remained opened all year.</p>



Mustering at Rosella Plains Station

// to stimulate investment for existing and new industries creating a sustainable, diverse economy that is regionally significant.

Operational Plan Action / Outputs	Link to Strategy	Accomplished Outcome(s)
<p>Membership</p> <ol style="list-style-type: none"> 1. Continue association and membership with Gulf Savannah Development Limited 2. Continue association and membership with Savannah Way Limited 3. Continue association and membership with Local Government Association Qld 4. Continue association and membership with NQ Local Government Association Qld 	<p>2.8 2.9</p>	<p>Council has continued its membership with certain economic, tourism and lobbying associations throughout the financial year. Council is a member of the following Associations:</p> <ul style="list-style-type: none"> . Savannah Way Ltd . Local Government Association of Qld (LGAQ) . NGRMG (Northern Gulf Resource Management Group) . SGRMG (Southern Gulf Resource Management Group) . NQLGA (North Qld Local Government Association) . NWQROC (North West Qld Regional of Councils) . FNQRRG (Far North Qld Regional Road Group)
<p>Economic Development</p> <ol style="list-style-type: none"> 1. Conduct an economic forum specific for the Shire & the region 2. Development of a Policy & Procedure for the use of Council's Economic Development Grant. 3. Development of an Economic Development Strategy for the Shire 	<p>2.5 2.8</p>	<p>Council has conducted an Economic Forum in February 2016 with speakers consisting of State & Federal politicians and Departmental Heads who provided an insight into the future for Northern Australia and provided useful information as to what the Government is undertaking in this area. The forum also had a number of developers who were either in their feasibility stage of their proposed projects or where in the approved stage.</p> <p>As a result of this forum, Council has developed an Economic Strategy for the Shire identifying four main industry drivers plus as an incentive for the Shire, Council has developed an Economic Development Grant to assist these industries grow and develop.</p> <p>Council has continued to promote the shire and the region through various forms of media (advertisements, media releases, flyers and radio). Council has developed a short promotional video of the Shire during the 2014/15 & 2015/16 financial year.</p>



// to provide environmental assets and ecosystem services are available for future generations

Operational Plan Action / Outputs	Link to Strategy	Accomplished Outcome(s)
<p>Environmental Health – Inspection</p> <ol style="list-style-type: none"> 1. Continue regular food inspection program for compliance with various Acts / Regulations 2. Continue and maintain education programs for the community to ensure compliance with new and or amended legislation. 3. Continue to provide data to the Department regarding compliance under Councils approved Environmental Licenses 	<p>3.1</p>	<p>Council has continued to monitor and licence its food outlets throughout the shire and has carried out a number of interim inspections throughout the financial year. Council has had no reports of any breaches with food standards throughout the financial year.</p> <p>Council has continued to provide updates to assist in the ongoing education program that the shire has developed.</p> <p>Council has continued to meet all legislative requirements under the Food Act.</p>
<p>Pest Management</p> <ol style="list-style-type: none"> 1. Maintain budget program in line with Pest Management Plan & commence the review of Councils Pest Management Plan. 2. Maintain procedures and compliance with Land Protection (Pest & Stock Route Management) Act 2002 3. Implement pest/plant control program on behalf of Main Roads 4. Continue of a Wild Dog Bounty Scheme 5. Apply for funding under the Drought Assistance Program for Pest Management activities 6. Undertake aerial baiting 	<p>3.8</p>	<p>Property 1080 Baiting program has been an ongoing and successful program within the Shire for a number of years, coupled with the aerial baiting program that was implemented in 2014/15 has seen a major reduction in wild dogs and feral pigs throughout the Shire. Council continued with an aerial baiting program in 2015/16. The aerial baiting program was funded through grant funds provided by the Federal Government which was administered by the State Government.</p> <p>Council's Pest Management Plan is being reviewed by the Pest Management Committee and the Department and is still in its review stage.</p> <p>Wild Dog Bounty scheme is ongoing which now incorporates a bounty for feral cats</p> <p>Funding was approved by the Department of Transport & Main Roads to continue to eradicate pest weeds along State Roads within the Shire.</p>
<p>Waste Management</p> <ol style="list-style-type: none"> 1. Continue to maintain landfill site at Georgetown 2. Continue to maintain landfill site at Forsayth 3. Continue to maintain landfill site at Einasleigh 4. Continue to maintain landfill site at Mt Surprise 5. Continue to provide refuse collection to Georgetown 6. Continue to maintain septic waste site at Georgetown 	<p>3.4 5.7</p>	<p>Council has continued to maintain its four (4) landfill sites within the townships of Georgetown, Mt Surprise, Einasleigh & Forsayth in accordance with guidelines and licencing conditions set down by the Department.</p> <p>Council has been working with the NWROC to combat the disposal of waste tyres. A number of options have been identified however at present the costs associated with the disposal out way the benefits at this point in time.</p>

// the aspirations and safety of our community will be achieved through collaborative planning and action.

Operational Plan Action / Outputs	Link to Strategy	Accomplished Outcome(s)
<p>Town Planning</p> <ol style="list-style-type: none"> 1. Continue implementation of planning scheme to meet the requirements of the Sustainable Planning Act 2009. 2. Undertake a review of the current Town Planning Scheme 3. Develop a robust strategic land use plan (urban plan) for the Shire's Townships 	<p>4.1 4.3 4.6 4.10</p>	<p>Over the past 12 months council has continued to operate and assess applications under its current IPA Planning Scheme while maintaining compliance with the Sustainable Planning Act. Council has commenced work on updating its current Planning Scheme to come in line with the new Planning Legislation which is due to be released as at 1 July 2017. Council has been working with the Department in relation to this matter.</p> <p>Council has commissioned a consultant to assist Council in developing an Urban Plan for its townships. This Plan has been completed albeit in "Draft" format. Council will be discussing this Plan in the new financial year and once comfortable with the Plan will then take it out to the community for endorsement.</p>
<p>Building</p> <ol style="list-style-type: none"> 1. Continue to maintain compliance with the relevant Acts, Codes & Regulations 2. Continue the assessment of Building & Plumbing Applications. 3. Attend training sessions when required 4. Implement public education on building matters 	<p>4.3 4.4</p>	<p>Council has continued to carry out building and plumbing assessments while maintaining compliance under the relevant Acts and Codes. In addition, council has provided its officers the opportunity to attend various information sessions to keep abreast of any changes relating to the Building Act and Code.</p> <p>Council has continued providing the community with building information through Council's monthly newsletter.</p>
<p>Disaster Management Planning</p> <ol style="list-style-type: none"> 1. Continue to update Disaster Management Plan and Sub Plans 2. Undertake the development and implementation of a Community Recovery Plan 3. Continue to implement and test Disaster Management Plan 4. Continue to attend District Disaster Management Committee Meetings 5. Continue to conduct Local Disaster Management Committee Meetings 6. Implement staff training under the Disaster Management Guidelines 7. Attend training sessions when required 	<p>4.7</p>	<p>Council's Local Disaster Management Plan (Main Plan) has been developed and has been approved by EMQ and the DDMG. Sub-plans have been developed which support the main plan.</p> <p>Council has been represented at the District Disaster Management Meetings by the Mayor and CEO. In addition, Council has conducted several Local Disaster Management Meetings throughout the financial year to discuss any potential threats and improve the LDMG Plan which has included training and mock disaster exercises.</p> <p>Council has also conducted training sessions throughout the financial year around operating a co-ordination centre in the event that council is required to active in the event of a disaster.</p>

infrastructure services

5

// to provide service delivery and infrastructure roll out, maintenance and improvement underpins a healthy and growing economy and comfortable lifestyle in the gulf region.

