



Etheridge

Shire Council

# 2014-15

**ANNUAL REPORT**

*...the golden heart of the gulf*

welcome

## 2014-2015

**welcome** to Etheridge Shire Council's 2014|2015 Annual Report. This report provides a comprehensive account of Council's performance from July 1, 2014 to June 30, 2015.

Council's 2014|2015 Annual Report details our achievements over the last 12 months, addresses the minor setbacks experienced and also identifies the future challenges that lie ahead for our region.

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

**copies** of the 2010-2015 Corporate Plan, this Annual Report and council's financial statements are available free of charge electronically on council's website at: [www.etheridge.qld.gov.au](http://www.etheridge.qld.gov.au)

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

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

### our vision

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

### our mission

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



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## Cr. Will Attwood

Finance / Budget Management portfolio

Phone: 0458 621233

Email: [mayor@etheridge.qld.gov.au](mailto:mayor@etheridge.qld.gov.au)

***.....“All councillors have been very diligent attending to their civic duties; all councillors have a 100% record of attendance at council meetings for the 2014/15 year.***

***This shows the dedication of the councillors and the ability of the entire council to be able to work together to get good outcomes for the Etheridge Shire”.....***

Council's priority project over the past twelve months is to build a secure water source for the townships of Georgetown and Forsyth.

It was decided that the best method of obtaining this outcome was to build a dam on the Delaney River in the vicinity of the old township of Charleston. Put simply the dam water will be piped into Forsyth and water will be released into the Delaney River to recharge to water reservoir at Georgetown. The further benefit of the Charleston Dam is that it will be a huge boost for tourism to the area offering a great variety of water sports and a picturesque area for camping.

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

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Council has invested its own money in the contracting of Cardno as the project management company who has also been given the task to design the dam. Council has worked through the processes of obtaining all the permits and referrals necessary from other Government Departments to ensure that all allied interests in this project have been met.

Council has made application for a grant from the Federal Government to construct this dam, the results of that grant will be known in December 2015. Upon acquisition of the grant, work will commence on the construction of the dam immediately with the work being performed by a local work force. The money that comes into the area will stay in the area.

An economic forum sponsored by the Etheridge Shire was held in February which determined four pillars of development within the shire, Grazing, Irrigation, Tourism and Mining. The forum identified things that could be achieved locally to continue to drive these industries along. Accordingly provision was made in the current budget to assist proponents of these industries.

The Council has been made aware of the prospect of rich economic activity in the Etheridge Shire. There is mining for rare earth minerals, mining for gold, wind and hydro power plants, irrigated agriculture plus work to upgrade the Gulf Developmental and Hann Highways. There are exciting times ahead for the Etheridge Shire and it is the aim of the council to ensure these projects are integrated into the community to achieve the best economic outcomes for all.

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

Cr Will Attwood  
MAYOR

# a word from our ceo



**Michael Kitzelmann**

Over the past twelve (12) months Council has seen significant change to how we operate. At an executive level the Mayor and Councillors established three (3) sub-committees of Council. Cr Tincknell Deputy Mayor is the Chair of the Pest Management Committee and the Etheridge Learning Facility Committee while Cr Attwood Mayor is the Chair of the Audit and Risk Management Committee. By establishing these sub-committees Council has a stronger and more aligned approach to the delivery of services and has enabled an improved oversight of governance and risk related issues for Council.

The past year has proven to be one of mixed news for Council; with the change of State Government and the inevitable changes to policy, the direction that development in the Shire will take has been shrouded with uncertainty. There are currently three (3) different areas of significant agricultural development that are being directly impacted by the changes to the Water Resource and Vegetation Clearing components of Government Policy.

In addition to the changes to policy at a State Government level, the changes to the National Disaster Relief and Recovery Arrangements (NDRRA) have resulted in Council not being eligible for reimbursement of day labour costs or for capital costs associated with plant. This has had a direct impact where Council has been forced to review our response to NDRRA events to ensure that we are positioned to claim the majority of out of pocket expenses. Council's priority is to ensure that we have a sustainable structure to ensure the continuity of service delivery to rate payers.

As a result, a sustainability and capability study has been undertaken and Council has modified its structure and operating methodology to ensure that we are positioned to maintain our current workforce and to generate opportunities for our local contractors to deliver on NDRRA, Transport and Main Roads, and local construction projects. The Mayor, Councillors and I have recognised that the current economic status of the Shire is in decline and as such have taken a direct approach to support our current industries and to promote opportunities for growth.

As a first step in supporting the local economy, Council held an Economic Development Forum in February which identified four main industry pillars of development within the Shire, Grazing, Irrigation, Tourism and Mining. The forum identified five (5) key actions or strategies that could be achieved locally to continue to drive these industries. Accordingly, provisions have been made in the 2015/16 budget to assist proponents of these industries with the development of Etheridge's first Economic Development Grant Fund.

With approximately four billion dollars (\$4B) of proposed and actual development planned to occur within the Shire over the next three (3) to five (5) years; Council faces a unique challenge of ensuring that our local policies and management practices are structured to generate the highest possibility of success for each of these projects. These projects include:

- Strathmore Station,
- Gilbert River Irrigated Agriculture Precinct,
- Etheridge Integrated Agriculture Project,
- Infogen Wind Farm,
- GENEX Hydro Electricity,
- GENEX Solar Farm,
- Planned hard rock Gold Mine, and
- A planned rare earth minerals mine.

As such, Council is currently reviewing the planning scheme including land use planning, infrastructure planning, town planning, and urban planning. The highest priority with any of the proposed developments is to ensure that they complement our lifestyle and that they provide opportunities for local employment. Discussions with each proponent have resulted in assurances being given that local suppliers and workers will be given priority over the outsourcing of services and supplies.

Overall the past twelve (12) months has been very positive and although we are currently going through some extremely trying times with the drought our future prosperity as a Shire is strong. I am encouraged by the proposed growth for our region and look forward to the opportunities that will be presented over the coming years.

The professionalism and dedication of Council staff is a genuine display of the pride that we take in being the key representatives of our community. The performance standards delivered by all work areas is of the highest standard and I am particularly proud of the fact that through prudent management Council has maintained its reserve and managed to deliver a rates increase capped at 1% without the reduction of any services.

On a final note, I would like to thank the Etheridge Community and Staff for the combined efforts over the past twelve months. It is through the close working relationship that Council and the Community hold that we will continue to prosper.

## // our region's profile

Council acknowledges the **Ewamian** People as the Traditional Owners of most of the lands and waters within the Etheridge Shire. The **Tagalaka** and the **Gugu Badhun** Peoples also claim a connection to a small portion of the Etheridge Shire.

**909** people

Area: **39,323**km<sup>2</sup>

**2.3%** of the total area of Queensland

**567** rateable properties

**17.4° – 31.4°** average minimum and maximum daily temperature

**734**mm average rainfall per year

Value of Agricultural Production **\$43.7** million

**1** world class mineral collection

## // council's profile

had a budget of **\$24.042**million

**\$181.277**million in assets (written down value)

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

**269** water connections

maintained **3.94**hectares of park

and **6,685**hectares of reserve land

**173** tonnes of waste collected

managed **1** childcare centre

managed **5** aerodromes

maintained **4** landfill sites

managed **1** student hostel centre

net rateable income **\$2.663**million



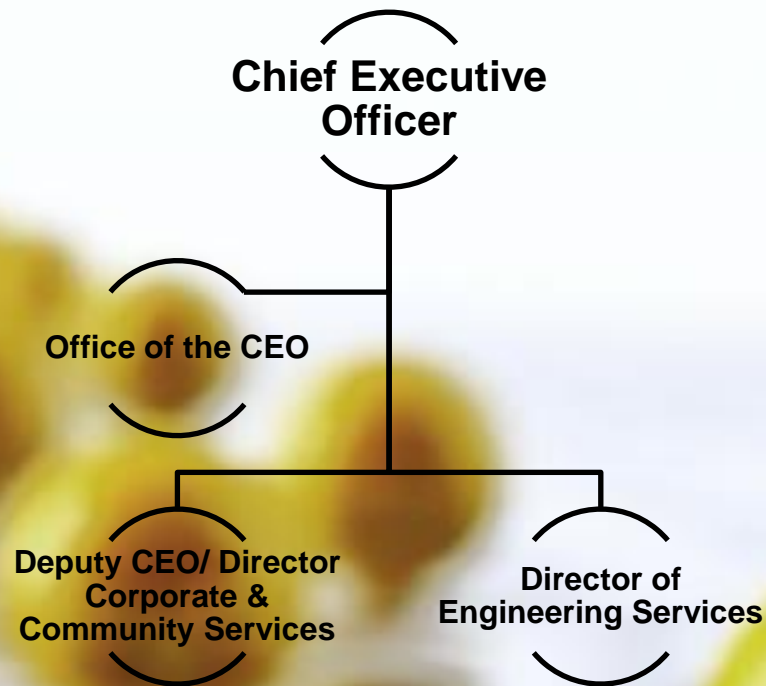
# Fast facts



*Kidston Dam*



# corporate



# structure



# councillor profiles



## Mayor Will Attwood

// Finance & Budget Portfolio  
Phone: 0458 621233  
Email: [mayor@etheridge.qld.gov.au](mailto:mayor@etheridge.qld.gov.au)

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

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

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

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



## Deputy Mayor Ian Tincknell

// Infrastructure Development Portfolio  
// Asset Management Portfolio  
Phone: 0448 089144  
Email: [cr.tincknell@etheridge.qld.gov.au](mailto:cr.tincknell@etheridge.qld.gov.au)

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

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

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

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



## Councillor Trevor Arnett

// Engineering Portfolio  
Phone: 0448 089068  
Email: [cr.arnett@etheridge.qld.gov.au](mailto:cr.arnett@etheridge.qld.gov.au)

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

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

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

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

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



## Councillor Warren Bethel

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

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

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

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

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



## Councillor Pauline Royes

// Business Activity Portfolio  
Phone: 0448 089140  
Email: [cr.royes@etheridge.qld.gov.au](mailto:cr.royes@etheridge.qld.gov.au)

Pauline moved to the Shire eight years ago.

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

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

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

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

# executive management team



**Michael Kitzelmann**  
// chief executive officer

// Phone: 0458 621285  
// Email: [michael.kitzelmann@etheridge.qld.gov.au](mailto:michael.kitzelmann@etheridge.qld.gov.au)

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

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

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

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

// Phone: 0458 621231  
// Email: [david.munro@etheridge.qld.gov.au](mailto:david.munro@etheridge.qld.gov.au)

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

Twelve (12) years' experience in Local Government Management.

**Rohana Samarasekera**  
// director of engineering services

// Phone: 0458 621234  
// Email: [rohana@etheridge.qld.gov.au](mailto:rohana@etheridge.qld.gov.au)

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

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

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

## // human resource strategy

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

Council faces a number of key challenges:

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

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

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

## // six (6) key principles of the strategy

### 1. RECRUITMENT, SELECTION AND APPOINTMENT

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

### 2. REWARD, RECOGNITION AND REMUNERATION

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

### 3. EQUITY AND DIVERSITY

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

### 4. STAFF DEVELOPMENT AND WORKPLACE CULTURE

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

### 5. DEVELOPMENT OF LEADERSHIP & MANAGEMENT CAPABILITIES

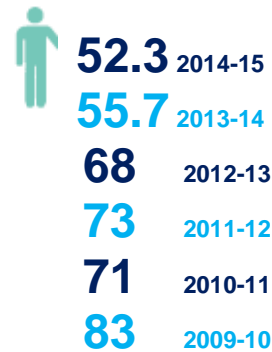
The quality of front-line leadership and management is essential to the retention, motivation and engagement of staff as Etheridge Shire Council strives to meet new organizational challenges.

### 6. A SAFE, HEALTHY AND PRODUCTIVE WORK ENVIRONMENT

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

## // headcount of staff by year

Annual headcount includes all staff except councillors. Full-time, part-time, casual, temps, apprentices and trainees. As at 30 June 2015, Etheridge Shire Council retained 52.3 FTE, in comparison as at 30 June 2013, Council retained 68 FTE.



## // breakdown of staff



## // training and development activities

More than 40 per cent of staff undertook some form of formal training during the 2014-15 financial year. Courses included:

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

# our organisation

## // workforce

The following charts give visual representations of the workplace demographics with a summary of changes over the past five years (2010-2015)

Diagram 1

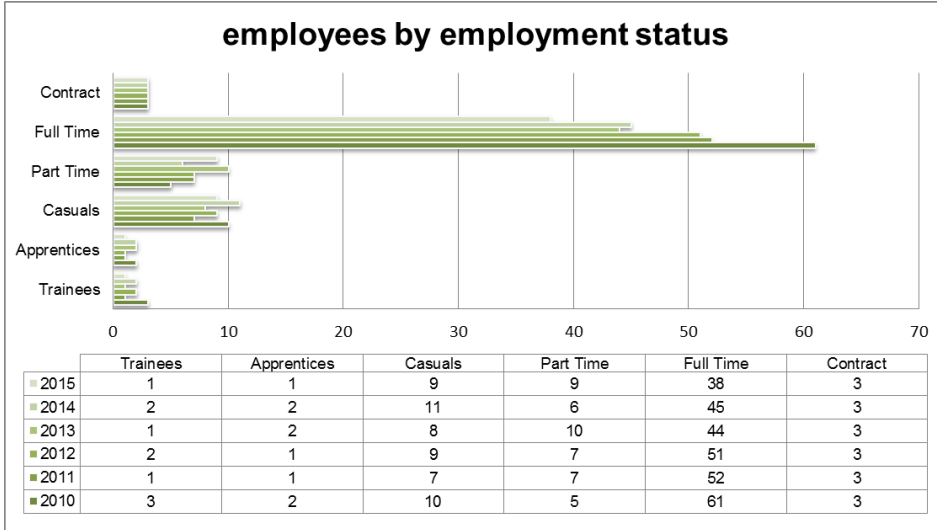
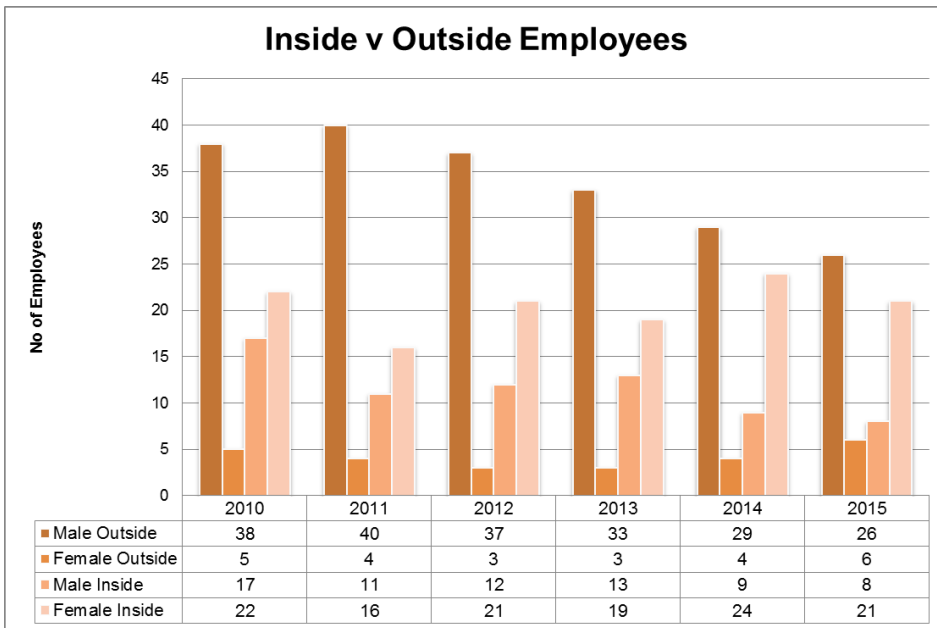


