



ANNUAL REPORT 2017/2018

For the period 1 July 2017 to 30 June 2018

Distribution

Bulloo Shire Council's Annual Report is available in hard copy, electronic format and can be found on Council's 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 Council's 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 Kullilli, 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 2017-18 Annual Report. This has been an extremely busy year and reflecting on our results gives me a great sense of pride for what has been achieved across the Shire.

Our civil works program continued to be the largest part of our delivery program especially the finalisation of our 2016 NDRRA Flood program. This \$11.3m program stretched over most of the network and the majority of works are now completed. With the assistance of State Government funding we sealed a further 5 kilometres of both the Innamincka Road and the Quilpie Thargomindah Roads. These projects form part of a rolling program to link our Shire to Quilpie and Adelaide. Once finished our Shire obtains maximum advantage. In addition the \$1.2m the Frew St drainage program was also completed in February this year as part of the second stage of our flood masterplan for Thargomindah.

In late last year we welcomed the Governor of Queensland to open our new airport terminal to a crowd of local community members and visitors including Mayors from across the regions. In addition, upgraded runway lighting has meant that our new airport will serve us well for another 30 years. It is a wonderful asset and makes a great first impression when entering the Shire by air.

Though the year did not bring significant rain it did bring an announcement of one of the most beneficial programs that local government has seen for some time. The State Government Works for Queensland (W4Q) initiative saw Bulloo Shire receive \$1.04 million in funds that we were not required to match, to deliver projects and stimulate the local economy. Council's project list for both rounds allowed for the upgrade of tourism infrastructure as well as the extension of the second and third stages of the Bulloo River Walk in Thargomindah. We also complemented this activity with the Drought Communities Program and refurbished our central business area in Dowling Street and the full complement of projects will be completed by end of June 2019.

Council continued its focus on strong financial management for the 2017-18 financial year ensuring that reserves remained intact with Council again delivering a surplus budget. Both operational and capital works were met with some projects carried over for completion. This has been made possible by successfully leveraging State and Federal funds for capital works projects and tightening expenditure. Moving forward Council would like to see our financial position continue to strengthen and Council will continue to look for ways to streamline operations to provide best value for money whilst focusing on population growth, strengthening local industries and long term revenue opportunities.

Our delivery of our heavily subsidised Community Services portfolio remains an extremely important function for Council and we continue to dedicate resources for the provision of a wide range of services such as ageing, recreation and education services including the continuing management of the Remote Learning Facility and the Thargomindah Library. Access to the pool, gym and children's

programs remains at low cost or no cost and \$75,000 was allocated to service organisations for drought related activities and events on top of Councils annual \$30,000 community grants program this year.

We also invested over \$5m into our economy through our preferred supplier program and these targeted initiatives continue to ensure our quality of life whilst simultaneously supporting our economy and creating jobs.

Overall I believe the Shire is in a strong position. The economic impacts of tourism on our local economy are continuing to grow and our corresponding investment in tourism has also grown. This continues to be focused on our investment in the Visitor Information Centre and staff, caravan parks and significant marketing and promotion of all businesses. This year we revised our brand and updated our media and social media platforms which is proving successful and visitor numbers have increased. This has been complemented by a solid events calendar which is a credit to our community driving visitation to our Shire and the south west. I would like to thank and acknowledge those community members who organise and deliver these events, doing so much with so little and give their time and effort for the benefit of others.

Finally I wish to thank our Councillors for all their hard work, support and commitment of me in my role as well as the CEO Edwina Marks and her team of staff.

The success of the Shire is a collaborative effort.

There will always be challenges, however I believe the way in which we meet them ensures our future.

I endorse this annual report and urge you to take the time to read about our activities in more detail.

Mayor Cr John (Tractor) Ferguson

Message from the CEO



This Annual Report represents the results for 2017 -2021 of the Corporate Plan and the half point of this Councillor term. 2017-18 continued to be another significant year for the Bulloo with the finalization of our Shire wide flood program from 2016. Our Performance highlights listed from Page 26 to Page 38 demonstrate our positive performance against budget. This positive performance continues to buffer us against a relatively weak economy and significant drought. Despite these conditions our delivery targets have been met and our proactive stance in chasing revenue along with expenditure constraint has been complemented by the newest round of Works 4 Queensland funding. We have worked hard to apply expenditure through our local supplier policy settings to ensure that purchasing supports strong investment in our local community in order to retain and create jobs. We continue to focus on driving local initiatives in order to stimulate broader growth especially in relation to tourism and small business across our region.

We have continued to deliver strongly on services that improve our quality of life whilst simultaneously ensuring low cost or free access. A wide range of programs such as healthy ageing, fitness, wellbeing and recreation programs have been run throughout the year as well as the more traditional library and gymnasium services. Council continues to provide financial support for Remote Learning Facility and primary education including after school and holiday programming as well as a series of joint programs with the Thargomindah Primary School.

We commenced the review of our Bulloo Shire Council Planning Scheme and our aim is to create a simpler, more streamlined process under the new Sustainable Planning Act. In consultation with the community, Council is designing a progressive and efficient scheme that should be easy to understand and customized to our remote planning environment. Importantly though it should still incorporate our vision for tomorrow especially in relation to renewable energy and further economic development.

As well as improving the region's economic outcomes, we've renewed our focus on tourism by adopting key strategies to optimise tourism opportunities, experiences and events. This has been supported further with drought funding and our aim is to grow home-grown regional events that promote community inclusion and increase visitation.

As an organisation we've continued to grow in confidence and capability, which I believe is best illustrated by our improved financial performance and continued operating efficiencies. We have recorded a healthy surplus for 2017-18 and continue to review our practices to do more with less without sacrificing customer service.

Empowering staff is a critical element and our results reflect the increased investment into training and development and the work we have done on our values and measuring engagement. I am also pleased to say that our safety culture has taken a considerable leap forward this year to reach the 70 per cent benchmark to ensure that we can meet the requirements of external funding which is so essential to us. This result is a significant increase and flows into more stable workers compensation premiums and improved incident management.

I'm proud of the positive changes that we have made to our organizational culture and I thank our entire Council team for their positive attitude, hard work and commitment in ensuring that the services we deliver make a real difference to the communities that we serve.

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, bee-keeping, 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

Thargomindah Airport Terminal Upgrade

This building gives an outstanding first impression of Thargomindah to visitors and locals upon arrival to Thargomindah. This modern building features an arrival and departure lounge and has been setup to enable screening facilities. It has a kitchenette with seating that gives the pilots and staff somewhere nice and cool to have lunch during their break at Thargomindah. It also provides a welcoming facility for private aircraft and their passengers to rest and relax. Future plans are to make the facility another meeting and display area.



Waterslide

A new waterslide was installed at the Thargomindah Pool. The slide was operational in November 2017 and proved a great hit with both young and old.

The slide is available for use in the afternoon public sessions at the pool and over school holidays.



WORKS

With a number of successful funding announcements of the Building Our Regions, Royalties for Our Regions, Natural Disaster Relief Program (State) together with Works for Queensland (Round 1 & 2) and Drought Community Project (Round 3) Council has embarked on a very challenging works program.

Works for Queensland Projects

In 2016/17 a total of \$1,040,000 was approved for projects under the Works for Queensland (Round 1) funding. These projects were to be completed by December 2017.

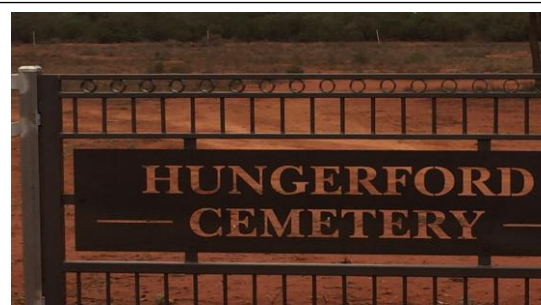
A further \$1,040,000 was approved for Round 2 in 2017/18 with the projects to be completed by June 2019.

The table below details the projects that were funded under the 2 rounds.

Works for Queensland Round 1		Works for Queensland Round 2	
Project	Amount	Project	Amount
Thargo Walking Track	\$220,000	Thargo Water Security Project	\$150,000
Pelican Point Upgrade Stage 1	\$140,000	Council Ablution Upgrades	\$250,000
Thargo Mainstreet Upgrade Stage 2 (Shade Structures)	\$250,000	Rodeo Grounds Facility Upgrade	\$ 40,000
Thargo Football Oval Stage 1	\$250,000	Key Visitor Site Maintenance & Upgrade Program	\$300,000
Mt Bindegolly Viewing Platform and Access road	\$120,000	Thargo Walking Track Stage 3	\$100,000
Camerons Corner Amenity Enhancement	\$ 20,000	Bulloo Region Village Maintenance & Enhancement	\$130,000
Noccundra Community Amenity Enhancement	\$ 20,000	Hungerford Water Security	\$ 60,000
Hungerford Community Amenity Enhancement	\$ 20,000		
Total	\$1,040,000	Total	\$1,040,000

Hungerford Community Amenity

The Hungerford Cemetery has been given a tidy up by the local community. There has been new entry gates built to give the cemetery a formal entry. Signage has also been provided to better direct people to the cemetery.



Noccundra Community Amenity

Installation of exercise equipment and the upgrade of the existing playground equipment has been completed.

Thargomindah Walking Track

The Thargomindah Walking Track project started in April 2017 and was completed in October 2017. Having this walking track around town is a benefit to everyone in our community and our visitors. Sensor solar lights have been installed along the length of the path.



Pelican Point Upgrade

Pelican Point is a popular spot in Thargomindah for swimming, fishing and a perfect place to just relax. This upgrade has tidied up Pelican Point while retaining its natural look and feel. The works started in April 2017 and were completed with the installation of furniture in December 2017.

Thargomindah Main Street Upgrade

To upgrade mainstreet furniture and lighting in conjunction with Councils mainstreet drought project. Council ran this project in association with the Thargomindah Median Strip Upgrade which was a Drought Communities project to upgrade landscaping for the main street.



Thargomindah Football Oval

The football oval had an upgrade with the entire surface being dug up, the installation of new underground irrigation system and sprinklers. The photo shows grass seed and mulch (Hydromulch) being sprayed onto the oval.

Mt Bindegolly Project

The elevated viewing deck has been constructed to provide a scenic view over Lake Bindegolly. The deck also has furniture provided to allow travellers to stop and take in the view and have a shaded area to prepare a meal and enjoy the surrounds.



Drought Community Program

The final year of the State Governments Drought Community Program funding of \$356,619 was for the construction works for the Median Strips Upgrade in Thargomindah.

The Median Strip upgrade gives our town a more appealing first impression for people travelling through as well as a nicer outlook for our community. The new median strips are landscaped with rock and mulch features including small shrubs and flowers which brighten up the main street.



Building Our Region, Royalty for the Region and Local Government Grants & Subsidies Programs

Joint funding by the Commonwealth Government, State Government and Bulloo Shire Council under these programs saw the construction of a new Terminal Building and an upgrade to the Airport Lighting at the Thargomindah Airport. The total cost of the terminal building including the demolition of the old terminal building was \$903,276 with the Airport Lighting Upgrade costing \$606,638.



Natural Disaster Relief Program

The Frew Street Drainage project totalling \$2.031m was jointly funded under this program with a total of \$806,862 provided over 2 financial years. The balance was funded under the Roads to Recovery program (\$105,930), and Bulloo Shire Council.



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 2017/18 Council workforce has delivered capital works and maintenance programs on both Council and State road networks.

Council upgraded to seal a further 6.86km section of the Innamincka Road.

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

- Upgraded and sealed a 2.65km section of the Hungerford Road (Moombidary)
- Upgraded Frew Street Drainage. (Partly funded by R2R)
- Completed works on the intersection of Blackgate Road and Cunnamulla –Thargomindah Rd.
- Other programed works totalling \$575,936 have been carried over to 2018/19.

Natural Disaster Relief & Recovery Arrangements (NDRRA)

The majority of works has been completed on the restoration of roads damaged by the 3 flood events in 2016, the remaining works from the September 2016 event are to be completed by 30 September 2018.

TMR Network

In addition to work on Council roads, Council has completed road maintenance works under RMPC contracts, as well as a second seal 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.
- **Cunnamulla Road** - Grid repair and replacement.

Western Region Upgrade Program (WRUP)

- **Cunnamulla Rd** – 2nd seal of the 4km section of works carried out in 2016/17 - road widening and installation of new culverts that was carried out east of Lake Bindegolly.

Transport Infrastructure Development Scheme (TIDS)

- **Quilpie Road** - This year Council workforce sealed another 4km under the Transport Infrastructure Development Scheme (TIDS). This is the second stage of sealing works that will eventually complete the Main Roads vision to bitumen all the unsealed areas on the road.



Queensland Day Celebrations

Together

Everyone

Achieves

More



The proof of this statement was the success of Queensland Day in the Bulloo. Bulloo Shire Council staff, local businesses, volunteer community organisations and our locals working together to achieve an event that could have easily catered for over 1000 people.

We created a unique event which celebrated the culture, history and sense of humour of the people past and present of the Bulloo region. It also served to highlight and recognise local talent and abilities.

Together we achieved a professional, well organised and well-presented event which offered a wide range of fun activities to suit all ages.

Congratulations to everyone involved, including the people that turned up for this fabulous day.

QUEENSLAND DAY In the Bulloo

A feature festival event to re-live the first known Church in Thargomindah being eaten by goats!

Presenting two full days and a night of entertainment to showcase the Bulloo Region.

**THARGOMINDAH
SATURDAY 2ND & SUNDAY 3RD JUNE
HOSTED BY MARCO GLIORI**

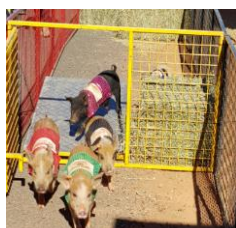
**POETS BREAKFAST-PIG RACES
MARKETS—LIVE MUSIC—BUSKING
PROPERTY DEMONSTRATIONS
HORSE V'S MOTORBIKE RACE
CAMP OVEN ROAST
PRAY FOR RAIN SERVICE IN GRASS CHURCH
SHEARING DEMONSTRATION
HAND CRAFTED & HOME BAKED GOODIES
TRASH & TREASURE STALLS
RECOVERY BREAKFAST
DAMPER & BILLY TEA
WHIP CRACKING COMPETITION**

For more information, please contact:

Thargomindah Visitor Information Centre
T: 07 4621 8095 E: tourism@bulloo.qld.gov.au
W: <http://www.bulloo.qld.gov.au>
Facebook: @VisitBulloo



Queensland Government



Rural Women's Night

28th October 2017



In true Thargomindah style, a total of 49 people walked the 'red' carpet for Rural Women's Night. The carpet was rolled out to signify the importance of the contribution to our shire from our dedicated mothers, business women, working women and property owners.

It was an opportunity to celebrate this day and recognise rural women's worth, ideas, opinions and contribution. The theme was in line with Rural Woman of the Year, Agforce Queensland Policy General Manager Lauren Hewitt's comment who said, *"Make sure you take time out to look after yourself, to do what makes you happy or gives you a moment's joy."*



Connectedness

It also served as a networking opportunity for women to meet and talk, to foster deep connections and to take advantage of the knowledge and experience which our valued older members are keen to pass on.



