

Bouli Shire Council

ANNUAL REPORT

2015-2016



"Provide, Promote, Together"

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Boulia Shire Council would like to thank and acknowledge all the people whose photos have been used in this report.

About the Boulia Shire Council 2015-2016 Annual Report

This Annual Report aims to provide residents, ratepayers, the corporate sector, statutory bodies and other interested parties insight into the primary activities undertaken by, and the financial position of, the Boulia Shire Council throughout 2015-2016.

Annual Report distribution

Boulia Shire Council's Annual Report is available in hard copy or electronic format. Printed copies can be requested in writing to:

The Chief Executive Officer
Boulia Shire Council
Herbert Street
Boulia Qld 4829

It is also available by phoning Council's Administration Centre on (07) 4746 3188 during normal business hours. Alternatively, you can visit Council's website at <http://www.boulia.qld.gov.au> to download a copy.

Copies are also distributed to the Department of Local Government and the Queensland State Library.

Feedback

In the interest of continuous improvement, Council welcomes your feedback on this report. Please forward your comments in writing to the Chief Executive Officer at the address above, or email to ceo@boulia.qld.gov.au.

Where to find us

Boulia Shire Council Office and Depot

Herbert Street, Boulia QLD 4829

Phone: (07) 4746 3188

Fax: (07) 4746 3136

Email: admin@boulia.qld.gov.au

www.boulia.qld.gov.au

Min Min Encounter Tourist Centre

Herbert Street, Boulia QLD 4829

Phone: (07) 4746 3386

Fax: (07) 4746 3387

Email: tourism@boulia.qld.gov.au

Boulia Shire Council Library Service

Burke Street, Boulia QLD 4829

Phone: (07) 4746 3408

Email: library@boulia.qld.gov.au

Stonehouse Museum

Cnr Hamilton and Pituri Streets

Boulia QLD 4829

Phone: (07) 4746 3188

Boulia Sports & Aquatic Centre

Burke Street, Boulia QLD 4829

Phone: (07) 4746 3527

Email: Sports@boulia.qld.gov.au

FOREWORD

Welcome to this Annual Report produced by Boulia Shire Council for the 2015-2016 financial year. The primary objective of this document is to articulate Council's vision and goals, its achievements and performance results for the past year, and its challenges, opportunities and plans for the future.

Vision, Mission and Values

Vision:

Boulia Shire Council endeavours to provide the community with a well resourced, healthy, safe and stable environment.

Mission:

Promote sustainable economic and social growth whilst preserving our current values.

Values:

Working with the community for the benefit of the community.

Open communication flow between Council and the community.

Stable, consistent and logical policies to guide the organisation.

High standards of professionalism, equal opportunity and flexibility, in an atmosphere of trust and teamwork.

Leadership based on integrity.

List of Acronyms used in this report:

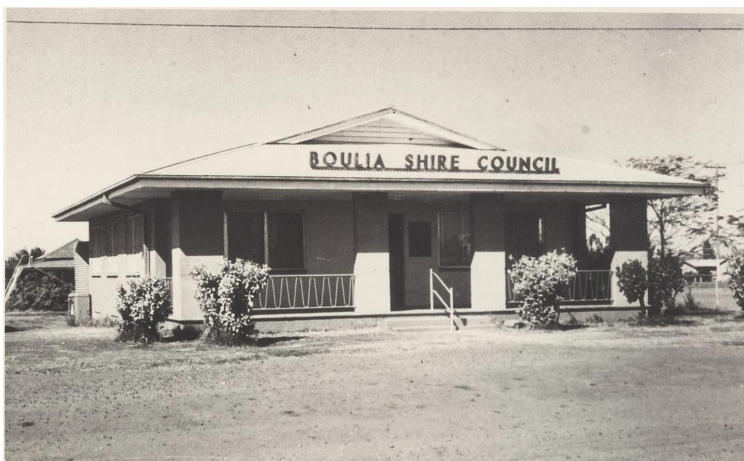
AGM	Annual General Meeting
ALGA	Australian Local Government Association
CWRPMG	Central West Regional Pest Management Group
DDMG	District Disaster Management Group (Mt Isa)
LGAQ	Local Government Association of Queensland
NDRRA	Natural Disaster Relief and Recovery Arrangements
NGA	National General Assembly
OQTA	Outback Queensland Tourism Association
ORRG	Outback Regional Road Group
RAPAD	Central West Queensland Remote Area Planning and Development
RFCS	Rural Financial Counselling Service
RMPC	Roads Maintenance Performance Contract
TIDS	Transport Infrastructure Development Scheme
TMR	Transport and Main Roads
WQLGA	Western Queensland Local Government Association

COUNCIL PROFILE

Where we started....

On 31 July 1879, the 1280 acre township reserve of Boulia was established, and the Boulia Divisional Board was subsequently gazetted in September 1887. Located on the Burke River, Boulia is said to be derived from the word 'water hole' from the language of the local Pitta Pitta people.

Boulia is closely related to the famous explorers Burke and Wills who were the first Europeans to pass through the area. Burke gave his name to the Burke River and the Wills River is situated nearby. Part of Boulia's fame rests on the mysterious Min Min Light, which first appeared around the old Min Min Hotel, the remains of which are situated approximately 100km east of Boulia.



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Boulia's early history is based around a few hardy adventurers and pastoralists in search of new lands, and with the will to 'make a go of it'. It is now an attractive Shire community with a population of almost 500 people well serviced by modern facilities.

The town of Boulia is the pivotal point of the Far West, with Mount Isa 300 kilometres to the north and Winton 366 kilometres to the east. It is also linked to Alice Springs to the west via the Donohue Highway. The Shire shares a 320 kilometre common border with the Northern Territory and the southern part of the shires western boundary marks the eastern edge of the mighty Simpson Desert.

Although once renowned for its wool production, Boulia is now the centre of a prosperous beef cattle industry. Tourism is also an emerging industry, with tourists flocking to the Shire between the months of March to October. The town is acknowledged as the Capital of the Channel Country, which gives rise to the great rivers that flow south to Lake Eyre.

Urandangie, the second town in Boulia Shire, was founded in 1885 by Charlie Webster and James Hutton who started a general store and the town developed from there. It was an important centre for travellers and drovers roaming the Georgina and other stock routes.

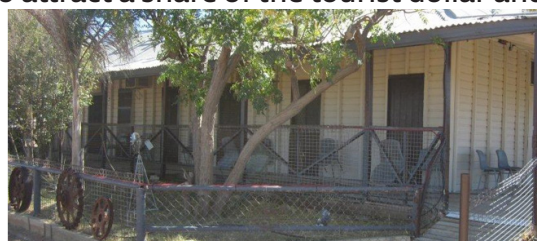
There were two stores, a hotel, dance hall, Post Office, Police Station and several private residences in the 1920's and in the 1930's and 40's there were over 400 people living in the area.

Now....

Today the Dangi Bush Resort is the place to be, offering accommodation, meals and free camping. The Shire experiences extremes of climate conditions, ranging from massive flooding to prolonged drought. Road trains transport cattle throughout the shire, to and from the Northern Territory and to markets to the east.

The Shire is also well serviced by arterial roads, two of which are completely bitumen surfaced. The construction and maintenance of Shire roads does present challenges because of the sheer size of the Shire, the weather conditions experienced, and the distribution of population due to the Shire's rural economic base.

With the increasing interest shown in the outback by Australians and overseas visitors, it has been necessary for Boulia to widen its activities and vision in order to attract a share of the tourist dollar and the economic benefits that flow on from this.





Shire Land Area:

61,635 Square Kilometres

Average Annual Rainfall:

250 mm

Population:

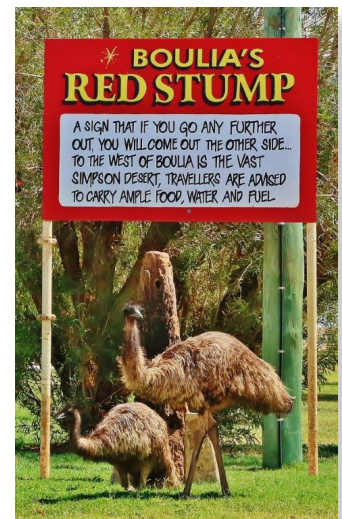
496

Total Road Length:

1309.8 km

VISITOR ATTRACTIONS

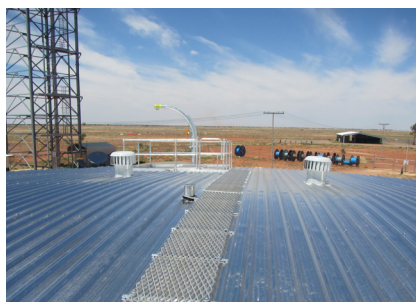
- Natural Landscapes
- Sports & Aquatic Centre
- Old Police Barracks
- Min Min Encounter Visitor Information Centre
- July Camel Races
- Min Min Hotel Ruins
- Stonehouse Museum & Fossil Display
- Native Bird Watching
- Historic Urandangie and Historic Gravesites
- Boulia Drag Races
- Hamilton Hotel Ruins
- Easter Rodeo, Races & Campdraft
- Georgina River
- The Red Stump
- Pitta Pitta Corroboree Tree
- Vibrant Big Sky Sunsets & Sunrises
- Burke River
- Min Min Lights
- The Waddi Trees
- Self Drive Loops



Message from the Mayor



Taking economic, political and climatic conditions into consideration, I take pleasure in advising that Bouliia Shire finished the 2015/16 year in a better than anticipated financial position. Council and senior management worked hard to achieve more with less and this is reflected in this Annual Report. Lobbying for additional funding and ongoing discussions for future roadworks remained a major priority throughout the year. Council was successful in attracting specific grant funding of \$1,127,762 during this period which saw numerous projects completed such as:



- Emergency Landing Strip on the Donohue Highway \$454,372
(Building Our Regions funding - BoR)
- Bouliia's Water Reservoir Roof upgrade \$479,680
(Building Our Regions Funding - BoR)
- Sewer relining upgrade \$107,580
(Local Government Grants and Subsidies Program - LGGSP)
- Shire Hall Roof refurbishment \$51,207
(Local Government Grants and Subsidies Program - LGGSP)

Road construction is a major driver of employment in Bouliia Shire not only for the Council workforce but also the local contractors. In the first half of the financial year from July to December the shire was gripped firmly in the hands of a protracted drought. During this time we were fortunate enough to have the benefit of the last of the funding allocation hard won by the RAPAD group for the Outback Way along the Donohue Highway to keep the Council workforce going. The Donohue Highway project covers 238.6 kilometres of road of which 102.4 kilometres is now sealed. Important to note that this is the only section of the Outback Way which is still owned and maintained by a Local Government Council. All other sections of 'Australia's Longest Shortcut' are State owned and maintained assets.



In December 2015 the heavens opened and saw the first of many extreme rain events which falling on drought stricken country flushed the creeks but was so spasmodic at that stage we had a 'dry flood'. It was the beginning of the cycle and subsequently saw several flood activations by the Local Disaster Management Group submitted to the Queensland Reconstruction Authority (QRA) for funding to repair the damage. During the period from Dec 2015 to June 2016 \$2,294,038 was allocated for emergency repairs and reconstruction on roadworks in the shire. This influx of funding from the QRA enabled the repairs to

be completed by the local contractor workforce with an external contractor as the overseer of works, Mr Kevin Barr. The quality of work completed by the contractor crews under the engineering capabilities of George Bourne and Associates (Stuart Bourne) ensured the payment to the Council for work completed was timely.

Council is heavily reliant on funding from both State and Federal Governments. One such component is the Federal Government Assistance Grants (FAGS) which is a major and integral component of Council's revenue base. In the May 2014 Federal Budget, it was announced these grants are to be frozen until 2017/18. This has led to a reduction in actual funding to Council which impacts the funding which can be allocated to shire roads and other infrastructure projects. The reality of how reliant on external funding Councils are will hit home when the flood damage work is complete.

Council continues its strong relationship with all its neighbouring Councils through the Remote Area Planning and Development (RAPAD) Board and other associated regional organisations. Council continues to work on other regional issues including pest management, roads, and water supply and treatment issues. Council also continues to lobby all levels of government for a fairer and equitable share of state and federal funding.

As a Council we have a solid mix of experience and enthusiasm with the advent of the March 2016 elections. I would like to express my thanks and appreciation for the support from the Councillors and the staff which enables the team as a whole to continue to put forward the name of Boulia in a positive light. It continues to be a pleasure to represent the Boulia Shire and I look forward to the next 4 years and in particular to the next 12 months.

Mayor Eric (Rick) Britton





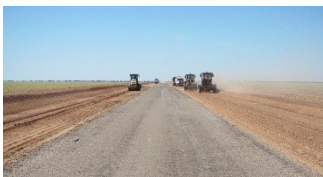
CHIEF EXECUTIVE OFFICER'S REPORT 1st July 2015 to 30th June 2016

The word on everyone's lips in July 2015 was rain and until December 2015 that's all it was - a word. A great deal of work went into locating and securing future water sites to enable road work to be completed in the future and then December brought welcome relief with summer rain. Over the course of several months several extreme rain events brought some relief but at the same time damaged the road infrastructure. Funding to restore the road network to pre-flood condition had Council prepare several submissions to the Queensland Reconstruction Authority. It was the first of many over the course of several months. The total of \$6,324,528 was funded as part of the estimated damage to shire roads during this period of which all work was completed.

Council is the major employer within the shire with 50 people employed either in a permanent or casual position. The workforce is stable and when the need arises we have chosen to advertise within the community for positions vacant and have been successful in two of Rainbow Gateway's participants becoming full time members of our workforce.

The Employee Assistance Program was offered for the first time to all employees and immediate family members of employees to the Boulia Shire Council. The Employee Assistance Program provides access to a clinical psychologist both over the phone and face to face. The program has been accessed by various staff members throughout the year and provides support for employees and their immediate families, assisting with the reduction of negative effects of stress that can arise within the workplace and community.

Council has again delivered a positive net result for the year (\$2,099,149) with the total income for the Council being \$18,290,794 including rates (\$1,202,071) and grants and subsidies (\$8,557,008).



As a Council we are heavily reliant on grants to sustain the Council into the future with little prospect of creating self-generating income. The impact of NDRRA



restrictions to dis-allow Councils to complete roadworks has, and will continue, to affect our future sustainability.