Diagram 8



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

## // employees by gender

Diagram 2 - June 2015

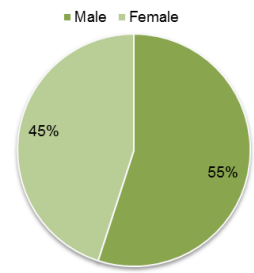


Diagram 3 - June 2014

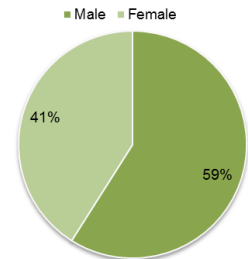


Diagram 4 - June 2013

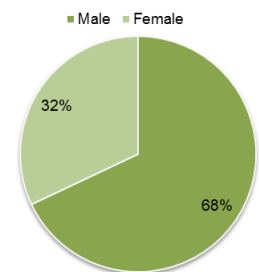


Diagram 5 - June 2012

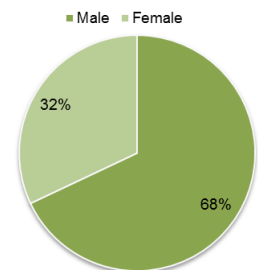


Diagram 6 - June 2011

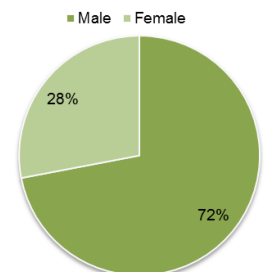


Diagram 7 - June 2010

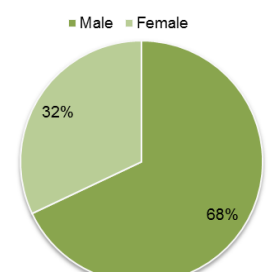
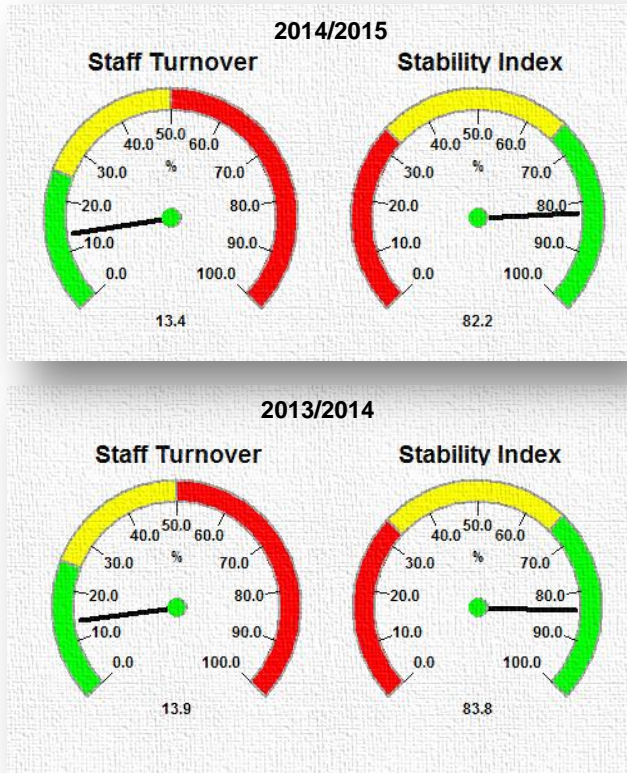


Diagram 9

# our organisation



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

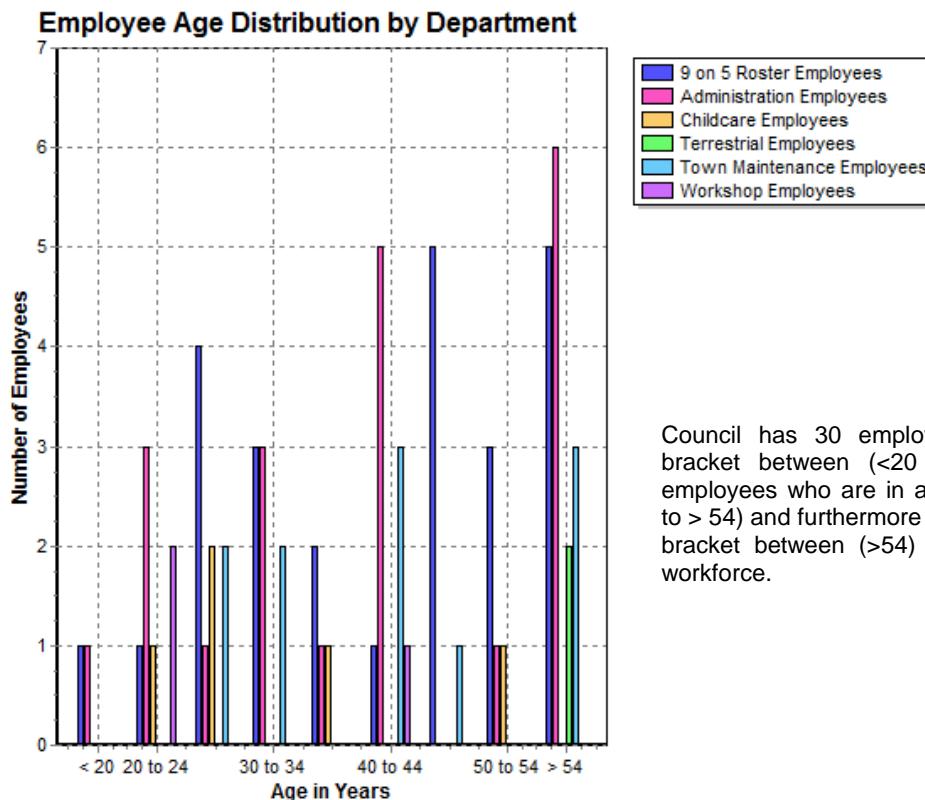
## // benchmarking

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

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

During 2014-15 financial year, Council undertook a review of its policies and procedures to ensure it maintained consistency with organisational and community needs. It is anticipated that during the 2015-16 financial year, additional policies and procedures will be implemented as the organisation and its needs evolve.

Diagram 8



Council has 30 employees who are in an age bracket between (<20 to <40) Council has 21 employees who are in an age bracket between (40 to > 54) and furthermore 16 employees are in an age bracket between (>54) which is 23% of Councils workforce.

2015 Australia Day Award Recipients





# corporate governance

## // general meetings of council

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

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

## // councillors code of conduct

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

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

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

There are a number of requirements contained within Section 180 & 181 of the *Local Government Act 2009*, that are required to be reported within the Annual Report, regarding complaints made about councillors. During the 2014|2015 financial year there were no complaints received against any of the Councillors.

## // employee code of conduct

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

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

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

## // external audit

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

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

Council has received an **"Unqualified Audit"** Report for 2014-2015.

## // tenders

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

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

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

Council had one (1) occasion to call for Expressions of Interests in accordance with Section 228(6) of the Regulation during the financial year.

This was for the "Design & Project Management of the Charleston Dam"

## // administrative complaints process

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

### Complaints to be welcomed

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

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

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

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

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

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

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

***During the 2014/15 financial year a total of 36 'request for action' were received and 2 complaints. All complaints have been actioned and completed in terms of Councils policy.***

### // revenue policy

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

### // special rates and charges

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

#### special Charge

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

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

#### rebates and concessions

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

*New Cumberland Chimney Sign*



# The Cumberland Chimney

## Town and Mine

**The Cumberland Chimney**  
The chimney is a tall, square brick structure that has stood since the early 19th century. It was built by the Cumberland Iron Works and is one of the tallest chimneys in the world. The chimney is made of brick and has a height of approximately 150 feet. It is located in the town of Cumberland, Tennessee, and is a landmark of the town. The chimney is a reminder of the town's history as a mining and ironworking community.

**History**  
The chimney was built in 1812 by the Cumberland Iron Works. It was one of the tallest chimneys in the world at the time. The chimney is made of brick and has a height of approximately 150 feet. It is located in the town of Cumberland, Tennessee, and is a landmark of the town. The chimney is a reminder of the town's history as a mining and ironworking community.

**Location**  
The chimney is located in the town of Cumberland, Tennessee. It is a landmark of the town and is a reminder of the town's history as a mining and ironworking community.

**Significance**  
The chimney is a significant landmark of the town of Cumberland, Tennessee. It is a reminder of the town's history as a mining and ironworking community. The chimney is one of the tallest chimneys in the world and is a landmark of the town.



# community

# financial

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

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

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

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

# report

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

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

# statement of comprehensive income

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

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

## // 2014-2015 result

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

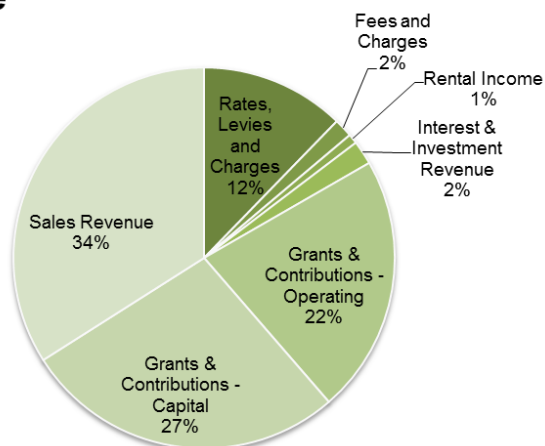
## // total revenue – where our money comes from

Revenue totalled \$21.729 million in the 12 months to June 30, 2015. The graph below indicates that 49 per cent of council's revenue is generated from operating & capital grants and around 34 per cent from sales revenue. Only 12 per cent of council's revenue is generated from rates and charges. The high percentage of revenue from operating & capital grants is directly related to the funding for the delivery of significant flood damage repairs and the receipt of the Federal Financial Assistance Grant. This was the case with sales revenue; council was successful in gaining additional Main Roads works in 2014-2015 for widening works on the Kennedy Highway.

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

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

## Revenue



## // 2014-2015 result

**\$21,729,663**

total income

**-\$16,886,939**

total expenses

**\$ 4,842,724**

surplus

## Council's Result

\$ '000	Actual 2015	Actual 2014
Expenditure	16,887	14,859
Revenues (excl. income for capital purposes)	15,787	10,851
<b>Net Result before Capital Grants &amp; Contributions</b>	<b>- 1,100</b>	<b>(4,008)</b>
Capital Grants & Contributions	5,943	10,057
<b>Net Result</b>	<b>4,843</b>	<b>6,049</b>

## Statement of Comprehensive Income

for the year ended 30 June 2015

\$ '000	Actual 2015	% of sub-total
<b>Income</b>		
Rates, Levies and Charges	2,663	12%
Fees and Charges	343	2%
Rental Income	177	1%
Interest & Investment Revenue	442	2%
Grants & Contributions - Operating	4,772	22%
Grants & Contributions - Capital	5,943	27%
Sales Revenue	7,389	34%
<b>Total Income</b>	<b>21,729</b>	<b>100%</b>

**// where our money goes**

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

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

While council's operating costs amounted to \$16.886 million, council also spent \$8.255 million on capital projects during the year.

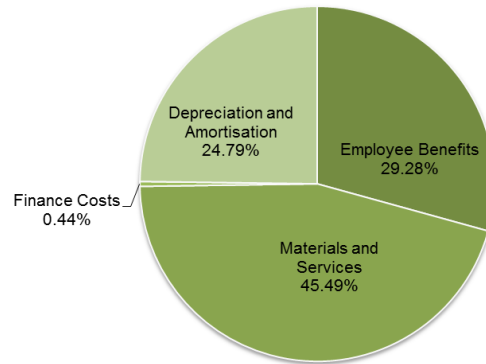
**// major items of capital expenditure**  
 roads, bridges and drainage (\$7,1331M)  
 buildings & other structures (\$0.361M)  
 plant and equipment (\$0.114M)  
 water (\$0.488M)

**// operating expenditure 2014-2015**

**Statement of Comprehensive Income**  
 for the year ended 30 June 2015

\$ '000	Actual 2015	% of sub-total
<b>Expenses</b>		
Employee Benefits	4,945	29.28%
Materials and Services	7,681	45.49%
Finance Costs	74	0.44%
Depreciation and Amortisation	4,186	24.79%
<b>Total Expenses</b>	<b>16,886</b>	<b>100%</b>

**Expenses**

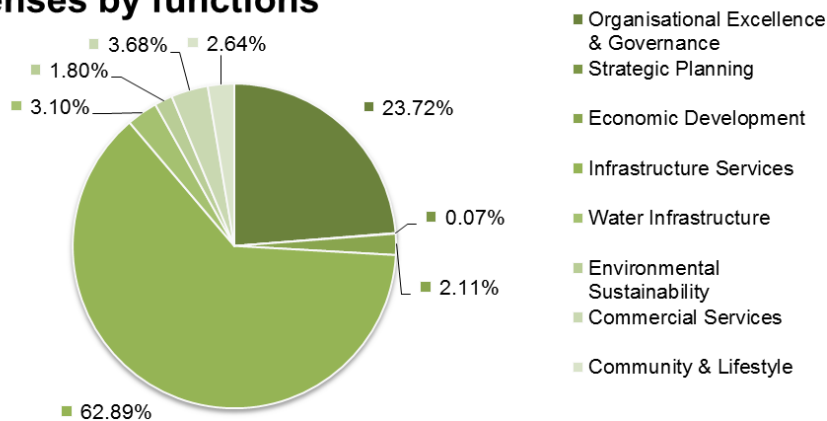


**Statement of Comprehensive Income**  
 for the year ended 30 June 2015

**Expenses by functions**

Organisational Excellence & Governance	4,006	23.72%
Strategic Planning	11	0.07%
Economic Development	356	2.11%
Infrastructure Services	10,619	62.89%
Water Infrastructure	523	3.10%
Environmental Sustainability	304	1.80%
Commercial Services	621	3.68%
Community & Lifestyle	446	2.64%
<b>Total Expenses</b>	<b>16,886</b>	<b>100%</b>

**Expenses by functions**



# statement of financial position

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

Our community's net worth (what we own less what we owe) at the end of the financial year was approximately \$192.266 million.

