



## *about this report*

Our Annual Report summarises Council's 2016/17 activities, our achievements, our challenges and a snapshot for the year to come. The annual report is a major accountability tool in Council's governance framework, which provides non-financial and financial information to enable the community to assess the performance of Council in achieving the goals and objectives outlined in the Corporate Plan 2013-2018.

The Local Government Act and Regulations lets Council know what is required in the Annual Report for each financial year. We welcome feedback from our community and key stakeholders on this report and on our performance throughout the year.

To provide feedback please contact Council on (07) 4620 8888 or email [council@balonne.qld.gov.au](mailto:council@balonne.qld.gov.au)

## *acknowledgement*

*We acknowledge the traditional custodians of this land that we work, live and play on, and pay our respect to their cultures, their ancestors and to the elders, past, present and future.*





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## our region



The Balonne Shire is located in Queensland, about 500km inland from the Queensland capital, Brisbane, and is nestled just above the New South Wales border.

Our Shire serves as a bridge between the expanse of the great outback to its west, and the Great Dividing Range and capital city to its east.

Across 31,151.8km<sup>2</sup>, 4480 residents call one of our seven communities home – St George, Thallon, Dirranbandi, Bollon, Nindigully, Mungindi, and Hebel.

One of the unique things about our Shire is that every town is situated beside a river.

Our towns are known for their rich history, friendly locals, bird life, wide open spaces and relaxed country lifestyle.

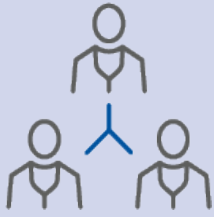
Traditionally, the Shire's economy has been built around agriculture, in particular the production of cotton, grain, sheep and cattle.

Growth has been shown in new areas such as tourism, and horticultural crops such as grapes, onions, blueberries (*left*), broccoli and garlic.

The Shire hub, St George (*opposite*), sits at the intersection of six highways, providing connectivity for the transportation of goods and a central meeting place for residents and the travelling public.



## our population



22% aged 0-14 years\*

63.2% aged 15-64 years\*

14.8% aged 65+ years\*

Median age of 39.1 years\*

15.9% were Aboriginal and/or Torres Strait Islander peoples\*

\*Source: Queensland Government Statisticians Office

## our climate



Average daily temperature:  
13.6°C-27.8°C

Average annual rainfall:  
480mm

## our region

4 approved  
new houses in  
2016/17 year

\$1.4m of  
building value  
in residential  
building approvals

Unemployment rate of  
3.6%

741.6km<sup>2</sup> of protected area

692.1km<sup>2</sup> of national park



## our services



5 early childhood education  
and care services\*

1 long day care service

4 aged care services^

64 aged care service  
operational places

7 schools~

4 hospitals

\*as at 31 August 2017 ^as at 30 June 2016 ~as at 30 June 2015



## *our vision, our mission, our values*

**Our vision** is to respond to community needs and expectations and to provide a range of services through quality leadership, policies and community representation.

**Our mission** to anticipate our community's needs and expectations and provide a range of services through quality leadership, policies and community representation.

**Our values** will enable us to achieve our vision and mission:





*Hebel Library*

Our purpose is to provide for the current and future residents of Balonne and visitors to our region.

We provide high-quality leadership and advocacy on behalf of our community and actively lobby for economic relief following the detrimental effects of the Murray Darling Basin water buy-back scheme.

Our team provides the services, facilities and activities that benefit our community - from parks and playgrounds for people of all ages, to the sporting grounds and showgrounds that keep our residents and visitors active and entertained.

Council supplies water using both bore and river water supplies.

Each of our towns has a community hall which is maintained by Council. There is a main library in St George and library facilities in Thallon, Hebel, Bollon and Dirranbandi.

Our waste services are provided through a contract with JJ Richards and we have a number of land fill sites across the Shire.

Council works in close partnership with the Department of Transport and Main Roads to ensure our highways are well maintained.

Council has a comprehensive road maintenance program for our local roads.



*Installing river water meters in St George*

## our mayor

For the Balonne Shire and your Councillors, 2016-17 proved a hectic period as we have worked to consolidate existing projects in the Shire and progress new projects to develop and take the Shire forward.

This has been done against the backdrop of agricultural challenges of drought and water buybacks, pimelea poisoning, an anthrax outbreak, reductions in population and production, increased input costs, eg power, and many other impacts that have affected us.

Regardless of these negative impacts, we have achieved a number of objectives over the 12 months. Critical to Council operations, we now have in place an experienced executive team in Chief Executive Officer Matthew Magin, Director Corporate and Financial Services Michelle Clarke, Director Community and Environmental Services Jamie Gorry and, our most recent appointment, Director Infrastructure Services Ross Drabble.

This Leadership Team in conjunction with Council, is reviewing all aspects of our operations and making improvement and change where necessary to increase efficiency and provide better services to our community.

Accordingly, we have adopted new values for Council being "Our Customers/Our Team/Our Reputation" which when converted from words to actions will enhance our performance and give increased value to our community.

Over the period there have been successes and challenges. Among these I would count the Murray Darling water buybacks from our area, completion of the Hutt Street River Water Pump Station, negotiation of the new Waste/Recycling Contract, and dealing with the fluctuation in property valuations resulting from the DNRM revaluation of Shire land.

Dealing with each of these separately, most residents would be aware of the impact of the buybacks in reducing the water available for irrigated production and consequently the reduction in the productive area resulting in a reduction in return from that farming area.

Council has and will continue to advocate strongly for no more water buybacks from our area.

Council is also advocating for



assistance in developing new productive industries or support for existing industries in order to increase productivity of our Shire.

We have achieved a number of objectives this year, notably:

- The commissioning of the Hutt Street River Water Pumping Station and its successful and seamless integration as the sole supplier of river water to St George

### *There have been successes and challenges*

- Negotiation and implementation of the new waste/recycling contract with a much improved service for a minimal cost increase to the ratepayer. The recycling efficiency is extremely satisfying as volumes are significantly greater than anticipated and thus reducing the volume of waste going to the pit and saving money in the long term.

- The revaluation of land in the Shire and the significant fluctuations

between past and current valuation in the rural area was a cause for concern and resulted in many rate modelling workshops involving Council, senior executives and consultants. The result was that effectively there was an increase of 2% on total rates received by Council. In an attempt to reduce the significant impact on those land holders whose valuations had increased by up to 200%, Council capped the rates increase at 30% for this year. We acknowledge that the resultant increase to some was still significant and further modelling will be undertaken in 2017/18 to investigate if an alternative model giving better outcomes is available.

Generally, we have had a very busy year. Certainly the drought and other challenges have not helped our rural sector and this flows through the community. Dry times make road maintenance and other activities difficult for Council as well but we do endeavour to retain our maintenance levels and address problems as they arise.





**Cr Richard Marsh**  
Mayor

Elected to Council in July 2002 and elected Mayor in 2016.

Responsible for the portfolios of Disaster Management; Regional Road Group; Indigenous Affairs; Economic Development; Financial Management; Human Resource Management & Enterprise Bargaining; Regional Planning, Planning Scheme & Development Regulations.

I would encourage all residents to use the free phone application *Snap, Send, Solve* to report problems. It is quick and easy to use, identifies the location of the problem precisely and alleviates the necessity to send a letter, email or make a phone call.

I thank our Senior Leadership Group and the staff for their efforts this year and for their adoption of change as we seek to improve the efficiency and performance of our operations.

I thank Councillors for their efforts and support over the year and the time they commit to their duties and attendance at the various workshops and meetings necessary to ensure that results are achieved.

To the community, thank you also for your input and understanding as we all work to develop and improve our Shire.

**Cr Richard Marsh**  
Mayor

**Cr Fiona Gaske**  
Deputy Mayor

Elected to Council in 2012.

Responsible for the portfolios of Financial Management; Information Communication Technology; Human Resource Management & Enterprise Bargaining; Asset Management; Cleansing - Waste Management, Refuse Collection & Landfill; Community Safety; Cemeteries; Parks & Gardens; Economic Development; Public Health; Cultural Development inc Cultural Centre; and Libraries.



**Cr Robyn Fuhrmeister**

Elected to Council in 2016.

Responsible for the portfolios of Urban Animal Control; Tourism, Stock Routes & Commons & Water Facilities; Plant Pest Control; Animal Pest Control; Administration & Depot Buildings, Staff Housing, Buildings & Halls; Community Events; Museums; and RADF.



**Cr Samantha O'Toole**

Elected to Council in 2016.

Responsible for the portfolios of Regional Planning, Planning Scheme & Development Regulations; Water Resource Management & Urban Water & Waste Water; Asset Management; Urban Streets, Storm Water & Footpaths; Aerodromes; Public Transport; Environmental Health; Economic Development; and Recreation Facilities - Pools, Sporting Fields, Skate Park, Court Sports.



**Cr Robert Paul**

Elected to Council in 2012.

Responsible for the portfolios of WORK; Shire Roads, Bridges & Drainage - East; Fleet Management; and Showgrounds & Horse Sports Facilities - St George, Thallon and Nindigully.



**Cr Scott Scriven**

Elected to Council in 2016.

Responsible for the portfolios of Regional Planning, Planning Scheme & Development Regulations; Information Communication Technology; Asset Management; Cleansing - Waste Management, Refuse Collection & Landfill; Stock Routes & Commons & Water Facilities; and Plant Pest Control and Animal Pest Control.



**Cr Ian Todd**

Elected to Council in 2016.

Responsible for the portfolios of Water Resource Management & Urban Water & Waste Water; Information Communication Technology; Workplace Health & Safety; Urban Streets, Storm Water & Footpaths; Community Safety; Great Artesian Basin; Economic Development; WORK; Shire Roads, Bridges & Drainage (West); Showgrounds & Horse Sports Facilities - Dirranbandi, Bollon & Hebel; and Fleet Management.



## our ceo

Having taken up my appointment as Chief Executive Officer at Balonne Shire Council in November 2016 it really was a case of just managing what was in front of me and developing plans and strategies for the new 2017/18 financial year.

In putting together those plans and strategies it became clearly evident that this Shire was almost completely reliant on its ability to win government grants, attract external works for its workforce e.g. road building, and generally be in constant survival mode.

General rates, which are levied against all our landholders, represent approximately 40% of our revenue base which means council has to be both innovative and frugal in how it raises and expends its funds each and every year.

This presents a significant challenge for both Councillors and Council Officers when framing our annual budget as we are very much gazing into a crystal ball when determining what amount we will secure through government grants and external works each year. This can only be done effectively through historical analysis of revenue secured and the quality of our work delivered in the preceding years.

Whilst this analysis does shed some light on our potential earnings for the year ahead it is an indication only and we must always be closely monitoring the political mood of the state and federal governments, assessing potential budget impacts and responding accordingly.

This methodology, whilst having been used for many years now, is not sustainable into the future as pressure builds on local government bodies to be financially sustainable. Queensland Treasury Corporation (QTC) describes financial sustainability as: *A local government*

*is financially sustainable if the local government is able to maintain its financial capital and infrastructure capital over the long term.* To break that down into plain English we could simply say we must always have the cash to pay our bills and to maintain our assets and services.

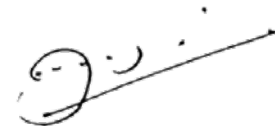
Council is working very hard with both levels of government to secure funding for an economic development officer to drive innovation and diversification within our economy and also a grants officer so we can maximise the amount of government money coming into the shire.

Reinvigorating our economy though is everyone's responsibility by driving innovation, encouraging investment and re-investment in our shire, developing alternative crops and products to the more traditional ones and as a resident simply through supporting local businesses in our region.

Another great opportunity to grow our economy is the number of visitors to our towns as a result of the "grey nomads" passing through. By providing them with good service, having clean towns and just by showing how friendly we are as a community will encourage them to stay longer and hopefully spend more.

So let me ask you the question "Are you helping grow our shire or holding us back?"

### Reinvigorating our economy is everyone's responsibility



**Matthew Magin**  
Chief Executive Officer





*Our Councillors (from left) Robert Paul, Samantha O'Toole, Scott Scriven, Richard Marsh, Ian Todd, Fiona Gaske and Robyn Fuhrmeister.*

## Community Leadership

We have an active and engaged community. Our residents and local stakeholders wish to participate in, and inform our decision-making to ensure the delivery of high quality services and assets for the community. Our Councillors play a key role providing the strategic direction for council. The responsibilities of Councillors are defined in the *Local Government Act 2009*. We have a number of roles to play in progressing the long-term objectives of the Corporate Plan including facilitation, advocacy, education, planning, regulation and delivery of services across the Shire to meet the needs of current and future generations.

## Our Councillors

We have seven elected representatives including the Mayor who have just completed their first full financial year as a council.

## Councillor Induction

Councillors attended a workshop early in their first term on Meeting Governance presented by the Department of Infrastructure, Local Government & Planning.

During the year Councillors participated in a range of professional development opportunities with attendance at the following recorded in the 2016/17 financial year.

- Local Government Association Queensland (LGAQ) annual conference
- Bush Council's Conference

- South West Local Government Association Queensland (SWLGAQ) Conference
- South West Regional Economic Development (SWRED) meetings

Councillors have participated in a series of workshops with the new Council executive team including:

- Rates and levies reviews
- Information, Communication and Technology Strategy
- Queensland Treasury Corporation Financial Sustainability Workshop
- Queensland Auditor's Office Technical Workshop
- Presentation from NBN Corporation
- Waste modelling workshop
- Budget workshops

## South West Local Government Association of Queensland

The Balonne Shire Council took over the secretariat role of the SWLGAQ in 2016/17 hosting a conference on 2 December 2016 and arranging the conference in Thargomindah on 26 September, 2017.

## Murray Darling Association

Representatives from the Murray Darling Basin Association attended Council on 8 December, 2016. As a result of this meeting our Mayor agreed to be Chairman of Region 12 which includes all Queensland councils in the Murray Darling Basin catchment.

## our customers

*The customer is always right.*

*We put the customer at the centre of everything we do.*

*Always say "Thank you".*

*We listen to our customers, understand them and work out how to best serve them.*

*We get things done with speed, conviction and agility.*

*We go the extra mile and exceed customers' expectations.*



We are continuously working to improve our customer service to all stakeholders - ratepayers, residents, visitors, contractors and other government departments.

This financial year we increased social media and our web presence to make it easier for our customers to contact us and disseminate information to them.

To report a problem our community is encouraged to use the Snap Send and Solve phone application which enables them to take a picture of the fault, pinpoints the location of the fault and sends the information to the relevant local government authority.

Our team this year also engaged in delivering informative sessions on working for council with local youth (pictured Rural Services Trainee Kahli Boyce, Road Construction Trainee Sean Beckman and Water & Sewerage Supervisor Peter Campbell).

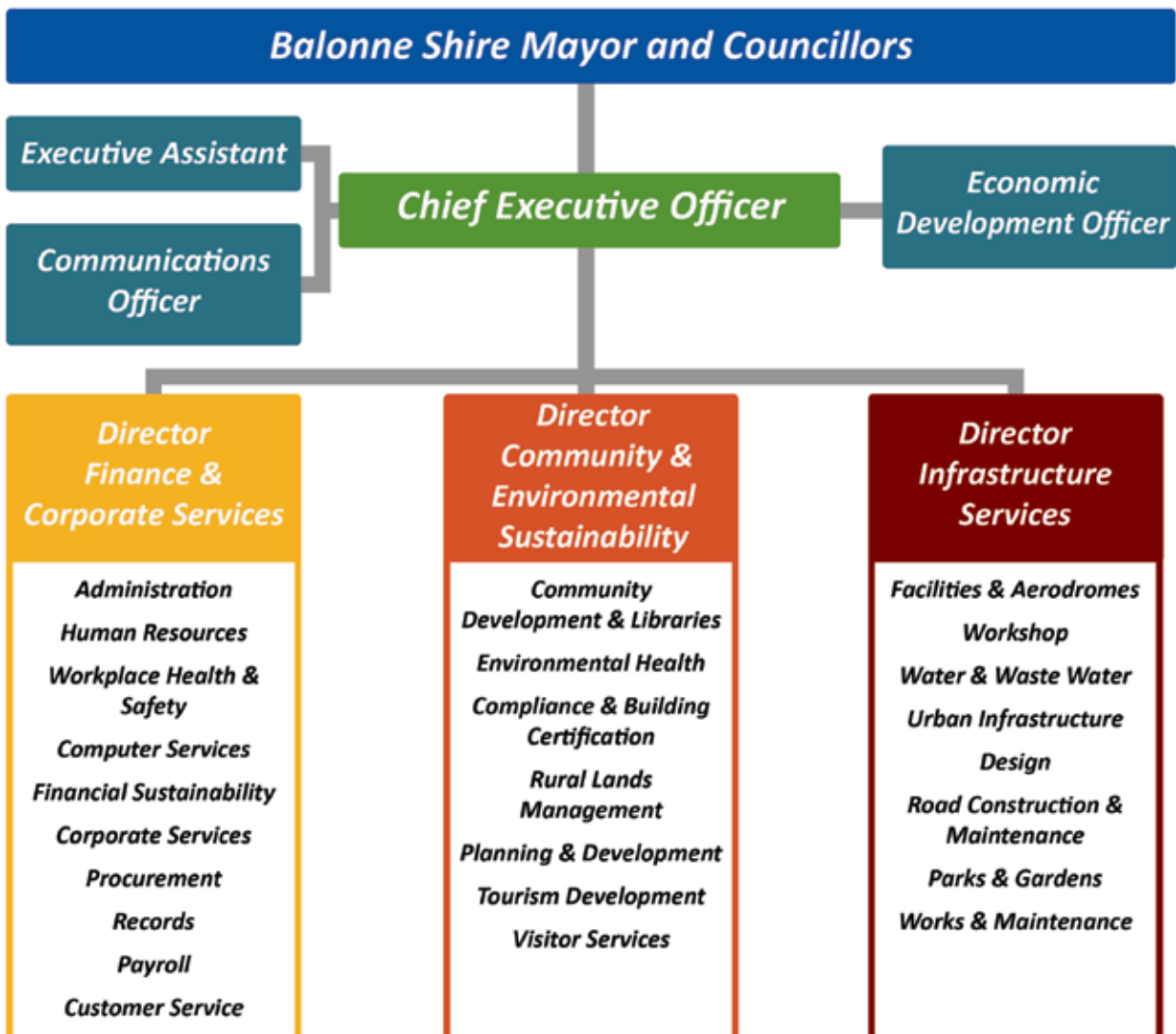
We have an on-hold information recording for customers while they wait on the phone for one of our staff members.

In 2017/18 we will introduce a new after-hours phone service that will capture the number of calls and type of issues we receive outside normal working hours.





Our executive team (from left): Director Community & Environmental Sustainability Jamie Gorry; Chief Executive Officer Matthew Magin; Director Finance & Corporate Services Michelle Clarke and Director Infrastructure Services Ross Drabble.



# our people

*We value teamwork and interdependence.*

*We are one team.*

*We have the same relationships with customers as we do with each other.*

*We will strive to be the best - we are restless, always learning, always improving.*

*We value each other - we seek and benefit from diverse people and perspectives.*

*We are ambitious and courageous - we pursue excellence, set new standards and go beyond them.*



## our senior leadership group

### Chief Executive Officer Matthew Magin

Matthew joined us in November 2016. Prior to joining Balonne Shire Council he was CEO at the Burdekin Shire Council. Matthew has extensive background in stakeholder engagement, government relations, economic development and the retail industry.



### Director Finance & Corporate Services Michelle Clarke

Michelle was officially appointed to this role in February 2017. Michelle holds a Bachelor of Law & Administration, Diploma in Local Government Financial Management and is currently completing a Graduate Certificate in Professional Accounting and a Post Graduate Certificate in Corporate Governance and Risk Management.