A total of \$12,434,305 was budgeted for roads within the shire which included flood damage allocations of which contractors were employed under the Flood damage program for the following roads: Donohue, Cravens Peak, Urandangie Border, Urandangie South, Headingly, Wirrilyerna, Coorabulka, Selwyn, Toolebuc, Middleton, Urandangie North, Slashers Creek, Pathungra, Linda Downs, Selwyn Connection, Springvale and Warra.

This year we made Boulia tourist friendly by installing new parking bays large enough to fit the touring vans which now visit Boulia. This proved to be very effective with a regular stream of vans stopping at the top end of Herbert Street.



The new 'Min Min Light' story with its racing horse and rider proved very appealing with many tourists now stopping to take a photo.

Finally, I would once again thank all the people who supported Council in 2015/16: the Mayor and Councillors, our staff, contractors and consultants and the volunteers who work tirelessly for the community. We continue to improve through adversity. I believe the future is bright.

Ms Lynn Moore
Chief Executive Officer

ACHIEVEMENTS OF THE AIMS OF THE QUEENSLAND PLAN

Council has taken the following steps to achieving the outcomes identified in the Queensland Plan.

EDUCATION

School Attendance

Council has made the council bus available for the local state school to collect children to attend school.

Post School Qualification

Council encourages all staff to access certificate three, four, diploma and degree courses. The program provides for support in gaining the qualification as well as an allowance to encourage staff to maintain the currency of the qualification. We have been successful in being supported by scholarships from LGAQ for two staff members to complete their Diploma courses.

COMMUNITY

In Queensland nobody gets left behind

Council delivers a range of services through the community to ensure equity across the community. These include affordable accommodation, Post Office with banking facilities and fully equipped Sports and Aquatic Centre.

We applaud Community Achievers

Council continues to deliver Australia Day Awards recognising contributions to the community.

REGIONS

Our regions are strong and prosperous

Council continues to investigate economic development activities for the community. Council also maintains a range of community assets to improve lifestyle opportunities for the community.

We capitalise on unique regional opportunities and assets

Council continues to be an active member of the Outback Highway Development Corporation 'Australia's Longest shortcut' linking Winton in Queensland with Laverton in Western Australia.

ECONOMY

Diversification of economy

Council is actively seeking opportunities for diversification of the local economy. Central Petroleum continue to lease the council owned depot ready to take advantage of an increase in oil price.

PEOPLE

Older people are respected and valued

Council has supported the Queensland Country Women's Association and the older residents of Boulia with the annual Christmas luncheon.

INFRASTRUCTURE

Infrastructure Fits Changing Population and Demographics

Council has recently completed its Long Term Asset Management Plan and is due to review the Boulia Town Plan this year which is a requirement every 10 years.

COMMUNITY SERVICES

Thanks to Queensland State funding the Council was able to acquire a grant to repair the Shire hall roof, this will be the first stage in renovating our historic community hall.

The Get Ready BBQ lunch was another State Government funded project where the community were also given free t-shirts reminding people to be ready for natural disasters.

In September 2015 TPD media did interviews with various members of the community which will be shown at the tourist centre in the near future.

Boulia Council arranged a Christmas Lights competition for residents and businesses which gave the town a festive air with the great decorations.

Play equipment was bought by Council for the park in Urandangi for the local children.

A Queensland grant enabled Council to purchase two new gas grills which will replace the large grill in the racecourse kitchen and non slip floor covering will also be installed in there.

In October 2015, the long awaited ANZAC memorial garden was completed thanks to Sappers from the 3rd combat engineer regiment stationed in Townsville and volunteers.



LIBRARY

Boulia Shire Council provides a modern Library facility which is open 1.30 - 5pm from Monday to Friday. The library welcomes and provides an inviting venue for various committees to hold meetings. It is on a regular basis that the Boulia Library is utilised by local committees such as the Boulia Housing Committee and RADF Committee.

The library offers services to the public such as:

- borrowing and lending books/audio tapes/DVD's
- e-books
- tourist borrowing
- computer and internet access
- printing and copying
- faxing
- scanning
- laminating
- swap books
- a play area for little people (parent supervision is required)
- baby and toddler reading time
- holiday activities/movies/craft
- craft afternoons

It is our continuing goal to maintain and continue to provide a high quality of life by providing facilities and resources that encourage a secure, interactive and progressive community lifestyle.

TOURISM

Min Min Encounter

The Min Min Encounter and Visitor Information Centre continues to promote Boulia to all visitors to the Shire and by staff attending consumer trade shows in Queensland, New South Wales and Victoria during the year and Tourism conferences and workshops.

The area which used to house the Encounters Café has been redesigned with comfortable seating, coffee machine and cold drinks. This area can also be hired by groups wishing to hold small events such as book signings or art displays.



	2014/2015	2015/2016
MME Sales	\$120,675	\$147,746
MME Visitor Stats	7503	8308
MME Show stats	4048	4686
Stonehouse visitors	3025	3217

Boulia has continued to be a must see tourist destination for travellers even during droughts and flooded roads.

A Council initiative was the story of the first recorded Min Min Lights told by sign boards and horse cut-out silhouettes along the Boulia to Winton Highway and in Boulia itself.

Stonehouse

The Stonehouse and its environs have continued to increase patronage with updated displays and innovative ways of showcasing memorabilia donated by the community.

A Waddi tree seedling was planted by the students of the Boulia State School in August 2015 followed by a lovely tree planting themed morning tea.

Marine Reptile Fossil Display

New signs advertising the Marine Fossil Display have been installed at the entrances to Boulia and are a colourful lure for visitors to check out our amazing authentic fossils.

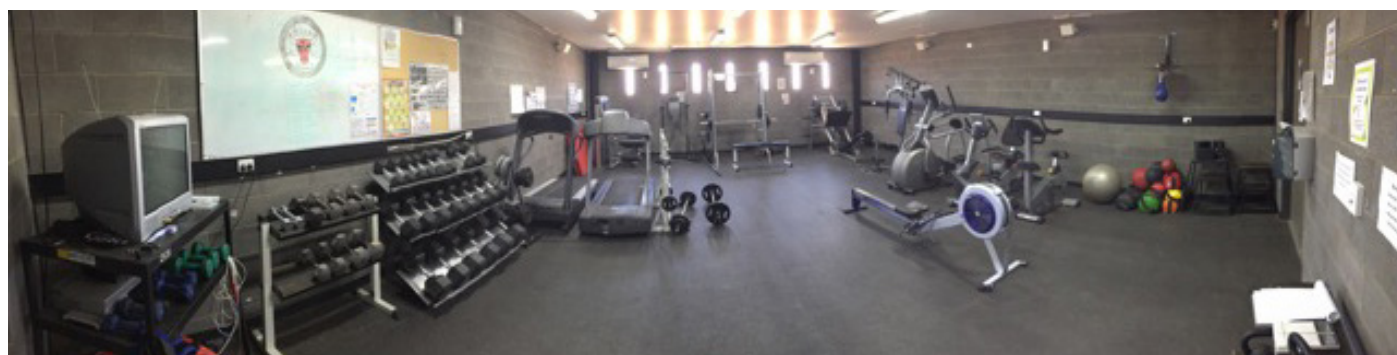
Television advertising for the past twelve months has also added to an increased interest in our tourism attractions.



Boulia Sports and Aquatic Centre

The Sports and Aquatic Centre continues to invite swimmers to its pool even during the colder months. The fully equipped gym with a new extra treadmill is also bringing the fitness minded devotees in.

The Sports Centre offered holiday activities for children in partnership with the Community Support Office during the year.



WORKS AND SERVICES

Flood Damage and our Roads System:



The 2015- 2016 financial year has been a busy year in terms of activities undertaken by the Council works crews. The past year has been particularly busy for Bouliia Shire's contractors and works crews. Flood damage work in the shire as reported by the engineer is staggering: in Feb 2014- work for the first event valued at \$9,242,954 has now been completed. In Jan 2015 a further event valued at \$4,831,299 was identified and is now 60% complete. In Dec 2015 a monsoon trough caused \$72,748 damage now which is scheduled to be completed in

the works program. Feb 2016 saw further flooding with \$2,300,053 approved as restoration work. March 2016 another trough caused \$117,227 worth of damage which is also scheduled for completion. June 2016 a further activation of the Local Disaster Management Group in identifying another event saw \$2,260,522 in restoration works submitted to QRA. This of course under the guidelines of the Queensland Reconstruction Authority will keep our contractors in work for a while into the future but because of the restrictive nature of the guidelines it means that Council is not able to use our workforce or our machinery on this work which limits our ability to self-generate income – which limits other projects which would normally have been completed by council with that income.



Donohue Highway:



The Council's goal to seal the Outback Way received a considerable boost when the decision was made to relocate crews undertaking sealing works to the newly restored sections of flood damage near the border with NT. By combining the initial restoration works from flood damage of previously gravel road with an overlay seal the overall amount of road sealed was extended at a considerable savings. The total length of

sealed road during the year was approximately 22km at an impressive cost of around \$231,000 per kilometre, which is considerably less than comparative rates in other areas of the state and less than half quoted rates in the Northern Territory. The Works and contractors crews are hard at work on the next section of road with only 127.7 kilometres to go!

Shire Roads Flood Damage:

This year significant funding was obtained and council completed work on the Urandangi North Road sealing over 1klm from the Highway turnoff. Unfortunately delays with Cultural Heritage clearances of gravel pits occurred of which council tried every avenue available to resolve the issues surrounding the clearance. The internal issues in the groups have now been resolved and council has a good working relationship with all groups.

Headingly Road Realignment:

Work commence on a new alignment for the Headingly Road unfortunately this work had to cease mid-stream due to issues with access to gravel pits.

Water and Gravel Access Fees:

Council's adopted policy providing for compensation to landowners with respect to access to water bores and gravel pits on properties for road works is working very well. For the year ended 30th June 2016 over \$200,000 has been credited to rate accounts or utilised for private works on properties from water and gravel access fees.

Town Street Reseals:

Council completed reseals on Pituri Streets and constructed identified parking bays for caravans and trucks in Pituri st and s well as Herbert Street at the 'top end'.

Sewer Works:

The relining of one third of the town sewers has proved very successful and considerably improving the overall life and function at minimal cost to ratepayers. Further applications under future grant funding offers will target the next 2/3rds of the sewer re-lining.



Emergency Landing Strip - Donohue Highway:



Council was able to complete the construction of an Emergency Landing Strip on the Donohue Highway thanks to funding received through the Building Our Regions Remote Community Infrastructure Fund.

Shire Hall air conditioning:

Council completed the relocation of the air conditioning compressor units away from outside the bar area and replace three of the a/c units which were faulty at the same time. One other unit has failed and it is to be replaced in the current year. One advantage of the new replacement units is that they have both heating and cooling cycles so are able to be used to warm in winter and cool and summer.

Flood Warning signs:



Council completed the next stage of flood warning programs with the installation of lights and cameras at Upper Limestone Creek crossing on the Boulia to Mt Isa Road. The project compliments the functioning cameras and lights on the Boulia to Winton Rd at the Hamilton, Middleton and Diamantina floodway's. This project has certainly taken a great deal of work to convince funding bodies of its importance however perseverance by the Deputy CEO, Jeff Sowiak has proved worthwhile with enquiries now being fielded for the road to Bedourie. Installation of these cameras and lights not only provide accurate information for road users but decrease the need for staff to travel hundreds of kilometres to flooded areas to review road conditions as these are available on line.

Plant Replacement:

Council instigated an informal plant committee to review council's plant and equipment purchases and usage. The emphasis is on value for money with future work plans and needs reviewed on a quarterly basis. Through this process the group identified the need which was ratified by Council and a new CAT140M Grader (which replaced two older graders) and Hino Tipper Tray Truck were purchased. On the councils renewal program council traded in four utes (one two wheel drive and 3 4X4) and the CEO Prado.

Capital works - Water:

Work was completed on the water line to the caravan park only with a new bore located at the race-course. Several bore replacements were made during the year due to old age and the effects of our water.

Footpaths around town...

Council obtained funding through the TIDS funding program and was able to complete the footpath to the caravan park which was a long awaited project. Several other repairs to town footpaths were completed at the same time with further plans to continue as funds become available.

Work Camp

The work completed this year with the help of this crew has been nothing short of astounding. We are grateful to have this opportunity to complete things which would ordinarily be out of our grasp.



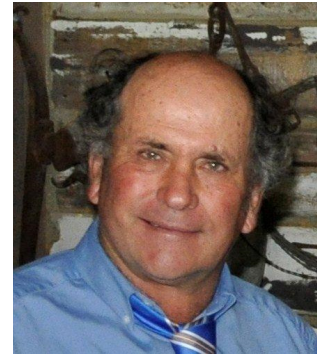
STATUTORY REPORTING



Mayor Rick Britton
Re-elected 13th April 2016



Deputy Mayor Kelsey Neilson
Councillor January 2007 -
March 2016



Deputy Mayor Sam Beauchamp
Re-elected 13th April 2016,
assigned the position of Deputy
Mayor



Councillor Brook McGlinchey
Re-elected 13th April 2016



Councillor Allan Robinson
Re-elected 13th April 2016



Councillor Beck Britton
Elected 13th April 2016

Council meetings

Elected members form the decision-making body of Council, and matters for consideration are directed through regular Council meetings. Ordinary Meetings of Council are held on the third Wednesday of every month. Special Meetings are convened where necessary to consider specific items such as budget, major projects and future strategic direction.

Like Ordinary Meetings, Special Meetings comprise all members of Council and are called as and when required to attend to any urgent business of Council. All meetings 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 public.

Public notice of days and times of meetings is given each month and copies of the agenda for each meeting are available for public inspection at Council's Administration Centre (Herbert Street, Boulia) or on the Council's web site at least two days prior to each scheduled meeting.