## // what do our assets consist of?

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

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

## // 2014-2015 result

**\$194,353,504** assets  
**-\$ 2,087,264** liabilities  


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**\$192,266,240** equity

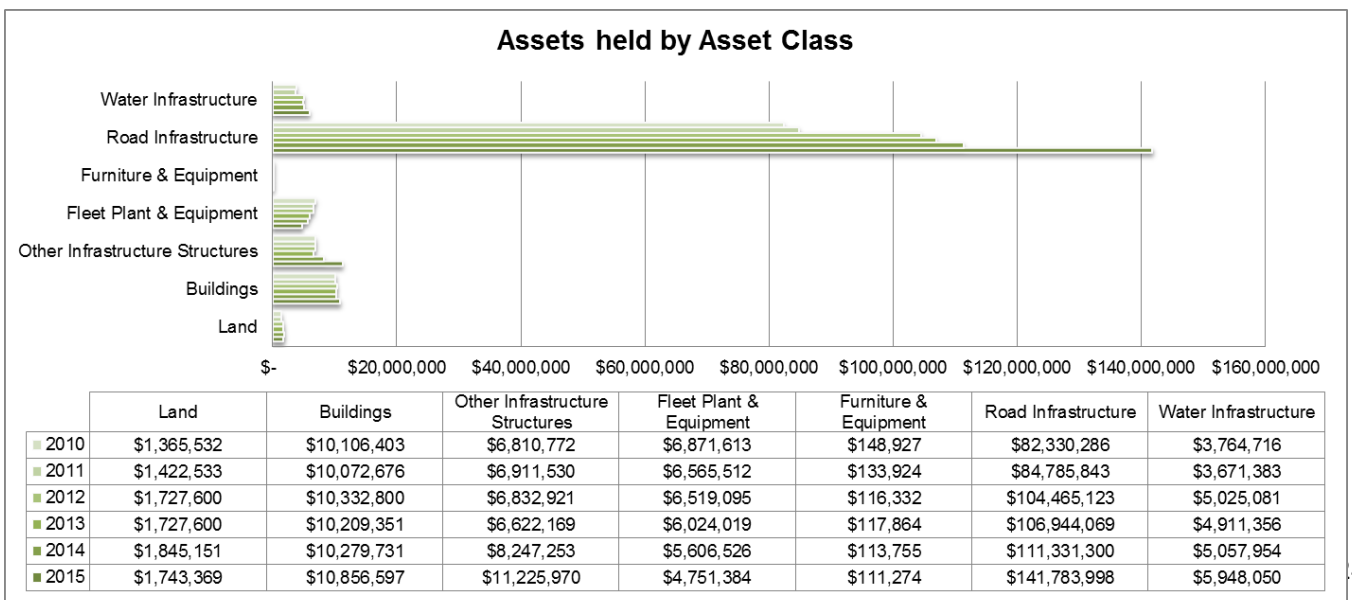
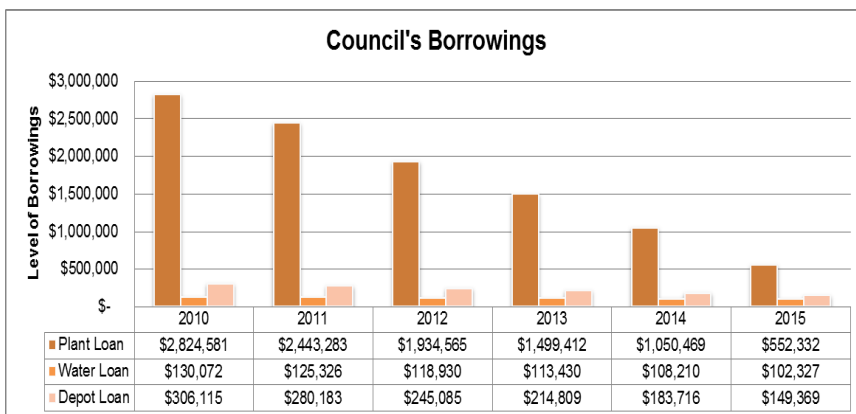
## // what do our liabilities consist of?

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

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

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

Council's outstanding debt at financial year end was approximately \$0.798 million. The graph below shows the borrowings of Etheridge Shire Council over the past four years.





# statement of cashflows

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

While Council's cash balance is \$10.613 million, it is important to note that a large portion of this amount is restricted for specific purposes such as flood damage repairs and future capital works.

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

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

// 2014-2015 result

<b>\$ 8,766,490</b>	opening balance
<b>+ \$24,823,589</b>	cash received
<b>- \$22,976,237</b>	cash spent
<div style="text-align: right; font-size: 24pt; margin-bottom: 5px;"><b>\$10,613,842</b></div> <div style="text-align: right; margin-bottom: 5px;">cash available at year end</div>	

## statement of changes in equity

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

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

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

The current balance of these reserves total approximately \$7.578 million.



### 2014/2015 RESERVES

Particulars	2012/13			2013/14			2014/15		
	Transfers (from) 2012/13	Transfers to 2012/13	Balance 30-Jun-13	Transfers (from) 2013/14	Transfers to 2013/14	Balance 30-Jun-14	Transfers (from) 2014/15	Transfers to 2014/15	Balance 30-Jun-15
Future Capital Reserve	\$	\$ 1,760,355	3,026,521	\$	\$ 3,035,827	6,062,348	\$ 0	\$ 0	6,062,348
Plant Replacement Reserve	(600,000)	600,000	681,912		0	681,912		180,000	861,912
Road Improvement Reserve			400,000			400,000			400,000
Georgetown Improvement Reserve		10,000	20,000	0	10,000	30,000		10,000	40,000
Forsyth Improvement Reserve		10,000	28,000		10,000	38,000		10,000	48,000
Einasteigh Improvement Reserve		10,000	20,000		10,000	30,000	(30,000)	10,000	10,000
Mt Surprise Improvement Reserve		10,000	10,000		10,000	20,000		10,000	30,000
Oak Park Community Infrastructure Reserve	(18,600)	10,000	19,148		10,000	29,148	(26,000)	10,000	13,148
Sports Stadium Reserve	(243,000)		0			0			0
Disaster Management Reserve					20,000	20,000			20,000
Bridge & Culvert Reserve	(155,500)	243,000	87,500		180,000	267,500		0	267,500
<b>Total Other Reserves</b>	<b>(1,017,100)</b>	<b>2,653,355</b>	<b>4,293,081</b>	<b>0</b>	<b>3,285,827</b>	<b>7,578,908</b>	<b>(56,000)</b>	<b>230,000</b>	<b>7,752,908</b>
			4,293,081			7,578,908			7,752,908

# overall trends

Council ended the 2014-2015 financial year in a solid financial position, and Council's long term position remains sustainable based on current assumptions.

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

## // operating surplus ratio

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

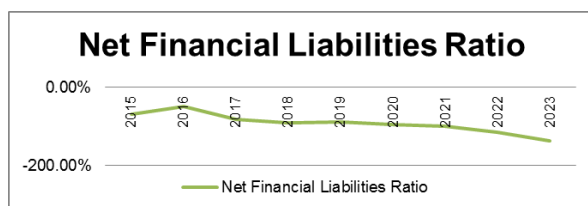
## // relevant measures of financial sustainability

### Financial Sustainability Indicators

for the year ended 30 June 2015

#### Measures of financial sustainability

	Target	Actual 2015
<b>Ratio</b>		
Operating Surplus Ratio	0 - 10%	-7.00%
Asset Sustainability Ratio	> 90%	123.50%
Net Financial Liabilities Ratio	< 60%	-69.60%



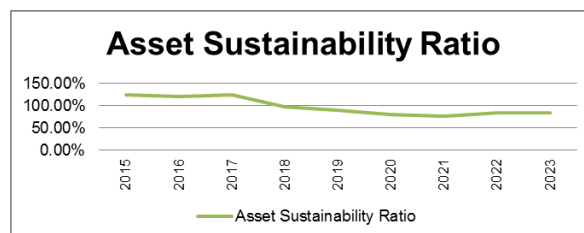
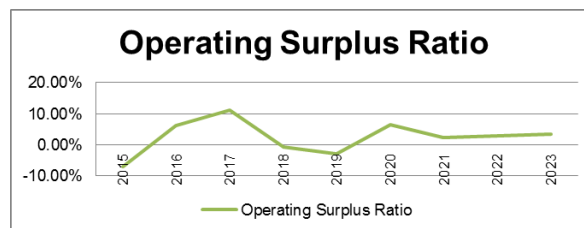
## // relevant measures of financial sustainability (long term financial forecast)

## // net financial liabilities ratio

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

## // asset sustainability ratio

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



### Financial Sustainability Indicators

for the year ended 30 June 2015

#### Measures of financial sustainability

	Target	Actual 2014	Actual 2015	Budget 2016	Long Term Financial Plan Projections								
					Yr 1 2017	Yr 2 2018	Yr 3 2019	Yr 4 2020	Yr 5 2021	Yr 6 2022	Yr 7 2023	Yr 8 2024	
<b>Ratio</b>													
Operating Surplus Ratio	0 - 10%	-37%	-7.00%	-32.90%	4.80%	9.30%	-2.80%	-4.80%	4.80%	1.10%	1.30%	3.20%	
Asset Sustainability Ratio	> 90%	179%	123.50%	271.10%	94.00%	96.00%	82.00%	78.00%	75.00%	76.70%	84.00%	82.00%	
Net Financial Liabilities Ratio	< 60%	-93%	-69.60%	-80.00%	-46.00%	-78.00%	-86.00%	-85.00%	-91.00%	-109.00%	-124.00%	-145.00%	

**// looking ahead**

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

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

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

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

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

**// rates 2014-2015**

**567** number of rateable assessments

**\$2,425,660** general rates

**\$ 248,864** water charge

**\$ 112,639** water consumption charge

**\$ 126,028** waste management & garbage charges

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**\$2,910,171** total rates & charges

**-\$ 319,895** rates discount

**-\$ 22,211** pensioner remissions

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**\$2,568,065** net rates & charges

# communication links

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

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

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



Opening of the "Russel Nimmo Bridge"  
"Oak Park"



legislative

**requirements**

# policies

## borrowing policy

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

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

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

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

## purposes of borrowing

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

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

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

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

### // borrowing table 2014-2015

Project	Opening Book Value 06/2014	Interest	Admin Fee	Redemption Payment	New Advances	Closing Book Value 06/2015	Repayment Term
Water	\$108,210	\$6,731	\$129	\$12,703	Nil	\$102,327	11 years 6 months
Depot	\$183,716	\$11,157	\$203	\$34,346	Nil	\$149,369	3 years 9 months
Plant	\$1,050,469	\$47,255	\$960	\$539,685	Nil	\$552,332	1 years 2 months

## Councillors' remuneration policy

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

# policies

## councillors' reimbursement policy

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

### // payment of expenses

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

### // expense categories

#### (i) Professional development

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

#### (ii) Discretionary professional development

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

#### (iii) Travel as required to represent council

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

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

#### (iv) Private vehicle usage

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

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

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



*(v) Meals*

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

*(vi) Incidental daily allowance*

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

*(vii) Hospitality*

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

*(viii) Accommodation*

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

**// provision of facilities**

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

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

**// facility categories**

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

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

(b) Home office

Council recognises that by using contemporary communication technologies (such as the internet for the electronic distribution of agendas and minutes) that some councillors would be required to travel long distances, therefore, it is necessary to provide home office facilities to councillors. Accordingly, council will supply and pay for: an internet connection (broadband or dial-up), to a council-supplied laptop – for each councillor residence.

(c) Maintenance costs of council-owned equipment

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

(d) Uniforms and safety equipment

Council will provide to a councillor:

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

*(e) Use of council vehicles on council business*

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

*(f) Private use of council vehicles*

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

*(g) Fuel costs*

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

*(h) Car parking amenities*

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

*(i) Telecommunication needs: mobile phones*

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

*(j) Mobile phone provided by council*

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

*(k) Mobile phone provided by councillor*

- When a councillor uses his/her own personal mobile phone for business use, council shall reimburse the councillor \$50 per month. The respective councillor is to provide the CEO with a copy of their monthly account for reimbursement.

The Mayor and CEO shall in the event of a dispute be the final arbiters as to what costs are council business and may withdraw specific limits to benefits under this clause.

*(l) Insurance cover*

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

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

*(m) Limit*

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

**// returning of facilities**

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

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

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

**// Misuse of Council Provided Resources for Electoral Purposes**

This policy provides for the following –

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

A breach of the reimbursement of expenses and facilities policy is a misuse of information or material acquired in or in connection with the performance of the councillor's responsibilities and would be "misconduct". Therefore, elected members should pay particular care in any campaign activity to ensure that there can be no possible perception of use of council provided resources / facilities for activity that could be perceived as having some electoral favour.

# allowances

## councillor's allowances

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

On the 19 February 2014 council resolved in accordance with Section 247 of the Local Government Regulation 2012, Council resolve to set a remuneration payment as determined by the local Government Remuneration Tribunal as shown below:-

	<i>Remuneration 2014/2015</i>	<i>Remuneration 2014/2015</i>	<i>Remuneration (current) 2015/2016</i>
<b>Mayor</b>	<b>95,488</b>	<b>75,893</b>	<b>97,684</b>
<b>Deputy Mayor</b>	<b>55,089</b>	<b>32,525</b>	<b>56,356</b>
<b>Councillors</b>	<b>47,744</b>	<b>23,128</b>	<b>48,842</b>
	<i>(As set by the Local Government Remuneration Tribunal)</i>	<i>(Resolved 2013/2014 Remuneration plus 3% effective 1/7/2014</i>	<i>(As set by the Local Government Remuneration Tribunal effective 1/7/2015)</i>

// remuneration paid to councillors during 2014-2015

<b>Councillor</b>	<b>General Meetings Attended</b>	<b>Special Meetings Attended</b>	<b>Remuneration (as per the Local Government Remuneration Tribunal)</b>	<b>Mileage &amp; Other Allowances Paid</b>	<b>Total Remuneration 2014/15</b>
Cr Will Attwood	12	3	\$ 75,893.00	Nil	\$ 75,893.00
Cr Ian Tincknell	12	2	\$ 32,525.19	\$ 7,071.95	\$ 39,597.14
Cr Trevor Arnett	12	3	\$ 23,128.47	\$ 883.24	\$ 24,011.71
Cr Warren Bethel	11	2	\$ 23,128.47	\$ 1,822.02	\$ 24,950.49
Cr Pauline Royes	11	3	\$ 23,128.47	\$ 7,637.52	\$ 30,765.99
			\$177,803.60	\$17,414.73	\$195,218.33

## list of registers

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

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

# committees

## // committees 2014-2015

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

# expenses

## senior officer's remuneration

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

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

**Senior management** of a local government is -

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

The Senior Offices at Etheridge Shire Council during the 2014-2015 year were:

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

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

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

## grants to community organisations

During the 2014-2015 financial year, Council did not implement this policy within its Community Services Section. Council provides Community Assistance through other mediums such as

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

## overseas travel

During the 2014 - 2015 financial year there was no overseas travel undertaken by a Councillor and or an Employee of Etheridge Shire Council for business purposes.