### Director Community & Environmental Sustainability Jamie Gorry

Jamie joined us in October 2016. He has an extensive background in natural resource management and agricultural extension. Jamie holds a Bachelor of Environmental Management (Natural Systems), and is studying a Graduate Certificate in Project Management. He is a long-term resident of southern inland Queensland.



### Director Infrastructure Services Ross Drabble

Ross permanently joined our team in April 2017. He has an extensive background in infrastructure with government and private sectors. Ross holds an Associate Diploma in Mechanical Engineering, Bachelor of Economics, Master of Industrial Relations, Master of Business Administration and Master of Project Management.



The Senior Leadership Group (SLG) includes our Chief Executive Officer and our three Directors.

Our SLG meets weekly to keep track of major projects, emerging issues, strategic planning and to improve communication between departments. This also helps improve communication between the SLG and their teams to ensure the whole organisation is working together and not in isolation.

In 2016/17 Council bid farewell to Michael Parker and Peter Stewart as Acting Chief Executive Officer and Andrew MacKenzie as council's Director Finance & Corporate Services.

Council thanks Michael, Peter and Andrew as well as other employees who were part of our team in 2016/17 for the work they did while with us and we wish them all the very best in their future endeavours.



It is only through our staff that Balonne Shire Council is able to achieve our corporate objectives and enhance services to our community.

Our employees are our most valuable asset and they are a major factor in contributing to a positive public image.

Council's vision "For the People" is a commitment to staff well-being, encouraging personal and professional growth and development, and the creation of a safe and healthy work environment built on mutual trust, respect and integrity.

This year we have had a high staff turnover rate of 21.83% (not including casuals) and advertised 40 external and internal positions during the reporting period (including 10 casual pool positions).

Our management team recognises the need to attract and retain employees and has been working to improve on its recruitment and selection processes. We have also introduced exit interviews from departing employees.

## Equal Employment Opportunity

We are committed to the implementation of, and adherence to equal employment opportunity principles in all facets of our operations.

We treat our employees and employment applicants fairly when making decisions on selection and promotions. These decisions are made on factors such as skills, qualifications, abilities and aptitude.

## Code of Conduct

To ensure employees are aware of, and adhere to, the expected standards of workplace behaviour and performance, a Code of Conduct has been prepared, and is promoted through Council's General Induction Program.

The expectations contained within the Code of Conduct are based upon the ethical principles outlined in the *Public Sector Ethics Act 1994*, specifically:

- integrity and impartiality
- promoting the public good
- commitment to the system of government
- accountability and transparency

All new employees are provided with a copy of the Code of Conduct within their Induction Manual, and copies are also available upon request.

## Training & Professional Development

We strive to enhance the skills and capabilities of our employees, in order to develop effective, efficient and multi-skilled teams.

For an organisation to perform effectively, emphasis must be placed on the training and development of our staff. In line with training guidelines we are committed to:

- Providing fair and equal access for all employees in relation to training and professional development opportunities
- Enhancing the productivity and performance of its employees
- Ensuring employees are kept abreast with advancements, technological, professional and/or ideological, in their respective fields of expertise

Linking staff development and appraisals with the identification of training needs to ensure that Council's strategic and operational direction and initiatives are achieved

- Ensuring that training dollars are distributed fairly and equitably throughout the organisation
- Providing opportunities for employees to develop career paths

We actively encourage our employees to undertake study to enhance their knowledge and skills. As part of the training guidelines, Council contributes to the financial cost of approved courses.

### our team\*

**Total: 87**

**Executive: 3**

**Corporate & Financial Services: 12**

**Community & Environmental Sustainability: 20.5**

**Infrastructure Services: 51.5**

**Composition: 55 men, 32 women**

*\*as at 30 June 2017*



## our people



*Rural Services Trainee Kahli Boyce inspects a wild dog fence and Road Construction trainee Sean Beckman learns about potholes.*

### Traineeships

We employed three trainees who will be with us for a period of 12 months. During their term they complete a Certificate in their relevant field.

Funding was accessed through Skilling Queenslanders for Work – First Start Program. Our trainee program offers school leavers and others an opportunity to gain qualifications and on the job training. The three traineeships are:

- Business Administration
- Rural Lands
- Road Construction

We also have one school-based traineeship. The trainee works two days per week while completing Year 11 and 12 and will achieve a Certificate III in Business Administration at the end of their senior years.

### Staff Breakfasts

Our CEO introduced Staff Breakfasts to get our entire workforce and elected members together at least once a quarter. The Breakfasts provide an opportunity for all staff and elected members to come together as one team.

Important information and announcements are shared including budgets, drug and alcohol policy, awards and new executive team.



### our volunteers

Our Visitor Information Centre (VIC) has 22 registered volunteers. The Visitor Information Centre relies on volunteers to cover weekends and fill in with staff leave. Our Volunteers are very valuable to the operation of the VIC. Their duties range from pricing, customer service and daily running of the information centre on weekends.

Our volunteers can sometimes volunteer from 150 hours to 210 hours a year. This may vary depending on the year and the visitor statistics.



## workplace health & safety

We are committed to providing a workplace that is safe and without risk to the health and safety of all employees, contractors, volunteers, work-experience students, visitors and members of the public. We recognise the importance of developing and maintaining healthy and safe working conditions in all workplaces and the importance of keeping the work health and safety practices in these workplaces under constant review. A renewed focus has been placed on Workplace Health & Safety (WH&S) following an external audit in September 2016. To assist in meeting these requirements we have developed a safety management system known as "Safeplan".

The WH&S Management System Plan aims to provide overall actions for reducing workplace injury and disease and to ensure that Balonne Shire Council employees, contractors, volunteers and visitors are free from hazards and risks to their wellbeing. The purpose of the WH&S Plan is to set out the strategic framework to support the WH&S Management System specifically aimed at identifying actions that need to be undertaken over the year. The future direction of WH&S within Balonne Shire Council will be by following the WH&S Plan and the associated Monthly Action Plans (MAPs). The MAPs are fundamental actions that have been recognised in the WH&S Plan to be conducted each month over a biannual cycle.

Take 5 and Toolbox Talks have also been introduced as a simple and effective way to increase safety awareness across the workforce. The Take 5 concept involves staff taking five minutes to think about the job and the potential workplace hazards. A Health and Safety Committee has been established and meet every three months. This committee is comprised of management representatives and health and safety representatives, other Council officers and specialists can be called in if required.

An external Workplace Health and Safety Audit was conducted in February 2017 on Council's workplace health

and safety management system which saw Balonne Shire Council achieve a score of 70.7%. This score enabled us to receive a Bronze Award in the LGW scheme.

WHS Training and Staff Induction Training continues to underpin our safety initiatives with the majority of employees undertaking work health and safety training or induction through the year. Training was conducted for first aid, confined space entry, traffic management, working at heights, fire safety and a range of other requirements. 100% of new staff received an induction to Council, providing a platform in further training and safe work practices. Training is undertaken by use of internal and external professionally qualified trainers.

Workplace Incidents and Injuries Statistics relating to incidents and injuries during the 2013/14, 2014/15 and 2015/16 financial years are as follows:

Injury	2013/14	2014/15	2015/16	2016/17
Strain/sprain	9	7	1	3
Foreign body	1	0	0	6
Bruise	2	1	0	3
Cuts	1	1	1	2
Burns/scalds	0	2	0	1
Skin irritation	0	0	0	1
Weld flash	0	0	1	0
Puncture	2	1	0	0
Poisoning	1	0	0	0
Fracture	1	0	0	0

## drug & alcohol policy

Council introduced a Drug and Alcohol Policy in October 2016. Information sessions were held for all staff in December 2016 and random testing was conducted in February 2017. Our Community Safety Committee worked with the Australian Army to deliver information sessions on 31 May, 2017, to our community on how to implement a Drug and Alcohol Policy into the workplace.

## employee consultation

A staff survey was completed in March 2017 with a 65% response rate. The overall result was a significant improvement in the morale and satisfaction of our employees. Despite the improved result our Senior Leadership Group are committed to working in consultation with Line Managers and Supervisors to address employee concerns and to be an employer of choice.

## employee assistance program

We offer an Employee Assistance Program in partnership with Assure Programs providing employees with a counselling support service.



Safety Advisor Ben Gardiner, Director Finance & Corporate Services Michelle Clarke receive the Bronze Award from JLTA South West Queensland Regional Risk Coordinator Alan Balloch.

# our reputation

- Our reputation is our most valuable asset.*
- A good reputation takes effort, patience and time.*
- Destroying a good reputation takes a single moment's misstep.*
- We act honestly and consistently in our behaviours, actions and decisions.*
- We establish trust by keeping our word, communicating effectively and transparently.*
- We are responsive.*
- We resolve errors/mistakes and never make excuses.*



We have a range of governance functions that demonstrate openness, transparency and accountability to ensure we continuously improve our reputation in the community.

## Performance Monitoring and Reporting Performance

The Operational Plan 2016/17 formed the basis of our quarterly performance reporting. These reports include progress on the implementation of our Corporate and Operational plans and financial reporting of budget performance.

The primary tool for external accountability is the annual report. This document is prepared annually to show the community and interested stakeholders how successful Council has been in achieving the strategic goals and objectives outlined in the corporate plan.

The report contains detailed financial and non-financial information about Council's activities and performance.

**See pages 21-38**

## Administrative Action Complaints

Council's General Complaints Process was audited by the Queensland Ombudsman in June 2016. All recommendations were implemented to the Ombudsman's satisfaction by April 2017. Council treats complaints seriously and has implemented a revised policy and procedure.

Council resolved two external review complaints to the satisfaction of the Queensland Ombudsman in 2016/17.

No. of complaints received	No. of complaints resolved	No. of complaints outstanding
10	9	1*

\* There is one resolved Administration Action Complaint carried over from 2016/17 financial year. This outstanding complaint is due to ongoing investigation and a range of new information received from the complainants.



Council engaged the services of McInnes Wilson Solicitors to complete a review/investigation of two of the complaints to improve transparency and independent review.

The complaints were not substantiated on the balance of probabilities. All recommendations in the independent report have been implemented to improve council's procurement and complaint processes.

## Right to Information (RTI)

Under Queensland's *Right to Information Act 2009* and *Information Privacy Act 2009*, members of the community are able to apply for access to documents held by Council (subject to statutory exemptions).

The Acts also allow members of the community to apply for and make amendments to be made to documents concerning their personal affairs, where it is believed the information is incomplete, out-of-date, inaccurate or misleading.

The Governance section receives and processes all Council's Right to Information and Information Privacy requests. In 2016/17 three Information Privacy applications were under this process for CCTV footage.

One Information Privacy complaint for breach of confidentiality was investigated and finalised.



Administration Trainee Caleb Espie.

## Audit Committee

Our Audit Committee operates in accordance with the *Local Government Act 2009* (the Act), the *Local Government Regulation 2012* (the Regulation) and the Audit Committee Terms of Reference. The committee met three times during the 2016/17 financial year.

The Audit Committee reports directly to Council and is composed of three voting members. At 30 June, 2017, the Audit Committee membership comprised: Mayor Richard Marsh, Cr Fiona Gaske (Chair) and Jason Quinnell (Independent Member).

The Chief Executive Officer, Director Finance & Corporate Services, Manager Financial Sustainability and Council's Internal Auditor together with representatives of Queensland Auditor's Office attend committee meetings as standing invitees. Council's External Auditor has also attended to provide an overview of our External Audit Plan.

Audit Activities 2016/17	
Number of meetings held	3
Internal Audit Reports reviewed	1
External Audit Reports reviewed	1

Council will have an independent audit chair in 2017/18 as recommended by its external auditors.

## Internal Audit

During the 2016/2017 year two onsite visits to council premises were undertaken in December 2016 and March 2017. The following internal audit work was completed or commenced:

- An Audit Committee teleconference was held on 26 October, 2016, and an onsite Audit Committee meeting was held on 30 March, 2017.
- A detailed review of controls and procedures relating of Floating Plant and Loose Tools (including Attractive and Portable Items) was undertaken during the October 2016 visit with recommendations being made for improvements in controls and efficiency of operation.

- During the October 2016 site visit a general review of works operations including purchasing & procurement, contracting arrangements, stores, Workplace Health & Safety and workflow planning was undertaken. This work did not involve an in depth review of each specific function but rather an overview of works as a whole and the interaction between the various functions of Council. Detailed observations were made to council and recommendations for improvement across the works area were made.

- At the site visit in March 2017 a follow up of Council actions taken in the works area was undertaken with discussions with key personnel.

- In addition work commenced on a review of Human Resources controls and procedures and a review of Plant Hire Rates and the interaction with QRA plant hire rates allowances etc.

All recommendations from Internal Audit are monitored by management and reported to the Audit Committee on a quarterly basis.

## Risk Management

Our insurer Jardine Lloyd Thompson assisted Council to develop an Enterprise Risk Management Framework.

The ERM was developed in compliance with *ISO 31000:2009 Risk Management – Principles and Guidelines*.

The Framework was presented to the Audit Committee in June 2017 and adopted by Council in July 2017.

A high priority for Council in 2017/18 and beyond will be implementing the Enterprise Risk Management Framework and completing our risk registers.

Our Fraud Risk Register and Management Plan was developed in response to the Queensland Auditor General's report *Fraud Management in Local Government (Report 19: 2014-15)*. It was received by the Audit Committee in September 2016. Our Corruption and Fraud Policy (adopted April 2016) complement the risk register and control plans.

A series of Fraud Awareness workshops were held with 65 employees in February 2017.



*The Jack Taylor Weir in St George during the 2011 flood.*

### St George Levee Bank

There is no doubt that the St George Levee Bank has received mixed reactions from our community.

Many will recall the devastating impact that the 2010 to 2014 floods had on our community. In response to these events, Council constructed the levee to deal with future devastating flooding impacts from and surrounding the Balonne River.

Given the level of damage that was sustained as a result of the floods during that time period, Council constructed the levee on an urgent basis to protect the community and to avoid sustaining further damage and loss during the next significant weather event.

It is acknowledged that some time has passed, however Council is now taking the final steps to formalise the agreements with landowners where the levee has been constructed.

During 2016/17 council has worked with the St George Levee Bank Advisory Committee and completed the following:

- Independent Technical Review of the Levee Bank as constructed - The Technical Review report provided by GHD in December 2016 concluded that the levee generally meets current Queensland Levee Guidelines. A range of recommendations were made (in the report) that can be completed as part of the expected ongoing maintenance activities for the levee.

- Independent Flood Model Review in St George - GHD were also engaged to review the flood model data developed prior to and following construction of the levee bank. The review concluded that the modelling is suitable and appropriate for the intended use. There were no findings that significantly impact on model results or conclusions and there was no reason to refine or change models unless new calibration data is available.

- During 2016/17 financial year council expended approximately \$50,000 on these reviews and approximately \$135,000 on Levee Bank Maintenance. Significant legal fees have also been incurred by council in an attempt to finalise Easement Agreements with landholders.



Our performance is measured against what we said we would do in our four-year Corporate Plan 2013 to 2018 and one-year Operational Plan 2016-17.

This includes the delivery of projects, programs, tasks and performance measures as well as progress towards four year term achievements.

The report is presented in the five key program areas:

**Wise Planning and Design**

**Strong & Resilient Communities**

**Prosperity for All**

**River Country Stewardship**

**Inclusive and Ethical Governance**



## *our partnerships*



*Deputy Mayor Fiona Gaske and Mayor Richard Marsh amid a sea of Royal Military College of Duntroon trainees who held training exercises in St George in May.*



*We will plan and develop a well-connected network of vital community hubs which preserve the distinctive character, heritage and atmosphere of local communities.*

*We will maintain and develop the necessary infrastructure to support and protect both townships and productive river country.*

*We will plan for safe, liveable communities, which cater for residents and the travelling public.*



### **Community Planning**

To provide a framework to manage growth whilst encouraging a sense of community pride, belonging and well-being.

### **Building & Plumbing Services**

To provide appropriate certification services for building work within the Shire.

### **Development Assessment**

To provide appropriate controls to ensure and encourage balanced quality development of the Shire and protection of the environment.

### **Roads & Transport**

To provide efficient and effective transport and drainage infrastructure.

### **Water & Waste Water**

To provide efficient safe water supplies and environmentally sound waste water disposal systems.

# wise planning & design

## Highlights and achievements

- **26 Building Applications valued at \$2,125,061 approved.** Compared to last year this is slightly lower in the number and value of applications. 2015/16 – 30 building applications valued at \$2,665,000.
- **Eight (8) Pool Safety Inspections.** Council's Environmental Health officer obtained qualification as a Pool Safety Inspector on 29 November 2016, four (4) pool safety inspections and have been conducted around Balonne Shire Council Area with subsequent certificates issued.
- Initial discussions/preliminary work has occurred between **BSC and Department of Infrastructure, Local Government and Planning (DILGP)** regarding the drafting of the new **Balonne Shire Council Planning Scheme** which is part of the template/pilot scheme program. Formal drafting has not commenced yet.
- **10 Planning Applications approved - including:**
  - » **St George Kindergarten Development:** will provide additional services by way of being able to accommodate more children and potentially provide more jobs to the community. Construction has not yet started.
  - » **Vanderfields Development:** will provide additional services and jobs to the community and shows Vanderfields commitment to reinvest in St George. Construction is now well under way on the extension.
  - » **Cattle Feedlot Development:** The development contributes to the agricultural produce and diversity around Balonne Shire. The use has not yet commenced.
  - » **Solar Farm Development:** The development is the first of its nature for commercial purposes and shows Council's commitment to encourage renewable energy. The use has not yet commenced.

- **Bollon and Hebel landfill tenure changes:** A deed of grant Balonne Shire to obtain formal ownership of the landfills was finalised on 3 July 2017.

- **CAMMS Car Rally Event (pictured bottom):** The event took place on 5-7 May 2017 and attracted an influx of spectators and participants providing economic benefit offsets as a result. The local representative of the event (Trent Challenger) informed Council of the event's success and intention to work with Council in organising future events.

- Dirranbandi Long Distance Coach Stop construction (right).
- Kooroon Road gravel resheeting.
- Salmon Bypass widening.
- Honeymah Lane gravel resheeting.
- Powrunna Road gravel resheeting.
- Bollon-Dirranbandi Road bitumen seal upgrades.
- Kirby Street, Dirranbandi, kerb and channelling and road reconstruction.
- Victoria Street to Turvey Court footpath construction.
- Stormwater upgrades at Dirranbandi.
- Water main replacement in Mungindi and St George.
- Woolerina Road gravel resheeting and floodway replacement at Wallam Creek.





## 2016/17 Targets

Performance Measure	Annual Target	Actual
Forward looking initiatives/programs instigated	>> 4	5
Road user <i>Request for Action</i> completed in acceptable timeframes within budget constraints	>> 90%	75%
Compliance with Council's Customer Service Standards for urban water supplies	>> 90%	75%
Percentage of Operational Projects completed within budget and on time	>> 90%	70%
Percentage of Capital Projects completed within budget and on time	>> 90%	70%



## Into the Future

- » Reconstruction and bitumen sealing works at Bollon-Dirranbandi Road
- » Gravel resheeting of Secret Plains, Narine, Chelmer, Ballandool, Gunnindaddy, Cubbie, Middle and Hoolavale Roads
- » Upgrades to Ballangarry Bridge approaches
- » Kerb and channelling at Murchison, Andrew and Arthur Streets and Kenny Lane, St George
- » Murchison Street stormwater upgrades
- » Completion of the St George Sewerage Treatment Plant Effluent Reuse project
- » Water main replacement at Arthur, Barlee Streets, Church, Arthur and Henry Streets
- » Bollon Long Distance Coach Stop construction
- » Dirranbandi Water Treatment Plant upgrades

*strong & resilient communities*



## *strong & resilient communities*



*Our 2017 Australia Day winners*

*Our health, wellbeing, creativity and strong community spirit will be supported, our cultural heritage preserved and celebrated and our values of caring and respect will extend to people of all ages, cultures, abilities and needs.*

### **Community Lifestyle**

To foster community pride and social interaction for all groups within our community with access to well serviced community hubs and facilities.