Operational Plan Action / Outputs	Link to Strategy	Accomplished Outcome(s)
<p>Road Maintenance (Shire)</p> <ol style="list-style-type: none"> 1. Continue Town Street Maintenance programs 2. Continue Shire Road Maintenance programs 	<p>5.3</p>	<p>Council has continued with annual town street maintenance program which consists of footpath mowing, cleaning of the gutters and drainage infrastructure, street repairs such as pothole maintenance and inspections.</p> <p>In addition, council continued to implement its rural roads maintenance program, with council being responsible for maintaining some 1,500km's of unsealed roads, 800+ culverts and inverts within our rural road network.</p> <p>Council also invested heavily within the 2015/16 financial year to construct several strategic dams for water storage at different locations within the Shire to assist in water storage for future road maintenance programs.</p>
<p>Road Improvements (Shire)</p> <ol style="list-style-type: none"> 1. Continue scheduled re-seal program 2. Continue scheduled re-sheeting program 3. Continue TIDS program 4. Continue R2R program 	<p>5.3 5.12 5.15 5.16</p>	<p>During the 2015/16 financial year, Council continued to implement its Re-Sealing program, which also incorporates Town Streets. Council completed re-seals within the Georgetown Township with Council deferring any additional re-seals until further engineering assessment had been carried out. Funds allocated during the 2015/16 financial have been provisioned for the 2016/17 financial year.</p> <p>Council also continued to implement its Re-Sheeting program throughout the 2015/16 financial year. Councils re-sheeting program is undertaken in-conjunction with Flood Damage works to provide efficiencies and cost benefits to council.</p> <p>The T.I.D.s allocation for 2015/16 financial year plus a portion of the R2R funds have been spent on upgrading the pavement on the Forsayth-Einasleigh Road and also upgrading the North Heads Roads with two jump-ups being sealed and approximately 5km's being strengthened by the use of a polymer.</p> <p>Council has utilised the remainder of the R2R funds to upgrade the Airport Road (Georgetown), complete 2nd Street (Forsayth), and re-seal approximately 4km's along the Undara Road</p>
<p>Road Improvements (Main Roads)</p> <ol style="list-style-type: none"> 1. Continue to work with Main Roads to improve state controlled road networks within the shire 2. Continue with RMPC expenditure 	<p>5.14 5.15</p>	<p>Council has continued its partnership with the Department of Main Roads under the RMPC agreement. Council has completed all scheduled work under this Road Maintenance Agreement within the 2015/16 financial year.</p> <p>Council has continued to meet with the Department on various issues regarding State Roads within the Shire and was successful in obtaining additional work along the Gulf Development Road within the 2015/16 under the Western Roads Upgrade Program. Council has also been working with the Department regarding the upgrade to the Hann Highway.</p>

Operational Plan Action / Outputs	Link to Strategy	Accomplished Outcome(s)
<p>NDRRA (Flood Damage – Shire)</p> <ol style="list-style-type: none"> 1. Continue flood damage restoration works for the 2014 event. 2. Submission for flood damage under the 2015 Monsoonal Event 	<p>5.3 5.4</p>	<p>Council has been working towards the completion of the 2014 Flood damage, with this work to be completed by the 30th September 2016.</p> <p>Council has completed its Flood Damage assessment as a result of the declared 2015 Monsoonal Event and has submitted a compliant application to Queensland Reconstruction Authority. Council has been notified that our application was successful. Rectification works will commence in the 2016/17 financial year.</p>
<p>Water Supply – Georgetown</p> <ol style="list-style-type: none"> 1. Continue to update Asset Management Plans 2. Continue Rising & Reticulation System maintenance 3. Continue plant maintenance programs for reservoir and wells 4. Undertake replacement program for meters and valves 5. Maintain Drought Management Plan for the Georgetown township 6. Undertake capital works required within the Georgetown water supply. <ol style="list-style-type: none"> (i) Replacement of Meters (ii) Reticulation Improvements (iii) Supply & install shed & generator to WTP (iv) Install fencing around the WTP (v) Install chlorine over range residual override (vi) Install new Eye Wash & Shower (vii) Purchase water testing equipment <p>Water Supply – Forsayth</p> <ol style="list-style-type: none"> 7. Continue to update Asset Management Plans 8. Continue Rising & Reticulation System maintenance 9. Continue plant maintenance programs for reservoir and wells 10. Maintain Drought management plan for the Forsayth township 11. Undertake capital works program <ol style="list-style-type: none"> (i) Replacement of Meters (ii) Undertake reticulation improvements (iii) Replace Media Filters at the WTP 	<p>5.8 5.9 5.10 5.11</p>	<p>Council has continued with its annual maintenance programs for supplying water to Georgetown residents. This has included replacement of water metres; maintenance to reticulation assets and general maintenance to the reservoir and treatment plant.</p> <p>Council approved the installation of Water Treatment Plant at Georgetown to assist in the treatment of the town water supply. New treatment plant was approved by Council in October 2014 with the final commissioning of the plant being in February 2015. The plant is working well and received an innovation award at the State IPWEA conference. Within the 2015/16 financial year, Council has completed the capital works program as approved by Council.</p> <p>In relation to Forsayth water supply, council has continued to undertake its annual maintenance programs for the treatment plant, reticulation assets and the ongoing program of replacing water metres.</p> <p>Council has also undertaken its compliance obligations by having both water sources tested. This includes the raw water source and also the potable water. Council has had no infringements over the past 12 months from its water operations.</p> <p>Within the 2015/16 financial year, Council has completed the capital works program as approved by Council for Forsayth Water.</p>

// substantial income awarded and generated for foundation services, building infrastructure and implementing regional and local priorities.

Operational Plan Action / Outputs	Link to Strategy	Accomplished Outcome(s)
<p>Terrestrial Centre – V.I.C.</p> <ol style="list-style-type: none"> 1. Continue to promote the shire and its attractions 2. Continue to support tourism publications 3. Continue to update shire's information and tourism brochures 4. Undertake a new Business Model & Plan for the Centre 5. Continue to work with and in-conjunction with ETAG 6. Undertake improvements to the Centre. (concrete under the skill ion roof) 	<p>6.3</p> <p>2.5</p> <p>2.8</p> <p>2.9</p>	<p>Council has continued to promote the Shire and the region through various forms of the media and as an approved V.I.C. council supports various tourist destinations and tourist locations throughout the shire and the Savannah region.</p> <p>Council has started the journey to develop and update the current Shire Information Brochure. At this stage this project is in its infancy stage with a number of concepts and designs being completed. Council is looking at innovative ways to promote the shire such as interpretative kiosks, apps for smart phones, and electronic brochures.</p> <p>The Centre has completed its Business Plan with a number of recommendations being approved and endorsed by Council.</p> <p>The improvements under the outdoor area of the Centre have been completed.</p>
<p>Childcare</p> <ol style="list-style-type: none"> 1. Continue agreement with child care services 2. Continue to seek additional funding for the centre 3. Review and update policies and procedures 4. Continue to maintain building 5. Upgrade outdoor play area 6. Provide training where necessary 7. Continue to provide traineeships for childcare 	<p>1.14</p> <p>2.18</p> <p>6.4</p>	<p>Council has continued to meet and comply with all current legislative requirements under the new Early Years Framework. The Centre's was last subject to a Departmental Audit in August 2014 with the childcare centre passing the he audit with no areas of concerns.</p> <p>The centre was nominated for a sustainability award for its re-cycling program and environment program. The Centre has received a number of awards during the 2015/16 financial year around sustainability, environment and family education. The Centre is now an award winning Childcare Centre that the community can be proud of.</p> <p>Council's Childcare Educators have all completed their Diploma's in Childcare during the financial year.</p>
<p>Student Hostel</p> <ol style="list-style-type: none"> 1. Continue to provide student hostel facilities 2. Undertake a business plan for the centre 3. Continue to seek additional funding for the centre 4. Continue to provide a tutoring facility for the students through VISE 5. Continue to undertake building maintenance to the building 	<p>2.19</p> <p>6.5</p>	<p>Council has continued its commitment to run and operate the Student Hostel on behalf of the community.</p> <p>Minor maintenance has been carried out to the centre over the past 12 months to ensure compliance with the appropriate standards.</p> <p>The State Government has continued to support the centre through their subsidy scheme which assists council in meeting the operational expenses associated with running this facility.</p> <p>Council has also completed an external repaint to the Centre.</p>

2015 Queensland Landcare Award (Childcare) &
2015 Premiers Sustainability Award (Childcare)



L-R Premier Hon Anastacia Palaszczuk, Jane Borgh (Dir of Childcare), Amanda Butler (Childcare Educator)

Two years ago Little Gems Childcare Centre began their journey to make the centre more sustainable and environmentally aware. It started with a simple string clothes line instead of using the dryer and now Sustainability is firmly embedded in their curriculum.

Some of the Centre's activities include:

- our environmental river walks every 2nd Thursday, monitoring the water/ wet sand level and collecting rubbish, encouraging the children to use water wisely
- Vegetable gardens, bush tucker gardens,
- Cleaning with a steam cleaner to reduce chemical usage,
- monitoring and reducing our electricity usage
- monitoring and reducing our waste
- adding compost bins and scrap bins
- installing a worm farm
- recycling aluminium cans
- introducing litter free lunch boxes
- recycling plastic bags

And the list goes on.....



Little Gems Childcare Centre – playground area



Mad Hatters Tea Party



Other Awards & Achievements
2015/16

- 2015 Recognition Award "EduGrow School & Community Garden"
- 2016 Australian Family Early Education Award
- 2016 Director of the Year (nominee & finalist)



Superhero Day



Book Week Excursion

organisational excellence & governance

7

// to deliver excellence as an organization, embracing exceptional customer service, valuing staff and promoting ethical standards of practice supported by clear policies and strategies.