Remuneration, Superannuation & Meetings Attended

Councillor	Council Meetings	Travel	Remuneration	Employer Super	Total
Mayor Britton	11		\$79,056.50	\$9,486.75	\$88,543.25
Deputy Mayor Beauchamp	12	\$262.50	\$26,051.40		\$26,313.90
Cr Britton	4		\$3,855.04		\$3,855.04
Cr McGlinchey	10		\$24,094.00		\$24,094.00
Deputy Mayor Neilson	8		\$28,803.56		\$28,803.56
Cr Robinson	11		\$23,130.24		\$23,130.24

NB: Council elections took place in March 2016

Councillors have individual responsibilities with one or more of these groups who they represent on your behalf:

Committee	Represented by
Outback Highway Development Committee - Representative (OHDC)	Mayor Britton, Cr Robinson, Cr McGlinchey
Remote Area Planning and Development Board - Board Member (RAPAD)	Mayor Britton, Cr Beauchamp, Cr Britton
Outback Regional Roads and Transport Group - Representative (ORRTG)	Mayor Britton, Cr Robinson
Outback Regional Water Group Representative (ORWG)	Mayor Britton, Cr Beauchamp
Central West Regional Pest Management Group - Representative (CWRPMG)	Mayor Britton, Cr McGlinchey
Local Disaster Management Group - Chairperson (LDMG)	Mayor Britton, Cr Beauchamp
Local Disaster Management Group - Deputy Chairperson (LDMG)	Cr Beauchamp, Cr McGlinchey
Inland Queensland Road Action Plan Group - Representative (IQ-RAP)	Mayor Britton, Cr Robinson
Western Queensland Local Government Association - Representative (WQLGA)	Mayor Britton, Cr Robinson, Cr Britton
Australian Local Government Association Representative (ALGA)	Mayor Britton, Cr Britton
Far West Alliance - Tourism Barcoo, Boulia, Diamantina - Representative	Cr Britton, Mayor Britton
Outback Queensland Tourism Association - Representative	Cr Britton, Cr McGlinchey
Boulia Historical Society	Cr Beauchamp, Cr McGlinchey
Housing Committee	Cr McGlinchey, Cr Britton
Audit Committee	Mayor Britton, Cr Beauchamp
Modern Award/Enterprise Bargaining Committee	Mayor Britton, Cr Beauchamp
Plant Committee	Cr Robinson, Cr Beauchamp

Expenses Incurred by and Facilities Provided to each Councillor



Name	Conferences/Workshops attended
Mayor Britton	RFCS Meeting, Outback Highway AGM, LGAQ Annual Conference, NGA 2016, RAPAD Meetings, Weed Symposium, Elected member training, Department of Local Government Induction Training, WQLGA Conference
Cr Britton	Elected member training, Department of Local Government Induction Training, WQLGA Conference
Cr Beauchamp	LGAQ Annual Conference, Elected member training, Department of Local Government Induction Training, WQLGA Conference
Cr McGlinchey	Elected member training, Department of Local Government Induction Training, WQLGA Conference
Cr Neilson	
Cr Robinson	Elected member training, Department of Local Government Induction Training, WQLGA Conference

NB: Council elections took place in March 2016

The total cost to enable Councillors to attend workshops and conferences was \$10,646.22. This amount includes travel and accommodation.

Senior Management Remuneration

The following information is listed in increments of \$100,000 of the Senior Management of Bouliia Shire Council for the 2015 -2016 financial year.

Number of Positions	\$'s
Nil	\$ 200,000 - \$ 300,000
Three	\$ 100,000 - \$ 200,000

Particular Resolutions (s 185)

Capitalisation Thresholds s206(2) of the Local Government Regulation

Pursuant to section 185 of the Local Government Regulation 2012, it is reported that no resolutions were passed under section 206(2) of the regulation. This provision deals with any resolutions passed that sets an amount for each different type of non-current asset. The notation of how Council deals with this is listed in Note 1.L in the financial statements.

All items of plant and equipment with a total value of less than \$5000, 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.

Expenses Reimbursement Policy s250(1) of the Local Government Regulation 2012

Pursuant to section 185 of the Local Government Regulation 2012, it is reported that in April 2016, Council reviewed its Councillor Expenses Policy No. 111. Council passed a resolution pursuant to section 250(1) of the Regulation, however, no additional entitlements or provisions were added to the policy in 2016. The policy was merely reviewed as part of a general policy review.

This policy will provide the guidelines and procedures for the reimbursement of Councillors for expenses incurred in attending to and discharging their official duties as representatives of Bouliia Shire Council. A copy of the policy is available from Council's Website.

Conduct and Performance of Councillors

In accordance with section 186 (d) (e) of the Local Government Regulation 2012, the following is provided involving disciplinary action for misconduct taken by a regional conduct review panel:

Description	Number
The total number of orders and recommendations made under section 180 (2) or (4) of the Act	Nil
Total number of orders made under section 181 of the Act	Nil
The name of each Councillor for whom an order or recommendation was made under section 180 of the Act or an order was made under section 181 of the Act	Nil
A description of the misconduct or inappropriate conduct engaged in by each of the Councillors	Nil
A summary of the order or recommendation made for each Councillor	Nil

In accordance with section 186(f) of the Local Government Act 2009, the following is provided involving disciplinary action for misconduct taken by a regional conduct review panel:

Description	Number
The number of complaints about the conduct or performance of Councillors for which no further action was taken under section 176C (2) of the Act	Nil
The number of complaints referred to the department's Chief Executive under section 176C (3)(a)(i) of the Act	Nil
The number of complaints referred to the mayor under section 176C (3)(a)(ii) or (b) (i) of the Act	Nil
The number of complaints referred to the department's Chief Executive under section 176C (4)(a) of the Act	Nil
The number of complaints assessed by the Chief Executive Officer as being about official misconduct	Nil
The number of complaints heard by a regional conduct review panel	Nil
The number of complaints heard by the tribunal	Nil
The number of complaints to which section 176C (6) of the Act applied	Nil

Administrative Action Complaints

In accordance with section 187 of the Local Government Regulation 2012, Council makes a genuine commitment to dealing fairly with administrative action complaints. This is achieved through the adoption of policies and procedures designed to provide confidence in Council's ability to provide feedback and deal with complaints in a fair and equitable manner. The following particulars are provided:

Description	Number
Total number of administrative action complaints made to the local government	Nil
Total number of administrative action complaints resolved by the local government under the complaints management process	Nil
Total number of administrative action complaints not resolved by the local government under the complaints management process	Nil
Total number of administrative action complaints under paragraph (a)(iii) that were made in a previous financial year	Nil



Overseas Travel

s.116 No Councillors or employees of Council undertook any overseas travel during the financial year.

Expenditure on Grants to Community Organisations (s.117(a))

The following expenditure on grants to community organisations were made during the financial year:

Grants to Community Organisations	Particulars	Amount
Boulia Camel Races	Venue, bus and plant hire, labour and stores	\$17,401.33
Boulia State School	Venue and bus hire	\$7,458.60
Boulia Community Services	Venue hire	\$1,423.00
Boulia Queensland Country Womens Association	Venue hire and photocopying	\$1,565.00
Boulia Motor Sports	Venue and equipment hire, photocopying	\$10,395.91
Boulia Golf Club	Bus hire	\$232.00
Boulia Bulls	Bus hire	\$956.00
Army - Townsville Personnel	Rodeo Grounds/Bus hire whilst working on Memorial Garden	\$5,170.00
Boulia Playgroup	Craft items	\$1,849.91
Careflight Group Ltd	Donation	\$5,200.00
Aussie Helpers	Fuel	\$1,204.18
Donations under \$1,000	Various requests for community benefit	\$3,885.00
Total Contributions to Community Organisations		\$56,740.93

Expenditure from each Councillor's discretionary fund (s.117(b))

The Boulia Shire Council does not have any Councillor's discretionary funds.

Reserves and Controlled Roads

The Boulia Shire Council controls-

- (a) 36 parcels of land totalling 50,119ha that are reserves under the Land Act;
- (b) No roads that Council does not own.

Changes to Tenders

An invitation to change tender under s. 228(7a) was issued during the year:

Spray Bituminous Products. Supply, Cart, Heat and Spray Bituminous Products; 'All Services' Bitumen	Addendum No.1: Reissue of Invitation to Tender
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5-YEAR CORPORATE PLAN

Council has adopted the 5 year Corporate Plan for the period 2015-2019. Highlights of the strategies completed during the financial year are set out in the following pages in the CEO Report on the Corporate Plan Progress.

Corporate Plan Annual Reporting 2015-2016

ENVIRONMENT

'Preserve the pristine natural resources of the Shire by managing the environment in a sustainable manner'

Bottom Line Goal

Environment and Natural Resources
- Actively maintain practices which ensure environmental sustainability.

Measure

Management of Stock Routes and waste facilities are compliant with guidelines.
Bio-security Plan and Boulia Weed and Pest Operation Plan is reviewed and adopted. Eco Tourism activities are planned and supported.

Target

Consistent positive comments from regulatory bodies.
Increased sustainable tourism activity within the shire.

Work Completed

A new pest management in progress due to changes in the Bio-Security Act with changes to the Stock Route implementation regulations. Town Common muster completed and improved responsibility for horses achieved. Cross border liaison with other pest groups have been conducted and several baiting programs completed. Town beautification programs continued for both Boulia and Urandangie with lighting installed in Urandangie. Food premises inspection and licensing completed in line with requirements. Waste managed with new purple public bins installed. Roadside vegetation control completed within budget.

Planning and Development -

Facilitate land and infrastructure development that meets the needs of the community.

Open Space Plans for sporting facilities, parks and gardens are developed and industrial and residential land projects identified ready for development/sale.

Open space plans are completed for sporting facilities, parks and gardens. Industrial and residential land is progressed - 3 monthly report to Council.

Council have a current Town Planning Scheme which is due to be reviewed this year. We actively engage with Native Title holders for the development of future land subdivisions. The towns ovals and parks and gardens are well maintained and entrances to town are in the planning stage.

Bottom Line Goal

Sewerage and Waste - Provide sustainable and environmentally sound sewerage and waste services for the communities within the shire.

Measure

Strategic and Plans developed and implemented to ensure future security of infrastructure and potential re-cycling options.

Target

6 monthly report to Council on progress.

Work Completed

Council have adopted a combined Waste and Sewage Management Plan and are working to have a sewer relining project completed in 2017.

Council provide a kerbside collection and disposal service and are compliant with the EPA requirements and the landfill site has an identified Asbestos disposal area.

The Drinking Water Quality Management Plan has been completed with testing of water supplies and officers trained on site to complete the EPA testing requirements. The reservoir roof project is being delivered with the assistance of a grant from Building Our Regions Funding of over \$450k. We are members of the Outback Water Alliance project which saw Council save over \$50K in the cleaning of the ground water holding tank. Watering of the median strip is continuing with links to the bore water system to be completed in 2017.

Water - Provision of an abundant quantity of quality water.

Management Plans are completed.

Compliance with regulatory requirements - pass mark on inspection by EPA.

Social

'Maintain a high quality of life by providing facilities and resources that encourage a secure, interactive and progressive community lifestyle'

Community Development - Support opportunities to develop the community through partnerships.

Increased activity through the group to solve local issues via positive input.

Strong interface and attendance with all groups and committees which impact Boulia.

Council continue to nurture partnerships with several organisations by continued representation at Regional, State and Federal levels which have resulted in savings for water infrastructure and increased funding for the Donohue Highway. A generous allocation for 'in kind' support of local group activities is identified in the budget each year for established local organisations to provide increased activities and attractions to Boulia.

Bottom Line Goal

Community Services - Provide and support improved access to services within the shire.

Measure

That Post Office, QGAP, Centrelink and banking continue to be provided to the community.

Target

All services continue to be provided.

Work Completed

Council continues to support the Post Office/banking services which provide connectivity to the community. The Aquatic Centre is supported and a no entry fee for the pool for local residents was implemented with a No school, No Pool policy arrangement. The Shire Hall is earmarked for a roof renovation with reverse cycle air-conditioners replaced during the year.

Cultural Facilities & Services - Provide facilities for arts and cultural activities and the preservation of historic and heritage artefacts.

Local events are held within both Boulia and Urandangie.

>5 per annum for Boulia
>2 per annum for Urandangie

The Stonehouse Museum continues to improve in both content and design with historical records preserved. Council continues to provide library services along with free internet access. Council oversees the Local RADF funding which supports local Arts groups to provide workshops etc. New story boards installed for 'Bush tucker'. Min Min Horse sculptures completed. TV advertising completed. Free WiFi available in the Min Min Centre. Council supports local events held in Urandangie on an annual basis.

Disaster Management - Provide coordinated and resourced delivery of emergency services to maximise public safety in disaster situations.

Improved disaster management capabilities for the shire using local history and previous events.

100% functionality during emergency events with emergency exercises completed annually

Flood warning camera systems on the Boulia/Winton Rd at the Hamilton and Diamantina Channels has improved road status information available to us. Disaster management groups met several times during the year due to flood events and all exercises completed as required.

Top Limestone has been approved for electronic flood warning signs. Council continues to support the SES with a funding application prepared for a new SES All-terrain vehicle.

Bottom Line Goal	Measure	Target	Work Completed
<p>Health & Welfare - Take an active role in ensuring the community has access to a wide range of health care, medical services and facilities.</p>	<p>Engage with health service providers to ensure health services are maintained or increased to meet Community demand.</p>	<p>Qualified Health Service providers - FTE > 2 Ambulance Drivers - volunteers > 4</p>	<p>Council engages the expertise of external contractors for building development applications and Food Licensing. Support via the Boulia Interagency Group provides a link between agencies (Police, School, Council, Community Services, Health) for any potential issues. Ambulance drivers are still short and Council provides support where it can.</p>
<p>Housing - that Council's policies and plans support the provision of sufficient suitable housing to meet demand.</p>	<p>Facilitate development of short term and long term accommodation.</p>	<p>Number of occupiable dwellings >= 30 Number of occupiable units >= 10</p>	<p>Council supports and convenes a housing committee which reviews and allocates housing to Council staff and other eligible tenants. Council has developed an asset management plan for housing to ensure housing stock is manageable and is able to identify housing surplus to our needs. The final stage of Council obtaining land for residential and industrial subdivisions should be completed by June 2017.</p>
<p>Transport Facilities - Provide parking and other transport facilities to the community.</p>	<p>Council continue to facilitate and support the continued service of various public transport options via aeroplane and Council bus. Council has identified areas for overflow parking.</p>	<p>Decreased congestion in main street from caravan traffic. Aeroplane services 4 flights per week. Improved safety for travelling public through increased rest stops.</p>	<p>Design work was completed during the year to plan for increased tourist traffic. Pituri street was sealed beside the park and new line marking and advisory signs were installed at the top of Herbert Street to reduce the congestion in the main parking area near the business houses. Airport building is fully functional with the Council deciding in the 2017 budget to limit landing fees to craft over 2000kgs. This means the family commuter plane can land free. The Council bus is well used with the daily collection of children to attend the local school.</p>

Bottom Line Goal	Measure	Target	Work Completed
Economic			
<i>'Foster a sound economic base to enhance the prosperity of the shire, support growth and offer a high quality of life for the community'</i>			
<p>Economic Development - Actively investigate, develop and foster business ventures which create and maintain local employment opportunities.</p>	<p>New business ventures are supported in Boulia and Urandangie.</p>	<p>Boulia >1 per annum Urandangie >1 per 4 year term of Council</p>	<p>Continued engagement with Central Petroleum to support activity within the shire. Local businesses now are providing café facilities instead of Council. Land acquisition within the town area is proceeding with DNRM. Council continues to advocate for the Donohue Highway to be designated a State Road while continuing to lobby with the Outback Highway Development Corporation for funding to complete the bitumen sealing of this road. We have expanded into the digital world and commenced using Facebook, TV advertising while continuing with the Far West Alliance. Council continues to lobby, through RAPAD, the case for Day Labour to be included in flood damage allocated by the NDRRA.</p>
<p>Infrastructure - Develop, improve and maintain infrastructure to meet the needs of the community.</p>	<p>Development and implementation of the Open Spaces Plan for parks and sporting grounds, the local Street Appeal Plan considering indigenous and local history.</p>	<p>Plans developed with community input.</p>	<p>Council adopted the Infrastructure Charges Plan and Priority Infrastructure Plan in accordance with the State Planning Act and has developed Asset Management Plans for housing, roads, water and sewage. Community consultation to occur to confirm ideas on open space planning.</p>

Bottom Line Goal

Marketing - Promote and market the shire of Boulia to attract rural living, visitors and investors to the shire.