### **Cultural Activities**

To promote and cater for activities that support cultural, indigenous and multi-cultural history preservation, arts and other pursuits that foster the growth of local arts and culture.

### **Community Safety**

To facilitate community safety and crime prevention strategies.

### **Public Health**

To implement policies and programs to maintain an appropriate level of public health standards within the Shire.

### **Parks and Recreation**

To maintain parks, open spaces, recreational and sporting facilities for the enjoyment and well-being of the community.

### **Disaster Management**

To facilitate the development of disaster mitigation strategies and provide effective disaster and emergency planning and response services in conjunction with the community and emergency service organisations.



# strong & resilient communities

## Highlights and achievements

- Dirranbandi swimming pool surface upgrade.
- Air-conditioning installation at Dirranbandi and Hebel community halls.
- St George pool kiosk and roof refurbishment.
- Bollon Civic Centre wooden floor sanding and recoating.
- Hebel Showground rodeo arena fencing replacement.
- Cavanaugh Park upgrade.
- Power upgrade works at Dirranbandi Showground.
- Balonne Shire Council together with DAF were able to work together to provide valuable assistance in helping a local grazing family when they experience an Anthrax breakout.



## 2016/17 Targets

Performance Measure	Annual Target	Actual
Programs and/or enhancements to community facilities to increase community participation and inclusion	>> 12	10
Cultural activities/initiatives implemented and/or supported	>> 12	8
Proactive public health initiatives implemented	>> 10	3
Percentage of Operational Projects completed within budget and on time	>> 90%	80%
Percentage of Capital Projects completed within budget and on time	>> 90%	75%

## Into the Future

- » Bollon flood mitigation levee extension
- » Artesian spa construction at St George Pool
- » Thallon Hall and Library upgrades
- » Bollon Civic Centre air-conditioning and exterior painting
- » Hebel Library upgrade
- » St George River Foreshore footpath and disabled ramp installation
- » Dirranbandi Rail and River Precinct Stage 1
- » St George Showground Apex Bar refurbishment
- » Rowden Park grandstand refurbishment



*Together we will work to build a strong and more diverse economic base for the Shire, capitalising on opportunities around tourism, transport, resources and value adding.*

*We will work to attract the labour and skilled people we need and provide opportunities to encourage people to settle here.*

*We will support excellent education and training, to encourage young people to stay and build their future in Balonne.*



### **Tourism**

To showcase the Shire's attributes and promote the district as an ideal tourism destination enhancing opportunities for tourism development.

### **Economic Development**

To foster a vibrant economic environment which facilitates the development of sustainable opportunities and business development.

### **Commercial Services**

To undertake commercial works within the scope of Council's expertise in an efficient and cost effective manner.

# prosperity for all

## Highlights and achievements

- 50% participant increase for the Yellowbelly Festival held at the St George Showgrounds at the end of June
- New Tourist Information Shelters were installed for St George and Hebel
- New Town Entry Signage was developed and delivered to the St George Depot – to be installed in 2017/18.
- Increased visitation to the Shire – 14,440 total visitors for 2016-17
- Update of Travellers Guide for the Balonne Shire region
- Development of new town maps for the Shire
- Support South West Regional Economic Development (SWRED) in Orienting Tourism to Businesses
- Development of the New Shire Entry Signage
- Maintain and support the Yellowbelly Festival and other events
- Development and Implementation of a Shire Recreational Vehicle (RV) and Freedom Camping Strategy
- Increase Volunteers programs and support at the Visitor Information Centre
- Continue Road Management Performance Contract for the Department of Transport and Main Roads;
- Completion of works for the Department of Transport and Main Roads: Carnarvon Highway widening north of St George (SWTD 1104 Phase 2).



## 2016/17 Targets

Performance Measure	Annual Target	Actual
New businesses established within Balonne Shire	>> 10	10
Business/workforce development initiatives undertaken	>> 10	9
Increased visitations (tourist/business/commercial) year on year	>> 10%	3.6%
Percentage of Operational Projects completed within budget and on time	>> 90%	85%
Percentage of Capital Projects completed within budget and on time	>> 90%	85%

## Into the Future

- » Continue Road Management Performance Contract for the Department of Transport and Main Roads



*The health of our river system and groundwater will be protected, our diverse natural environment, with an abundance of native flora and fauna and our rich agricultural lands will thrive through our commitment to sustainable farming practises and caring for the environment.*

### **Environmental Management**

To provide a level of environmental stewardship to protect our natural environment and contribute to the environmental health and well-being of the community.

### **Waste Management**

To provide efficient, effective and environmentally sensitive waste collection and/or disposal services.

### **Rural Services**

To provide effective and efficient management of stock routes, animal pests and declared weed pests to support our Shires' agricultural base.



# river country stewardship

## Highlights and achievements

### Environmental Management

**Queensland Arbovirus Sentinel Surveillance system** - uses CO<sup>2</sup> baited passive box traps allowing surveillance in remote areas for Murray Valley Encephalitis Virus (MVEV), West Nile Virus Kunjin subtype (WNVKUN), Japanese Encephalitis Virus (JEV) as well as Ross River (RRV) and Barmah Forest (BFV) viruses.

Surveillance was undertaken at nine locations throughout Queensland from 16 January to 5 June 2017 with sampling undertaken fortnightly.

Sites located at Weipa, Mapoon and Cooktown on Cape York Peninsular, Normanton and Karumba in the Gulf of Carpentaria, Mt Isa in the North West, Longreach and Emerald in the Central West and St George in the South West.

Data sharing arrangements with Northern Australia Quarantine Strategy enable sharing of surveillance results from three surveillance sites in the National Arbovirus Mapping Program.

**QHealth GAT Program** - Balonne Shire Council together with the Darling Downs Public Health Unit continue to work together in relation to mosquito surveillance, in particular for container breeding mosquitoes

The aim is to improve knowledge of where *Aedes aegypti* is located within our area, and undertake risk assessment of disease. Monitoring also ensures there has not been an invasion of *Aedes albopictus* on the main land.

*Aedes aegypti* has been found in a number of towns within our region, in the South Burnett and the South West. It is important regular surveillance is conducted to identify areas of potential for disease transmission. Where *Aedes aegypti* is found, it is important ongoing surveillance is conducted to determine the extent of population, current distribution.

Advantages for surveillance programs include:

- Early warning system for exotic mosquito/disease incursion
- Provide baseline information on population(s)
- Identify areas of high risk (ie. tyre yards) and areas where action is needed to target risk reduction
- Monitor efficacy of control operations
- Risk management of disease for the community (dengue, chikungunya & Zika virus)
- Ability to contain outbreaks prior to spread.

Yard surveys are also conducted where larvae are collected for identification. Advantages of yard surveys include:

- Identification of mosquito breeding sites found within community
- Identifying mosquito hot spots within the township

The disadvantages of yard surveys include:

- it is a slow process
- it is reliant on timing of survey (i.e rain events),
- it is reliant on operator skills,
- offers limited assessment of cryptic sites (eg. Rainwater tanks, roof gutters, drain sumps), and
- time intensive for short periods of time.

Trapping is a great way to conduct mosquito surveillance without Local Governments investing a large amount of

time and workforce

**Plant a Tree Day** - The Balonne Shire Council provided all schools and kindergartens with a \$100 voucher to help with the planting of trees and shrubs for Schools Plan a Tree Day. Council also conducted a Plant a Tree Day at the Library during story time. Many little people helped plant two new pot plants for Sheree our wonderful Librarian.

**Clean Up Australia** - Balonne Shire Council together with QMDC conducted a Roadside Clean Up on Clean Up Australia Day. The small but enthusiastic crew cleaned up 2km on both sides of the Carnarvon Highway (south).

**New Waste Collection Service for Balonne Shire** - A recent community survey highlighted recycling as a high priority for our residents. Council moved to a two-bin system, from July 1 this year. Under the two-bin system (*below*), residents will have a 240L bin for general waste collected weekly, and a 240L bin for recycling collected fortnightly. Community consultation was held at all district shows prior to the final decision being adopted by Council.



**Annual Shire Clean Up** - Balonne Shire Council conducted its Annual shire Clean Up during March 2017 to be part of the Clean Up Australia campaign. All residents of St George, Thallon, Dirranbandi, Hebel and Bollon were able to utilize this service. A total of 24 truckloads of green-waste, 7 general waste, 5 scrap metal and 13 old cars were taken from these residents

**Roadside Clean Up – Illegal litter** - The South West Region Roadside Litter Prevention Project was delivered in partnership with five other Councils and the QMDC. In 2016 the installation of the current roadside signage was delivered and erected from corflute material and is now ready for replacement. New permanent signage has been supplied by QMDC for all road-rest stops within the Shire. Approval for this signage needs to be obtained from Department of Transport and Main Roads.



*Rural Services Manager Karl Hempstead investigates a clump of Booligar Coral Cactus.*



## Rural Services

- No Borders No Boundaries Phase 2 completed. Project included wild dog trapping (and trapper mentoring), data collection, and feral pig aerial shooting campaigns and other controls over four Shires – Goondiwindi, Maranoa, Western Downs and Balonne.

- 313 wild dog scalps brought into the Balonne Shire under the current bounty of \$100 in 2016/17; increased from 269 scalps in 2015/16.

- In partnership with Maranoa Regional Council, BSC has secured funding (\$630,000) for the Barrier Fence to the Border Collaborative Area Management Project –the project will target specific areas in both Councils for the construction of cluster fencing in the 2018 and 2019 years.

- As well as funding (\$214,000) for targeted monitoring, aerial baiting, and trapping activities across both Council areas in the 2017/18 and 2018/19 years.

- Successful eradication of Velvety Tree pair and African Boxthorn infestations on the Moonie and Canarvon Highways. Funded by DTMR under Element 5 road reserves weed management. Completed by Balonne Shire Councils RMPC crew and the QMDC Aboriginal Ranger unit. Total budget \$70,000.

- Booligar Coral Cactus Biocontrol release (Cochineal) successful, 2 x monitoring days concluded with drone mapping – ongoing project for 2017/2018 financial year. This included the purchase of a phantom 4 drone for Rural Services weed mapping.

- Successful completion of capital works stock route water point night yards. Water facilities include “Horse Creek, The Glear, Bandy Andy and Buffel Park”. Total funding \$30,000.

- Welcome to our new Rural Services trainee Kahli Boyce who commenced work with the Balonne Shire Council on 27 March, 2017.

- 2 x coordinated baiting campaigns reasonably successful with 9000kg of bait meat being placed.

- Firebreak renewals on the Bollon – St George stock route network.

- Drover activity limited due to ongoing drought conditions with four drovers passing through the Shire during the reporting period.

- Australian Army assistance (7 CSSB Recovery Unit) to remove car bodies from the Balonne Shire stock route network over the reporting period – this has saved Council an estimated \$80,000 for removal of at least 32 car bodies. Well done and thank you to the Australian Army.

- Rural Services Team also incorporates Compliance (Local Laws) as of November 2016, and is led by Karl Hempstead.

- During the reporting period there was a successful microchip clinic in May 2017 and Dangerous Dog training in Rockhampton.

- Infrastructure and plant upgrades included purchase of new local laws patrol vehicle and improvements to the dog pound.

# river country stewardship

## 2016/17 Targets

Performance Measure	Annual Target	Actual
Customer requests responded to within defined timeframes	>> 90%	92.5%
Kerbside waste and recycling bins collected as scheduled	>> 100%	98.5%
Percentage of Operational Projects completed within budget and on time	>> 90%	100%
Percentage of Capital Projects completed within budget and on time	>> 90%	100%

## Into the Future

- » Council will continue to deliver and refine the new Kerbside recycling and collection service in partnership with JJ Richards
- » Renewal and maintenance of stock routes infrastructure will continue as Council delivers improvements funded through State Programs
- » Aerial Baiting programs and improved vertebrate pest monitoring will be incorporated into Councils 1080 campaigns in 17/18 and 18/19 financial years with funding from the Queensland Feral Pest Initiative
- » Council is working in partnership with Maranoa Regional Council to deliver \$660,000 worth of support to eligible “Cluster Fencing” projects across both Shires in the 2017/18 financial year
- » Targeted weed control programs will continue across the shire, utilising Council resources, as well as funding from external agencies such as Dept Main Roads Element 5, and QMDC.



*Our team held a microchipping clinic in June.*

## *inclusive & ethical governance*



*Meaningful involvement by community, quality leadership at all levels and a spirit of partnership between the community and Council which will enrich residents' participation in local decision making to achieve the community's Balonne 2025 vision and goals.*

### **Corporate Governance**

To provide effective organisational leadership through strategic planning, accountability and ethical standards of practice.

### **Financial Management**

To ensure the long-term viability of the Shire and provide accountability in financial management.

### **Customer Service**

To provide efficient and effective customer service to all internal and external customers within the resource limitations and community expectations.

*CEO Matthew Magin, Mayor Richard Marsh, Deputy Prime Minister Barnaby Joyce, Deputy Mayor Fiona Gaske and Member for Maranoa David Littleproud*



# *inclusive & ethical governance*

## Highlights and achievements

### Stores Review

We committed to undertake a detailed review of our stores operation to assess the feasibility of maintaining such an operation, and whether alternative procurement arrangements could be established which are more efficient and effective.

We engaged an independent experienced storeperson to undertake a review of the current stores operation, including stores ordering, cataloguing, maintenance and issuing procedures and methodology.

Local Buy Pty Ltd was engaged to assist us to introduce contemporary procurement activities involving direct purchases from local suppliers (where available) and a “just-in-time” delivery for larger materials and supplies.

It is estimated we will save \$1.352 million over 10 years by moving to the new procurement arrangements.

### Related Parties

*AASB1124 Related Party Disclosures* requires the disclosure of relevant additional information in the Council’s Annual Financial Statements for 2016/17 financial year.

Council used the Governance Institute of Australia’s best practice guide for consideration of related party transactions to determine if reporting was required. Council adopted its Related Parties Policy on 23 February, 2017, and has nominated all of its Councillors and Executive staff as Key Management Personnel.

### Vendor Panel – Purchasing Policy Review

We received numerous complaints about our purchasing and procurement processes in Quarter 1 and 2 of 2016/17.

A range of initiatives were introduced to address the concerns of contractors and ensure best value for Council.

With the assistance from Local Buy Pty Ltd a public meeting was held on 7 February, 2017, for local contractors. Shortly after this meeting we advertised for a Preferred Supplier Arrangement for Wet and Dry Plant Hire and introduced Vendor Panel to our staff.

We thank Local Buy Pty Ltd and Sarah Holt from the Department of State Development who assisted our local suppliers to register with Vendor Panel. We now have a system that has reduced complaints and provides transparency and accountability for our procurement arrangements.

### Information Communications & Technology Strategy

Council adopted its ICT Strategy on 15 June, 2017. The Strategy was developed with The Frame Group and will guide the ICT governance arrangements over the next five years.

It aims to improve our service delivery to the community and provide direction for the future development of technological solutions.

In 2016/17 our computer replacement program included replacement of two computers, three laptops and installation of Windows 10 and an Admin Multi-Function Printer.

### CCTV Strategy

Council’s Community Safety Committee were instrumental in a CCTV Strategy being developed to provide a four-year plan for deterring crime and increasing public safety. The

Strategy assisted us in attracting \$50,000 through the Telstra Innovation Development Fund.

Works are expected to commence in Quarter 2 of 2017/18 with additional funding likely.

Key partners in the strategy include:

- Queensland Police Service
- Department of Transport & Main Roads
- Queensland Health
- Care Balonne
- Telstra
- Ergon Energy



*Council’s CCTV cameras are situated in positions to help deter crime and increase public safety.*

# inclusive & ethical governance

**2017/18 Rates AT A GLANCE**  
Where \$100 of your rates goes\*

Roads & Streets \$50.01 + Plant (Machinery etc) \$18.61  
Environmental Services \$11.53 + Community \$16.55  
Building & Development \$1.74 + Emergency Services \$1.56 = \$100

**RATES & CHARGES**

- No change to minimum general rate
- 9% drop in rate in the dollar for all rating categories
- 2% increase for water & sewerage
- \$1.82/week rise for new waste service (including Mungindi and Hebel)
- Extra \$20 pensioner concession - maximum of \$170/yr in addition to State Government concession

**HOW TO PAY YOUR RATES**

You can pay your rates with cash or cheque, electronically by BPAY (make sure to include the Biller Code 575654 and your Reference Number), Telephone and Internet Banking BPAY can be made by contacting your bank, credit unions or building society to make this payment from your cheque, savings or credit card account. Payments by credit card can be made in person at the Shire Office, St George using Visa or MasterCard. Credit Card payments may also be made by phone by contacting Balonne Shire Council on 07 4620 8888.

**UNDERSTANDING YOUR RATE NOTICE**

**General Rates**  
If you multiply your valuation by the cents in the \$ and this amount is less than the minimum general rate, the minimum general rate will apply. If it is more than the minimum general, then that is the differential general rate charges.  
There has been a 30% limitation placed on some differential rating categories. This is due to some ratepayers valuations skyrocketing by up to 200% increase. The application of the 30% limitation means these ratepayers do not pay more than 30% more in differential general rates than they did last year.

**Other charges on your Rate Notice may include:**

- Water**  
A residence in St George will be charged 98 units and have an entitlement of 298 kilolitres, Dirranbandi will also be charged 98 units and have an entitlement of 980 kilolitres, any water used in excess of this entitlement will be charged excess. The difference in the entitlement is due to St George having a dual water supply. Thallon, Hebel and Bollon will be charged 98 units and be entitled to 980 kilolitres, whilst Mungindi is charged an Access Charge and are charged consumption.
- Excess Water/Consumption Charges**  
A charge for using more than your entitlement, or for Mungindi residents it is a charge for their water consumption.
- Waste Water** - Applicable to St George, Dirranbandi and Bollon.
- Cleansing** - Your waste removal service.
- Domestic Animal Management Levy** - To assist with the provision of Animal Control services.
- Feral Animal Management Levy** - To assist with the provision of Feral Animal services.
- Environmental Levy** - To assist with costs for the operation of landfills.
- Queensland Emergency Management Levy** - A State Government Charge for provision of Emergency Services.

*If you have any questions about your rate notice or water notice, please contact Council on 4620 8888.*

## Rates Review

The Department of Natural Resources and Mines (DNRM) released land values on 21 October, 2016, resulting in Balonne Shire land values increasing overall by 17 per cent since the last valuation in 2015.

These changes impacted shire property owners from 1 July, 2017, when rates were issued.

The overall result was not consistent across or within property ownership categories.

In particular, overall urban centres have decreased significantly (approximately 34%) and the rural property market has experienced significant increases (approximately 32%).

To address this significant variance we undertook extensive work with an external consultant and engaged an experienced local government financial accountant to review our rate model and make recommendations to Council to reduce the impact on our ratepayers.

To minimise the impact on individual landholders Council adopted the following strategies:

- A 9% reduction in the rate in the dollar for all rating categories.
- The rate in the dollar is applied to the land valuation to determine the amount of the differential general rate you pay.
- A 2% increase for water and sewerage.
- An increase of \$94.10 per annum for the new two-bin waste service and to achieve full cost recovery.
- No increase in the minimum general rate.\*
- We will apply a limitation on the increase of general rates under Section 116 of the *Local Government Regulation 2012*. The limitation of 30% has been applied to Differential Rating Categories 60, 61, 63, 69-73, 76 and 79.