Operational Plan Action / Outputs	Link to Strategy	Accomplished Outcome(s)
<p>Workplace Health & Safety</p> <ol style="list-style-type: none"> 1. Ensure compliance with Workplace Health & Safety Act 2. Continue to develop, update, implement and maintain Safeplan 3. Continue to identify and carry out specific workplace health & safety training 4. Continue to conduct Workplace Health & Safety meetings and review frequency of meetings. 	<p>7.3</p> <p>7.17</p>	<p>Council has continued to implement and roll out Safe Plan to the organisation throughout the financial year, with a key message to all employees and contractors regarding safety. In addition, council has updates its Drug & Alcohol policy which has been endorsed by the workforce.</p> <p>Council has continued to conduct workplace health and safety meetings during the 2015/16 financial year plus council has implemented two (2) employee workforce gatherings regarding safety and other key operational issues and updates plus bi-monthly site visits.</p> <p>Safety training has been conducted during 2015/16 and is part of Council's ongoing commitment to safety.</p> <p>Drug & Alcohol testing has been implemented</p>
<p>Audit</p> <ol style="list-style-type: none"> 1. Maintain policy register 2. Review and update internal policies to remain compliant with current legislation and reflect the operation of Council 3. Maintain compliance standards with the Local Government Act & Regulations 4. Maintain compliance standards with Accountings Standards 	<p>7.8</p> <p>7.9</p> <p>7.10</p>	<p>Council has continued to operate its financial affairs in accordance with the relevant legislation and regulations which is reflected within Councils audit report from the Auditor General.</p> <p>Council has undertaken a review of its policies and procedures with a number of policies updated as a result of this review and a number of policies have been superseded.</p> <p>Council has in place an internal auditor who has undertaken an internal review of Councils Internal Financial Controls of its Revenue & Expenditure.</p> <p>Council's external auditor (appointed by the QAO) has completed the audit of Council for the financial year ending June 2016, with Council receiving an "Unqualified Audit Opinion" with the auditor raising no major concerns with Council's operations or its financial position.</p>
<p>Financial Reporting</p> <ol style="list-style-type: none"> 1. Continue to provide monthly financial reports to Council and the Community 2. Continue to review ten (10) year financial forecast in line with Asset management plans, community plan & corporate plan 	<p>7.9</p> <p>7.10</p>	<p>Council has continued to provide monthly financial information to the elected members and also to the community. Community updates have been provided through council's monthly newsletter titled the "Inform".</p> <p>Councils long term financial forecast has been updated and reviewed as part of the budget process and is still showing that council is sustainable based on the level of employees, funding streams and the level of services council currently provides.</p>

Operational Plan Action / Outputs	Link to Strategy	Accomplished Outcome(s)
<p>Training & Development</p> <ol style="list-style-type: none"> 1. Continue to implement Human Resource Strategy and update and implement HR Policies 2. Maintain staff training and development in line with Human Resource Strategy 3. Maintain budget allocations for Staff Training & Development 4. Continue traineeship employment program 	<p>7.2</p> <p>7.4</p>	<p>More than 40 per cent of staff undertook some form of formal training during the 2015-16 financial year. Courses included:</p> <ul style="list-style-type: none"> • Queensland Disaster Management training; • Trainee – Cert III Business; • Trainee – Cert IV Business; • Diploma in Business (Accounting); • Cert IV – Civil Construction; • Cert III – Plant Operations; • Cert III – Road Construction & Maintenance; • Personal Safety Sessions; • Cert IV – WH & S Rehab & RTW; • Cert III Children Services; • Advanced Diploma Children Services; <p>Council has continued to support traineeships with council again hosting 1 trainee and 1 apprentice during the 2015/16 financial year.</p>

...."People are the key to the Etheridge Shire Council's future. The survival, growth and success of Etheridge Shire Council are directly linked to the quality of the staff as individuals and as collaborative colleagues. If we are to maintain our place among the best Shire's & Regional Councils, we will need to attract, develop and retain a world class workforce – both administrative professional staff and skilled construction & plant operators".....



...."In all its dealings Council acknowledges that the achievement of quality services and facilities requires a united team approach by our elected representatives and our workforce.





financial

statements

2015|2016

Etheridge Shire Council

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Long Term Financial Sustainability Statement

Certificate of Accuracy-for the Long Term Financial Sustainability Statement

Etheridge Shire Council
Statement of Comprehensive Income
For the year ended 30 June 2016

	Notes	2016 \$	2015 \$
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3a	2,343,729	2,663,414
Fees and charges	3b	318,104	343,122
Rental income	3c	157,555	177,212
Interest received	3d	488,633	441,815
Sales revenue	3e	2,568,839	7,389,575
Grants, subsidies, contributions and donations	4a	8,370,046	4,771,879
		<u>14,246,905</u>	<u>15,787,017</u>
Capital revenue			
Grants, subsidies, contributions and donations	4b	8,569,444	5,932,563
		<u>8,569,444</u>	<u>5,932,563</u>
Capital Income/(Expense)			
Capital Income/(Expense)	5	(430,617)	10,083
Total income		<u>22,385,732</u>	<u>21,729,663</u>
Expenses			
Recurrent expenses			
Employee benefits	6	4,427,831	4,945,421
Materials and services	7	5,355,439	7,680,665
Finance costs		53,758	74,076
Depreciation	11	4,275,354	4,186,777
Total expenses		<u>14,112,382</u>	<u>16,886,939</u>
Net result		<u>8,273,350</u>	<u>4,842,724</u>
Other comprehensive income			
Items that will not be reclassified to net result			
Increase in asset revaluation surplus	11	(41,392)	25,874,540
Total other comprehensive income for the year		<u>(41,392)</u>	<u>25,874,540</u>
Total comprehensive income for the year		<u>8,231,958</u>	<u>30,717,264</u>

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

Etheridge Shire Council
Statement of Financial Position
as at 30 June 2016

	Notes	2016 \$	2015 \$
Current assets			
Cash and cash equivalents	8	13,218,102	10,613,842
Trade and other receivables	9	3,867,382	1,992,138
Inventories	10	<u>440,932</u>	<u>469,645</u>
Total current assets		17,526,416	13,075,624
Non-current assets			
Property, plant and equipment	11	<u>184,955,306</u>	<u>181,277,880</u>
Total non-current assets		184,955,306	181,277,880
TOTAL ASSETS		<u>202,481,722</u>	<u>194,353,504</u>
Current liabilities			
Trade and other payables	13	1,261,342	845,315
Borrowings	14	46,235	542,704
Provisions	15	<u>96,002</u>	<u>85,092</u>
Total current liabilities		1,403,579	1,473,111
Non-current liabilities			
Borrowings	14	164,353	256,249
Provisions	15	<u>415,591</u>	<u>357,904</u>
Total non-current liabilities		579,944	614,153
TOTAL LIABILITIES		<u>1,983,523</u>	<u>2,087,264</u>
NET COMMUNITY ASSETS		<u>200,498,199</u>	<u>192,266,240</u>
Community equity			
Asset revaluation reserve	16	125,499,981	125,541,373
Retained surplus		<u>74,998,217</u>	<u>66,724,867</u>
TOTAL COMMUNITY EQUITY		200,498,199	192,266,240

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

Etheridge Shire Council
Statement of Changes in Equity
For the year ended 30 June 2016

	Notes	Asset Revaluation Surplus	Retained Surplus	Total
	16	\$	\$	\$
Balance as at 1 July 2015		125,541,373	66,724,867	192,266,240
Net Result		-	8,273,350	8,273,350
Other comprehensive income for the year				
Increase in asset revaluation surplus		(41,392)	-	(41,392)
Total comprehensive income for the year		<u>(41,392)</u>	<u>8,273,350</u>	<u>8,231,958</u>
Balance as at 30 June 2016		<u>125,499,981</u>	<u>74,998,217</u>	<u>200,498,198</u>
Balance as at 1 July 2014		99,666,833	61,882,143	161,548,976
Net Result		-	4,842,724	4,842,724
Other comprehensive income for the year				
Increase in asset revaluation surplus		25,874,540	-	25,874,540
Total comprehensive income for the year		<u>25,874,540</u>	<u>4,842,724</u>	<u>30,717,264</u>
Balance as at 30 June 2015		<u>125,541,373</u>	<u>66,724,867</u>	<u>192,266,240</u>