Measure

Develop 'product' and promote Boulia via external advertising opportunities.

Target

Number of visitors >10% increase
Number of investors > 1 per annum

Work Completed

Council are members of the Far West Alliance, OQTA and actively support community events as well as the local activities surrounding Australia Day, ANZAC Day and Remembrance Day. We partnered in the erection of the ANZAC Memorial Garden which is another town beautification project. The Council supports the RADF committee and encourages small groups to promote activity with the shire.

Roads - to have road infrastructure that meets community needs.

All funding received for completion of road works from whatever the source is reviewed for value for money and priority within the road network register.

Work completed on all roads is completed on time and within budget.

Road infrastructure under the terminology of the Government funding arrangements incorporates Airports, Quarries, footpaths, bridges as well as roads. Council operate under various classifications: State Roads, Shire Roads, Access Roads and Roads of Regional significance. These categories may or may not attract funding. It is a constant juggling act to provide the best outcome which meets the majority of road users in a timely manner. During this year over \$5.5m has been delivered in repairs to shire roads for flood damage. \$1.8m has been delivered in sealing repairs and widening of shire roads, \$1.8m on the Donohue Highway sealing and \$1.6m on State road repairs and maintenance with a further \$800k on special road projects complementary to the other road work projects.

Bottom Line Goal

Works Operations - to have a works operation which is competitive with other service providers.

Measure

Tight controls implemented on cost per klm, WH&S controls in place and staff satisfaction recorded.

Target

All Shire, State and local road work is completed on time and within budget with appropriate plant and equipment.

Work Completed

In conjunction with the WH&S, plant maintenance has been reviewed several times with Council improving the automated functions of maintenance where possible. The plant committee review serviceability and functionality of the fleet and review cost benefits. This area will be a target in 2017 with road works largely being completed on time and within budget dependant on rain events.

GOVERNANCE

'Effectively and efficiently manage Council responsibilities by ensuring all governing legislation is adhered to, and by coordinating and planning all resources'

Council Administration and Customer Service - Provide efficient, friendly and professional service ensuring Council resources are utilised in a responsible manner.

Ensure Council as a service provider has the ability to provide quality service using up to date systems and policies.

Review of policies to ensure relevance as required.
Staff continue to meet obligations under the standards.

Council have completed Corporate Risk Management reviews including policies and procedures and Local Laws. Council staff have undergone on the job training to increase the flexibility of the group. Procurement within policy guidelines along with plant and asset management is managed by senior staff. Records management capabilities meet State records standards. Grant acquittal is well respected by funding bodies. Combined training with Diamantina has occurred.

Elected Representatives - To represent and collectively make decisions to benefit the entire community.

Attendance at Council meetings and accessibility to residents for issues.
Attendance at committee meetings which represent Boullia Shire Council.

Councillors to attend 12 Council meetings per annum.
Councillors to attend all committee meetings as per their designation.

Council election 19th March held with one new Councillor - Mrs Beck Britton. Elected member training was conducted on 3rd and 4th May after the election with Councillor induction training also completed in May. Regular monthly meetings are held in the Airport Meeting room with Councillors having separate responsibilities for committees.

Bottom Line Goal

Financial Management - Maintain accurate, compliant financial management and reporting systems to provide information to stakeholders.

Measure

Develop and implement Council's Corporate Governance Framework to ensure Strategic Planning, Compliance with all legislation, standards and policies.

Target

Audit report and internal audit report completed with actions completed.
Number of non-compliance issues = 0

Work Completed

Audit committee formed with internal and external audits completed with very few recommendations. Overall an excellent review of Council's internal controls and processes was reported by the external auditors. Grant funding and acquittals completed within the expectations of the funding bodies and has formulated the long term financial plan and uses whole of life costing prior to major decisions being made. Council actively pursues debt recovery and actively manages purchases through policy guidelines.

Human Resources - to have a workforce which has competitive advantage.

Human Resources succession plan to be developed which includes staff training.

Plan to be completed each year.

SafePlan has been implemented which provides guidelines on Workplace Health and Safety and supports our application to be accredited by Transport and Main Roads. Alcohol and Drug testing to ensure safety has been implemented. An Employee Assistance Program available to staff. Private health care discounts are now available to staff through a Corporate Plan from two providers. Annual review of the organisational chart is completed with the budget review and staff inductions and training are completed in line with budget allocations.

Local Laws - Implement relevant Local Laws and Council policies to ensure quality of life, peace and enjoyment for all shire residents.

Local laws are drafted in such a way that action is able to be taken under the Local Law to ensure fairness to all shire residents.

Local Laws are reviewed by each new Council within 6 months of the election.

Local laws have been reviewed and adopted by Council which gives guidance on the fair and equitable operations of the Council.

Bottom Line Goal

Workplace Health & Safety - Comply with Workplace Health and Safety standards to provide safe public areas and working environments.

Measure

Record and implement all processes which support the safety of all staff either in the office or on the job.

Target

Reaching the standard of 90% under the JLTA audit process.

Work Completed

A specific WH&S Officer was engaged to comply with the WH&S standards of Safeplan. This project was completed and the first of several audits have been completed with transitional approval from TMR granted until August 2017 with the final audit due prior to this. All staff are participating as well as contractors and is a credit to the Officer in charge of implementation.



List of Registers kept by Boulia Shire Council

In accordance with section 190 (f) of the Local Government Regulation 2012 the following registers are listed:

Register	Act / Regulation	Purpose
Personal Interest of Councillors	<i>Local Government Regulation 2012 s. 289</i>	To record certain financial and other personal interests of Councillors
Personal Interests of Councillors' Related Persons	<i>Local Government Regulation 2012 s. 289</i>	To record certain financial and other personal interests of specified persons related to Councillors
Register of Delegations by Council	<i>Local Government Act 2009 s. 257</i>	To record all powers delegated by Council
Register of Delegations by Chief Executive Officer	<i>Local Government Act 2009 s. 259</i>	To record all delegations made by CEO
Register of Local Laws	<i>Local Government Act 2009 s.31 & Local Government Regulation 2012 s. 14</i>	To record all Local Laws
Register of Roads	<i>Local Government Act 2009 s.74</i>	To show details of roads in the Shire available to any person
Register of Land Record	<i>Local Government Regulation 2012 s. 154 (2)</i>	To record details of every parcel of rateable land in the Shire
Register of cost-recovery Fees	<i>Local Government Act 2009 s.98</i>	To record the cost-recovery fees made under a local law or resolution
Register of business activities to which the competitive neutrality principles apply	<i>Local Government Regulation 2012 s. 56</i>	To record the business activities to which the competitive neutrality principles apply
Register of non-current physical assets	<i>Local Government Regulation 2012 s. 180</i>	Register of non-current physical assets



Summary of all Concessions for Rates & Charges Granted by Council

Pensioner Rebate

Ratepayers who reside in their own premises in Boulia or Urandangie receive a full rebate on their general rates and a 30% subsidy on service charges (excluding fire levy) up to a maximum of \$120.00. This subsidy is in addition to the 20% subsidy offered by the State Government (Up to a maximum of \$180.00).

Other Remissions

Other remission requests, or rate deferral requests, are assessed on a case-by-case basis. In considering the application of concessions, Council is guided by the principles of:

- Equity - By having regard to different levels of capacity to pay within the local community;
- Consistency - The same consistent treatment for ratepayers receiving concessional rating;
- Capacity to pay - In determining appropriate arrangements for different groups within the community;
- Transparency - By making clear the requirements necessary to receive concessions.

Discounts

To encourage prompt payment and to ensure equity, Council offered to all ratepayers, a 10% discount on the 'Rates Notice' (excluding interest charges and fire levy), if all current and outstanding rates and charges were paid within at least 30 days after the issue of the rates notice.

A further concession was extended to all ratepayers due to the drought. This resulted in the extension of the discount period up until the date that the rate period ended. No interest was charged during the period if there were no outstanding rates from previous periods.

Internal Audit

Boulia Shire Council appointed Pacifica Chartered Accountants as internal auditors in June 2012. They have undertaken three visits to Council since their appointment.

Council has now appointed an Audit Committee which consists of two Councillors and external party in accordance with Local Government Act.

Equal Opportunity in employment Plan

Boulia Shire Council did not have an equal opportunity in employment plan in place at 30 June 2016.

Shareholder delegates for corporate entities

Boulia Shire Council did not have any corporate entities in place at 30 June 2016.

Investigation notices given under Local Government Regulation s.46 of the business activities regulation for competitive neutrality complaints

There were no investigation notices given under s.46 during the year ended 30 June 2016.

Local government decisions on referees recommendations on any complaints under s.145(3) of the business activities regulation

There were no decisions on referee's recommendations during the year ended 30 June 2015.

Local government decisions on the Queensland competition authority's recommendations under section 158(5) of the business activities regulation

There were no decisions by the Queensland Competition Authority during the year ended 30 June 2015.

COMMUNITY FINANCIAL REPORT

The Community Financial Report aims to simplify Council’s financial statements through a visual and plain English written explanation of our results for the financial year 1 July 2015 to 30 June 2016.

This Community Financial Report consists of 3 key statements. They are:

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Cash Flows

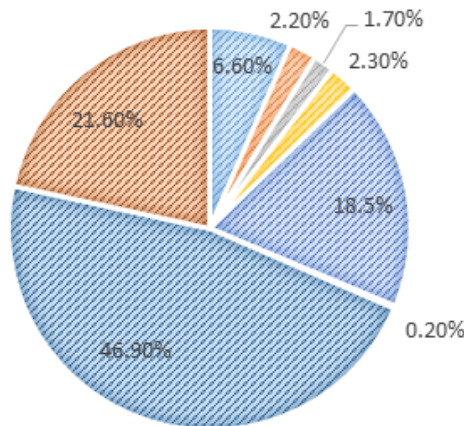
Statement of Comprehensive Income

The Statement of Comprehensive Income reflects how we take the money we receive in our day to day operations and spend it to provide the level of services the community expects from our Council. This year Council’s total revenue amounted to \$18.2 million and total expenses amounted to \$16.2 million returning an operating surplus of \$2.1 million.

REVENUE - Where did Council’s funds come from?

INCOME BREAKDOWN - \$'000S

- Rates, Levies & Charges \$1,202
- Fees & Charges \$405
- Rental Income \$319
- Interest Received \$414
- Sales Revenue \$3,387
- Other Income \$37
- Operating Grants, Subsidies & Contributions \$8,557
- Capital Grants, Subsidies & Contributions \$3,968



Council’s reported Total Income of \$18.2 million during the 2015/16 financial year is broken up into two areas:

- Operating Income \$14.3m
- Capital Income \$3.9m

The more significant contributors to Council’s revenue stream include:

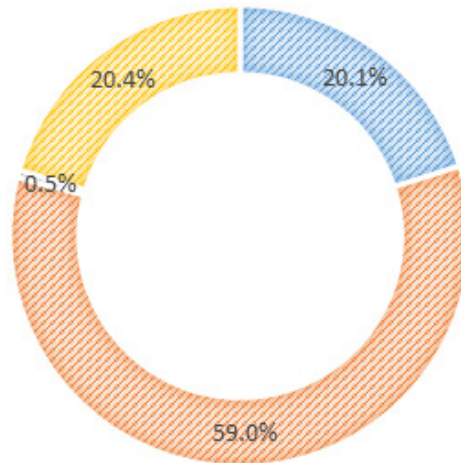
- Rates, Levies & Charges \$1.2m
- Sales Revenue \$3.4m
- Operating Grants, Subsidies & Contributions \$8.6m
- Capital Grants, Subsidies & Contributions \$3.9m

Expenditure - Where does the money go?

Council incurs both operating & capital expenditure through providing a wide range of services to the community. Expenditure is regularly monitored to ensure funds are used efficiently.

EXPENDITURE BREAK UP \$'000S

■ Employee Benefits \$3,249 ■ Materials & Services \$9,545 ■ Finance Costs \$76 ■ Depreciation \$3,289



Operating expenditure is made up of:

➤ Employee benefits	\$3.2m
➤ Materials & Services	\$9.5m
➤ Finance Costs	\$0.07m
➤ Depreciation	\$3.3m

Employee benefits consists of wages & other entitlements such as superannuation & annual leave which is paid to our staff members.

Materials & Services consists of goods Council purchases to use in day to day operations. Wherever possible, Council uses local suppliers and contractors so that the money flows back into our community.

Finance costs consist predominantly of provisions for bad debts.

Statement of Financial Position

The Statement of Financial Position measures what we own (our assets), what we owe (our liabilities) and our net worth (total community equity) at the end of the financial year.

Total Assets	\$163.1m
Total Liabilities	\$ 2.3m
Total Community Equity	\$160.8m

ASSETS - What the community owns

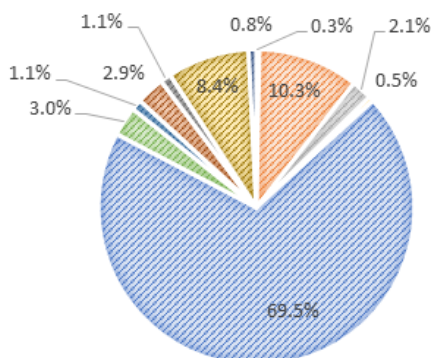
Property, plant & equipment accounts for 91.7% of Council's assets. This includes the road infrastructure, buildings & structures, plant & vehicles, water, sewerage and aerodrome assets. This represents a significant investment of community funds and requires careful management to ensure that the levels of service provided by these assets is maintained.