- We will continue to issue two six-monthly rates notices.

## Improved customer service

We have improved our customer service through a variety of methods such as improving information on our website.

Our team worked with the Local Government of Association Queensland to produce a fresh new **website** this financial year. The new site is easy to navigate and provides all the latest news and advices from Council to our community.

Website	2015/16	2016/17
Sessions	38,938	39,675
Unique Users	19,958	21,616
Page Views	97,915	105,726

We have also increased our use of **social media** to reach our residents and visitors.

Social Media Platform	No of Followers 2015/16	No of Followers 2016/17
Facebook	1337	1574
Twitter	30	74

Council also promotes the use of the free mobile phone application **Snap Send Solve** by residents. This lets people report issues and provide feedback to us via their mobile phones. All reports from Snap Send Solve are sent from the app using your email address. You can take a picture and it will record the GPS co-ordinates and send us an email.

Once received the reports are registered into our service request system, customers receive an acknowledgement and reference number and our team action the request and respond to you.

# inclusive & ethical governance

## Service Requests implemented

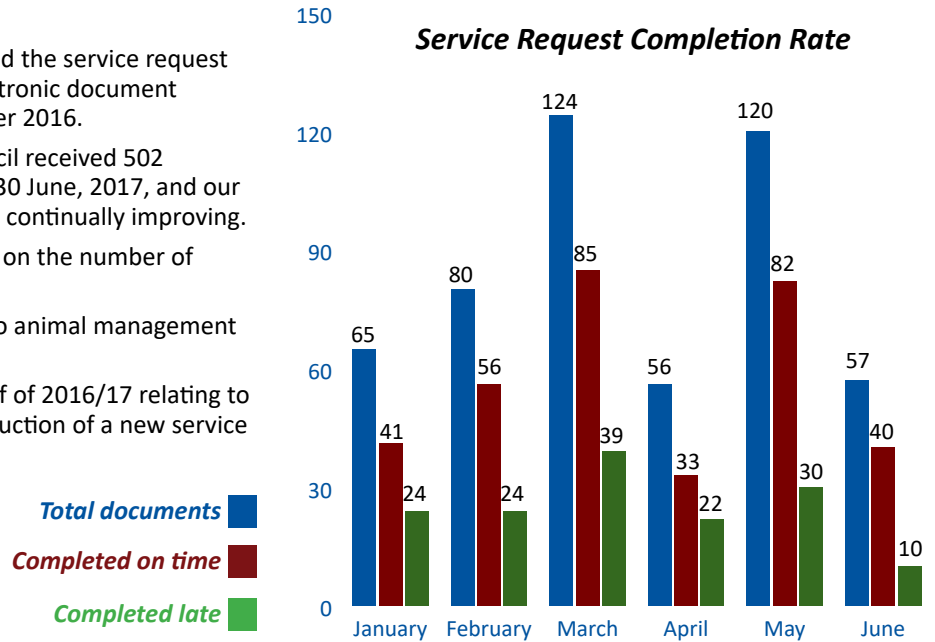
Council had not collected or utilised the service request information available from our electronic document management system until November 2016.

The graph (right) shows that Council received 502 service requests from 1 January to 30 June, 2017, and our response rate. Our response rate is continually improving.

We are also collecting information on the number of compliments received.

A majority of our requests relate to animal management and road maintenance.

We also had a spike in that last half of 2016/17 relating to waste management with the introduction of a new service commencing 1 July, 2017.



## 2016/17 Targets

Performance Measure	Annual Target	Actual
Compliance with statutory and corporate requirements	>> 100%	100%
Audit recommendations implemented	>> 90%	80%
Percentage of Requests for Action completed within defined timeframes	>> 90%	80%
Percentage of Operational Projects completed within budget and on time	>> 90%	90%
Percentage of Capital Projects completed within budget and on time	>> 90%	100%

## Into the Future

- » Council is committed to continuous improvement and working with our key stakeholders to represent the interests of our community at all levels of government.
- » Council's sustainability rating overall is considered low and the end result for 2016/17 was stronger than originally forecast with additional funding received through Works For Queensland.
- » A new Community Plan will be developed in 2017/18 that will provide the community with the opportunity to provide input into the future of our Shire. Our Plan for the Community will be our Corporate Plan that sets the strategic direction of our annual operational plans and budgets.

# community financial report

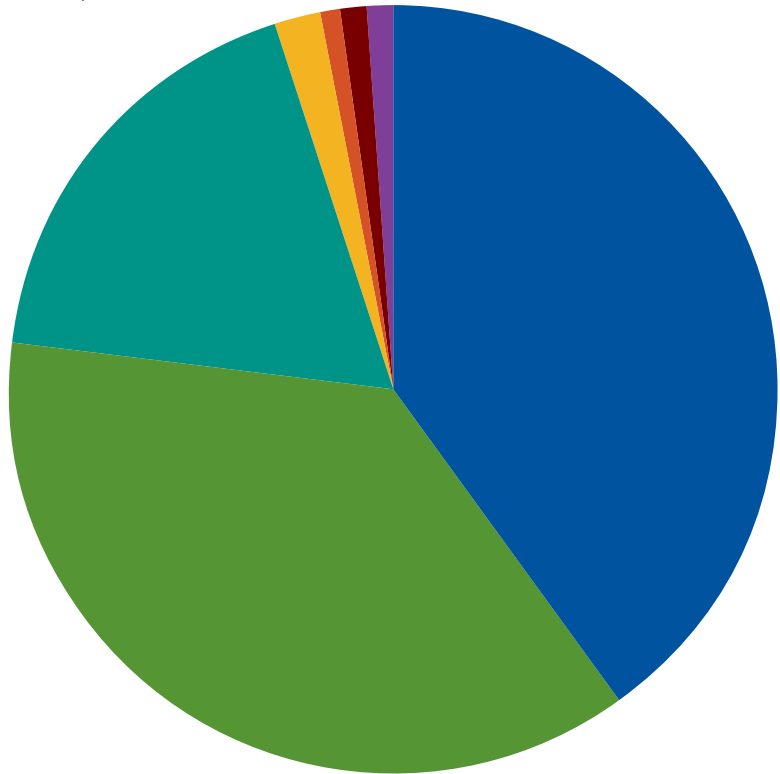
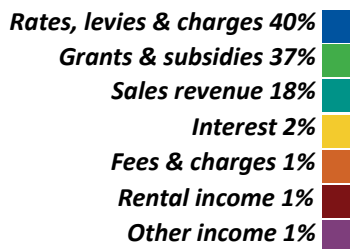
Annual Financial Statements are prepared in accordance with professional and legislative requirements and hence are technical documents. The purpose of the Community Financial Report is to present Financial Statements in a form more easily understood by the community.

The Community Financial Report is based on the detailed financial information contained in the enclosed financial statements for 1 July, 2016 to 30 June, 2017. A summary has been provided on the following financial matters:

- Where we get our money
- Where we spend our money
- What we are worth (Community Equity)
- What Council Owns and Owes (Assets and Liabilities)

## Where we get our money

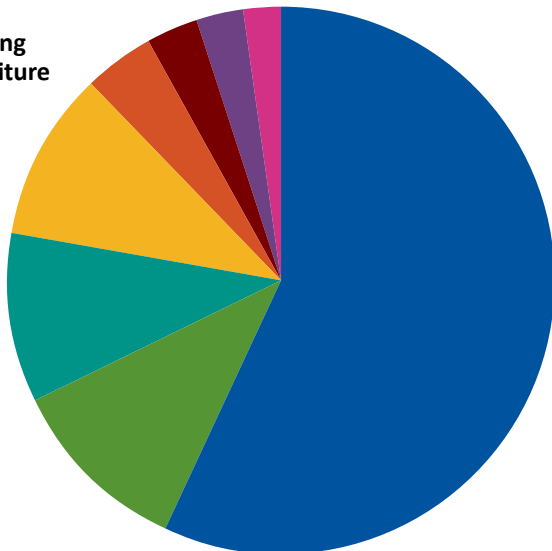
The total income for the 12 months to 30 June, 2017 was \$27,966,000. This includes rates and charges, grants and fees during the 12 months. The capital income of \$4,440,000 is mainly made up from capital grants and subsidies.



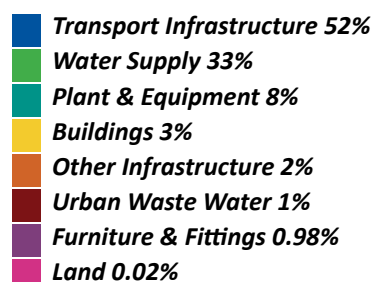
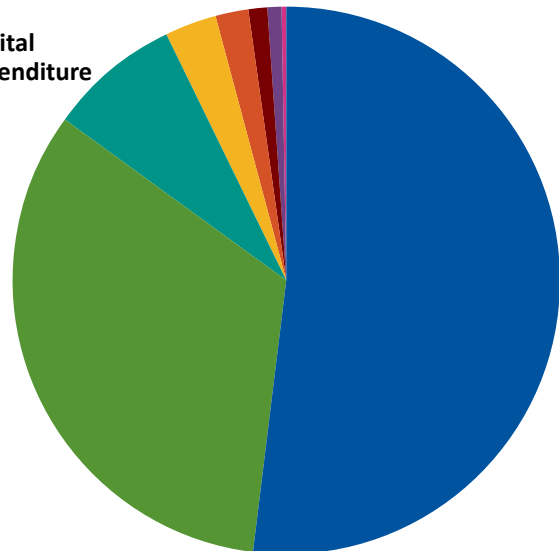
## Where we spend our money

Total operational expenditure for the 12 months to 30 June, 2017 totalled \$23,783,000. This expenditure consisted of costs such as electricity, insurance, salaries & wages, repairs and maintenance and depreciation of community assets. Council spent \$6,060,000 on capital purchases and capital improvements.

**Operating Expenditure**



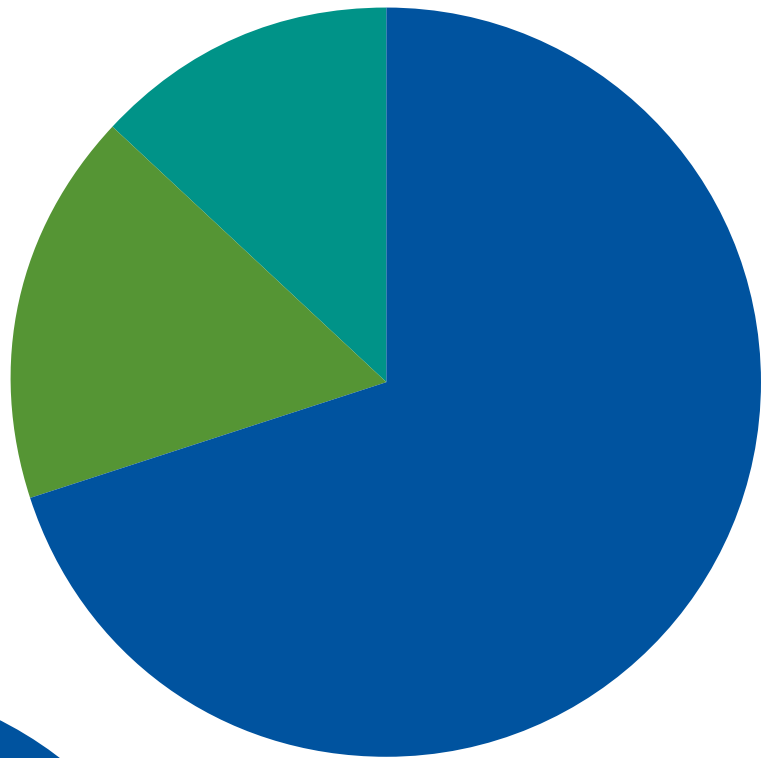
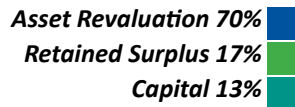
**Capital Expenditure**



# community financial report

## What we are worth (community equity)

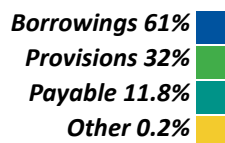
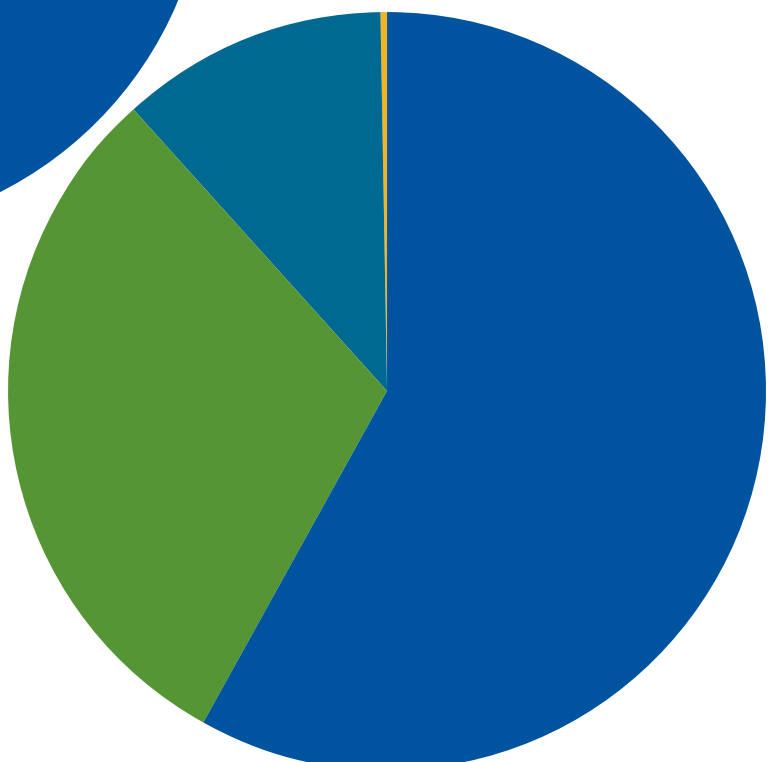
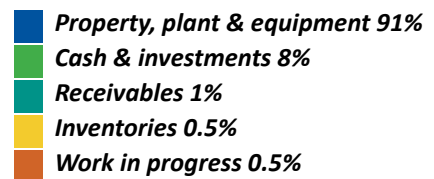
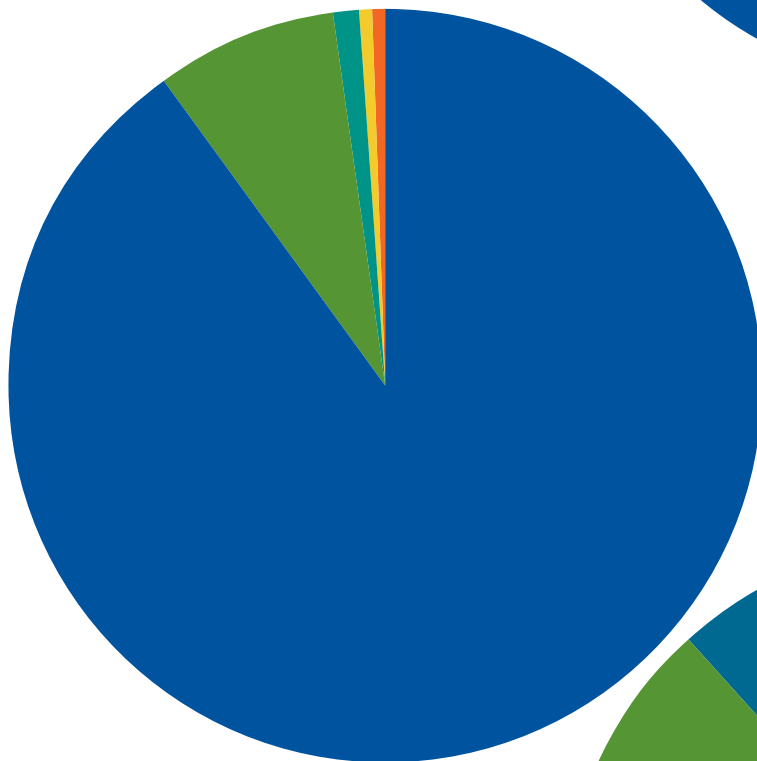
Balonne Shire Council's net worth (Community Equity), is made up of Investment in Capital Assets, Reserves, Asset Revaluation Reserve and Retained Surplus.



## What we owe and own

Our assets of \$286,351,000 are made up of investment in community assets such as roads, buildings, water and sewer infrastructure as well as cash, investments, receivables and inventories.

Our liabilities of \$5,677,000 comprise of employee provisions, sundry creditors and Queensland Treasury Corporation (QTC) loans.





## Statement of Cash Flows

The cash flow statement is just like your bank statement. If you did a summary of your personal bank statements for 12 months it would be called a cash flow statement. This statement only reports on cash and shows:

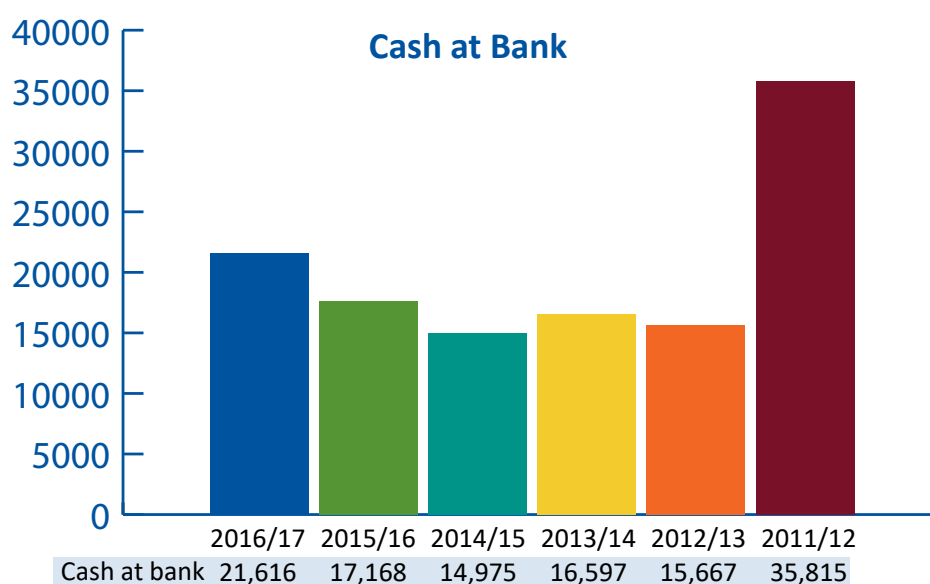
- How much money we started the year with
- Where any incoming money came from
- Where any money was spent
- How much money we have left at the end of the year

	2016/17 \$,000	2015/16 \$,000	2014/15 \$,000	2013/14 \$,000	2012/13 \$,000
Opening cash balance	17,168	14,975	16,597	15,667	35,815
Net cash flow from operating activities	6290	6730	4342	618	-10,752
Net cash flow from investing activities (capital purchases)	-1601	-4307	-5694	-4898	-9098
New cash flow from financing activities (loans)	-241	-230	-270	-300	-298
<b>Closing cash balance</b>	<b>21,616</b>	<b>17,168</b>	<b>14,975</b>	<b>16,597</b>	<b>15,667</b>

As can be seen by the summary above, we started the year with \$17,068,045 and ended the year with \$21,615,628.

This increase in cash held is partially related to early payment of Commonwealth Financial Assistance Grants and Works for Queensland Funding.

To reach a strong financial position, Council must not only have enough cash for its day-to-day operations and to fund purchases of property, plant and equipment; repay interest and principal payments on loans, it must manage its cash to have the capacity to meet its financial commitments in the long term.



## Operating Surplus Ratio

This ratio is a measure of Council's ability to cover its operational costs and to have revenues available for capital funding or other purposes.

