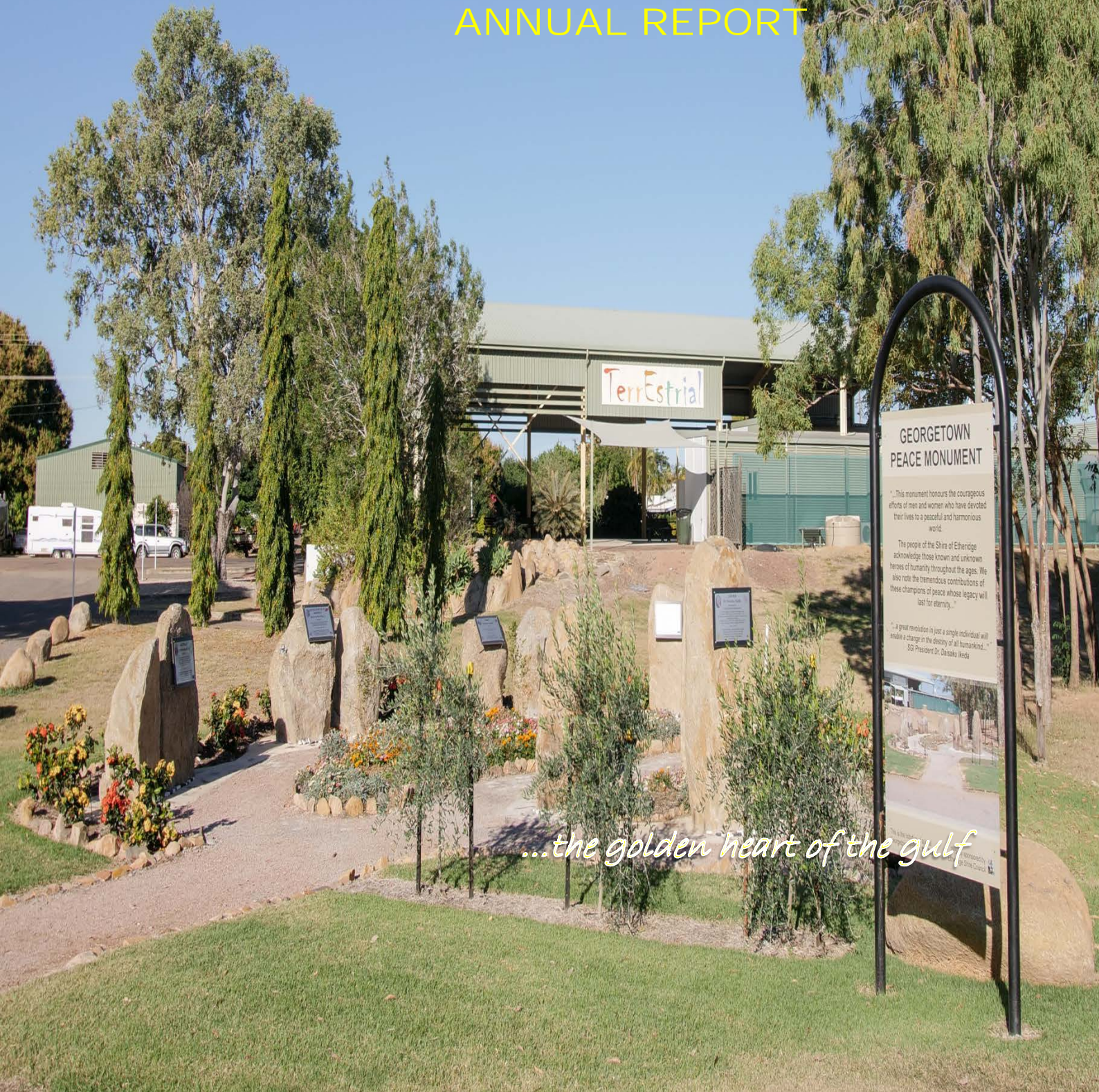




Etheridge
Shire Council

2016-17

ANNUAL REPORT



GEORGETOWN PEACE MONUMENT

"This monument honours the courageous efforts of men and women who have devoted their lives to a peaceful and harmonious world."

The people of the Shire of Etheridge acknowledge those known and unknown heroes of humanity throughout the ages. We also note the tremendous contributions of these champions of peace whose legacy will last for eternity."

"...a great revolution in just a simple individual will enable a change in the destiny of all humankind."
SGP President Dr. Onatoku Medza



...the golden heart of the gulf



Savannahlander Train at Einasleigh

Acknowledgements

....*"We respectfully acknowledge the Ewamian People – the traditional custodians of this land where we meet and we pay our respects to the Ewamian People especially the Elders past and present and acknowledge their traditional customs and laws and recognise their continuing connection to this Country. We look forward to a long and continuing relationship with the Ewamian People and value any opportunities in strengthening and partnership through collaboration by respecting their country"...*

....*"We acknowledge the many volunteers within our community who so generously give their own time and energy to enrich the lives of those around them and make our Shire a great place to live and visit"...*

....*"We acknowledge the many staff within the Etheridge Shire Council who routinely go above and beyond the roles they were employed to do for the benefit of our community and organisation helping us to continue to improve each and every year"...*

*Mayor & Councillors
Etheridge Shire Council*



Cobbold Gorge, Forsayth

Welcome to Etheridge Shire Council's Annual Report for 2016 | 2017

welcome to Etheridge Shire Council's 2016|2017 Annual Report. This report provides a comprehensive and transparent account of Council's performance and achievements for the past financial year (1 July 2016 to 30 June 2017).

This Annual Report is part of Council's commitment to open transparent and accountable governance. It informs Council, Ratepayers, Community Members and other Stakeholders of the achievements and challenges of the past financial year and provides key information required under the Local Government Act 2009 and other relevant legislation.

copies of the 2016|2017 Annual Report and Council's Audited Financial Statements are available free of charge electronically on Council's website at 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 4079 9007 or emailing info@etheridge.qld.gov.au

Contents

Part A

Acknowledgements	Page 2
Welcome to Etheridge Shire Annual Report 2016/17	Page 3
Contents	Page 4
Our Road Map	Page 5
Fast Facts	Page 7
Snapshot of Etheridge Shire	Page 8
Message from the Mayor	Page 14
Message from the CEO	Page 15
Corporate Structure	Page 17
Councillor Profiles	Page 18
Executive Management Team	Page 21
Our People	Page 23
Corporate Governance	Page 27
Community Financial Report	Page 29
Legislative Requirements	Page 41
Awards & Events	Page 55
Meeting our Corporate Plan	Page 58

Part B

Financial Statements 2016-17	Page 72
------------------------------------	---------



*Etheridge Shire Council – Administration Building
Georgetown*

Our Road Map



our Mission

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

our Vision

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

our Guiding Principles

*Long term time frame in decision making;
Leadership style of governance with a finger on the community pulse;
Fairness; Equity;
Transparency;
Accountability;
Sustainability;
Community service orientation;
Prudent fiscal management;
Generation of employment;
Accessibility;
Dynamic & adaptable;
Successful business enterprise;
Responsiveness to current economic conditions & community needs*



Terrestrial Centre (V.I.C) - Georgetown

Our Road Map



Our Corporate Vision...