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

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

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

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

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

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

The Internal Audit function reports to the Chief Executive Officer. To ensure the internal audit activity is directed to areas of most benefit, a number of Council processes have been selected for review during 2014-2015 and are incorporated into this Internal Audit Plan.

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

#### // composition of the annual internal audit plan

The following table represents the projects to be delivered during the 2014-15 financial year. For each project we have included a brief overview of the scope of review and the link to the Corporate Plan. Each project will culminate in the distribution of a report to the Chief Executive Officer.

#### // internal audit projects 2014|2015

Year	Project Description	Department	Overview of Project Scope	Link to Corporate Plan 2010 2015	Est Days
2014 2015	IT Security & Governance Audit	Corporate Services	The primary objective of this audit was to perform a high level general controls review in relation to the following IT security categories: <ul style="list-style-type: none"> <li>➢ Policies &amp; Procedures</li> <li>➢ IT Systems Architecture</li> <li>➢ Firewall Security</li> <li>➢ User Privileges</li> <li>➢ Password Management</li> <li>➢ Anti-Virus Protection</li> </ul>	Objective #7 – Organisational Excellence & Governance Risks: <ul style="list-style-type: none"> <li><input type="checkbox"/> Project Risk</li> <li><input type="checkbox"/> Property/Asset Risk</li> <li><input type="checkbox"/> Financial Risk</li> <li><input type="checkbox"/> Fraud/Probity Risk</li> </ul>	5 days
2014 2015 2015 2016	Risk Control Review (Revenue & Expenditure)	Corporate Services (Finance)	The primary objective of this audit was to perform a high level general controls review in relation to the following revenue & expense functions: <ul style="list-style-type: none"> <li>➢ Rates, Grants, Fees &amp; Charges, Interest received, Contracts</li> <li>➢ Payroll, Accounts Payable &amp; Receivable, Stores &amp; Inventory</li> </ul>	Objective #7 – Organisational Excellence & Governance Risks: <ul style="list-style-type: none"> <li><input type="checkbox"/> Project Risk</li> <li><input type="checkbox"/> Property/Asset Risk</li> <li><input type="checkbox"/> Financial Risk</li> <li><input type="checkbox"/> Fraud/Probity Risk</li> </ul>	10 days

Year	Project Description	Department	Overview of Project Scope	Link to Corporate Plan 2010 2015	Est Days
2013 2014	Tender Evaluation Practices	All Departments	Materials and Services represent a significant portion of Council expenditure annually, much of which arises through the procurement of goods and services of both an operational and capital nature. Higher value procurement carries greater risk for Council due to the level of interest from prospective suppliers locally and regionally and the opportunity unsuccessful tenders to make accusations. A robust tender evaluation process manages reputation, financial and legal risks. The effectiveness of Council's tender evaluation practices associated with major contracts will be examined in this internal audit review	Objective #7 – Organisational excellence Risks: <input type="checkbox"/> Reputation Risk <input type="checkbox"/> Financial Risk <input type="checkbox"/> Property/Asset Risk <input type="checkbox"/> Operational Risk <input type="checkbox"/> Project Risk <input type="checkbox"/> Contractual & Contractor Risk	4 Days

The Internal Audit Committee is made up of the following members:

- // Cr Will Attwood (Mayor) – Chair of the Internal Audit Committee
- // Cr Trevor Arnett
- // Oliver Pring (Director of Corporate Services – Carpentaria Shire Council)
  
- // Michael Kitzelmann (Chief Executive Officer – permanent observer)
- // David Munro (Deputy CEO / Director Corporate & Community Services – permanent observer)
- // Rohana Samarasekera (Director of Engineering Services – permanent observer)
  
- // Pacifica – Internal Auditors
- // Moore & Stephens – External Auditors

# principles of financial management

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

The financial result for year ending 30 June 2013 and the Auditors Report reflect the effectiveness of the operation of internal control.

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

## right to information

Requests for information under the Right to Information Act (RTI) must be made on the required form (available on council's website or by contacting Council. During the period 1 July 2014 to 30 June 2015 council received no applications.

## business activities

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

*a) Roads business activity means.*

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

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

*b) Business activity means.*

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

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

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

These business activities are referred to as type 3 activities.

Local Governments may elect to apply a Code of Competitive Conduct (CCC) to their identified business activities. This requires the application of full cost pricing, identifying the cost of community service obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity. The application of the CCC to the roads business activity is compulsory.

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

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

## Land and roads prescribed not to have a value

Etheridge Shire Council has control of:

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





*Copperfield River in Flood - Einasleigh*

**meeting  
our  
corporate  
plan**

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

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

**// Community and Lifestyle**

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

**// Economic Development**

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

**// Environmental Sustainability**

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

**// Strategic Planning**

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

**// Infrastructure Services**

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

**// Commercial Services**

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

**// Organisational Excellence & Governance**

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

# community and lifestyle

# 1

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

Operational Plan Action / Outputs	Link to Strategy	Accomplished Outcome(s)
<p><b>Libraries</b></p> <ol style="list-style-type: none"> <li>1. Maintain Library services</li> <li>2. Maintain Internet services provided through the Shire Library(s)</li> <li>3. Continue to provide support &amp; training to library staff</li> </ol>	<p>1.3 1.9</p>	<p>Etheridge Shire has continued to provide Library services to the Etheridge community over the past 12 months. The operating system has been upgraded to Aurora 4 which provides a better service to our rural members and furthermore to the travelling public. The system allows for online borrowing and direct access to the catalogue of books. Council's library can also accept other Shires library returns and the Centre can also allow other library users the freedom of utilising our collection as well.</p> <p>Council's internet room has been maintained with a number of computers being upgraded to provide better graphics and better access to certain programs and functions thereby enhancing the experience. Wi-Fi is to be installed into the Centre in the first half of the new financial year.</p> <p>Training has been completed by the librarians to become familiar with the new operating platform known as Aurora 4.</p>
<p><b>Cultural Development</b></p> <ol style="list-style-type: none"> <li>1. Continue participation in RADF program</li> <li>2. Continue to hold RADF meetings with the committee and continue to educate and entice the community to utilize this funding program.</li> <li>3. Maintain Arts &amp; Cultural Policy</li> </ol>	<p>1.1</p>	<p>Council has continued to support the Regional Arts Development Fund (RADF) throughout the financial year. Several funding rounds were held with all applications submitted under this funding program being approved by the RADF committee and being endorsed by the Council.</p> <p>Council has maintained the level of compliance required to administer this program with a number of committee meetings being conducted throughout the financial year, plus council and the RADF committee have reviewed and maintained the Arts and Cultural policy.</p>
<p><b>Cemeteries</b></p> <ol style="list-style-type: none"> <li>1. Continue to maintain the Shire's cemeteries</li> <li>2. Continue to develop and maintain Cemetery Register and Cemetery history</li> </ol>	<p>1.17</p>	<p>Council has continued its ongoing maintenance programs for the Shire's cemeteries, by undertaking maintenance to fencing, and the cemetery grounds.</p> <p>Council has also continued to maintain the cemetery records and has been continuing to undertake research into past cemetery records.</p>
<p><b>Halls &amp; Public Facilities</b></p> <ol style="list-style-type: none"> <li>1. Maintain Public Halls within Georgetown</li> <li>2. Maintain Public Halls within Einasleigh</li> <li>3. Maintain Public Halls within Mt Surprise</li> </ol>	<p>5.5</p>	<p>Council has undertaken a number of major repairs to the Georgetown Shire Hall over the past financial year. Council has completed an internal re-paint to the Hall.</p> <p>The Einasleigh Hall has had a complete internal and external repaint to the facility, plus signage has been erected to name the Hall after Herbert J "Possum" Ray</p> <p>The Mt Surprise Hall has been maintained.</p>
<p><b>Swimming Pool</b></p> <ol style="list-style-type: none"> <li>1. Maintain swimming pool facilities for public use</li> </ol>	<p>1.1</p>	<p>The Shire's aquatic Centre located within Georgetown has been maintained throughout the financial year. Council has installed a disabled lift to this facility..</p>

# Herbert James 'Possum' Ray



Naming of the Einasleigh Hall –  
Herbert J "Possum" Ray  
Memorial Hall

councillor for Division Two on 13  
en Chairman of the Etheridge Shire  
he held for 18 years until 1960. On  
Queen Elizabeth and was awarded  
Most Excellent Order of the British

ed for his  
nes were  
requently  
ways give  
'Possum'  
in 13 July  
ars old.



**T**HE ELDEST SON of a large family, Bert Ray began his working life at the age of twelve when his father became chronically ill. Bert fulfilled his father's mail contract from Pentland to Georgetown through Lyndhurst, then struck out on his own to Chillagoe. He first worked for wages until he had the chance to purchase his own team of horses; then he started supplying wood to the mine smelters.

**AT EIGHTEEN** Bert moved his team to Einasleigh, supplying wood to the Coppermine. There, he began making his own wagons to cart the wood, creating employment for more men until the mine closed in 1914.

**IN PARTNERSHIP** Bert then took on a contract to erect a boundary fence between Oak Park and Chudleigh Park Stations. The partnership failed, leaving Bert to finish the contract on his own. During this time he made frequent trips to Hughenden to get supplies for himself, so he soon started carting supplies to the surrounding stations as well: Mr Ema, Mr Sturgeon, Collinsdale and Wongalee. This was when Bert met Ivy, originally a

Hughenden girl Ivy's parents had moved to Cairns and then to Einasleigh.

**BERT AND IVY** married in Cairns and made their home in Einasleigh, where he contract-carted for the Einasleigh Mine until it closed in 1922. At this time, Ted Richards had his mail contract between Einasleigh and Oak Park up for sale. Bert purchased it and became the owner of a 'Cobb & Co.' coach which was part of the equipment. The ninety-mile round trip for the mail run took Bert four days in his wagon, so when the contract called for an extra twelve miles to Werrington Station, he decided to purchase his first automobile in 1924.

**THE BUSINESS** prospered with Bert taking on more mail runs: Einasleigh to Kidston, Einasleigh through Carpentaria, Rosella Plains, Spring Creek, Wyandotte and on to Greenvale, and Einasleigh to Tallaro. Bert also did a regular run from Hughenden to transport children from the train to their homes on school holidays. Some of the stations en route built overpasses to accommodate Bert. Before grids, these overpasses were bridges built over the fences that trucks were able to negotiate while cattle could not.

**IN 1939** Bert purchased the Einasleigh store and post office from Jimmy Ellery. With Ivy running the store and his eldest son the post office—which after a few years his daughter Ivy took over—and his youngest son Vince helping out, the business thrived. As his business prospered Bert's interests widened. He became first a councillor and later Chairman of the Etheridge Shire Council, serving thirty-two years in municipal government.

**IN 1954** Bert was presented to Queen Elizabeth and Prince Phillip in Cairns, where he was awarded the Queen's Coronation Medal. In 1962, in recognition of his outstanding service to the community, Governor of Queensland Sir Henry Abel Smith awarded Bert Membership of the Most Excellent Order of the British Empire. Sir Henry remained a firm friend, always including a visit to Bert's Cairns home in his itinerary after Bert's retirement.

**BERT PASSED AWAY** on 13 July 1972. He was survived by his wife Ivy, his sons Gerard Patrick and Vincent James, and his daughter Ivy (Mrs Harold Sedgeman).



*Etheridge Shire Council...  
'the Golden Heart of the Gulf'*



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

Operational Plan Action / Outputs	Link to Strategy	Accomplished Outcome(s)
<p><b>Membership</b></p> <ol style="list-style-type: none"> <li>1. Continue association and membership with Gulf Savannah Development Limited</li> <li>2. Continue association and membership with Savannah Way Limited</li> <li>3. Continue association and membership with Local Government Association Qld</li> <li>4. Continue association and membership with NQ Local Government Association Qld</li> </ol>	<p><b>2.8</b> <b>2.9</b></p>	<p>Council has continued its membership with certain economic, tourism and lobbying associations throughout the financial year. Council is a member of the following Associations:</p> <ul style="list-style-type: none"> <li>. GSD (Gulf Savannah Development Ltd)</li> <li>. Savannah Way Ltd</li> <li>. Local Government Association of Qld (LGAQ)</li> <li>. NGRMG (Northern Gulf Resource Management Group)</li> <li>. SGRMG (Southern Gulf Resource Management Group)</li> <li>. NQLGA (North Qld Local Government Association)</li> <li>. NWQROC (North West Qld Regional of Councils)</li> <li>. FNQRRG (Far North Qld Regional Road Group)</li> </ul>
<p><b>Economic Development</b></p> <ol style="list-style-type: none"> <li>1. Update and support Gulf Savannah Development Ltd annual economic development publication</li> <li>2. Continue to promote the shire within various publications.</li> </ol>	<p><b>2.5</b> <b>2.8</b></p>	<p>Council has been involved in a number of discussions with potential developers over the past 12 months, with the message being to all developers that the shire is open for business and there are plenty of opportunities to create and establish businesses within the region.</p> <p>Council has continued to promote the shire and the region through various forms of media (advertisements, media releases, flyers and radio). Council has developed a short promotional video of the Shire during the 2014/15 financial year.</p>
<p><b>Signage</b></p> <ol style="list-style-type: none"> <li>1. Develop and install Tourism Signage throughout key locations within the Shire.</li> </ol>	<p><b>2.7</b></p>	<p>Council has installed new information / tourism signs at:</p> <ul style="list-style-type: none"> <li>Einaleigh Hall – Herbert J Possum Ray information sign</li> <li>Cumberland Chimney – several bird information signs</li> <li>Cumberland Chimney – new sign regarding the Cumberland Mine</li> <li>Oak Park – Nimmo Family information sign</li> </ul> <p>Council has been working on tourist directional signs for the shire in-conjunction with ETAG.</p>

