

Distribution

Bulloo Shire Council's Annual Report is available in hard copy, electronic format and can be found on Councils website at www.bulloo.qld.gov.au. Alternatively you can phone Council's Administration Centre on (07) 4621 8000 during normal business hours. Copies are also distributed to the Department of Local Government and the Queensland State Library.

Printed copies of the report may be obtained by writing to:-

The Chief Executive Officer, Bulloo Shire Council, PO Box 46, Thargomindah Qld 4492

Feedback

Council welcomes your feedback. Please forward your comments in writing to the Chief Executive Officer, Bulloo Shire Council, PO Box 46, Thargomindah Qld 4492 or email Council at Council@bulloo.qld.gov.au.

Council Meetings

Ordinary Meetings comprise all members of Council and are called every third Tuesday of the month to consider the business of Council. Public notices of days and times of meeting is given each month and copies of the agenda are available for public inspection at the Councils Administration Centre located at 68 Dowling Street, Thargomindah two (2) days prior to each scheduled meeting.

Council holds Ordinary or Special Meetings and these are open to the public, unless Council resolves under Section 275 of the Local Government Regulation 2012, that a Meeting be closed. Council, from time to time, needs to discuss matters such as contracts, staff, industrial and legal proceedings "in confidence" and closes that part of the meeting to the public. Special Meetings are convened to consider specific items such as budget, major projects and future directions.

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Acknowledgement

Bulloo Shire Council acknowledges Aboriginal and Torres Strait Islanders as the first Australians and recognises that they have a unique relationship with the land and water. Council also recognises that we are situated on the traditional lands of the Kullili, members of the Kullilli Nation who have lived here for thousands of years. We offer our respect to their Elders past and present and through them, all Aboriginal and Torres Strait Islander people.

Mayor's Report and Welcome

Welcome to the Bulloo Shire Councils Annual Report 2016/17. It has been a very busy year with many successes and I am very pleased to present this Annual Report based on Councils operations from 1 July 2016 to 30 June 2017. The aim of this report is to provide the many stakeholders about the highlights of the many programs and projects delivered. Overall Councils financial position remains in good shape and we expect to maintain a cumulative surplus over the next 10 years with sufficient positive cash flow to maintain our asset base and local jobs whilst delivering on community expectations.

Given a weaker national economy, Council has continued to support policy settings that provide stimulus to our local residents. During 2016/17 our new procurement policy injected approximately \$5m into the local economy and it is pleasing to see that the local businesses are benefiting. We think this has generated about 25 jobs over the last 5 years and this local spend has a multiplier effect and is a very valuable hidden feature of our economy. I am pleases to see our local economy diversifying and the benefit of a more focused local policy environment.

We have retained our free access to facilities such as the community centre, library, after school activities and many of our other programs remain heavily subsidised. Our focus on education provides additional programs, teacher/ teacher aide salaries as well as the costs associated with the middle school building maintenance. We continue to provide accommodation options for key visiting medical personnel and the Director of Nursing and more recently we have taken a stronger advocacy role around aged care, social housing and child care options.

From a revenue perspective, the extensive 2016 flood damage has been approved for reconstruction and we have seen new State Government funding such as the LGGSP and Works 4 Queensland rounds. These programs commenced during April 2017, providing further support to local contractors. We successfully gained major grants to upgrade the airport terminal and lighting. The Dowling Street median strip replacement and the Riverwalk Stage 2.

We have continued to heavily promote and develop our tourism sector and drafted a 3 year strategy during the year. In addition, we revived our tourism souvenir offerings with some great new products and set up a new Bulloo Shire Progress Committee in May to help drive and support the initiatives outlined in Councils plan.

On a final note, I would like to take the opportunity to thank my fellow Councillors for their willing and able assistance during the year and the Council CEO and staff who helped implement the many actions to ensure that our strategies were fulfilled. I hope you will enjoy reading this report noting the many achievements we have already made together.

Message from the CEO

In 2016/17 the Bulloo Shire Council continued its strong strategic focus; aggressively seeking external funding for recovery of flood affected areas from 2016 and partnering with the State Government through a number of programs to support local jobs and growth. As a senior management and Councillor Team we



worked together to refresh our corporate plan to identify and implement what we think is important in this new term.

I am proud of the progress that we have made and during the year we successfully completed the Gilmour Street drainage project and commenced construction on the replacement of our existing airport terminal. We were successful in obtaining funding to upgrade the lighting at the same time. Together these projects will future proof our air service capability and enhance passenger travel for the next 30 years.

Most importantly, we achieved a surplus again for the second year in a row ensuring that we are consistently achieving more stable financial planning, monitoring and management of our budget throughout the year. The Bulloo has continued to advocate, develop and maintain partnerships to deliver the priorities outlined in our new Corporate Plan 2017–2021 and we continue to support existing community service levels including support for education and health to ensure that our vision can be achieved.

The Council manages assets of approximately \$224 million and the assets underpin community access to services and facilities, which in turn, enhance community well-being. We believe that this provision and maintenance of assets and associated services is at the heart of Councils long-term commitment to its residents.

We have worked closely with the State Government embarking on the Works 4 Queensland program to combat unemployment and retain jobs. In addition, we took the first step in updating and revising our planning framework in line with new legislative changes. Our aim is to have a simple development control plan that promotes and supports approvals with less red tape.

The 2016 flood events have translated into an incredibly busy year for operations and biosecurity. Our staff continue to actively partner with landholders, national parks and Biosecurity Queensland in conventional and trial programs to eradicate pests and weeds including wild dogs. During the year we have run a range of workshops around biosecurity obligations and part funded an economic feasibility study for landholders into the viability of a wild dog lineal fence around the Shire.

We are particularly proud of our town enhancement projects funded through the Drought Communities Stage One River Walk and the commencement of Stage two median strip upgrade. We have used both of these projects as a staging point for additional projects under the Works 4 Queensland funding allowing us to refresh and enhance our main street as well as providing improvements to our oval and the 2km Riverwalk. These now provide greater recreational options for locals and tourists alike.

This progress is a result of a concerted team effort from everyone and consistently high customer service and feedback. My gratitude goes to the Mayor, Councillors, Executive Team and employees for their hard work and support. I am very proud of what we have achieved together and I look forward to the year ahead with incredible optimism.

Edwina Marks CEO

Shire Profile

The Bulloo Shire is located in the far south west corner of Outback Queensland, and covers an area of 73,600 square kilometres (4.26% of Qld), making it the third largest Shire in the State. Lake Bindegolly National Park, and a large proportion of Currawinya National Park, together with its Ranger Headquarters, are located within the Shire.

The Bulloo Shire has a long and colourful history of explorers and pastoralists, from the ill-fated Burke and Wills Expedition through to current expeditions searching for oil and gas reserves. It covers vast distances, and offers landscapes of immense diversity and beauty; expansive river and lake systems; sites of historical significance; abundant bird and wildlife; and is subject to extreme seasonal weather conditions. A diversity of industries, including beef, wool, opal, beekeeping, tourism, service, oil and gas, all contribute to create the vibrant economy of the region.



Thargomindah, with a population of approximately two hundred and thirteen (213) people, is situated on the Bulloo River, and is the Shire's major town, and administrative centre. The Council is the largest single regional employer and operates from a very modern and well-appointed Administration Centre and Council Depot. The Council also operates/administers the Thargomindah Visitor Information Centre, Library, Kullilli Room, Swimming Pool, Community Centre, Sports Oval, Rodeo Grounds, Cemetery, Bore and Cooling Ponds, Water and Sewerage, Golf Course and Club House, Council Yards, and the Town Common. Thargomindah is serviced by the Royal Flying Doctor Service on a weekly basis, has additional clinics and dental service rotations and can be reached via a commercial passenger air service Rex Airlines, twice weekly.

The township of Hungerford has a population of eleven (11), is located 164 kilometres south of Thargomindah along the Dowling Track, and lies near the Paroo River on the Queensland/New South Wales Border. The town has a Police Station, Post Office facility, Hotel, accommodation, meals and fuel. Council operates a small Depot and Caravan Park, and administers a modern Medical Facility, Community Hall, Tennis Courts, Rodeo Ground, and a sealed Airstrip. The town is serviced by the Royal Flying Doctor Service once a month. The Currawinya National Park, with its Ranger Station, lies adjacent to Hungerford, and is renowned as a wetland of international importance under the Ramsar Convention.

The tiny town of Noccundra has a population of four (4) is situated adjacent to the Noccundra Waterhole on the Wilson River, 122 kilometres west of Thargomindah. The Waterhole and Hotel are both a popular stop-over for tourists on their way to visit the iconic Dig Tree or Innamincka. Although small, the town has an unsealed airstrip, Hotel, accommodation, meals, fuel, with camping grounds, Community Hall, Tennis Courts, Public Toilet facilities and Rodeo Ground, which are administered by the Council.

Cameron Corner is where the States of Queensland, New South Wales and South Australia meet. It is situated 402 kilometres from Thargomindah and has a population of four (4). The Cameron Corner Store offers accommodation, meals, groceries, fuel, and camping.

Project Highlights

Construction of Poison Shed and Animal Pound

Council completed the construction of the new Poison Shed and Pound Complex in Moore Street. A three bay shed complete with secured poison storage, bunded areas and motor vehicle storage was constructed. The pound consists of 4 dog and 4 cat impoundment areas as well as a storage bay. There is a fully reticulated watering system for drinking and hosing out, and furniture including beds.



2016 LGM Queensland Risk Management Excellence Award

Council was awarded with a 2016 LGM Risk Management Excellence Award. This Award provided Council with well-deserved peer recognition for the Innamincka risk management initiative by Queensland Local Government Mutual.



The Innamincka Road provides the only direct and mostly sealed road link between the Jackson, Naccowlah, Ballera and Moomba oil and gas facilities.

Council was formally presented with the Award during the Local Government Association Annual Conference on the Gold Coast in October 2016.

Quilpie Centenary Float

The Bulloo Shire Council and community entered a float into the Quilpie Centenary Street Parade held on 29 April 2017. A working bee was held the weekend before to scrounge, build and create something that represented our Bulloo Shire.

The float ended up being a representation of our historic pubs, hydro, our local wool and honey industry. VIC staff also managed to make over 150 Thargomindah keyring souvenirs which were given out to all the spectators. Thanks to Mayor Ferguson for handing out over 200 Bulloo Shire brochures during the parade.



Roads Highlights

The Works Department have had a full year striving to deliver high quality infrastructure across the shire in a cost effective manner. Council is committed to maintaining its road assets to ensure a safe road network for all travelling throughout the Bulloo Shire. During 2016/17 Council workforce has delivered capital works and maintenance programs.

The following capital works were carried out on the Shire Network under the Roads to Recovery program (R2R):-

- Commenced work on the upgrade and seal of the 2km section known as McIntyre Flood Plain on the Hungerford Road (Works were completed in July 2017).
- Upgraded 200m of the Canegrass crossing on the Hungerford Road.
- Commenced works on the intersection of Blackgate Road and Cunnamulla Thargomindah Rd.
- Upgraded and sealed Cemetery Road.
- Upgraded 5km of realignment of the missing link section on the Innamincka Road.

Natural Disaster Relief & Recovery Arrangements (NDRRA)

Works commenced on the restoration of roads damaged by the 3 flood events in 2016, these works are to be completed by 30 June 2018.

TMR Network

In addition to work on Council roads, Council has completed road maintenance works under RMPC contracts as well as major upgrades under Western Region Upgrade Program (WRUP) and Transport Infrastructure Development Scheme (TIDS) programs on the TMR network.

RMPC

- ➤ Eulo/Hungerford Rd This road has a major gravel re-sheeting works and a general grade and is designed to combat the poor drainage and road conditions after rain.
- In addition to ongoing maintenance works gravel resheeting works and drainage corrections were carried out on the Eulo/Hungerford Road, this should ensure that the road is more wet weather friendly.
- ➤ Quilpie Road All unsealed areas on the road were graded under the RMPC contract.
- Bundeena Road Heavy shoulder grade commenced on Bundeena Road.

Western Region Upgrade Program (WRUP)

Cunnamulla Rd - 4km of road widening and installation of new culverts was carried out east of Lake Bindegolly.

Transport Infrastructure Development Scheme (TIDS)

➤ Quilpie Road - This year Council workforce sealed the first 5.6km from the Quilpie/Bulloo boundary under the Transport Infrastructure Development Scheme (TIDS). This is the first stage of sealing works that will complete the Main Roads vision to bitumen all the unsealed areas on the road.







Australia Day Celebrations

Mr Gerrard Gosens OAM, Paralympian at the 1996, 2000 and 2008 Paralympic Games and Young Queenslander of the Year 1995, joined the Australia Day celebrations in Thargomindah on Thursday 26 January 2017. As Thargomindah's 2017 Australia Day Ambassador, Gerrard addressed the audience as part of the official Australia Day celebrations, held at the Thargomindah Town Hall. A citizenship ceremony was also held for Paul and Ide Rush.