The Corporate Plan is the key strategic business plan for the Council. It provides a focused framework for Council to plan and undertake its business and service delivery over the period of the plan, having regard to various issues, which may have been identified during the planning process, including community engagement.

In the plan, Council sets out:

What it would like to achieve over the period of the plan - Outcomes; and

How it intends going about achieving those outcomes - Strategies.

Our Council's Top 7 Strategic Priorities

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.

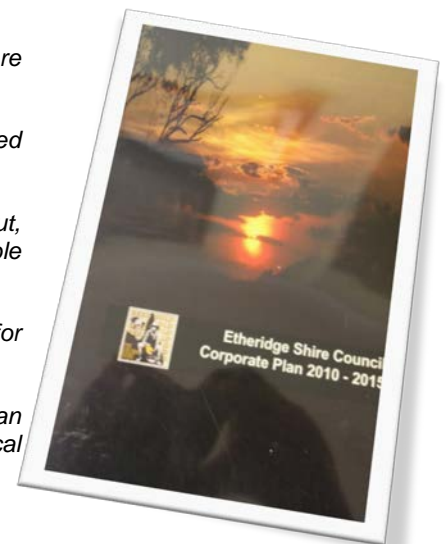
Environmental Sustainability: To ensure environmental assets and ecosystem services are available for future generations.

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.





Fast Facts

Council acknowledges the **Ewamian** people as the Traditional Owners of most of the land and waters within the Etheridge Shire

The **Tagalaka** and the **Gugu Badhun** Peoples also claim a connection to a portion of the Etheridge Shire.

819 people

Area **39,323 km²**

2.3% of the total area of Queensland

734mm average rainfall per year

1 world class mineral collection

Had a budget of **\$28.897** million

\$181.854 million in assets

269 water connections

1,781 km of roads and **476** floodways and culverts

597 rateable properties

Maintained **3.94** hectares of parks and **6,685** hectares of reserve land

186 tonnes of waste collected

Managed **5** aerodromes

Managed **4** landfill sites

Managed **1** student hostel

Managed **1** childcare centre





Community Town Hall - Georgetown

Snapshot of Etheridge Shire

The Etheridge Shire covers an area of 39,323.8 square kilometres, and is located in the Gulf-Savannah area of far-north Queensland, approximately 400 kilometres south-west of Cairns.

The Etheridge Shire has a very diverse economy, with agricultural, beef cattle, mining (gold, copper, zinc & lead) and tourism, with new industries being developed within the renewable energy sector within the Shire.

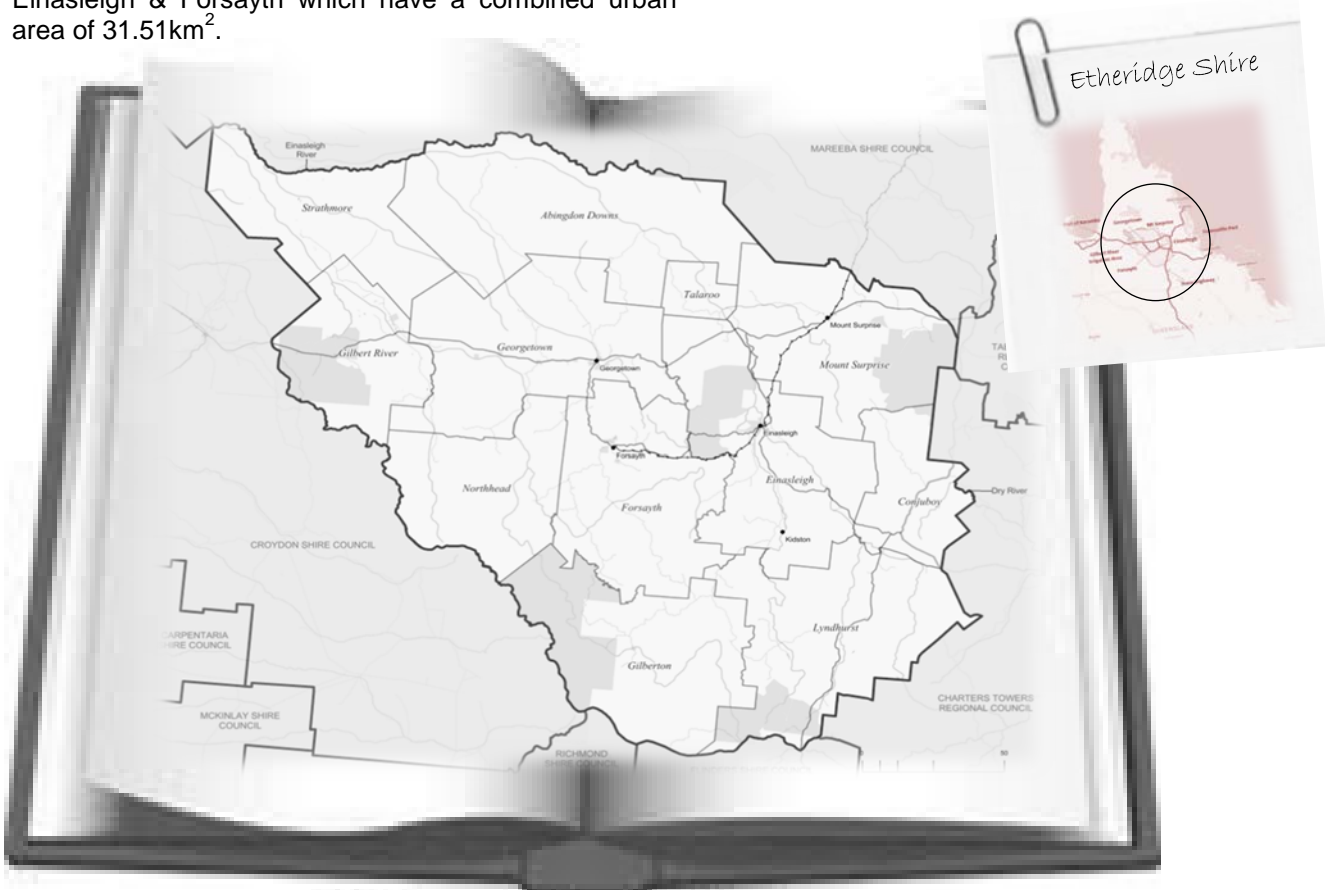
The Shire will soon be home to the largest solar farm in Australia and the third largest in the world. The Shire is very accessible via road and air and we have a diversity of experiences for those visiting, living and investing in the Shire.