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

Operational Plan Action / Outputs	Link to Strategy	Accomplished Outcome(s)
<p><b>Environmental Health – Inspection</b></p> <ol style="list-style-type: none"> <li>1. Continue regular inspection program for compliance with various Acts / Regulations</li> <li>2. Continue and maintain education programs for the community to ensure compliance with new and or amended legislation.</li> <li>3. Continue to provide data to the Department regarding compliance under Councils approved Environmental Licenses</li> </ol>	<p><b>3.1</b></p>	<p>Council has completed its annual food inspections plus carried out a number of interim inspections throughout the financial year to various food vendors within the shire. Council has had no reports of any breaches with food standards throughout the financial year.</p> <p>Council has completed the annual return to the Department regarding the Food Act.</p>
<p><b>Pest Management</b></p> <ol style="list-style-type: none"> <li>1. Maintain budget program in line with Pest Management Plan</li> <li>2. Maintain procedures and compliance with Land Protection (Pest &amp; Stock Route Management) Act 2002</li> <li>3. Implement pest/plant control program on behalf of Main Roads</li> <li>4. Maintain wash down bay at Mt Surprise</li> </ol>	<p><b>3.8</b></p>	<p>Council has continued to undertake a number of pest management initiatives throughout the financial year. Council continued with its 1080 baiting program. Council has formulated a Pest Management Committee and through this committee and through the financial assistance from State Government, Council has completed a successful 1080 aerial baiting program. Council also implemented a wild dog bounty scheme for the Shire.</p> <p>Council continued its yearly program of roadside spraying of noxious weeds and pests along state roads which was funded by the Department of Main Roads.</p> <p>Council continued to operate the wash down bay located at Mt Surprise to assist in alleviating the transfer of noxious weeds and seeds within the shire.</p>
<p><b>Waste Management</b></p> <ol style="list-style-type: none"> <li>1. Continue to maintain landfill site at Georgetown</li> <li>2. Continue to maintain landfill site at Forsayth</li> <li>3. Continue to maintain landfill site at Einasleigh</li> <li>4. Continue to maintain landfill site at Mt Surprise</li> <li>5. Continue to provide refuse collection to Georgetown</li> <li>6. Continue to maintain septic waste site at Georgetown</li> </ol>	<p><b>3.4</b> <b>5.7</b></p>	<p>Council has continued to maintain its four (4) landfill sites within the townships of Georgetown, Mt Surprise, Einasleigh &amp; Forsayth in accordance with guidelines and licencing conditions set down by the Department.</p>

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

Operational Plan Action / Outputs	Link to Strategy	Accomplished Outcome(s)
<p><b>Town Planning</b></p> <ol style="list-style-type: none"> <li>1. Continue implementation of planning scheme to meet the requirements of the Sustainable Planning Act 2009.</li> <li>2. Continue assessment of development applications</li> <li>3. Undertake a review of the current Town Planning Scheme</li> <li>4. Develop a robust strategic land use plan (urban plan) for the Shire's Townships</li> </ol>	<p>4.1 4.3 4.6 4.10</p>	<p>Over the past 12 months council has continued to operate and assess applications under its current IPA Planning Scheme while maintaining compliance with the Sustainable Planning Act. At this stage Council will be seeking an extension of its IPA Planning Scheme until the amendments are finalised within the Sustainable Planning Act. Council has met with Departmental personnel regarding the planning scheme seeking advice on how to amend its scheme and update its current planning scheme maps.</p> <p>Urban Plan is still to commence and be developed. Council is still investigating alternative consultants to assist Council with this task, considering the initial quotes where above Council's level of affordability at this stage.</p>
<p><b>Building</b></p> <ol style="list-style-type: none"> <li>1. Continue to maintain compliance with the relevant Acts, Codes &amp; Regulations</li> <li>2. Continue the assessment of Building &amp; Plumbing Applications.</li> <li>3. Attend training sessions when required</li> <li>4. Implement public education on building matters</li> </ol>	<p>4.3 4.4</p>	<p>Council has continued to carry out building and plumbing assessments while maintaining compliance under the relevant Acts and Codes. In addition, council has provided its officers the opportunity to attend various information sessions to keep abreast of any changes relating to the Building Act and Code.</p> <p>Council has continued providing the community with building information through Council's monthly newsletter.</p>
<p><b>Disaster Management Planning</b></p> <ol style="list-style-type: none"> <li>1. Continue to update Disaster Management Plan and Sub Plans</li> <li>2. Undertake the development and implementation of a Community Recovery Plan</li> <li>3. Continue to implement and test Disaster Management Plan</li> <li>4. Continue to attend District Disaster Management Committee Meetings</li> <li>5. Continue to conduct Local Disaster Management Committee Meetings</li> <li>6. Implement staff training under the Disaster Management Guidelines</li> <li>7. Attend training sessions when required</li> </ol>	<p>4.7</p>	<p>Council's Local Disaster Management Plan (Main Plan) has been developed and has been approved by EMQ and the DDMG. Sub-plans have been developed which support the main plan.</p> <p>Council has been represented at the District Disaster Management Meetings by the Mayor and CEO. In addition, Council has conducted several Local Disaster Management Meetings throughout the financial year to discuss any potential threats and improve the LDMG Plan.</p> <p>Council has also conducted training sessions throughout the financial year around operating a co-ordination centre in the event that council is required to active in the event of a disaster.</p>

# infrastructure services

# 5

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

Operational Plan Action / Outputs	Link to Strategy	Accomplished Outcome(s)
<p><b>Road Maintenance (Shire)</b></p> <ol style="list-style-type: none"> <li>1. Continue Town Street Maintenance programs</li> <li>2. Continue Shire Road Maintenance programs</li> </ol>	5.3	<p>Council continued its annual town street maintenance program which consists of footpath mowing, cleaning of the gutters and drainage infrastructure, street repairs such as pothole maintenance.</p> <p>In addition, council continued to implement its rural roads maintenance program, with council being responsible for maintaining some 1,500km's of unsealed roads, plus 450 culverts and inverts.</p> <p>Council also constructed several dams throughout the Shire during the 2014/15 financial year to assist in water storage for future road maintenance programs.</p>
<p><b>Road Improvements (Shire)</b></p> <ol style="list-style-type: none"> <li>1. Continue scheduled re-seal program</li> <li>2. Continue scheduled re-sheeting program</li> <li>3. Continue TIDS program</li> <li>4. Continue R2R program</li> </ol>	5.3 5.12 5.15 5.16	<p>During the 2014/15 financial year, Council continued to implement its Re-Sealing program, which also incorporates Town Streets. Council completed re-seals within the Georgetown Township.</p> <p>Council also continued to implement its Re-Sheeting program throughout the 2014/15 financial year. Councils re-sheeting program is undertaken in-conjunction with Flood Damage works to provide efficiencies and cost benefits to council.</p> <p>The T.I.D.s allocation for 2014/15 financial year plus the R2R funds have been spent on upgrading the pavement on the Forsyth-Einasleigh Road to enable an additional 2.3km of seal to this Council road plus a re-seal to the Forsyth – Einasleigh Road</p>
<p><b>Bridges</b></p> <ol style="list-style-type: none"> <li>1. Upgrade to the Oak Park Bridge at the Copperfield River.</li> </ol>	5.3 5.5 5.15	<p>Council had submitted a comprehensive Betterment Application to the Queensland Reconstruction Authority for the upgrade of the Oak Park Bridge. Council was notified in the 2013/14 financial year that the Application was approved. The upgrade to the Oak Park Bridge has been completed with an official opening occurring in July 2015.</p>
<p><b>Road Improvements (Main Roads)</b></p> <ol style="list-style-type: none"> <li>1. Continue to work with Main Roads to improve state controlled road networks within the shire</li> <li>2. Continue with RMPC expenditure</li> </ol>	5.14 5.15	<p>Council has continued its partnership with the Department of Main Roads by signing off on the RMPC agreement. Council has utilised the funding allocation within the 2014/15 financial year.</p> <p>Council has continued to meet with the Department on various issues regarding State Roads within the Shire and was successful in obtaining additional works within the 2014/15 financial year. This work was mainly to do with Main Roads Flood Damage works on the Kennedy and Gregory Developmental Roads.</p>



Operational Plan Action / Outputs	Link to Strategy	Accomplished Outcome(s)
<p><b>NDRRA (Flood Damage – Shire)</b></p> <ol style="list-style-type: none"> <li>1. Continue to implement and undertake flood damage works – 2013</li> <li>2. Commence flood damage restoration works for the 2014 event.</li> </ol>	<p><b>5.3</b> <b>5.4</b></p>	<p>2013 NDRRA works has been completed and has been acquitted to the Queensland Reconstruction Authority.</p> <p>Council has commenced the schedule of works for the 2014 Flood damage, with this work to be completed by the 30<sup>th</sup> June 2016.</p>
<p><b>Water Supply – Georgetown</b></p> <ol style="list-style-type: none"> <li>1. Continue Rising &amp; Reticulation System maintenance</li> <li>2. Continue plant maintenance programs for reservoir and wells</li> <li>3. Undertake replacement program for meters and valves</li> <li>4. Undertake capital works required within the Georgetown water supply. <ol style="list-style-type: none"> <li>(i) Hydrants &amp; Valves;</li> <li>(ii) Replacement of Meters</li> <li>(iii) Reticulation Improvements</li> </ol> </li> <li>5. Upgrade WTP at Georgetown</li> </ol> <p><b>Water Supply – Forsayth</b></p> <ol style="list-style-type: none"> <li>6. Continue to update Asset Management Plans</li> <li>7. Continue Rising &amp; Reticulation System maintenance</li> <li>8. Continue plant maintenance programs for reservoir and wells</li> <li>9. Undertake replacement program for meters and valves</li> <li>10. Undertake capital works program <ol style="list-style-type: none"> <li>(i) Reticulation Improvements</li> </ol> </li> </ol>	<p><b>5.8</b> <b>5.9</b> <b>5.10</b> <b>5.11</b></p>	<p>Council has continued with its annual maintenance programs for supplying water to Georgetown residents. This has included replacement of water metres; maintenance to reticulation assets and general maintenance to the reservoir and treatment plant.</p> <p>Council approved the installation of Water Treatment Plan at Georgetown to assist in the treatment of the town water supply. New treatment plant was approved by Council in October 2014 with the final commissioning of the plant being in February 2015. The plant is working well and received an innovation award at the State IPWEA conference.</p> <p>In relation to Forsayth water supply, council has continued to undertake its annual maintenance programs for the treatment plant, reticulation assets and the ongoing program of replacing water metres.</p> <p>Council has also undertaken its compliance obligations by having both water sources tested. This includes the raw water source and also the potable water. Council has had no infringements over the past 12 months from its water operations.</p>

# commercial services

# 6

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

Operational Plan Action / Outputs	Link to Strategy	Accomplished Outcome(s)
<p><b>Terrestrial Centre – V.I.C.</b></p> <ol style="list-style-type: none"> <li>1. Continue to promote the shire and its attractions</li> <li>2. Continue to support tourism publications</li> <li>3. Undertake the development of a new of a new business plan for Terrestrial.</li> <li>4. Continue to update shire's information and tourism brochures</li> </ol>	<p><b>6.3</b></p> <p><b>2.5</b></p> <p><b>2.8</b></p> <p><b>2.9</b></p>	<p>Council has placed various adverts within various publications promoting not only the Terrestrial Centre but also the Shire and the region throughout the financial year. As an approved V.I.C. council supports various tourist destinations and tourist locations throughout the shire and the Savannah region.</p> <p>Council has started the journey to develop and update the current Shire Information Brochure. At this stage this project is in its infancy stage with a number of concepts and designs being completed.</p> <p>Council has also been investigating ways to provide additional tourism information through technology. (such as interpretative kiosks)</p> <p>The Centre is currently undergoing a review of its Business Plan, with a number of recommendations to be presented to Council for approval and sign off.</p>
<p><b>Childcare</b></p> <ol style="list-style-type: none"> <li>1. Continue agreement with child care services</li> <li>2. Continue to seek additional funding for the centre</li> <li>3. Review and update policies and procedures</li> <li>4. Continue to maintain building</li> <li>5. Upgrade outdoor play area</li> <li>6. Provide training where necessary</li> <li>7. Continue to provide traineeships for childcare</li> </ol>	<p><b>1.14</b></p> <p><b>2.18</b></p> <p><b>6.4</b></p>	<p>Council has continued to meet and comply with all current legislative requirements under the new Early Years Framework. The Centre's was subject to a Departmental Audit in August 2014. Council's childcare centre has passed the audit with no areas of concerns.</p> <p>The centre has also been nominated for a sustainability award for its re-cycling program and environment program. Council will be notified in the first quarter of the 2015/16 financial year if successful.</p> <p>Council's Childcare Educators have all completed their Diploma's in Childcare during the financial year.</p>
<p><b>Student Hostel</b></p> <ol style="list-style-type: none"> <li>1. Continue to provide student hostel facilities</li> <li>2. Undertake a business plan for the centre</li> <li>3. Continue to seek additional funding for the centre</li> <li>4. Continue to provide a tutoring facility for the students through VISE</li> <li>5. Continue to undertake building maintenance to the building</li> </ol>	<p><b>2.19</b></p> <p><b>6.5</b></p>	<p>Council has continued its commitment to run and operate the Student Hostel on behalf of the community.</p> <p>Minor maintenance has been carried out to the centre over the past 12 months to ensure compliance with the appropriate standards.</p> <p>The State Government has continued to support the centre through their subsidy scheme which assists council in meeting the operational expenses associated with running this facility.</p> <p>Council has also completed an upgrade to the septic system and also installed new hot water systems to the centre.</p>