The current ratio for Council is **-27.08%**. A generally accepted benchmark across local government is between 0% and 10%.

A review of average performance over the past four years demonstrated that Council has been within the required targets demonstrating cash management practices and a sound liquidity position. The current ratio is below the benchmark. This is due to increased depreciation costs as a result of works over recent years on roads damaged by floods.

We will review service levels to ensure operational expenses will be sustainable in the longer term.

## Asset Sustainability Ratio

This ratio is an approximation of the extent to which assets managed by a local government are being replaced as these reach the end of their useful lives. It is calculated by measuring capital expenditure on renewal or replacement of assets, divided by depreciation expense.

The accepted benchmark for local government is greater than 90%. Council's ratio for 2016/17 is 29.29%, which is below benchmark due to Council undertaking more upgrades and new works.

# community financial report

## Net Financial Liabilities Ratio

This ratio measures the percentage of Council's total liabilities less current assets divided by total operating revenue (excluding capital items). The accepted benchmark for local government is less than 60%. Council's ratio for 2016/17 is -57.89%.

Overall Financial Summary as at 30 June, 2017	
Cash balance	\$21,616,000
Operating surplus before capital expenditure	\$4,189,000
Total Assets	\$286,351,00
Total Liabilities	\$5,677,000
Total Community Equity	\$280,674,000

## Implementation of Long-Term Plan

We have continued to report on a periodic basis on the implementation of our Corporate Plan and Operational Plan. Our Corporate Plan 2013-2018 and the Annual Operational Plan ensure our strategies are actioned at an operational level.

## Long-Term Financial Sustainability

We are continuing to maintain an operating surplus in the 2016/17 financial year. Our team will continue to improve and identify cost efficiencies through service level reviews and business process improvements to ensure the 2016/2017 financial year, and beyond, are sustainable and within the proposed goals of Council.



## statutory information

The *Local Government Act 2009* and the *Local Government Regulation 2012* require a Local Government to publish information on a number of areas within its Annual Report.

The following information is provided in accordance with these requirements.

### Councillor Remuneration

The following pages detail the payments received and the basis on which Councillors are paid for performing their role as a Councillor. Copies of the relevant policies including reimbursement of expenses are also included in Appendix 3.

Councillor	Monthly Council Meetings	Total Fees Paid <sup>#</sup>
Cr Richard Marsh (Mayor)	12	\$99,637.92
Cr Fiona Gaske (Deputy Mayor)	12	\$57,483.00
Cr Robert Paul	12	\$49,818.96
Cr Ian Todd	12	\$49,818.96
Cr Samantha O'Toole	12	\$49,818.96
Cr Scott Scriven	12	\$49,818.96
Cr Robyn Fuhrmeister	12	\$49,818.96

<sup>#</sup>Fees include base remuneration and meeting fees for other meetings attended as a representative of Council. Remuneration covers 2016/17 financial year as opposed to calendar year limits determined by the tribunal.

### Council meetings and minutes

General Meetings of Council are held on the third Thursday of every month unless otherwise advertised. Unconfirmed minutes are available for inspection no later than 10 days after each meeting and copies of confirmed minutes are available for purchase at applicable photocopying charges. Council minutes may also be accessed via our website.

This year we have focused on improving the quality of reports presented for decision and those for information only. The changes have resulted in improved agenda and time management.

The public have also expressed their appreciation of Council releasing agendas in full on our website ahead of Council meetings and Council minutes within the statutory 10 working days.

Number of Ordinary Meetings	Number of Special Meetings	Total number of meetings
12	5	17

### Council advisory committees

We have a range of Advisory Committees to assist in our decision-making processes:

- ICT Steering Committee (Internal only)
- Audit Committee (includes external members of the community)
- Plant Committee (Internal only)
- Waste Advisory Committee (Internal only)
- St George Levee Bank Advisory Committee (includes external members of the community)
- South West Indigenous Cultural Precinct Advisory Committee (includes external members of the community)
- Community Safety Committee (includes external members of the community)



Mayor Cr Richard Marsh at the Anzac Day Dawn Service in St George.

### Overseas travel

No Councillors or employees of Council undertook any overseas travel for the financial year 2016/17 in accordance with Section 188 of the *Local Government Regulation 2012*.

### Councillor Conduct

In accordance with the *Local Government Act 2009* Councillors are required to maintain appropriate standards of conduct and performance. Details of complaints and orders made under the *Local Government Act 2009* must be reported in our Annual Report.

In accordance with sections 180 and 181 of the *Local Government Act 2009*, there was one order to advise of inappropriate conduct.

In accordance with section 176C(3)(a)(ii) or (b)(i) of the *Local Government Act 2009*, there were no complaints referred to the Mayor.

# statutory information

## Local Government Remuneration & Discipline Tribunal

The Tribunal is an independent body responsible for deciding categories of local government and the remuneration to be paid to mayors, deputy mayors and councillors - according to the categories.

The Local Government Remuneration and Discipline Tribunal also establishes processes for dealing with allegations and makes determinations regarding councillors' conduct that is not in accordance with the principles and obligations set out in the *Act*.

A report on the Tribunal's remuneration determinations is made to the Minister responsible for local government by 1 December annually.

The most recent report regarding remuneration for local government councillors was published by the Local Government Remuneration Tribunal in December 2016.

Councils do not need to pass a resolution to adopt the levels prescribed by the Tribunal as they will apply automatically in the absence of a resolution adopting a lesser amount. Council will continue to apply the rate set by the Tribunal from 1 July each financial year.

## Delegations

Council may delegate its power to the Chief Executive Officer. A delegations register is now in place and the CEO delegations are reviewed annually as required by Section 257(4) of the *Local Government Act*.

## Shareholder Delegates

In accordance with reporting requirements under the *Local Government Regulation 2012*, Council did not operate any corporate entities during the 2016/17 period.

## Senior Management Remuneration

In accordance with Section 201 of the *Local Government*

*Act 2009* details of remuneration packages that are payable to the senior management of the local government is to be stated in the Annual Report.

The senior management of a local government consists of the Chief Executive Officer and all senior executive employees of the local government.

Remuneration Package Range	Senior Management Employees
\$0.00-\$100,000	0
\$100,001-\$200,000	3
\$200,001-\$300,000	1

## Tenders

### Expressions of Interest prior to inviting Tenders

No expressions of interest were called prior to inviting tenders in accordance with Section 228(3) & Section 228(5) of the *Local Government Regulation 2012*.

### Changes to Tenders

No tenderers were invited to change their tender to take account of any changes to tender specification in accordance with Section 228(7) of the *Local Government Regulation 2012*.

## Summary of Expenditure for Particular Items

The following summary of expenditure is provided in accordance with Section 189 of the *Local Government Regulation 2012*.

## Grants to Community Organisations

Free or concessional use of Council facilities - \$6236.80.



## statutory information

Regional Arts Development Fund		Total \$25,226
Thallon Progress Association	Wombat Sculpture	\$7703
Thallon Progress Association	Thallon Silos Mural	\$4500
Dirranbandi Arts Council	Public art	\$5798
Dirranbandi Arts Council	Two-day workshop on restoring wood projects	\$405
Dirranbandi Arts Council	Two-day upholstery workshop	\$870
T Zohl & J Lloyd	Public Art - painting shopfront windows	\$3000
St George Art Group	Two-day painting workshop	\$1430
St George State School	Art in Community Garden	\$1520

Community Grants 2016/17		Total \$14,645.80
Mungindi Show Society	Council - Annual Show	\$500
Dirranbandi Progress Association	CEO - Seniors Morning Tea	\$100
Balonne Ballet Association	Council - Ballet Exams	\$500
St George State High School	CEO - Year 12 Dux	\$100
Care Balonne	Council - Multicultural Festival	\$200
Bollon Charity Rodeo	Council - Bollon Campdraft	\$250
Mungindi Show Society	Council - Mungindi Show	\$500
Various	CEO - Gift Baskets - VIC	\$344.60
St George Fishing Club	Council - Fishing Competition	\$250
St Patrick's Fete Committee	CEO - St Patrick's Fete Colouring Competition	\$135
St Patrick's Fete Committee	CEO - Gift Basket - Megadraw	\$102.20
St George & District Chamber	Christmas Carnival	\$500
St George State School	OptiMinds	\$500
St George Aboriginal Housing	Council - Donation Holiday Activities	\$440
Dirranbandi Progress Association	Donation Australia Day	\$200
Mungindi Raft Races	Council - Major Sponsorship	\$500
Care Balonne	International Womens Day luncheon	\$500
Adrian Sortino	Kapunda Fun Day	\$200
Mungindi Community Preschool	Shade Area/Ramp	\$330
St Joseph's P&F	Melbourne Cup Luncheon	\$330
St Patrick's School	Literacy Festival	\$1084
St George Art Group	Install lights	\$300
Lifeline Darling Downs	Tour	\$500
St George State School P&C	Year 6 Canberra Trip	\$1000
Bollon Polocrosse Association	Donation	\$200
Dirranbandi P-10 State School	Royal Flying Doctor Service Rally	\$880
Mungindi Show Society	Mungindi Show	\$2000
St George State High School	Sports Tournament	\$1500
St George State High School	Year 12 Dux	\$100

# statutory information



## Registers

In accordance with Section 190 (1) (f) of the *Local Government Regulation 2012*, the following lists the registers and other publications that are kept under the control of the Chief Executive Officer.

These are open to inspection, with or without restriction. In some cases, charges may apply for copies or extracts if these are allowable.

- Land Record
- Fees and Charges
- Road Register
- Local Law Policies
- Shire Planning Scheme
- Council Meeting Minutes
- Council Delegations
- Delegations by Chief Executive Officer
- Policy Register
- Corporate Plan
- Annual Operational Plan
- Budget
- Annual Report
- Personal Interest of Councillors
- Personal Interests of Councillors' Related Persons
- Personal Interest of the Chief Executive Officer and other specified employees

infrastructure: 2350km of roads (a further 639.58km of Main Roads are within the Shire) and 14,040.66 hectares of reserve land that are reserves under the *Land Act 1994*.

This land does not have a value within our financial statements.

## Policies

Our Human Resources Policies are under constant review to reflect legislative changes and industrial relation matters that arise.

The following policies and management directives are currently being reviewed by management.

Policies/Management Directives
Workplace Bullying, Sexual Harassment & Discrimination Policy
Support for Employees affected by Domestic Family Violence Policy
Smoke-Free Work Environment - Management Directive
Discipline - Management Directive
Attendance & Absenteeism - Management Directive
Induction - Management Directive
Interview Panel Guidelines - Management Directive
Reimbursement of Relocation Expenses - Management Directive
Probation Period - Management Directive
Managing Performance Issues - Management Directive



*Deputy Mayor Fiona Gaske and Mayor Richard Marsh welcome the Governor of Queensland, his Excellency the Honourable Paul de Jersey AC to St George.*

# appendix 1 - rates & charges

## Special Rates & Charges

### Thallon Town Rural Fire Brigade

For the 2016/17 year a special charge was levied on those rateable properties contained in the benefited area in the town of Thallon. This was for the purpose of raising revenue to fund the operation of the Thallon Town Rural Fire Brigade. During the year \$7373 was levied.

### Domestic Animal Levy

For the 2016/17 year a special charge was levied on those rateable properties in Categories 1-3, within the Balonne Shire boundary. This levy is for the purpose of raising revenue to fund the continued operation of Domestic Animal Management services or activities in the Shire. During the year \$29,946 was levied.

### Feral Animal Levy

For the 2016/17 year a special charge was levied on those rateable properties in Rating Categories 63, 73, 74, 75, 79, 80 and 81 within the Balonne Shire Council boundary. This levy is for the purpose of raising revenue to fund the continued operation of Feral Animal Management services or activities in the Shire. During the year \$169,962 was levied.

### Environment Levy

For the 2016/17 year a special charge was levied on those rateable properties contained in the benefited area surrounding the towns of St George, Dirranbandi, Bollon, Hebel, Thallon and Nindigully. This was for the purpose of raising revenue to fund the continued operation of the landfills in St George, Dirranbandi, Bollon, Hebel, Thallon and Nindigully. During the year \$10,125 was levied.

## Rebates and Concessions

### Pensioner Rate Remissions

Council provides a Remission of Rates for properties owned or occupied by Pensioners, equal to 100% of the General Rate up to a maximum of \$150 per annum, to owners of qualifying premises. This subsidy was in addition to the subsidy offered by the State Government.

### Payment of Rates by Instalments

The Council will accept applications for payment of

rates by instalments from property owners who can demonstrate a genuine financial hardship. The Council has determined that each such application is to be assessed on its merits. All instalment plans must have the effect of liquidating the debt within six months, unless Council, by resolution, determines otherwise.

No premium is charged for the payment of rates by instalments under such arrangements; however Interest continues to be charged on overdue rates which are subject to an instalment payment plan.

The applicant must comply strictly with the terms of the instalment plan agreed to. Default will result in Council requiring immediate full payment of future instalments.

### Concessions for Rates and Charges and Other Remission Requests

Concessions for Rates and Charges and other remission requests, or rate deferral requests, are assessed on a case-by-case basis, in accordance with Section 190 (1)(g) of the *Local Government Regulation 2012*. Balonne Shire Council grants concessions of 50% of utility charges to religious, charitable and other organisations. Total concessions granted for 2016/17 was \$13,835.

### Discount for Prompt Payment of Rates and Charges

Council allows a discount for prompt payment of rates/charges as a means to ensuring a timely flow of cash to fund its operations. Council set by resolution at its Budget Meeting a discount of 10%, with the date by which, the rate must be paid at least 30 days after the issue of the rate notice. Council provides the discount for each rate moiety.

The discount applies to the prompt payment of:

- General Rates
- Urban Water Charges incl. Excess Water and Consumption Charges
- Rural Residential Water Charges incl. Excess Water Charges
- Sewerage Charges
- Cleansing Charges
- Thallon Town Rural Fire Brigade Special Charges





## appendix 2 - councillor expenses remuneration



The reimbursement of expenses incurred by a Councillor in performing their role is governed by Council's Expenses Reimbursement Policy.

### Policy Statement

To provide guidance for reimbursement of reasonable expenses incurred by Councillors in discharging their duties and responsibilities.

### Principles

This policy ensures that the Council's reimbursement of expenses incurred by Councillors is consistent with the local government principles and financial sustainability criteria as defined in the Local Government Act 2009.

Councillors should not be financially disadvantaged when carrying out their roles, and should be fairly and reasonably compensated in accordance with statutory requirements and community expectations.

Councillors should not receive a private benefit through their role as a Councillor and as such this policy provides for actual reimbursement of legitimate expenses and full disclosure through appropriate accountability requirements.

### Scope

This policy applies to all Councillors for the reimbursement of expenses incurred, or to be incurred, by them in undertaking their responsibilities.

This policy does not provide for salaries or other forms of Councillor Remuneration. Councillor Remuneration is determined annually by the Local Government Remuneration and Discipline Tribunal.

### Definitions

**Council business:** means the official business of a Councillor as generally described in Chapter 2, Part 1 of the *Local Government Act 2009*. Council business should result in a benefit being achieved either for the local government and/or the local government area.

*\*\* Participating in a community group events or being a representative on a board not associated with Council is not regarded as Council business.*

**Entertainment & Hospitality:** Means the cost to Council of providing entertainment or hospitality as outlined in Council's Entertainment and Hospitality Expenditure Policy.

**Professional Development:** Includes study tours, attendance at industry workshops, courses, seminars and conferences that improves Councillors' skills and knowledge relevant to their responsibilities as a Councillor.

### Training

Any facilitated learning activity which is considered by Council to be a requirement for Councillors to discharge their duties and responsibilities as Councillors.

### Policy

The Council will reimburse Councillors for expenses as set out in this policy. Any expenses not provided for by this policy may be reimbursed only with approval from the Chief Executive Officer.

When considering an application for approval of any matter related to this policy, the Council or the Chief Executive Officer must have regard to any relevant principles as contained in the *Local Government Act 2009* and any applicable budget allocation.

### Council Business

The Council will reimburse expenses incurred in undertaking Council business which includes:

- Preparing, attending and participating in Council meetings, committee meetings, workshops, strategic briefings, deputations and inspections
- Attending civic functions or civic events to perform official duties or as an official Council representative
- Attending public/community meetings, presentation dinners and annual general meetings as an official Council representative

### Professional Development

The Council will reimburse expenses incurred for Council-approved professional development incurred for:

- Mandatory professional development; and
- Discretionary professional development deemed beneficial for the Councillor's role.

# appendix 2 - councillor expenses remuneration

## Travel Expenses

The Council will reimburse local, interstate and overseas travel expenses (e.g. flights, car, accommodation, meals) deemed necessary for undertaking Council business and approved professional development.

Councillors are to travel via the most direct route, using the most economical and efficient mode of transport. The amount of the reimbursement will be the actual amount expended by the Councillor.

**NOTE:** Any fines incurred while travelling in Council-owned vehicles, privately owned vehicles or rental vehicles when attending to Council business will be the responsibility of the Councillor incurring the fine.

## Flight Bookings

All Councillor travel approved by Council will be booked and paid for by Council.

Economy class is to be used where possible although Council may approve business class in certain circumstances.

Airline tickets are not transferable and can only be procured for the Councillor's travel on Council business.

They cannot be used to offset other unapproved expenses (e.g. cost of partner accompanying the Councillor).

## Travel Cost Transfers

Any travel transfer expenses associated with Councillors travelling for approved business will be reimbursed on production of original receipts. Example: trains, taxis, buses and ferry fares

Cab charge vouchers may also be used if approved by Council where Councillors are required to undertake duties relating to the business of Council.

## Private Vehicle Usage

Councillors may use their own vehicle with a mileage paid at the appropriate rate determined by the Australian Taxation Office or alternatively Councillors may request the use of an available Council vehicle, or hire car if a Council vehicle is not available.

Councillors are to provide written notice when travelling for official Council purposes and provide 12 hours written notice to book a Council vehicle.

Council may reimburse expenses for private use of a Councillor's own vehicle if the:

- Travel is in accordance with this policy
- Claim for mileage is substantiated with log book details
- Total travel claim does not exceed the cost of the same travel using economy flights plus the cost of taxi transfers.

If Councillors are using their own vehicle they must have appropriate insurance as outlined in Insurance Cover section.

If however a Council staff member is taking a Council vehicle and the Councillor still chooses to use their own vehicle, without prior approval, then the kilometre allowance will not be paid and the councillor is not covered under council's insurance arrangements.

## Amount (cents per km)

66.0c

## Accommodation

All Councillor accommodation for Council business will be booked and paid for by Council.

Where particular accommodation is recommended by conference organisers, Council will take advantage of the package deal that is the most economical and convenient to the event.

## Meals

Councillors will be reimbursed for the actual cost of meals when:

- The Councillor incurs the cost personally
- The meal was not provided within the registration



Member for Maranoa David Littleproud (second from left) met with Cr Ian Todd (left), Mayor Cr Richard Marsh, Chief Executive Officer Matthew Magin and Deputy Mayor Cr Fiona Gaske.

costs of the approved activity/event/travel

- The Councillor can produce original documents sufficient to verify the actual meal cost

The actual and reasonable costs allowed for meals are not to exceed the [Public Service Domestic Travelling and Relieving Expenses Directive No 9-11 September 2011](#) equal to the allowance for overnight stay in Brisbane (or as updated).

Meal allowances shall be to the value below, however, the CEO may approve payment beyond these amounts in circumstances considered appropriate.

(Current 1 September, 2011)

Breakfast	\$23.65
Lunch	\$26.55
Dinner	\$45.60

If a Councillor cannot produce a receipt for a meal they have purchased then a statutory declaration must be completed to claim the reimbursement.

No alcohol will be paid for by Council.