Gerrard arrived in Thargomindah on Wednesday 25 January, visiting the Thargomindah State School where he spoke to the local students about his experience of being a vision impaired Paralympian marathon runner, followed by a Tour of the town. Gerrard lives by the philosophy, 'Success is a journey, not a destination', but jokes he has hit many signposts while training for his chosen sport of long distance running.

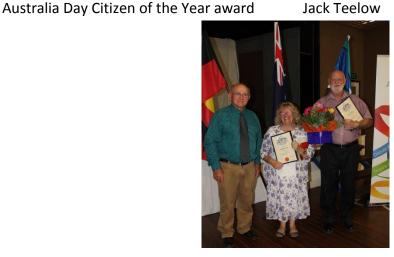




Australia Day Award recipients

Australia Day Achievement award
Australia Day Achievement award
Australia Day Community Event award
Australia Day Junior Sports Person award
Australia Day Senior Sports Person award
Australia Day Cultural Award

Jacinta Byrne
Maureen Woodward
Thargomindah Motorbike Sports and Enduro
Dalton Byrne
Daryl Byrne
Desley Collins
Jack Teelow



Community Drought Funding

Council received \$75,000 funding from the Department of Communities, Child Safety and Disability Services for local community organisations to provide the delivery of a range of local community events and activities that contribute to connectedness, social well-being and increase access to support services. Community groups are required to undertake events by the 8 December and also provide a financial acquittal for the funds received.

Council allocated the following funds to the local community organisations:-

Community Group/Event	Amount
Channel Country Challenge	\$ 10,000
Hungerford Progress	\$ 5,000
Hungerford Sports	\$ 5,000
Noccundra Gymkhana & Rodeo	\$ 5,000
Thargomindah Polocrosse Club	\$ 5,000
Community Christmas Event	\$ 8,567
TOTAL	\$38,567

Community Christmas Event

The 2016 Christmas Tree was a large community event fashioned by Council working with several community groups led by the P&C Association. The park was decorated like a winter wonderland with a new Christmas tree lit with fairy lights and even a sleigh. The children kicked off the event with a concert, then Santa arrived to hand out gifts in the park. The evening concluded with a fantastic fireworks display.







Tourism

During the year the following visitors registered at the Visitor Information Centre and the Explorers Caravan Park:

- o 3,821 tourism visitors to the Explorers Caravan Park
- 4,323 visitors through the Visitor Information Centre

Elected Representatives

Councillors

Bulloo Shire Council has five elected representatives who are responsible for formulating Council Policies, Corporate Plan and Operational Plan, and making decisions to achieve the Council's goals.

The Bulloo Shire is undivided for electoral purposes. Each Councillor represents the overall public interest of the entire region. The Mayor and Councillors are elected by all voters within the Bulloo Shire. Elections were held on 19 March 2016, with the following Councillors being elected:

Mayor: John C. S. Ferguson
Deputy Mayor: Jonathon Cobb
Councillors: Donna Humphris
Shirloy Girdler

Shirley Girdler Alison Petty

Meetings attended

Section 186(c) of the Local Government Regulation 2012

	Ordinary	Special	Other
	Meetings	Meetings	(No. of Days)
Total meetings held	12	2	
J. C. S. Ferguson	9	2	23
J. Cobb	9	1	2
D. M. Humphris	12	2	22
S. E. Girdler	12	2	22
A. Petty	11	2	17



Remuneration

Remuneration paid to each councillor

Section 186(a) of the Local Government Regulation 2012

Council is required to report on details relating to the total remuneration paid to each Councillor during the year. This includes the total superannuation contributions paid during the year for each Councillor, and the expenses incurred by Councillors, and the facilities provided to each Councillor during the year under the Council's reimbursement and expenses policy.

	Total	Superannuation
	Remuneration	Contributions
J. C. S. Ferguson	\$97,846.80	\$0
J. Cobb	\$57,047.02	\$0
D. M. Humphris	\$49,818.96	\$0
S. E. Girdler	\$49,818.96	\$0
A. Petty	\$49,818.96	\$0
Total	\$304,350.70	\$0

Expenses and facilities provided to each councillor

Section 186(b) of the Local Government Regulation 2012

	Expenses Incurred	Description	Facilities provided
J. C. S. Ferguson	\$0		Mobile Phone, IPad, Use of Council car for Official business
J. Cobb \$3,413.20 Travel Expe		Travel Expenses	IPad, Use of Council car for Official
3. 6000	75,415.20	Traver Expenses	business
D. M. Humphris	\$148.20	Uniforms	IPad, Use of Council car for Official
D. IVI. Humphins	Ş140.2U	Officialis	business
S. E. Girdler	\$103.43	Uniforms	IPad, Use of Council car for Official
3. E. Girulei	\$105.45	Officialis	business
A Dotty	\$381.23	Uniforms and	IPad, Use of Council car for Official
A. Petty	\$301.23	Travel Expenses	business
Total	\$4,046.06		

Reimbursement of Expenses and Provision of Facilities

Resolution under 250(1)

Council adopted the reviewed Councillors Expense Reimbursement Policy as presented on 31 January 2017. (Resolution No.2017/14)

Councillor Misconduct

Local Government Act 2009, Sections 180(2), (4) ,181,or 176C Section 186(d), (e) and (f) of the Local Government Regulation 2012

s186(d)(i)	There were no orders or recommendations made under section 180(2) or (4) of the <i>Local Government Act 2009</i> .
s186(d)(ii)	There were no orders made under section 181 of the <i>Local Government Act 2009</i> .
s186(e)(i)	There were no Councillors named and no orders or recommendations made under section 180 or 181 of the <i>Local Government Act 2009</i> .
s186(e)(ii)	There was no misconduct or inappropriate conduct engaged in by the Councillors.
s186(e)(iii)	There were no orders or recommendations made for a Councillor.
s186(f)(i)	There were no complaints about the conduct or performance of Councillors for which no further action was taken under section 176C(2) of the <i>Local Government Act 2009</i> .
s186(f)(ii)	There were no complaints referred to the department's chief executive under section 176C(3)(a)(i)of <i>Local Government Act 2009</i> .
s186(f)(iii)	There were no complaints referred to the Mayor under section 176C(3)(a)(ii) of the <i>Local Government Act 2009</i> .
s186(f)(iv)	There were no complaints referred to the department's chief executive under section 176C(4)(a) of the <i>Local Government Act 2009</i> .
s186(f)(v)	There were no complaints assessed by the chief executive officer as being about corrupt conduct under the Crime and Corruption Act.
s186(f)(vi)	There were no complaints heard by a regional conduct review panel.
s186(f)(vii)	There were no complaints heard by the tribunal.
s186(f)(viii)	There were no complaints to which section 176C(6) of the <i>Local Government Act 2009</i> applied.

Statutory Information

Overseas Travel

Section 188 of the Local Government Regulation 2012

There was no overseas travel undertaken by a councillor or local government employee in an official capacity during the financial year.

Remuneration of Senior Management

Section 201 Local Government Act 2009

The total of all remuneration packages payable in 2016-17 to the senior management of the Council was \$937,512.99.

Band	Number of employees
Under \$100,000	4
\$100,000 to \$200,000	3
\$200,000 to \$300,000	1

Grants to Community Organisations

Section 189 (a) (b) of the Local Government Regulation 2012

The Council made grants and provided assistance totalling \$74,879 during the year.

There are no Council discretionary funds provided during the year.

Organisation	Purpose	Aı	nount
Thargomindah Middle School	Contribution to Middle School	\$	22,568
Thargomindah Middle School	Homework Club & Operating Costs	\$	6,746
Thargomindah State Primary School	Plant assistance	\$	519
Thargomindah Polocrosse	Donation	\$	500
Thargomindah Gymkhana/Motorbike Sports	Labour & Plant assistance	\$	1,812
Thargomindah Catholic Church	Contribution for air-conditioning and renovations	\$	12,338
Channel Country Challenge	Labour assistance for Campdraft	\$	83
Hungerford Sports Club	Contribution for kitchen facility	\$	10,000
Hungerford Field Day	Labour & Plant assistance for Field Day	\$	3,572
Mayors Challenge Bullride	Donation	\$	\$150
Noccundra Blue Ball	Donation	\$	\$500
Quilpie Centenary	Labour & plant for Float	\$	2,213
Hungerford Medical Centre	Pest Control & Aircon Maintenance & Electricity	\$	1,307
SES	Operating Expenses & Training – Thargomindah	\$	7,930
SES	Operating Expenses – Hungerford	\$	3,706
SES	Operating Expenses – Noccundra	\$	65
Community Entertainment	Movies & Jumping Equip	\$	870

Identify Significant Business Activities

Section 45 of the Local Government Act 2009

The Council has no business activities within the meaning of the legislation. It has no activities to which Corporatisation, Commercialisation, or Full Cost Pricing is applicable.

Investigation Notices for Competitive Neutrality Complaints

Section 190(1)(i) and (j) of the Local Government Regulation 2012

There were no investigation notices given in the financial year under Section 49 of the Local Government Regulation 2012.

As such, there were no responses required from Council in the financial year relating to QCA recommendations on Competitive Neutrality complaints under Section 52(3) of the Local Government Regulation 2012.

Identify Beneficial Enterprises

Section 41 of the Local Government Act 2009

NIL

Annual Operations Report for Each Commercial Business Unit

Section 190(1)(c) of the Local Government Regulation 2012

There were no commercial business units to report for the 2016/2017 financial year.

Conducting a Joint Government Activity

Section 190(1)(d) of the Local Government Regulation 2012

There was no action taken for or expenditure on a service, facility or activity that was supplied by another local government under an agreement for conducting a joint government activity for which the local government levied special rates or charges for the financial year.

Contracts and Tendering

Invitations to change tenders under Act s 228(7)

Section 190(1)(e) of the Local Government Regulation 2012

The Council issued no invitations to change tenders during the year.

List of Registers & Public Documents

Section 190(1)(f) of the Local Government Regulation 2012

The Chief Executive Officer holds the following registers. Except where otherwise indicated they are open to inspection at the Council Administration Centre.

Register	Legislative Provision	Notes
Local Law register	s.31 LGA2009	
Roads Register	s.74 LGA2009	
Register of Cost-recovery	s.98 LGA2009	Register of fees and charges
Fees		
Delegations Register	s.260 LGA2009	Delegations by Council to
		CEO and delegations by CEO
Registers of Interests CEO	s.289 Reg2012	Kept by Mayor, Not open to
and Related persons		Public Inspection.
Registers of interests of	s.289 Reg2012	Written application to
Councillors		inspect register is required.
Registers of interests of	s.289 Reg2012	Not open to public
senior contract employees		inspection
Registers of interests of	s.289 Reg2012	Not open to public
Related persons of		inspection
Councillors and senior		
contract employees		
Register of Pre-qualified	s.232 Reg2012	
suppliers		
Register of Business activities	s.56 Reg 2012	The Council has no business
to which the competitive		activities within the meaning
neutrality principle applies		of the legislation. It has no
		activities to which
		Corporatisation,
		Commercialisation, or Full
		Cost Pricing is applicable.
Asset register	s.104(5)(b)(ii) LGA2009	

Special Rates and Charges

Section 190(1)(g) of the Local Government Regulation 2012

Council did not make or levy any special rates or charges in the financial year.

Summary of Concessions for Rates and Charges

Section 190(1)(g) of the Local Government Regulation 2012

The council provided concessions to 12 pensioners equalling the State contribution of 20% of the rates and charges, capped at \$200.00.

Internal Audit Report

Section 190(1)(h) of the Local Government Regulation 2012

During this fourth year of the internal audit function, the following audits were undertaken, and reports, including findings and recommendations, were submitted to the Audit Committee for review. The Audit Committee which includes two Councillors, and one external member oversees the function of Internal Audit and forwards approved recommendations to Council for consideration and resolution.

Internal Audit Reports covered:

- 1. Insurances
- 2. Risk Register
- 3. Budget Reviews
- 4. Overview of the Annual Financial Statements (2015/16)
- 5. Related Party Disclosures

The Internal Audit Committee continues to meet on a regular basis and assist Council in fulfilling its corporate governance role and oversight responsibilities in relation to accounting and reporting practices.

In terms looking forward, Council's Internal Audit function will be carrying out the items listed in the 2017/18 Audit Plan, which includes Assets – Revaluations, Policies & Procedures, Authorisation processes.

EEO Activities

Equal Employment Opportunity (EEO) is the right of individual workers to fair and unbiased conduct, practices and decisions in employment related activities.

Council's current plan focuses on four main target groups as an integral part of its management practices.

The four target groups are

- Aboriginal and Torres Strait Islander people;
- People of non-English speaking background;
- People with a disability; and
- Women

The Bulloo Shire Council is committed to an EEO Policy which is aimed at ensuring all employees and applicants for employment are treated fairly and that selection and promotion are based only on factors relevant to the job, such as skills, qualifications, abilities and aptitude.