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

Etheridge Shire Council
Statement of Cash Flows
For the year ended 30 June 2016

	Notes	2016 \$	2015 \$
Cash flows from operating activities:			
Receipts from customers		4,022,161	13,310,984
Payments to suppliers and employees		<u>(9,939,942)</u>	<u>(14,122,290)</u>
		(5,917,781)	(811,305)
Interest received		488,633	441,815
Rental income		157,555	177,212
Non-capital grants and contributions		8,370,046	4,771,879
Borrowing costs		<u>(50,484)</u>	<u>(70,641)</u>
Net cash (outflow)/inflow from operating activities	17	3,047,969	4,508,960
Cash flows from investing activities:			
Payments for property, plant and equipment		(9,676,097)	(8,255,851)
Proceeds from sale of property, plant and equipment		1,251,309	189,136
Grants, subsidies, contributions and donations		<u>8,569,444</u>	<u>5,932,563</u>
Net cash inflow/(outflow) from investing activities		144,656	(2,134,153)
Cash flows from financing activities			
Repayment of borrowings		<u>(588,365)</u>	<u>(527,455)</u>
Net cash (outflow) from financing activities		(588,365)	(527,455)
Net (decrease)/increase in cash and cash equivalents held		2,604,260	1,847,353
Cash and cash equivalents at beginning of reporting period		10,613,842	8,766,490
Cash and cash equivalents at end of reporting period	8	<u>13,218,102</u>	<u>10,613,842</u>

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

Note 1: Significant accounting policies

1.A Basis of Preparation

These general purpose financial statements are for the period 1 July 2015 to 30 June 2016 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*. Consequently, these financial statements have been prepared in accordance with all Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board.

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

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

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

1.B Statement of compliance

Because the Council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS), to the extent these inconsistencies are applied, these financial statements do not comply with IFRS. The main impacts are the offsetting of revaluation and impairment gains and losses within a class of assets, and the timing of the recognition of non-reciprocal grant revenue.

1.C Adoption of new and revised Accounting Standards

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

Etheridge Shire Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective with the exception of AASB2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities*. Generally, Council applies standards and interpretations in accordance with their respective commencement dates. The retrospective application of AASB 2015-7 has exempted Council from the disclosure of quantitative information and sensitivity analysis for some valuations categorised within Level 3 of the fair value hierarchy.

At the date of authorisation of the financial statements, AASB 9 *Financial Instruments* and AASB 2015-6 *Amendments to Australian Accounting Standards-Extending Related Party Disclosures to Not-for-Profit Public Sector entities* are the only new accounting standards with a future application date that are expected to have a material impact on council's financial statements.

From 1 July 2016 AASB 124 *Related Party Disclosures* will apply to Council. This means that Council will disclose more information about related parties and transactions with those related parties.

AASB 9, which replaces AASB139 *Financial Instruments: Recognition and Measurement*, is effective for reporting periods beginning on or after 1 January 2018 and must be applied retrospectively. The main impact of AASB9 is to change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements the four current categories of financial assets stipulated in AASB139 will be replaced with two measurement categories: fair value and amortised cost and financial assets will only be able to be measured at amortised cost where very specific conditions are met.

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

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

Note 1: Significant accounting policies

estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

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

Contingent Liabilities-(Note 18).

Valuation and depreciation of property, plant and equipment-(Note 1J) and (Note 11).

Provisions-(Note 1.L) and (Note 15).

1.E Revenue

Rates and levies

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

Grants and subsidies

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them.

Recurrent/capital classification

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

Capital Revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets.

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

- disposal of non-current assets
- revaluation of property, plant and equipment.

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

Interest

Interest received from term deposits is accrued over the term of the investment.

Sales revenue

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

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

Fees and Charges

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

Note 1: Significant accounting policies

1.F Financial assets and financial liabilities

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

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

Financial assets

Receivables - measured at amortised cost (Note 1.G)

Financial liabilities

Payables - measured at amortised cost (Note 1.K)

Borrowings - measured at amortised cost (Note 1.M)

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

All other disclosures relating to the measurement and financial risk management of financial instruments are included in (Note 21).

1.G Receivables

Trade receivables are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase price/contract price. Settlement of these amounts is required within 30 days from invoice date. The collectability of receivables is assessed periodically and if there is objective evidence that Council will not be able to collect all amounts due, the carrying amount is reduced for impairment.

Subsequent recoveries of amounts previously written off in the same period are recognised as finance costs in the Statement of Comprehensive Income. If an amount is recovered in a subsequent period it is recognised as revenue. Because Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, Council does not impair any rate receivables.

1.H Inventories

Stores and raw materials are valued at the lower of cost and net realisable value and include, where applicable, direct material, direct labour and an appropriate portion of variable and fixed overheads. Costs are assigned on the basis of weighted average cost.

These goods are valued at cost, adjusted, when applicable, for any loss of service potential.

1.I Houses and Land Held for Resale

Houses and Land acquired by Council with the intention of reselling it (with or without further development) is classified as inventory. This land is valued at the lower of cost or net realisable value. As an inventory item, this land held for resale is treated as a current asset. Proceeds from the sale of this land will be recognised as sales revenue on the signing of a valid unconditional contract of sale.

1.J Property, plant and equipment

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. Items of plant and equipment with a total value of less than \$5,000, and infrastructure assets and buildings with a total value of less than \$10,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

The classes of property, plant and equipment recognised by the Council are outlined in Note 11.

Note 1: Significant accounting policies

Acquisition of assets

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

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

Capital and operating expenditure

Wage and materials expenditure incurred for the acquisition or construction of assets are treated as capital expenditure. Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity of the non-current asset is expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

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

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

Valuation

Land and improvements, buildings and all infrastructure assets are measured on the revaluation basis, at fair value, in accordance with AASB 116 *Property, Plant & Equipment* and AASB13 *Fair Value Measurement*. Other plant and equipment and work in progress are measured at cost.

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

In the intervening years, Council uses internal and external engineers to assess for material differences in the assumptions for useful life, remaining lives and costs associated with all infrastructure assets. The results of which are considered in combination with suitable indexes from ABS.

With respect to the valuation of the land and improvements, changes in values are analysed by management and include comments from the Department of Environment and Resource Management. Indication is that, on average, the Etheridge Shire has had no real increases in land value over the last twelve months, therefore Council believe that the land held under the asset class land is deemed to be still at fair value. Further details in relation to valuers, the methods of valuation and the key assumptions used are disclosed in (Note 12).

Any revaluation increment arising on the revaluation of an asset is credited to the appropriate class of the asset revaluation surplus, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense to the extent it exceeds the balance, if any, in the revaluation surplus of that asset class.

Note 1: Significant accounting policies

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life. Separately identified components of assets are measured on the same basis as the assets to which they relate.

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

Details of valuers and methods of valuations are disclosed in (Note 12).

Capital work in progress

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

Depreciation

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

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

Where assets have separately identifiable 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 Independent valuation process for assets measured at depreciated current replacement cost are used to estimate the useful lives of these assets at each reporting date. Details of the range of estimated useful lives for each class of asset are shown in (Note 12).

TerrEstrial Collection is not depreciated as it has an unlimited useful life.

Impairment of non-current assets

Each non-current physical asset and group of assets 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. The recoverable amount of an asset is the higher of its fair value in use.

1.K Payables

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

1.L Liabilities - employee benefits

Annual Leave

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

Note 1: Significant accounting policies

related employee on-costs, and are discounted to present values. This liability represents an accrued expense and is reported in (Note 13) as a payable.

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

Superannuation

The superannuation expense for the reporting period is the amount of the contribution the Council makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in Note 19.

Long service leave

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value. This liability is reported in (Note 15) as a provision.

Where employees have met the prerequisite length of service and Council does not have an unconditional right to defer this liability beyond two months, long service leave is classified as a current liability. Otherwise it is classified as non-current.

1.M Borrowings and borrowing costs

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

All borrowing costs are expensed in the period in which they are incurred.

1.N Taxation

Income of local authorities and public authorities is exempt from Commonwealth taxation except for Fringe Benefits Tax and Goods and Services Tax ('GST').

Note 2a: Analysis of Results by Function Components

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

Organisational Excellence & Governance

To ensure that we deliver excellence as an organisation, embracing exceptional customer service, valuing staff and promoting ethical standards of practice supported by clear policies and strategies.

Strategic Planning

To ensure the aspirations and safety of our community will be achieved through collaborative planning and action.

Economic Development

To stimulate investment for existing and new industries creating a sustainable, diverse economy that is regionally significant.

Infrastructure Services

To ensure that service delivery and infrastructure is rolled out, maintenance and improvement underpins a healthy and growing economy and a comfortable lifestyle in the gulf region.

Water Infrastructure

Providing water supply services.