The major components of our assets include:

➤ Road network	\$114.9m
➤ Buildings & structures	\$ 18.2m
➤ Plant & vehicles	\$ 3.5m
➤ Cash & investments	\$ 11.8m
➤ Trade & other receivables	\$ 1.8m
➤ Water Infrastructure	\$ 5.1m
➤ Sewerage Infrastructure	\$ 1.7m

ASSETS \$'000

■ Land \$631	■ Buildings & Structures \$18,217
■ Plant & Vehicles \$3,468	■ Furniture & Equipment \$696
■ Roads \$114,878	■ Water Infrastructure \$5,116
■ Sewerage Infrastructure \$1,729	■ Aerodrome Infrastructure \$4,602
■ Assets Under Construction \$189	■ Cash & Equivalents \$11,779
■ Trade & Other Receivables & Inventories \$1,842	



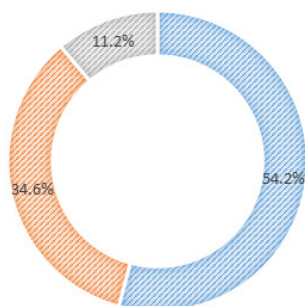
LIABILITIES - What the community owes

The components of our liabilities are:

➤ Borrowing	\$1.2m
➤ Trade & other payables	\$0.8m
➤ Provisions	\$0.3m

LIABILITIES \$'000

■ Borrowings \$1.2	■ Trade & Other Payables \$0.8	■ Provisions \$0.2
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Statement of Cash Flows

The statement of cash flows shows Council's cash received and spent during the year. It shows our ability to pay our bills and put aside some funds for the future. Our final cash balance as at 30 June 2016 was \$11.8m.

This report covers three specific areas: Financing, Investing and Operating activities.

- Financing activities are cash received if Council takes out new loans or cash paid as repayments against loans;
- Investing activities include money Council receives and spends when we buy or sell property, plant and equipment (Capital purchases);
- Operating activities include all other areas such as rates, fees & charges, interest, grants, employee costs, materials & services, interest and administration.

Listed below is a table showing the results of the Cash Flow Statement for the past six years.

	2015/16 \$,000	2014/15 \$,000	2013/14 \$,000	2012/13 \$,000	2011/12 \$,000	2010/11 \$,000
Opening Cash Balance	13,378	12,632	9,865	8,678	5,229	7,531
Net Cash Flow from Operating Activities	656	3,763	4,122	2,123	5,630	(720)
Net cash Flow from Investing Activities (Capital Purchases)	(2,207)	(4,320)	(1,355)	(935)	(2,204)	(1,582)
Net Cash Flows from Financing Activities (Loans)	(49)	1,303	0	0	0	0
Closing Cash Balance	11,779	13,378	12,632	9,865	8,655	5,229

NB: Additional flood damage work in the 15/16 financial year has resulted in a bigger cash expenditure therefore decreasing the overall operating cash flow in comparison to previous years.



Key Sustainability Ratios

The Department of Local Government, Community Recovery and Resilience has developed a range of sustainability indicators to assist in assessing the sustainability of Councils. A Queensland Council is considered sustainable if its infrastructure and financial capital is able to be maintained over the long term.

Section 179 of the Local Government Regulation 2012 requires that the measures of sustainability for the financial year be included in the Community Financial Report. The table below summarises the indicators & compares Council's actual results with the targets.

Measure of Financial Sustainability	How it is calculated	Explanation	Target	Result at 30 June 2016	Target met
Operating surplus ratio	Net result divided by total operating revenue	Measures the extent to which Council's revenue raised covers operational expenses. If there is a surplus, this is then available for funding capital expenditure	Less than 10%	-13%	Yes
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense	This ratio reflects the extent to which infrastructure assets managed by Council are replaced as they reach the end of their useful life	Greater than 90%	86%	No
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	Measures the extent to which the net financial liabilities of Council can be repaid from operating revenue	Less than 60%	-79%	Yes

Council has achieved 2 of the 3 key targets for the financial year but must focus on fine tuning our management of asset replacement so that the asset sustainability ratio meets its target.

OVERALL FINANCIAL SUMMARY

- Cash balance as at 30 June 2016 was \$11,779,119
- Council has reserves set aside for future capital expenditure of \$2,328,551
- Total community equity as at 30 June 2016 was \$160,832,686

THE FUTURE

Council has further consolidated its financial position and is in a sound financial position to face the challenges in the years ahead.



Boulia Shire Council

**Financial Statements
for the year ended 30 June 2016**

Boullia Shire Council

Financial Statements

For the year ended 30 June 2016

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

	Note	Council	
		2016	2015
		\$	\$
Income			
Revenue			
Recurrent Revenue			
Rates, levies and charges	3(a)	1,202,071	1,302,965
Fees and charges	3(b)	405,050	381,807
Rental income	3(c)	319,152	340,512
Interest received	3(d)	414,343	435,995
Sales revenue	3(e)	3,387,486	4,430,069
Other income	3(f)	37,307	120,190
Grants, subsidies and contributions	4(a)	8,557,008	3,186,798
		<u>14,322,417</u>	<u>10,198,336</u>
Capital Revenue			
Grants, subsidies, contributions and donations	4(b)	3,968,377	5,585,945
Total Revenue		<u>18,290,794</u>	<u>15,784,281</u>
Total Income		<u>18,290,794</u>	<u>15,784,281</u>
Expenses			
Recurrent Expenses			
Employee benefits	6	(3,249,003)	(3,581,770)
Materials and services	7	(9,544,540)	(3,732,085)
Finance costs	8	(75,844)	(39,697)
Depreciation	9	(3,289,272)	(3,208,346)
		<u>(16,158,659)</u>	<u>(10,561,896)</u>
Capital Expenses	5	(32,986)	(1,000)
Total Expenses		<u>(16,191,645)</u>	<u>(10,562,896)</u>
NET RESULT		<u>2,099,149</u>	<u>5,221,385</u>
Other Comprehensive Income			
Items that will not be reclassified to net result			
Increase / (decrease) in Asset Revaluation Surplus	18	1,172,997	35,845,672
Total Other Comprehensive Income for the Year		<u>1,172,997</u>	<u>35,845,672</u>
Total Comprehensive Income for the Year		<u>3,272,146</u>	<u>41,067,057</u>

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

**Boulia Shire Council
Statement of Financial Position
as at 30 June 2016**

		Council	
	Note	2016 \$	2015 \$
Current Assets			
Cash and equivalents	10	11,779,119	13,378,540
Trade and other receivables	11	1,566,023	898,904
Inventories	12	275,742	320,984
Total Current Assets		13,620,884	14,598,428
Non Current Assets			
Property, plant and equipment	13	149,525,852	145,499,881
Total Non-Current Assets		149,525,852	145,499,881
Total Assets		163,146,736	160,098,309
Current Liabilities			
Trade and other payables	15	801,577	918,842
Borrowings	16	46,887	49,513
Provisions	17	208,482	287,460
Total Current Liabilities		1,056,946	1,255,815
Non-Current Liabilities			
Borrowings	16	1,207,138	1,253,550
Provisions	17	49,965	28,402
Total Non-Current Liabilities		1,257,103	1,281,952
Total Liabilities		2,314,049	2,537,767
Net Community Assets		160,832,686	157,560,542
Community Equity			
Asset Revaluations Surplus	18	85,512,316	84,339,319
Retained Surplus		72,991,819	70,664,939
Reserves	19	2,328,551	2,556,283
Total Community Equity		160,832,686	157,560,542

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

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

Council	Note	Asset revaluation surplus 18 \$	Retained Surplus \$	Reserves 19 \$	Total \$
Balance as at 1 July 2015		84,339,319	70,664,939	2,556,283	157,560,542
Net result		0	2,099,149	0	2,099,149
Other comprehensive income for the year					
Increase in Asset Revaluation Surplus		1,172,997	0	0	1,172,997
Total Comprehensive Income for the Year		<u>1,172,997</u>	<u>2,099,149</u>	<u>0</u>	<u>3,272,146</u>
Transfers to and from reserves					
Transfers to reserves		-	780,232	(780,232)	-
Transfers from reserves		-	(552,500)	552,500	-
Total transfers to and from reserves		<u>-</u>	<u>227,732</u>	<u>(227,732)</u>	<u>-</u>
Balance as at 30 June 2016		<u>85,512,316</u>	<u>72,991,819</u>	<u>2,328,551</u>	<u>160,832,686</u>
Balance as at 1 July 2014		48,493,647	66,052,042	1,947,798	116,493,483
Net result		-	5,221,385	-	5,221,385
Other comprehensive income for the year					
Increase in Asset Revaluation Surplus		35,845,672	-	-	35,845,672
Total Comprehensive Income for the Year		<u>35,845,672</u>	<u>5,221,385</u>	<u>-</u>	<u>41,067,057</u>
Transfers to and from reserves*					
Transfers to reserves		-	(796,310)	796,310	-
Transfers from reserves		-	187,825	(187,825)	-
Total transfers to and from reserves		<u>-</u>	<u>(608,485)</u>	<u>608,485</u>	<u>-</u>
Balance as at 30 June 2015		<u>84,339,319</u>	<u>70,664,939</u>	<u>2,556,283</u>	<u>157,560,542</u>

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

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

	Note	Council	
		2016	2015
		\$	\$
Cash Flows from Operating Activities			
Receipts from customers		4,222,944	7,006,155
Payments to suppliers and employees		(12,932,818)	(7,206,336)
		<u>(8,709,873)</u>	<u>(200,181)</u>
Interest received		414,343	435,995
Rental income		319,152	340,512
Non capital grants and contributions		8,557,008	3,186,798
Borrowing costs		75,844	-
Net Cash Inflow (outflow) from Operating Activities	24	<u>656,474</u>	<u>3,763,124</u>
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(6,659,633)	(9,981,809)
Proceeds from sale of property plant and equipment		546,364	76,000
Grants, subsidies, contributions and donations		3,906,412	5,585,945
Net Cash Inflow (outflow) from Investing Activities		<u>(2,206,856)</u>	<u>(4,319,864)</u>
Cash Flows from Financing Activities			
Proceeds from borrowings		-	1,303,063
Repayment of borrowings		(49,038)	-
Net Cash Inflow (outflow) from Financing Activities		<u>(49,038)</u>	<u>1,303,063</u>
Net Change in Cash and Equivalent Held		<u>(1,599,421)</u>	<u>746,323</u>
Cash and Equivalents at the Beginning of the Financial Year		13,378,540	12,632,217
Cash and Equivalents at End of the Financial Year	10	<u>11,779,119</u>	<u>13,378,540</u>

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

Boulia Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

1 Significant Accounting Policies

1.A Basis of Preparation

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

These financial statements have been prepared under the historical cost convention except for the following financial assets and liabilities which are measured at fair value:-

- i) Land and improvements
- ii) Building & structures
- iii) Road infrastructure
- iv) Water infrastructure
- v) Sewerage infrastructure
- vi) Aerodrome infrastructure

Recurrent / Capital Classification

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

Capital revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investments in new assets. It also includes non-cash contributions which are usually infrastructure assets received from developers.

The following transactions are classified as either "capital income" or "capital expense" depending on whether they result in accounting gains or losses:

- i) Disposal of non-current assets
- ii) Discount rate adjustments to restoration provisions
- iii) Revaluations of investment property and property plant and equipment.

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

Constitution

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

Currency

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

Rounding and Comparatives

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

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

1.B Statement of Compliance

These general purpose financial statements comply with all accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to Council's operations and effective for the current reporting period. Because the Council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are Inconsistent with International Financial Reporting Standards (IFRS), to the extent these Inconsistencies are applied, these financial statements do not comply with IFRS. The main impacts are the offsetting of revaluation and Impairment gains and losses within a class of assets, and the timing of the recognition of non-reciprocal grant revenue.



Boulia Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

1.C Date of Authorisation

The Financial Statements were authorised for Issue on the date they were submitted to the Auditor-General for final signature. This is the date the management certificate is signed.

1.D 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.

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

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

From 1 July 2016 AASB 124 Related party Disclosures will apply to Council, which means that Council will disclose more information about related parties and transactions with those related parties

Council is still reviewing the way that revenue is measured and recognised to identify whether AASB 15 *Revenue from Contracts with Customers* will have a material impact. To date no impact has been identified.

AASB 15 is effective from 1 January 2018 and will replace AASB 118 *Revenue*, AASB 111 *Construction Contracts* and a number of interpretations. It contains a comprehensive and robust framework for the recognition, measurement and disclosure of revenue from contracts with customers

Other amended Australian Accounting Standards and Interpretations which were issued at the date of authorisation of the financial report, but have future commencement dates are not likely to have material impact on the financial statements.

1.E Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

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

Valuation and depreciation of property, plant and equipment - Note 1.L and Note 13

Impairment of property, plant and equipment - Note 1.M

Provisions - Note 17 and Note 1.O

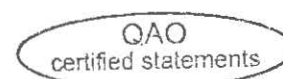
Contingent liabilities - Note 21.

1.F Revenue

Rates, levies, grants and other revenue are recognised as revenue on receipt of funds or earlier upon unconditional entitlement to the funds.

Rates and Levies

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



Boulia Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

Grants and Subsidies

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

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

Rental Income

Rental revenue from investment and other property is recognised as income on a periodic straight line basis over the lease term.

Interest

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

Sales Revenue

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

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

Fees and Charges

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

1.G Financial Assets and Financial Liabilities

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

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

Financial Assets

Cash and cash equivalents (Note 1.H)

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

Financial Liabilities

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

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

Financial assets and financial liabilities are presented separately from each other and offsetting has not been applied. All other disclosures relating to the measurement and financial risk management of financial instruments are included in Note 25.

1.H Cash and Equivalents

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

1.I Receivables

Receivables are assessed for impairment and bad debts have been written off where applicable.

1.J Inventories

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

Boulia Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

1.K Investments

Term Deposits in excess of three (3) months are reported as investments, with deposits of less than three (3) months being reported as cash equivalents. At 30 June 2016 Council did not have any term deposits in excess of three months.