# organisational excellence & governance

# 7

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

Operational Plan Action / Outputs	Link to Strategy	Accomplished Outcome(s)
<p><b>Workplace Health &amp; Safety</b></p> <ol style="list-style-type: none"> <li>1. Ensure compliance with Workplace Health &amp; Safety Act</li> <li>2. Continue to develop, update, implement and maintain Safeplan</li> <li>3. Continue to identify and carry out specific workplace health &amp; safety training</li> <li>4. Continue to conduct Workplace Health &amp; Safety meetings and review frequency of meetings.</li> </ol>	<p><b>7.3</b></p> <p><b>7.17</b></p>	<p>Council has continued to implement and roll out Safe Plan to the organisation throughout the financial year, with a key message to all employees and contractors regarding safety. In addition, council has updates its Drug &amp; Alcohol policy which has been endorsed by the workforce.</p> <p>Council has continued to conduct quarterly workplace health and safety meetings during the 2014/15 financial year plus council has implemented two (2) employee workforce gatherings regarding safety and other key operational issues and updates plus bi-monthly site visits.</p> <p>Safety training has been conducted during 2014/15 and is part of Council's ongoing commitment to safety.</p> <p>Drug &amp; Alcohol testing has been implemented</p>
<p><b>Audit</b></p> <ol style="list-style-type: none"> <li>1. Maintain policy register</li> <li>2. Review and update internal policies to remain compliant with current legislation and reflect the operation of Council</li> <li>3. Maintain compliance standards with the Local Government Act &amp; Regulations</li> <li>4. Maintain compliance standards with Accountings Standards</li> </ol>	<p><b>7.8</b></p> <p><b>7.9</b></p> <p><b>7.10</b></p>	<p>Council has continued to operate its financial affairs in accordance with the relevant legislation and regulations which is reflected within Councils audit report from the Auditor General.</p> <p>Council has undertaken a review of its policies and procedures with a number of policies updated as a result of this review and a number of policies have been superseded.</p> <p>Council has in place an internal auditor who has undertaken an internal review of Councils IT Security &amp; Governance and has commenced a review of Councils control measures for Revenue &amp; Expenditure.</p> <p>Council's external auditor (appointed by the QAO) has completed the audit of Council for the financial year ending June 2015, with Council receiving an "Unqualified Audit Opinion" with the auditor raising no major concerns with Council's operations or its financial position.</p>
<p><b>Financial Reporting</b></p> <ol style="list-style-type: none"> <li>1. Continue to provide monthly financial reports to Council and the Community</li> <li>2. Continue to review ten (10) year financial forecast in line with Asset management plans, community plan &amp; corporate plan</li> </ol>	<p><b>7.9</b></p> <p><b>7.10</b></p>	<p>Council has continued to provide monthly financial information to the elected members and also to the community. Community updates have been provided through council's monthly newsletter titled the "Inform".</p> <p>Councils long term financial forecast has been updated and reviewed as part of the budget process and is still showing that council is sustainable based on the level of employees, funding streams and the level of services council currently provides.</p>

Operational Plan Action / Outputs	Link to Strategy	Accomplished Outcome(s)
<p><b>Training &amp; Development</b></p> <ol style="list-style-type: none"> <li>1. Continue to implement Human Resource Strategy and update and implement HR Policies</li> <li>2. Maintain staff training and development in line with Human Resource Strategy</li> <li>3. Maintain budget allocations for Staff Training &amp; Development</li> <li>4. Continue traineeship employment program</li> </ol>	<p><b>7.2</b></p> <p><b>7.4</b></p>	<p>More than 40 per cent of staff undertook some form of formal training during the 2014-15 financial year. Courses included:</p> <ul style="list-style-type: none"> <li>• Queensland Disaster Management training;</li> <li>• Trainee – Cert III Business;</li> <li>• Trainee – Cert IV Business;</li> <li>• Diploma in Business (Accounting);</li> <li>• Cert IV – Civil Construction;</li> <li>• Cert III – Plant Operations;</li> <li>• Cert III – Road Construction &amp; Maintenance;</li> <li>• Personal Safety Sessions;</li> <li>• Cert IV – WH &amp; S Rehab &amp; RTW;</li> <li>• Cert III Children Services;</li> <li>• Advanced Diploma Children Services;</li> </ul> <p>Council has continued to support traineeships with council again hosting 1 trainee and 2 apprentices during the 2014/15 financial year.</p>

*Sunrise over Georgetown –  
viewed from the Telstra Tower*





**financial**

**statements**

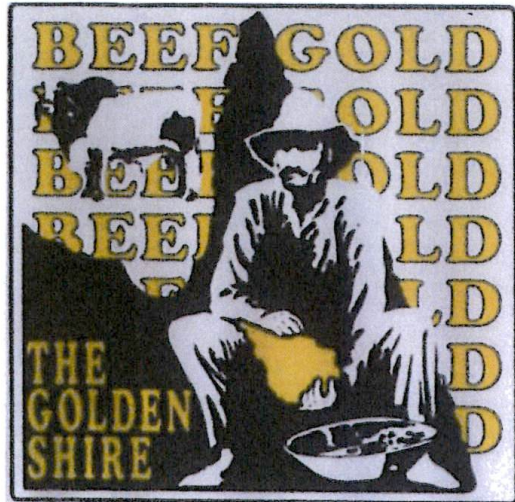
**2014|2015**



# **financial**

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**2014|2015**



**Annual Financial  
Statements**

**Etheridge Shire Council**

01 July 2014

to

30th June 2015



## Etheridge Shire Council

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Long Term Financial Sustainability Statement

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**Etheridge Shire Council**  
**Statement of Comprehensive Income**  
For the year ended 30 June 2015

	Notes	2015 \$	2014 \$
<b>Income</b>			
<b>Revenue</b>			
<b>Recurrent revenue</b>			
Rates, levies and charges	3a	2,663,414	2,390,586
Fees and charges	3b	343,122	341,207
Rental income	3c	177,212	184,349
Interest received	3d	441,815	452,293
Sales revenue	3e	7,389,575	1,652,123
Grants, subsidies, contributions and donations	4a	4,771,879	5,830,286
		<u>15,787,017</u>	<u>10,850,844</u>
<b>Capital revenue</b>			
Grants, subsidies, contributions and donations	4b	5,932,563	10,101,479
		<u>5,932,563</u>	<u>10,101,479</u>
<b>Capital Income/(Expense)</b>			
Capital Income/(Expense)	5	10,083	(43,850)
<b>Total income</b>		<u>21,729,663</u>	<u>20,908,473</u>
<b>Expenses</b>			
<b>Recurrent expenses</b>			
Employee benefits	6	4,945,421	4,613,637
Materials and services	7	7,680,665	5,999,102
Finance costs	8	74,076	99,106
Depreciation	12	4,186,777	4,147,116
<b>Total expenses</b>		<u>16,886,939</u>	<u>14,858,961</u>
<b>Net result</b>		<u>4,842,724</u>	<u>6,049,512</u>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Increase in asset revaluation surplus	12	25,874,540	4,635,987
<b>Total other comprehensive income for the year</b>		<u>25,874,540</u>	<u>4,635,987</u>
<b>Total comprehensive income for the year</b>		<u>30,717,264</u>	<u>10,685,499</u>

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

**Etheridge Shire Council**  
**Statement of Financial Position**  
as at 30 June 2015

	Notes	2015 \$	2014 \$
<b>Current assets</b>			
Cash and cash equivalents	9	10,613,842	8,765,950
Trade and other receivables	10	1,992,138	4,024,586
Inventories	11	469,645	742,400
<b>Total current assets</b>		<b>13,075,624</b>	<b>13,532,935</b>
<b>Non-current assets</b>			
Property, plant and equipment	12	181,277,880	151,513,319
<b>Total non-current assets</b>		<b>181,277,880</b>	<b>151,513,319</b>
<b>TOTAL ASSETS</b>		<b>194,353,504</b>	<b>165,046,254</b>
<b>Current liabilities</b>			
Trade and other payables	14	845,315	1,796,435
Borrowings	15	542,704	533,924
Provisions	16	85,092	74,765
<b>Total current liabilities</b>		<b>1,473,111</b>	<b>2,405,124</b>
<b>Non-current liabilities</b>			
Borrowings	15	256,249	792,484
Provisions	16	357,904	299,671
<b>Total non-current liabilities</b>		<b>614,153</b>	<b>1,092,154</b>
<b>TOTAL LIABILITIES</b>		<b>2,087,264</b>	<b>3,497,278</b>
<b>NET COMMUNITY ASSETS</b>		<b>192,266,240</b>	<b>161,548,976</b>
<b>Community equity</b>			
Asset revaluation reserve	17	125,541,373	99,666,833
Retained surplus		66,724,867	61,882,143
<b>TOTAL COMMUNITY EQUITY</b>		<b>192,266,240</b>	<b>161,548,976</b>

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

**Etheridge Shire Council**  
**Statement of Changes in Equity**  
For the year ended 30 June 2015

	Asset Revaluation Surplus	Retained Surplus	Total
Notes	17		
	\$	\$	\$
Balance as at 1 July 2014	99,666,833	61,882,143	161,548,976
Net Result	-	4,842,724	4,842,724
Other comprehensive income for the year			
Increase in asset revaluation surplus	25,874,540	-	25,874,540
<b>Total comprehensive income for the year</b>	<u>125,541,373</u>	<u>66,724,867</u>	<u>192,266,240</u>
<b>Balance as at 30 June 2015</b>	<u>125,541,373</u>	<u>66,724,867</u>	<u>192,266,240</u>
Balance as at 1 July 2013	95,030,846	55,832,630	150,863,476
Net Result	-	6,049,512	6,049,512
Other comprehensive income for the year			
Increase in asset revaluation surplus	4,635,987	-	4,635,987
<b>Total comprehensive income for the year</b>	<u>99,666,833</u>	<u>61,882,142</u>	<u>161,548,976</u>
<b>Balance as at 30 June 2014</b>	<u>99,666,833</u>	<u>61,882,143</u>	<u>161,548,976</u>

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

**Etheridge Shire Council**  
**Statement of Cash Flows**  
For the year ended 30 June 2015

	Notes	2015 \$	2014 \$
<b>Cash flows from operating activities:</b>			
Receipts from customers		13,310,984	4,660,671
Payments to suppliers and employees		(14,122,290)	(10,576,260)
		(811,305)	(5,915,590)
Interest received		441,815	452,293
Rental income		177,212	184,349
Non-capital grants and contributions		4,771,879	5,830,286
Borrowing costs		(70,641)	(95,197)
<b>Net cash (outflow)/inflow from operating activities</b>	18	<b>4,508,960</b>	<b>456,142</b>
<b>Cash flows from investing activities:</b>			
Payments for property, plant and equipment		(8,255,851)	(11,908,138)
Proceeds from sale of property, plant and equipment		189,136	355,653
Grants, subsidies, contributions and donations		5,932,563	10,101,479
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(2,134,153)</b>	<b>(1,451,006)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(527,455)	(502,899)
<b>Net cash (outflow) from financing activities</b>		<b>(527,455)</b>	<b>(502,899)</b>
<b>Net (decrease)/increase in cash and cash equivalents held</b>		<b>1,847,353</b>	<b>(1,497,764)</b>
Cash and cash equivalents at beginning of reporting period		8,766,490	10,264,254
<b>Cash and cash equivalents at end of reporting period</b>	9	<b>10,613,842</b>	<b>8,766,490</b>

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

## **Note 1: Significant accounting policies**

### **1.A Basis of Preparation**

These general purpose financial statements are for the period 1 July 2014 to 30 June 2015 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:

-certain classes of property, plant and equipment 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 property, plant and equipment.

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

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

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

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

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

### **1.B Statement of compliance**

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

### **1.C Adoption of new and revised Accounting Standards**

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

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective. Council has not applied any Australian Accounting Standards and interpretations that have been issued but are not yet effective.

AASB 9, which replaces AASB 139 Financial Instruments: Recognition and Measurement, is effective for reporting periods beginning on or after 1 January 2018 and must be applied retrospectively. The main impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements the four current categories

## **Note 1: Significant accounting policies**

of financial assets stipulated in AASB 139 will be replaced with two measurement categories: fair value and amortised cost and financial assets will only be able to be measured at amortised cost where very specific conditions are met.

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

AASB 15 is effective from 1 January 2017 and will replace AASB 118 Revenue, AASB 111 Construction Contracts and a number of Interpretations. It contains a comprehensive and robust framework for the recognition, measurement and disclosure of revenue from contracts with customers.

**AASB 13: Fair Value measurement - July 2016 (Early adoption)**

The Australian Accounting Standards Board (AASB) has issued an update to AASB 13. This update provides relief for not-for-profit public sector entities from making some previously-required disclosures about the fair value measurement of property, plant and equipment assets which are primarily held for internal or policy use, rather than to earn revenue. More specifically, the disclosure of quantitative information about the significant unobservable inputs used in fair value measurements and the sensitivity of certain fair value measurements to changes in unobservable inputs will no longer be required.

From 1 July 2016 AASB 124 *Related Party Disclosures* will apply to Council. This means that Council will disclose more information about related parties and transactions with those related parties. Council is currently preparing for this change by identifying related parties. Related parties will include the Mayor, Councillors and some Council staff. In Addition the close family members of those people and any organisations that they control or are associated with will be classified as related parties.

The 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.

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

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

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

Contingent Liabilities-Note 19

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

Provisions-Note 1.M and Note 16.

### **1.E Revenue**

#### **Rates and levies**

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

#### **Grants and subsidies**

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

## **Note 1: Significant accounting policies**

### Interest

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

### Sales revenue

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

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

### Fees and Charges

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

### **1.F Financial assets and financial liabilities**

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

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

#### Financial assets

Cash and cash equivalents (Note 1.G)

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

#### Financial liabilities

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

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

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

All other disclosures relating to the measurement and financial risk management of financial instruments are included in Note 22.

### **1.G 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, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **1.H Receivables**

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

Subsequent recoveries of amounts previously written off in the same period are recognised as finance costs in the Statement of Comprehensive Income. If an amount is recovered in a subsequent period it is recognised as revenue.



## **Note 1: Significant accounting policies**

Because Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, Council does not impair any rate receivables.

### **1.I Inventories**

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

Inventories held for distribution are:

- goods to be supplied at no or nominal, charge, and
- goods to be used for the provision of services at no or nominal, charge.

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

### **1.J Houses and Land Held for Resale**

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

### **1.K Property, plant and equipment**

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

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

Land  
Buildings  
Other Structures  
TerrEstrial Collection  
Fleet, Plant and Equipment  
Furniture and Other Equipment  
Roads Infrastructure  
Water Infrastructure  
Work in Progress

### **Acquisition of assets**

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

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

### **Capital and operating expenditure**

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

## **Note 1: Significant accounting policies**

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

### Valuation

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

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

In the intervening years, Council uses internal and external engineers to assess the condition and cost assumptions associated with all infrastructure assets, the results of which are considered in combination with suitable indexes from ABS (Australian Bureau of Statistics) and Department of Public Works. Together these are used to form the bases of a management valuation for infrastructure asset classes in each of the intervening years. With respect to the valuation of the land and improvements and buildings in the intervening years, management engage independent, professionally qualified valuers to perform a "desktop" valuation. A desktop valuation involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

An analysis performed by management has indicated that, on average, the variance between an indexed asset value and the valuation by an independent valuer when performed is not significant and the indices used by Council are 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 components of assets are measured on the same basis as the assets to which they relate.