EEO statistics

turnover rate

The following data is based on an assessment of employee records by Council staff with relevant local knowledge and understanding of those employees that identify with the relevant target groups.

Number of employees by target group

18.18

13.9

	Target Grou	rget Group Summary		Target Group as a Percentage of Total workforce		
	2014/15	2015/2016	2015/2016 2016/2017		2015/2016	2016/2017
Aboriginal & Torres Strait Islander	13	11	13	19.40%	16.66%	18.31%
Non-English speaking	2	2	2	2.98%	3.03%	2.82%
Disability	-	-	-	-	-	-
Women	25	30	34	37.31%	45.45%	47.89%
Total employees at year end	67	66	71			
Total employees during year	80	76	88			
Employee	10 10	12.0	10 32			

19.32

Staff numbers by classification and gender

		Total	Men	Women
JH.	Senior Management	8	3	5
Sta	Level 7-8	4	3	1
Internal Staff	Level 4-6	11	4	7
ter	Level 1-3	16	2	14
드	Total Internal Staff	39	12	27
JH.	Supervisors	3	3	
Sta	Level 7-9	2	2	
nal	Level 4-6	22	19	3
External Staff	Level 1-3	5	2	3
Ĕ	Total External Staff	32	26	6
	Total Staff	71	38	33

Code of Conduct

Bulloo Shire Council has implemented a Code of Conduct in line with the Public Sector Ethics Act 1994 ethics, principles and values. The code has been developed to promote ethics and integrity within Council and provides a framework for ethical behaviour, duties and decisions. Contractors and consultants are also bound by this code whilst undertaking work for Council. All Council employees are given access to appropriate education and training on the codes and its content, as well as their rights and obligations in relation to contraventions of the code.



Administrative Action Complaints

Section 187 of the Local Government Regulation 2012

Statement of commitment to dealing fairly

The complaints process is established with the following objectives:

- The fair, efficient and consistent treatment of complaints about decisions and other administrative actions of the council and complaints about minor breaches.
- A complaints process that is easy to understand and is readily accessible to all.
- Detection and rectification, where appropriate, of administrative errors.
- Identification of areas for improvement in the council's administrative practices.
- Increase in awareness of the complaints process for the council's staff and the community.
- Enhancement of the community's confidence in the complaints process and of the reputation of the council as being accountable and transparent.
- Building the capacity of staff to effectively manage complaints in an environment of continuous improvement.

How the complaints management process is implemented

The Council has a formal complaints management process. Details are on the website and can be obtained from the Council Administration Centre.

Assessment of performance in dealing with complaints

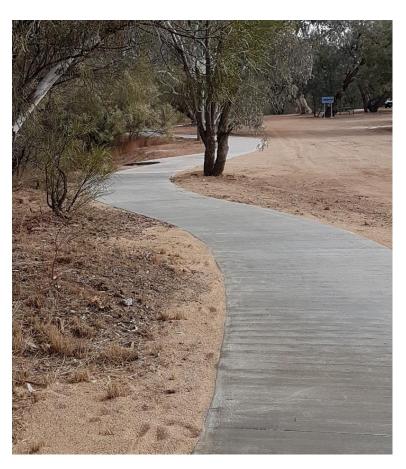
No administrative action complaints were received during the year.

Number of complaints, number resolved, number not resolved and number not resolved made in prior years

Number of complaints received in the year	Nil
Number resolved in the year	Nil
Number not resolved at end of year	Nil
Number made in prior years and still	Nil
unresolved	

Implementation of Long Term Plans

Council continues to report periodically on the implementation of its Corporate Plan and Operational Plan. Built on a quadruple bottom line approach, Council's Corporate Plan and the Operational Plan ensures that Council's strategies are actioned at an operational level.





Performance Report

Section 190(1)(a) of the Local Government Regulation 2012

Infrastructure and Services			
Key Result Area: Essential Services			
Council maintains a water supply network that meets the needs to customers	Deliver water maintenance program		
that meets the needs to customers	Funding application submitted for infrastructure renewal	√	
Key Result Area: Transport			
Council's roads are categorised and maintained according to Asset	Finalise development of 10 year road strategy	✓	
Management Plans	Deliver R2R program	✓	
Compliant and efficient aerodrome facilities that meet the needs of users	Commence construction of new airport terminal	✓	
	Explore funding for CASA lighting upgrade	√	
Key Result Area: Waste Management			
Provide waste management facilities that meet EPA standards	Construct a new pit	√	
Participate in the South West Regional Waste Management Strategy	Implement regional Waste Management Strategy	→	
Council maintains a sewerage network that meets the needs to customers	Deliver sewerage maintenance program	✓	
Key Result Area: Community Infrastr	Key Result Area: Community Infrastructure		
Cemeteries meet community expectations	Bitumen seal cemetery road as part of councils R2R program	✓	
	Construct cemetery fence	✓	
Riverwalk is maintained and improved as grant funding becomes available	Stage 2 Riverwalk upgrade has commenced under Works for Queensland Program	✓	

Natural Environment			
Key Result Area:	Natural Resources a	nd Landscapes	
Continue with Council's management program	· ·	Bi-annual aerial baiting program delivered	✓

Community Spirit and Well-being			
	es and Landscapes		
Provide the community with linkages to Primary Health Care Services	Deliver the Healthy Ageing Program as per Schedule 1 of Funding Agreement	· •	
Our Workforce	•	•	
Key Result Area: HR Systems & Pr	actices		
IR practices support accountability in the workforce and deliver value for money to the community	Provide updated management training for human organisation behavioural management.	✓	
Effective HRM practices support optimum staff performance	Develop an organisational workforce plan	\rightarrow	
Key Result Area: Training & Devel	opment		
HR to monitor and maintain all mandatory licences of all staff	Dita solutions implemented to monitor and maintain mandatory licences	✓	
Roles, accountabilities and decision- making processes are to be clear to enhance organisational efficiency	Maintain current Position Descriptions aligned to Council's Organisational Structure	→	
Key Result Area: Leadership & Management			
Continue to support effective leadership and ongoing management practices through ongoing professional development opportunities facilitation coaching and training.	Development and Implementation corporate training matrix	✓	
Council drive motivation within work, in return it will channel a productive and positive workforce	Implementation of Staff Recognition Policy and holding an event to recognise staff (WHS as well)	→	
Key Result Area: Workplace Healt	th & Safety		
Effective and compliant WH&S practices support a safe and high	Support Workplace Health & Safety Committee meetings	✓	
performance workplace.	Senior staff actively participate in the development and implementation of annual workplace safety plan	✓	
	WHS Trainee recruited	✓	
Develop a program or database of WHS information that is accessible to all staff	Safeplan Program updated and maintained	✓	

Asset Management		
Key Result Area: Efficient Asset M	lanagement	
Continue to provide design and QA services in support of capital program	Continuation of Asset Management Plan Phase 2	\rightarrow
Ensure that all valuations required are completed	Valuations completed September 2016	✓
Governance & Financial Management		
Key Result Area: Corporate Gover	nance	
Strengthen corporate governance framework	Implementation of a whole-of-council Risk Management plan	→
	Oversee internal audit committee and work plan	\rightarrow
Key Result Area: Strategic Planning		
Council's measurement and reporting framework to achieve the corporate goals and objectives	Undertake regular reviews to monitor departmental budgets	✓
Key Result Area: Financial Management		
Council maintains borrowings levels in line with its debt policy; and maximises	Review and adopt investment and debt policy	✓
its own interest revenue.	Review Councils position on debt management	✓
	Comply with all QTC financial tools requirements	✓
	Conduct financial sustainability review in November	✓















Community Financial Report

Section 184 of the Local Government Regulation 2012

About the Community Financial Report (CFR)

The Financial Statements, which are at the end of this Annual Report, tell the story of what happened in financial terms during the year and what the council's financial position was at the end of the year. The Financial Statements are expressed in a format, and according to Accounting Standards laid down by the Australian Accounting Standards Board. It is expected that people reading them are familiar with reading formal financial reports and, consequently they may not be easily understood by readers who are not accountants.

The CFR is prepared to explain the key elements of the Financial Statements in a form which most people can readily understand.

If there are ways you feel this report could be made more useful or more understandable please advise the Council (Contact details at the beginning of this report page (i).

This CFR explains what has happened during the year, and what position Council was in at the year end.

What happened during the year

Impact of flood damage

A total of 25 roads were damaged during the January, May and September 2016 events. The damaged cost is approximately \$9.4m dollars and three submissions for the restoration of these roads was made and was approved under the NDRRA program in the following year.

The work of restoring flood damaged roads is paid for by a grant from the Commonwealth and State Governments. This grant is shown in the accounts when it is received.

Borrowings

During the year, Council has no new borrowings. Council will be free of debt at the end of the financial year 2024.

About Council's End of Year Financial Statements

What you will find in the Financial Statements

The Audited Financial Statements of Council set out the financial performance, financial position, cash flows and the net wealth of Council for the financial year ended 30 June 2017.

About the Management Certificate

The Financial Statements must be certified by both the Mayor and the Chief Executive Officer as "presenting fairly" the Council's financial results for the year, and are required to be adopted by Council - ensuring both responsibility for & ownership of the Financial Statements by management & elected representatives.

About the Financial Statements

The Financial Statements incorporate 4 "primary" financial statements & accompanying notes.

1. A Statement of Comprehensive Income

A summary of Council's financial performance for the year, listing both (i) regular income & expenses & other comprehensive income which records items such as changes in the fair values of Council's assets & investments.

2. A Financial Position

A 30 June snapshot of Council's Financial Position including its Assets & Liabilities.

3. A Statement of Changes in Equity

The overall change for the year (in dollars) of Council's "net wealth".

4. A Statement of Cash Flows

Indicates where Council's cash came from and where it was spent.

5. Notes to the Financial Statements

Provides greater detail to the line numbers of the 4 "primary" financial statements.

About the Auditor's Reports

Council's Financial Statements are required to the audited by the Queensland Audit Office. The audit of many Queensland Councils is contracted to Audit firms that specialise in Local Government. The Auditor provides an audit report which gives an opinion on whether the Financial Statements present fairly the Council's financial performance & position.

Where to find a complete version of Council's 16/17 Financial Statements?

A complete version of Council's Financial Statements for the 12 months to 30 June 2017 can be found at our website:

http://www.bulloo.qld.gov.au

or at Council's administrative office located at:

68 Dowling Street Thargomindah Qld 4492



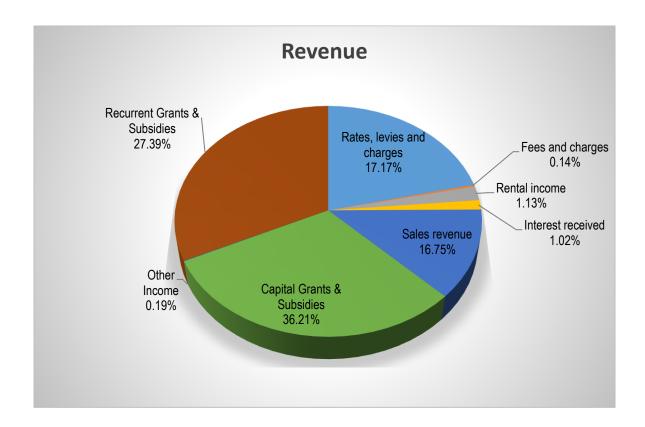
Revenue - Where our money comes from

The table and graph shows where the money used by the Council comes from.

Council's main revenue (income) was derived from:-

Rates, Levies and Charges	\$ 4,453,079	17.17%
Fees and Charges	\$ 36,820	0.14%
Rental Income	\$ 291,831	1.13%
Interest Received	\$ 265,683	1.02%
Sales Revenue - Contract & Works	\$ 4,344,320	16.752%
Recurrent - Grants & Subsidies	\$ 9,390,910	36.21%
Other Income	\$ 49,531	0.19%
Capital – Government Grants & subsidies	\$ 7,103,218	27.39%

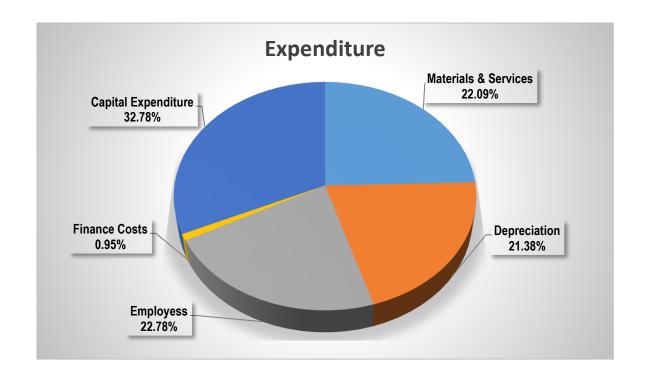
It is of note that payments for the first 2 quarters of 2017/18 Financial Assistance Grant (FAG) were received in advance.