1.L Property, Plant and Equipment

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

The classes of property, plant and equipment recognised by the Council are:

Land and improvements

Buildings and structures

Plant and vehicles

Furniture and equipment

Road infrastructure

Water infrastructure

Sewerage infrastructure

Aerodrome 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 in, architect's fees and engineering design fees and all other establishment costs.

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

Capital and Operating Expenditure

Direct labour and materials and an appropriate proportion of overheads in the acquisition of assets are treated as capital expenditure. Assets under construction are not depreciated until they are completed and commissioned, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class. Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity of the non-current asset is expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

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

Valuation

Land and improvements, buildings, major plant 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*. Other plant and equipment and work in progress are measured at cost.

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

Boulia Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

In the intervening years, Council uses internal engineers and asset managers to assess the condition and cost assumptions associated with all infrastructure assets, the results of which are considered in combination with an appropriate cost index for the region. Together these are used to form the basis of a management valuation for infrastructure asset classes in each of the intervening years. With respect to the valuation of the land and improvements, buildings and major plant asset classes in the intervening years, management engage independent, professionally qualified valuers to perform a "desktop" valuation. A desktop valuation involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

An analysis performed by management has indicated that, on average, the variance between an indexed asset value and the valuation by an independent valuer when performed is not significant and the indices used by Council are considered to be sound and result in a reasonable estimate of fair value.

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

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 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.

Boulia Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The condition assessments performed as part of the annual valuation process for assets measured at written down current replacement cost are used to estimate the 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 13.

Land Under Roads

Land under roads acquired before 30 June 2008 is recognised as a non-current asset where the Council holds title or a financial lease over the asset. The Boulia Shire Council currently does not have any such land holdings.

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

1.M Impairment of Non-Current Assets

Each non-current physical and intangible asset and group of assets is assessed for indicators of impairment annually.

1.N Payables

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

1.O Liabilities - Employee Benefits

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

Salaries and Wages

A liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date. This liability represents an accrued expense and is reported in Note 15 as a payable.

Annual Leave

A liability for annual leave is recognised. Amounts expected to be settled within 12 months (the current portion) are calculated on current wage and salary levels and includes related employee on-costs. Amounts not expected to be settled within 12 months (the non-current portion) are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values. This liability represents an accrued expense and is reported in Note 15 as a payable

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

Sick Leave

Council has an obligation to pay sick leave on termination to certain employees and therefore a liability has been recognised for this obligation. This liability represents an accrued expense and is reported in Note 15 as a payable.

Superannuation

The superannuation expense for the reporting period is the amount of the contribution the Council makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in Note 22.

Boulia Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

Long Service Leave

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates attaching to Commonwealth Government Guaranteed Securities at the reporting date are used to discount the estimated future cash outflows to their present value. This liability is reported in Note 17 as a provision.

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

1.P Borrowings and Borrowing Costs

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

In accordance with the *Local Government Regulation 2012* Council adopts an annual debt policy that sets out Council's planned borrowings for the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times. All borrowing costs are expensed in the period in which they are incurred. No borrowing costs are capitalised on qualifying assets.

1.Q Asset Revaluation Surplus

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

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

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

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

1.R Retained Surplus

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

1.S Reserves

Plant Purchase and Renewal Reserve

This Reserve was created and holds amounts to be contributed to the future replacement of Council's plant.

Asset Acquisition Reserve

This Reserve was created and holds amounts to be contributed to the future replacement of Council's assets.

Information Technology Reserve

This reserve was created and holds amounts to be contributed to the future replacement of Council's information technology assets.

Constrained Works Reserve

This reserve represents contributions received for capital works where the required works have not yet been carried out. Unspent grants received by Council are also placed in this reserve until the obligation has been satisfied.

1.T Taxation

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

Boulia Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

2. Analysis of Results by Function

2(a) Components of Council Functions

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

Corporate Support

Secure revenue from governments and ratepayers to finance the general activities of Council
Provide support functions for the Mayor and Councillors, Council and committee meetings and statutory requirements including disaster management, civic receptions and regional services
Provide Council and corporate management of the organisation including:-
Financial and administrative services
Encourage and monitor the planning and construction of the building environment
Information technology
Human resources and payroll
Plan and design Council's infrastructure and provide general engineering and operational support
Provision of tourism attractions and museums and assist with the promotion and development of the local tourism industry
Provide leadership and key industry contacts for the diversification and growth of local industry
Procure and service Council's mobile fleet

Environmental and Natural Resources

Ensure a high level of environmental health is maintained for all residents and visitors. Protect the natural environment and undertake projects to enhance economic and environmental return from use of reserves.
Protect and enhance the environmental and natural resources within the Shire. This includes:-
Property pest management
Stock route management
Animal control
Environmental licenses and approvals

Community and Lifestyle Services

Enhance community development and equity through targeted assistance and development activities
Provide activities and services to improve the lifestyle of residents including:-
Providing accessible and quality library materials to residents
Providing entertainment venues for all residents
Community centres and halls
Providing community housing for both staff and non-staff members of the Shire
Community services
Provision of clean and appropriate recreational & sporting facilities and areas and other public spaces for community and tourist use
Parks and gardens
Cemeteries

Health and Welfare

Assist with the provision of facilities and activities to enhance the health and welfare of residents. Lobby government for improved facilities.

Water, Sewerage and Garbage

Water Infrastructure

Supply urban residents and businesses with a clean and reliable water supply
Improve the conservation of water use by the community

Sewerage Infrastructure

Provide sewerage services to the urban community

Garbage Infrastructure

Provide urban residents and businesses with an efficient refuse collection and disposal service

Roads

Provide, maintain and upgrade roads, streets and drainage to the highest standard within limits of resources
Undertake road construction and maintenance works for third parties

Bouliā Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

2 Analysis of Results by Function

(b) Income and Expenses defined between Recurring and Capital are attributed to the following functions:

Year ended 30 June 2016

Functions	Gross Program Income				Total Income	Gross Program Expenses		Total Expenses	Net Result from Recurring Operations	Net Result	Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
	2016	2016	2016	2016		2016	2016				
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Corporate Support	2,282,171	1,666,261	-	-	3,948,432	(2,972,104)	-	(2,972,104)	976,329	976,329	16,219,183
Environmental & Natural Resources	-	-	-	-	-	(186,009)	-	(186,009)	(186,009)	(186,009)	62,459
Community & Lifestyle Services	25,093	319,152	329,352	-	673,598	(3,958,186)	-	(3,958,186)	(3,613,941)	(3,284,589)	25,096,615
Health & Welfare	126,227	-	-	-	126,227	(99,893)	-	(99,893)	26,334	26,334	-
Water Sewerage & Garbage	-	392,510	50,674	-	443,184	(617,159)	-	(617,159)	(224,649)	(173,975)	6,873,700
Roads	6,123,516	3,387,486	3,588,351	(32,986)	13,066,366	(8,325,310)	-	(8,325,310)	1,185,691	4,741,056	114,894,779
Total Council	8,557,008	5,765,409	3,968,377	(32,986)	18,257,807	(16,158,661)	-	(16,158,661)	(1,836,245)	2,099,146	163,146,736

Year ended 30 June 2015

Functions	Gross Program Income				Total Income	Gross Program Expenses		Total Expenses	Net Result from Recurring Operations	Net Result	Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
	2015	2015	2015	2015		2015	2015				
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Corporate Support	2,284,077	1,937,215	-	-	4,221,292	(3,778,471)	(1,000)	(3,779,471)	442,821	441,823	20,381,194
Environmental & Natural Resources	86,241	28,575	217,651	-	332,467	(189,231)	-	(189,231)	(74,415)	143,236	-
Community & Lifestyle Services	18,008	512,455	100,000	-	630,463	(1,129,918)	-	(1,129,918)	(599,455)	(499,455)	21,801,380
Health & Welfare	70,700	3,211	161,244	-	235,155	(231,221)	-	(231,221)	(157,310)	3,934	-
Water Sewerage & Garbage	-	219,351	-	-	219,351	(1,083,697)	-	(1,083,697)	(864,346)	(864,346)	6,594,881
Roads	727,772	4,310,729	5,107,051	-	10,145,552	(4,149,358)	-	(4,149,358)	889,143	5,996,194	111,320,854
Total Council	3,186,798	7,011,537	5,585,946	-	15,784,281	(10,561,896)	(1,000)	(10,562,896)	(363,562)	5,221,385	160,098,309

Boulia Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

	Note	Council	
		2016 \$	2015 \$
3 Revenue Analysis			
(a) Rates, Levies and Charges			
General rates		931,559	1,028,315
Water		181,751	182,957
Sewerage		105,604	107,421
Garbage charges		105,154	105,641
Total rates and utility charge revenue		<u>1,324,068</u>	<u>1,424,334</u>
Less: discounts		(121,412)	(120,784)
Less: pensioner remissions		(585)	(585)
		<u>1,202,071</u>	<u>1,302,965</u>
(b) Fees and Charges			
Other fees and charges		405,050	381,807
		<u>405,050</u>	<u>381,807</u>
(c) Rental Income			
Rental income		319,152	340,512
		<u>319,152</u>	<u>340,512</u>
(d) Interest Received			
Interest received from investments		400,090	414,141
Interest from overdue rates and utility charges		14,253	21,854
		<u>414,343</u>	<u>435,995</u>
(e) Sales Revenue			
Contract and recoverable works		3,387,486	4,430,069
		<u>3,387,486</u>	<u>4,430,069</u>
(f) Other Income			
Other income		37,307	120,190
		<u>37,307</u>	<u>120,190</u>
4 Grants, Subsidies, Contributions and Donations			
(a) Recurrent			
General purpose grants		2,960,878	2,893,816
State government and other subsidies and grants		5,596,130	292,982
		<u>8,557,008</u>	<u>3,186,798</u>
(b) Capital			
State government subsidies and grants		2,851,353	5,194,966
Commonwealth government subsidies and grants		1,117,024	390,979
		<u>3,968,377</u>	<u>5,585,945</u>

Contributions recognised as Income during a previous reporting period that were obtained in respect of the current reporting period:

Non-reciprocal grants for expenditure on services	-	36,000
Non-reciprocal grants for expenditure on infrastructure	-	517,207
	<u>-</u>	<u>553,207</u>

Boulia Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

	Note	Council	
		2016	2015
		\$	\$
5 Capital Expenses			
Gain / Loss on Disposal of Non-Current Assets			
Proceeds from the sale of property, plant and equipment		546,364	76,000
Less: Book value of property, plant and equipment disposed of		(579,350)	(77,000)
		<u>(32,986)</u>	<u>(1,000)</u>
6 Employee Benefits			
Total staff wages and salaries		2,457,055	2,961,233
Councillors' remuneration		308,874	264,774
Annual, sick, long service leave and entitlements		620,415	632,179
Superannuation	22	304,746	313,976
		<u>3,691,090</u>	<u>4,172,162</u>
Other employee related expenses		117,808	184,686
		<u>3,808,898</u>	<u>4,356,848</u>
Less: Capitalised employee expenses		(559,895)	(775,079)
		<u>3,249,003</u>	<u>3,581,770</u>
Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties.			
Total council employees at the reporting date:			
Elected members		5	5
Administration staff		16	15
Depot and outdoors staff		26	24
Total full time equivalent employees		<u>47</u>	<u>44</u>
7 Materials and Services			
Administration supplies and consumables		887,409	867,474
Audit of annual financial statements by the Auditor-General of Queensland		91,807	42,890
Communications and IT		113,000	102,879
Consultants		8,777	12,424
Donations paid		56,693	78,954
Repairs and maintenance		328,765	433,207
Roads		6,649,899	1,541,982
Other materials and services		1,408,188	652,275
		<u>9,544,540</u>	<u>3,732,085</u>
8 Finance Costs			
Finance costs charged by the Queensland Treasury Corporation		49,277	-
Bank charges		19,074	6,446
Impairment of debts		7,493	33,251
		<u>75,844</u>	<u>39,697</u>
9 Depreciation			
Buildings & structures		1,008,176	996,152
Plant and vehicles		389,813	447,799
Furniture & equipment		44,550	61,201
Road infrastructure		1,479,059	1,291,181
Water infrastructure		129,049	127,044
Sewerage infrastructure		45,729	40,818
Aerodrome infrastructure		192,897	244,149
Total depreciation	13	<u>3,289,272</u>	<u>3,208,344</u>

Boulia Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

	Note	Council	
		2016 \$	2015 \$
10 Cash and Equivalents			
Cash at bank and on-hand		120,297	1,604,922
Deposits at call		11,658,822	11,773,618
Balance per Statement of Cash Flows		<u>11,779,119</u>	<u>13,378,540</u>

Cash and deposits at call are held in the Queensland Treasury Corporation and Commonwealth Bank of Australia in normal business accounts.