Towns in the Shire are Georgetown, Mt Surprise, and Einasleigh & Forsayth which have a combined urban area of 31.51km².

The Shire's estimated resident population as at 30th June 2016 was 819 persons with an average annual growth rate of -2.5% over the past five years with an average annual growth rate of -0.6% over the past ten years.

Population by age

- 18.4% aged 0-14 years as at 30th June 2016
- 61.9% aged 15-64 years
- 19.7% aged 65+ years





Viewing Platform at Cumberland Chimney - Georgetown

Snapshot of Etheridge Shire

Etheridge Shire is large in area (39,332km²), low in population and situated in a region reliant predominantly on extensive cattle production. The ABS classifies the entire shire as 'Very Remote'. Georgetown, the main urban centre in Etheridge Shire, is a 400 km road journey from Cairns, and almost 2,000 km from Brisbane. At June, 2016 the Shire's population was 819 persons; down from 929 in June, 2011.

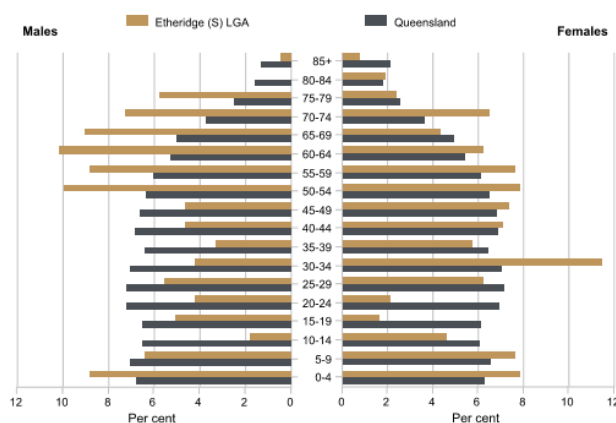
Statistically the shire faces high disadvantage. On a Statistical Local Area (SLA) basis, compared nationally using the 2016 SEIFA Index, Etheridge ranks in the 3rd decile and 30th percentile of disadvantage. This means people living in Etheridge Shire face greater relative disadvantage than people living in 70% of other local areas throughout Australia.

Etheridge has an old and ageing population, with an average age of 45 years compared to 38 nationally (2016 census). 54.1% of the Shire's residents are males.

Etheridge Shire has more one person households (41.7%) than nationally (24.4%). It is home to more Indigenous residents (5.5%) than nationally (2.8%). The median weekly household income in Etheridge is just \$865, compared to \$1,438 nationally. 38.2% of households earn less than \$650/week compared to 20% nationally. (2016 census)

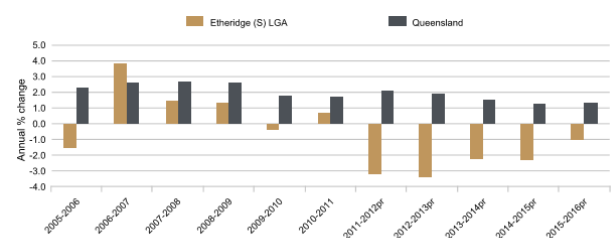
2011 census numbers show more than a third (37.7%) of Etheridge residents were employed in farming. While the cattle industry is currently experiencing a prosperous period, Etheridge Shire's farmers and residents had struggled with drought for four consecutive seasons until rain in the 2016/2017 wet season. In February 2016 unemployment was at 3.6%, it currently stands at 6.5%.

Table No.1
Estimated Resident Population by age & sex



Source: ABS 3235.0, Population by Age and Sex, Regions of Australia

Table No.2
Estimated Resident Population Growth



Source: ABS 3218.0, Regional Population Growth, Australia, various editions

Table No.3
Median Total Personal Income

LGA / State	Median / Average					
	Median mortgage repayment	Median total family income	Median total household income	Median total personal income	Average household size	Average number of persons per bedroom
	\$/month	\$/week	\$/week	\$/week	persons	number
Etheridge (S)	664	1,192	865	521	2.2	0.9
Queensland	1,733	1,661	1,402	660	2.6	0.8

Refer to explanatory notes for additional information.

Source: ABS, Census of Population and Housing, 2016, General Community Profile - G02

Etheridge (S) LGA

- Median mortgage repayment of \$664 per month
- Average household size of 2.2 persons per dwelling

Queensland

- Median mortgage repayment of \$1,733 per month
- Average household size of 2.6 persons per dwelling

The median total personal income for Etheridge (S) LGA was

\$521 per week

Table No.4
Median Total Personal Income

LGA / State	Less than \$20,800 per year		\$20,800 to \$51,999 per year		\$52,000 to \$103,999 per year		\$104,000 or more per year		Total ^(a)	Median (\$/year)
	number	%	number	%	number	%	number	%		
Etheridge (S)	194	29.8	244	37.5	93	14.3	39	6.0	651	27,092
Queensland	1,074,683	28.4	1,249,382	33.0	841,717	22.2	269,288	7.1	3,790,497	34,320

Refer to explanatory notes for additional information.

(a) Includes personal income not stated.

Source: ABS, Census of Population and Housing, 2016, General Community Profile - G02 and G17

Etheridge (S) LGA

- Median total personal income of \$27,092 per year

Queensland

- Median total personal income of \$34,320 per year

The median total personal income in Etheridge (S) LGA was

\$27,092 per year

Table No.5
Median Total Family Income

LGA / State	Less than \$33,800 per year		\$33,800 to \$77,999 per year		\$78,000 to \$155,999 per year		\$156,000 or more per year		Total ^(b)	Median (\$/year)
	number	%	number	%	number	%	number	%		
Etheridge (S)	27	14.8	61	33.3	42	23.0	6	3.3	183	61,984
Queensland	115,233	9.4	377,889	30.9	408,072	33.4	186,810	15.3	1,221,148	86,372

Refer to explanatory notes for additional information.

(a) Includes same-sex couple families. Excludes 'Lone person', 'Group', 'Visitors only' and 'Other non-classifiable' households. Excludes overseas visitors.

(b) Includes partially stated and not stated income responses.

Source: ABS, Census of Population and Housing, 2016, General Community Profile - G02 and G28

Etheridge (S) LGA

- 27 low-income families (14.8%)
- Median total family income of \$61,984 per year

Queensland

- 115,233 low-income families (9.4%)
- Median total family income of \$86,372 per year

The median total family income in Etheridge (S) LGA was

\$61,984 per year

Table No.6
Unemployment Rate in Etheridge Shire

LGA / State	Unemployed	Labour force	Unemployment rate
	— number —		%
Etheridge (S)	30	465	6.5
Queensland	156,627	2,506,666	6.2

Refer to explanatory notes for additional information.