Social Well Being

Recognition for women's contribution as mothers and working women is a positive way to thank and to value all that you do. Positive reinforcement also provides motivation to continue to participate positively in the community when times are tough. Often a woman's role on the property is seen as the male farmer's wife instead of business partner. There are issues of under-representation and recognition of women in rural Australia and our aim is to acknowledge your strength-of-will, determination, perseverance and resilience. In such a remote and often male environment, it is also important for women to be reminded of your own passions, interests and femininity.

These small time-outs and recognition for contribution enhance our ability to be a positive role model for our younger generation.

Increase in Access to Support Services

The highlight of the night was when Allan from RFDS did a great talk on emotional well-being, even quoting the Dalai Lama. His message was that we all seek help for our physical ailments, but hesitate to see a professional when we are feeling stressed, sad, lonely or emotionally unwell. He also mentioned that we need to be looking after ourselves and taking time out to relax and enjoy life and tonight was a great example of women being able to talk and connect in a safe and comfortable environment.



Community Drought Funding

In 2016/17 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. A total of \$38,567 had been distributed prior to 30 June 2017. The balance of funds for the 2016/17 year was distributed for events held prior to 8 December 2017.

In 2017/18 Council received a total of \$100,000 funding from the Department of Communities, Child Safety and Disability Services of which \$25,000 was for Flexible Financial Hardship and was distributed by Charleville & District Community Support. The balance of \$75,000 was 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. A total of \$3,000 had been distributed prior to 30 June 2018.

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

Community Group/Event	2016/17 Allocation	2017/18 Allocation
Channel Country Challenge	\$ 5,000	
Cameron Corner	\$ 5,000	
Hungerford Sports	\$ 5,000	
Noccundra Gymkhana & Rodeo	\$ 4,488	
Thargomindah Sporting Inc. (Motorbike Sports)	\$5,000	
P & C Christmas Tree	\$5,000	
Bulloo Big Screen Movie Nights	\$2,953	
Children's Week	\$3,209	
Rural Women's Day	\$ 5,000	
Thargomindah Polocrosse Club		\$3,000
TOTAL	\$40,650	\$3,000



Community Christmas Event

The 2017 Christmas Tree was a large community event fashioned by Council working with the P&C Association. The park was decorated like a winter wonderland with the 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, dinner and entertainment in the Shire Hall.



Tourism

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

- 4,201 tourism visitors to the Explorers Caravan Park
- 4,793 visitors through the Visitor Information Centre



WORK HEALTH AND SAFETY

The Work Health & Safety Policy was adopted on 11 April 2018.

POLICY STATEMENT

The Bulloo Shire Council is committed to providing a safe and healthy working environment for our employees, contractors, volunteers and visitors to the workplace. Council is committed to promoting the provisions of the Work Health and Safety Act 2011 and Work Health and Safety Regulation 2011, associated Codes of Practice and Australian Standards, together with significant importance placed on hazard/risk management and injury prevention strategies.

Council's primary objective to Work Health and Safety is to eliminate or reduce risk by developing proactive strategies, consultation and adopting a risk management approach to WH&S in order to provide an injury/illness free workplace. We understand that creating and maintaining a safe and healthy working environment is a major part of our overall responsibilities, and that all employees, contractors, volunteers and visitors are responsible and accountable for the health and safety of both themselves and their colleagues.

In conjunction with this policy, our Safety Management System will include achievable workplace health and safety key performance indicators assigned to senior management and supervisors. Individual Safe Work Procedures, guidelines and standards have been prepared and issued in consultation with relevant employees and our workplace health and safety committee. Council is committed to the distribution of Work Health and Safety information to all workers and interested parties. Council is dedicated to maintaining a bronze level benchmark in the LGW external audit, with the progressive goal of achieving higher.

We expect all employees, contractors and visitors to our workplaces to follow safe work practices as prescribed under the Legislation, Safety Management System, Safety Policy and Safe Work Procedures, and that they make every effort to reduce the risk of injury to themselves and others.

We will provide adequate resources to manage and maintain health and safety together with regular training on work health and safety, employee participation of training to be considered as mandatory. Work Health and Safety is important and we all have an obligation to ensure that we have a safe and healthy working environment and we encourage you to actively participate so that we may achieve our goal.

Edwina Marks
Chief Executive Officer

Date: 11/04/2018

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
Shirley Girdler
Alison Petty

Meetings attended

Section 186(c) of the Local Government Regulation 2012

	Ordinary Meetings	Special Meetings	Other (No. of Days)
Total meetings held	12	2	
J. C. S. Ferguson	11	2	55
J. Cobb	11	1	8
D. M. Humphris	12	2	21
S. E. Girdler	12	2	24
A. Petty	12	2	24



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 Remuneration	Superannuation Contributions	Professional Development
J. C. S. Ferguson	\$101,631.03	\$0	\$0
J. Cobb	\$59,482.60	\$0	\$0
D. M. Humphris	\$49,403.50	\$0	\$0
S. E. Girdler	\$50,815.00	\$0	\$0
A. Petty	\$50,815.00	\$0	\$3,796.51
Total	\$312,147.13	\$0	\$3,796.51

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	\$0.00		Mobile Phone, iPad, Use of Council car for Official business
J. Cobb	\$2,846.40 \$61.35	Travel Expenses Uniforms	IPad, Use of Council car for Official business
D. M. Humphris	\$0.00		IPad, Use of Council car for Official business
S. E. Girdler	\$180.25 \$750.00 \$534.52	Uniforms LGAQ Conference Workshop Flights LGAQ Conference	IPad, Use of Council car for Official business
A. Petty	\$175.96 \$750.00 \$534.51	Uniforms LGAQ Conference Workshop Flights LGAQ Conference	IPad, Use of Council car for Official business
Total	\$5,832.99		

Reimbursement of Expenses and Provision of Facilities

Resolution under 250(1)

Council adopted the reviewed Councillors Expense Reimbursement Policy as presented on 20 February 2018. (Resolution No.2018/60)

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(1)(a) and s201(1)(b) Local Government Act 2009

The total of all remuneration packages payable in 2017-18 to the senior management of the Council was \$1,355,929.

Band	Number of employees
Under \$100,000	3
\$100,000 to \$200,000	5
\$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 \$126,914 during the year.

There were no Council discretionary funds provided during the year.

Organisation	Purpose	Amount
Thargomindah Middle School	Contribution to Middle School	\$ 48,769
Thargomindah Middle School	Homework Club & Operating Costs	\$ 6,248
Thargomindah State Primary School	Contribution for Additional Teacher	\$ 12,500
Thargomindah State Primary School	Labour & Plant assistance	\$ 658
Thargomindah Polocrosse	Labour & Plant assistance	\$ 4,343
Thargomindah Gymkhana/Motorbike Sports	Labour & Plant assistance	\$ 109
Thargomindah Catholic Church	Removal of Asbestos from Church	\$ 695
Channel Country Challenge	Labour assistance for Campdraft	\$ 364
Noccundra Sports Day	Labour & Plant assistance	\$ 2,496
Channel Country Ladies Day	Donation	\$ 1,000
Thargomindah P & C Association	Donation towards Sydney/Canberra School Trip	\$ 5,168
Hungerford Medical Centre	Pest Control & Aircon Maintenance & Electricity, Grounds Maintenance, Cleaning	\$ 4,198
Variety Bash	Hire of Ablutions, Labour & Plant	\$ 17,632
SES	Operating Expenses & Training – Thargomindah	\$ 13,157
SES	Operating Expenses – Hungerford	\$ 2,106
SES	Operating Expenses – Noccundra	\$ 221
Thargomindah Fire Brigade	Operating Expenses & Donation of Equipment	\$ 7,250

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 2017/2018 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 Fees	s.98 LGA2009	Register of fees and charges
Delegations Register	s.260 LGA2009	Delegations by Council to CEO and delegations by CEO
Registers of Interests CEO and Related persons	s.289 Reg2012	Kept by Mayor, Not open to Public Inspection.
Registers of interests of Councillors	s.289 Reg2012	Written application to inspect register is required.
Registers of interests of senior contract employees	s.289 Reg2012	Not open to public inspection
Registers of interests of Related persons of Councillors and senior contract employees	s.289 Reg2012	Not open to public inspection
Register of Pre-qualified suppliers	s.232 Reg2012	
Register of Business activities to which the competitive neutrality principle applies	s.56 Reg 2012	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.
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 fifth 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. FBT – Staff Housing Rent to Buy Sales
2. Risk Register / Risk Management Update
3. Risk Management – Risk Appetite Statement
4. Overview of the Annual Financial Statements 2016/17
5. Shell Statements 2017/18

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 2018/19 Audit Plan, which includes Assets – Revaluations, Purchasing & Procurement, Stores & Workshop, Fringe Benefits Tax, Workflow Planning.

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

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

	Target Group Summary			Target Group as a Percentage of Total workforce		
	2015/2016	2016/2017	2017/2018	2015/2016	2016/2017	2017/2018
Aboriginal & Torres Strait Islander	11	13	10	16.66%	18.31%	16.13%
Non-English speaking	2	2	2	3.03%	2.82%	3.22%
Disability	-	-	-	-	-	-
Women	30	34	27	45.45%	47.89%	43.55%
Total employees at year end	66	71	62			
Total employees during year	76	88	81			
Employee turnover rate	15.04	24.87	28.57			

Staff numbers by classification and gender

		Total	Men	Women
Internal Staff	Senior Management	7	3	4
	Level 7-8	2	2	0
	Level 4-6	8	3	5
	Level 1-3	15	1	14
	Total Internal Staff	32	9	23
External Staff	Supervisors	2	2	0
	Level 7-9	5	5	0
	Level 4-6	21	19	2
	Level 1-3	2	0	2
	Total External Staff	30	26	4
Total Staff		62	35	27

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 unresolved	Nil

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

Natural Environment		
Key Result Area:	Natural Resources & Landscapes	
1.8 Partner with other local governments and NRM Groups to develop a regional approach to pest management	Support joint pest management initiatives with other shires in the region <ul style="list-style-type: none"> ➤ Joint initiative along Bulloo River with Quilpie & Blackall-Tambo RC) ➤ Assisted Quilpie Shire Council with Strategic Aerial Baiting ➤ Contributed to SWNRM/Condamine Alliance merger process 	✓
	Liaise with Desert Channels in relation to pest management issues and initiatives	✓
1.6 Implement Council's Biodiversity (Pest Management) Plan	Implement Pest Management Strategies <ul style="list-style-type: none"> ➤ Baiting & trapping delivered ➤ Weeds sprayed & monitored ➤ Continue mapping of weeds 	✓
1.9 Support public awareness programs and strategies for pest and weeds	Monthly landholder Newsletter distributed	✓
	Awareness articles in monthly community newsletter and on website	✓
Key Result Area:	Conversation and Heritage	
1.12 Partner with government bodies and conversation and heritage groups to preserve and promote the cultural and built heritage of the Bulloo Shire	Develop a Plan for the long term plan for the future of the Old Hospital <ul style="list-style-type: none"> ➤ Plan to be developed after maintenance upgrade scoped 	→
1.14 Develop relevant conversation management plans for key assets e.g. Thargomindah Hospital		
1.13 Continue to partner with the Royal Historical Society of Queensland to conserve and promote the Dig Tree National Heritage asset	Manage Trust Account on behalf of Royal Historical Society of Queensland <ul style="list-style-type: none"> ➤ Quarterly reports submitted to RHSQ 	✓

Growth to support a strong and diverse Economy			
Key Result Area:		Robust Economy	
2.1 Partner with local business/industry and other local governments to form a business development group	Develop and Implement an Economic Development Strategy		✓
	Develop an App to promote local business		✓
Key Result Area:		Grow Innovation in all Sectors	
2.3 Identify and implement local and regional initiatives to capitalise on the environmental and economic potential of the local government area through platforms such as Regional Innovation Hub, SWRED.	Participate in council forums/bodies that support regional economic development – continue to support SWRED and other bodies		✓
Key Result Area:		Population Growth	
2.7 Ensure there is aligned residential zoning through our planning instruments to support further growth	Adopt a new Bulloo Shire Planning Scheme that supports growth and higher population density <ul style="list-style-type: none"> ➤ Draft Plan endorsed by Council ➤ Approval from DSDMIP to progress with State review and public consultation to commence July 2018 		✓
2.9 Encourage multiple housing options and increased home ownership	Councils supports a Community Housing Scheme to allow residents to have access to affordable housing		✓
	Council maintains housing stock to meet its key staff housing needs – continue to manage Housing tenancy		✓
Key Result Area:		Grow Revenue for All	
2.11 Continue to support local purchasing and investment strategies	Continue to support local pre-qualified program		✓
Key Result Area:		Grow Community Partnerships	
2.15 Provide financial assistance grants to community organisations to support them in undertaking community events/activities	Community organisations and events supported through the delivery of a community grants program including in-kind support		✓
Key Result Area:		Awareness of our region and assets especially tourism	
2.22 Maintain investments in related tourism bodies and alliances e.g. OQTA, Bourke Shire MOU	Continue to support and participate in the Adventure Way Tourism Initiative		✓

2.23 Develop a BSC Tourism Strategy aligned with SWRED, OQTA and Outback Corner	Develop Tourism Strategy for endorsement	✓
2.24 Partner with other local governments and industry bodies to develop a sustainable tourism industry	Implement cross border agreements to support and promote local businesses and maximise tourism visitation – MOU with Bourke Shire	✓
	Develop survey / statistics to identify number of visitors aware of Natural Sciences Loop	✓
	Tourism promotion through attending events i.e. Hungerford field day, music in the Mulga	✓
Community Spirit & Well-being		
Key Result Area:	Strong Communities	
3.1 Foster the unique sense of community that defines Bulloo shire for both residents and visitors	Continue to produce & host video content that promotes community	✓
3.2 Decision making processes provide equitable access and actively engage with residents to ensure they participate and contribute to decisions made in their community	Develop village plans for each remote community	→
	Visit Hungerford, Noccundra and Camerons Corner	✓
3.3 Options support a diverse range of opportunities and activities for residents to participate in local community activities and foster common citizenship	Deliver celebratory events (i.e. Australia Day, ANZAC Day, Seniors Week, Qld Week, Hungerford Remembrance Day, Guest Speaker breakfasts)	✓
3.4 Ways to connect are fostered and supported through a range of strategies including community grants for events	Community organisations and events supported through the delivery of a community grants program including in-kind support	✓
Key Result Area:	A Safe Community	
3.5 Ensure that the design, management and maintenance of public places, parks, and open spaces focuses on community safety as a priority	Ensure maintenance and repairs of public places are carried out on a regular and timely basis and include – lawns mowed, gardens maintained, playgrounds inspected	✓
	Footpaths and nature strips regularly maintained and kept clean and tidy	✓