11 Trade and Other Receivables

Current

Rateable revenue and utility charges	199,581	257,742
Other debtors	1,397,203	727,341
Less impairment	(97,405)	(183,030)
GST recoverable	(16,837)	8,323
Prepayments	83,481	88,528
	<u>1,566,023</u>	<u>898,904</u>

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

Movement in accumulated impairment losses (other debtors) is as follows:

Opening balance at 1 July	183,030	150,438
Impairment debts written off during the year	(85,625)	-
Additional impairments recognised		32,592
Impairments reversed		-
Closing Balance at 30 June	<u>97,405</u>	<u>183,030</u>

12 Inventories

Inventories Held For Sale or Consumption

Min Min Encounter stock	43,091	36,172
Plant and equipment stores	202,046	262,852
Other trading stocks	30,606	21,960
	<u>275,742</u>	<u>320,984</u>

Bouliá Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

13 Property, Plant and Equipment

Council - 30 June 2016

Basis of measurement

Asset Values

Opening Gross Value as at 1 July 2015

Additions

Disposals

Revaluation adjustments

Transfers between classes

Closing Gross Value as at 30 June 2016

Note	Land and Improvements	Buildings and Structures	Plant and Vehicles	Furniture & Equipment	Road Infrastructure	Water Infrastructure	Sewerage Infrastructure	Aerodrome Infrastructure	Work in Progress	Total
	Fair Value	Fair Value	Cost	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	\$
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
	475,500	29,639,217	6,279,459	1,299,755	135,084,944	6,796,778	2,863,544	5,959,247	1,850,498	190,248,942
	-	-	-	-	-	-	-	-	6,659,633	6,659,633
5	(19,000)	(650,381)	(1,002,982)	-	-	-	-	-	-	(1,672,363)
18	174,000	(3,522,523)	-	-	-	-	-	-	-	(3,348,523)
	-	76,212	781,287	1,963	6,931,642	424,844	-	105,017	(8,320,966)	(0)
	630,500	25,542,525	6,057,765	1,301,718	142,016,586	7,221,622	2,863,544	6,064,264	189,165	191,887,689

Accumulated Depreciation

Opening balance as at 1 July 2015

Depreciation provided in period

Depreciation on disposals

Revaluation adjustment to accumulated depreciation

Transfers between classes

Accumulated Depreciation as at 30 June 2016

	-	13,193,443	2,898,218	553,245	23,764,090	1,976,208	1,089,233	1,274,624	-	44,749,061
9	-	1,008,176	389,813	44,550	1,479,059	129,049	45,729	192,897	-	3,289,272
5	-	(394,647)	(698,366)	-	-	-	-	-	-	(1,093,013)
18	-	(6,479,250)	-	-	1,895,766	-	-	-	-	(4,583,484)
	-	(2,539)	-	7,451	-	(114)	-	(4,798)	-	-
	0	7,325,183	2,589,665	605,246	27,138,915	2,105,143	1,134,962	1,462,723	0	42,361,837

Total Written Down Value as at 30 June 2016

Residual value

Range of estimated useful life in years

	630,500	18,217,343	3,468,099	696,472	114,877,671	5,116,479	1,728,582	4,601,541	189,165	149,525,852
	630,500	-	1,274,486	-	-	-	-	-	-	-
	N/A	20-100	2-20	3-10	10-1000	30-80	25-75	20-100	-	-

Additions comprise:

Renewals

Other additions

Total additions

	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	-	-	733,710	-	2,174,220	279,153	-	-	-	3,187,082
	-	76,212	62,658	13,498	3,246,114	14,612	-	59,457	-	3,472,551
	-	76,212	796,368	13,498	5,420,334	293,764	-	59,457	-	6,659,633

13 Property, Plant and Equipment

Council - 30 June 2015

Basis of measurement

Asset Values

Opening Gross Value as at 1 July 2014

Additions

Disposals

Revaluation adjustment to revaluation surplus

Transfers between classes

Closing Gross Value as at 30 June 2015

Note	Land and Improvements	Buildings and Structures	Plant and Vehicles	Furniture & Equipment	Road Infrastructure	Water Infrastructure	Sewerage Infrastructure	Aerodrome Infrastructure	Work in Progress	Total
	Fair Value	Fair Value	Cost	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	\$
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	475,500	29,057,500	6,043,635	1,299,755	80,764,199	6,796,778	2,325,990	4,541,357	792,997	132,097,711
	-	-	-	-	-	-	-	-	9,981,809	9,981,809
5	-	-	(149,774)	-	-	-	-	-	-	(149,774)
18	-	-	-	-	48,515,249	-	-	(196,053)	-	48,319,197
	-	581,717	385,598	-	5,805,496	-	537,554	1,613,943	(8,924,308)	-
	475,500	29,639,217	6,279,459	1,299,755	135,084,944	6,796,778	2,863,544	5,959,247	1,850,498	190,248,942

Accumulated Depreciation and Impairment

Opening Balance as at 1 July 2014

Depreciation provided in period

Depreciation on disposals

Revaluation adjustment to revaluation surplus

Accumulated Depreciation as at 30 June 2015

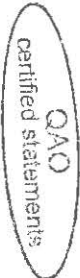
	-	12,197,291	2,523,194	492,044	9,337,375	1,849,165	1,048,415	1,692,484	-	29,139,968
9	-	996,152	447,798	61,201	1,291,181	127,043	40,818	244,149	-	3,208,344
5	-	-	(72,774)	-	-	-	-	-	-	(72,774)
	-	-	-	-	13,135,534	-	-	(662,009)	-	12,473,525
	-	13,193,443	2,898,218	553,245	23,764,090	1,976,208	1,089,233	1,274,624	-	44,749,061

Total Written Down Value as at 30 June 2015

Residual value

Range of estimated useful life in years

	475,500	16,445,774	3,381,241	746,510	111,320,854	4,820,570	1,774,311	4,684,623	1,850,498	145,499,881
	475,500	5,000	1,990,486	-	-	-	-	-	-	-
	N/A	20-100	2-20	3-10	10-1000	30-80	25-75	20-100	-	-



Boulia Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

14 Fair Value Measurements

(i) Recognised Fair Value Measurements

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

- Property, plant and equipment
 - Land and improvement
 - Buildings and other structures
 - Aerodrome infrastructure
 - Road infrastructure
 - Water infrastructure
 - Sewerage infrastructure

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

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

Council borrowings are measured 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 and represents the contractual undiscounted cash flow at balance date (Level 2).

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

In accordance with AASB 13 *Fair Value Measurements* are categorised on the following basis:

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

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

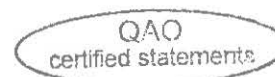
The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If all significant inputs required to fair value and asset are observable, the asset is included in Level 2. If one or more of the significant inputs is not based on observable market data, the asset is included in Level 3. This is the case for Council infrastructure assets, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2016.

Council							
At 30 June 2016	Note	Level 2 2016	Level 2 2015	Level 3 2016	Level 3 2015	Total 2016	Total 2015
		(Observable inputs)	(Unobservable inputs)				
		\$	\$	\$	\$	\$	\$
Recurring Fair Value Measurements							
Land and improvement	13	630,500	475,500	-	-	630,500	475,500
Buildings and structures	13	1,480,000	=	16,737,343	16,445,774	18,217,343	16,445,774
Road infrastructure	13	-	-	114,877,671	111,320,854	114,877,671	111,320,854
Water infrastructure	13	-	-	5,116,479	4,820,570	5,116,479	4,820,570
Sewerage infrastructure	13	-	-	1,728,582	1,774,311	1,728,582	1,774,311
Aerodrome infrastructure	13	-	-	4,601,541	4,684,624	4,601,541	4,684,624
		2,110,500	475,500	143,061,616	139,046,133	145,172,116	139,521,633

There were no transfers between levels 1 and 2 during the year, there was a transfer between levels 2 and 3.

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



**Boulia Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016**

(ii) Valuation Techniques Used to Derive Fair Values for Level 2 and Level 3 Valuations

Council adopted AASB13 *Fair Value Measurement* for the first time in the 2013/14 financial year and has reviewed each valuation to ensure compliance with the requirements of the new standard. There have been no changes in valuation techniques as a result of this review.

Specific Valuation Techniques Used to Value Council Assets Comprise:

Land (Level 2)

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

Buildings (Level 2 and 3)

The fair value of buildings were also determined by independent valuer, APV Valuers and Asset Management effective 30 June 2016. Where there is a market for Council building assets, fair value has been derived from the sales prices of comparable properties after adjusting for differences in key attributes such as property size. The most significant inputs into this valuation approach were price per square metre.

Where Council buildings are of a specialist nature and there is no active market for the assets, fair value has been determined on the basis of replacement with a new asset having similar service potential including allowances for preliminaries and professional fees. The gross current values have been derived from reference to market data for recent projects and costing guides issued by the Australian Institute of Quantity Surveyors, Rawlinson's (Australian Construction Handbook). Where a depth in market can be identified, the net current value of a building asset is the difference between the market value of the asset as a whole (including land) and the market value of the land component. Where there is no depth of market, the net current value of a building asset is the gross current value less accumulated depreciation to reflect the consumed or expired service potential of the asset.

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

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

Infrastructure Assets (Level 3)

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

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

The unit rates (Labour and materials) and quantities applied to determine the CRC of an asset or asset component were based on a "Greenfield" assumption meaning that the CRC was determined as the full cost of replacement with a new asset including components that may not need to be replaced, such as earthworks. The DRC was determined using methods relevant to the asset class as described under individual asset categories below.

**Boulia Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016**

1(a) Road Infrastructure - Calculation of Current Replacement Cost

Roads and Aerodrome

Current Replacement Cost

The Road Network has been segmented. Unit rates are applied to the individual road components seal, pavement, formation, footpaths, floodways, culverts and kerb & channel of each road in order to determine the replacement cost.

The unit rates assume an incremental Greenfields approach and exclude Brownfield cost components. These unit rates are estimated using information collated from cost guides, historical costs, contractor rates, future works, regional information and the Queensland Road Alliance project data. Primary factors used in assumptions on unit rates are:- 1) Raw materials have been sourced locally from gravel pits for unsealed roads; 2) Water is available at low to moderate cost for rural road work (<20 km); 3) Contract crushing utilised for aggregate for sealing and aggregation of sealing projects and renewals to reduce low quantity works and increase economies of scale; 4) Quality of material used in pavement construction and extent of compaction of formation varied based on road type and hierarchy.

The last full independent valuation of road infrastructure was undertaken effective 30 June 2015 and was conducted by Australis Asset Advisory Group.

Accumulated Depreciation

The remaining useful life was measured based primarily on inspected physical condition data for visible assets and chronological construction dates for underground or inaccessible assets. The condition data was collected through an extensive survey that consisted of physical inspection of 68.5% of rural shire roads and 100% inspection of urban sealed roads. The physical condition score was then combined with any relevant obsolescence factors to arrive at an adopted remaining useful life. The condition score was utilised on a sliding scale of those assets where physical condition is difficult to accurately measure due to short maintenance cycles or other circumstances.

The condition rating inputs can be defined in the following table:

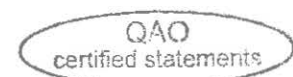
Description		% of Life Remaining
10	New asset	100%
9	Near new asset or refurbished asset	90%
8	Excellent condition, minimal deterioration noted	80%
7	Very good condition with early stages of deterioration	70%
6	Good condition, some signs of deterioration	60%
5	Fair to good condition, clear signs of deterioration evident	50%
4	Poor to fair condition with clear deterioration. Moderate maintenance requirements	40%
3	Poor condition, clear deterioration, high maintenance required. Renewal required.	30%
2	Very poor condition with severe deterioration.	20%
1	Extremely poor condition with almost failed	10%
0	Failed asset, inhabitable, inoperable	0%

Remaining lives used in the depreciation calculations are estimated using Three (3) different methods: condition, known age and estimated age.

Estimated useful lives and residual values are disclosed in Note 13.

Percentage of Assets Inspected

68.5% of shire rural roads & 100% of urban sealed roads were inspected as part of the valuation. None of the sealed pavement or any formation was inspected due to the inaccessible nature of the asset component.



**Boulia Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016**

2(a) Water and Sewerage Infrastructure – Calculation of Written Down Current Replacement Cost

Water and Sewerage

Current Replacement Cost

Water and sewerage infrastructure fair values were determined by independent valuers, AssetVal Pty Ltd effective 30 June 2014. CRC was calculated based on expected replacement costs. In all cases the assets were disaggregated to component level to ensure a reliable measure of cost and service capacity and deterioration of estimated remaining life.

AssetVal's Cost Models were Derived from the following sources:
• AssetVal database
• Schedule rates for construction of asset or similar assets
• Cost curves derived by experience
• Price index tables
• Recent contract and tender data
• Relevant Indices for building and construction, and
• Suppliers' quotations

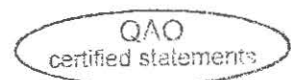
Factors taken into account in determining replacement costs included:

- **Development factors** - the area in which development takes place (e.g. Rural areas would have little or no restoration requirements, whereas a high density area would have large amounts of high quality footpaths, road pavements and associated infrastructure that would require reinstatement, and would also require traffic control).
- **Soil Factors** - The types of soil or other surface material (e.g. Areas where soil is sandy are difficult to excavate and would require shoring while areas where the soil is generally free of rock would not present any great difficulty for excavation).
- **Depth Factors** - All water assets are in trenches at or above 600mm in depth. Most sewerage assets are in trenches less than 1.5m and Council will reline sewers rather than replace them.

Accumulated Depreciation

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, which was used to estimate remaining useful life as tabled below:

	Description	% Life Remaining
10	Brand new or rehabilitated to new	100%
9	Near new with no visible deterioration	90%
8	Excellent overall condition early stages of deterioration	80%
7	Very good overall condition with obvious deterioration evident	70%
6	Good overall condition, obvious deterioration, serviceability impaired very slightly	60%
5	Fair overall condition, obvious deterioration, some serviceability loss	50%
4	Fair to poor overall condition, obvious deterioration, serviceability loss	40%
3	Poor overall condition, obvious deterioration, some serviceability loss, high maintenance costs	30%
2	Very poor overall condition, severe deterioration, very high maintenance costs. Consider renewal.	20%
1	Extremely poor condition, severe serviceability problems, renewal required immediately	10%
0	Failed asset, No longer serviceable. Should not remain in service	0%



**Bouliā Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016**

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

For wastewater gravity mains the assumption that the pipes will be relined was adopted. The fair value for sewer gravity mains was determined as follows:

- For all pipes, replacement cost was determined based on replacement by trench excavation, useful life was determined as the pipe useful life plus the reline useful life, and the pipe fair value was based on age.
- Where pipes have been relined, the total pipe useful life was determined as the pipe age when the reline occurred plus the reline life.
- The relining of pipes was valued at reline rates and depreciated over the reline life (70 years). The reline fair value was based on age.

In August, 2014, 1.45 kms of the sewerage system was relined after initial visual assessments of the CCTV footage indicated that a number of joint displacements, intruding junctions, fracturing longitudinally and circumferentially as well as root and debris within the invert of the assets. The relining work utilised EX PVC lining. The product is guaranteed for between 20 - 25 years by Abergeldie Complex Infrastructure, the company that undertook the work. However, discussions with our Engineer, Stuart Bourne have indicated 3 studies that have been completed that have stated that PVC pipe has a longevity in excess of 100 years and that it would be further protected by being inside the existing sewerage pipes.

QAO advice was that the relining is treated as an addition and depreciated as a separate component to the existing pipe and that the remaining useful life of the existing pipe would then be consistent with the useful life of the relining.

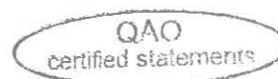
Given the studies that predict that PVC piping has a useful life of in excess of 100 years, we have given the relining a useful life equivalent to the remaining useful life of the existing pipe.

(iii) Changes in Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

The changes in Level 3 assets with recurring fair value measurements are detailed in Note 13.

(iv) Valuation Processes

Council's valuation policies and procedures are set by the finance committee of the executive management team which comprises the Chief Executive Officer, DCEO and the Manager of Corporate Services. They are reviewed annually taking into consideration an analysis of movements in fair value and other relevant information. Council's current policy for the valuation of property, plant and equipment is set out in Note 1. Non-recurring fair value measurements are made at the point of reclassification by a registered valuer.