## Incidental Expenses

Up to \$20 per day may be paid to cover any incidental costs incurred by Councillors required to travel, and who are away from home overnight, for official Council business.

## appendix 2 - councillor expenses remuneration



### Provision of Facilities

All facilities provided to Councillors remain the property of Council and must be returned to Council when a Councillor's term expires.

#### Administrative Tools

Administrative tools shall be provided to Councillors as required to assist Councillors in their role.

Administrative tools include:

- Office space and meeting rooms
- Computers
- Mobile phones/reimbursement of call costs
- Stationery
- Access to photocopiers
- Printers
- Facsimile machines
- Publications
- Use of Council landline telephones and internet access in Council offices
  - Secretarial support may also be provided for the Mayor and Councillors
  - Council may provide a Councillor with home office equipment including computer and internet access if necessary.

### Maintenance Costs of Council-Owned Equipment

Council will be responsible for the ongoing maintenance and reasonable wear and tear costs of Council-owned equipment that is supplied to Councillors for official business use. This includes the replacement of any facilities which fall under Council's asset replacement program.

### Name Badge and Safety Equipment for Councillors

A local government may provide Councillors with:

- A name badge;
- The necessary safety equipment for use on official business e.g. safety helmet/boots.

### Use of Council Vehicles for Council business

Councillors may have access to a Council vehicle for official business.

### Insurance Cover

Council will indemnify or insure Councillors in event of injury sustained while discharging their civic duties.

Council will pay the excess for injury claims made by a Councillor resulting from conducting official Council business.

For all purposes of his policy, the use of a private vehicle for official purposes must be authorised by the Council.

Before authorisations are given under this directive, the following conditions are to be met:

- the vehicle is to be covered by either a comprehensive motor vehicle insurance policy or a third-party property damage insurance policy
- the councillor is to produce evidence that the insurance policy has been endorsed to indemnify the Balonne Shire Council against certain liabilities at law. This is a standard endorsement available on request from all insurance companies. The policy does not require the actual words "Balonne Shire Council", the word "employer" will suffice.

Balonne Shire Council will refund any endorsement fees.

### Fuel Costs

Fuel for a Council-owned vehicle used for official Council business, will be provided or paid for by Council.

### Car Parking Amenities

Councils are to provide Councillors with reimbursement of parking costs paid by Councillors while attending to official Council business, upon production of tax invoice.





# appendix 3 - financial statements

## Balonne Shire Council

### General Purpose Financial Statements for the year ended 30 June 2017

<b>Table of Contents</b>		<b>Page</b>
<b>1. Primary Financial Statements:</b>		
Statement of Comprehensive Income		2
Statement of Financial Position		3
Statement of Changes in Equity		4
Statement of Cash Flows		5
<b>2. Notes to the Financial Statements</b>		
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## appendix 3 - financial statements

### Balonne Shire Council

#### Statement of Comprehensive Income

for the year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
<b>Income</b>			
<b>Revenue</b>			
<b>Recurrent Revenue</b>			
Rates, Levies and Charges	3a	9,472	9,311
Fees and Charges	3b	269	273
Rental Income	3c	238	259
Interest and Investment Revenue	3b	425	529
Sales Revenue	3c	4,145	4,220
Other Income	3d	357	201
Grants, Subsidies, Contributions and Donations	4a	8,620	5,563
<b>Total Recurrent Revenue</b>		<b>23,526</b>	<b>20,356</b>
<b>Capital Revenue</b>			
Grants, Subsidies, Contributions and Donations	4b	4,304	3,744
<b>Total Revenue</b>		<b>27,830</b>	<b>24,100</b>
Capital Income	5	136	41
<b>Total Income</b>		<b>27,966</b>	<b>24,141</b>
<b>Expenses</b>			
Employee Benefits	5	6,113	5,906
Materials and Services	6	9,438	9,371
Finance Costs	7	220	217
Depreciation and Amortisation	8	8,012	7,594
<b>Total Expenses</b>		<b>23,783</b>	<b>23,088</b>
<b>Operating Result</b>		<b>4,183</b>	<b>1,053</b>
<b>Net Result</b>		<b>4,183</b>	<b>1,053</b>
<b>Other Comprehensive Income</b>			
<i>Amounts which will not be reclassified subsequently to the Net Result</i>			
Gain on Revaluation of Property, Plant and Equipment	14	2,184	9,095
<b>Total Other Comprehensive Income</b>		<b>2,184</b>	<b>9,095</b>
<b>Total Comprehensive Income</b>		<b>6,367</b>	<b>10,148</b>

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

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## appendix 3 - financial statements

### Balonne Shire Council

#### Statement of Financial Position as at 30 June 2017

	Notes	2017 \$'000	2016 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	7	21,616	17,168
Trade and Other Receivables	8	3,636	1,870
Inventories	15	216	198
<b>Total Current Assets</b>		<b>25,468</b>	<b>19,236</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	9	260,866	260,634
Intangible Assets	30	17	36
<b>Total Non-Current Assets</b>		<b>260,883</b>	<b>260,670</b>
<b>TOTAL ASSETS</b>		<b>286,351</b>	<b>279,906</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	11	1,310	1,021
Borrowings	12	255	240
Provisions	13	1,029	981
Other Liabilities	35	7	8
<b>Total Current Liabilities</b>		<b>2,601</b>	<b>2,250</b>
<b>Non-Current Liabilities</b>			
Borrowings	12	2,925	3,181
Provisions	13	151	168
<b>Total Non-Current Liabilities</b>		<b>3,076</b>	<b>3,349</b>
<b>TOTAL LIABILITIES</b>		<b>5,677</b>	<b>5,599</b>
<b>Net Community Assets</b>		<b>280,674</b>	<b>274,307</b>
<b>COMMUNITY EQUITY</b>			
Asset Revaluation Surplus	14	197,400	195,216
Retained Surplus	13	83,274	79,091
<b>Total Community Equity</b>		<b>280,674</b>	<b>274,307</b>

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

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## appendix 3 - financial statements

### Balonne Shire Council

#### Statement of Changes in Equity for the year ended 30 June 2017

	Notes	Asset Revaluation Surplus \$'000	Retained Surplus \$'000	Total Equity \$'000
<b>2017</b>				
Opening Balance		195,216	79,091	274,307
a. Net Operating Surplus for the Year		-	4,183	4,183
b. Other Comprehensive Income				
- Revaluations : Property, Plant and Equipment	14	2,184	-	2,184
<b>Other Comprehensive Income</b>		<b>2,184</b>	<b>-</b>	<b>2,184</b>
<b>Total Comprehensive Income</b>		<b>2,184</b>	<b>4,183</b>	<b>6,367</b>
<b>Equity Balance as at 30 June 2017</b>		<b>197,400</b>	<b>83,274</b>	<b>280,674</b>

	Notes	Asset Revaluation Surplus \$'000	Retained Surplus \$'000	Total Equity \$'000
<b>2016</b>				
Opening Balance		186,121	78,038	264,159
a. Net Operating Surplus for the Year		-	1,053	1,053
b. Other Comprehensive Income				
- Revaluations : Property, Plant and Equipment	14	9,095	-	9,095
<b>Other Comprehensive Income</b>		<b>9,095</b>	<b>-</b>	<b>9,095</b>
<b>Total Comprehensive Income</b>		<b>9,095</b>	<b>1,053</b>	<b>10,148</b>
<b>Equity Balance as at 30 June 2016</b>		<b>195,216</b>	<b>79,091</b>	<b>274,307</b>

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

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## appendix 3 - financial statements

### Balonne Shire Council

#### Statement of Cash Flows for the year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
<b>Cash Flows from Operating Activities</b>			
Receipts from Customers		13,782	13,909
Payments to Suppliers and Employees		(15,231)	(15,724)
		(1,449)	(1,815)
<b>Receipts:</b>			
Investment and Interest Revenue Received		425	529
Rental Income		238	259
Non Capital Grants and Contributions		7,935	5,563
Other		(639)	2,392
<b>Payments:</b>			
Borrowing Costs		(220)	(217)
Other		18	19
<b>Net Cash Inflow from Operating Activities</b>	18	<b>6,308</b>	<b>6,730</b>
<b>Cash Flows from Investing Activities</b>			
<b>Receipts:</b>			
Sale of Property, Plant and Equipment		136	41
Grants, Subsidies, Contributions and Donations		4,304	3,744
<b>Payments:</b>			
Purchase of Property, Plant and Equipment		(6,078)	(8,125)
Payments for Intangible Assets		19	33
<b>Net Cash Outflow from Investing Activities</b>		<b>(1,619)</b>	<b>(4,307)</b>
<b>Cash Flows from Financing Activities</b>			
<b>Payments:</b>			
Repayment of Borrowings		(241)	(230)
<b>Net Cash Outflow from Financing Activities</b>		<b>(241)</b>	<b>(230)</b>
<b>Net Increase/(Decrease) for the year</b>		<b>4,448</b>	<b>2,193</b>
Cash and Cash Equivalents at beginning of the financial year		17,168	14,975
<b>Cash and Cash Equivalents at end of financial year</b>	7	<b>21,616</b>	<b>17,168</b>

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

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## Balonne Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 1. Summary of Significant Accounting Policies

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##### (1.a) Basis of preparation

These general purpose financial statements are for the period 1 July 2016 to 30 June 2017 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*. 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, certain classes of property, plant and equipment which are measured at fair value;

##### Recurrent/Capital Classification

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

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

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

- Disposal of non-current assets
- Revaluations of investment property and property, plant and equipment.

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

##### (1.b) Statement of Compliance

These general purpose financial statements comply with all accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to Council's operations and effective for the current reporting period. Because the Council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are

inconsistent with International Financial Reporting Standards (IFRS), to the extent these inconsistencies are applied, these financial statements do not comply with IFRS. The main impacts are the offsetting of revaluation and impairment gains and losses within a class of assets, and the timing of the recognition of non-reciprocal grant revenue.

##### (1.c) Constitution

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

##### (1.d) Date of Authorisation

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

##### (1.e) Currency

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

##### (1.f) Adoption of New and Revised Accounting Standards

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.

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

This year Council has applied AASB 124 Related Party Disclosures for the first time. As a result Council has disclosed more information about related parties and transactions with those related parties. This information is presented in note 27.

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 a material impact on the financial statements.

## Balonne Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 1. Summary of Significant Accounting Policies (continued)

As at the date of authorisation of the financial statements, the standards and interpretations listed below were in issue but not yet effective.

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

- AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*
- AASB 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15*
- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*
- AASB 2016-4 *Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities*
- AASB 2016-7 *Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities*

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

- AASB 9 *Financial Instruments (December 2009)*
- AASB 15 *Revenue from Contracts with Customers*
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*
- AASB 2014-1 *Amendments to Australian Accounting Standards (Part E)*
- AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*
- AASB 1057 *Application of Australian Accounting Standards*
- AASB 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15*

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

- AASB 16 *Leases*
- AASB 16 *Leases (Appendix D)*
- AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 2016-8 *Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities*

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

In the application of Council's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and ongoing assumptions are reviewed 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 & Equipment - Note 1.i and Note 12
- Provisions - Note 1.p and Note 16
- Contingencies - Note 20.

##### (1.h) 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

## Balonne Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 1. Summary of Significant Accounting Policies (continued)

amount is recognised as revenue in the period in which they are received, otherwise rates are recognised at the commencement of rating period.

##### Grants and subsidies

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them. In the financial year ended 30 June 2017, and previous years, an equivalent amount was transferred from retained earnings to the relevant reserve until the funds were expended. Unspent non-reciprocal capital grants were placed in the Unspent capital grants reserve. On 20 March 2015, council passed a resolution to close all existing reserves and account for these restrictions using an internal management accounting system. Internal restrictions that have been placed on council's cash and cash equivalents are now disclosed in Note 10.

##### Non-cash contributions

Non-cash contributions with a value in excess of the recognition thresholds, are recognised as revenue and as non-current assets. Non-cash contributions below the thresholds are recorded as revenue and expenses.

##### 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.

The council generates revenues from a number of services including mainly 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.i) Financial assets and financial liabilities**

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

Balonne 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.j)
- Receivables - measured at amortised cost (Note 1.k)

##### Financial liabilities

- Payables - measured at amortised cost (Note 1.o)
- Borrowings - measured at amortised cost (Note 1.q)

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

The fair value of financial instruments is determined as follows:

The fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximate their carrying amounts and are not disclosed separately.

## Balonne Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 1. Summary of Significant Accounting Policies (continued)

The fair value of borrowings, as disclosed in Note 15 to the accounts, is determined by reference to published price quotations in an active market and/or by reference to pricing models and valuation techniques. It reflects the value of the debt if the Council repaid it in full at balance date. As it is the intention of the Council to hold its borrowings for their full term, no adjustment provision is made in these accounts.

The fair value of trade receivables approximates the amortised cost less any impairment.

The fair value of payables approximates the amortised cost.

Balonne Shire Council does not recognise financial assets or financial liabilities at fair value in the Statement of Financial Position.

All other disclosures relating to the measurement and financial risk management of financial instruments are included in Note 26.

#### (1.j) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, all cash and cheques receipted but not banked at the year end, deposits held at call with financial institutions.

#### (1.k) Receivables

Trade receivables are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase price / contract price. Settlement of these amounts is required within 30 days from invoice date.

The collectability of receivables is assessed periodically and if there is objective evidence that Council will not be able to collect all amounts due, the carrying amount is reduced for impairment. The loss is recognised in finance costs. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

All known bad debts were written-off at 30 June. Subsequent recoveries of amounts previously written off in the same period are recognised as finance costs in the Statement of Comprehensive

Income. If an amount is recovered in a subsequent period it is recognised as revenue.

#### (1.l) Property, Plant & 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 and useful lives of property, plant and equipment recognised by the Council are:

Category	Years
Land and Improvements	not depreciated
Buildings	15-100
Plant and Equipment	3-50
Furniture & Fittings	5-60
Infrastructure	
- Transport Infrastructure	10-200
- Water Supply Network	10-120
- Urban Waste Water	10-120
- Other infrastructure assets	5-100
Work in progress	Not depreciated

#### 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 incurred in the acquisition or

## Balonne Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 1. Summary of Significant Accounting Policies (continued)

construction of assets are treated as capital expenditure. Assets under construction are not depreciated until they are completed and commissioned, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

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

##### 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. Other plant and equipment and work in progress are measured at cost.

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

In the intervening years, Council uses internal reviews, or a desktop valuation by external valuers. The internal review involves engineers to assess the condition and cost assumptions associated with all infrastructure assets, the results of which are considered in combination with the Asset revaluation index: Engineering construction, Queensland. Together these are used to form the basis of a management valuation for infrastructure asset classes in each of the intervening years. 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 sound. Further details in relation to valuers, the methods of valuation and the key assumptions used are disclosed in Note 13.

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 significant 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 (where applicable), 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

## Balonne Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 1. Summary of Significant Accounting Policies (continued)

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.

Depreciation methods, estimated useful lives and 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 depreciated current replacement cost are used to estimate the useful lives of these assets at each reporting date.

#### (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. If an indicator of possible impairment exists, the Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

#### (1.n) Leases

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

#### Operating leases

Payments made under operating leases are expensed in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

#### (1.o) Payables

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

#### (1.p) Liabilities - Employee Benefits

Liabilities are recognised for employee benefits such as wages and salaries, annual leave and long service leave in respect of services provided by the employees up to the reporting date. Liabilities for employee benefits are assessed at each reporting date. Where it is expected that the leave will be paid in the next twelve months the liability is treated as a current liability. Otherwise the liability is treated as non-current.

#### 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 21.

#### Annual Leave

A liability for Annual Leave is recognised and is calculated on current wage and salary levels and includes related on costs. The liability is reported in Note 11 as Trade and Other Payables.

#### 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



## Balonne Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 1. Summary of Significant Accounting Policies (continued)

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 16 as a provision.

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

#### (1.q) Borrowings and Borrowing Costs

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

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

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

#### (1.r) Asset Revaluation Surplus

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

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

Where a class of assets is decreased on revaluation, that decrease is offset first against the amount

remaining in the asset revaluation surplus in respect of that class. Any excess is treated as an expense.

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

#### (1.s) Retained Surplus

In reference to the comparative figures for the year ended 30 June 2017, this represents the amount of Council's net funds not set aside in internally imposed expenditure restrictions to meet specific future needs.

#### (1.t) Rounding and Comparatives

Amounts included in the financial statements have been rounded to the nearest \$1,000 unless otherwise indicated.

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

#### (1.u) Trust funds held for outside parties

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 custodian 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 Note 23.

#### (1.v) 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.

## Balonne Shire Council

### Notes to the Financial Statements for the year ended 30 June 2017

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

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Details relating to the Council's functions / activities as reported in Note 2(b) are as follows:

##### **CORPORATE GOVERNANCE**

To provide effective organisational leadership through strategic planning, accountability and ethical standards of practice

##### **CORPORATE SERVICES**

To enhance the capability and performance of Balonne Shire Council and ensure resources are directed to achieve organisational objectives.

##### **PLANNING, DEVELOPMENT AND ENVIRONMENTAL HEALTH SERVICES**

To implement appropriate planning and building construction controls to ensure and encourage the balance between quality development of the shire and the protection of the environment.

To implement policies and operational programs that will contribute to the environmental health and wellbeing of the community.

##### **RURAL SERVICES**

To provide effective and efficient management of stock routes, animal and weed pests.

##### **INFRASTRUCTURE SERVICES**

To provide efficient and effective transport and drainage infrastructure.

To provide community infrastructure to meet the needs of current and future generations.

To provide efficient, effective and environmentally sound waste water disposal services and water supplies.

##### **COMMUNITY LIFESTYLE**

To encourage and promote a sense of community and belonging, community pride, engagement, wellbeing and grow social capital.

##### **ECONOMIC DEVELOPMENT**

To foster a vibrant economic environment.

##### **COMMERCIAL SERVICES**

To undertake commercial works within the scope of Council's expertise in an efficient and cost effective manner.