	Monthly visual inspections of town streets, footpaths and nature strips within the towns of Thargomindah and Hungerford	✓
	Upgrade median strips	✓
	Provide street shading and amenity	✓
	Annual inspection of playground equipment within shire to ensure compliance with WH&S	✓
	Ensure all necessary maintenance and repairs are carried out in a timely manner to playground equipment ensuring all work is cost effective (Weekly inspections)	✓
3.6 Develop and maintain preparedness and response capabilities to ensure the community is able to withstand a wide variety of disasters that may affect the region	Support and coordinate the LDMG	✓
Key Result Area: Healthy Community		
3.9 Residents have equitable access to a range of quality health and emergency services that meet the needs of the lifestyle and are in accordance with community expectations	Continue to liaise and brief government and other health organisations in order to improve service delivery to Bulloo Shire residents	✓
	Provide support & advocacy for community members accessing Aged Care in home services <ul style="list-style-type: none"> ➤ Liaise with government departments and advocate for the reduction in red tape ➤ Liaise with Thargomindah Outpatients Centre in relation to community need and service delivery gaps 	✓
3.10 Promote healthy lifestyles, specifically with young people, that include keeping fit and active and involved in physical activities such as walking, cycling and organised sporting activities	Activities that are promoted for the utilisation of the Riverwalk	✓
	Continue to deliver Sport & Rec programs – summer and winter timetables	✓

3.12 Programs that support healthy lifestyle are actively pursued and encouraged	implemented to provide maximum access for the community	
	Deliver annual pool season and supervisions as part of Sport & Rec Summer Program	✓
Key Result Area: Effective Disaster Management		
3.13 Ensure Disaster Management Plan is reviewed and updated annually	Disaster Management Plan reviewed	✓
3.14 Continue regular Local Disaster Management Group Meetings to maintain communication and co-ordination of emergency service providers	LDMG meet twice a year	✓
Infrastructure and Services		
Key Result Area: Community Infrastructure		
4.1 Infrastructure is delivered in accordance with the BSC Strategic Plan and in a manner that reflects community priorities	Community Hall facilities meet the needs of the community	✓
	Provide well maintained facilities that meet community needs	✓
	The community has access to appropriate library services <ul style="list-style-type: none">➤ Deliver a library service as per State Library Agreement➤ Continue subscription services➤ Playgroup supported➤ Deliver School holiday programs	✓
4.2 Infrastructure is maintained and upgraded in accordance with the needs of the community	Development of management plan in consultation with local sporting clubs and community organisations to identify improvements and upgrades to recreational facilities	✓
4.4 Ensure that residents have opportunities for engagement and input into the renewal of infrastructure and levels of service		
Key Result Area: Social Services		
4.5 Residents across the Shire have access to range of quality education facilities, aged care and child care services	Provide financial support for 2 nd teacher at Thargomindah State School	✓
	Provide financial support for distance education teacher and facility	✓

	Continue to support secondary and primary education outcomes – homework club, teacher services, distance education, maintain high school services	✓
	<p>Government support for child care services appropriate for rural remote communities</p> <ul style="list-style-type: none"> ➤ Continue to lobby government to identify allowable childcare services ➤ Develop a remote childcare model to advance to government 	→
4.6 Residents across the Shire have access to appropriate telecommunications technologies in accordance with community needs	Continue to lobby government and telecommunications carriers for improved service coverage	→
	Provide community radio services to town areas	✓
Key Result Area: Water Supply		
4.8 Infrastructure provides a reliable, clean and safe supply for everyone across the region and in accordance with community needs	<p>Testing is carried out in accordance with approved Drinking Water Quality Management Plan (DWQMP)</p> <p>Complete and lodge with relevant departments all necessary departments' associated collected data</p>	✓
	Connection of second bore into town reticulation	→
	Upgrade Cooling pond manifolds to reduce water temperature	→
	Upgrade Hungerford Water supply to ensure adequate pressure and supply	→
4.9 Water management practices support strategic conservation measures including community, industry and business education campaigns to minimise demand	<p>Develop and maintain water management plans for town supplies for Thargomindah and Hungerford to ensure town water consumption is within State allocation by:</p> <ul style="list-style-type: none"> ➤ Analysis of existing data to ascertain current property consumption 	→

		➤ Installation of smart meters through Thargomindah with continual collection of data throughout 2017 & 2018	→
Key Result Area:	Managing Waste		
4.11 Identify and implement waste management initiatives that mitigate environmental harm	Maintain and upgrade the current infrastructure associated with the wastewater collection, pumping, treatment and disposal –	➤ Monthly inspections	✓
	Maintain Waster Transfer and landfill to EPA standards		✓
4.12 Continue to provide environmentally sustainable practices through the Regional Waste Management Strategy	Carry out design and documentation for the upgrade to sewerage system to maximise operational efficiency and meet future development needs		→
	Effective management of waste licensing – licensing requirements are met including reporting and inspection schedule		✓
Key Result Area:	Recreational Facilities and Open Space		
4.14 Provide and promote a range of facilities that can accommodate a diverse range of sport and recreational activities	Identify and develop health and recreation opportunities that encourage inter-town competitions – Continue to support activities at the Golf Club		✓
4.15 Maximise the use of recreational services provided	Liaise with local and regional sporting groups to identify & promote activities		✓
	Maintain annual licence for Magical Park for the sports ground		✓
Key Result Area:	Transport		
4.16 Maintain an efficient and safe networks of roads in line with funding availability	Deliver Councils annual maintenance program		✓
	Delivery of Councils annual civil works program		✓
	Deliver R2R program		✓
	Deliver TMR Programs (TIDS, RMPC, WRUP) to TMR requirements		✓

	Deliver approved activated flood program as per NDRRA contract	✓
4.17 Provide and maintain aerodrome facilities that accommodate community and business needs	Investigate need for increased fuel storage capacity	✓
	<p>Ensure compliance with CASA requirements</p> <ul style="list-style-type: none"> ➤ Carry out inspections of runway prior to arrival and departure of all commercial and RFDS flights ➤ Annual technical inspections 	✓
4.18 Ensure that all stakeholders responsible for the delivery of transport work in partnership to plan for and construct an integrated network	Continue to support South West Regional Roads Transport Group (SWRRTG) – attend meetings	✓
Excellence in Customer Service		
Key Result Area:	Product Service & Delivery	
5.2 Exploit functionality of Council's hardware and IT network to provide "e" products, services and information electronically to customers	Provide direct debit service for payment of rates and general debt	✓
	Maintain an active Social media (Facebook) in accordance with <i>Council's Website and Social Media Policy</i> for delivery of information	✓
	Website is maintained and up to date	✓
5.3 Develop and implement strategies that are responsive to our community and establish a customer focused organisational culture	All new administrative staff have customer service induction	✓
	Annual customer service update for all administration staff	✓
Key Result Area:	Customer Service Culture	
5.4 Review the Customer Service Charter and Policies to assist customers build a level of expectation in line with Councils deliverables	Annual Review of Customer Service Policy, Administrative Action Complaints Policy	✓
	Maintain Customer Service Charter & Standards	✓
5.5 Report on standards development within the Charter to ensure they are met	No of Complaints/Requests reported monthly	✓

5.6 Ensure the organisation is committed to the delivery of consistent and timely services to its customers through quality service standards	Flowcharts and procedures for different complaints and their treatment developed and on Council website	✓
Strong Business Practices		
Key Result Area:	Information Technology (IT) systems and Processes	
6.1 Implement effective information management strategies in order to tie together information requirements and tools and frameworks to control information flow and manage regulatory requirements	Implement <i>Strategic Recordkeeping Implementation Plan January 2017</i>	
	Deliver in house hands on practical training for MAGIQ	✓
	Investigations options for Virtual Server for remote backup of MAGIQ	✓
	Purchase Cloud system for MAGIQ backup	X
	Upgrade the home portal/dashboard of MAGIQ	✓
	Archiving process to be carried out	✓
	Archive Storage facility in Administrative building to be made fireproof	→
	Develop a proposal for the relocation of records from Old Administration Building	✓
6.2 Upgrade Council's hardware and IT network	Develop ICT Strategy to support internet connection and associated hardware	→
	ICT Management & Support Contract in place for help desk and systems maintenance	✓
	Audit of ICT hardware and systems carried out	✓
	Replacement of PC's and laptops as per ICT Replacement Schedule	✓
Our Workforce		
Key Result Area:	A Capable, Flexible, Productive and Committed Workforce	
7.2 Review flexible work options to meet the needs of staff and Council as part of Council Enterprise Bargaining Agreement	Enter into new Enterprise Bargaining agreements and compliance to same	✓

7.3 Review and implement a framework for encouragement of innovation, creativity and continuous improvement	Maintain a performance appraisal and development system that encourages staff participation and performance	✓
7.5 Establish and implement HR Strategies to become an employer of choice that promotes a culture of unification, pride, satisfaction, wellbeing amongst its workforce	Development a suite of engagement techniques and tools to “stay in touch” i.e. Workforce Breakfasts, HR Chat Newsletter, Message media, Dita solutions, Staff Noticeboards, hosting monthly Team leader meetings	✓
	Annual staff satisfaction survey	✓
Key Result Area:	Learning and Development	
7.7 Develop a corporate skills matrix to track skills and ensure opportunities are fairly distributed	Monitor skills matrix to meet needs of workforce and Council initiatives	✓
	Record training statistics and review against annual workplan requirements and staff satisfaction survey	✓
7.8 Provide access to quality professional development initiatives as part of annual appraisal processes for Council staff at all levels	Develop corporate training matrix to capture and development as part of annual appraisal system	✓
Key Result Area:	Workplace Health and Safety	
7.11 Continue to monitor and enhance workplace health and safety practices and programs and benchmark against external organisations and best practice	Support Workplace Health & Safety Committee Meetings (> 8 meetings held)	✓
	Senior staff actively participate in the development and implementation of annual workplace safety plan	✓
	BSC Safety System maintained at 70% compliance	✓
Key Result Area:	Leadership and Management	
7.15 Enhance leadership capability through improved relationship behaviour	Continue to support effective leadership and management practices through ongoing professional development opportunities; facilitating, training and coaching (Leadership workshops and Team leader meetings)	✓
	Drive and promote Councils Recognition Strategy	✓

7.16 Ensure a recognition system is in place to support leadership and a strong team culture	Council's Service Recognition Policy updated with awards/presentation night held	✓
	Regular awards for staff recognition implemented	✓
Key Result Area:	HR Systems and Practices	
7.17 Review HR processes and practices to support effective delivery of HR Services	Develop Draft Workforce Plan	✓
	Develop responsive HR Strategy	✓
	Oversee WHS delivery	✓
7.18 Review and monitor HR practices to ensure alignment with corporate and business planning outcomes	Monitor and update existing policies to comply with employment legislation	✓
Key Result Area:	Accountability and Performance	
7.19 Roles, accountabilities and decision-making processes are to be clear to enhance organisational efficiency as part of position descriptions	PD's reviewed and updated at annual performance reviews to accurately reflect employee roles and responsibilities	✓
Asset Management		
Key Result Area:	Effective Asset Management	
8.1 Review strategic asset management plans covering all nominated asset types to ensure they are effective and used	Develop strategic asset management plans covering all nominated asset types	→
	Finalise all condition reporting as part of asset management plans	→
	Implement an integrated asset management system into Council's operational processes – investigate viability of developing integrated work processes	→
	Review valuations for buildings	✓
Governance and Financial Management		
Key Result Area:	Effective Asset Management	
9.1 Strengthen Council's exiting governance framework, focusing on such areas as internal controls, risk management and business continuity	All LGAQ Governance Checklists are met Review of checklists, Compliance checklist created and completed quarterly	✓

	Maintain Councils Corporate Website with all legislative requirements – 100% compliant	✓
9.3 Complete and implement a Risk Management Framework and Register as part of standard operating procedures	Risk Management process implemented	✓
	Risk Register completed	✓
	Risk Appetite Statement endorsed	✓
9.4 Develop Business Continuity Plan	Business Continuity Plan adopted	✓
9.5 Develop and implement a Fraud and Corruption Framework	Fraud Management Policy reviewed annually	✓
	Review and implement Fraud Control Plan	✓
	Implement Fraud Risk Assessment Procedure	✓
	Develop and maintain Fraud & Corruption / Losses Register	✓
Key Result Area:	Financial Management	
9.6 Review Councils key financial policies annually	Key financial policies reviewed	✓
9.7 Review Councils Procurement Policy annually	Councils Procurement Policy reviewed	✓
9.8 Ensure that the level of capital expenditure and borrowings will result in a financial position that demonstrates financial sustainability over the period 2017 -2022	Maintain long-term financial plan as part of monthly decision making and budget development process	✓
	Review and adopt investment and debt policy	✓
9.9 Participate in QAO and QTC processes that support long-term financial planning and modelling to ensure long-term financial sustainability	Develop alternative rating strategies	✓
	Conduct a valuation of all assets during the year for roads, water and sewerage	✓
9.11 Minimise Council's financial risk while acknowledging the requirements of the communities	Council maximises external opportunities for external grants which are in line with corporate aims	✓
Key Result Area:	Business Planning Framework	
9.12 Ensure that the strategic and business planning framework are in place and reviewed annually	Review Corporate Plan annually as part of budget process	✓

9.15 Routinely review performance against the goals and objectives and report progress quarterly	Quarterly Operational Plans reported to Council	✓
	Undertake regular reviews to monitor departmental budgets	✓



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.

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 2018.

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 be 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.

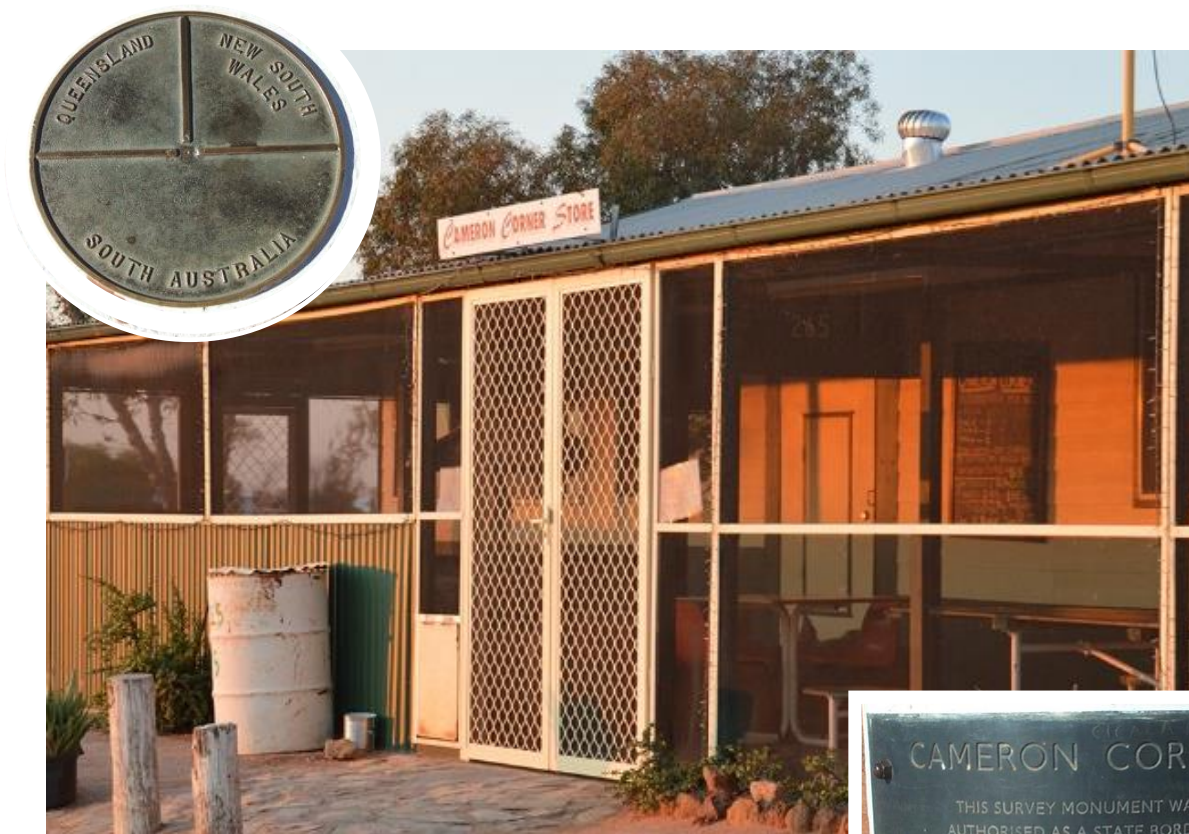
Where to find a complete version of Council's 17/18 Financial Statements?