Environmental Sustainability

To ensure environmental assets and ecosystem services are available for future generations.

Commercial Services

To ensure that substantial income is awarded and generated for foundation services, building infrastructure and implementing regional and local priorities.

This function includes:

- TerrEstrial
- Student Hostel and
- Child Care

Community and Lifestyle

Providing community services and facilities including cultural, health, welfare, and recreational services.

This function includes:

- Libraries
- Shire and public halls
- Public health services including Mt Surprise & Einasleigh Clinics.
- Cemeteries
- Swimming Pool
- SES

Etheridge Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2016

Note 2b: Analysis of Results by Function

Functions	Gross program income				Total income 2016 \$	Gross program expenses		Total expenses 2016 \$	Net result from recurring operations 2016 \$	Net Result 2016 \$	Assets 2016 \$
	Recurring		Capital			Recurring	Capital				
	Grants 2016 \$	Other 2016 \$	Grants 2016 \$	Other 2016 \$							
Organisational Excellence & Governance	4,643,408	2,504,032	-	(430,617)	6,716,823	4,261,675	-	4,261,675	2,885,765	2,455,148	16,948,333
Strategic Planning	-	9,461	-	-	9,461	190,662	-	190,662	(181,200)	(181,200)	7,933,795
Economic Development	-	18,182	-	-	18,182	227,764	-	227,764	(209,582)	(209,582)	667,526
Infrastructure Services	3,526,720	2,547,481	8,543,273	-	14,617,474	7,380,489	-	7,380,489	(1,306,288)	7,236,985	150,007,445
Water Infrastructure	-	431,608	-	-	431,608	573,185	-	573,185	(141,577)	(141,577)	(1,980,242)
Environmental Sustainability	-	128,472	-	-	128,472	290,033	-	290,033	(161,561)	(161,561)	-
Commercial Services	71,773	233,557	22,132	-	327,461	620,888	-	620,888	(315,559)	(293,427)	-
Community & Lifestyle	128,145	4,067	4,038	-	136,251	567,686	-	567,686	(435,474)	(431,435)	28,904,865
Total Council	8,370,046	5,876,859	8,569,444	(430,617)	22,385,732	14,112,382	-	14,112,382	134,523	8,273,350	202,481,722

Functions	Gross program income				Total income 2015 \$	Gross program expenses		Total expenses 2015 \$	Net result from recurring operations 2015 \$	Net Result 2015 \$	Assets 2015 \$
	Recurring		Capital			Recurring	Capital				
	Grants 2015 \$	Other 2015 \$	Grants 2015 \$	Other 2015 \$							
Organisational Excellence & Governance	4,508,375	2,839,738	-	10,083	7,358,196	4,006,352	-	4,006,352	3,341,761	3,351,844	14,462,209
Strategic Planning	-	5,805	-	-	5,805	10,067	-	10,067	(4,261)	(4,261)	-
Economic Development	-	180,057	-	-	180,057	356,713	-	356,713	(176,657)	(176,657)	672,218
Infrastructure Services	1,782	7,309,638	5,891,285	-	13,202,705	10,619,017	-	10,619,017	(3,307,597)	2,583,688	141,214,468
Water	-	327,519	-	-	327,519	523,141	-	523,141	(195,621)	(195,623)	5,948,050
Environmental Sustainability	38,409	116,729	-	-	155,138	304,045	-	304,045	(148,907)	(148,907)	-
Commercial Services	100,651	232,568	19,668	-	352,887	621,233	-	621,233	(288,014)	(268,346)	-
Community & Lifestyle	122,662	3,084	21,609	-	147,355	446,371	-	446,371	(320,625)	(299,016)	32,056,558
Total Council	4,771,879	11,015,138	5,932,563	10,083	21,729,663	16,886,939	-	16,886,939	(1,099,922)	4,842,724	194,353,504

QAQ certified statements

Etheridge Shire Council
Notes to the Financial Statements
for the financial year ended 30 June 2016

Notes	2016 \$	2015 \$
Note 3: Revenue analysis		
(a) Rates and charges		
General rates	2,035,576	2,425,660
Water	273,500	248,864
Water consumption	107,308	112,639
Waste management	30,859	30,248
Garbage charges	94,680	95,760
State Emergency Levy	101,712	92,349
Total rates and utility charge revenue	2,643,635	3,005,520
Less: Discounts	(280,010)	(319,895)
Less: Pensioner remissions	(19,896)	(22,211)
Net rates and utility charges	2,343,729	2,663,414
(b) Fees and charges		
Education Facility	37,500	13,636
Building and development fees	4,025	4,510
Licences and registrations	10,915	-
TerrEstrial Centre	55,205	56,136
Child Care Centre	60,284	64,991
Hostel Fees	41,375	59,345
Fuel Rebates	-	95,523
Other fees and charges	108,799	48,980
Total Fees and Charges	318,104	343,122
(c) Rental income		
Other rental income	157,555	177,212
	157,555	177,212
(d) Interest received		
Interest received from term deposits	354,204	362,028
Interest from overdue rates and utility charges	134,429	79,787
Total Interest Received	488,633	441,815
(e) Sales revenue		
Sales of services		
Contracts and recoverable works	2,432,841	7,318,963
Private Works	135,997	70,612
Total Sales Revenue	2,568,839	7,389,575

Etheridge Shire Council
Notes to the Financial Statements
for the financial year ended 30 June 2016

	2016	2015
Notes	<u> </u> \$	<u> </u> \$

Note 4: Grants, Subsidies, Contributions and Donations

(a) Recurrent

State Government subsidies and grants	3,751,638	264,004
Federal Subsidies and grants	4,618,408	4,507,875
Total recurrent revenue	<u>8,370,046</u>	<u>4,771,879</u>

(b) Capital

State Government subsidies and grants	7,090,930	5,415,056
Federal Government subsidies and grants	1,478,514	517,507
Total capital revenue	<u>8,569,444</u>	<u>5,932,563</u>

(c) Conditions over contributions

Contributions recognised as income during the reporting period and which were obtained on the condition that they be expended in a manner specified by the contributor.

Non-reciprocal grants for expenditure on services	-	83,611
Non-reciprocal grants for expenditure on infrastructure	-	468,059

Note 5: Capital income/(Expense)

Gain (loss) on the disposal of non-current assets

(a) Proceeds from the sale of property, plant and equipment	1,251,309	189,136
Less: Book value of property, plant and equipment disposed	(1,681,926)	(179,052)
Total capital income/(expense)	<u>(430,617)</u>	<u>10,083</u>

Etheridge Shire Council
Notes to the Financial Statements
for the financial year ended 30 June 2016

	2016	2015
Notes	\$	\$
Note 6: Employee Benefits		
Total staff wages and salaries	4,007,470	4,552,872
Councillors' remuneration	293,392	195,219
Annual, sick and long service leave entitlements	491,661	522,969
Superannuation	430,666	436,539
	<u>5,223,189</u>	<u>5,707,599</u>
Other employee related expenses	109,518	156,976
	<u>5,332,707</u>	<u>5,864,576</u>
Less: Capitalised employee expenses	(904,875)	(919,155)
	<u>4,427,831</u>	<u>4,945,421</u>

Total Council employees at reporting date

Elected members	5	5
Administrative staff	20	16
Child Care	4	5
Depot and outdoors staff	29	33
Total full time equivalent employees	<u>58</u>	<u>59</u>

Note 7: Materials and services

Administration supplies and consumables	457,732	482,733
Audit of annual financial statements by the Auditor-General of Queensland	64,993	45,709
Communication and IT	274,096	189,068
Consultants	1,150,682	361,870
Contractor Works_TMR	1,035,559	2,131,120
Contract Works_Flood Damage	-	10,711
Contract Works_99A Hann Highway	10,004	2,467,751
Repairs Maintenance & Power	1,358,558	1,121,800
Other material and services	475,595	336,835
Travel	127,058	129,420
Water	323,940	285,759
Waste	77,223	117,888
	<u>5,355,439</u>	<u>7,680,665</u>

Etheridge Shire Council
Notes to the Financial Statements
for the financial year ended 30 June 2016

Notes	2016 \$	2015 \$
Note 8: Cash and cash equivalents		
Cash at bank and on hand	36,009	410,786
Deposits at call	13,182,093	10,203,056
Balance per Statement of Cash Flows	13,218,102	10,613,842

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

Plant Replacement Reserve	861,912	1,121,912
Future Capital Works Reserve	7,043,451	5,924,510
Capital Works Reserve	962,161	828,648
Recurrent Expenditure Reserves	-	348,900
Total unspent restricted cash	8,867,524	8,223,970

These restrictions were previously allocated as reserves.

There were no externally imposed expenditure restrictions at reporting date.