Expenditure - where does it go to?

The table and graph shows the areas where the money used by the Council went to.

Materials & Services	The majority of this was for works for flood damage works on both Shire & State roads	22.09%	\$ 5,082,922
Depreciation	Represents the rate our assets ie roads, buildings and plant & equipment deteriorate through normal wear & tear	21.38%	\$ 4,919,958
Employees	Includes Wages & salaries, annual leave, long service leave, allowances and superannuation.	22.78%	\$ 5,242,061
Finance Costs	Bank & Interest charges	0.95%	\$ 219,198
Capital Expenditure	Works related to capital projects	32.78%	\$ 7,542,744



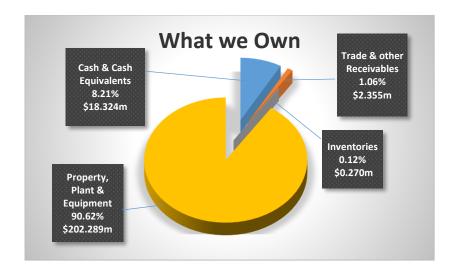
Our position at the year end

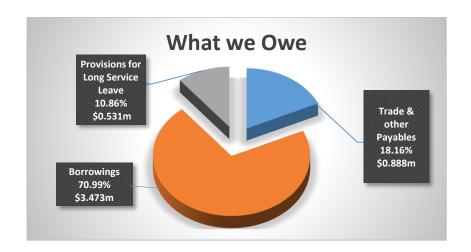
The Statement of Financial Position reports on Council's financial position for the year. It shows the value of what Council owns, for example cash, investments, monies owing to council, inventories and other assets such as land, buildings, road, water and sewerage infrastructure. It also shows the value of what Council owes to Trade & other Payables, Provision for Long Service Leave and any Borrowing.

The financial position is made up by the value of what we own less what we owe. That is the net wealth of the Council.

The total owed by Council is 1.56% of its assets.

What we own and what we owe





Financial Sustainability Measures

The Financial Sustainability of Councils is now a cornerstone of the Local Government Act and a core responsibility of individual Councils across Queensland.

Financial Sustainability is defined as when a "Local Government is able to maintain its financial capital and infrastructure capital over the long term" [source: Local Government Act 2009 section 102(2)].

The Financial Sustainability indicators (in accordance with the *Local Government Regulation 2012*) that Council must publish are as follows:

Operating Surplus Ratio

Net Result divided by Total Operating Revenue (Target between 0% and 10%)

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

As at 30 June 2017, Council's Operating Surplus Ratio was 18.08%.

Asset Sustainability Ratio

Capital Expenditure on the Replacement of Assets (Renewals) divided by Depreciation Expense (Target greater than 90%)

This is an approximation of the extent to which the infrastructure assets managed by the local government are being replaced as these reach the end of their useful lives.

Depreciation expense represents an estimate of the extent to which the infrastructure assets have been consumed in a period.

Capital expenditure on renewals (replacing assets that the local government already has) is an indicator of the extent to which the infrastructure assets are being replaced.

This ratio indicates whether a local government is renewing or replacing existing non-financial assets at the same rate that its overall stock of assets is wearing out.

As at 30 June 2017, Council's Asset Sustainability Ratio was 93.85%.

Net Financial Liabilities Ratio

Total Liabilities less Current Assets divided by Total Operating Revenue (Target not greater than 60%)

This is an indicator of the extent to which the net financial liabilities of a local government can be serviced by its operating revenues. A ratio of less than 60% indicates that Council can comfortably fund its liabilities.

As at 30 June 2017, Council's Net Financial Liabilities Ratio was -80.04%





Long Term Financial Management Strategy

The financial management strategies of Council which are incorporated into its budgets and financial operations are as follows:

- The underlying operating result must ensure Council's long-term sustainability
- All strategies contained within the Council Plan must be funded in the budget.
- Rate revenue should be levied in accordance with Council's Revenue Policy and Statement
- Spending and rating policies must be consistent with a reasonable degree of stability in the level of the rates burden.
- Council must have regard to the effect on future generations of decisions made.
- Staffing levels should be sufficient to achieve the outcomes in the operational plan.
- Long-term assets should be managed to maximise community benefit.
- Existing fees and charges should be increased in line with market forces.
- New revenue sources should be identified wherever possible.
- New initiatives or new employee proposals should be justified.
- Council recognises that government grants are a crucial element of financial sustainability.
- The balance of a year's projects that were not completed by the year end should be included in the following year's budget.
- Council's budget must take into account all of Council's other strategic plans.
- Financial risks faced by Council must be managed having regard to economic circumstances.



Resolutions relating to non-current asset thresholds

Section 206(1) (2) of the Local Government Regulation 2012

Council has resolved to apply the following thresholds in recognising non-current assets:

Land	\$1	
Plant and Equipment	\$5,000	
Land Improvements, Buildings, Road, Water and	\$10,000	
Sewerage Infrastructure, and Other Structures	\$10,000	

Amounts below these thresholds are expensed in the year they are incurred.

Audited Financial Statements

- Statements
- Notes
- Audit report



Bulloo Shire CouncilFinancial Statements

for the year ended 30 June 2017

Bulloo Shire Council Financial statements

For the year ended 30 June 2017

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Bulloo Shire Council Statement of Comprehensive Income For the year ended 30 June 2017

		2017	2016
	Note	\$	\$
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3(a)	4,453,079	4,337,455
Fees and charges		36,820	51,713
Rental income		291,831	403,629
Interest received	3(b)	265,683	272,522
Sales revenue	3(c)	4,344,320	2,540,717
Grants, subsidies, contributions and donations	4(a)	9,390,910	6,226,012
Other Income		49,531	13,991
Total revenue	_	18,832,174	13,846,039
Expenses		(0)	
Recurrent expenses			
Employee benefits	5	(5,242,061)	(5,176,918)
Materials and services	6	(5,082,922)	(3,924,991)
Finance costs		(219,198)	(167,127)
Depreciation and amortisation	10	(4,919,958)	(4,167,816)
		(15,464,139)	(13,436,852)
Total Operating Surplus / (Deficit)	_	3,368,035	409,187
Capital Items			
Capital revenue			
Grants, subsidies, contributions and donations	4(b)	7,103,218	6,500,444
Capital expenses	7	(7,542,743)	(3,478,615)
Net Capital Income		(439,525)	3,021,829
Net result	_	2,928,510	3,431,016
Other comprehensive income Items that will not be reclassified to net result			
Increase / (decrease) in asset revaluation surplus	15		344,703
Total other comprehensive income for the year	SC		344,703
Total comprehensive income for the year	_	2,928,510	3,775,719

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

Bulloo Shire Council Statement of Financial Position as at 30 June 2017

	Note	2017 \$	2016 \$
Current assets			
Cash and cash equivalents	8	18,323,567	10,158,305
Trade and other receivables	9	1,440,657	1,236,298
Inventories	750	270,362	258,732
Total current assets	=	20,034,586	11,653,335
Non-current assets			
Trade and other receivables	9	914,571	1,085,472
Property, plant and equipment	10	202,289,096	209,221,816
Total non-current assets	=	203,203,667	210,307,288
Total assets	_	223,238,253	221,960,623
O			
Current liabilities	10	000 450	4.047.000
Trade and other payables Borrowings	12 13	888,450	1,917,686
Provisions for Long Service Leave	13	489,181 337,908	679,480 225,591
Total current liabilities	-	1,715,539	2,822,757
	-	1,710,000	2,022,707
Non-current liabilities	40	0.004.077	2 402 204
Borrowings Provisions for Long Service Leave	13	2,984,077	3,466,864
Total non-current liabilities	(1	193,311	254,185
Total non-current nabilities	\ <u>-</u>	3,177,388	3,721,049
Total liabilities	_	4,892,927	6,543,806
Net community assets	_	218,345,326	215,416,817
Community equity			
and a state			
Shire Capital	14		96,185,000
Asset revaluation surplus	15	108,681,170	108,681,170
Retained/Accumulated surplus		109,664,156	4,521,314
Reserves	16	-	6,029,333
Total community equity	_	218,345,326	215,416,817

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

Bulloo Shire Council Statement of Changes in Equity For the year ended 30 June 2017

		Shire Capital	Asset revaluation surplus	Retained Surplus	Reserves	Total
	Note	14	15		16	
		\$	\$	\$	\$	\$
Balance as at 1 July 2016		96,185,000	108,681,170	4,521,314	6,029,333	215,416,817
Net operating surplus Other comprehensive income for the year			-	2,928,510	-	2,928,510
Increase / (decrease) in asset revaluation surplus		-	-	-		-
Total comprehensive income for the year		•	-	2,928,510	-	2,928,510
Transfers to Retained Surplus						
Transfers to/from Shire Capital & Reserves		(96, 185, 000)		102,214,333	(6,029,333)	-
Total transfers to and from reserves		(96,185,000)		102,214,333	(6,029,333)	-
Balance as at 30 June 2017			108,681,170	109,664,157		218,345,327
Balance as at 1 July 2015		88,809,990	108,336,467	8,465,308	6,029,333	211,641,098
Net operating surplus		2		3,431,016	¥1	3,431,016
Other comprehensive income for the year Increase / (decrease) in asset revaluation surplus			344,703			344,703
Total comprehensive income for the year		8	344,703	3,431,016	=	3,775,719
Transfers to and from reserves Transfers to/from Shire Capital & Reserves		7,375,010		(7,375,010)		
Total transfers to and from reserves		7,375,010	-	(7,375,010)		
Balance as at 30 June 2016		96,185,000	108,681,170	4,521,314	6,029,333	215,416,817

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

Bulloo Shire Council Statement of Cash Flows For the year ended 30 June 2017

	Note	2017	2016
_		\$	\$
Cash flows from operating activities			
Receipts from customers		8,828,321	6,627,390
Payments to suppliers and employees		(11,460,505)	(8,784,406)
		(2,632,184)	(2,157,016)
Interest received		232,361	272,444
Rental income		291,832	403,629
Non capital grants and contributions		9,390,910	6,226,012
Borrowing costs		(195,987)	(220,769)
Net cash inflow from operating activities	19	7,086,932	4,524,300
Cash flows from investing activities			
Payments for property, plant and equipment		(5,682,255)	(11,318,820)
Proceeds from sale of property plant and equipment		330,453	1,297,564
Grants, subsidies, contributions and donations		7,103,218	6,500,444
Net cash outflow from investing activities		1,751,416	(3,520,812)
Cash flows from financing activities			
Repayment of borrowings		(673,086)	(642,674)
Net cash inflow (outflow) from financing activities	-	(673,086)	(642,674)
Net increase (decrease) in cash and cash equivalent held		8,165,262	360,814
Cash and cash equivalents at the beginning of the financial year		10,158,305	9,797,491
Cash and cash equivalents at end of the financial year	8	18,323,567	10,158,305

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

Significant accounting policies

1.A Basis of preparation

These general purpose financial statements are for the period 1 July 2016 to 30 June 2017 and have been prepared in compliance with the requirements of the Local Government Act 2009 and the Local Government Regulation 2012. 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.

These financial statements have been prepared under the historical cost convention except for:

Land Buildings Other Structures Roads Water Sewerage

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. It also includes non-cash contributions which are usually infrastructure assets received from developers.

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
- revaluations of property, plant and equipment.

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

1.B Statement of compliance

These general purpose financial statements comply with all accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to Council's operations and effective for the current reporting period. 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 Constitution

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

1.D Date of authorisation

The financial statements were authorised for issue on the date they were submitted to the Auditor-General for final signature. This is the date the management certificate is signed.

1.E Currency

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

1.F Adoption of new and revised Accounting Standards

This year Council has applied AASB 124 Related Party Disclosures for the first time. As a result Council has disclosed more information about related parties and transactions with those related parties. This information is presented in note 21.

Some Australian Accounting Standards and Interpretations have been issued but are not yet effective. Those standards have not been applied in these financial statements. Council will implement them when they are effective. The standards that are expected to have a material impact upon council's future financial statements are:

Standard and Impact

Date Council will apply the Standard

AASB 9 Financial Instruments

1/07/2018

This replaces AASB 139 Financial Instruments: Recognition and Measurement, and will change the requirements for the classification, measurement and disclosures of financial assets.

As Council only have cash investment with QTC, the revised Accounting Standard will have minimal impact to the Council future financial statements.

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

1/07/2019

AASB 15 will replace AASB 118 Revenue, AASB 111 Construction Contracts and a number of Interpretations. AASB 2016-8 provides Australian requirements and guidance for not-for-profit entities in applying AASB 9 and AASB 15, and AASB 1058 will replace AASB 1004 Contributions. Together they contain a comprehensive and robust framework for the recognition, measurement and disclosure of income including revenue from contracts with customers.

Council is still reviewing the way that income is measured and recognised to identify whether there will be any material impact arising from these standards.