Boulia Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

15 Trade and Other Payables

	Council	
Note	2016 \$	2015 \$
Current		
Creditors and accruals	352,763	437,469
Annual leave	304,230	297,059
Sick leave	124,951	171,186
Other entitlements	19,604	13,128
	<u>801,577</u>	<u>918,842</u>

16 Borrowings

Current		
Loans - Queensland Treasury Corporation	46,887	49,513
	<u>46,887</u>	<u>49,513</u>
Non-current		
Loans - Queensland Treasury Corporation	1,207,138	1,253,550
	<u>1,207,138</u>	<u>1,253,550</u>
Loans - Queensland Treasury		
Opening balance at beginning of financial year	1,303,063	-
Loans raised	-	1,303,063
Principal repayments	(49,038)	-
Book value at end of financial year	<u>1,254,025</u>	<u>1,303,063</u>

The QTC loan market value at the reporting date was \$1,381,206. This represents the value of the debt if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts.

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

All borrowings are in \$A denominated amounts and carried at amortised cost, interest being expensed as it accrues. Expected final repayment date is 15th June 2035. There has been no defaults or breaches of the loan agreement during the period.

Principal and Interest repayments are made quarterly in arrears.

17 Provisions

	Council	
Note	2016 \$	2015 \$
Current		
Long service leave	208,482	287,460
	<u>208,482</u>	<u>287,460</u>
Non-Current		
Long service leave	49,965	28,402
	<u>49,965</u>	<u>28,402</u>
Details of movements in provisions:		
Long Service Leave		
Balance at beginning of financial year	315,862	296,280
Long service leave entitlement arising	28,677	33,858
Long service entitlement extinguished	(29,080)	-
Long service entitlement paid	(57,012)	(14,276)
Balance at end of financial year	<u>258,448</u>	<u>315,862</u>

QAO
certified statements

Boulia Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

18 Revaluation Surplus

	Note	2016 \$	Council	2015 \$
Movements in the Asset Revaluation Surplus were as follows:				
Balance at beginning of financial year		84,339,319		48,493,647
Net adjustment to non-current assets at end of period to reflect a change in current fair value:				
Land and improvements		174,000		-
Buildings and other structures		2,894,763		-
Road infrastructure		(1,895,766)		35,379,715
Aerodrome infrastructure		-		466,957
Sewerage		-		-
Water		-		-
Balance at end of financial year		<u>85,512,316</u>		<u>84,339,319</u>

Asset Revaluation Surplus Analysis

The closing balance of the asset revaluation surplus comprises the following asset categories:

Land and improvements	604,432	430,432
Buildings	12,429,290	9,534,527
Road infrastructure	68,291,290	70,187,055
Sewerage	702,920	702,920
Water	2,566,680	2,566,680
Aerodrome infrastructure	917,705	917,705
	<u>85,512,316</u>	<u>84,339,319</u>

19 Reserves

Reserves Held for Funding Future Capital Expenditure

Plant purchase and renewal reserve	499,172	383,172
Asset acquisition reserve	829,061	829,061
Information technology reserve	450,000	450,000
Constrained works reserve	550,318	894,050
Total reserves	<u>2,328,551</u>	<u>2,556,283</u>

Movements in capital reserves:

Plant Purchase and Renewal Reserve

Balance at beginning of financial year	383,172	383,172
Transfer to the retained surplus funds used in the period	116,000	-
Balance at end of financial year	<u>499,172</u>	<u>383,172</u>

Asset Acquisition Reserve

Balance at beginning of financial year	829,061	829,061
Transfer to retained surplus funds used in the period	-	-
Balance at end of financial year	<u>829,061</u>	<u>829,061</u>

Information Technology Reserve

Balance at beginning of financial year	450,000	450,000
Transfer from retained surplus for future expenditure	-	-
Balance at end of financial year	<u>450,000</u>	<u>450,000</u>

Constrained Works Reserve

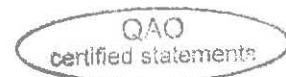
Balance at beginning of financial year	894,050	285,565
Transfer from retained surplus for future expenditure	(780,232)	796,310
Transfer to the retained surplus funds used in the period	436,500	(187,825)
Balance at end of financial year	<u>550,318</u>	<u>894,050</u>

20 Commitments for Expenditure

Contractual Commitments

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

Plant and Vehicles	1,000,000	-
	<u>1,000,000</u>	<u>-</u>



**Boulia Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016**

21 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 2016 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare

The Council is a member of the Queensland Local Government 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 \$1M.

22 Superannuation

The Council contributes to the Local Government Superannuation Scheme (Qid) (the scheme). The scheme is a multi-employer plan as defined in the Australian Accounting Standard AASB 119 *Employee Benefits*.

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

The scheme has three (3) elements referred to as:

- The City Defined Benefits Fund (CDBF) which covers former members of the City Super Defined Benefits Fund
- The Regional Defined Benefits Fund (Regional DBF) which covers Defined Benefit Fund members working for regional local governments; and
- The Accumulation Benefits Fund (ABF)

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

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

The Regional DBF is a defined benefit plan as defined in AASB 119. The Council is not able to account for the Regional DBF as a defined benefit plan in accordance with AASB 119 because the scheme is unable to account to the Council for its proportionate share of the defined benefit obligation, plan assets and costs. The funding policy adopted in respect of the Regional DBF is directed at ensuring that the benefits accruing to members and beneficiaries are fully funded as they fall due.

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

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

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

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

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

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

There are currently 72 entities contributing to the Regional DBF plan and any changes in contribution rates would apply equally to all 72 entities. Boulia Shire Council made less than 4% of the total contributions to the plan in the 2015-16 financial year.

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

	Note	2016 \$	Council	2015 \$
Superannuation contributions paid by Council to the scheme for employees benefit was:	6	304,746		313,976



**Boulia Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016**

	Note	2016 \$	Council	2015 \$
23 Trust Funds				
Trust Funds Held for Outside Parties				
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities				
Auspicings		91,713		16,028
Security deposits		32,151		56,201
		<u>123,864</u>		<u>72,229</u>

The Council performs only a custodial role in respect of these monies. As these funds cannot be used by the Council, they are not brought to account in these financial statements.

Funds held in the Trust Account on behalf of outside parties include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies (e.g. wages) paid into the Trust Account by the Council. The Council performs only a custodial role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements.

The monies are disclosed in the Notes to the Financial Statements for information purposes only in the above note.

24 Reconciliation of Net Result for the Year to Net Cash Inflow (outflow) from Operating Activities

Net result	2,099,149	5,221,387
Non-cash items:		
Depreciation and amortisation	3,289,272	3,208,344
Investing and development activities:		
Net (Profit)/Loss on disposal of non-current assets	32,986	1,000
Capital grants and contributions	(3,968,377)	(5,585,945)
	<u>(3,935,391)</u>	<u>(5,584,945)</u>
Changes in operating assets and Liabilities:		
(Increase)/ decrease in receivables	(667,119)	767,560
(Increase)/decrease in inventory	45,242	81,944
Increase/(decrease) in payables	(117,285)	49,254
Increase/(decrease) in other provisions	(57,414)	19,582
	<u>(796,557)</u>	<u>918,340</u>
Net cash inflow from operating activities	<u>656,474</u>	<u>3,763,126</u>

Boulia Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

25 Financial Instruments

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

- Credit risk
- Liquidity risk
- Market risk

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

Financial Risk Management

Boulia Shire Council is responsible for the establishment and oversight of the Risk Management Framework, together with developing and monitoring Risk Management Policies. Council's management approves policies for overall risk management, as well as specifically for managing credit, liquidity and market risk.

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

Boulia Shire Council does not enter into derivatives.

Credit Risk

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

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

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

No Collateral is held as security relating to the financial assets held by Boulia Shire Council.

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

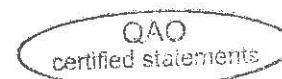
	<u>Note</u>	Council	
		2016	2015
Financial Assets		\$	\$
Cash and equivalents	10	11,779,119	13,378,540
Receivables - rates	11	199,581	257,742
Receivables - other	11	1,366,442	552,634
Other Credit Exposures			
Guarantees	21	67,058	75,986
Total Financial Assets		13,412,200	14,264,902

Cash and 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.

Other Financial Assets

Other investments are held with financial institutions, which are rated AAA to AA- based on rating agency Standard and Poor ratings, and whilst not capital guaranteed, the likelihood of a credit failure is assessed as remote.



Boulia Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

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, there is also a concentration in the agricultural sector.

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

	Council	
	2016	2015
	\$	\$
Not past due	1,235,603	42,181
Past due 31-60 days	2,930	659,824
Past due 61-90 days	4,340	20,266
More than 90 days	100,227	273,003
Impaired	(97,405)	(183,030)
Total	1,245,695	812,244

Liquidity Risk

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

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

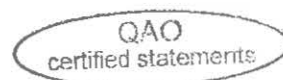
The Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in Note 16.

The following table sets out the liquidity risk in relation to financial liabilities held by Council. It represents the remaining contractual cash flows (Principal and interest) of financial liabilities at the end of the reporting period, excluding the impact of netting agreements.

Council

	0 to 1 year	1 to 5 years	Over 5 years	Total Contractual Cash Flows	Carrying Amount
	\$	\$	\$	\$	\$
2016					
Trade and other payables	352,793	0	0	352,793	352,793
Loans - QTC	94,897	379,588	1,328,558	1,803,044	1,254,025
	<u>447,690</u>	<u>379,588</u>	<u>1,328,558</u>	<u>2,155,836</u>	<u>1,606,817</u>
2015					
Trade and other payables	437,469	0	0	437,469	437,469
Loans - QTC	99,790	376,411	1,167,488	1,643,689	1,303,063
	<u>537,259</u>	<u>376,411</u>	<u>1,167,488</u>	<u>2,081,158</u>	<u>1,740,532</u>

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



Boulia Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

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

Council is exposed to interest rate risk through Investments with QTC and other financial institutions.

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

Sensitivity

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

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

	Net Carrying Amount	Effect on Net Result		Effect on Equity	
		1% increase	1% decrease	1% increase	1% decrease
	\$	\$	\$	\$	\$
Council					
2016					
QTC Cash Fund	11,658,822	116,588	(116,588)	116,588	(116,588)
Other investments	-	-	-	-	-
Loans - QTC*	1,254,025	-	-	-	-
Net Total	12,912,847	116,588	(116,588)	116,588	(116,588)
2015					
QTC Cash Fund	11,773,618	117,736	(117,736)	117,736	(117,736)
Other investments	-	-	-	-	-
Loans - QTC*	1,303,063	-	-	-	-
Net Total	13,076,681	117,736	(117,736)	117,736	(117,736)

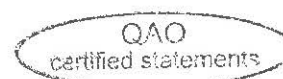
*QTC Generic Debt Pool - the Generic Debt Pool products approximate a fixed rate loan. There is negligible impact on interest sensitivity from changes in interest rates for Generic Debt Pool borrowings

Fair Value

The fair value of trade and other receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

The fair value of borrowings with 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 client's cost of funding. The book value represents the carrying value based on amortised cost using the effective interest method.



**Boulia Shire Council
Financial Statements
For the year ended 30 June 2016**

**Management Certificate
For the year ended 30 June 2016**

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

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

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 1 to 32, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



Mayor
Eric Britton

Date: 31, 10, 2016



Chief Executive Officer
Lynn Moore

Date: 31, 10, 2016

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Boulia Shire Council

Report on the Financial Report

I have audited the accompanying financial report of Boulia Shire Council, which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Mayor and Chief Executive Officer.

The Council's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

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

Opinion

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

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

Other Matters - Electronic Presentation of the Audited Financial Report

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




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

Queensland Audit Office
Brisbane

Boulia Shire Council

Current Year Financial Sustainability Statement

Certificate of Accuracy - for the Current Year Financial Sustainability Statement

Independent Auditor's Report (Current Year Financial Sustainability Statement)

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

Measures of Financial Sustainability

	How the Measure is Calculated	Actual	Target
Council's performance at 30 June 2016 against key financial ratios and targets:			
Operating Surplus Ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-13%	0% and 10%
Asset Sustainability Ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	88%	> 90%
Net Financial Liabilities Ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-79%	< 65%


Note 1 - Basis of Preparation

The current year Financial Sustainability Statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the Financial Management (Sustainability) Guideline 2013. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2016.

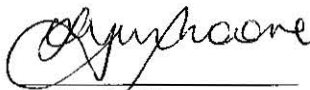
Certificate of Accuracy
For the year ended 30 June 2016

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.



Mayor
Eric Britton
Date: 31/10/2016



Chief Executive Officer
Lynn Moore
Date: 31/10/2016

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Boulia Shire Council

Report on the Current-Year Financial Sustainability Statement

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

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

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

Auditor's Responsibility

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

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

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

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

Independence

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

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

Opinion

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

Emphasis of Matter – Basis of Accounting

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

Other Matters - Electronic Presentation of the Audited Statement

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


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



Queensland Audit Office
Brisbane

Boulia Shire Council

Long Term Financial Sustainability Statement - Unaudited

Certificate of Accuracy - for the Long Term Financial Sustainability Statement

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

Measures of Financial Sustainability	Measure	Target	Actual at 30 June 2016	Projected for the years ended								
				30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025
Council												
Operating Surplus Ratio	Net result divided by total operating revenue	0% to 10%	13%	-23.8%	-39.3%	-47.5%	-38.1%	31.3%	25.5%	-33.8%	-32.0%	-26.6%
Asset Sustainability Ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	> 60%	86%	34.7%	41.0%	40.1%	60.6%	30.7%	39.8%	30.5%	31.0%	35.2%
Net Financial Liabilities Ratio	Total liabilities less current assets divided by total operating revenue	< 60%	-79%	102.5%	-116.8%	-101.3%	91.6%	0.0%	87.6%	-80.9%	-72.5%	-79.6%


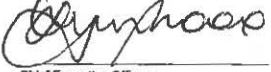
Council's Financial Management Strategy

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 (7) key financial performance indicators to guide our financial health. In addition to the financial indicators, we have the above three (3) 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.

Certificate of Accuracy
For the Long-term Financial Sustainability Statement prepared as at 30 June 2016

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

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

 _____ Mayor Eric Britton Date: <u>31/10/2016</u>	 _____ Chief Executive Officer Lynn Moore Date: <u>31/10/2016</u>
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