Cash and deposits are held in Bendigo Bank in normal business cheque accounts.

Cash is also held in Queensland Treasury Corporation in cash management accounts.

Bendigo Bank has a short term credit rating of A-2.

Queensland Treasury Corporation has a short term credit rating of AA+.

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

Note 9: Trade and other receivables

(a) Current

Rateable revenue and utility charges	1,372,969	816,874
Other debtors	2,472,635	1,104,738
Prepayments	21,779	70,525
Total Current Trade and Other Receivables	3,867,382	1,992,138

As at 30 June Council had \$3,867,382 in outstanding receivables which is made up of rates receivables & receivables, with rates receivables being 35% of the total amount of outstanding receivables owed to Council as at 30th June. The reason for Councils' rates receivables to be so high is due to several assessments being placed into voluntary administration with Council undertaking recoverable actions in accordance with the Local Government Act & Regulation to recover the debt.

Etheridge Shire Council
Notes to the Financial Statements
for the financial year ended 30 June 2016

Notes	2016 \$	2015 \$
Note 10: Inventories		
Current		
(a) Total inventories for distribution		
Plant and equipment stores	317,939	335,777
(b) House and Land for resale		
House and Land for resale	122,993	133,868
Total Current Inventories	440,932	469,645

Etheridge Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2016

Note 11: Property, Plant and Equipment Valuations

30th June 2016	Note	Land	Buildings	Other Structures	Fleet Plant and Equipment	Furniture and Other Equipment	Road Infrastructure	Water Infrastructure	TerrEstrial Collection	Work In Progress	TOTAL
Basis of measurement		Fair Value	Fair Value	Fair Value	Cost	Cost	Fair Value	Fair Value	Fair Value	Cost	
Opening Balances											
Opening Gross Value		1,743,369	19,501,000	13,857,884	10,860,993	461,560	166,233,036	7,834,696	648,138	4,209,099	225,349,775
Accumulated Depreciation		-	8,644,403	2,631,914	6,109,609	350,285	24,449,038	1,886,646	-	-	44,071,895
Opening Written Down Value		1,743,369	10,856,597	11,225,970	4,751,384	111,275	141,783,998	5,948,050	648,138	4,209,099	181,277,880
Movements during Year											
Additions		-	278,899	209,342	539,181	92,344	11,368,567	99,099	-	(2,911,334)	9,676,097
Disposals	5	-	-	-	(1,126,283)	-	(555,643)	-	-	-	(1,681,926)
Depreciation		-	(335,453)	(376,385)	(396,330)	(10,151)	(3,044,872)	(112,162)	-	-	(4,275,354)
Revaluations	16	-	-	-	-	-	(41,392)	-	-	-	(41,392)
Closing Balances											
Closing Gross Value		1,743,369	19,767,899	14,067,226	7,853,476	553,903	177,038,906	7,933,795	648,138	1,297,765	230,904,477
Accumulated Depreciation		-	8,967,856	3,008,300	4,085,523	360,437	27,528,248	1,998,808	-	-	45,949,171
Closing Written Down Value		1,743,369	10,800,043	11,058,926	3,767,953	193,467	149,510,658	5,934,987	648,138	1,297,765	184,955,306
Estimated Useful Life (Years)		Not Depreciated	3 - 100	5 - 80	2 - 20	3 - 80	5 - 150	10 - 100	Not Depreciated		
2016 Additions comprise:		\$	\$			\$	\$	\$	\$	\$	\$
Renewals		-	-	-	539,181	-	9,373,203	46,709	-	(2,544,473)	7,414,620
Other additions		-	278,899	209,342	-	92,344	1,995,363	52,390	-	(366,861)	2,261,477
Total additions		-	278,899	209,342	539,181	92,344	11,368,567	99,099	-	(2,911,334)	9,676,097



Etheridge Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2016

Note 11: Property, Plant and Equipment Valuations

30th June 2015		Land	Buildings	Other Structures	Fleet Plant and Equipment	Furniture and Other Equipment	Road Infrastructure	Water Infrastructure	TerrEstrial Collection	Work In Progress	TOTAL
Basis of measurement		Fair Value	Fair Value	Fair Value	Cost	Cost	Fair Value	Fair Value			
Opening Balances											
Opening Gross Value		1,845,151	17,534,377	10,370,574	11,160,118	461,560	135,621,255	7,277,993	620,571	8,411,077	193,302,676
Accumulated Depreciation		-	7,254,646	2,123,321	5,553,591	347,804	24,289,955	2,220,039	-	-	41,789,356
Opening Written Down Value		1,845,151	10,279,731	8,247,253	5,606,527	113,756	111,331,300	5,057,954	620,571	8,411,077	151,513,320
Movements during Year											
Additions		158,639	70,326	291,349	114,361	-	11,334,595	488,557	-	(4,201,978)	8,255,850
Disposals	5	(3,396)	-	-	(173,636)	-	-	(2,021)	-	-	(179,052)
Depreciation		-	(183,321)	(349,932)	(795,868)	(2,481)	(2,731,484)	(123,692)	-	-	(4,186,777)
Revaluations	16	(257,026)	689,860	3,037,300	-	-	21,849,587	527,252	27,567	-	25,874,540
Transfers		-	-	-	-	-	-	-	-	-	-
Closing Balances											
Closing Gross Value		1,743,369	19,501,000	13,857,884	10,860,993	461,560	166,233,036	7,834,696	648,138	4,209,099	225,349,775
Accumulated Depreciation		-	8,644,403	2,631,914	6,109,609	350,285	24,449,038	1,886,646	-	-	44,071,895
Closing Written Down Value		1,743,369	10,856,597	11,225,970	4,751,384	111,274	141,783,998	5,948,050	648,138	4,209,099	181,277,880
Estimated Useful Life (Years)		Not Depreciated	3 - 100	5 - 80	2 - 20	3 - 80	5 - 150	10 - 100	Not Depreciated		
2015 Additions comprise:		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Renewals		-	39,336	21,289	61,569	-	9,235,108	15,798	-	(4,654,587)	4,718,513
Other additions		158,639	30,990	270,060	52,792	-	2,099,487	472,760	-	452,609	3,537,337
Total additions		158,639	70,326	291,349	114,361	-	11,334,595	488,557	-	(4,201,978)	8,255,850



Note 12: Fair Value Measurements

Recognised fair value measurement

(i) Recognised Fair Value Measurements

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

Property, plant and equipment

- Land and improvement
- Building
- Road infrastructure
- Water infrastructure
- Other

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

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

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in note 14 is provided by the Queensland Treasury Corporation and represents the contractual undiscounted cash flows at balance date (level 2).

The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature (Level 2).

Council also has assets measured at fair value on a non-recurring basis as a result of being reclassified as assets held for sale. A description of the valuation techniques and the inputs used to determine fair value of this land is included under the heading "Land (Level 2)".

In accordance with AASB 13 fair value measurements are categorised on the following basis:

- Fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Fair value based on inputs that are directly or indirectly observable for the asset or liability (Level 2).
- Fair value based on unobservable inputs for the asset and liability (Level 3).

The following table categorises fair value measurements as either level 2 or 3 in accordance with AASB 13. Council does not have any assets or liabilities measured at fair value which meet the criteria for categorisation as level 1.

The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If all significant inputs required to fair value of 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.

Note 12: Fair Value Measurements

The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2016 and reviewed for any material adjustment at reporting date.

Category	Level 2		Level 3		Total	
	2015	2016	2015	2016	2015	2016
Building Commercial			\$9,047,696	\$8,612,634	\$9,047,696	\$8,612,634
Building Residential	\$1,808,900	\$2,187,409			\$1,808,900	\$2,187,409
Building Total					10,856,596	10,800,043
Land	\$1,743,369	\$1,743,369			\$1,743,369	\$1,743,369
Other Structure			\$11,225,970	\$11,058,926	\$11,225,970	\$11,058,926
Road Infrastructure			\$141,783,998	\$149,510,658	\$141,783,998	\$149,510,658
Water Infrastructure			\$5,948,050	\$5,934,987	\$5,948,050	\$5,934,987
Terrestrial Collection			\$648,138	\$648,138	\$648,138	\$648,138
Grand Total	\$3,552,269	\$3,930,778	\$168,653,852	\$175,765,343	\$172,206,121	\$179,696,121

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

Since the residential buildings disclosed in notes comprise both level 2 and level 3 assets, the movement in level 3 commercial buildings are detailed below. There have been no transfers between level 1, 2 or 3 measurements during the year.