A complete version of Council's Financial Statements for the 12 months to 30 June 2018 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



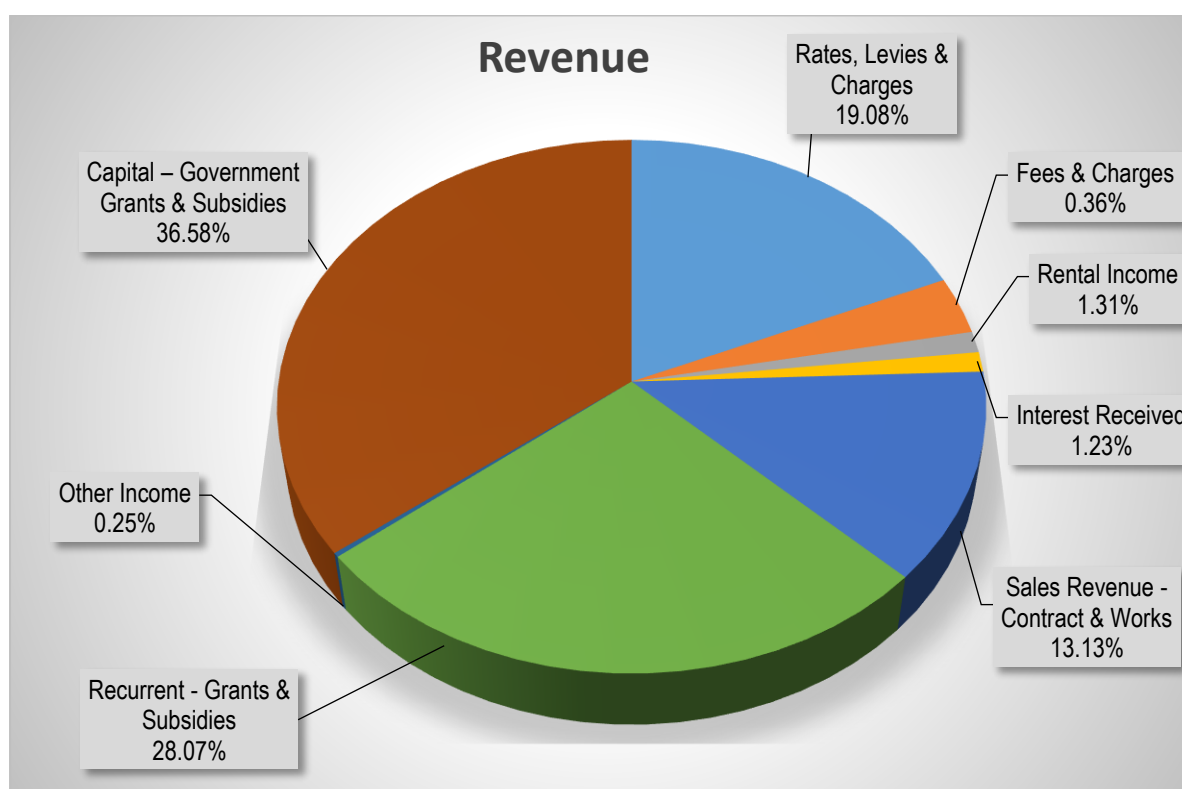
Revenue - Where our money comes from

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	\$ 4,611,720	19.08%
Fees and Charges	\$ 86,120	0.36%
Rental Income	\$ 316,583	1.31%
Interest Received	\$ 296,777	1.23%
Sales Revenue - Contract & Works	\$ 3,172,321	13.13%
Recurrent - Grants & Subsidies	\$ 6,782,716	28.07%
Other Income	\$ 60,601	0.25%
Capital – Government Grants & Subsidies	\$ 8,840,828	36.58%

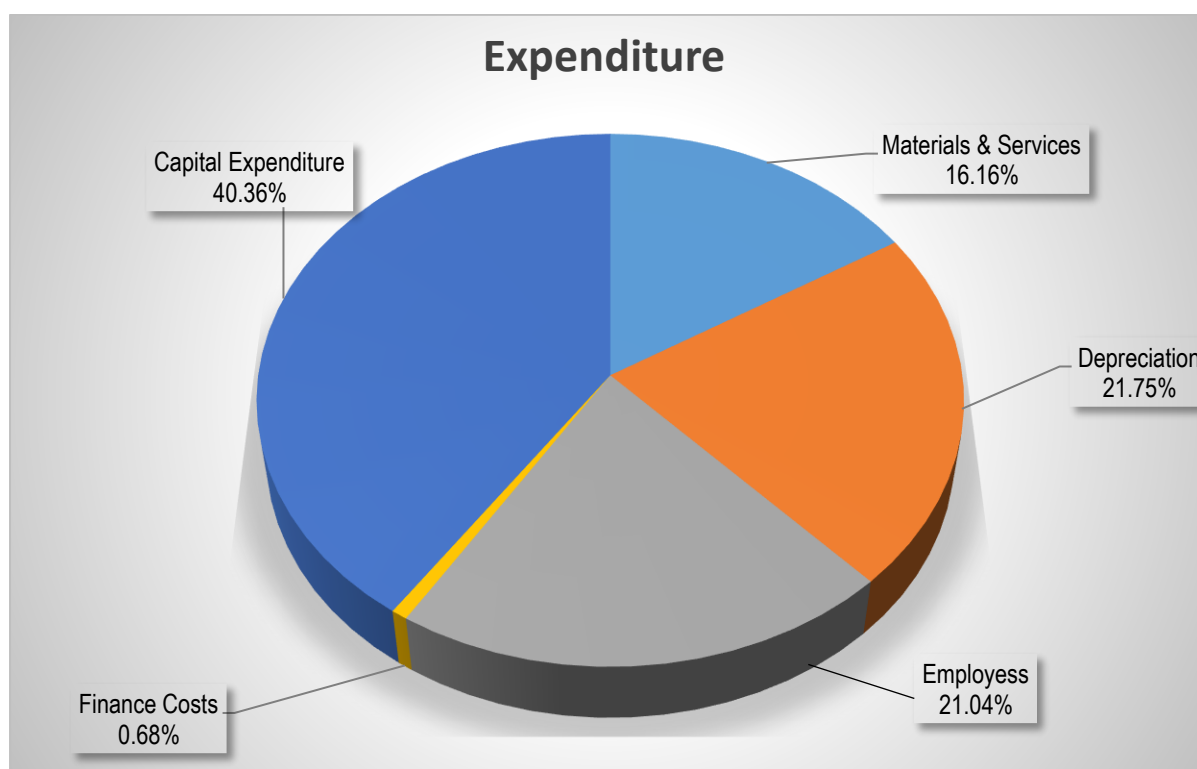
It is of note that payments for the first 2 quarters of 2018/19 Financial Assistance Grant (FAG) were received in advance. This also occurred in 2016/17.



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 road maintenance on both Shire and State Roads, building maintenance, insurances, ICT cost and contractors	16.16%	\$ 3,944,828
Depreciation	Represents the rate our assets ie roads, buildings and plant & equipment deteriorate through normal wear & tear	21.75%	\$ 5,309,567
Employees	Includes wages & salaries, annual leave, long service leave, allowances and superannuation.	21.04%	\$ 5,135,342
Finance Costs	Bank & Interest charges	0.68%	\$ 167,186
Capital Expenditure	Works related to capital projects	40.36%	\$ 9,849,923



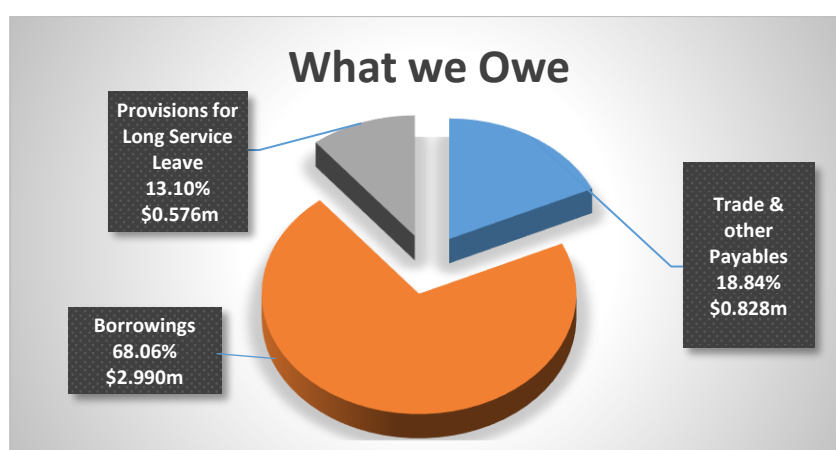
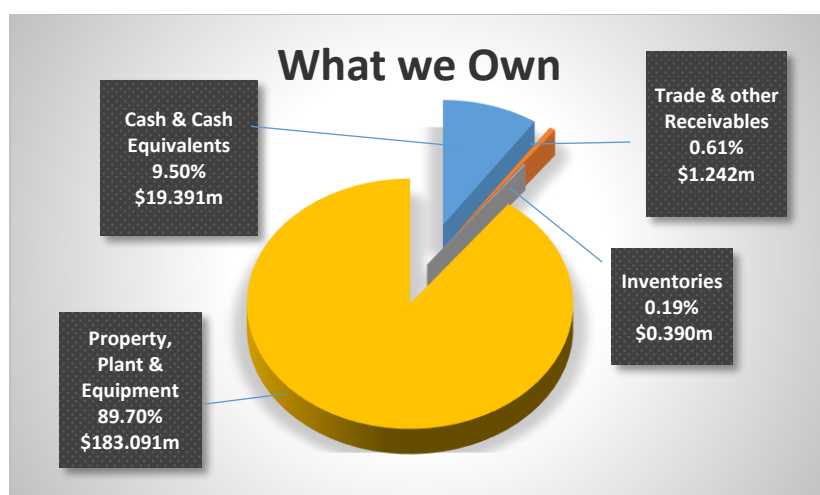
Our position at the year end

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 2.15% 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 2018, Council's Operating Surplus Ratio was 5.02%.

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 2018, Council's Asset Sustainability Ratio was 279.38%.

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 2018, Council's Net Financial Liabilities Ratio was -103.82%



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 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



GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2018

Our Vision
Growth - Community - Local - Everyone



General Purpose Financial Statements

for the year ended 30 June 2018

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Bulloo Shire Council

Statement of Comprehensive Income

for the year ended 30 June 2018

	Notes	2018 \$	2017 \$
Income from Continuing Operations			
Revenue			
Recurrent Revenue			
Rates, Levies and Charges	3a	4,611,720	4,453,079
Fees and Charges	3b	86,120	36,820
Rental Income	3c	316,583	291,831
Interest and Investment Revenue	3d	296,777	265,683
Sales Revenue	3e	3,172,321	4,344,320
Other Income	3f	60,601	49,531
Grants, Subsidies, Contributions and Donations	4a	6,782,716	9,390,910
Total Recurrent Revenue		15,326,838	18,832,174
Capital Revenue			
Grants, Subsidies, Contributions and Donations	4b	8,840,828	7,103,218
Total Income (Continuing Operations)		24,167,666	25,935,392
Expenses from Continuing Operations			
Recurrent Expenses			
Employee Benefits	5	5,135,342	5,242,061
Materials and Services	6	3,944,828	5,082,922
Finance Costs	7	167,186	219,198
Depreciation and Amortisation	8	5,309,567	4,919,958
Total Recurrent Expenses		14,556,924	15,464,139
Capital Expenses	9	467,132	7,542,743
Total Expenses (Continuing Operations)		15,024,056	23,006,882
Operating Result (Continuing Operations)		9,143,610	2,928,510
Net Result		9,143,610	2,928,510
Other Comprehensive Income			
Amounts which will not be reclassified subsequently to the Net Result			
Gain/(Loss) on Revaluation and Impairment of Property, Plant and Equipment	18	(27,767,726)	-
Total Other Comprehensive Income		(27,767,726)	-
Total Comprehensive Income		(18,624,116)	2,928,510
Total Comprehensive Income - Council		(18,624,116)	2,928,510

Bulloo Shire Council

Statement of Financial Position

as at 30 June 2018

	Notes	2018 \$	2017 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	10	19,390,651	18,323,567
Trade and Other Receivables	11	524,616	1,440,657
Inventories	12	390,232	270,362
Total Current Assets		20,305,499	20,034,586
Non-Current Assets			
Trade and Other Receivables	11	717,433	914,571
Property, Plant and Equipment	13	183,091,061	202,289,096
Total Non-Current Assets		183,808,494	203,203,667
TOTAL ASSETS		204,113,993	223,238,253
LIABILITIES			
Current Liabilities			
Trade and Other Payables	15	827,564	888,450
Borrowings	16	482,786	489,181
Provisions	17	356,897	337,908
Total Current Liabilities		1,667,247	1,715,539
Non-Current Liabilities			
Borrowings	16	2,506,792	2,984,077
Provisions	17	218,743	193,311
Total Non-Current Liabilities		2,725,535	3,177,388
TOTAL LIABILITIES		4,392,782	4,892,927
Net Community Assets		199,721,211	218,345,326
COMMUNITY EQUITY			
Asset Revaluation Reserve	18	80,913,444	108,681,170
Retained Surplus/(Deficiency)	19	118,807,766	109,664,156
Total Community Equity		199,721,210	218,345,326

Statement of Changes in Equity

for the year ended 30 June 2018

	Notes	Shire Capital \$	Asset Revaluation Reserve \$	Retained Surplus \$	Other Reserves \$	Total Equity \$
2018						
Opening Balance (as per Last Year's Audited Accounts)		-	108,681,170	109,664,156	-	218,345,326
a. Net Operating Surplus for the Year		-	-	9,143,610	-	9,143,610
b. Other Comprehensive Income						
- Revaluations : Property, Plant and Equip. Asset Revaluation Rsve	18	-	(27,767,726)	-	-	(27,767,726)
Other Comprehensive Income		-	(27,767,726)	-	-	(27,767,726)
Total Comprehensive Income		-	(27,767,726)	9,143,610	-	(18,624,116)
Equity Balance as at 30 June, 2018		-	80,913,444	118,807,766	-	199,721,210
2017						
Opening Balance (as per Last Year's Audited Accounts)		96,185,000	108,681,170	4,521,314	6,029,333	215,416,817
a. Net Operating Surplus for the Year		-	-	2,928,510	-	2,928,510
Total Comprehensive Income (c&d)		-	-	2,928,510	-	2,928,510
b. Transfers to/from Shire Capital & Reserves ⁽¹⁾		(96,185,000)	-	102,214,333	(6,029,333)	-
Equity Balance as at 30 June, 2017		-	108,681,170	109,664,156	-	218,345,326

(1) Transfers from Reserves

Council's Cash and Cash Equivalents are subject to a number of internal restrictions that limit the amount that is available for discretionary or future use. In prior years council accounted for these restrictions using a system of Reserves.