Details of valuers and methods of valuations are disclosed in Note 13.

### Capital work in progress

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

### Depreciation

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

## **Note 1: Significant accounting policies**

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

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the Council.

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

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

### Land under roads

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

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

### **1.L 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.M Liabilities - employee benefits**

#### Salaries and wages

A liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date. This liability represents an accrued expense and is reported in Note 14 as a payable.

#### Annual Leave

A liability for annual leave is recognised. Amounts expected to be settled within 12 months are calculated on current wage and salary levels and includes related employee on-costs. This liability represents an accrued expense and is reported in Note 14 as a payable.

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

#### Superannuation

The superannuation expense for the reporting period is the amount of the contribution the Council makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in Note 20.

## **Note 1: Significant accounting policies**

### Long service leave

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value. This liability is reported in Note 16 as a provision.

### **1.N Borrowings and borrowing costs**

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

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

### **1.O 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 21.

### **1.P 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.

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

**Note 2a: Analysis of Results by Function Components**

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

**Organisational Excellence & Governance**

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

**Strategic Planning**

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

**Economic Development**

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

**Infrastructure Services**

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

**Water Infrastructure**

Providing water supply services.

**Environmental Sustainability**

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

**Commercial Services**

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

This function includes:

- TerrEstrial
- Student Hostel and
- Child Care

**Community and Lifestyle**

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

This function includes:

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

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

Note 2b: Analysis of Results by Function

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

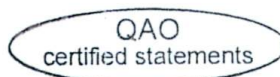
Functions	Gross program income				Total income 2014 \$	Gross program expenses		Total expenses 2014 \$	Net result from recurring operations 2014 \$	Net Result 2014 \$	Assets 2014 \$
	Recurring		Capital			Recurring	Capital				
	Grants 2014 \$	Other 2014 \$	Grants 2014 \$	Other 2014 \$							
Organisational Excellence & Governance	2,352,931	2,640,664	-	(93,666)	4,899,928	3,904,874	-	3,904,874	1,088,720	995,054	26,004,410
Strategic Planning	-	9,471	-	-	9,471	1,467	-	1,467	8,005	8,005	-
Economic Development	-	-	-	49,816	49,816	173,560	-	173,560	(173,560)	(123,743)	683,909
Infrastructure Services	3,298,556	1,739,855	9,924,743	-	14,963,154	8,865,228	-	8,865,228	(3,826,817)	6,097,925	114,754,336
Water	-	295,289	-	-	295,289	654,090	-	654,090	(358,802)	(358,802)	5,057,954
Environmental Sustainability	-	112,744	156,736	-	269,480	233,888	-	233,888	(121,144)	35,592	18,662
Commercial Services	89,209	218,492	20,000	-	327,701	625,277	-	625,277	(317,576)	(297,576)	-
Community & Lifestyle	89,591	4,043	-	-	93,634	400,576	-	400,576	(306,942)	(306,942)	18,526,984
<b>Total Council</b>	<b>5,830,286</b>	<b>5,020,558</b>	<b>10,101,479</b>	<b>(43,850)</b>	<b>20,908,473</b>	<b>14,858,961</b>	<b>-</b>	<b>14,858,961</b>	<b>(4,008,116)</b>	<b>6,049,512</b>	<b>165,046,254</b>

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

Notes	2015 \$	2014 \$
<b>Note 3: Revenue analysis</b>		
<b>(a) Rates and charges</b>		
General rates	2,425,660	2,232,692
Water	248,864	231,968
Water consumption	112,639	95,265
Waste management	30,248	27,933
Garbage charges	95,760	87,591
State Emergency Levy	92,349	46,850
<b>Total rates and utility charge revenue</b>	<b>3,005,520</b>	<b>2,722,298</b>
Less: Discounts	(319,895)	(310,731)
Less: Pensioner remissions	(22,211)	(20,981)
<b>Net rates and utility charges</b>	<b>2,663,414</b>	<b>2,390,586</b>
<b>(b) Fees and charges</b>		
Education Facility	13,636	-
Building and development fees	4,510	8,585
Licences and registrations	-	5,900
TerrEstrial Centre	56,136	46,293
Child Care Centre	64,991	73,759
Hostel Fees	59,345	60,460
Einasleigh Common	-	2
Fuel Rebates	95,523	-
Other fees and charges	48,980	146,207
<b>Total Fees and Charges</b>	<b>343,122</b>	<b>341,207</b>
<b>(c) Rental income</b>		
Other rental income	177,212	184,349
	<b>177,212</b>	<b>184,349</b>
<b>(d) Interest received</b>		
Interest received from term deposits	362,028	387,504
Interest from overdue rates and utility charges	79,787	64,789
<b>Total Interest Received</b>	<b>441,815</b>	<b>452,293</b>
<b>(e) Sales revenue</b>		
<b>Sales of services</b>		
Contracts and recoverable works	7,318,963	1,604,858
Private Works	70,612	47,265
<b>Total Sales Revenue</b>	<b>7,389,575</b>	<b>1,652,123</b>

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

Notes	2015 \$	2014 \$
<b>Note 4: Grants, Subsidies, Contributions and Donations</b>		
<b>(a) Recurrent</b>		
State Government subsidies and grants	264,004	3,478,855
Federal Subsidies and grants	4,507,875	2,351,431
<b>Total recurrent revenue</b>	<b>4,771,879</b>	<b>5,830,286</b>
<b>(b) Capital</b>		
State Government subsidies and grants	5,415,056	10,101,233
Federal Government subsidies and grants	517,507	246
<b>Total capital revenue</b>	<b>5,932,563</b>	<b>10,101,479</b>
<b>(c) Conditions over contributions</b>		
Contributions recognised as income during the reporting period and which were obtained on the condition that they be expended in a manner specified by the contributor.		
<b>Non-reciprocal grants for expenditure on services</b>	83,611	192,988
<b>Non-reciprocal grants for expenditure on infrastructure</b>	468,059	-
<b>Note 5: Capital income/(Expense)</b>		
Gain (loss) on the disposal of non-current assets		
(a) Proceeds from the sale of property, plant and equipment	189,136	305,837
Less: Book value of property, plant and equipment disposed	(179,052)	(399,503)
	<b>10,083</b>	<b>(93,666)</b>
(b) Proceeds from the sale of land and improvements	-	49,816
Less: Book value of land sold	-	-
	-	49,816
<b>Total capital income/(expense)</b>	<b>10,083</b>	<b>(43,850)</b>





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

	2015	2014
Notes	\$	\$
<b>Note 6: Employee Benefits</b>		
Total staff wages and salaries	4,552,872	4,370,281
Councillors' remuneration	195,219	192,603
Annual, sick and long service leave entitlements	522,969	544,180
Superannuation	436,539	430,555
	<u>5,707,599</u>	<u>5,537,619</u>
Other employee related expenses	156,976	192,098
	<u>5,864,576</u>	<u>5,729,717</u>
Less: Capitalised employee expenses	(919,155)	(1,116,080)
	<u>4,945,421</u>	<u>4,613,637</u>

Councillor remuneration represents salary, superannuation contributions and other allowances paid in respect of carrying out their duties.

**Total Council employees at reporting date**

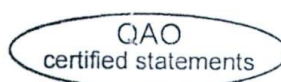
Elected members	5	5
Administrative staff	16	15
Child Care	5	4
Depot and outdoors staff	33	38
<b>Total full time equivalent employees</b>	<u>59</u>	<u>62</u>

**Note 7: Materials and services**

Administration supplies and consumables	76,898	81,012
Audit of annual financial statements by the Auditor-General of Queensland	45,709	61,568
Communication and IT	189,068	180,308
Consultants	361,870	172,480
Contractor Works-TMR	2,131,120	360,297
Contract Works-Flood Damage	10,711	148,997
Contract Works-99A Hann Highway	2,467,751	-
Contract Works-99B Hann Highway	-	3,058,935
Repairs Maintenance & Power	1,121,800	1,022,172
Other material and services	742,670	287,976
Travel	129,420	90,959
Water	285,759	437,664
Waste	117,888	96,734
	<u>7,680,665</u>	<u>5,999,102</u>

**Note 8: Finance costs**

Finance costs charged by Queensland Treasury Corporation	70,641	95,197
Bank charges	3,434	3,909
	<u>74,076</u>	<u>99,106</u>



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

Notes	2015 \$	2014 \$
<b>Note 9: Cash and cash equivalents</b>		
Cash at bank and on hand	410,786	467,702
Deposits at call	10,203,056	8,298,248
<b>Balance per Statement of Cash Flows</b>	<b>10,613,842</b>	<b>8,765,950</b>

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

Plant Replacement Reserve	1,121,912	681,912
Future Capital Works Reserve	5,924,510	6,062,348
Capital Works Reserve	828,648	717,223
Recurrent Expenditure Reserves	348,900	147,128
<b>Total unspent restricted cash</b>	<b>8,223,970</b>	<b>7,608,610</b>

These restrictions were previously allocated as reserves.

There were no externally imposed expenditure restrictions at reporting date.

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

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

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

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

**Note 10: Trade and other receivables**

**(a) Current**

Rateable revenue and utility charges	816,874	300,586
Other debtors	1,104,738	3,641,685
Prepayments	70,525	82,315
<b>Total Current Trade and Other Receivables</b>	<b>1,992,138</b>	<b>4,024,586</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, fees and other debtors receivable.

Fully Performing	548,185	1,344,914
< 30 Days	1,114,027	1,821,733
30 - 60 Days	74,598	19,264
61-90 Days	184,803	756,361
<b>Total</b>	<b>1,921,613</b>	<b>3,942,272</b>



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

Notes	2015 \$	2014 \$
<b>Note 11: Inventories</b>		
<b>Current</b>		
(a) Total inventories for distribution		
Plant and equipment stores	335,777	348,275
(b) House and Land for resale		
House and Land for resale	133,868	394,125
<b>Total Current Inventories</b>	<b>469,645</b>	<b>742,400</b>

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

**Note 12: Property, Plant and Equipment Valuations**

30th June 2015	Note	Land	Buildings	Other Structures	Fleet Plant and Equipment	Furniture and Other Equipment	Road Infrastructure	Water Infrastructure	TerrEstrial Collection	Work In Progress	TOTAL
Basis of measurement		Fair Value	Fair Value	Fair Value	Cost	Cost	Fair Value	Fair Value	Fair Value	Cost	
<b>Opening Balances</b>											
Opening Gross Value		1,845,151	17,534,377	10,370,574	11,160,118	461,560	135,621,255	7,277,993	620,571	8,411,077	193,302,676
Accumulated Depreciation		-	7,254,646	2,123,321	5,553,591	347,804	24,289,955	2,220,039	-	-	41,789,356
<b>Opening Written Down Value</b>		<b>1,845,151</b>	<b>10,279,731</b>	<b>8,247,253</b>	<b>5,606,527</b>	<b>113,756</b>	<b>111,331,300</b>	<b>5,057,954</b>	<b>620,571</b>	<b>8,411,077</b>	<b>151,513,320</b>
<b>Movements during Year</b>											
Additions		158,639	70,326	291,349	114,361	-	11,334,595	488,557	-	(4,201,978)	8,255,850
Disposals	5	(3,396)	-	-	(173,636)	-	-	(2,021)	-	-	(179,052)
Depreciation		-	(183,321)	(349,932)	(795,868)	(2,481)	(2,731,484)	(123,692)	-	-	(4,186,777)
Revaluations	17	(257,026)	689,860	3,037,300	-	-	21,849,587	527,252	27,567	-	25,874,540
<b>Closing Balances</b>											
Closing Gross Value		1,743,369	19,501,000	13,857,884	10,860,993	461,560	166,233,036	7,834,696	648,138	4,209,099	225,349,775
Accumulated Depreciation		-	8,644,403	2,631,914	6,109,609	350,285	24,449,038	1,886,646	-	-	44,071,895
<b>Closing Written Down Value</b>		<b>1,743,369</b>	<b>10,856,597</b>	<b>11,225,970</b>	<b>4,751,384</b>	<b>111,274</b>	<b>141,783,998</b>	<b>5,948,050</b>	<b>648,138</b>	<b>4,209,099</b>	<b>181,277,880</b>
Estimated Useful Life (Years)		Not Depreciated	3 - 100	5 - 80	2 - 20	3 - 80	5 - 150	10 - 100	Not Depreciated		
<b>2015 Additions comprise:</b>		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Renewals		-	39,336	21,289	61,569	-	9,235,108	15,798	-	(4,201,978)	5,171,122
Other additions		158,639	12,090	249,223	71,692	-	2,120,324	472,760	-	-	3,084,728
<b>Total additions</b>		<b>158,639</b>	<b>70,326</b>	<b>291,349</b>	<b>114,361</b>	<b>-</b>	<b>11,334,595</b>	<b>488,557</b>	<b>-</b>	<b>(4,201,978)</b>	<b>8,255,850</b>

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

**Note 12: Property, Plant and Equipment Valuations**

30th June 2014		Land	Buildings	Other Structures	Fleet Plant and Equipment	Furniture and Other Equipment	Road Infrastructure	Water Infrastructure	TerrEstrial Collection	Work In Progress	TOTAL
Basis of measurement		Fair Value	Fair Value	Fair Value	Cost	Cost	Fair Value	Fair Value			
<b>Opening Balances</b>											
Opening Gross Value		1,727,600	17,036,936	8,412,891	11,218,896	461,560	127,752,591	6,953,699	620,571	2,338,814	176,523,558
Accumulated Depreciation		-	6,827,585	1,790,722	5,194,877	343,696	20,808,522	2,042,343	-	-	37,007,745
<b>Opening Written Down Value</b>		<b>1,727,600</b>	<b>10,209,351</b>	<b>6,622,169</b>	<b>6,024,019</b>	<b>117,864</b>	<b>106,944,069</b>	<b>4,911,356</b>	<b>620,571</b>	<b>2,338,814</b>	<b>139,515,813</b>
<b>Movements during Year</b>											
Additions		117,551	108,377	1,828,468	817,299	-	2,831,157	133,022	-	6,072,263	11,908,137
Disposals	5	-	-	(63,071)	(276,242)	-	-	-	-	-	(339,313)
Depreciation		-	(227,713)	(313,079)	(898,360)	(4,108)	(2,584,452)	(119,404)	-	-	(4,147,116)
Revaluations	17	-	189,717	172,765	-	-	4,140,527	132,979	-	-	4,635,988
Transfers		-	-	-	-	-	-	-	-	-	-
<b>Closing Balances</b>											
Closing Gross Value		1,845,151	17,534,377	10,370,574	11,160,118	461,560	135,621,255	7,277,993	620,571	8,411,077	193,302,676
Accumulated Depreciation		-	7,254,646	2,123,321	5,553,591	347,804	24,289,955	2,220,039	-	-	41,789,356
<b>Closing Written Down Value</b>		<b>1,845,151</b>	<b>10,279,731</b>	<b>8,247,253</b>	<b>5,606,527</b>	<b>113,755</b>	<b>111,331,300</b>	<b>5,057,954</b>	<b>620,571</b>	<b>8,411,077</b>	<b>151,513,319</b>
Estimated Useful Life (Years)		Not Depreciated	3 - 100	5 - 80	2 - 20	3 - 80	5 - 150	10 - 100			
<b>2014 Additions comprise:</b>		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Renewals		-	-	66,299	742,726	-	391,077	133,022	-	6,072,263	7,405,388
Other additions		117,551	108,377	1,762,169	74,573	-	2,440,080	-	-	-	4,502,750
<b>Total additions</b>		<b>117,551</b>	<b>108,377</b>	<b>1,828,468</b>	<b>817,299</b>	<b>-</b>	<b>2,831,157</b>	<b>133,022</b>	<b>-</b>	<b>6,072,263</b>	<b>11,908,138</b>

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## Note 13: Fair Value Measurements

### Recognised fair value measurement

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

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

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

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

The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2015 and reviewed for any material adjustment at reporting date.