Opening gross value as at 1 July 2015 per FY 2014-2015	15,369,000
Less amount reported in error in prior year	-460,000
Actual Opening gross value as at 1 July 2015	14,909,000
Additions	278,899
Disposals	-12,000
Revaluation adjustment to other comprehensive income(asset revaluation surplus)	
Revaluation adjustment to income (capital income)	
Closing gross value as at 30 June 2016	15,175,899
Accumulated depreciation and impairment	
Opening balance as at 1 July 2015	6,321,303
Depreciation provided in period	253,963
Depreciation on disposals	-12,000
Revaluation adjustment to asset revaluation surplus	
Accumulated depreciation as at 30 June 2016	6,563,266

Note 12: Fair Value Measurements

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

Specific valuation techniques used to value Council assets comprise:

Land (level 2)

Land fair values were determined by independent valuer AssetVal Pty Ltd and is effective as at the 31st March 2015.

Over the last twelve months, there has been no decrease or increase in land values. This is also reflective by the Valuer General not conducting a valuation in the Shire. The Valuer General also reviews the Market value of property during their evaluation

Where there is a market for Council assets, fair value has been derived from the sales prices of comparable properties. Where a depth in market can be identified we have assessed the fair value of an asset, as the best estimate of price reasonably obtained in the market at the date of valuation.

Annual reviews of these values are completed to determine material differences. Currently the Australian Bureau Statistic indexes (Ref. ABS Catalogues, 6427.0 Producer Price indexes, Australia Table 17.) are used to do these reviews.

Buildings (level 2 and 3)

The fair values of buildings were determined by independent valuer AssetVal Pty Ltd and is effective as at the 31st March 2015. A desktop review to the 31 March 2016 has been performed by Shepherd Services Pty Ltd.

Where there is a market or Council building assets, fair value has been derived from the sales prices of comparable properties.

Where Council buildings are of a specialist nature and there is no active market for the assets, fair value has been determined on the basis of replacement with a new asset of similar type and service.

The gross current values have been derived from reference to market data for recent projects and costing guides issued by the Australian Institute of Quantity Surveyors, Rawlinson's (Australian Construction Handbook).

Where a depth in market can be identified we have assessed the fair value of an asset, as the best estimate of price reasonably obtained in the market at the date of valuation.

Where there is no depth of market, the net current value of a building asset is the gross current value less accumulated depreciation to reflect the consumed or expired service potential of the asset.

The accumulated depreciation has been carried out on a component level by conducting a condition assessment on each of the various components within each building.

Annual reviews of these values are completed to determine material differences. Currently the Australian Bureau Statistic indexes (Ref. ABS Catalogues, 6427.0 Producer Price indexes, Australia Table 17.) are used to do these reviews.

Note 12: Fair Value Measurements

Water, Roads Infrastructure, Other Assets (level 3)

All council infrastructure assets were fair valued using written down current replacement cost by independent valuer Shepherd Services Pty Ltd and is effective as at the 31st March 2016.

The valuation comprises the asset's current replacement cost (CRC) less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Council first determined the gross cost of replacing the full service potential of the asset and then adjusted this amount to take account of the expired service potential of the asset.

CRC was measured by reference to the lowest cost at which the gross future economic benefits of the asset could currently be obtained in the normal course of business. Where existing assets were over designed, had excess capacity, or were redundant an adjustment was made so that the resulting valuation reflected the cost of replacing the existing economic benefits based on an efficient set of modern equivalent assets to achieve required level of service output within the Council's planning horizon.

The unit rates (labour and materials) and quantities applied to determine the CRC of an asset or asset component were based on a "Greenfield" assumption meaning that the CRC was determined as the full cost of replacement with a new asset including components that may not need to be replaced such as earthworks.

There were some assets where a service percentage was applied to the CRC to represent the proportion of asset that is providing the desired service level. Of particular note, is the unsealed road asset category.

The accumulated depreciation cost was determined by an assessment of the age from either its construction date or by a condition assessment where an asset was close to the end of its life or where no reliable construction data information was available. The age in days is then times by the daily depreciation amount to determine the accumulated depreciation amount.

Condition assessments used the following table to determine the remaining life of an asset.

Rating Description % Asset Remaining (Base on delivery of future economic benefit)

1	Excellent (Only normal maintenance required)	100
2	Good (Minor defects only /minor maintenance required up to 15%)	85
3	Average (Significant maintenance required 30%)	70
4	Poor (Requires replacement within next 1-2yrs)	30
5	Asset Failure ((Requires immediate replacement)	10

Remaining Life (Condition) = Useful Life x % Asset Remaining.

The sensitivity of level 3 inputs to change is unlikely due to the fact that these assets are public assets and their observable inputs will not change.

Dimensional changes and normal annual cost increases to unobservable inputs like plant, labour and material costs would change the fair value of assets, these changes are factored into the valuation inputs used at the 31st of March 2016. Below is a summary of unobservable inputs.

Note 12: Fair Value Measurements

Significant unobservable inputs	Range of Inputs
Number of Plant and Labour Hours	Hrs /m2 or linear metre
Material Usage Quantities	Varies depending upon the type of material
Condition	1-5
Remaining Useful Life	1-100

Annual reviews of these values are completed to determine material differences. Currently the Australian Bureau Statistic indexes (Ref. ABS Catalogues, 6427.0 Producer Price indexes, Australia Table 17.) are used to do these reviews.

Valuation processes

Council's valuation policies and procedures are set by the finance committee of the executive management team which comprises the Chief Executive Officer and the Director of Corporate & Community Services Officer.

They are reviewed annually taking into consideration an analysis of movements in fair value and other relevant information. Council's current policy for the valuation of property, plant and equipment (recurring fair value measurements) is set out in note 1J. Non-recurring fair value measurements are made at the point of reclassification by a registered Valuer.

Etheridge Shire Council
Notes to the Financial Statements
for the financial year ended 30 June 2016

	2016	2015
	\$	\$

Note 13: Trade and other payables

Current

Creditors and accruals	672,902	265,271
Annual Leave	574,344	567,413
Time in Lieu	14,096	12,631
Total Current Trade and Other Payables	1,261,342	845,315

Note 14: Borrowings

Current

Loans-Queensland Treasury Corporation	46,235	542,704
Total Current Borrowings	46,235	542,704

Non Current

Loans-Queensland Treasury Corporation	164,353	256,249
Total Non-Current Borrowings	164,353	256,249

The QTC loan market value at the reporting date was \$119,504 for the Water Loan Forsayth and \$123,529 for the Depot Administration Building Loan. 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.

Note 15: Provisions

Current

Long service leave	96,002	85,092
Total Current Provisions	96,002	85,092

Non Current

Long service leave	415,591	357,904
Total Non-Current Provisions	415,591	357,904

Long Service Leave

Opening balance at beginning of financial year	442,996	374,435
Long service leave entitlement arising	104,013	100,194
Long service leave entitlement paid	(35,416)	(31,633)
Closing balance at the end of the financial year	511,593	442,996

Etheridge Shire Council
Notes to the Financial Statements
for the financial year ended 30 June 2016

	2016	2015
	\$	\$

Note 16: Asset Revaluation Surplus

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

Land and Improvements	1,348,613	1,348,613
Buildings	7,364,328	7,364,328
Other Structures	7,006,648	7,006,648
Road Infrastructure	106,593,304	106,634,696
Water Infrastructure	2,965,843	2,965,843
TerrEstrial Collection	221,245	221,245
Balance at the End of the Financial Year	125,499,981	125,541,373

Note 17: Reconciliation of result from ordinary activities to net cash (outflow)/inflow from operating activities

Net result		8,273,350	4,842,724
Non-cash operating items:			
Depreciation	11	4,275,354	4,186,777
Investing and development activities:			
Net (profit) loss on disposal of non-current assets	5	430,617	(10,083)
Capital grants and contributions	4	(8,569,444)	(5,932,563)
		(8,138,827)	(5,942,646)
Changes in operating assets and liabilities:			
Decrease/(Increase) in receivables		(1,875,244)	2,031,908
Decrease in inventory		28,713	272,755
(Decrease)/Increase in payables		416,027	(951,120)
Increase in other provisions		68,597	68,561
		(1,361,907)	1,422,104
Net cash inflow from operating activities		3,047,969	4,508,960

Note 18: 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, LGM Queensland. In the event of the pool being wound up or being 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 of any year that a deficit arises.

As at 30 June 2016 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare:

The Council is a member of the Queensland local government workers 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 \$70,069.33.

**Notes to the Financial Statements
for the financial year ended 30 June 2016**

Note 19: Superannuation

The Council contributes to the Local Government Superannuation Scheme (Qld). The scheme is a Multi-employer Plan as defined in the Australian Accounting Standard AASB119 *Employee Benefits*.