## Balonne Shire Council

Notes to the Financial Statements  
for the year ended 30 June 2017

## Note 2(b). Analysis of Results by Function

Functions	Gross Program Income						Total Income	Gross Program Expenses		Net Result from Repeating Operations	Net Result	Total Assets
	Recurring		Grants		Capital			Recurring	Capital			
	Grants	Other	Grants	Other	Grants	Other						
<b>2017</b>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Corporate Governance	-	-	-	-	-	-	-	(442)	(442)	(442)	(442)	-
Corporate Services	5,391	6,518	-	78	-	11,987	(2,365)	(2,365)	9,544	9,622	29,156	
Planning & Development and Environmental	-	188	-	-	-	188	(742)	(742)	(554)	(554)	3,444	
Rural Services	37	196	-	-	-	233	(746)	(746)	(513)	(513)	195	
Infrastructure Services	2,490	3,754	4,104	58	-	10,406	(13,477)	(13,477)	(7,233)	(3,071)	237,683	
Community Lifestyle	347	105	100	-	-	552	(2,743)	(2,743)	(2,291)	(2,191)	15,842	
Economic Development	355	46	100	-	-	501	(884)	(884)	(483)	(383)	31	
Commercial Services	-	4,099	-	-	-	4,099	(2,384)	(2,384)	1,715	1,715	-	
<b>Total</b>	<b>8,620</b>	<b>14,906</b>	<b>4,304</b>	<b>136</b>	<b>-</b>	<b>27,966</b>	<b>(23,783)</b>	<b>(23,783)</b>	<b>(257)</b>	<b>4,183</b>	<b>286,351</b>	
Functions	Gross Program Income						Total Income	Gross Program Expenses		Net Result from Repeating Operations	Net Result	Total Assets
	Recurring		Grants		Capital			Recurring	Capital			
	Grants	Other	Grants	Other	Grants	Other						
<b>2016</b>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Corporate Governance	-	-	-	-	-	-	(457)	(457)	(457)	(457)	-	
Corporate Services	3,513	6,394	-	17	-	9,924	(1,930)	(1,930)	7,977	7,994	23,016	
Planning & Development and Environmental	-	191	-	-	-	191	(711)	(711)	(520)	(520)	3,468	
Rural Services	108	172	13	-	-	293	(791)	(791)	(511)	(498)	454	
Infrastructure Services	1,378	3,681	3,688	36	-	8,783	(12,853)	(12,853)	(7,794)	(4,070)	237,027	
Community Lifestyle	346	108	43	-	-	497	(2,872)	(2,872)	(2,418)	(2,375)	15,920	
Economic Development	234	50	-	-	-	284	(348)	(348)	(64)	(64)	21	
Commercial Services	-	4,169	-	-	-	4,169	(3,126)	(3,126)	1,043	1,043	-	
<b>Total</b>	<b>5,579</b>	<b>14,765</b>	<b>3,744</b>	<b>53</b>	<b>-</b>	<b>24,141</b>	<b>(23,088)</b>	<b>(23,088)</b>	<b>(2,744)</b>	<b>1,053</b>	<b>279,906</b>	

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## Balonne Shire Council

### Notes to the Financial Statements for the year ended 30 June 2017

#### Note 3. Revenue Analysis

	2017	2016
Notes	\$'000	\$'000
<b>(a). Rates, Levies and Charges</b>		
General Rates / Community Levy	6,365	6,257
Special Rates	207	208
Water	1,796	1,770
Water Consumption, Rental and Sundries	79	66
Urban Waste Water	1,088	1,070
Waste Charges	854	836
<b>Total rates and utility charge revenue</b>	<b>10,389</b>	<b>10,207</b>
Less: Discounts	(886)	(866)
Less: Pensioner remissions	(31)	(30)
<b>TOTAL RATES, LEVIES AND CHARGES</b>	<b>9,472</b>	<b>9,311</b>

#### (b). Interest and Investment Revenue

Interest Received from Term Deposits	380	483
Interest from Overdue Rates and Utility Charges	45	46
<b>TOTAL INTEREST AND INVESTMENT REVENUE</b>	<b>425</b>	<b>529</b>

#### (c). Sales Revenue

<b>Sale of services</b>		
Contract and Recoverable Works	3,872	4,170
Other - Private Works	227	-
Visitor Info Centre	46	50
<b>TOTAL SALES REVENUE</b>	<b>4,145</b>	<b>4,220</b>

The amount recognised as revenue for contract revenue during the financial year is the amount receivable in respect of invoices issued during the period. There are no contracts in progress at the year end. The contract work carried out is not subject to retentions.

#### Note 4. Grants, Subsidies, Contributions and Donations

	2017	2016
<b>(a) Recurrent</b>		
General Purpose Grants	7,576	4,729
State Government Subsidies and Grants	822	698
Commonwealth Government Subsidies and Grants	179	71
Contributions	43	65
<b>TOTAL RECURRENT GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS</b>	<b>8,620</b>	<b>5,563</b>

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Financial Statements 2017

## Balonne Shire Council

### Notes to the Financial Statements for the year ended 30 June 2017

#### Note 4. Grants, Subsidies, Contributions and Donations (continued)

	Notes	2017 \$'000	2016 \$'000
<b>(b) Capital</b>			
State Government Subsidies and Grants		1,120	1,076
Commonwealth Government Subsidies and Grants		3,184	2,668
<b><u>TOTAL CAPITAL GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS</u></b>		<b><u>4,304</u></b>	<b><u>3,744</u></b>

## Balonne Shire Council

### Notes to the Financial Statements for the year ended 30 June 2017

#### Note 5. Employee Benefits

		2017	2016
Wages and Salaries		3,860	3,604
Annual, Sick and Long Service Leave Entitlements		846	787
Superannuation	17	609	595
Training Costs		210	293
Workers Compensation Insurance		71	108
Fringe Benefits Tax (FBT)		16	12
Councillors Remuneration		414	409
		<b><u>6,026</u></b>	<b><u>5,808</u></b>
Other Employee Related Expenses		87	98
<b><u>TOTAL EMPLOYEE BENEFITS</u></b>		<b><u>6,113</u></b>	<b><u>5,906</u></b>
<b>Total Employees at year end:</b>			
Administration Staff		34	32
Depot and Outdoors Staff		49	53
<b>Total full time equivalent employees</b>		<b><u>83</u></b>	<b><u>85</u></b>
<b>Total Elected members</b>		<b><u>7</u></b>	<b><u>7</u></b>

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## Balonne Shire Council

### Notes to the Financial Statements for the year ended 30 June 2017

#### Note 6. Materials and Services

	Notes	2017 \$'000	2016 \$'000
Advertising and Marketing		97	65
Administration Supplies and Consumables		38	34
Aerodrome Maintenance		177	154
Audit of Annual Financial Statements by the Auditor-General of Queensland		43	59
Audit Services		13	21
Cleansing Services		816	816
Communications and IT		171	120
Community Donations / Assistance		37	45
Contractors		5	-
Councillors' Expenses (incl. Mayor) - Other		16	31
Insurance		289	343
Land Protection Fund Precept		245	241
Legal Fees		64	203
Power		53	30
Repairs and Maintenance		4,890	4,560
Subscriptions and Registrations		99	103
Swimming Pools - Council Owned		324	289
Urban Waste Water		293	424
Urban Water Services		959	1,058
Other		809	775
<b><u>TOTAL MATERIALS AND SERVICES</u></b>		<b><u>9,438</u></b>	<b><u>9,371</u></b>

#### Note 7. Cash and Cash Equivalents

	2017	2016
Cash at Bank and on Hand	7,299	2,392
QTC Cash Fund	14,317	14,776
<b><u>TOTAL CASH AND CASH EQUIVALENTS</u></b>	<b><u>21,616</u></b>	<b><u>17,168</u></b>

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## Balonne Shire Council

### Notes to the Financial Statements for the year ended 30 June 2017

#### Note 7. Cash and Cash Equivalents (continued)

	2017	2016
Notes	\$'000	\$'000
<b>Restricted Cash, Cash Equivalents and Investments</b>		
Council's Cash and Cash Equivalents are subject to a number of Internal and External Restrictions that limit amounts available for discretionary of future use. These include:		
Internally imposed Expenditure Restrictions at the reporting date:		
Future Capital Works	618	618
Future Asset Replacement	6,345	4,184
Future Recurrent Expenditure	13	50
<b>Total Unspent Restricted Cash, Cash Equivalents and Investments</b>	<b>6,976</b>	<b>4,852</b>

Cash is held at Westpac Banking Corporation in a Business Cheque Account and a Business Cash Reserve Account. The bank currently has a rating of AA2.

Surplus cash requirements are deposited at Queensland Treasury Corporation in a Cash Fund Account which has a AAA rating.

#### Note 8. Trade and Other Receivables

	2017	2016
<b>Current</b>		
Rateable Revenue and Utility Charges	361	257
Other Debtors	2,241	1,527
Debtor Accruals	282	-
Government Grants and Subsidies	685	-
Prepayments	73	92
<b>Total</b>	<b>3,642</b>	<b>1,876</b>
<b>less: Provision for Impairment</b>		
Rateable Revenue and Utility Charges	(5)	(5)
Other Debtors	(1)	(1)
<b>Total Provision for Impairment - Receivables</b>	<b>(6)</b>	<b>(6)</b>
<b>TOTAL CURRENT TRADE AND OTHER RECEIVABLES</b>	<b>3,636</b>	<b>1,870</b>

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.

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## Balonne Shire Council

### Notes to the Financial Statements for the year ended 30 June 2017

#### Note 9. Property, Plant and Equipment

30 June 2017	Capital Work in Progress		Land	Buildings	Plant and Equipment	Furniture and Fittings	Water Supply Network	Other Infrastructure Assets	Transport Infrastructure	Urban Waste Water Network	Total
	\$'000	\$'000									
Measurement Basis	Cost	Fair Value									
Opening Gross Balance - at Cost	5,605	3,041	-	-	13,239	462	28,432	20,459	225,536	19,788	19,306
Opening Gross Balance - at Fair Value	-	3,041	-	36,991	-	-	28,432	20,459	225,536	19,788	334,247
Opening Gross Balance	5,605	3,041	-	36,991	13,239	462	28,432	20,459	225,536	19,788	353,553
Additions*	-	20	-	369	944	62	3,745	282	5,950	81	11,453
Disposals	-	(69)	-	-	(955)	-	-	-	-	-	(1,024)
Revaluation Decrements to Equity (ARR)	-	-	-	(1,657)	-	-	-	(647)	-	(166)	(2,470)
Revaluation Increments to Equity (ARR)	-	-	-	-	-	-	243	-	2,230	-	2,473
Adjustments and Other Transfers	-	-	-	(2,161)	(290)	(16)	(2,015)	2,729	2,944	(2,217)	(1,026)
Work in Progress Additions	6,537	-	-	-	-	-	-	-	-	-	6,537
Work in Progress Capitalised	(11,453)	-	-	-	-	-	-	-	-	-	(11,453)
Total Gross Value of Property, Plant and Equipment - at Cost	689	20	-	12,938	508	508	3,745	282	5,950	81	24,213
Total Gross Value of Property, Plant and Equipment - at Fair Value	-	2,972	-	33,542	-	-	26,660	22,541	230,710	17,405	333,830
Total Gross Value of Property, Plant and Equipment	689	2,992	-	33,542	12,938	508	30,405	22,823	236,660	17,486	358,043
Opening Accumulated Depreciation	-	-	16,254	5,357	204	204	13,511	4,016	45,575	8,002	92,919
Depreciation Expense	-	-	869	949	35	35	382	525	4,864	369	7,993
Disposals	-	-	-	(528)	-	-	-	-	-	-	(528)
Revaluation Decrements to Equity (ARR)	-	-	(1,602)	-	-	-	-	(932)	-	-	(2,534)
Revaluation Increments to Equity (ARR)	-	-	-	-	-	-	131	-	183	39	353
Adjustments and Other Transfers	-	-	-	(388)	(79)	(16)	(2,262)	423	3,082	(1,796)	(1,026)
Total Accumulated Depreciation and Impairment Property, Plant and Equipment	-	-	15,133	5,699	223	223	11,762	4,032	53,714	6,614	97,177
Total Net Book Value of Property, Plant and Equipment	689	2,992	18,409	7,239	285	285	18,643	18,791	182,946	10,872	260,866
Asset Renewals	-	-	-	944	32	32	452	78	945	81	2,532
Other Additions	-	20	369	-	30	30	3,293	204	5,005	-	8,921
Total Asset Additions	-	20	369	944	62	62	3,745	282	5,950	81	11,453

A transfer between classes has been processed following a review of the fixed asset register in order to most appropriately reflect the underlying use of the asset. This includes the reclassification of assets between all asset classes excluding Land. The net effect of these transfers on the financial statements is nil.



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## Balonne Shire Council

Notes to the Financial Statements  
for the year ended 30 June 2017

### Note 9. Property, Plant and Equipment

30 June 2016	Measurement Basis	Note	Capital Work in Progress		Land	Buildings		Plant and Equipment	Furniture and Fittings	Water Supply Network	Other Infrastructure Assets	Transport Infrastructure	Urban Waste Water Network	Total
			\$'000	Cost		\$'000	Fair Value							
	Opening Gross Balance - at Cost		2,267	-	5,366	31,370	13,121	416	-	27,463	20,167	202,724	19,288	15,804
	Opening Gross Balance - at Fair Value		-	-	5,366	31,370	13,121	416	-	27,463	20,167	202,724	19,288	306,378
	Opening Gross Balance		2,267	-	5,366	31,370	13,121	416	-	27,463	20,167	202,724	19,288	322,182
	Additions*		-	-	-	514	1,093	46	46	447	339	2,154	438	5,031
	Disposals	14	-	-	(3)	-	(975)	-	-	-	(47)	-	-	(978)
	Revaluation Decrements to Equity (ARR)	14	-	-	(2,322)	-	-	-	-	-	-	-	-	(2,369)
	Revaluation Increments to Equity (ARR)	14	-	-	-	5,107	-	-	-	522	-	20,658	62	26,349
	Work in Progress Additions		8,369	-	-	-	-	-	-	-	-	-	-	8,369
	Work in Progress Capitalised		(5,031)	-	-	-	-	-	-	-	-	-	-	(5,031)
	Total Gross Value of Property, Plant and Equipment - at Cost		5,605	-	3,041	36,991	13,239	462	-	28,432	20,459	225,536	19,788	334,247
	Total Gross Value of Property, Plant and Equipment - at Fair Value		-	-	3,041	36,991	-	-	-	28,432	20,459	225,536	19,788	334,247
	Total Gross Value of Property, Plant and Equipment		5,605	-	3,041	36,991	13,239	462	-	28,432	20,459	225,536	19,788	353,553
	Opening Accumulated Depreciation	14	-	-	-	7,338	5,064	178	178	13,053	2,825	33,904	8,812	71,174
	Depreciation Expense	14	-	-	-	427	994	26	26	455	365	4,932	362	7,961
	Disposals	14	-	-	-	-	(701)	-	-	-	-	-	-	(701)
	Revaluation Decrements to Equity (ARR)	14	-	-	-	-	-	-	-	-	-	-	(1,172)	(1,172)
	Revaluation Increments to Equity (ARR)	14	-	-	-	8,489	-	-	-	3	826	6,739	-	16,057
	Total Accumulated Depreciation and Impairment Property, Plant and Equipment		-	-	-	16,254	5,357	204	204	13,511	4,016	45,575	8,002	92,919
	Total Net Book Value of Property, Plant and Equipment		5,605	-	3,041	20,737	7,882	258	258	14,921	16,443	179,961	11,786	260,634
	*Asset Additions Comprise		-	-	-	377	1,063	-	-	447	91	1,546	438	3,992
	Asset Renewals		-	-	-	137	-	46	46	-	248	608	-	1,039
	Other Additions		-	-	-	514	1,093	46	46	447	339	2,154	438	5,031
	Total Asset Additions		-	-	-	514	1,093	46	46	447	339	2,154	438	5,031

## Balonne Shire Council

### Notes to the Financial Statements for the year ended 30 June 2017

#### Note 10. Fair Value Measurements

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

- Property, plant and equipment
  - Land and land improvements
  - Buildings
  - Other Infrastructure Assets
  - Transport Infrastructure
  - Water Supply Assets
  - Urban Waste Water

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 15 is provided by the Queensland Treasury Corporation and represents the contractual undiscounted cash flows at balance date (level 2).

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

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 an asset are observable, the asset is included in level 2. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3. This is the case for Council infrastructure assets, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2017.

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Balonne Shire Council

Notes to the Financial Statements  
for the year ended 30 June 2017

## Note 10. Fair Value Measurements (continued)

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

	Date of latest valuation	Fair Value Measurement using:			Total
		Level 1	Level 2	Level 3	
		Quoted prices in active mkts	Significant observable inputs	Significant unobservable inputs	
		\$'000	\$'000	\$'000	\$'000
<b>2017</b>					
<b>Property, Plant and Equipment</b>					
- Land	30/06/17	-	2,992	-	2,992
- Buildings	30/06/17	-	1,693	16,716	18,409
- Other Infrastructure Assets	30/06/17	-	-	18,791	18,791
- Transport Infrastructure	30/06/17	-	-	182,945	182,945
- Water Supply	30/06/17	-	-	18,643	18,643
- Urban Waste Water	30/06/17	-	-	10,871	10,871
<b>Total Property, Plant and Equipment</b>		<b>-</b>	<b>4,685</b>	<b>247,966</b>	<b>252,651</b>
<b>2016</b>					
<b>Property, Plant and Equipment</b>					
- Land	30/06/16	-	3,041	-	3,041
- Buildings	30/06/16	-	1,727	19,010	20,737
- Other Infrastructure Assets	30/06/16	-	-	16,443	16,443
- Transport Infrastructure	30/06/16	-	-	179,961	179,961
- Water Supply	30/06/16	-	-	14,921	14,921
- Urban Waste Water	30/06/16	-	-	11,786	11,786
<b>Total Property, Plant and Equipment</b>		<b>-</b>	<b>4,768</b>	<b>242,121</b>	<b>246,889</b>

## Balonne Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 10. Fair Value Measurements (continued)

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##### Valuation Processes – Land and Building Assets

Land and Building Assets were independently valued as at 30 June 2016 by AssetVal Pty Ltd. A desktop valuation was performed by AssetVal Pty Ltd as at 30 June 2017.

Where there is an active and liquid market as evidenced by sales transactions of similar property types, a Market Approach by way of Direct Comparison or Income methods can be utilised, and are accepted valuation methodologies under AASB 13. If a Market Approach is adopted, the valuation is deemed to be a Level 2 input.

Direct Comparison method which is considered a Level 2 input on the Fair Value Hierarchy, involves the analysis of sales evidence and comparisons with the subject land taking into account matters such as area, location and other general site characteristics. The Council note the Direct Comparison approach has been utilised in the assessment for all Council Land Assets, however the fair value measurement is a Level 2.

##### Valuation Process and Assumptions – Buildings Assets

Where there is an active and liquid market as evidenced by sales transactions of similar asset types, the Market Approach by Direct Comparison, Income or Summation methods can be utilised, and is an accepted valuation methodology under AASB13. If a Market Approach is adopted, the valuation is deemed to be a Level 2 input.

Due to the predominantly specialised nature of Local Government Assets, infrastructure, building and other asset valuations are undertaken on a Cost Approach (Depreciated Replacement Cost), an accepted valuation methodology under AASB13. The cost approach is deemed a Level 3 Input. Under this approach, the following process has been adopted:

- Where there is no market, the net current value of an asset is the gross current value less accumulated depreciation to reflect the consumed or expired service potential of the asset. Published/available market data for recent projects, and/or published cost guides are utilised to determine the estimated replacement cost (gross value) of the asset, including allowances for preliminaries and professional fees.
- A condition assessment is applied, which is based on factors such as the age of the asset, overall condition as noted by the Valuer during inspection, economic and/or functional obsolescence. The condition assessment directly translates to the level of depreciation applied.
- In determining the level of accumulated depreciation for major assets, we have disaggregated into significant components which exhibit different patterns of consumption (useful lives). Residual value is also factored which is the value at the time the asset is considered to be no longer available. The condition assessment is applied on a component basis.
- While the replacement cost of the assets could be supported by market supplied evidence (level 2), the other unobservable inputs (such as estimates of residual value, useful life, and asset condition) were also required (level 3).

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## Balonne Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 10. Fair Value Measurements (continued)

The Condition rating inputs can be defined in the following table, noting that the condition assessments for Balonne Shire Council have been applied in 0.5 intervals:

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

The valuation techniques used in the determination of fair values maximise the use of observable data where it is available and relies as little as possible on entity specifics. The disclosure of valuation estimates is designed to provide users with an insight into the judgements that have been made in the determination of fair values.

#### Residual values

Balonne Shire Council have adopted residual values of \$0.

#### Componentising Assets

Buildings above a threshold of \$500,000 have been componentised with exception of assets where it is not appropriate to componentise.

## Balonne Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 10. Fair Value Measurements (continued)

##### Percentage of Assets inspected

In excess of 95% of assets, both land and building, were inspected at the comprehensive revaluation as at 30 June 2016.

##### Valuation Processes - Roads, Water and Sewer Assets

Roads, Water and Sewer Assets were independently valued as at 30 June 2015 by AssetVal Pty Ltd. A desktop valuations has been performed by AssetVal as at 30 June 2016 and 30 June 2017.