(a) Based on a 4-quarter smoothed series.

Source: Australian Government Department of Employment, *Small Area Labour Markets Australia*, various editions

Etheridge (S) LGA

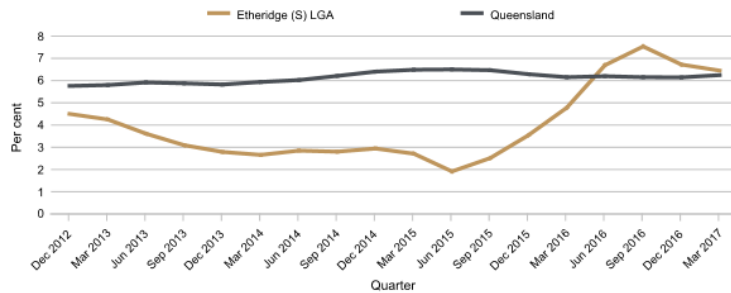
- 30 unemployed persons in March quarter 2017
- Unemployment rate of 6.5%

Queensland

- 156,627 unemployed persons in March quarter 2017
- Unemployment rate of 6.2%

The unemployment rate in Etheridge (S) LGA at March quarter 2017 was

6.5%



(a) Based on a 4-quarter smoothed series.

Source: Australian Government Department of Employment, *Small Area Labour Markets Australia*, various editions

Table No.7
Employment by Industry

Industry	Etheridge (S) LGA		Queensland		Specialisation ratio
	number	%	number	%	number
Agriculture, forestry and fishing	192	41.8	55,416	2.7	15.39
Mining	17	3.7	52,955	2.6	1.43
Manufacturing	3	0.7	171,669	8.4	0.08
Electricity, gas, water and waste services	0	0.0	24,828	1.2	0.00
Construction	24	5.2	183,780	9.0	0.58
Wholesale trade	6	1.3	74,288	3.6	0.36
Retail trade	17	3.7	217,610	10.7	0.35
Accommodation and food services	38	8.3	141,855	7.0	1.19
Transport, postal and warehousing	13	2.8	107,072	5.3	0.54
Information media and telecommunications	3	0.7	25,358	1.2	0.53
Financial and insurance services	0	0.0	54,153	2.7	0.00
Rental, hiring and real estate services	3	0.7	37,007	1.8	0.36
Professional, scientific and technical services	9	2.0	132,754	6.5	0.30
Administrative and support services	9	2.0	65,015	3.2	0.62
Public administration and safety	55	12.0	136,818	6.7	1.79
Education and training	16	3.5	160,921	7.9	0.44
Health care and social assistance	12	2.6	242,559	11.9	0.22
Arts and recreation services	0	0.0	28,444	1.4	0.00
Other services	12	2.6	78,713	3.9	0.68
Total^(a)	459	100.0	2,039,275	100.0	1.00

Refer to explanatory notes for additional information.

(a) Includes inadequately described and not stated responses.

Source: ABS, Census of Population and Housing, 2011, Basic Community Profile - B43 (usual residence)

The top five industry subdivisions of employment for Etheridge (S) LGA were:

- 1. Agriculture (39.5%)**
- 2. Public Administration (10.6%)**
- 3. Accommodation (5.1%)**
- 4. Agriculture, Forestry and Fishing Support Services (3.8%)**
- 5. Food and Beverage Services (3.8%)**

Etheridge (S) LGA

- 41.8% of employed persons worked in Agriculture, forestry and fishing industry
- 12.0% of employed persons worked in Public administration and safety industry
- Highest specialisation ratio of 15.39 in Agriculture, forestry and fishing industry

Queensland

- 11.9% of employed persons worked in Health care and social assistance industry
- 10.7% of employed persons worked in Retail trade industry



Snapshot of Etheridge Shire

Terrestrial is a unique tourist and community centre located in Georgetown which is owned and operated by the Etheridge Shire Council. It comprises:

1. Terrestrial – The Ted Elliott Mineral Collection;
2. An accredited Visitor Information Centre (VIC);
3. Internet Kiosk & free WiFi;
4. Public Library; and
5. A covered and landscaped community reserve facility.

Tourism is a growth industry for the Gulf Savannah Region. Although there is no firm figure on total tourism numbers, the Gulf Regional Development Plan (2000) suggested that up to 100,000 tourists visit the region annually.

The broader Gulf region destination has been branded to encourage tourism growth. The destination brand is known as “The Savannah Way”; a brand that describes a themed tourism adventure drive linking Cairns in the East and Broome in the West. The drive passes through four World heritage areas and 15 National Parks.

The Savannah Way brand promises a uniquely Australian experience in a safe and friendly environment. Directional and interpretative signage is located across Queensland along the drive. It is ranked in the top 10 for consumer awareness of all touring routes in Australia and in 2010 was ranked #2 Best Adventure in a Lifetime” by the UK Times

Table No.8
Visitor Numbers FYE 2005 to FYE 2017

Vistor Numbers recorded @ Terrestrial FYE 2004/05 to FYE 2016/17															TenEstrial
Financial Year															The Ted Elliott Mineral Collection
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Total	
July	2,058	3548	3537	2681	2868	2532	2893	3212	2925	2930	2812	2967	3236	38,199	
August	2,027	3045	2880	2133	2020	2166	1992	2337	2287	2139	1909	2005	2920	29,860	
September	1,322	1752	1407	1470	1317	1504	1408	1307	1120	1217	1324	1261	1446	17,855	
October	676	823	694	677	462	539	385	494	554	433	1324	463	530	8,054	
November	396	344	347	250	253	319	314	223	363	287	373	254	250	3,973	
December	299	278	199	190	150	177	209	130	190	169	192	171	138	2,492	
January	321	242	170	191	106	281	166	159	195	248	214	140	184	2,617	
February	317	231	235	190	116	210	163	181	211	195	184	215	136	2,584	
March	602	269	313	450	206	274	209	258	321	314	239	307	284	4,046	
April	748	567	779	781	703	703	612	553	876	809	809	798	724	9,462	
May	1410	1497	1187	1397	1452	1362	1229	1326	1431	1260	1344	1522	1404	17,823	
June	2637	2601	2008	2208	2035	2255	1961	1904	2069	1992	2230	2460	2520	28,880	
	12,813	15,197	13,756	12,618	11,688	12,322	11,541	12,086	12,542	11,993	12,954	12,563	13,772	165,845	
		19%	-9%	-8%	-7%	5%	-6%	5%	4%	-4%	8%	-3%	10%		