Category	Level 2	Level 3	Total
Building Commercial		\$9,047,696	\$9,047,696
Building Residential	\$1,808,900		\$1,808,900
<b>Building Total</b>			<b>10,856,596</b>
Land	\$1,743,369		\$1,743,369
Other Structure		\$11,225,970	\$11,225,970
Road Infrastructure		\$141,783,998	\$141,783,998
Water Infrastructure		\$5,948,050	\$5,948,050
Terrestrial Collection		\$648,138	\$648,138
<b>Grand Total</b>	<b>\$4,327,655</b>	<b>\$167,878,466</b>	<b>\$172,206,121</b>

**Note 13: Fair Value Measurements**  
**Changes in Fair Value Measurements using significant unobservable inputs (level 3)**

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

<b>Changes in commercial buildings (Level 3)</b>	<b>Council</b>
<b>Opening gross value as at 1 July 2014</b>	<b>12,834,879</b>
Additions	70,326
Disposals	
Revaluation adjustment to other comprehensive income(asset revaluation surplus)	2,463,794
Revaluation adjustment to income (capital income)	
<b>Closing gross value as at 30 June 2015</b>	<b>15,368,999</b>
<b>Accumulated depreciation and impairment</b>	
<b>Opening balance as at 1 July 2014</b>	<b>4,657,018</b>
Depreciation provided in period	163,003
Depreciation on disposals	
Revaluation adjustment to asset revaluation surplus	1,501,280
<b>Accumulated depreciation as at 30 June 2015</b>	<b>6,321,303</b>

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

**Specific valuation techniques used to value Council assets comprise:**

**Land (level 2)**

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

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

**Buildings (level 2 and 3)**

The fair values of buildings were determined by independent valuer AssetVal Pty Ltd and is effective as at the 31st March 2015 and reviewed at reporting date for any material adjustments.

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

## **Note 13: Fair Value Measurements**

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

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

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

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

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

### **Water, Roads Infrastructure, Other Assets (level 3)**

All council infrastructure assets were fair valued using written down current replacement cost by independent valuer Shepherd Services Pty Ltd and is effective as at the 31st March 2015.

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

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

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

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

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

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

Rating	Description % Asset Remaining (Base on delivery of future economic benefit)	
1	Excellent (Only normal maintenance required)	100
2	Good (Minor defects only /minor maintenance required up to 15%)	85
3	Average (Significant maintenance required 30%)	70
4	Poor (Requires replacement within next 1-2yrs)	30
5	Asset Failure ((Requires immediate replacement)	10



## **Note 13: Fair Value Measurements**

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

Dimensional changes and normal annual cost increases to unobservable inputs like plant, labour and material costs would change the fair value of assets, these changes are factored into the valuation inputs used at the 31st of March 2015. Below is a summary of unobservable inputs.

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

### **Valuation processes**

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

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

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

	2015	2014
	\$	\$
<b>Note 14: Trade and other payables</b>		
<b>Current</b>		
Creditors and accruals	265,271	1,306,962
Annual Leave	567,413	475,564
Time in Lieu	12,631	13,909
<b>Total Current Trade and Other Payables</b>	<u>845,315</u>	<u>1,796,435</u>

**Note 15: Borrowings**

<b>Current</b>		
Loans-Queensland Treasury Corporation	542,704	533,924
<b>Total Current Borrowings</b>	<u>542,704</u>	<u>533,924</u>
<b>Non Current</b>		
Loans-Queensland Treasury Corporation	256,249	792,484
<b>Total Non-Current Borrowings</b>	<u>256,249</u>	<u>792,484</u>
<b>Loans Queensland Treasury Corporation</b>		
Opening balance at beginning of financial year	1,326,408	1,829,307
Principal Repayments	(527,455)	(502,899)
<b>Book value at end of financial year</b>	<u>798,953</u>	<u>1,326,408</u>

The QTC loan market value at the reporting date was \$572,154 for the Fleet Loan, \$121,418 for the Water Loan Forsyth and \$164,190 for the Depot Administration Building Loan. This represents the value of the debt if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made

**Note 16: Provisions**

<b>Current</b>		
Long service leave	85,092	74,765
<b>Total Current Provisions</b>	<u>85,092</u>	<u>74,765</u>
<b>Non Current</b>		
Long service leave	357,904	299,671
<b>Total Non-Current Provisions</b>	<u>357,904</u>	<u>299,671</u>
<b>Long Service Leave</b>		
Opening balance at beginning of financial year	374,435	289,054
Long service leave entitlement arising	100,194	134,680
Long service leave entitlement paid	(31,633)	(49,299)
<b>Closing balance at the end of the financial year</b>	<u>442,996</u>	<u>374,435</u>

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

2015  
\$

2014  
\$

**Note 17: Asset Revaluation Surplus**

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

Land and Improvements		1,348,613	1,609,035
Buildings		7,364,328	6,674,468
Other Structures		7,006,648	3,969,348
Road Infrastructure		106,634,696	84,781,714
Water Infrastructure		2,965,843	2,438,591
TerrEstrial Collection		221,245	193,677
<b>Balance at the End of the Financial Year</b>		<b>125,541,373</b>	<b>99,666,833</b>

**Note 18: Reconciliation of result from ordinary activities to net cash (outflow)/inflow from operating activities**

<b>Net result</b>		4,842,724	6,049,512
<b>Non-cash operating items:</b>			
Depreciation	12	4,186,777	4,147,116
<b>Investing and development activities:</b>			
Net (profit) loss on disposal of non-current assets	5	(10,083)	93,666
Net (profit) on Land Sales	5	-	(49,816)
Capital grants and contributions	4	(5,932,563)	(10,101,479)
		(5,942,646)	(10,057,628)
<b>Changes in operating assets and liabilities:</b>			
Decrease/(Increase) in receivables		2,031,908	(473,217)
Decrease in inventory		272,755	466,252
(Decrease)/Increase in payables		(951,120)	238,724
Increase in other provisions		68,561	85,381
		1,422,104	317,140
<b>Net cash inflow from operating activities</b>		<b>4,508,960</b>	<b>456,141</b>

**Note 19: Contingent liabilities**

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

**Local Government Mutual:**

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

As at 30 June 2015 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

**Local Government Workcare:**

The Council is a member of the Queensland local government workers compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$69,872.

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

**Note 20: Superannuation**

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

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

The scheme has two elements referred to as:

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

The Accumulation Benefits Fund (ABF)

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

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

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

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

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

The most recent actuarial assessment of the scheme was undertaken as at 1 July 2012. The actuary indicated that "the DBF is currently in a satisfactory but modest financial position and remains vulnerable to adverse short and medium term experience."

Following the previous actuarial assessment in 2009, councils were advised by the trustee of the scheme, following advice from the schemes actuary, that additional contributions may be imposed in the future at a level necessary to protect the entitlements of the Regional DBF members. In the 2012 actuarial report the actuary has recommended no change to the employer contribution levels at that time.

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

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

	Notes	2015	2014
		\$	\$
The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of employee was:	6	436,539	430,555

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

**Note 21: Trust Funds**

Notes	2015 \$	2014 \$
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities	1,000	1,698

Etheridge Shire Council performs a custodial role in respect of these monies. As these funds cannot be used by the Council, they are not brought to account in these financial statements. These monies are held in a separate bank account with the Bendigo Bank which is identified as the Etheridge Shire Council Trust Account.

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

**Note 22: Financial Instruments**

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

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

Investments in financial assets are only made where those assets are with a bank or other financial institution in Australia. The Council does not invest in derivatives or other high risk investments.

When the Council borrows, it borrows from the Queensland Treasury Corporation. Borrowing by the Council is constrained by the provisions of the Statutory Bodies Financial Arrangements Act 1982.

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

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

**(i) Liquidity risk**

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

Council manages its exposure to liquidity risk by maintaining sufficient undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in the note 15.

The following table sets out the liquidity risk of financial liabilities held by the Council in a format as it might be

	0 to 1 year \$	1 to 5 years \$	Over 5 years \$	Total contractual cash flows \$
<b>2015</b>				
Trade and other payables	265,271	-	-	265,271
Loans - QTC	598,096	217,781	83,428	899,305
	<u>863,367</u>	<u>217,781</u>	<u>83,428</u>	<u>1,164,576</u>
<b>2014</b>				
Trade and other payables	1,306,962	-	-	1,306,962
Loans - QTC	598,096	790,571	94,838	1,483,505
	<u>1,905,058</u>	<u>790,571</u>	<u>94,838</u>	<u>2,790,467</u>

**(ii) Interest rate risk**

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

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

The Council does not undertake any hedging of interest rate risk.

A 1% increase in market interest rates would not have a material impact to the Etheridge Shire Council.

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

**Note 23: Commitments for expenditure**

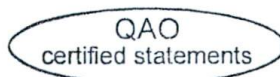
**Contractual commitments**

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

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Green Tech Asia Pacific Pty Ltd_Contract Project Engineer _2013 & 2014 Flood 11-11-2014 to 30-06-2016	393,600	-
Bryan Wellby Contracting Pty Ltd_Contract Foreman_TMR Works 01/07/2014 to 30/06/2015	308,412	-
Jennifer Leonard (T/A Copperfield Lodge) NDDRA & Other Associated Works 15/12/2014 to 30/06/2016	88,845	-
Trevor Arnett_Kennedy Development Road 99A PEND 177 23/05/2014 to 30/06/2016	251,608	-
Karen Remfrey_Management of ESC Student Hostel 01/01/2015 to 31/12/2016	183,000	-
Vanessa Herring_Management of ESC Student Hostel 01/01/2013 to 30/06/2014	-	66,000
Town Maintenance Contract - Mt Surprise 01/07/2015 to 01/07/2017	26,000	-
Copperfield Town Maintenance Contract - Einasleigh 01/07/2015 to 30/06/2016	27,300	-
<b>Total Commitments</b>	<b>1,278,765</b>	<b>66,000</b>

**Note 24: Events after the reporting period**

There were no material adjusting events after the balance date.



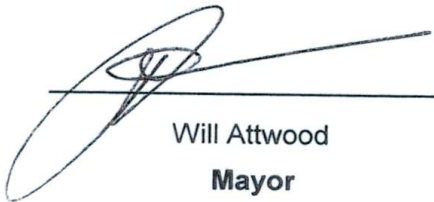
**Etheridge Shire Council**  
**Financial statements**  
**For the year ended 30 June 2015**

**Management Certificate**  
**For the year ended 30 June 2015**

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

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

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



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Will Attwood  
**Mayor**

Date: 2/9/2015



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Michael Kitzelmann  
**Chief Executive Officer**

Date: 2/9/2015

QAO  
certified statements



## INDEPENDENT AUDITOR'S REPORT

To the Mayor of Etheridge Shire Council

### **Report on the Financial Report**

I have audited the accompanying financial report of Etheridge Shire Council, which comprises the statement of financial position as at 30 June 2015 the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Mayor and Chief Executive Officer.

#### *The Council's Responsibility for the Financial Report*

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

#### *Auditor's Responsibility*

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

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

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

### *Independence*

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

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

### *Opinion*

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

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
  - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of Etheridge Shire Council for the financial year 1 July 2014 to 30 June 2015 and of the financial position as at the end of that year.

### **Other Matters - Electronic Presentation of the Audited Financial Report**

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



P J FLEMMING FCPA  
as Delegate of the Auditor-General of Queensland



Queensland Audit Office  
Brisbane

## Etheridge Shire Council

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

**Etheridge Shire Council**  
**Current-year Financial Sustainability Statement**  
For the year ended 30 June 2015

**Measures of Financial Sustainability**

Council's performance at 30 June 2015 against key financial ratios and targets:

	<u>How the measure is calculated</u>	<u>Actual - Council</u>	<u>Target</u>
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-7.0%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	123.5%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-69.6%	not greater than 60%

**Note 1 - Basis of Preparation**

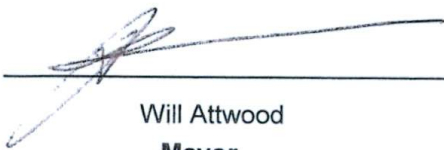
The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2013. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2015.



**Certificate of Accuracy**  
**For Current-year Financial Sustainability Statement**

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

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



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Will Attwood  
Mayor

Date: 2 / 9 / 2015



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Michael Kitzelema  
Chief Executive Officer

Date: 2 / 9 / 2015

QAO  
certified statements

## INDEPENDENT AUDITOR'S REPORT

To the Mayor of Etheridge Shire Council

### **Report on the Current-Year Financial Sustainability Statement**

I have audited the accompanying current-year financial sustainability statement, which is a special purpose financial report of Etheridge Shire Council for the year ended 30 June 2015, comprising the statement and explanatory notes, and certificates given by the Mayor and Chief Executive Officer.

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

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

#### *Auditor's Responsibility*

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

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

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

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

### *Independence*

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

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

### *Opinion*

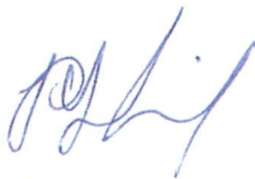
In accordance with s.212 of the *Local Government Regulation 2012*, in my opinion, in all material respects, the current-year financial sustainability statement of Etheridge Shire Council, for the year ended 30 June 2015, has been accurately calculated.

### *Emphasis of Matter – Basis of Accounting*

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

### **Other Matters - Electronic Presentation of the Audited Statement**

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



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Brisbane