In the 2016-2017 Financial year, Council passed a resolution to close all existing Reserves and account for these Restrictions using an internal management accounting system.

All existing Reserve balances were transferred to Retained Surplus/(Deficit) on that date.

Bulloo Shire Council

Statement of Cash Flows

for the year ended 30 June 2018

	Notes	2018 \$	2017 \$
Cash Flows from Operating Activities			
Receipts from Customers		8,202,158	8,828,321
Payments to Suppliers and Employees		(10,895,352)	(11,460,505)
		(2,693,194)	(2,632,184)
Receipts:			
Investment and Interest Revenue Received		296,777	232,361
Rental Income		335,777	291,832
Non Capital Grants and Contributions		7,213,963	9,390,910
Other		2,092,921	-
Payments:			
Borrowing Costs		(167,186)	(195,987)
Other		(22,732)	-
Net Cash - Operating Activities	22	7,056,326	7,086,932
Cash Flows from Investing Activities			
Receipts:			
Sale of Property, Plant and Equipment		175,591	330,453
Grants, Subsidies, Contributions and Donations		8,840,828	7,103,218
Payments:			
Purchase of Property, Plant and Equipment		(14,521,982)	(5,682,255)
Net Cash - Investing Activities		(5,505,563)	1,751,416
Cash Flows from Financing Activities			
Payments:			
Repayment of Borrowings		(483,680)	(673,086)
Net Cash Flow - Financing Activities		(483,680)	(673,086)
Net Increase/(Decrease) for the year		1,067,083	8,165,262
plus: Cash and Cash Equivalents - beginning		18,323,567	10,158,305
Cash and Cash Equivalents - closing	10	19,390,650	18,323,567

Bulloo Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies

(1.a) Basis of preparation

These general purpose financial statements are for the period 1 July 2017 to 30 June 2018. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

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.

They comply with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). Council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS). Therefore, in some instances these financial statements do not comply with IFRS. The main impacts are the offsetting of revaluation gains and losses within a class of assets and the timing of recognition of non-reciprocal grant revenue.

These financial statements have been prepared under the historical cost convention except where stated.

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

(1.b) Constitution

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

(1.c) Adoption of New and Revised Accounting Standards

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

Bulloo Shire Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

This year Council has applied AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107 for the first time. As a result, Council has disclosed more information to explain changes in liabilities arising from financing activities ('debt reconciliation'). This information is presented in Note 23.

Some Australian Accounting Standards and Interpretations have been issued but are not yet effective. Those standards have not been applied in these financial statements. Council will implement them when they are effective.

The standards that are expected to have a material impact upon Council's future financial statements are:

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

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

AASB 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.

Bulloo Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

The standards that are not expected to have a material impact upon Council's future financial statements are:

Effective for annual reporting periods beginning on or after 1 January 2017

- AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*
- AASB 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15*
- AASB 2016-7 *Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities*
- AASB 9 *Financial Instruments* This replaces AASB 139 *Financial Instruments: Recognition and Measurement*.
- AASB 16 *Leases* Not expected to have a material impact as Council has no leases.

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

- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*
- AASB 2014-1 *Amendments to Australian Accounting Standards (Part E)*
- AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*
- AASB 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15*

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

- AASB 2017-1 *Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments*

- AASB 2017-4 *Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments*

- AASB 1059 *Service Concession Arrangements: Grantors*

- AASB 1059 *Service Concession Arrangements: Grantors* (Appendix D)

(1.d) Critical accounting judgements and key sources of estimation uncertainty

Where necessary judgements, estimates and assumptions have been used in preparing these financial statements. Those that have a significant effect, or risk of causing an adjustment to Council's assets or liabilities relate to:

- Valuation and depreciation of Property, Plant & Equipment - Note 13 and Note 14
- Impairment of Property, Plant and Equipment - Note 14
- Provisions - Note 17
- Contingencies - Note 20.

(1.e) Rounding and Comparatives

Amounts included in the financial statements have been rounded to the nearest \$1 unless otherwise indicated.

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

(1.f) Taxation

The income of local government and public authorities is exempt from Income Tax. However, Council is subject to Fringe Benefits Tax, Goods and Services Tax ('GST') and payroll tax on certain activities. The net amount of GST recoverable from the ATO or payable to the ATO is shown as an asset or liability respectively.

Bulloo Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 2(a). Council Functions - Component Descriptions

Details relating to the Council's functions / activities as reported 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 maintenance 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 cemeteries, 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 the 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.

Bulloo Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 2(a). Council Functions - Component Descriptions (continued)

Details relating to the Councils functions / activities as reported in Note 2(b) are as follows: (continued)

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.

Bulloo Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 2(b). Analysis of Results by Council Functions

Functions	Gross Program Income				Elimination of Inter-Function Activities	Total Income	Gross Program Expenses		Elimination of Inter-Function Activities	Total Expenses	Net Result from Recurring Operations	Net Result	Total Assets
	Recurring		Capital				Recurring	Capital					
	Grants	Other	Grants	Other									
2018	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Finance	5,426,648	4,657,000	2,559,063	-	-	12,642,711	(164,509)	-	-	(164,509)	9,919,139	12,478,202	28,029,053
Administration	-	31,573	-	-	-	31,573	(3,026,764)	-	-	(3,026,764)	(2,995,191)	(2,995,191)	533,948
Engineering	1,166,815	3,173,647	5,793,611	-	-	10,134,073	(8,265,025)	-	-	(8,265,025)	(3,924,563)	1,869,048	142,527,199
Health and Environment	102,661	90,464	-	-	-	193,125	(695,258)	-	-	(695,258)	(502,133)	(502,133)	-
Community and Culture	16,733	202,691	488,154	-	-	707,578	(1,858,530)	-	-	(1,858,530)	(1,639,106)	(1,150,952)	-
Water and Sewerage	-	210,258	-	-	-	210,258	(546,838)	-	-	(546,838)	(336,580)	(336,580)	7,687,282
Asset and Resource Management	69,859	178,489	-	-	-	248,348	-	(467,132)	-	(467,132)	248,348	(218,784)	25,336,510
Total	6,782,716	8,544,122	8,840,828	-	-	24,167,666	(14,556,924)	(467,132)	-	(15,024,056)	769,914	9,143,610	204,113,992

Functions	Gross Program Income				Elimination of Inter-Function Activities	Total Income	Gross Program Expenses		Elimination of Inter-Function Activities	Total Expenses	Net Result from Recurring Operations	Net Result	Total Assets
	Recurring		Capital				Recurring	Capital					
	Grants	Other	Grants	Other									
2017	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Finance	7,463,202	4,484,418	866,059	-	-	12,813,679	(166,864)	-	-	(166,864)	11,780,756	12,646,815	20,949,156
Administration	-	33,039	-	-	-	33,039	(3,418,541)	-	-	(3,418,541)	(3,385,502)	(3,385,502)	584,261
Engineering	1,686,293	4,345,386	6,058,849	-	-	12,090,528	(8,877,254)	(7,565,950)	-	(16,443,204)	(2,845,575)	(4,352,676)	165,353,194
Health and Environment	-	108,368	-	-	-	108,368	(574,315)	-	-	(574,315)	(465,947)	(465,947)	-
Community and Culture	120,662	175,732	178,310	-	-	474,704	(1,667,122)	-	-	(1,667,122)	(1,370,728)	(1,192,418)	-
Water and Sewerage	-	195,149	-	-	-	195,149	(371,668)	-	-	(371,668)	(176,519)	(176,519)	8,105,914
Asset and Resource Management	67,644	152,281	-	23,207	-	243,132	(388,375)	-	-	(388,375)	(168,450)	(145,243)	28,245,727
Total	9,337,801	9,494,373	7,103,218	23,207	-	25,958,600	(15,464,139)	(7,565,950)	-	(23,030,089)	3,368,035	2,928,510	223,238,253

Bulloo Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 3. Revenue Analysis

	2018	2017
Notes	\$	\$

Revenue is recognised at the fair value of the consideration received or receivable, at the time indicated below.

(a). Rates, Levies and Charges

Rates are recognised as revenue at the start of the rating period. If a ratepayer pays their rates before the start of the rating period, they are recognised as revenue when they are received.

General Rates	4,497,645	4,447,708
Separate Rates	4,870	4,706
Water	117,095	112,597
Sewerage	87,247	84,705
Garbage Charges	37,054	35,436
Total rates and utility charge revenue	4,743,911	4,685,152
Less: Discounts	(129,084)	(229,898)
Less: Pensioner remissions	(3,107)	(2,175)
TOTAL RATES, LEVIES AND CHARGES	4,611,720	4,453,079

(b). Fees and Charges

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

Other Fees and Charges	86,120	36,820
TOTAL FEES AND CHARGES	86,120	36,820

(c). Rental Income

Rent from Council Houses is recognised as income on a periodic straight line basis over the lease term.

Other Rental Income	316,583	291,831
TOTAL RENTAL INCOME	316,583	291,831

Bulloo Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 3. Revenue Analysis (continued)

	Notes	2018 \$	2017 \$
(d). Interest and Investment Revenue			
Interest received from Queensland Treasury Corporation (QTC) over the term of the investment.			
Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.			
Interest Received from Bank Accounts		287,042	254,014
Interest Received from Other Sources		1,172	2,167
Interest from Overdue Rates and Utility Charges		8,563	9,502
<u>TOTAL INTEREST AND INVESTMENT REVENUE</u>		<u>296,777</u>	<u>265,683</u>
(e). Sales Revenue			
The sale of goods is recognised when the customer has taken delivery of the goods. Revenue from services is recognised when the service is rendered.			
Revenue from Contracts and Recoverable Works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. This revenue and the associated costs are recognised by reference to the stage of completion of the contract activity at the reporting date. 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. There are no Contracts in progress at the year end. The Contract work carried out is not subject to retentions.			
Sale of services			
Contract and Recoverable Works		2,895,009	4,048,952
Total Sale of Services		2,895,009	4,048,952
Sale of goods			
Aviation fuel		277,312	295,368
Total Sale of Goods		277,312	295,368
<u>TOTAL SALES REVENUE</u>		<u>3,172,321</u>	<u>4,344,320</u>
(f). Other Income			
Other Income		60,601	49,531
<u>TOTAL OTHER INCOME</u>		<u>60,601</u>	<u>49,531</u>

Bulloo Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 4. Grants, Subsidies, Contributions and Donations

	2018	2017
Notes	\$	\$

Grants, subsidies, donations and contributions that are non-reciprocal in nature are recognised as revenue when Council obtains control over them, which is usually upon receipt of funds.

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.

(a) Recurrent

General Purpose Grants	5,425,150	7,438,202
State Government Subsidies and Grants	111,660	253,687
Commonwealth Government Subsidies and Grants	1,245,906	1,699,021
<u>TOTAL RECURRENT GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS</u>	<u>6,782,716</u>	<u>9,390,910</u>

(b) Capital

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.

Government Subsidies and Grants	8,840,828	7,103,218
<u>TOTAL CAPITAL GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS</u>	<u>8,840,828</u>	<u>7,103,218</u>

Bulloo Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 5. Employee Benefits

	Notes	2018 \$	2017 \$
Wages and Salaries		3,922,328	3,912,303
Annual, Sick and Long Service Leave Entitlements		955,769	943,002
Superannuation	21	500,374	473,301
Councillors' Remuneration		315,944	313,647
		<u>5,694,415</u>	<u>5,642,253</u>
Other Employee Related Expenses		240,307	138,754
		<u>5,934,722</u>	<u>5,781,007</u>
Less: Capitalised Employee Expenses		(799,380)	(538,946)
<u>TOTAL EMPLOYEE BENEFITS</u>		<u><u>5,135,342</u></u>	<u><u>5,242,061</u></u>
Additional information:			
Total Employees at year end:			
Administration Staff		34	34
Depot and Outdoors Staff		28	37
Total full time equivalent employees		<u>62</u>	<u>71</u>
Total Elected members		<u>5</u>	<u>5</u>

Note 6. Materials and Services

Advertising and Marketing	22,744	25,496
Administration Supplies and Consumables	114,868	143,986
Audit of Annual Financial Statements by the Auditor-General of Queensland	39,913	43,329
Communications and IT	321,285	354,988
Consultants	331,576	65,074
Donations Paid	114,372	117,762
Repairs and Maintenance	2,104,058	1,444,480
Subscriptions and Registrations	7,138	6,836
Other Materials and Services	888,874	2,880,971
<u>TOTAL MATERIALS AND SERVICES</u>	<u><u>3,944,828</u></u>	<u><u>5,082,922</u></u>

Note 7. Finance Costs

Finance Costs - Queensland Treasury Corporation	147,846	180,208
Bank Charges	2,672	15,808
Impairment of Debts	16,668	23,182
<u>TOTAL FINANCE COSTS</u>	<u><u>167,186</u></u>	<u><u>219,198</u></u>

Bulloo Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 8. Depreciation and Amortisation

	Notes	2018 \$	2017 \$
Depreciation/Amortisation of Non-Current Assets			
Buildings		709,601	642,164
Other Structures		198,002	171,824
Plant and Equipment		982,544	953,950
Office Equipment and Furniture		50,313	61,749
Roads, Drainage and Bridges Network		3,173,269	2,918,578
Water Infrastructure		128,761	120,878
Sewerage		67,077	50,815
Total Depreciation of Non-Current Assets	13	5,309,567	4,919,958
<u>TOTAL DEPRECIATION AND AMORTISATION</u>		<u>5,309,567</u>	<u>4,919,958</u>

Note 9. Capital Expenses

(a) Loss on Disposal of Non-Current Assets

Proceeds from the Disposal of Property, Plant and Equipment		175,591	152,273
Less: Book Value of Property, Plant and Equipment Disposed	13	(642,723)	(129,065)
(Gain)/Loss on disposal of Non-Current Assets		467,132	(23,207)

(b) Other Capital Expenses

Flood damaged roads written off		-	7,565,950
		-	7,565,950
<u>TOTAL CAPITAL EXPENSES</u>		<u>467,132</u>	<u>7,542,743</u>

Bulloo Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 10. Cash, Cash Equivalents and Investments

	2018	2017
Notes	\$	\$
Cash and cash equivalents include cash on hand, all cash and cheques receipted but not banked at the year end, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.		
Cash and Cash Equivalents		
Cash at Bank and on Hand	5,084,909	264,660
Cash Equivalent Assets ¹		
- Deposits at Call	14,305,742	18,058,907
Total Cash and Cash Equivalents	19,390,651	18,323,567
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS	19,390,651	18,323,567

¹ Those Investments where time to maturity (from date of purchase) is < 3 mths.