Table No.9
Visitor No's – Where they came from

Vistor Numbers recorded @ Terrestrial															TenEstrial
Financial Year 2016/17															The Ted Elliott Mineral Collection
Visitors	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Total	%	
Qld	972	974	787	375	177	112	155	155	219	586	772	1083	6367	46.23%	
NSW	535	446	125	0	17	1	2	2	10	36	224	378	1776	12.90%	
Vic	496	474	95	8	0	2	2	2	2	21	112	428	1642	11.92%	
Other	982	813	325	79	23	14	13	13	17	43	182	453	2957	21.47%	
NZ	29	56	7	4	0	0	0	0	2	0	28	50	176	1.28%	
UK	30	44	19	11	7	1	2	2	10	7	14	25	172	1.25%	
Europe	133	88	74	34	12	7	9	9	16	14	56	75	527	3.83%	
Asia	19	12	6	0	2	1	1	1	0	0	0	0	42	0.30%	
US/Can	26	13	6	12	2	0	0	0	3	7	14	0	83	0.60%	
Other O/seas	14	0	2	2	10	0	0	0	2	0	0	0	30	0.22%	
	3236	2920	1446	525	250	138	184	184	281	714	1402	2492	13772		



Outdoor Fitness Equipment – Heritage Park, Georgetown

Snapshot of Etheridge Shire

Little Gems Children’s Centre is a not for profit Children’s Centre operated by Etheridge Shire Council.

The Centre is licensed under the Education and Care Services National Law to cater for 21 children from 6 weeks to 5 years of age. The centre is open from 8.15am until 4.30pm 5 days a week.

All of our motivated educators are minimum Diploma qualified and undergo regular training to keep up to date of best practices.

Table No. 10
Little Gems – Average Attendance per day

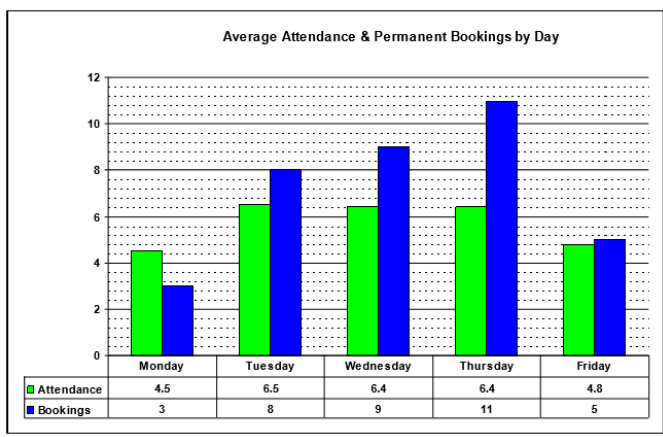
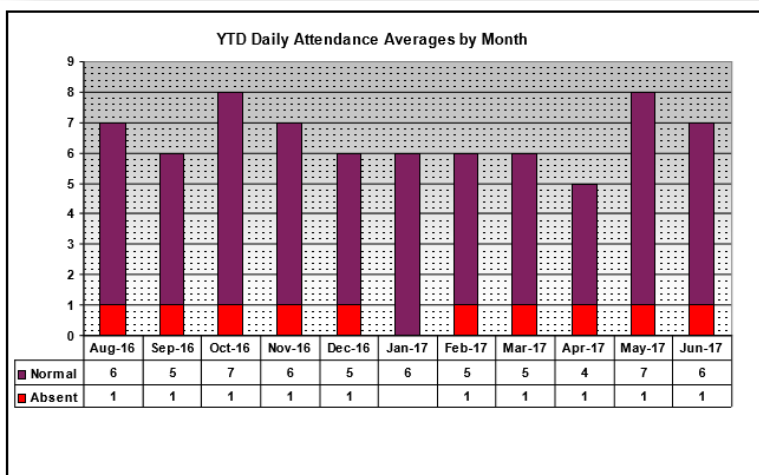


Table No. 12
Little Gems – Daily Attendance Averages by Month

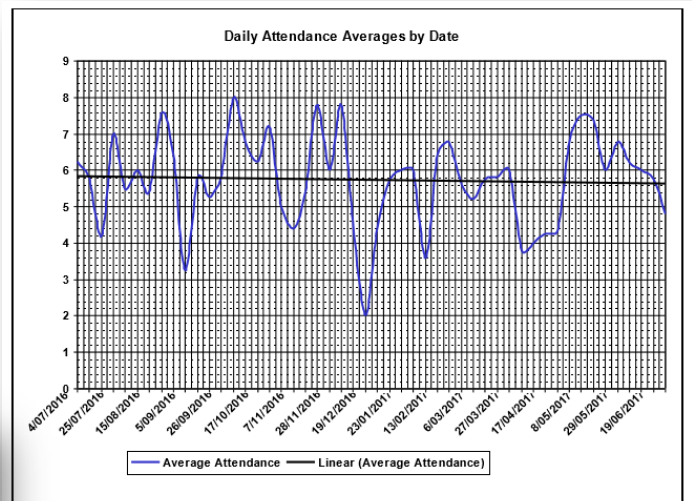


Little Gems have implemented The Early Years Learning Framework (EYLF) *Belonging, Being and Becoming*, a national early learning framework for children. The Framework acknowledges the important role educators, parents and the physical environment play in children’s learning.

In 2015/16 the Centre was recognised for its contribution to environmental and sustainable practice in education with 3 major awards being received:

- Queensland winners in the 2015/16 Junior Landcare awards.
- Received a special award at the Queensland Premiers Awards in Sustainability
- Highly Commended In Edugrow School And Community Garden Recognition Awards

Table No. 11
Little Gems – Daily Attendance Averages FYE 2017





Message from the Mayor

Cr. Warren Devlin

Phone: 0458 621233

Email: mayor@etheridge.qld.gov.au

.....“On behalf of my fellow Councillors I am proud to commend this Annual Report to the Community as a demonstration of the hard work & professional service delivery provided by the Staff and the Elected Representatives of the Etheridge Shire Council throughout the 2016/2017 financial year”.....

What a Fantastic year: Council finally got started on the Forsayth Road upgrade, using TIDS (Traffic Infrastructure Development Scheme) and R2R (Roads to Recovery) funding, and is steadily fixing flood damage from 2015/16 valued at almost \$12 million. The flood damage is expected to be fully restored by March 2018. Charleston Dam is looming on the Horizon and work will commence when approvals are finalised.

Council's planned UNESCO Geopark did not find favour with the community, but as we do in North Queensland, we found a compromise (after some robust discussion) and dropped the UNESCO accreditation and are working with the community to develop tourism around the spectacular geological and natural features of the shire.

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

We also welcomed a number of new staff during the year, including new CEO, Norm Garsden; Director of Engineering Services, Jeff Bunt; and Works Manager, Michael Brooks. This new team have hit the road running and Council is now making good progress with the Charleston Dam project, Gilbert River Irrigation Scheme, Hann Highway upgrades (using State and Federal funding sources). Our existing staff are to be commended for continuing to provide exceptional service to the community under difficult circumstances.

The Kidston solar / pumped hydro project (Genex Pty) also commenced this year and will contribute to the sustainable development of the Shire and Northern Queensland.