Where there is an active and liquid market as evidenced by sales transactions of similar asset types, the Market Approach by Direct Comparison, Income or Summation methods can be utilised, and is an accepted valuation methodology under AASB13 Fair Value Measurement.

Due to the predominantly specialised nature of Local Government Assets, the roads, water and sewer asset valuations have been undertaken on a Cost Approach (Depreciated Replacement Cost), an accepted valuation methodology under AASB13 Fair Value Measurement. The cost approach is deemed a Level 3 Input. Under this approach, the following process has been adopted:

- Where there is no market, the net current value of an asset is the gross current value less accumulated depreciation to reflect the consumed or expired service potential of the asset. Published/available market data for recent projects, and/or published cost guides are utilised to determine the estimated replacement cost (gross value) of the asset, including allowances for preliminaries and professional fees.
- A condition assessment is applied, which is based on factors such as the age of the asset, overall condition as noted by the Valuer during inspection, economic and/or functional obsolescence. The condition assessment directly translates to the level of depreciation applied.
- In determining the level of accumulated depreciation for major assets, we have disaggregated into significant components which exhibit different patterns of consumption (useful lives). The non-depreciable component is also factored which is the value at the time the asset is considered to be no longer available. The condition assessment is applied on a component basis.
- While the replacement cost of the assets could be supported by market supplied evidence (level 2), the other unobservable inputs (such as estimates of the non- depreciable component, useful life, and asset condition) were also required (level 3).

The Condition rating inputs that have been adopted by the Balonne Shire Council can be defined in the following table:

Description	Percentage of life remaining
5 Very high level of remaining service potential	80-100%
4 High level of remaining service potential	60-80%
3 Adequate level of remaining service potential	40-60%
2 Barely adequate level of remaining service potential	20-40%
1 Total end of life	0-20%

## Balonne Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 10. Fair Value Measurements (continued)

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The valuation techniques used in the determination of fair values maximise the use of observable data where it is available and relies as little as possible on entity specifics. The disclosure of valuation estimates is designed to provide users with an insight into the judgements that have been made in the determination of fair values.

##### Roads

###### Calculation of Current Replacement Cost

The roads were componentised into formation, gravel/pavement and seal with unit rates applied to the individual components in order to determine the replacement cost.

The unit rates applied are based on Greenfield project costs and include all materials, labour and overheads. These unit rates are estimated using information collated from similar recent project costs, unit rate databases, indices, Rawlinson's Construction Handbook and quotations.

###### Accumulated Depreciation

A sample of the roads were visually inspected by the Valuer. No testing or measurement of defects or condition was undertaken. An assessment of remaining useful life was made by the Valuer taking into consideration the visual condition, construction date, evidence of recent repairs or capital works and the surrounding environmental factors.

###### Percentage of Assets Inspected

A sample (approximately 10%) of the roads were inspected as part of the valuation.

##### Bridges

###### Calculation of Current Replacement Cost

Bridges were componentised with unit rates applied to the individual components in order to determine the replacement cost.

The unit rates applied are based on Greenfield project costs and include all materials, labour and overheads. These unit rates are estimated using information collated from similar recent project costs, unit rate databases, indices, Rawlinson's Construction Handbook and quotations.

###### Accumulated Depreciation

The bridges were visually inspected as part of the valuation process. No testing or measurement of defects or condition was undertaken. An assessment of remaining useful life was made by the Valuer taking into consideration the visual condition, construction date, evidence of recent repairs or capital works and the surrounding environmental factors.

###### Percentage of Assets Inspected

All of the bridge assets were inspected as part of the valuation.

## Balonne Shire Council

### Notes to the Financial Statements for the year ended 30 June 2017

#### Note 10. Fair Value Measurements (continued)

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##### **Water & Sewer**

##### **Calculation of Current Replacement Cost**

The water and sewer assets were componentized and valued independently, with allowances for complexity, size, function and site factors. As a check these components are generally combined into a lump sum item and compared against recent similar projects and in-house databases.

##### **Accumulated Depreciation**

An assessment of remaining useful life was made by the Valuer after inspection taking into consideration the visual condition, construction date, evidence of recent repairs or capital works and the surrounding environmental factors. Where necessary, further guidance on remaining life was sort from council engineering staff.

##### **Percentage of Assets Inspected**

95% of the above ground active water & sewer assets were inspected as part of the valuation. A large sample of the above-surface passive assets were inspected.



# appendix 3 - financial statements

Financial Statements 2017

## Balonne Shire Council

### Notes to the Financial Statements for the year ended 30 June 2017

#### Note 11. Trade and Other Payables

	2017	2016
Notes	\$'000	\$'000
<b>Current</b>		
Creditors and Accruals	652	345
Annual Leave	658	676
<b>TOTAL CURRENT TRADE AND OTHER PAYABLES</b>	<b>1,310</b>	<b>1,021</b>

#### Note 12. Borrowings

	2017	2016
<b>Current</b>		
Loans - Queensland Treasury Corporation	255	240
<b>TOTAL CURRENT BORROWINGS</b>	<b>255</b>	<b>240</b>
<b>Non-current</b>		
Loans - Queensland Treasury Corporation	2,925	3,181
<b>TOTAL NON-CURRENT BORROWINGS</b>	<b>2,925</b>	<b>3,181</b>
<b>Reconciliation of Loan Movements for the year</b>		
Loans - Queensland Treasury Corporation		
Opening Balance at Beginning of Financial Year	3,421	3,651
Principal Repayments	(241)	(230)
<b>Book value at end of financial year</b>	<b>3,180</b>	<b>3,421</b>

The QTC loan market value at the reporting date was \$3,566,014. This represents the value of the debt if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts.

#### Loan Disclosures

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

All borrowings are in \$AU denominated amounts and carried at amortised cost, interest being expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 15 June 2021 to 15 June 2032.

There have been no defaults or breaches of the loan agreement during the period.

Principal and interest repayments are made quarterly in arrears.

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Financial Statements 2017

## Balonne Shire Council

### Notes to the Financial Statements for the year ended 30 June 2017

#### Note 13. Provisions

	2017	2016
Notes	\$'000	\$'000
<b>Current</b>		
Long Service Leave	984	938
Other Entitlements	45	41
<b>TOTAL CURRENT PROVISIONS</b>	<b>1,029</b>	<b>981</b>
<b>Non-current</b>		
Long Service Leave	151	168
<b>TOTAL NON-CURRENT PROVISIONS</b>	<b>151</b>	<b>168</b>

#### Note 14. Asset Revaluation Reserve

	2017	2016
<b>Movements in the asset revaluation reserve:</b>		
Balance at beginning of financial year	195,216	186,121
<b>Net adjustment to non-current assets at end of period to reflect a change in current fair value:</b>		
Land	-	(2,322)
Buildings	(55)	(3,382)
Water Supply Network	112	519
Other Infrastructure Assets	285	(873)
Transport Infrastructure	2,047	13,919
Urban Waste Water Network	(205)	1,234
	9 2,184	9,095
<b>Balance at end of financial year</b>	<b>197,400</b>	<b>195,216</b>

#### Asset revaluation reserve analysis

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

Land	3,638	3,638
Buildings	10,518	10,692
Land Held for Resale	29	29
Plant and Equipment	1,498	1,498
Furniture and Fittings	307	307
Water Supply Network	18,531	18,421
Other Infrastructure Assets	3,163	2,758
Transport Infrastructure	147,535	145,489
Urban Waste Water Network	12,181	12,384
<b>Balance at end of financial year</b>	<b>197,400</b>	<b>195,216</b>

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Financial Statements 2017

## Balonne Shire Council

### Notes to the Financial Statements for the year ended 30 June 2017

#### Note 15. Commitments for Expenditure

	2017	2016
Notes	\$'000	\$'000
<b>(a) Capital Commitments (exclusive of GST)</b>		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
<b>Property, Plant and Equipment</b>		
Buildings	146	-
Plant and Equipment	157	290
Other Infrastructure	197	-
Transport	104	-
<b>These expenditures are payable as follows:</b>		
Within the next year	604	290
<b>Total Payable</b>	<b>604</b>	<b>290</b>
<b>Sources for Funding of Capital Commitments:</b>		
Future Grants and Contributions	604	-
<b>Total Sources of Funding</b>	<b>-</b>	<b>-</b>
<b>(b) Contractual commitments</b>		
Contractual commitments at end of financial year but not recognised in the financial statements are as follows:		
Waste Collection Contract (per year) - Expires 30/06/2025	526	350
Landfill Maintenance Contract (per year) - Expires 30/11/2017	98	-
	<b>624</b>	<b>350</b>

## Balonne Shire Council

### Notes to the Financial Statements for the year ended 30 June 2017

#### Note 16. Contingent Liabilities

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6,517  
6,000 6,000

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

##### Local Government Mutual

The Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises.

As at 30 June 2017 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

##### Local Government Workcare

The Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$96,706.

#### Note 17. Superannuation

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

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

The Scheme has three elements referred to as:

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

# appendix 3 - financial statements

Financial Statements 2017

## Balonne Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 17. Superannuation (continued)

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

Any amount by which either fund is over or under funded would only affect future benefits and contributions to the 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 65 entities contributing to the Regional DBF plan and any changes in contribution rates would apply equally to all 65 entities. Balonne Shire Council made less than 4% of the total contributions to the plan in the 2016-17 financial year.

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

		2017	2016
	Notes	\$'000	\$'000
The amount of Superannuation Contributions paid by Council to the Scheme in this Period for the benefit of employees was:	5	609	595

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Financial Statements 2017

### Balonne Shire Council

#### Notes to the Financial Statements for the year ended 30 June 2017

#### Note 18. Reconciliation of Net Result for the year to Net Cash Inflow/(Outflow) from Operating Activities

	Notes	2017 \$'000	2016 \$'000
Net operating result from Income Statement		4,183	1,053
<b>Non-cash items</b>			
Depreciation and Amortisation		<u>8,012</u>	<u>7,594</u>
		<u>8,012</u>	<u>7,594</u>
<b>Investing and development activities</b>			
Net Losses/(Gains) on Disposal of Assets		(136)	(41)
Non Cash Capital Grants and Contributions		<u>(4,304)</u>	<u>(3,744)</u>
		<u>(4,440)</u>	<u>(3,785)</u>
<b>Changes in operating assets and liabilities:</b>			
(Increase)/Decrease in Receivables		(1,766)	2,314
(Increase)/Decrease in Inventories		(18)	(1)
Increase/(Decrease) in Payables and Accruals		307	(173)
Increase/(Decrease) in Other Liabilities		(1)	1
Increase/(Decrease) in Employee Leave Entitlements		<u>31</u>	<u>(273)</u>
		<u>(1,447)</u>	<u>1,868</u>
Net cash provided from/(used in) Operating Activities from the Statement of Cash Flows		<u>6,308</u>	<u>6,730</u>

#### Note 19. Events Occurring After Balance Sheet Date

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

# appendix 3 - financial statements

Financial Statements 2017

## Balonne Shire Council

### Notes to the Financial Statements for the year ended 30 June 2017

#### Note 20. Financial Instruments

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(Amounts in  
\$'000)

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Council has exposure to the following risks arising from financial instruments; (i) interest rate risk, (ii) credit risk, and (iii) liquidity risk.

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

#### Financial Risk Management

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

Council's audit committee 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.

#### Credit Risk Exposure

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

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Financial Statements 2017

## Balonne Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 20. Financial Instruments (continued)

	Notes	2017 \$'000	2016 \$'000
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The following table represents the maximum exposure to credit risk based on the carrying amounts of financial assets at the end of the reporting period:

#### Financial Assets

Cash and Cash Equivalents	7	21,616	17,168
Receivables - Rates	8	356	252
Receivables - Other	8	3,207	1,526
<b>Total</b>		<b>25,179</b>	<b>18,946</b>

#### Cash and Cash Equivalents

The Council may be exposed to credit risk through its investments in the QTC Cash Fund and QTC Working Capital Facility. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed. Working Capital Facility deposits have a duration of one day and all investments are required to have a minimum credit rating of "A-", therefore the likelihood of the counterparty having capacity to meet its financial commitments is strong.

#### Trade and Other Receivables

In the case of rate receivables, the Council has the power to sell the property to recover any defaulted amounts. In effect this power protects the Council against credit risk in the case of defaults.

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

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

	Notes	2017 \$'000	2016 \$'000
Fully Performing		262	169
Past due:			
- Less than 30 days overdue		2,887	1,441
- 31 to 60 days overdue		3	5
- 61 to 90 days overdue		-	4
- Greater than 90 days overdue		490	263
- Impaired		(6)	(6)
<b>Total</b>	8	<b>3,636</b>	<b>1,876</b>



# appendix 3 - financial statements

Financial Statements 2017

## Balonne Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 20. Financial Instruments (continued)

##### Liquidity Risk

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

Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in Note 12.

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

	0 to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total Contractual Cash Flows \$'000	Carrying Amount \$'000
<b>2017</b>					
Trade and Other Payables	655	-	-	655	1,310
Loans - QTC	426	1,570	2,378	4,374	3,180
	<u>1,081</u>	<u>1,570</u>	<u>2,378</u>	<u>5,029</u>	<u>4,490</u>
<b>2016</b>					
Trade and Other Payables	345	-	-	345	1,021
Loans - QTC	426	1,705	2,669	4,800	3,421
	<u>771</u>	<u>1,705</u>	<u>2,669</u>	<u>5,145</u>	<u>4,442</u>

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

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Financial Statements 2017

## Balonne Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 20. Financial Instruments (continued)

General  
2017 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

The Council is exposed to interest rate risk through investments and borrowings with Queensland Treasury Corporation.

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

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

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

	Net Carrying	Net Result		Equity	
	Amount \$'000	1% increase \$'000	1% decrease \$'000	1% increase \$'000	1% decrease \$'000
<b>2017</b>					
QTC Cash Fund	14,317	143	(143)	143	(143)
Other	7,299	74	(74)	74	(74)
Loans - QTC	(3,180)	(32)	32	(32)	32
<b>Net</b>	<b>18,436</b>	<b>185</b>	<b>(185)</b>	<b>185</b>	<b>(185)</b>
<b>2016</b>					
QTC Cash Fund	14,776	148	(148)	148	(148)
Other	2,392	23	(23)	23	(23)
Loans - QTC	(3,421)	(37)	37	(37)	37
<b>Net</b>	<b>13,747</b>	<b>134</b>	<b>(134)</b>	<b>134</b>	<b>(134)</b>

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

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

#### 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 12.

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Financial Statements 2017

## Balonne Shire Council

### Notes to the Financial Statements for the year ended 30 June 2017

#### Note 21. Transactions with Related Parties

	2016	2017
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#### Key Management Personnel

##### Transactions with Key Management Personnel

Councillors, Chief Executive Officer, Directors

The compensation paid to Key Management Personnel for comprises:

	2017 \$000
Short-Term Employee Benefits	1,017
Post-Employment Benefits	53
Long-Term Benefits	1
<b>Total</b>	<b>1,071</b>

Council has obtained Related Party Declarations for each Councillor, the Chief Executive Officer and each Director for the period 1 July 2016 to 30 June 2017.

There were no material related party transactions identified that require disclosure under AASB 124.

# appendix 3 - financial statements

## Balonne Shire Council

### General Purpose Financial Statements for the year ended 30 June 2017

### Management Certificate for the year ended 30 June 2017

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

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

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulations 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the General Purpose Financial Statements, as set out on pages 2 to 38, 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.



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Cr R W Marsh  
MAYOR

11 October 2017



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Mr J M Magin  
CHIEF EXECUTIVE OFFICER

11 October 2017

## INDEPENDENT AUDITOR'S REPORT

To the Councillors of Balonne Shire Council

### Report on the Audit of the Financial Report

#### Opinion

I have audited the financial report of Balonne Shire Council.

In my opinion, the financial report:

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

The financial report comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and Chief Executive Officer.

#### Basis for opinion

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

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

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

#### Other information

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

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

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

## appendix 3 - financial statements

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

### **Responsibilities of the council for the financial report**

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

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

### **Auditor's responsibilities for the audit of the financial report**

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

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

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

## appendix 3 - financial statements

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

### Report on other legal and regulatory requirements

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

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



D A STOLZ  
as delegate of the Auditor-General



Queensland Audit Office  
Brisbane

# appendix 3 - financial statements

## Balonne Shire Council

### Current Year Financial Sustainability Statement for the year ended 30 June 2017

	Actual 2017	Target 2017
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#### Measures of Financial Sustainability

Council's performance at 30 June 2017 against key financial ratios and targets.

#### Performance Indicators

##### 1. Operating Surplus Ratio

<u>Net Result (excluding capital items)</u>	-1.09%	0 - 10%
Total Operating Revenue (excluding capital items)		

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

##### 2. Asset Sustainability Ratio

<u>Capital Expenditure on the Replacement of Assets (renewals)</u>	31.68%	more than 90%
Depreciation Expense		

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

##### 3. Net Financial Liabilities Ratio

<u>Total Liabilities less Current Assets</u>	-84.12%	less than 60%
Total Operating Revenue (excluding capital items)		

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

#### Note 1 - Basis of Preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2017.



# appendix 3 - financial statements

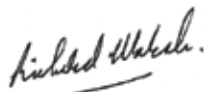
## Balonne Shire Council

### Current Year Financial Sustainability Statement for the year ended 30 June 2017

### Certificate of Accuracy for the year ended 30 June 2017

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

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



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Cr R W Marsh

MAYOR

11 October 2017



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Mr J M Magin

CHIEF EXECUTIVE OFFICER

11 October 2017

# appendix 3 - financial statements

## INDEPENDENT AUDITOR'S REPORT

To the Councillors of Balonne Shire Council

### Report on the Current Year Financial Sustainability Statement

#### Opinion

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

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

#### Basis of opinion

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

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

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

#### Emphasis of matter – basis of accounting

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

#### Other Information

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

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

## appendix 3 - financial statements

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

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

### **Responsibilities of the council for the current year financial sustainability statement**

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

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

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

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

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

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

## appendix 3 - financial statements

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

  
D A Stolz  
as delegate of the Auditor-General



Queensland Audit Office  
Brisbane

## Balonne Shire Council

### Long-Term Financial Sustainability Statement

prepared as at 30 June 2017

	Target 2017	Actual 2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
							Forecast					

### Measures of Financial Sustainability

2016-2017 Budget and Long Term Sustainability Statement against key financial ratios and targets.

#### Performance Indicators

##### 1. Operating Surplus Ratio

Net Result (excluding capital items)

Total Operating Revenue (excluding capital items)

0 - 10%	-1.08%	-27.08%	-20.61%	-14.26%	-18.99%	-16.95%	-15.87%	-14.70%	-13.43%	-12.37%	-11.01%
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An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.

##### 2. Asset Sustainability Ratio

Capital Expenditure on the Replacement of Assets (renewals)

Depreciation Expense

> 90%	31.68%	29.29%	71.41%	90.68%	75.32%	80.81%	77.07%	69.54%	73.49%	71.43%	76.09%
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An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.

##### 3. Net Financial Liabilities Ratio

Total Liabilities less Current Assets

Total Operating Revenue (excluding capital items)

< 60%	-84.12%	-57.89%	-58.38%	-56.60%	-69.35%	-74.36%	-81.14%	-80.73%	-110.45%	-121.16%	-131.70%
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An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.

## Balonne Shire Council

### Long-Term Financial Sustainability Statement (continued) prepared as at 30 June 2017

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#### **Balonne Shire Council Financial Management Strategy**

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

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

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

# appendix 3 - financial statements

Balonne Shire Council

Long-Term Financial Sustainability Statement

## Certificate of Accuracy

for the long-term financial sustainability statement prepared as at 30 June 2017

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.



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Cr R W Marsh

MAYOR

11 October 2017



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Mr J M Magin

CHIEF EXECUTIVE OFFICER

11 October 2017