Restricted Cash, Cash Equivalents and Investments

Council's Cash and Cash Equivalents are subject to a number of Internal and External Restrictions that limit amounts available for discretionary or future use. These include:

Externally imposed Expenditure Restrictions at the reporting date relate to the following cash assets:

Unspent Government Grants and Subsidies	1,022,059	-
Total External Restrictions	1,022,059	-
Internally imposed Expenditure Restrictions at the reporting date:		
Unspent sustainability reserve	6,029,333	6,029,333
Total Internal Restrictions	6,029,333	6,029,333
Total Unspent Restricted Cash, Cash Equivalents and Investments	7,051,392	6,029,333

Note: These Restrictions were previously allocated to Reserves

Cash at bank is held in the National Australia Bank in normal business cheque accounts. The bank currently has a short term credit rating of A1+ and long term rating of AA.

Deposits at call are held in the Queensland Treasury Corporation (QTC). QTC's current credit rating ranging between Aa1 & AAA.

Trust Funds

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012*, a separate *Trust Bank* account and separate accounting records are maintained for funds held on behalf of outside parties.

Council performs a custodian role in respect of Trust Fund monies amounting to \$20,788. As these funds cannot be used by Council, they are not brought into account in these financial statements.

Bulloo Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 11. Trade and Other Receivables

	Notes	2018 \$	2017 \$
<p>Receivables are amounts owed to Council at year end. They are recognised at the amount due at the time of sale or service delivery. Settlement is required within 30 days after the invoice is issued.</p> <p>Debts are regularly assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written-off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue.</p> <p>Because Council is empowered under the provisions of the <i>Local Government Act 2009</i> to sell an owner's property to recover outstanding rate debts, Council does not impair rate receivables.</p> <p>Loans and advances are recognised in the same way as other receivables.</p>			
Current			
Rateable Revenue and Utility Charges		68,380	78,597
Other Debtors		277,549	1,188,075
GST Recoverable		127,597	112,919
Deferred house sale payments		94,380	107,640
Total		567,906	1,487,231
less: Provision for Impairment			
Other Debtors		(43,290)	(46,574)
Total Provision for Impairment - Receivables		(43,290)	(46,574)
<u>TOTAL CURRENT TRADE AND OTHER RECEIVABLES</u>		<u>524,616</u>	<u>1,440,657</u>
Non-Current			
Deferred house sale payments		717,433	914,571
<u>TOTAL NON-CURRENT TRADE AND OTHER RECEIVABLES</u>		<u>717,433</u>	<u>914,571</u>
Movement in Provision for Impairment of Receivables			
Opening balance at 1 July		(46,574)	(23,392)
<i>Add</i>			
Additional impairments recognised		23,231	(23,182)
<i>Less</i>			
Impairment debts written off during the year		(19,947)	-
Balance at the end of the year		(43,290)	(46,574)

Bulloo Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 12. Inventories

	Notes	2018 \$	2017 \$
Inventories held for distribution are:			
- goods to be supplied at no or nominal charge, and			
- goods to be used for the provision of services at no or nominal, charge.			
These goods are valued at cost, adjusted, when applicable, for any loss of service potential.			
Stores and raw materials are valued at the lower of cost and net realisable value and include, where applicable, direct material, direct labour and an appropriate portion of variable and fixed overheads. Costs are assigned on the basis of weighted average cost.			
Current Inventories			
(a) Inventories held for distribution			
Quarry and Road Materials		29,484	28,951
Plant and Equipment Stores		360,748	241,411
<u>TOTAL CURRENT INVENTORIES</u>		<u>390,232</u>	<u>270,362</u>

Bulloo Shire Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 13. Property, Plant and Equipment

30 June 2018		Land	Buildings	Other Structures	Plant and Equipment	Office Equipment and Furniture	Roads, Drainage and Bridges Network	Water Infrastructure	Sewerage	Work in progress	Total
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Measurement Basis	Note	Fair Value	Fair Value	Fair Value	Cost	Cost	Fair Value	Fair Value	Fair Value	Cost	
Opening Gross Balance - at Cost		-	-	-	12,986,726	785,662	-	-	-	4,672,057	18,444,445
Opening Gross Balance - at Fair Value		767,700	26,452,345	5,961,200	-	-	190,341,473	7,840,567	3,121,845	-	234,485,130
Opening Gross Balance		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
Additions*		16,768	733,150	3,526,113	839,511	-	8,997,373	8,960	22,536	377,569	14,521,980
Disposals	9	-	-	(26,484)	(817,614)	-	-	-	-	-	(844,098)
Write-offs	9	-	-	-	(457,553)	-	3,736	-	-	-	(453,817)
Revaluation Decrements to Equity (ARR)	18	(3,768)	-	(369,018)	-	-	(24,582,277)	(201,499)	-	-	(25,156,562)
Revaluation Increments to Equity (ARR)	18	-	2,254,878	-	-	-	-	-	248,468	-	2,503,346
Work in Progress Transfers		-	458,377	509,578	34,770	-	3,631,134	-	38,199	(4,672,058)	-
Total Gross Value of Property, Plant and Equipment - at Cost		-	-	-	12,585,840	785,662	-	-	-	377,568	13,749,071
Total Gross Value of Property, Plant and Equipment - at Fair Value		780,700	29,898,750	9,601,389	-	-	178,391,439	7,648,028	3,431,048	-	229,751,353
Total Gross Value of Property, Plant and Equipment		780,700	29,898,750	9,601,389	12,585,840	785,662	178,391,439	7,648,028	3,431,048	377,568	243,500,424
Opening Accumulated Depreciation		-	10,159,617	2,384,755	6,374,655	207,083	28,619,674	2,119,472	775,223	-	50,640,479
Depreciation Expense		-	709,601	198,002	982,544	50,313	3,173,269	128,761	67,077	-	5,309,567
Disposals	9	-	-	(1,545)	(562,028)	-	-	-	-	-	(563,573)
Write-offs	9	-	-	-	(85,937)	(5,683)	-	-	-	-	(91,620)
Revaluation Decrements to Equity (ARR)	18	-	-	-	-	-	-	-	-	-	-
Revaluation Increments to Equity (ARR)	18	-	588,100	146,847	-	-	4,071,298	112,493	195,772	-	5,114,510
Total Accumulated Depreciation of Property, Plant and Equipment		-	11,457,318	2,728,059	6,709,234	251,713	35,864,241	2,360,726	1,038,072	-	60,409,362
Total Net Book Value of Property, Plant and Equipment		780,700	18,441,432	6,873,330	5,876,606	533,949	142,527,198	5,287,302	2,392,976	377,568	183,091,061
Other Information											
Range of Estimated Useful Life (years)		Not depreciated	50 - 100	15 - 45	2- 30	2 - 15	1 - 100	20 - 115	16 - 100	Not depreciated	
*Asset Additions Comprise											
Asset Renewals		-	444,899	2,490,150	839,511	-	8,997,373	8,960	-	7,005	12,787,898
Other Additions		16,768	288,251	1,035,963	-	-	-	-	22,536	370,564	1,734,082
Total Asset Additions		16,768	733,150	3,526,113	839,511	-	8,997,373	8,960	22,536	377,569	14,521,980

Bulloo Shire Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 13. Property, Plant and Equipment (continued)

30 June 2017		Land	Buildings	Other Structures	Plant and Equipment	Office Equipment and Furniture	Roads, Drainage and Bridges Network	Water Infrastructure	Sewerage	Work in progress	Total
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Measurement Basis	Note	Fair Value	Fair Value	Fair Value	Cost	Cost	Fair Value	Fair Value	Fair Value	Cost	
Opening Gross Balance - at Cost		-	-	-	12,486,853	785,662	-	-	-	2,024,653	15,297,168
Opening Gross Balance - at Fair Value		767,700	26,281,400	5,596,900	-	-	197,945,413	7,609,347	3,036,200	-	241,236,960
Opening Gross Balance		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
Additions*		-	170,945	364,300	893,875	-	1,288,865	231,220	85,645	2,647,404	5,682,254
Disposals	9	-	-	-	(394,002)	-	-	-	-	-	(394,002)
Write-offs	9	-	-	-	-	-	(8,892,805)	-	-	-	(8,892,805)
Total Gross Value of Property, Plant and Equipment - at Cost		-	-	-	12,986,726	785,662	-	-	-	4,672,057	18,444,445
Total Gross Value of Property, Plant and Equipment - at Fair Value		767,700	26,452,345	5,961,200	-	-	190,341,473	7,840,567	3,121,845	-	234,485,130
Total Gross Value of Property, Plant and Equipment		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
Opening Accumulated Depreciation		-	9,517,453	2,212,931	5,685,641	145,334	27,027,951	1,998,594	724,408	-	47,312,312
Depreciation Expense		-	642,164	171,824	953,950	61,749	2,918,578	120,878	50,815	-	4,919,959
Disposals	9	-	-	-	(264,936)	-	-	-	-	-	(264,936)
Write-offs	9	-	-	-	-	-	(1,326,855)	-	-	-	(1,326,855)
Total Accumulated Depreciation of Property, Plant and Equipment		-	10,159,617	2,384,755	6,374,655	207,083	28,619,674	2,119,472	775,223	-	50,640,479
Total Net Book Value of Property, Plant and Equipment		767,700	16,292,728	3,576,445	6,612,071	578,579	161,721,799	5,721,095	2,346,622	4,672,057	202,289,096
Other Information											
Range of Estimated Useful Life (years)		Not depreciated	50 - 100	15 - 45	2- 30	2 - 15	1 - 100	20 - 115	16 - 100	Not depreciated	
*Asset Additions Comprise											
Asset Renewals		-	-	364,300	-	-	1,288,865	231,220	85,645	2,647,404	4,617,434
Other Additions		-	170,945	-	893,875	-	-	-	-	-	1,064,820
Total Asset Additions		-	170,945	364,300	893,875	-	1,288,865	231,220	85,645	2,647,404	5,682,254

Notes to the Financial Statements

for the year ended 30 June 2018

Note 13. Property, Plant and Equipment (continued)

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
- Other structures
- Plant and equipment
- Office furniture and equipment
- Roads, drainage and bridges network
- Water infrastructure
- Sewerage infrastructure
- 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, 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. 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 asset are expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

Expenditure incurred in accordance with Natural Disaster Relief and Recovery Arrangements on road assets is analysed to determine whether the expenditure is capital in nature. The analysis of the expenditure requires Council engineers to review the nature and extent of expenditure on a given asset. This process was conducted when the Flood Damage submission was made to the Queensland 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 either an independent professionally qualified valuer or internally professionally qualified staff to determine the fair value for each class of Property, Plant and Equipment assets at least once every 3 to 5 years. This process involves the valuer physically sighting a representative sample of Council assets across all asset classes and making their own assessment of the condition of the assets at the date of inspection.

Land, Buildings, Other Structures and all Infrastructure assets were revalued by an independent professional qualified valuer as at 30 June 2018.

Notes to the Financial Statements

for the year ended 30 June 2018

Note 13. Property, Plant and Equipment (continued)

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 or sourcing them via Government sites. 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 either independent professionally qualified valuers or qualified staff 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 14.

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.

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 14.

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.

Bulloo Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 14. Fair Value Measurements

(a) Valuation

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

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred.

The fair value of borrowings disclosed in Note 16 is provided by the Queensland Treasury Corporation (QTC) 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 16.

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)

Valuation processes

The Council engages external, independent and qualified valuers to determine the fair value of 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.

The following table categorises fair value measurements at 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, and no assets which meet the criteria for categorisation as Level 2.

Bulloo Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 14. Fair Value Measurements (continued)

(a) Valuation

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.

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values:

	Date of latest valuation	Fair Value Measurement using:			Total
		Level 1 Quoted prices in active mkts \$	Level 2 Significant observable inputs \$	Level 3 Significant unobservable inputs \$	
2018					
Property, Plant and Equipment					
Land	30/06/18	-	-	780,700	780,700
Buildings					
- Residential and Commercial Properties	30/06/18	-	-	7,396,753	7,396,753
- Specialised Buildings	30/06/18	-	-	11,044,679	11,044,679
Other Structures	30/06/18	-	-	6,873,330	6,873,330
Infrastructure assets:					
- Road, Drainage and Bridge Network	30/06/18	-	-	142,527,198	142,527,198
- Water	30/06/18	-	-	5,287,302	5,287,302
- Sewerage	30/06/18	-	-	2,392,976	2,392,976
Total Property, Plant and Equipment		-	-	176,302,938	176,302,938
2017					
Property, Plant and Equipment					
Land	30/06/16	-	-	767,700	767,700
Buildings					
- Residential and Commercial Properties	30/06/16	-	-	4,073,651	4,073,651
- Specialised Buildings	30/06/16	-	-	12,219,077	12,219,077
Other Structures	30/06/16	-	-	3,576,445	3,576,445
Infrastructure assets:					
- Road, Drainage and Bridge Network	30/06/15	-	-	161,722,799	161,722,799
- Water	30/06/15	-	-	5,721,095	5,721,095
- Sewerage	30/06/15	-	-	2,346,622	2,346,622
Total Property, Plant and Equipment		-	-	190,427,389	190,427,389

Bulloo Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 14. Fair Value Measurements (continued)

(a) Valuation (continued)

(2) Valuation techniques used to derive Level 3 Fair Values

The Fair Valuation techniques Council has employed while utilising Level 3 inputs are as follows:

Infrastructure, Property, Plant and Equipment

Land (Level 3)

Land Fair Values were determined by independent valuer, Australis Asset Advisory Group effective 30 June 2018.

Land has been valued the independent valuer using valuation techniques that maximise the use of observable data and under the principles of Highest and Best Use. The valuer has utilised the market approach method when assessing land taking into account any adjustments factors that may be applicable.

Observable inputs used by the valuer were registered sales transactions of land within the Shire (Level 2) with adjustments made for differences in key attributes between the land subject to valuation and the land recently sold.

Where there were significant differences in key attributes between the land subject to valuation and the land recently sold, the valuations methodology is considered a Level 3 on the Fair value hierarchy.

Under the level 3 approach, unobservable inputs such as reference to discussions with real estate agents, statistical data from reputable published sources and sales history of other land types were utilised.

There were no recorded land sales in the last two (2) financial years and therefore there was an insufficient sample size available for the valuer to determine market movements using the Level 2 approach. In this instance, due to the paucity of sales evidence within the Shire, all land has been categorised as Level 3 and the value based on rates per square meter as determined by the valuer using unobservable inputs.

Council did not revalue its land assets in the 2016-17 financial year as the potential adjustment was considered immaterial.