Indeed, Northern Australia has been identified as a region of rich promise, accessible resources and pristine environments and is Australia's gateway to the markets and opportunities of Asia and Council is determined to take advantage of this focus to drive economic and social development for the benefit of residents of the Shire.

I am also pleased to report that Council is financially strong, with significant reserves and from a business perspective, has a healthy operating surplus (e.g. able to pay its bills on-time), nonetheless, we are, and will continue to be dependent on grants, subsidies and undertaking private works activities for the Department of Transport and Main Roads to remain financially sustainable.

This was the final year for our old Corporate Plan and Council has started discussing the development of a new five year plan with a 30 year outlook. Your thoughts and contributions on the future of the Shire would be welcomed.

Cr Warren Devlin
MAYOR



Message from the CEO

The Annual Report plays an important role in the Council's accountability framework. The report attempts to tell readers about the Council's operations, financial situation (how the Council earned and spent money, together with details of its assets and liabilities) and how it is addressing the various social and economic influences / challenges.

Figures published following the 2016 Census paint a stark future for the Shire's social and economic situation. The population is decreasing in number, but increasing in age, whilst the household and individual income is significantly lower than national averages.

Council's Financial Statements are produced in accordance with a range of accounting standards and audited by the Queensland Audit Officer. An examination of the Council's finances will show how reliant it is on undertaking works for the Department of Transport and Main Roads and on receiving Grants and Subsidies which represent a significant proportion of income.

To this end, Council has spent significant resources in lobbying for additional work on the Hann Highway (Kennedy Development Road), and the progression of the Gilbert River Irrigation Scheme. During 2016/17, Council also attempted to address the social and economic disadvantage by proposing a UNESCO accredited Geopark. Whilst the community opposed UNESCO affiliation (fearing further regulation and UNESCO imposed restrictions), Council decided to pursue Geo-tourism to further diversify the Shire economy and generate additional income streams and employment opportunity.

The Gilbert River Irrigation Scheme appears to have general political support and proposals are being developed to fund the necessary studies, reports and mechanisms to bring the scheme to fruition, for the benefit of the Shire.

What seems clear is that to be successful, we (Council and the community) need to collaborate to solve the problems in an ever increasing complex, competitive and demanding environment. Council is looking to add value to the community to lead to an improvement to the liveability and other socio-economic indicators.

This report details our performance in meeting the strategic priorities outlined in our Corporate Plan 2010-2015 (extended to 30 June 2017), our challenges, our aspirations for the future and provides an analysis of our financial performance.

The objectives of this Annual Report are to:

- Report on our performance in delivering the Corporate Plan (vision, "a balanced community with robust economic and environmental assets which supports our youth and the wellbeing of our citizens";
- Provide financial results for the year;
- Recognise the significant achievements of our staff; and,
- Meet statutory requirements under the *Local Government Act 2009*.

Message from the CEO

GOVERNANCE FRAMEWORK

Our governance framework ensures that strategies and financial resources are aligned to achieve Council's vision. The framework includes long, medium and short term plans which set direction for what we do and what we aim to achieve as an organisation for our community.

Corporate Plan - 5 years
Operational Plan and Budget - 1 year
Annual Report - 1 year

OUR STAKEHOLDERS

The Annual Report is produced as a multi-purpose report to the benefit of each of our stakeholders through the provision of comprehensive, accurate reporting on our strategic, operational and financial performance.

Our stakeholders include:

- our community, those who call the Etheridge Shire home and those who visit us;
- our ratepayers;
- our community groups and organisations;
- our local service providers;
- our industry and commerce, both current and future;
- our investors, both current and future; and
- State and Federal Government bodies.

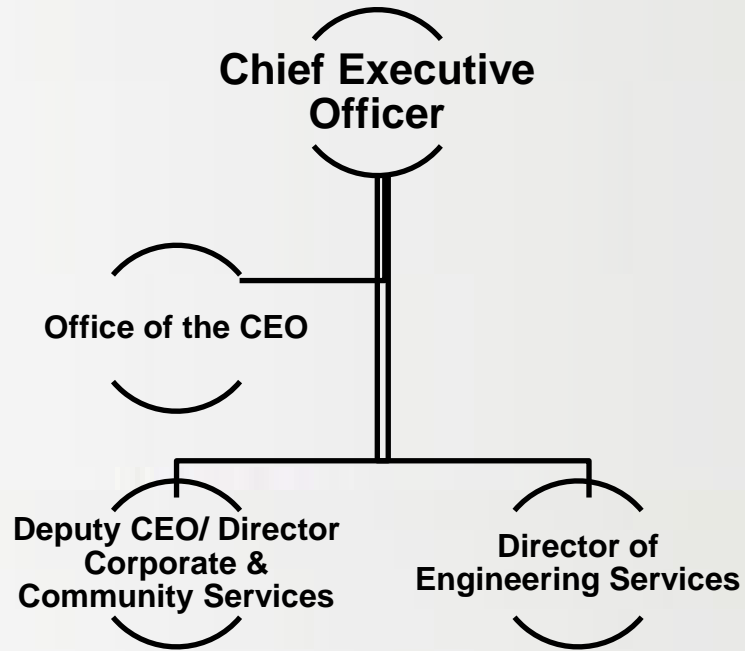
I would like to thank the Councillors, staff and residents for welcoming me into the community and making Etheridge Shire the warm, close-knit society that it is.

Norman Garsden
CHIEF EXECUTIVE OFFICER



Peace Monument Opening Ceremony

Corporate Structure



councillor profiles



Mayor Warren Devlin

Phone: 0458 621233
Email: mayor@etheridge.qld.gov.au

A local businessman and bulk fuel depot operator, Warren has lived and worked in the region for many years in Mining, Tourism and Retail.

A progressive and forward thinking man whose driving ambition is to see the shire grow and prosper during his term in office, and as Mayor, Warren brings to the fore many fresh and innovative ideas to carry us into the future.



Deputy Mayor Tony Gallagher

Phone: 0448 089144
Email: cr.gallagher@etheridge.qld.gov.au

Born and raised on a cattle station outside of Normanton. I attended Normanton State School to grade 8 then Saint Theresa's Agricultural College outside of Ingham up to junior.

Started work at 15 years old on Esmeralda Station outside Croydon. I moved to Forest Home Station outside Georgetown then onto Lyndhurst with the same company as head stockman.

I became the manager of Carpentaria Downs and Lyndhurst and General Manager of Carpentaria Downs, Mywyn, The Lynd and Lyndhurst. Purchased the Butcher Shop in Georgetown in 1994 and moved here as a single parent with Aaron. I have two other children Brett and Juanita close by.

Aaron and I purchased Stoney Etheridge Station and Aaron now runs the shop whilst I live at Stoney Etheridge.