AASB 16 Leases 1/07/2019

Council has no current leases that are not on its balance sheet. However, when Council will have future lease arrangements when this revised Accounting Standard becomes effective, these will need to be included on the balance sheet when this standard comes into effect. A lease liability will initially be measured at the present value of the lease payments to be made over the lease term. A corresponding right-of-use asset will also be recognised over the lease term.

Some Australian Accounting Standards and Interpretations have been issued but are not yet effective. Those standards have not been applied in these financial statements. Council will implement them when they are effective. The standards are not expected to have a material impact upon council's future financial statements.

1.G 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 continually. Revisions to accounting 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 potentially significant effect are outlined in the following financial statement notes:

Valuation and depreciation of property, plant and equipment - Note 1.L and Note 10 Impairment of property, plant and equipment - Note 1.M Liabilities - Employee benefits 1.P Contingent liabilities - Note 17

1.H 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.

Where grants are received that are reciprocal in nature, revenue is recognised as the various performance obligations under the funding agreement are fulfilled. Council does not currently have any reciprocal grants.

Interest received

Interest received from investment with Queensland Treasury Corporation (QTC) is accrued over the term of the investment.

Fees and charges

Fees and charges are recognised when Council is entitled to those funds.

Rental Income

Rent from properties is recognised as income on a periodic straight line over the term of the lease.

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.

The Council generates revenues from a number of services including 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.

1.I 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.

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

Financial assets

Cash and cash equivalents (Note 1.J)

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

Financial liabilities

Payables - measured at amortised cost (Note 1.0)

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

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 22.

1.J Cash and cash equivalents

Cash and cash equivalents includes cash on hand, all cash and cheques received 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, and bank overdrafts.

1.K Receivables

Trade receivables are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase or 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. The loss is recognised in finance costs. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

All known bad debts were written-off at 30 June. 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. With the exception of rates owing from mining leases, Council does not impair any rate receivables.

Debts arising from sales of houses to tenants were on terms requiring a payment for five years of instalments equal to the rent formerly paid, with the balance being due at the end of 5 years.

1.L 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:

Land Buildings

Buildings

Other structures

Plant and equipment

Office furniture and equipment

Roads, drainage and bridges network

Water infrastructure

Sewerage

Work in progress

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.

Capital and operating expenditure

Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of assets are treated as capital expenditure. Assets under construction are not depreciated until they are completed and commissioned, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

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.

1.L Property, plant and equipment (continued)

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. This process was conducted when the flood damage submission was made to the Queesland Reconstruction Authority. 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 AASB 13 *Fair Value Measurement*. Plant and equipment, office furniture 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 has assessed fair value of all infrastructure assets, by applying an appropriate cost index as provided by an independent valuer, Cardno Valuers. With respect to the valuation of the land and improvements and buildings, in the intervening years, if the change in values is considered likely to be material, management engages independent, professionally qualified valuers to perform a "desktop" valuation. A desktop valuation involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

Further details in relation to valuers, the methods of valuation and the key assumptions used are disclosed in Note 11.

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, of the revaluation surplus of that asset class.

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.

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 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 component replaced written off. The new depreciable amount is depreciated over the remaining useful life of the asset to the Council.

1.L Property, plant and equipment (continued)

Major spares purchased specifically for particular assets that are above the asset recognition threshold are capitalised and depreciated on the same basis as the asset to which they relate.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements to the Council or the unexpired period of the lease, whichever is the shorter.

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed on a regular basis and adjusted, where necessary, to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The condition assessments performed as part of the annual valuation process for assets measured at written down current replacement cost are used to estimate the 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 10.

Land under roads

Land under the road network within the Council area that has been dedicated and opened for public use under the Land Act 1994 or the Land Title Act 1994 is not controlled by council but is controlled by the state pursuant to the relevant legislation. Therefore this land is not recognised in these financial statements.

1.M Impairment of non-current assets

Each non-current physical and intangible asset and group of assets is assessed for indicators of impairment. 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 less costs to sell and its value in use.

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

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

1.N Leases

Leases of plant and equipment under which the Council as lessee/lessor assumes/transfers substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are classified as finance leases. Other leases, where substantially all the risks and benefits remain with the lessor, are classified as operating leases.

Council has no finance leases as lessee. Council has one operating lease as lessor and 53 properties that are on annual rental agreement with staff and the general public. Total value of the rent to be collected over the term of the leases is \$241,945.

1.0 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.P Liabilities - employee benefits

Liabilities are recognised for employee benefits such as wages and salaries, annual leave and long service leave in respect of services provided by the employees up to the reporting date. Liabilities for employee benefits are assessed at each reporting date.

Salaries and wages

A liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date. This liability represents an accrued expense and is reported in Note 12 as a payable.

1.P Liabilities - employee benefits (continued)

Annual leave

A liability for annual leave is recognised and reported in Note 12 as a payable. Amounts expected to be settled within 12 months are calculated on current wage and salary levels and includes related employee on-costs. Amounts not expected to be settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values. This liability represents an accrued expense and is reported in Note 12 as a payable.

As Council does not have an unconditional right to defer settlement of the annual leave beyond twelve months after reporting dates, 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 18.

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 or other associated 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.

Where employees have met the prerequisite length of service and council does not have an unconditional right to defer this liability beyond 12 months long service leave is classified as a current liability. Otherwise it is classified as non-current.

1.Q 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

In accordance with the Local Government Regulation 2012 council adopts an annual debt policy that sets out council's planned borrowings for the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

All borrowing costs are expensed in the period in which they are incurred. No borrowing costs are capitalised on qualifying assets

1.R Asset revaluation surplus

The asset revaluation surplus comprises adjustments relating to changes in value of property, plant and equipment that do not result from the use of those assets. Net incremental changes in the carrying value of classes of non-current assets since their initial recognition are accumulated in the asset revaluation surplus.

Increases and decreases on revaluation are offset within a class of assets.

Where a class of assets is decreased on revaluation, that decrease is offset first against the amount remaining in the asset revaluation surplus in respect of that class. Any excess is treated as an expense.

When an asset is disposed of, the amount reported in surplus in respect of that asset is retained in the asset revaluation surplus and not transferred to retained surplus.

1.S Shire capital

At the creation of the Council any operating assets and liabilities that were required to be recognised, were brought to account through the shire capital account.

1.T Accumulated surplus

In reference to the comparative figures for the year ended 30 June 2016, this represents the amount of Council's net funds not set aside in reserves to meet specific future needs.

In 2016- 2017, Shire Capital (1.S) and Reserves (1.U) have been consolidated into Retained Surplus. The transfers are shown in the Statement of Financial Position and Statement of Changes in Equity.

1.U Reserves

Sustainability reserve

This reserve represents funds set aside to enable Council to continue to operate in the event of the expiry of the oil and gas fields. It is designed to enable the Council to make up the lost revenue over a period sufficient to allow orderly adjustment to a necessarily lower level of operations.

1.V National competition policy

The Council has reviewed its activities to identify its business activities. There are no activities to which the provisions apply.

1.W Rounding and comparatives

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

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

1.X Taxation

Income of local authorities and public authorities is exempt from Commonwealth taxation except for Fringe Benefits Tax and Goods and Services Tax ('GST'). The net amount of GST recoverable from the ATO or payable to the ATO is shown as an asset or liability respectively.

1.Y Inventories

Store items held for resale are valued at the lower of cost and net realisable value.

Inventories held for distribution are goods to be supplied at no or nominal charge and to be used for provision of services at no or nominal charge. These goods are valued at cost, adjusted, when applicable for any loss of service potential.

2. Analysis of Results by Function

2(a) Components of council functions

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

Finance

Provides professional financial operations of the Council not specifically related to any other function. This function includes Rates & Charges, as well as Grants, Subsidies and Contributions and other financial transactions relating to all areas of council.

Administration

Management of Council operations generally including administrative support to Council and to other functions. This function includes internal audit, communication and information technology services, insurances, strategic and operational planning, risk management, legal and administrative support. The goal of this function is to provide accurate, timely and appropriate information to support sound decision making and meeting statutory requirements. The Mayor, Councillors and Chief Executive Officer are included in the Administration function.

Engineering

Maintaining and improving the road network and other council infrastructure. The objects of the engineering program are:-

- a) to ensure the community is serviced by a high quality and effective road network.
- b) to ensure the community is serviced by high quality and effective aerodromes and associated infrastructure.

The function provides and maintains transport infrastructure including the manaintenance and provision of the drainage network and aerodromes.

This functions includes activities and services related to town planning, workplace health and safety and quality assurance.

Health and Environment

Providing services and facilities to maintain the health of the community and protect the environment. The function provides refuse collection and disposal services, maintains public conveniences and cemetries, animal control including registrations and environmental licences and approvals. The function also provides effective management of stock routes, animal and weed pests.

Community and Culture

The goal of Community and Culture is to ensure Bulloo Shire is a healthy, vibrant, contemporary and connected community. Community and Culture provides well managed and maintained community facilities, and ensures the effective delivery of culture, educational, tourism, sport and recreational services.

This function includes Libraries, Entertainment venues, Sporting venues, Education facilities, Caravan parks and Parks and gardens.

Water and Sewerage

The goal of this program is to support a healthy, safe community through sustainable water services by providing a potable water supply and system for the collection and disposal of waste water. The water function includes all activities relating to water, whilst the sewerage function protects and supports the health of our community by sustainably managing sewerage infrastructure.

Asset and Resource Management

This function provides the management of Councils real property, building and plant assets.

The objective of the Asset and Resource Management function is to provide and maintain a reliable and safe fleet of vehicles and machinery to ensure works are carried out in an efficient and productive manner. This function provides and maintains Council's housing stock. This function includes depot, workshop and plant operations.

Analysis of results by function
(b) Income and expenses defined between recurring and capital are attributed to the following functions:

Functions	Gross program income				Elimination of Total		Gross program expenses		Elimination of	Total	Net result Net	Net	Assets
	Recu	rrent	Capi	tal	inter-function	income	Recurrent	Capital	inter-function	expenses	from recurrent	Result	7.00010
	Grants	Other	Grants	Other	transactions		TO SHEET AND STREET AND ADDRESS OF THE	The state of the s	transactions		operations	2017	
	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017		2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Finance	7,463,202	4,484,418	866,059	(=		12,813,679	(166,864)		(12)	(166,864)	11,780,757	12.646,815	25.035.291
Administration		33,039	le l	(*)	-	33,039	(3,418,541)	-		(3,418,541)	(3,385,501)	(3,385,502)	
Engineering	1,686,293	4,345,386	6,058,849	(#)		12.090,528	(8,877,254)	(7.565,950)	12/10/	(16,443,204)	(2,845,575)	(4.352.676)	165,177,574
Health and Environment	-	108,368	-		-	108,368	(574,315)	-	100	(574,315)	(465,947)	(465,947)	100,117,074
Community and Culture	120,662	175,732	178,310	343		474,704	(1,667,122)	-	-	(1,667,122)	(1,370,728)	(1,192,418)	_
Water and Sewerage	-	195,149	1=1	(14)	-	195,149	(371,668)	-	-	(371,668)	1	(176,519)	8,105,914
Asset and Resource	67,644	152,281	141	23,207	n <u>u</u> n	243.132	(388,375)		-	(388,375)	1	(145,243)	24.335.213
Management		ALIGNA WINGSOM			11				192	(000,0,0)	(100,100)	(110,210)	24,000,210
Total Council	9,337,801	9,494,372	7,103,218	23,207	-	25.958.599	(15,464,139)	(7.565,950)		(23,030,089)	3,368,035	2,928,510	223,238,253

Year ended 30 June 2016

Functions	Gross program income				Elimination of	Total	Gross program expenses		Elimination of	Total	Net result	Net	Assets
	Recu	irrent	Capi	tal	inter-function	income	Recurrent Capital		inter-function	expenses	from recurrent	Result	7100010
	Grants	Other	Grants	Other	transactions			100	transactions		operations	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Finance	4,829,128	4,389,168		=		9,218,296	86,650	-	37.	86,650	9,304,946	9.304.946	16,418,193
Administration	-	18,749		12	-	18,749	(3,317,311)		-	(3,317,311)	(3,298,563)	(3,298,563)	640,328
Engineering	1,040,288	2,555,666	6,347,317	12	-	9,943,271	(7,429,601)	(2,746,503)	-	(10,176,104)	(3,833,647)	(232,833)	172,255,334
Health and Environment		93,247	-		-	93,247	(597,187)	-	-	(597, 187)		(503,940)	,,
Community and Culture	271,584	10,091	153,127	12	-	434,802	(1,857,820)	-	-	(1,857,820)	(1,576,145)	(1,423,018)	
Water and Sewerage	-	190,387	2	2	-	190,387	(493,741)	-	-	(493,741)		(303,354)	8,219,963
Asset and Resource Management	85,012	362,720	-	i e	-	447,732	172,158	(732,112)	-	(559,954)	, , , ,	(112,222)	24,426,805
Total Council	6,226,012	7,620,028	6,500,444	2		20,346,484	(13,436,852)	(3,478,615)	-	(16,915,467)	409.187	3.431.016	221,960,623