Bulloo Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 14. Fair Value Measurements (continued)

(a) Valuation (continued)

(2) Valuation techniques used to derive Level 3 Fair Values

Buildings and other Structures (Level 3)

The Fair Value of Buildings and Other Structures was independently determined by Australis Asset Advisory Group effective 30 June 2018. Where an observable market for Council assets can be identified, Fair Value is measured by way of a Market Approach (Level 2), utilising sale prices of comparable properties after adjusting for differences in key attributes of the property.

Upon review of the available market data, due to the thinly traded nature of the Bulloo Shire property market, no Buildings have been assessed on a Market Approach. This includes residential housing. It was observed that in the current Financial Year, there has only been one residential dwelling sold in Thargomindah, being a transfer between the State Government and Bulloo Shire Council. In the prior 2016-17 Financial Year, there were only three dwelling sales, with one being a low value purchase by Bulloo Shire Council. For this reason, it was determined by the Valuer that there is not an 'active and liquid' market and therefore no reliable data to support a Market Approach for property in the Shire.

As the Buildings and Other Structures did not meet the criteria for a market approach, Fair Value was measured on the basis of a Cost Approach (Level 3). Under this methodology the gross replacement cost was assessed on the basis that it reflected a modern equivalent asset with similar service potential.

Under the Cost approach, the asset's Fair Value is the result of the gross current value less accumulated depreciation, to reflect the consumed or expired service potential of the asset. The most significant inputs into the valuation were the rate per square metre (to arrive at the Gross Replacement Cost) and a condition score reflecting the remaining useful life of the asset. For the Bulloo Shire Council area, all Building and Other Structures assets were assessed under this approach.

In determining the level of accumulated depreciation for assets under Cost Approach, as the first step an Economic Useful Life (EUL) was provided to each asset on a componentised basis. As a second step, the condition score, which has direct influence on the Remaining Useful life (RUL) of the asset was assessed and applied to each asset. The RUL takes into consideration the assets physical characteristics, age, recent repairs or capital works, as well as factors such as functionality, capability, utilisation and obsolescence. Estimates of expired service potential and remaining useful lives were determined on a straight-line basis and where required, assets were disaggregated into significant components which exhibit different useful lives.

There are no residual values on Council's Building and Other Structures assets.

Due to the Council's previous reporting treatment of Other Structures they were reported with group balances, Council has now split into individual assets. The life and condition having been assessed also played a part in the devaluing of them as well.

Bulloo Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 14. Fair Value Measurements (continued)

(a) Valuation (continued)

(2) Valuation techniques used to derive Level 3 Fair Values (continued)

Infrastructure, Property, Plant and Equipment (continued)

Buildings and other Structures (Level 3) (cont'd)

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.

Infrastructure Assets - Roads, Water and Sewerage

All Council infrastructure assets were fair valued using written down Current Replacement Cost (Level 3). 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.

Bulloo Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 14. Fair Value Measurements (continued)

(a) Valuation (continued)

(2) Valuation techniques used to derive Level 3 Fair Values (continued)

Infrastructure, Property, Plant and Equipment (continued)

Infrastructure Assets - Roads, Water and Sewerage (cont'd)

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.

Infrastructure assets fair values were determined by independent valuer, Australis Asset Advisory Group effective 30 June 2018.

Roads (Level 3)

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.

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 unit rates.

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.)

During the year there was a major devaluation of Council Roads due to several factors such as,

- the Council and the independent valuer performed inspections of road assets resulting in changes to the dimensions of roads.
- a decline in the conditions of the roads and their components.
- utilisation of recent construction data from recent works for both sealed and unsealed rural roads resulted in a decrease in unit rates used by the independent valuer.

Bulloo Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 14. Fair Value Measurements (continued)

(a) Valuation (continued)

(2) Valuation techniques used to derive Level 3 Fair Values (continued)

Infrastructure, Property, Plant and Equipment (continued)

Roads (Level 3) (cont'd)

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 seat or asphalt)
4. Kerb & channel

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 60-80 years and upper layer is 15 years.

Bulloo Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 14. Fair Value Measurements (continued)

(a) Valuation (continued)

(2) Valuation techniques used to derive Level 3 Fair Values (continued)

Infrastructure, Property, Plant and Equipment (continued)

Roads (Level 3) (cont'd)

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 road 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.

The asset useful lives that are adopted are shown below:

		Years
Seal	Sealed Lower	60 -100
Seal	Sealed Upper	15
Seal/Unsealed/Formed		INF
Unsealed		20
Kerb & Channel		60
Footpaths		60
Grids		60
Bridges		60-90
Culverts		15-80
Floodways		90

A useful life of 90 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.

Bulloo Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 14. Fair Value Measurements (continued)

(a) Valuation (continued)

(2) Valuation techniques used to derive Level 3 Fair Values (continued)

Infrastructure, Property, Plant and Equipment (continued)

Roads (Level 3) (cont'd)

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	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 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.

Bulloo Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 14. Fair Value Measurements (continued)

(a) Valuation (continued)

(2) Valuation techniques used to derive Level 3 Fair Values (continued)

Infrastructure, Property, Plant and Equipment (continued)

Water and Sewerage (Level 3)

Current Replacement Costs

Water and Sewerage infrastructure assets fair values were determined by independent valuer, Australis Asset Advisory Group effective 30 June 2018.

Water and Sewer assets have been assessed utilising valuation techniques that maximise the use of observable data where possible. Typically, the methodology applied will be determined based on the AASB13 Input Decision tree. Standard valuation principles dictate that a cost approach method (generally incremental Greenfield) is a suitable primary methodology when assessing infrastructure that has no active market nor has directly applicable income.

Characterisation of assets

The assets to be valued were initially checked for completeness of data and classified into asset systems based on functional characteristics:

- Water Mains
- Water Passive
- Water Active
- Sewer Mains
- Sewer Points
- Sewer Active

These categories were further refined with the adoption of sub-systems and assets and components, this hierarchy is predominantly applicable to active assets and is based on a functional asset breakdown. This functional classification was then used to verify the existing componentisation and allowed the identification of additional components to be added.

Bulloo Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 14. Fair Value Measurements (continued)

(a) Valuation (continued)

(2) Valuation techniques used to derive Level 3 Fair Values (continued)

Infrastructure, Property, Plant and Equipment (continued)

Water and Sewerage (Level 3) (Cont'd)

Componentisation was expanded to include components of a varying consumption pattern or aid in asset identification and asset management practises.

Active Assets included Pump Stations, Bores, Ponds and Reservoirs. Passive Assets include pipework. These Active Assets were componentised dependant on size, capacity, site conditions and other factors judged relevant by the Valuer. This componentisation was reviewed by Bulloo Shire Council Staff and where possible matched to their asset management requirements. Gravity Sewer mains were the only Passive Asset componentised into long and short life components to allow for accurate modelling of pipe relining, this split was varied based on depth and diameter based on brownfield relining costs.

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 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.

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.

Bulloo Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 14. Fair Value Measurements (continued)

(a) Valuation (continued)

(2) Valuation techniques used to derive Level 3 Fair Values (continued)

Infrastructure, Property, Plant and Equipment (continued)

Water and Sewerage (Level 3) (Cont'd)

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.

Due to the Council's previous reporting treatment of Water Assets they were reported with group balances Council has now split into individual assets and are now componentised as such better values are recorded. The life and condition having been assessed also played a part in the devaluing of them as well.

Bulloo Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 15. Trade and Other Payables

	2018	2017
Notes	\$	\$

Creditors are recognised when goods or services are received, at the amount owed. Amounts owing are unsecured and are generally settled on 30 day terms.

Liabilities are recognised for employee benefits such as wages and salaries, annual and long service leave in respect of services provided by the employees up to the reporting date. The liability is calculated using the present value of remuneration rates that will be paid when the liability is expected to be settled and includes related on-costs.

As Council does not have an unconditional right to defer settlement of the annual leave beyond twelve months after the reporting date, annual leave is classified as a current liability.

Current

Creditors and Accruals	300,904	349,551
Annual Leave	523,283	507,125
Other Entitlements	3,377	31,774
<u>TOTAL CURRENT TRADE AND OTHER PAYABLES</u>	<u>827,564</u>	<u>888,450</u>

Bulloo Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 16. Borrowings

	2018	2017
Notes	\$	\$

Borrowings are initially recognised at cost value plus any directly attributable transaction costs. Thereafter, they are measured at amortised cost. Principal and interest repayments are made quarterly in arrears.

All borrowings are in \$A denominated amounts and interest is 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.

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.

Current

Loans - Queensland Treasury Corporation	482,786	489,181
<u>TOTAL CURRENT BORROWINGS</u>	<u>482,786</u>	<u>489,181</u>

Non-current

Loans - Queensland Treasury Corporation	2,506,792	2,984,077
<u>TOTAL NON-CURRENT BORROWINGS</u>	<u>2,506,792</u>	<u>2,984,077</u>

Reconciliation of Loan Movements for the year

Loans - Queensland Treasury Corporation (QTC)

Opening Balance at Beginning of Financial Year	3,473,258	4,146,344
Principal Repayments	(483,680)	(673,086)
<u>Book value at end of financial year</u>	<u>2,989,578</u>	<u>3,473,258</u>

The QTC loan market value at the reporting date was \$3,141,907. 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.

Loan Disclosures

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

The weighed average borrowing rate for the Loans is ranges from 4.14% to 4.60%

Bulloo Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 17. Provisions

	2018	2017
	\$	\$

Long Service Leave

The provision for Long Service Leave represents 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 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.

Current

Long Service Leave	356,897	337,908
<u>TOTAL CURRENT PROVISIONS</u>	<u>356,897</u>	<u>337,908</u>

Non-current

Long Service Leave	218,743	193,311
<u>TOTAL NON-CURRENT PROVISIONS</u>	<u>218,743</u>	<u>193,311</u>

Bulloo Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 18. Asset Revaluation Reserve

	Notes	2018 \$	2017 \$
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The Asset Revaluation Surplus comprises adjustments relating to changes in value of Property, Plant and Equipment. 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.

Movements in the Asset Revaluation Reserve:

Balance at beginning of financial year		108,681,170	108,681,170
Net adjustment to non-current assets at end of period to reflect a change in current fair value:			
Land		(3,768)	-
Buildings		1,666,778	-
Other Structures		(515,865)	-
Roads, Drainage and Bridges Network		(28,653,575)	-
Water Infrastructure		(313,992)	-
Sewerage		52,696	-
	13	(27,767,726)	-
Balance at end of financial year		<u>80,913,444</u>	<u>108,681,170</u>

Asset revaluation Reserve Analysis

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

Land	606,288	610,056
Buildings	3,908,136	2,241,358
Other Structures	2,121,871	2,637,736
Roads, Drainage and Bridges Network	72,284,997	100,938,572
Water Infrastructure	1,939,456	2,253,448
Sewerage	52,696	-
Balance at end of financial year	<u>80,913,444</u>	<u>108,681,170</u>

Bulloo Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 19. Retained Surplus/(Deficiency)

	Notes	2018 \$	2017 \$
Movements in the retained surplus:			
Retained Surplus/(Deficit) at Beginning of Financial Year		109,664,156	4,521,313
Net Result Attributable to Council		9,143,610	2,928,510
Transfers (to)/from Reserves:			
Sustainability Reserve		-	6,029,333
Shire Capital		-	96,185,000
Retained surplus at end of financial year		<u>118,807,766</u>	<u>109,664,156</u>

Note 20. Contingent Liabilities

Details and estimates of maximum amounts of contingent liabilities are as follows:

Local Government Mutual

The Council is a member of the Local Government Mutual Liability Self-Insurance Pool, LGM Queensland. In the event of the pool being wound up or 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 2017 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare

The Council is a member of the Queensland Local Government 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 \$79,064 (2017: \$73,208).

Bulloo Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 21. Superannuation

Council contributes to the LGIASuper Regional Defined Benefits Fund (the scheme), at the rate of 12% for each permanent employee who is a Defined Benefit member. This rate is set in accordance with the LGIASuper Trust Deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying Superannuation Scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the Local Government Act 2009.

The scheme is a Defined Benefit Plan, however Council is not able to account for it as a Defined Benefit Plan in accordance with AASB119 because LGIASuper is unable to account for its proportionate share of the Defined Benefit obligation, plan assets and costs.

Any amount by which the scheme is over or under funded may affect future benefits and result in a change to the contribution rate, but has not been recognised as an asset or liability of the Council.

Technically, Bulloo Shire Council can be liable to the Scheme for a portion of another Local Governments' obligations should that local government be unable to meet them. However the risk of this occurring is extremely low and in accordance with the LGIASuper Trust Deed changes to Council's obligations will only be made on the advice of an actuary.

The last completed actuarial assessment of the Scheme was undertaken as at 1 July 2016. The actuary indicated that "At the valuation date of 1 July 2016, the net assets of the scheme exceeded the vested benefits and the Scheme was in a satisfactory financial position as at the valuation date." The Council is not aware of anything that has happened since that time that indicates the assets of the Scheme are not sufficient to meet the vested benefits, as at the reporting date.

No changes have 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.

Another actuarial investigation is being conducted as at 1 July 2018. At the time of signing these Financial Statements this investigation is still in progress.

The most significant risks that may result in LGIASuper increasing the contribution rate, on the advice of the actuary, are:

Investment risk - The risk that the Scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.

Salary growth risk - The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

There are currently 72 entities contributing to the Scheme and any changes in contribution rates would apply equally to all 72 entities. Bulloo Shire Council made less than 4% of the total contributions to the plan in the 2017-18 financial year.

Bulloo Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 21. Superannuation (continued)

	Notes	2018 \$	2017 \$
Superannuation contributions made to the Regional Defined Benefits Fund		500,374	473,301
Total superannuation contributions paid by Council for employees	5	<u>500,374</u>	<u>473,301</u>
			2019 \$
Contributions council expects to make to the Regional Defined Benefits Fund for 2018-19.			<u>480,000</u>

Bulloo Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 22. Reconciliation of Net Result for the year to Net Cash Inflow/(Outflow) from Operating Activities

	Notes	2018 \$	2017 \$
Net operating result from Income Statement		9,143,610	2,928,510
Non-cash items			
Depreciation and Amortisation		5,309,567	4,919,958
Net Losses/(Gains) on Disposal of Property, Plant & Equipment		467,132	7,542,743
Capital Grants and Contributions		(8,840,828)	(7,103,218)
		<u>(3,064,129)</u>	<u>5,359,483</u>
Changes in operating assets and liabilities:			
(Increase)/Decrease in Receivables		1,116,463	(234,820)
Increase/(Decrease) in Provision for Doubtful Debts		(3,284)	23,182
(Increase)/Decrease in Inventories		(119,870)	(11,630)
Increase/(Decrease) in Payables and Accruals		(48,647)	(1,000,839)
Increase/(Decrease) in Other Liabilities		(12,239)	(28,397)
Increase/(Decrease) in Provisions		44,421	51,443
		<u>976,844</u>	<u>(1,201,061)</u>
Net cash provided from/(used in) Operating Activities from the Statement of Cash Flows		<u>7,056,326</u>	<u>7,086,932</u>

Note 23. Reconciliation of Liabilities arising from Finance Activities

	As at 30-Jun-17 \$	Cashflows \$	Non-Cash Changes \$	As at 30-Jun-18 \$
Loans - Queensland Treasury Corporation (QTC)	3,473,258	(483,680)	-	2,989,578
	<u>3,473,258</u>	<u>(483,680)</u>	<u>-</u>	<u>2,989,578</u>

Bulloo Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 24. Events Occurring After Balance Sheet Date

Events that occur after the reporting date of 30 June 2018, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Events that occur after the Reporting Date represent one of two types:

(i) Events that have provided evidence of conditions that existed at the Reporting Date

These financial statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2018.