Most of my working life has been spent in the Shire and I would not want to live anywhere else.



Councillor Will Attwood

Phone: 0448 089068

Email: cr.attwood@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 Pormpuraaw.

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 at the 2012 Quadrennial Local Government Elections and was successful. At the 2016 Local Government Quadrennial Elections, Will ran for one of the four positions as a Councillor.

Will is married to Dawn and they have six children, three of them live in Georgetown, Paul (Wilson), Felicity and Kathryn. The others reside in Weipa, Tamworth and the Gold Coast. Will has been a bit of a nomad but now Georgetown is home, Will and Dawn have bought a house in Crampton Road and intend staying put.



Councillor Troy Barnes

Phone: 0448 089047

Email: cr.barnes@etheridge.qld.gov.au

Troy was born in Atherton and spent his early years living in various locations across the Atherton Tablelands and Far North Queensland. He attended Yungaburra State Primary School and Atherton State High prior to moving to Brisbane for university studies in Commerce.

Following this he returned to the Tablelands where he operated a successful security company and became a part time Disc Jockey at several local nightclubs and hotels.

In 2004, Troy applied to and was accepted as a recruit for the Queensland Police Service and since then has worked in varying locations including Mareeba, Croydon and Tambo. Whilst serving in Croydon, Troy was the awarded recipient of Australian Citizen of the Year for his community involvement.

Being passionate about the Etheridge Shire and having a strong desire to raise a family in the area, Troy applied for, and was successfully promoted to his current role as Officer In Charge of Georgetown Police.

Troy is married to Sam and has 2 beautiful girls, Amber and Mikaylah, who keep him on his toes. Sam is currently completing university studies in early childhood education and has worked extensively in childcare and education roles. Troy, Sam and the family are passionate about the local area and have every intention of being long term residents of the Etheridge Shire.



Councillor Warren Bethel

Phone: 0448 089140

Email: cr.bethel@etheridge.qld.gov.au

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

This is Warren's third 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 valuable rural appreciation to the team.



L-R Cr Attwood, Cr Barnes, Mayor Devlin, Cr Gallagher, Cr Bethel

executive management team



Chief Executive Officer

Norm Garsden

Email: ceo@etheridge.qld.gov.au

Norm has 37 years of local government experience, working in Shire, City and Regional Councils throughout Queensland and in 2007 Norm won the 'Local Government Managers Australia' award for Leadership and Management Excellence.

It seems that community service in local government runs in the Garsden family, with one of his Grandfathers serving as Mayor and Alderman of the South Brisbane Municipal Council for over 10 years and the other Grandfather serving for almost 20 years in the Brisbane City Council (as 'Plan Custodian'). His father and mother both worked for Brisbane City Council (which is where they met) for 49 and 8 years respectively.

His experience is complemented by his qualifications, which include a Master's Degree in Public Policy and Governance, a Graduate Certificate in Local Government Management and a Bachelor of Business. Norm is pleased that his local government journey has led him to Etheridge Shire, with a range of exciting challenges and opportunities to address and a variety of unique landscapes to explore.



Director of Corporate & Community Services

David Munro

Email: david.munro@etheridge.qld.gov.au

As Director of Corporate & Community Services, David brings over 23 years of Corporate & Financial Management to the Etheridge Shire with 15 of those years in a Banking & Finance environment. In his role, David looks after all of the accounting & finance, budgeting, financial planning, administration, building & town planning, tourism, childcare, student hostel, environmental health, community facilities and parks and gardens.

David was born and bred in Rockhampton and has lived and worked throughout Queensland both in large metropolitan cities and small rural western towns. Prior to joining Etheridge Shire in 2009, David was with the Isaac Regional Council and Broadsound Shire Council in Central Queensland where he held a similar position.

David was a former president of the Local Government Finance Professionals of Queensland and served on the Executive Committee for a total of 8 years, with three years as President, and is also a fellow member of the Local Government Managers Association of Queensland. David was awarded the 2016 Finance Professional of the Year through the Local Government Finance Professionals of Queensland. David is a keen golfer and in his past played representative soccer and cricket both in his junior and senior days.