The Queensland Local Government Superannuation Board, the trustee of the scheme, advised that the local government superannuation scheme was a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation.

The scheme has two elements referred to as:

The Regional Defined Benefits Fund (Regional DBF) which covers defined benefit fund members working for regional local governments; and

The Accumulation Benefits Fund (ABF)

The ABF is a defined contribution scheme as defined in AASB119. Council has no liability to or interest in the ABF other than the payment of the statutory contributions as required by the *Local Government Act 2009*.

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

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

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

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

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

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

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

There are currently 72 Councils contributing to the Regional DBF plan and any changes in contribution rates would apply equally to all 72 Councils. Etheridge Shire Council made less than 4% of the total contributions to the plan in the 2014-15 financial year.

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

	Notes	2016 \$	2015 \$
The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of employee was:	6	430,666	436,539

Etheridge Shire Council
Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 20: Trust Funds

Notes	2016	2015
	<u>\$</u>	<u>\$</u>
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities	2,060	1,000

Etheridge Shire Council performs 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. These monies are held in a separate bank account with the Bendigo Bank which is identified as the Etheridge Shire Council Trust Account.

Etheridge Shire Council
Notes to the Financial Statements
for the financial year ended 30 June 2016

Note 21: Financial Instruments

Etheridge Shire Council's activities expose it to a variety of financial risks including interest rate risk, credit risk, and liquidity risk.

Exposure to financial risks is managed in accordance with Council approved policies on financial risk management. These policies focus on managing the volatility of financial markets and seek to minimise potential adverse effects on the financial performance of the Council. The Council minimises its exposure to financial risk in the following ways:

Investments in financial assets are only made where those assets are with a bank or other financial institution in Australia. The Council does not invest in derivatives or other high risk investments. When the Council borrows, it borrows from the Queensland Treasury Corporation. Borrowing by the Council is constrained by the provisions of the Statutory Bodies Financial Arrangements Act 1982.

Etheridge Shire Council measures risk exposure using a variety of methods as follows:

RISK EXPOSURE	MEASUREMENT METHOD
Credit risk (not material for Etheridge Shire Council)	Ageing analysis
Liquidity risk	Maturity analysis
Interest rate risk	Sensitivity analysis

(i) 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 Queensland Treasury Corporation for capital works.

Council manages its exposure to liquidity risk by maintaining sufficient undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in the note 14.

The following table sets out the liquidity risk of financial liabilities held by the Council in a format as it might be provided to management. The amounts disclosed in the maturity analysis represent the contractual undiscounted cash flows at balance date:

	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows
	\$	\$	\$	\$
2016				
Trade and other payables	656,744	-	-	656,744
Loans - QTC	60,694	138,679	61,321	260,694
	717,438	138,679	61,321	917,438
2015				
Trade and other payables	265,271	-	-	265,271
Loans - QTC	598,096	217,781	83,428	899,305
	863,367	217,781	83,428	1,164,576

(ii) Interest rate risk

The Council is exposed to interest rate risk through its borrowings from the Queensland Treasury Corporation and investments held with financial institutions.

The risk in borrowing is effectively managed by borrowing only from Queensland Treasury Corporation and having access to a mix of floating and fixed funding sources such that the desired interest risk exposure can be constructed. Interest rate risk in other areas is minimal.

Etheridge Shire Council
Notes to the Financial Statements
for the financial year ended 30 June 2016

Note 22: Commitments for expenditure

Contractual commitments

Contractual commitments at end of financial year not recognised in the financial statements are as follows:

	2016	2015
	\$	\$
Green Tech Asia Pacific Pty Ltd_Contract Project Engineer _2013 & 2014 Flood 11-11-2014 to 30-06-2016	95,040	393,600
Bryan Wellby Contracting Pty Ltd_Contract Foreman_TMR Works 01/07/2014 to 30/06/2015	-	308,412
Jennifer Leonard (T/A Copperfield Lodge) NDDRA & Other Associated Works 15/12/2014 to 30/06/2016	30,650	88,845
Trevor Arnett_Kennedy Development Road 99A PEND 177 23/05/2014 to 30/06/2016	-	251,608
Karen Remfrey_Management of ESC Student Hostel 01/01/2015 to 31/12/2016	244,000	183,000
Town Maintenance Contract - Mt Surprise 01/07/2015 to 01/07/2017	113,256	26,000
Copperfield Town Maintenance Contract - Einasleigh 01/07/2015 to 30/06/2016	72,800	27,300
Kidston Dam Inspections_Robert M Jones	36,722	-
Kidston Dam Inspections_O.A. Campbell	16,800	-
Total Commitments	609,268	1,278,765

Note 23: Events after the reporting period

There were no material adjusting events after the balance date.

Etheridge Shire Council
Financial statements
For the year ended 30 June 2016

Management Certificate
For the year ended 30 June 2016

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

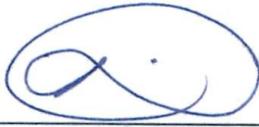
In accordance with section 212(5) of the Regulation we certify that:

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 1 to 30, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



Warren Devlin
Mayor

Date: 10/10/2016.



Michael Kitzelmann
Chief Executive Officer

Date: 10/10/2016.

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Etheridge Shire Council

Report on the Financial Report

I have audited the accompanying financial report of Etheridge Shire Council, which comprises the statement of financial position as at 30 June 2016, 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 significant accounting policies and other explanatory information, and certificates given by the Mayor and Chief Executive Officer.

The Council's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

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

Opinion

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

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of Etheridge Shire Council for the financial year 1 July 2015 to 30 June 2016 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

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




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

Queensland Audit Office
Brisbane

Etheridge Shire Council

Current Year Financial Sustainability Note	35
Certificate of Accuracy - for the Current Year Financial Sustainability Statement	36
Independent Auditor's Report (Current Year Financial Sustainability Statement)	37-38

Etheridge Shire Council
Current-year Financial Sustainability Statement
For the year ended 30 June 2016

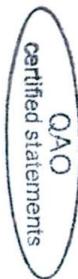
Measures of Financial Sustainability

Council's performance at 30 June 2016 against key financial ratios and targets:

	How the measure is calculated	Actual - Council	Target
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	0.9%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	178.0%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-109.1%	not greater than 60%

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 2016.



Certificate of Accuracy
For Current-year Financial Sustainability Statement

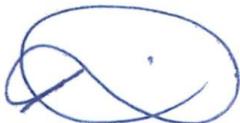
This current-year financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the regulation).

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



Warren Devlin
Mayor

Date: 10, 10, 2016



Michael Kitzelmann
Chief Executive Officer

Date: 10, 10, 2016

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Etheridge Shire Council

Report on the Current-Year Financial Sustainability Statement

I have audited the accompanying current-year financial sustainability statement, which is a special purpose financial report of Etheridge Shire Council for the year ended 30 June 2016, comprising the statement and explanatory notes, and certificates given by the Mayor and Chief Executive Officer.

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

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

Auditor's Responsibility

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

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

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

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

Independence

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

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

Opinion

In accordance with s.212 of the *Local Government Regulation 2012*, in my opinion, in all material respects, the current-year financial sustainability statement of Etheridge Shire Council for the year ended 30 June 2016, has been accurately calculated.

Emphasis of Matter – Basis of Accounting

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

Other Matters - Electronic Presentation of the Audited Statement

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


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



Queensland Audit Office
Brisbane

Etheridge Shire Council

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Etheridge Shire Council
Long-Term Financial Sustainability Statement
 Prepared as at 30 June 2016

Etheridge Shire Council
Long Term Financial Sustainability Statement
 For the year ended 30 June 2015

Measures of Financial Sustainability

Measures of Financial Sustainability	Measure	Target	Actuals at 30 June 2016	30 June 2017	30 June 2018	30 June 2019	Projected for the years ended					
							30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025
Operating surplus ratio	Net result divided by total operating revenue	Between 0% and 10%	0.9%	1.0%	-1.0%	0.0%	2.0%	5.0%	4.0%	4.0%	-1.0%	1.0%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	178.0%	99.0%	27.0%	29.0%	41.0%	42.0%	42%	42%	40%	39%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%	-109.1%	-49.0%	-116.0%	-124.0%	-141.0%	-156.0%	-177.0%	-195%	-197%	-207%

Etheridge Shire Council's 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.

Certificate of Accuracy

For the long-term financial sustainability statement prepared as at 30 June 2016

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

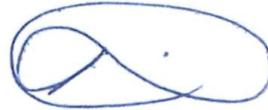
In accordance with Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.



Warren Devlin

Mayor

Date: 10, 10, 2016



Michael Kitzelmann

Chief Executive Officer

Date: 10, 10, 2016