(ii) Events that have provided evidence of conditions that arose after the Reporting Date

These financial statements (and figures therein) do not incorporate any "non adjusting events" that have occurred after 30 June 2018 and which are only indicative of conditions that arose after 30 June 2018.

Council is unaware of any material or significant "non adjusting events" that should be disclosed.

Bulloo Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 25. Financial Instruments

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

- (i) interest rate risk,
- (ii) credit risk,
- (iii) market risk and
- (iv) liquidity 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

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 interest rate, credit, liquidity and market risk.

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

Council does not enter into derivatives.

Credit Risk Exposure

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 Cash at Banks 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 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 the Council.

Bulloo Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 25. Financial Instruments (continued)

	Notes	2018 \$	2017 \$
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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:

Financial Assets

Cash and Cash Equivalents	10	19,390,651	18,323,567
Receivables - Rates	11	68,380	78,597
Receivables - Other	11	1,173,669	2,276,631
		<u>20,632,700</u>	<u>20,678,795</u>

Other Credit Exposures

Guarantee	20	<u>79,064</u>	<u>73,208</u>
		<u>79,064</u>	<u>73,208</u>

Cash and Cash Equivalents

The Council may be exposed to Credit Risk through its investments in the QTC Cash Fund and QTC Working Capital Facility. 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. Working Capital Facility deposits have a duration of one day and all investments are required to have a minimum credit rating of "A-", therefore the likelihood of the counterparty having capacity to meet its financial commitments is strong.

Trade and Other Receivables

In the case of 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.

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.

By the nature of the Council's operations, there is a geographical concentration of risk in the Council's area. Because the area is largely agricultural/mining, there is also a concentration in the agricultural/mining sectors.

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

	Notes	2018 \$	2017 \$
--	-------	------------	------------

Receivables

Fully Performing		382,688	1,260,205
Past due:			
- 31 to 60 days overdue		13,369	2,036
- 61 to 90 days overdue		6	4,449
- Greater than 90 days overdue		889,276	1,135,112
- Impaired		(43,290)	(46,574)
Total	11	<u>1,242,049</u>	<u>2,355,228</u>

Bulloo Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 25. Financial Instruments (continued)

Liquidity Risk

Liquidity Risk refers to the situation where the Council may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Council is exposed to Liquidity Risk through its trading in the normal course of business and borrowings from the Queensland Treasury Corporation for capital works.

Council manages its exposure to Liquidity Risk by maintaining sufficient cash deposits and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows.

The following table sets out the Liquidity Risk in relation to financial liabilities held by the Council. It represents the remaining contractual cashflows (principal and interest) of financial liabilities at the end of the reporting period, excluding the impact of netting agreements:

	0 to 1 year \$	1 to 5 years \$	Over 5 years \$	Total Contractual Cash Flows \$	Carrying Amount \$
2018					
Trade and Other Payables	827,564	-	-	827,564	827,564
Loans - QTC	631,526	2,526,103	219,917	3,377,546	2,989,578
	<u>1,459,090</u>	<u>2,526,103</u>	<u>219,917</u>	<u>4,205,110</u>	<u>3,817,142</u>
2017					
Trade and Other Payables	888,450	-	-	888,450	888,450
Loans - QTC	631,526	2,526,103	851,443	4,009,072	3,473,258
	<u>1,519,976</u>	<u>2,526,103</u>	<u>851,443</u>	<u>4,897,522</u>	<u>4,361,708</u>

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

Bulloo Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 25. 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

The Council is exposed to Interest Rate Risk through investments and borrowings with Queensland Treasury and other financial institutions.

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

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

The 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 Amount \$	Net Result		Equity	
		1% increase \$	1% decrease \$	1% increase \$	1% decrease \$
2018					
QTC Cash Fund	14,305,742	143,057	(143,057)	143,057	(143,057)
Loans - QTC	2,989,578	-	-	-	-
Net	<u>17,295,320</u>	<u>143,057</u>	<u>(143,057)</u>	<u>143,057</u>	<u>(143,057)</u>
2017					
QTC Cash Fund	18,058,907	180,589	(180,589)	180,589	(180,589)
Loans - QTC	3,473,258	-	-	-	-
Net	<u>21,532,165</u>	<u>180,589</u>	<u>(180,589)</u>	<u>180,589</u>	<u>(180,589)</u>

In relation to the QTC loans held by the Council, the following has been applied:

QTC Fixed Rate Loan - financial instruments with fixed interest rates which are carried at amortised cost are not subject to interest rate sensitivity.

Bulloo Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 26. Transactions with Related Parties

(a) Other Related Parties

Transactions with Other Related Parties

	Amount of transactions during year
2018	\$
Other Related Parties	
Purchase of accommodation	27,188
Purchase of goods	106,256
Purchase of mechanical services	279,658
Purchase of goods and maintenance services	2,856,379
	<u>3,269,481</u>
2017	\$
Other Related Parties	
Purchase of accommodation	30,152
Purchase of goods	89,704
Purchase of mechanical services	380,022
Purchase of goods and maintenance services	729,707
	<u>1,229,585</u>

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 above.

- 1 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.
- 2 The fees and charges charged Key Management Personnel and their controlled entities were on an arm's length basis in accordance with the schedule of fees and charges adopted by Council.
- 3 Sales to other Related Parties in the 2017-18 year were \$22,934 (2016-17 Nil) this relates to Private Works and store purchases. 2016-17 \$36,798 sale of Property, Plant & Equipment.

Bulloo Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 26. Transactions with Related Parties (continued)

	2018	2017
	\$	\$
(b) Key Management Personnel		
Transactions with Key Management Personnel		
KMP include the Mayor, Councillors, Chief Executive Officer and some Executive Management.		
The compensation paid to Key Management Personnel for comprises:		
Short-Term Employee Benefits	1,458,735	1,597,612
Post-Employment Benefits	102,750	173,199
Long-Term Benefits	111,369	135,496
Total	1,672,854	1,906,307

(c) Transactions with Related Parties that have not been disclosed

Most entities and people that are KMP or related parties to 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:

- Payment of rates
- Use of the swimming pool & other recreation facilities
- Dog Registration
- Borrowing Books from the Council library

Council has not included these types of transactions in its disclosures, where they made on the same terms and conditions available to the public.

(d) Other

All close family members of Key Management Personnel were employed through an arm's length process. They are paid in accordance with the Award for the job they perform.

The Council employs 68 (71 in 2017) employees of which 9 (14 in 2017) are close family members of Key Management Personnel.

Bulloo Shire Council

General Purpose Financial Statements

for the year ended 30 June 2018

Management Certificate

for the year ended 30 June 2018

These General Purpose Financial Statements have been prepared pursuant to Sections 176 and 177 of the *Local Government Regulation 2012* (the Regulations) and other prescribed requirements.

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

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulations 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the General Purpose Financial Statements, as set out on pages 2 to 49, 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.



John Ferguson

MAYOR

25/10/18



Lew Rojahn

CHIEF EXECUTIVE OFFICER

25/10/18

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Bulloo Shire Council

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Bulloo Shire Council (the Council).

In my opinion, the financial report:

- a) gives a true and fair view of the Council's financial position as at 30 June 2018, 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 2018, 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 management certificate given by the Mayor and the 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 the Bulloo Shire Council's annual report for the year ended 30 June 2018, but does not include the financial report and my auditor's report thereon. At the date of this auditor's report, the other information was the current year financial sustainability statement and long-term financial sustainability statement.

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

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

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

Responsibilities of the Council for the financial report

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

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

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 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 2018:

- 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.



Carolyn Dougherty
as delegate of the Auditor-General

31 October 2018
Queensland Audit Office
Brisbane

Bulloo Shire Council

Current Year Financial Sustainability Statement for the year ended 30 June 2018

	Actual 2018	Target 2018
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Measures of Financial Sustainability

Council's performance at 30 June 2018 against key financial ratios and targets.

Performance Indicators

1. Operating Surplus Ratio

Net Result (excluding capital items) ⁽¹⁾	5.02%	0 - 10%
Total Operating Revenue (excluding capital items) ⁽²⁾		

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

2. Asset Sustainability Ratio

Capital Expenditure on the Replacement of Assets (renewals) ⁽³⁾	279.38%	more than 90%
Depreciation Expense		

An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.

3. Net Financial Liabilities Ratio

Total Liabilities less Current Assets	-103.82%	less than 60%
Total Operating Revenue (excluding capital items) ⁽²⁾		

An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.

Note 1 - Basis of Preparation

The Current Year Financial Sustainability Statement is a Special Purpose Statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's Audited General Purpose Financial Statements for the year ended 30 June 2018.

Bulloo Shire Council

Current Year Financial Sustainability Statement (continued) for the year ended 30 June 2018

Measures of Financial Sustainability (continued)

- ⁽¹⁾ Includes only Recurrent Revenue and Recurrent Expenditure disclosed in the Income Statement. Excludes Capital Revenue Grants, Contributions, Donations and Subsidies received for capital acquisitions, Capital Income items such as Profit from the Sale of: Property, Plant and Equipment, Financial Assets, Real Estate and Investment Properties (refer to Note 5 for exclusions), and any Capital Expenditure such as Write Off of Assets, movements in Provisions for Restoration and Rehabilitation and Revaluation Decrements that hit the Statement of Comprehensive Income.
- ⁽²⁾ Includes only Recurrent Revenue disclosed in the Income Statement. Excludes Capital Revenue Grants, Contributions Donations and Subsidies received for capital acquisitions. Also excludes any Capital Income items such as Profit from the Sale of: Property, Plant and Equipment, Financial Assets, Real Estate and Investment Properties (refer to Note 4 for exclusions).
- ⁽³⁾ Asset Renewals are defined as costs associated with renewing or replacing an asset in order to maintain existing service level capacity.

These ratios are the relevant measures of financial sustainability required to be reported under section 178(1) of the *Local Government Regulation 2012*.

Definitions are sourced from the Financial Management (Sustainability) Guideline issued by the Department of Local Government, Community Recovery and Resilience.


Bulloo Shire Council

Current Year Financial Sustainability Statement for the year ended 30 June 2018


Certificate of Accuracy for the year ended 30 June 2018

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.



John Ferguson
MAYOR
25/10/18



Lew Rojahn
CHIEF EXECUTIVE OFFICER
25/10/18

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 2018 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 2018 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 2018, but does not include the current year financial sustainability statement and my auditor's report thereon. At the date of this auditor's report, the other information was the general purpose financial statements and the 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.



Carolyn Dougherty
as delegate of the Auditor-General

31 October 2018
Queensland Audit Office
Brisbane

Bulloo Shire Council

Unaudited Long-Term Financial Sustainability Statement

prepared as at 30 June 2018

	Target 2018	Actual 2018	2019	2020	2021	2022	Forecast		2025	2026	2027	2028
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Measures of Financial Sustainability

Council's performance at 30 June 2018 against key financial ratios and targets.

Performance Indicators

1. Operating Surplus Ratio

Net Result (excluding capital items) ⁽¹⁾

Total Operating Revenue (excluding capital items) ⁽²⁾

0 - 10%	5.02%	0.67%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%
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An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.

2. Asset Sustainability Ratio

Capital Expenditure on the Replacement of Assets (renewals) ⁽³⁾

Depreciation Expense

> 90%	279.38%	294.49%	120.17%	116.01%	113.68%	111.41%	109.21%	107.07%	105.33%	103.00%	101.03%
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An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.

3. Net Financial Liabilities Ratio

Total Liabilities less Current Assets

Total Operating Revenue (excluding capital items) ⁽²⁾

< 60%	-103.82%	-86.73%	-84.63%	-82.17%	-79.77%	-77.45%	-75.19%	-73.00%	-70.88%	-68.81%	-66.81%
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An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.

Bulloo Shire Council

Unaudited Long-Term Financial Sustainability Statement

prepared as at 30 June 2018

Measures of Financial Sustainability (continued)

Bulloo Shire Council Financial Management Strategy

Council measures revenue and expenditure trends over time as a guide to future requirements and to make decisions about the efficient allocation of resources to ensure the most effective provision of services. Council ensures that its Financial Management Strategy is prudent and that its Long-Term Financial Forecast shows a sound financial position whilst also being able to meet the community's current and future needs.

Council aims to operate within a set of conservative guide-posts to ensure we are financially sustainable in the short, medium and long term. As part of our financial strategy, we have adopted seven key financial performance indicators to guide our financial health. In addition to the financial indicators, we have the above three sustainability indicators that have been set by the Department of Local Government, Community Recovery and Resilience to help monitor the long-term sustainability of all Councils across Queensland. Throughout the financial year, these indicators are calculated and reported on monthly at Council meetings, as part of a full suite of financial reports. Should there be any deviation outside these parameters, the Executive Management and Council will be fully informed and may take corrective action as required.

The table above summarises how we performed against set targets for the seven key financial performance indicators established in our financial strategy. In summary, we achieved or bettered six of the financial targets, performing strongly in our ability to generate cash from day-to-day operations, meeting all financial commitments in the financial year, and keeping debt to conservative and manageable levels. This was achieved while maintaining community services and making ongoing investment in community infrastructure. Our operating result in this period was adversely affected by the impacts of Water Reform and this issue is outlined in more detail in the coming pages.

Notes

⁽¹⁾ Includes only Recurrent Revenue and Recurrent Expenditure disclosed in the Income Statement. Excludes Capital Revenue Grants, Contributions, Donations and Subsidies received for capital acquisitions, Capital Income items such as Profit from the Sale of: Property, Plant and Equipment, Financial Assets, Real Estate and Investment Properties (refer to Note 9 for exclusions), and any Capital Expenditure such as Write Off of Assets, movements in Provisions for Restoration and Rehabilitation and Revaluation Decrements that hit the Statement of Comprehensive Income.

⁽²⁾ Includes only Recurrent Revenue disclosed in the Income Statement. Excludes Capital Revenue Grants, Contributions Donations and Subsidies received for capital acquisitions. Also excludes any Capital Income items such as Profit from the Sale of: Property, Plant and Equipment, Financial Assets, Real Estate and Investment Properties (refer to Note 3 for exclusions).

⁽³⁾ These ratios are the relevant measures of financial sustainability required to be reported under section 178(1) of the *Local Government Regulation 2012*.

Definitions are sourced from the Financial Management (Sustainability) Guideline issued by the Department of Local Government, Community Recovery and Resilience.

Bulloo Shire Council

Unaudited Long-Term Financial Sustainability Statement

Certificate of Accuracy

for the Long-Term Financial Sustainability Statement prepared as at 30 June 2018

This Long-Term Financial Sustainability Statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this Long-Term Financial Sustainability Statement has been accurately calculated.



John Ferguson
MAYOR



Lew Rojahn
CHIEF EXECUTIVE OFFICER