		Note	2017 \$	2016 \$
3	Revenue analysis			<u> </u>
(a)	Rates, levies and charges			
	General rates		4,447,708	4,331,667
	Separate rates		4,706	4,511
	Water		112,597	108,900
	Sewerage		84,705	81,832
	Garbage charges		35,436	33,881
	Total rates and utility charge revenue		4,685,152	4,560,791
	Less: Discounts		(229,898)	(221,329)
	Less: Pensioner remissions		(2,175)	(2,007)
			4,453,079	4,337,455
(b)	Interest received			
	Interest received from deposits at call		254,014	262,236
	Interest from overdue rates and utility charges		9,502	9,452
	Interest from other sources		2,167	834
15 10	46 1		265,683	272,522
(c)	Sales revenue			
	Sale of services		Un appeared appearance	
	Contract and recoverable works		4,048,952	2,184,563
			4,048,952	2,184,563
	Sale of goods		Name to the second	MARGONAL PROPERTY
	Aviation fuel		295,368	356,154
			295,368	356,154
	Total sales revenue		4,344,320	2,540,717
	The amount recognised as revenue for contract revenue during the	financial ve	ar is the amount rec	aivable in
	respect of invoices issued during the period.	illiancial ye	ar is the amount rec	ervable III
4	Grants, subsidies, contributions and donations			
10. 10				
(a)	Recurrent			
	General purpose grants		7,438,202	4,829,128
	State government subsidies and grants		253,687	325,482
	Commonwealth government subsidies and grants		1,699,021	1,071,402
			9,390,910	6,226,012
(b)	Capital			
	Government subsidies and grants		7,103,218	6,500,444
			7,103,218	6,500,444

		Note	2017 \$	2016 \$
5	Employee benefits			
	Total staff wages and salaries Councillors' remuneration Annual, sick and long service leave entitlements Superannuation Other employee related expenses Less: Capitalised employee expenses	18	3,912,303 313,647 943,002 473,301 5,642,253 138,754 5,781,007 (538,946) 5,242,061	3,951,704 294,157 925,158 461,998 5,633,017 205,414 5,838,431 (661,513) 5,176,918
	Councillors' remuneration represents salary paid in respect of carry	ing out the	ir duties.	
	Total Council employees at the reporting date: Elected members Administration staff Outdoors staff Total full time equivalent employees		5 34 37 76	5 33 33 71
6	Materials and services			
	Advertising and marketing Administration supplies and consumables Audit of annual financial statements by the Auditor-General of Queensland Communications and IT Consultants Donations paid Repairs and maintenance Subscriptions and registrations Other materials and services		25,496 143,986 43,329 354,988 65,074 117,762 1,444,480 6,836 2,880,971 5,082,922	5,447 114,359 41,800 395,006 971,827 140,285 1,719,049 6,607 530,611 3,924,991
7	Capital expenses / (revenue)			
	(Gain)/Loss on disposal of assets Carrying value of assets disposed of Less Proceeds of disposal Total loss / (gain) on disposal of assets Flood damaged roads written off Total capital expenses / (revenue)	10	129,065 (152,273) (23,207) 7,565,950 7,542,743	2,480,038 (1,747,926) 732,113 2,746,503 3,478,615

8

		Note	2017 \$	2016 \$
Cash and	d cash equivalents			
Deposits	pank and on hand at call per Statement of Cash Flows		264,660 18,058,907 18,323,567	154,714 10,003,591 10,158,305
	cash and cash equivalents are subject to an internal relary or future use.	estriction that li	mits the amount ava	ailable for
Unspent s	imposed expenditure restrictions at the reporting date sustainability reserve pent restricted cash		6,029,333 6,029,333	6,029,333 6,029,333
	nank is held in the National Australia Bank in normal but a redit rating of A1+ and long term rating of AA	usiness cheque	accounts. The bank	currently has a
Deposits	at call are held in the Queensland Treasury Corporation	n. QTC's curre	nt credit rating is AA	۱+.
	erforms a custodian role in respect of trust fund monie he Council, they are not brought to account in these fir			funds cannot be
Trade an	d other receivables			
Other deb Less impa GST reco	airment verable		78,597 107,640 1,188,075 (46,574) 112,919 1,440,657 914,571	92,975 114,920 1,022,403 (23,392) 29,392 1,236,298 1,085,472 1,085,472
Interest is	charged on outstanding rates at a rate of 11% per an	num. No interes	st is charged on oth	er debtors.
Movemen follows:	it in accumulated impairment losses (other debtors) is	as		
	palance at 1 July		(23,392)	(87,720)
Additional	nt Debts written off during the year I impairments recognised nts reversed		(23,182)	64,328
Closing B	alance at 30 June		(46,574)	(23,392)

10 Property plant and equipment

Basis of measurement
Asset values
Opening gross value as at 1 July 2016
Additions
Disposals
Revaluation adjustment to income (capital expense)
Assets Write Off
Transfers between classes
Closing gross value as at 30 June 2017

Accumulated depreciation and impairment

Opening balance as at 1 July 2016
Depreciation provided in period
Depreciation on disposals
Revaluation adjustment to other comprehensive
income(asset revaluation surplus)
Depreciation on Assets written off
Transfer between classes
Accumulated depreciation as at 30 June 2017

Total written down value as at 30 June 2017

Residual value
Range of estimated useful life in years

Additions comprise:

Renewals Other additions

Total additions

Note	Land	Buildings	Other Structures	Plant and equipment	Office Equipment and Furniture	Roads, Drainage and Bridges Network	Water Infrastructure	Sewerage	Work in progress	Total
	Fair Value	Fair Value	Fair Value	Cost	Cost	Fair Value	Fair Value	Fair Value	Cost	
l.	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	767,700	26,281,400	5,596,900	12,486,853	785,662	197,945,413	7,609,347	3,036,200	2,024,653	256,534,128
	-	170,945	364,300	893,875		1,288,865	231,220	85,645	2,647,404	5,682,254
	-	-	-	(394,002)	74	2	¥	-		(394,002)
	-	2	90	=	76		*	-		H.:
	-	(/ =	-	2	100	(8,892,805)	÷.	-	-	(8,892,805)
Į.	-	2	÷	Ħ	75	-	-	-	-	i=:
	767,700	26,452,345	5,961,200	12,986,726	785,662	190,341,473	7,840,567	3,121,845	4,672,057	252,929,575

-	9,517,453	2,212,931	5,685,641	145,334	27,027,951	1,998,594	724,408	150	47,312,312
0#3	642,164	171,824	953,950	61,749	2,918,578	120,878	50,815	(-)	4,919,959
-	2		(264,936)	-		-	-	-	(264,936
ne ne	-	2	10	-	-	-	-	-	
-	-		-	-	(1,326,855)	-		40	(1,326,855
(1 4).	-	120	182 I	621	-	-	151	-3	-
-	10,159,617	2,384,755	6,374,655	207,083	28,619,674	2,119,472	775,223	21	50,640,479

767,700	16,292,728	3,576,446	6,612,071	578,579	161,721,798	5,721,095	2,346,622	4,672,057	202,289,096
	78.	ш			-	_	(19)	-	
Not depreciated	50-100	15-45	2-30	2-15	1-100	20-115		Not depreciated	

\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
-	-	364,300	/6 <u>2</u> 9	-	1,288,865	231,220	85,645	2,647,404	4,617,434
-	170,945	2	893,875	-		-	-	-	1,064,820
7-	170,945	364,300	893,875	(#)	1,288,865	231,220	85,645	2,647,404	5,682,254

Basis of measurement
Asset values
Opening gross value as at 1 July 2015
Additions
Disposals
Revaluation adjustment to other comprehensive income(asset revaluation surplus)
Revaluation adjustment to income (capital expense)
Assets Write Off
Transfers between classes
Closing gross value as at 30 June 2016

Accumulated depreciation and impairment

Opening balance as at 1 July 2015
Depreciation provided in period
Depreciation on disposals
Revaluation adjustment to other comprehensive
income(asset revaluation surplus)
Depreciation on Assets written off
Transfer between classes
Accumulated depreciation as at 30 June 2016

Total written down value as at 30 June 2016

Residual value

Range of estimated useful life in years

е	Land	Buildings	Other Structures	Plant and equipment	Office Equipment and Furniture	Roads, Drainage and Bridges Network	Water Infrastructure	Sewerage	Work in progress	Total
	Fair Value	Fair Value	Fair Value	Cost	Cost	Fair Value	Fair Value	Fair Value	Cost	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	681,094	27,639,876	5,071,343	13,589,372	785,662	187,287,652	7,609,347	3,036,200	2,871,047	248,571,593
		107,127	-	1,185,478	-	8,089,400	-	-	1,447,741	10,829,746
	(6,500)	(2,773,187)	-	(2,287,997)	-	-	-	-	-	(5,067,684
	93,106	1,307,584	525,557	-	-	4,082,871	-	-	-	6,009,118
	-				=	-	-	-		-
	-	-	: -	-	-	(3,808,645)		-	-	(3,808,645
	-		-	-	-	2,294,135	2	-	(2,294,135)	= ==
	767,700	26,281,400	5,596,900	12,486,853	785,662	197,945,413	7,609,347	3,036,200	2,024,653	256,534,128

-	6,043,009	1,391,534	6,215,647	89,268	24,839,099	1,877,716	673,592	-	41,129,865
	258,154	127,315	845,084	56,066	2,709,502	120,878	50,816	-	4,167,815
-	(1,212,556)	-	(1,375,090)	-	-	-	-		(2,587,646
-	4,428,846	694,082	-	-	541,492	-	-	-	5,664,420
-	-	-	-	-	(1,062,142)	r d ir	-	-	(1,062,142
-	-		-	-	-	÷	-	-	-
-	9,517,453	2,212,931	5,685,641	145,334	27,027,951	1,998,594	724,408	-	47,312,312

767,700	16,763,947	3,383,969	6,801,212	640,328	170,917,462	5,610,753	2,311,792	2,024,653	209,221,816
767,700			2,326,264	7	-	-	-	-	
Not depreciated	50-100	15-45	2-30	2-15	1-100	20-115	16-100	Not depreciated	

11 Fair Value Measurements

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

Property, plant and equipment

- Land
- Buildings
- Other structures
- Road, drainage and bridge network
- Water Infrastructure
- Sewerage Infrastructure

Council does not measure any liabilities at fair value on a 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 amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in Note 13 is provided by the Queensland Treasury Corporation and represents the contractual discounted cash flows at balance date (level 2).

The fair value of borrowings from QTC is based on the market value of debt outstanding. The market value of a debt obligation is the discounted value of future cash flows based on prevailing market rates and represents the amount required to be repaid if this was to occur at balance date. The market value of debt is provided by QTC and is disclosed in Note 13.

QTC applies a book rate approach in the management of debt and interest rate risk, to limit the impact of market value movements to clients' cost of funding. The book value represents the carrying value based on amortised cost using the effective interest method.

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

AASB 13 requires fair value measurements to be categorised as follows:

- 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 level 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 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.

11 Fair Value Measurements

The table presents the Council's assets and liabilities measured and recognised at fair value at year end.

At 30 June 2017	Note	Level 2	Level 3	Total
		(Significant other observable inputs)	(Significant unobservable inputs)	
		\$	\$	\$
Recurring fair value measurements				
Land	10	767,700		767,700
Buildings	10			
- Residential and commercial properties		4,073,651	848	4,073,651
- Specialised buildings			12,219,077	12,219,077
Other Structures	10		3,576,445	3,576,445
Infrastructure assets:				
- Road, drainage and bridge network	10		161,721,798	161,721,798
- Water	10	-	5,721,095	5,721,095
- Sewerage	10	-	2,346,622	2,346,622
		4,841,351	185,585,038	190,426,388
At 30 June 2016	Note	Level 2	Level 3	Total
		(Significant other observable inputs)	(Significant unobservable inputs) \$	\$
Recurring fair value measurements		a	\$	Þ
Land	10	767,700	-	767,700
Buildings	10			
- Residential and commercial properties		5,253,463	-	5,253,463
- Specialised buildings			11,510,485	11,510,485
Other Structures	10		3,383,969	3,383,969
Infrastructure assets:				
- Road, drainage and bridge network	10	20	170,917,462	170,917,462
- Water	10	146	5,610,753	5,610,753
- Sewerage	10	-	2,311,792	2,311,792
		0.004.400	193,734,461	400 755 604
		6,021,163	193,734,461	199,755,624

11 Fair Value Measurements (continued)

Land (Level 2)

Land fair values were determined by independent valuer, J Long Australis Asset Advisiory Group effective 30 June 2016. Level 2 valuation inputs were used to value land in freehold title as well as land used for special purposes, which is restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.

In 2016-17, Land fair values were determined by using housing Consumer price index as a guide. This is because land is attached to specialised and residential Council buildings. As the indexation movement (Australian Bureau of Statistics) between 30 June 2016 and 30 June 2017 rose by only 2.4%, Council did not perform a comprehensive valuation of its land assets for the financial year ending 30 June 2017.

Buildings (Level 2 & 3)

The fair value of buildings were also were determined in accordance with AASB 13 Fair Value at 30 June 2016. Where there is a market for Council building assets, they are categorised as non-specialised buildings and fair value is derived from the sales prices of comparable properties after adjusting for differences in key attributes such as property size (level 2). The most significant inputs into this valuation approach were price per square metre.

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 having similar service potential including allowances for preliminaries and professional fees. 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, the net current value of a building asset is the difference between the market value of the asset as a whole (including land) and the market value of the land component. 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.

In determining the level of accumulated depreciation the asset has been disaggregated into significant components which exhibit useful lives. Allowance has been made for the typical asset life cycle and renewal treatments of each component, residual value at the time the asset is considered to be no longer available for use and the condition of the asset. Condition was assessed taking into account both physical characteristics as well as holistic factors such as functionality, capability, utilisation and obsolescence.

While the unit rates based on square metres can be supported by market evidence (level 2), the estimates of residual value, useful life, pattern of consumption and asset condition that are used to calculate accumulated depreciation comprise unobservable inputs (level 3). Where these other inputs are significant to the valuation the overall valuation has been classified as level 3.

In 2016-17, Buildings fair values were determined by using housing Consumer price index as a guide. As the indexation movement (Australian Bureau of Statistics) between 30 June 2016 and 30 June 2017 rose by only 2.4%, Council did not perform a comprehensive valuation of its building assets for the financial year ending 30 June 2017.

The last comprehensive valuation of buildings was undertaken effective 30 June 2016.

Infrastructure Assets (Level 3)

All Council infrastructure assets were fair valued using written down current replacement cost. This 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 the 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. The DRC was determined using methods relevant to the asset class as described under individual asset categories below.

In 2016-17, road infrastructure values were determined by using an index provided by Cardno, external engineers. As the indexation movement rose by only 2.45%, Council did not perform a comprehensive valuation of its road infrastructure assets for the financial year ending 30 June 2017. Council will conduct a full comprehensive valuation in 2017-18.

The last comprehensive valuation of roads infrastructure was undertaken effective 30 June 2015 and a desktop valuation was conducted at 30 June 2016.

Road, drainage and bridges - calculation of current replacement cost

Roads

Current replacement costs

Current replacement costs are calculated by reference to asset linear and area specifications, production rates, estimated labour and material inputs, services costs, and overhead allocations based on existing supplier contract rates or list and Council rates.

11 Fair Value Measurements (continued)

The replacement cost of road assets have been determined by considering:

- Actual construction cost
- Written or verbal quotes / estimates of current market prices
- Modified market prices of a different asset similar in type, use and condition

Specifically replacement cost values are determined by utilising unit costs for specific asset categories and components; these unit rate costs were calculated based on:

- Current market costs of labour, plant and materials
- Estimated production rates for plant and labour

Soil types, availability of pavement and surfacing materials and other local factors are considered in determining rates and lives.

Two core asset classes are defined for road assets:

- 1. Road Segment Assets (those assets comprising the road right of way / carriageway)
- 2. Structural Assets (culverts and other drainage, etc.)

Road segment assets are categorised into four components including:

- 1. Formation (earthworks, earth drainage and network assets (guide posts))
- 2. Pavement for gravelled roads and under bitumen surfaced roads
- 3. Surfacing (sprayed bituminous seal or asphalt)
- Kerb & channel

Carriageway assets are further categorised by physical properties in which assets share a useful life and unit replacement cost.

Accumulated Depreciation

All road asset components are considered to depreciate linearly with time (straight line depreciation). In most cases the actual installation or construction date of assets are known by council. However, for some assets, it has been necessary to estimate the age based on its current condition and useful life.

The formation component of road segments consists of a number of main elements including:

- 1. Clearing, ground surface treatment and earthworks
- 2. Earth drainage (table drains, inverts, diversion drains, etc.)
- 3. Formed Carriageway

It is Council's policy that formation for gravelled and sealed roads depreciates linearly until replacement. At replacement, it is assumed that all earthworks related to the formation component require full replacement.

All works to retain formation assets is considered maintenance by Council. However, as formation may become obsolete or full reconstruction may be required, a useful life of 1000 years has been adopted.

The pavement component of a road segment consists of a gravel-running course on unsealed roads and floodways or a structural gravel layer on bitumen or concrete roads and floodways.

Council's policy for pavement on gravelled and sealed roads is that they depreciate linearly over the life of the asset until replacement is required.

The useful life of the lower layer is adjusted to be a multiple of the upper layer, which have shorter lives. The asset useful life for lower layer is 60 years and upper layer is 20 years.

Bitumen seals generally consist of two (2) coats of bitumen and two (2) coats of aggregate. For the purpose of this valuation, a componentisation system is incorporated, which consists of separating the bitumen seal into two (2) components. The lower layer is considered to have a longer life than the upper layer. Typically, the upper layer of bitumen and aggregate is resealed between 7 to 15 years depending on traffic volumes, aggregate characteristics, and environment. It is assumed in this valuation that Council's roads are resealed every fifteen (15) years and every four (4) resealing cycle a full replacement of the pavement structure will be required. These assumptions are in conjunction with Council's road management strategy until better, reliable and more accurate deterioration curves on an asset-by-asset basis are obtained or/and becomes available.

11 Fair Value Measurements (continued)

The asset useful lives that are adopted are shown below:

Seal	Rural Sealed Lower	Years 60
Seal	Rural Sealed Upper	15
Seal	Urban Sealed Lower	90
Seal	Urban Sealed Upper	15
Seal	Floodway Concrete	80
Seal	Floodway Sealed Major Lower	60
Seal	Floodway Sealed Major Upper	15
Seal	Floodway Sealed Minor Lower	60
Seal	Floodway Sealed Minor Upper	15

A useful life of 80 years is adopted for concrete floodways, which are based on typical values given by the Local Government and Municipal Knowledge Base website and Local Government Association of Queensland (LGAQ) Submission to the Australian Accounting Standards Board (AASB). The current installed concrete floodways in the Shire are relatively new (not greater than 30 years). Therefore, at this point in time it is not possible to determine with a high level of certainty whether the proposed useful life value is or is not appropriate to be implemented by the Council.

Structure assets

Structure assets consist of cross-road drainage installations including box and pipe culverts, gravel, bitumen, concrete floodways and single and double grids. The size and type of drainage structure have been considered and unit replacement costs determined.

All structure assets are considered to depreciate linearly for the length of their useful lives and will be completely replaced with no cost recovery at replacement.

Consistent with roads it has been assumed that environmental factors such as soil type, climate and topography are consistent across each segment and that a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials. Construction estimates were determined on a similar basis to roads.

Condition rating (useful life)

Rating		Descr	iption of condition
1	0%	Excellent	Asset "as new" and only planned maintenance required.
2	25%	Good	Asset is reliable, asset operates as intended and its appearance and structural integrity is up to the standard expected of an operating asset. Minor maintenance required plus planned maintenance
3	50%	Fair	Asset is reliable and operates as intended, but its appearance and structural integrity are questionable and significant maintenance is required.
4	75%	Poor	Asset still operates, but does not meet intended duty or does not appear sound and significant renewal / upgrade is required
5	100%	Unserviceable	Asset is not functioning/ needs immediate attention.

Water, Sewerage and Other Infrastructure - Calculation of current replacement cost

Current replacement costs

Water and sewerage infrastructure fair values were determined by Brandon & Associates Engineering Consultants effective 30 June 2015. Current Replacement Costs was calculated based on expected replacement costs. In some cases the assets were disaggregated to component level to ensure a reliable measure of cost and service capacity and determination of estimated remaining life.

In 2016-17, Water and Sewerage infrastructure values were determined by using an index provided by Cardno, external engineers. As the result of the indexation movement between 30 June 2015 and 30 June 2017 was immaterial, Council did not perform a comprehensive valuation for the financial year ending 30 June 2017.

Council will conduct a full comprehensive valuation of water and sewerage assets at 30 June 2018.

11 Fair Value Measurements (continued)

The replacement cost of water and sewerage assets have been determined by considering:

- 1. Actual construction cost
- 2. Written or verbal quotes / estimates of current market prices
- 3. Rawlinsons Australian Construction Handbook Edition 32 (2014)

Specifically, estimated replacement cost values are determined by utilising unit costs for specific asset categories and components.

- · Current market costs of labour, plant and materials
- Estimated production rates for plant and labour
- Rawlinsons Australian Construction Handbook Edition 32 (2014)

Accumulated deprecation

In determining accumulated depreciation, assets were either subject to a site inspection or an assessment to determine remaining useful life.

Where site inspections were conducted (i.e. for active assets), the assets were allocated a condition assessment rating, which was used to estimate remaining useful life as tabled below:

Rating			Description of condition
1	0%	Excellent	Asset "as new" and only planned maintenance required.
2	25%	Good	Asset is reliable, asset operates as intended and its appearance and structural integrity is up to the standard expected of an operating asset. Minor maintenance required plus planned maintenance.
3	50%	Fair	Asset is reliable and operates as intended, but its appearance and structural integrity are questionable and significant
4	75%	Poor	Asset still operates, but does not meet intended duty or does not appear sound and significant renewal / upgrade is required.
5	100%	Unserviceable	Asset is not functioning/ needs immediate attention.

Where site inspections were not conducted (i.e. for passive assets and active assets for which no site inspections were undertaken), the remaining useful life was calculated on an age basis after taking into consideration current and planned maintenance records.

For all pipes, replacement cost was determined based on replacement by trench excavation, useful life was determined as the pipe useful life and the pipe fair value was based on age.

Valuation processes

The Council engages external, independent and qualified valuers to determine the fair value of the entities land, building and other structure assets on a regular basis. An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from the fair value. If any variation is considered material a revaluation is undertaken either by comprehensive revaluation or by applying an interim revaluation using appropriate indices.

		Note	2017 \$	2016 \$
12	Trade and other payables		-	
	Current			
	Creditors and accruals		349,551	1,397,721
	Annual leave		507,125	499,816
	Other entitlements		31,774	20,149
		_	888,450	1,917,686
13	Borrowings			
	Current			
	Loans - Queensland Treasury Corporation		489,181	679,480
		_	489,181	679,480
	Non-current			
	Loans - Queensland Treasury Corporation		2,984,077	3,466,864
		_	2,984,077	3,466,864
	Loans - Queensland Treasury Corporation			
	Opening balance at beginning of financial year		4,146,344	4,789,018
	Loans raised		2	
	Principal repayments	4	(673,086)	(642,674)
	Book value at end of financial year	-	3,473,258	4,146,344

The QTC loan market value at the reporting date was \$ 3,684,475. 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.

No assets have been pledged as security by the Council for any liabilities, however all loans are guaranteed by the Queensland Government.

All borrowings are in Australian Dollar denominated amounts and carried at amortised cost, interest being expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 15 June 2023 to 15 June 2024. There have been no defaults or breaches of the loan agreement during the period.

Principal and interest repayments are made quarterly in arrears.

The weighted average borrowing rate for QTC Borrowings is 4.53% (ranging from 4.26% to 4.72%).

14 Shire Capital

	Balance at beginning of year Transfers from retained surplus	96,185,000 1,563,321	88,809,990 7,375,010
	Transfer to retained surpus	(97,748,321)	7,575,010
	Balance at end of year	(37,745,521)	96,185,000
15	Asset revaluation surplus		
	Movements in the asset revaluation surplus were		
	Balance at beginning of financial year	108.681,170	108,336,467
	Net adjustment to non-current assets at end of period		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
	to reflect a change in current fair value:		
	Buildings	321	(3,121,261)
	Road, drainage and bridge network	E#1	3,541,379
	Water & Sewerage		\$100 PM (100 P
	Other structures	=	(168,521)
	Land		93,106
	Balance at end of financial year	108,681,170	108,681,170
	Asset revaluation surplus analysis		
	The closing balance of the asset revaluation surplus		
	comprises the following asset categories:		
	Land	610,056	610,056
	Buildings	2,241,358	2,241,358
	Road, drainage and bridge network	100,938,572	100,938,572
	Water & Sewerage	2,253,448	2,253,448
	Other structures	2,637,736	2,637,736
		108,681,170	108,681,170

	2017	2010
Note	e\$	\$
Reserves		_
Council's cash and cash equivalents are subject to a number available for discretionary or future use. Council accounts for		

Reserves held for funding future recurrent expenditure

Sustainability Reserve Transfer to retained surplus Total reserves

6,029,333	6,029,333
(6,029,333)	N N
-	6,029,333

2016

2017

17 Contingent liabilities

16

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 it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises.

As at 30 June 2016 the financial statements reported an accumulated surplus of \$60,234,042 and it is not anticipated any liability will arise.

Local Government Workcare

The Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$73,208 (2016 \$73,135).

18 Superannuation

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

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

The scheme has three elements referred to as:

- 1. The City Defined Benefits Fund (CDBF) which covers former members of the City Super Defined Benefits Fund
- 2. The Regional Defined Benefits Fund (Regional DBF) which covers defined benefit fund members working for regional local governments; and
- 3. The Accumulation Benefits Fund (ABF)

The ABF is a defined contribution scheme as defined in AASB 119. Council has no liability to or interest in the ABF other than the payment of the statutory contributions as required by the *Local Government Act 2009*.

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

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

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

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

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

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

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

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

There are currently 72 councils contributing to the Regional DBF plan and any changes in contribution rates would apply equally to all 72 councils. Bulloo Shire Council made less than 4% of the total contributions to the plan in the 2016-2017 financial year.

18 Superannuation (continued)

,		2017	2016
	Note	\$	\$
The next actuarial investigation will be conducted as at	1 July 2018		
The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of	-		
employees was:	5 =	473,301	461,998

19 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities

2,928,510	3,431,016
4,919,958	4,167,816
7,542,743	3,478,615
(7,103,218)	(6,500,444)
5,359,483	1,145,987
(211,638)	(410,940)
(11,630)	(16,008)
(1,029,236)	368,920
51,443	5,325
(1,201,061)	(52,703)
7 086 932	4,524,300
	4,919,958 7,542,743 (7,103,218) 5,359,483 (211,638) (11,630) (1,029,236) 51,443

20 Events after the reporting period

There were no material adjusting events after the balance date.

21 Transactions with related parties

(a) Transactions with key management personnel (KMP)

KMP include the Mayor, Councillors, Chief Executive Officer and some executive management. The compensation paid to KMP for the year ended 30 June 2017 comprises:

	2017	
	\$	
Short-term employee benefits	1,597,612	
Post-employment benefits	173,199	
Long-term benefits	135,496	
Total	1,906,307	

(b) Transactions with other related parties

Other related parties include the close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members. Close family members include a spouse, child and dependent of a KMP or their spouse.

Details of transactions between Council and other related parties are disclosed below.

(i) Council purchased materials and services from entities controlled by key management personnel or other related parties. These transactions were on an arm's length basis and were in the course of normal council operations.

Details of Transaction	2017 \$	
Details of Fransaction		
Purchase of accommodation	30,152	
Purchase of goods	89,704	
Purchase of mechanical services	380,022	
Purchase of goods and maintenance services	729,707	
Total	1,229,585	

(iii)The fees and charges charged to entities controlled by key management personnel were on an arm's length basis in accordance with the schedule of fees and charges adopted by Council. The total disclosed includes the following:

Fees and charges charged to entities controlled by key management	Details of related party	2017	
personnel		\$	
Food Licence	Bulloo River Motel	150	
Food Licence	Daryl Byrne Contracting	150	
Food Licence	Oasis Motel	150	
Total		450	

(iii) All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with the Award for the job they perform.

The Council employees of 71 employees of which 14 are close family members of Key Management Personnel.

21 Transactions with related parties (continued)

(iv) During 2016-2017, a KMP member purchased a vehicle from Council amounting to \$31,500. The sale transaction was based on commercial terms and on arm's length basis.

(c) Outstanding balances

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

Receivables	Amounts owed by entities controlled by key management personnel
Past due 31-60 days	\$344
Past due 61-90 days	\$0
More than 90 days overdue	\$0
Total Owing	\$344

(d) Transactions with related parties that have not been disclosed

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

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

- Payment of rates
- Use of swimming pool
- Dog registration
- Borrowing books from a council library

22 Financial instruments

Bulloo Shire Council has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note provides information (both qualitative and quantitative) to assist statement users evaluate the significance of financial instruments on the Council's financial position and financial performance, including the nature and extent of risks and how the Council manages these exposures.

Financial risk management

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

Council's management approves policies for overall risk management, as well as specifically for managing credit, liquidity and market risk

The Council's risk management policies are established to identify and analyse the risks faced, to set appropriate limits and controls and to monitor these risks and adherence against limits. The Council aims to manage volatility to minimise potential adverse effects on the financial performance of the Council.

Bulloo Shire Council does not enter into derivatives.

Credit risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. These obligations arise principally from the Council's investments and receivables from customers.

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations. The carrying amount of financial assets represents the maximum credit exposure.

Investments in financial instruments are required to be made with Queensland Treasury Corporation (QTC) or similar state/commonwealth bodies or financial institutions in Australia, in line with the requirements of the Statutory Bodies Financial Arrangements Act 1982.

No collateral is held as security relating to the financial assets held by Bulloo Shire Council.

The following table represents the maximum exposure to credit risk based on the carrying amounts of financial assets at the end of the reporting period:

	Note	2017	2016
Financial assets		\$	\$
Cash and cash equivalents	8	18,323,567	10,158,305
Receivables - rates	9	78,597	92,975
Receivables - other	9	2,276,632	2,228,795
		20,678,796	12,480,075
Other credit exposures			
Guarantees	17	73,208	73,135
		73,208	73,135

Cash and cash equivalents

The Council may be exposed to credit risk through its investments in the QTC Cash Fund. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed.

Trade and other receivables

In the case of most rate receivables, the Council has the power to sell the property to recover any defaulted amounts. In effect this power protects the Council against credit risk in the case of defaults. (See note 1K)

In other cases, the Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

There is a geographical concentration of risk in the Council's area. Because the area is largely agricultural and petroleum/gas extraction, there is also a concentration in those sectors.

22 Financial instruments (continued)

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

	Council	
	2017	2016
	\$	\$
Not past due	1,260,205	1,185,545
Past due 31-60 days	2,036	11,556
Past due 61-90 days	4,449	1,253
More than 90 days	1,135,112	1,146,808
Impaired	(46,574)	(23,392)
Total	2,355,229	2,321,770

In deciding whether to impair financial assets the council considered whether it was likely the funds would be received.

Liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Bulloo Shire Council is exposed to liquidity risk through its normal course of business and through its borrowings from QTC .

The Council manages its exposure to liquidity risk by maintaining sufficient cash deposits, both short and long term, to cater for unexpected volatility in cash flows.

		7	Total contractual	
0 to 1 year	1 to 5 years	Over 5 years	cash flows	Carrying amount
\$	\$	\$	\$	\$
888,450		11 5 0	888,450	888,450
631,526	2,526,103	851,443	4,009,072	3,473,258
1,519,976	2,526,103	851,443	4,897,522	4,361,708
1,917,686	170	·	1,917,686	1,917,686
853,294	2,526,104	1,482,969	4,862,366	4,146,344
2,770,980	2,526,104	1,482,969	6,780,052	6,064,030
	\$888,450 631,526 1,519,976 1,917,686 853,294	\$ \$ 888,450 - 631,526 2,526,103 1,519,976 2,526,103 1,917,686 - 853,294 2,526,104	0 to 1 year 1 to 5 years Over 5 years \$ \$ \$ 888,450 - - 631,526 2,526,103 851,443 1,519,976 2,526,103 851,443 1,917,686 - - 853,294 2,526,104 1,482,969	\$ \$ \$ \$ \$ 888,450

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

22 Financial instruments (continued)

Market risk

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

Interest rate risk

Bulloo Shire Council is exposed to interest rate risk through investments with, and borrowings from QTC.

The Council has access to a mix of variable and fixed rate funding options through QTC so that interest rate risk exposure can be minimised.

Sensitivity

Sensitivity to interest rate movements is shown for variable financial assets and liabilities based on the carrying amount at reporting date.

The following interest rate sensitivity analysis depicts what effect a reasonably possible change in interest rates (assumed to be 1%) would have on the profit and equity, based on the carrying values at the end of the reporting period. The calculation assumes that the change in interest rates would be held constant over the period.

	Net carrying	Effect on I	Net Result	Effect or	Equity
	amount	1% increase \$	1% decrease \$	1% increase \$	1% decrease \$
2017		3 3 C/)**	
QTC cash fund	18,058,907	180,589	(180,589)	180,589	(180,589)
Loans - QTC*	3,473,258	-	5	15	
Net total		180,589	(180,589)	180,589	(180,589)
2016					
QTC cash fund	10,003,591	100,036	(100,036)	100,036	(100,036)
Loans - QTC*	4,146,344	-	-		-
Net total		100,036	(100,036)	100,036	(100,036)

^{*}QTC Generic Debt Pool - the generic debt pool products approximate a fixed rate loan. There is a negligible impact on interest sensitivity from changes in interest rates for generic debt pool borrowings.

Bulloo Shire Council Financial statements For the year ended 30 June 2017

Management Certificate For the year ended 30 June 2017

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

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

- 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 the preceeding pages 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.

Mayor John Ferguson

Date: 17

Chief Executive Officer

Date: 17 110 12017

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Bulloo Shire Council

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Bulloo Shire Council.

In my opinion, the financial report:

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

The financial report comprises the statement of financial position as at 30 June 2017, 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 the certificate given by the Mayor and Chief Executive Officer.

Basis for opinion

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

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

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

Other information

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

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

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

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

Responsibilities of the council for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or
 error, design and perform audit procedures responsive to those risks, and obtain audit evidence that
 is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material
 misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve
 collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures
 that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of
 the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.
- Conclude on the appropriateness of the council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the
 disclosures, and whether the financial report represents the underlying transactions and events in a
 manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

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

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

D A STOLZ/ as delegate of the Auditor-General 2 7 OCT 2017
AUDIT OFFICE

Queensland Audit Office Brisbane

Bulloo Shire Council Current-year Financial Sustainability Statement For the year ended 30 June 2017			
Measures of Financial Sustainability	How the measure is calculated	Actual - Council	Targel
Council's performance at 30 June 2017 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	18%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense	94%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-80%	not greater tha 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) Guldeline 2013. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2017.

Certificate of Accuracy For the year ended 30 June 2017

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

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

Date: 17 /10 /2017

Chief Executive Officer Edwina Marks

Date: 17 /10 / 20/7

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Bulloo Shire Council

Report on the Current Year Financial Sustainability Statement

Opinion

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

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

Basis of opinion

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

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

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

Emphasis of matter - basis of accounting

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

Other Information

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

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

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

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

Responsibilities of the council for the current year financial sustainability statement

The council is responsible for the preparation and fair presentation of the current year financial sustainability statement in accordance with the Local Government Regulation 2012. The council's responsibility also includes such internal control as the council determines is necessary to enable the

preparation and fair presentation of the statement that is accurately calculated and is free from material misstatement, whether due to fraud or error.

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

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

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

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

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures
 that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the
 effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

2 7 OCT 2017

AUDIT OFFICE

as delegate of the Auditor-General

Queensland Audit Office

Brisbane

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Bulloo Shire Council	en de la company de la comp					and desired the same	-	Contract to the last of the la					
Long-Term Financial Sustainability Statement													
Prepared as at 30 June 2017													
								Projected for the years ended	years ended				
Measures of Financial Sustainability	Measure	Target	Actuals at 30	Actuals at 30 30 June 2015 31 June 2019 30 June 2021 30 June 2021 30 June 2022 30 June 2023 30 June 2029 30 June 2027	31 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027
Operating surplus ratio	Net result dynded by total operating revenue	Between 0% and 10%	18%	0.35%	1 48%	1 65%	1 52%	1 69%	1 58%	1 71%	1.73%	1 86%	187%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals)	greater than 30%	1,456	379 21%	111 32%	11B 20%	417 011	111 23%	111 76%	112 30%	112.85%	113 42%	213 99%
Net financial liabilities ratio	divided by depreciation expense. Total liabilities less current assets rat greater divided by total operating revenue than 60%	S not greater than 60%	%08-		-65 77%	A'28 28-	-39 78%	-86 40%	-85 63%	-85 03%		-83.91%	-63 43%

ultoo Shire Council's Financial Management Strategy

by maintaining the retained suplice under the model of financial studieting and resonting which separates cabital and operating performance and profilem. Council encures that is the, in the long term, sufficient lands from evallable sources or meet its operating and capital requirements.

The council is stall developing a strategy to address the continuous operating delicits caused by the reduction in government funding and will be adopting a review bugget reflection the changer strategy

An important expect of our homorph management is to improve the way in which our roads are constructed and maintaned so that the annualized cost is minimised in view of the restored funding available for roads properts. Council is abouting a strategy of maintaining the exceptal roads and restored the recorder for mour roads. it is anticoated additional funding will be available which will allow functi I copend additional amounts on asset teplacement. These will be included in a future budget revision as further information becomes available.

Countil aims to fully fund its depression and to make the musting limb avoidable for rewesting in waser. This departs on developing ferrical departs along an unitability and the maniferouse appointed to a septial and the maniferouse appoints along the

Certificate of Accumecy For the long-term financial sustainability statement prepared as at 30 June 2017

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

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

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17,16,20,7

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