Director of Engineering

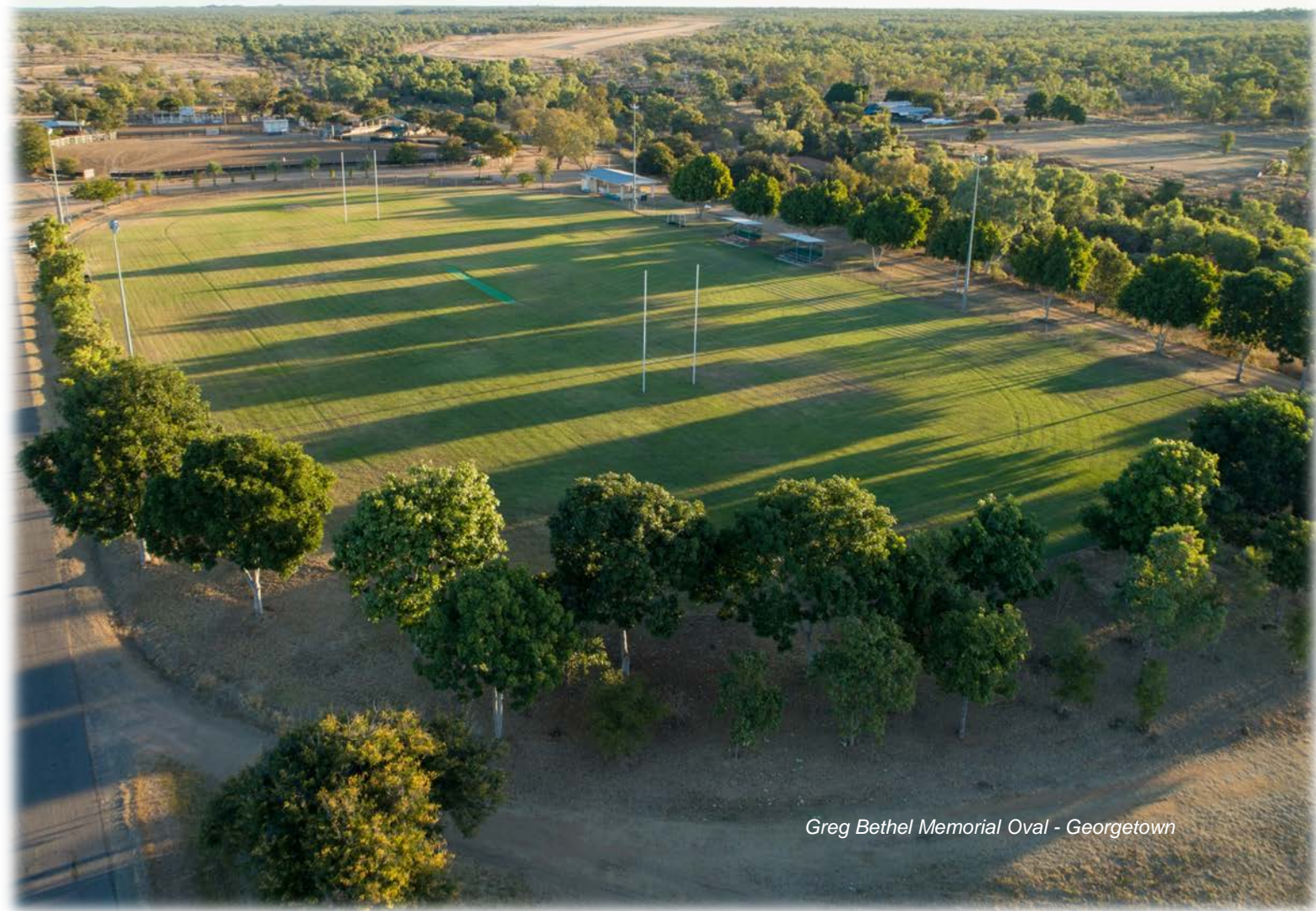
Jeff Bunt

Email: jeff.bunt@etheridge.qld.gov.au

Jeff is well qualified for his position with his qualifications listing: Bachelor of Engineering (Hons) - James Cook University Townsville; Graduate Diploma of Municipal Engineering - University of Southern Queensland; Chartered Professional Engineer - Engineers Australia; Registered Professional Engineer Queensland; Fellow of Institute of Public Works Engineering Australasia.

Jeff is married with 3 children - 2 of which are currently studying at James Cook University in Townsville. Born and raised in Townsville, Jeff has lived and worked in Townsville, Hughenden, and Herberton and for the past 20 years in Cairns prior to moving to Georgetown.

He enjoys working in Etheridge Shire for a progressive community and living in an area with many natural features. Jeff also enjoys running and cycling, is a horse racing enthusiast and an avid supporter of rugby league.



Greg Bethel Memorial Oval - Georgetown



New Playground at Mt Surprise



“...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 the Local Government Award and the State Industrial Relations Act will see new challenges for Local Government in the way we recruit and manage our employees.

// 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 2017, Etheridge Shire Council retained 58 FTE, in comparison as at 30 June 2016, Council retained 57.4 FTE.



// breakdown of staff



// training and development activities

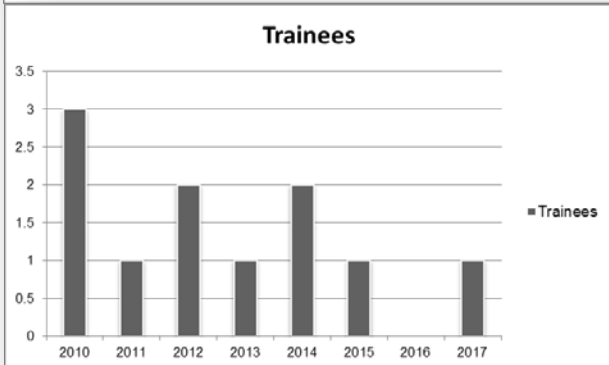
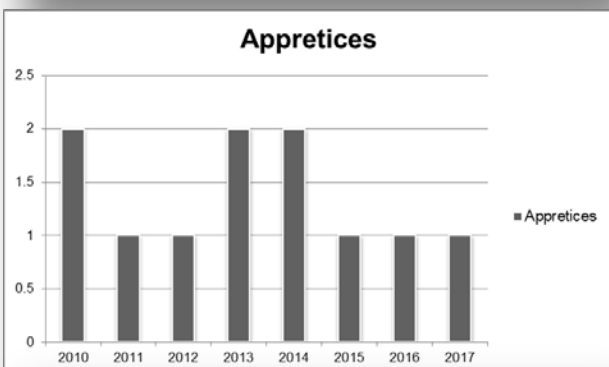
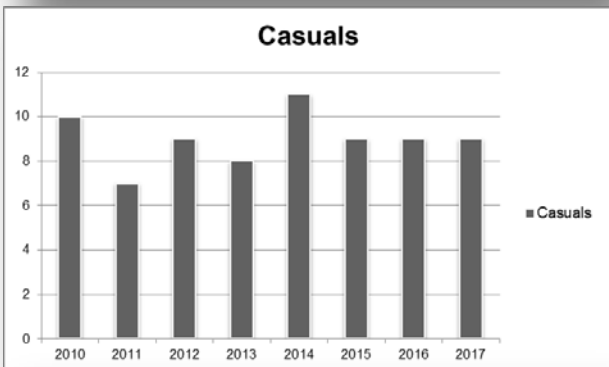
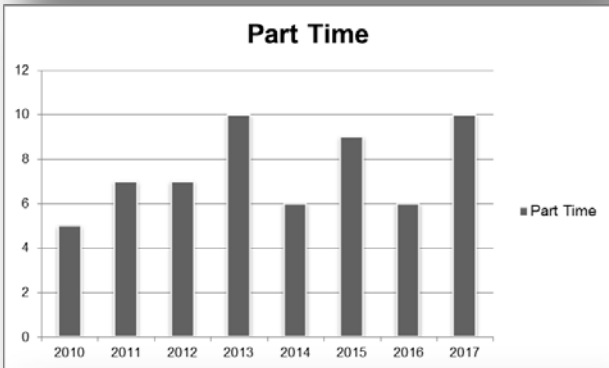
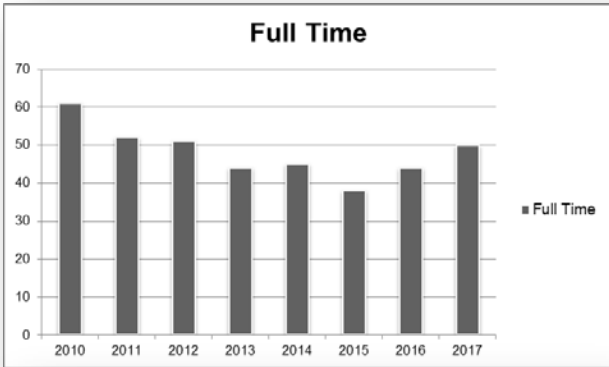
More than 65 per cent of staff undertook some form of formal training during the 2016-17 financial year. Courses included:

- Queensland Disaster Management training;
- Trainee – Cert IV Business & Administration;
- Diploma in Leadership & Management;
- Cert IV – Civil Construction;
- Cert III – Plant Operations;
- Cert III – Road Construction & Maintenance;
- Personal Safety Sessions;
- Cert IV – Tourism;
- Cert III Playground Inspections;
- Cert III Water Operations
- Advanced Diploma Children Services;
- Confined Spaces
- Working at Heights
- First Aid & CPR

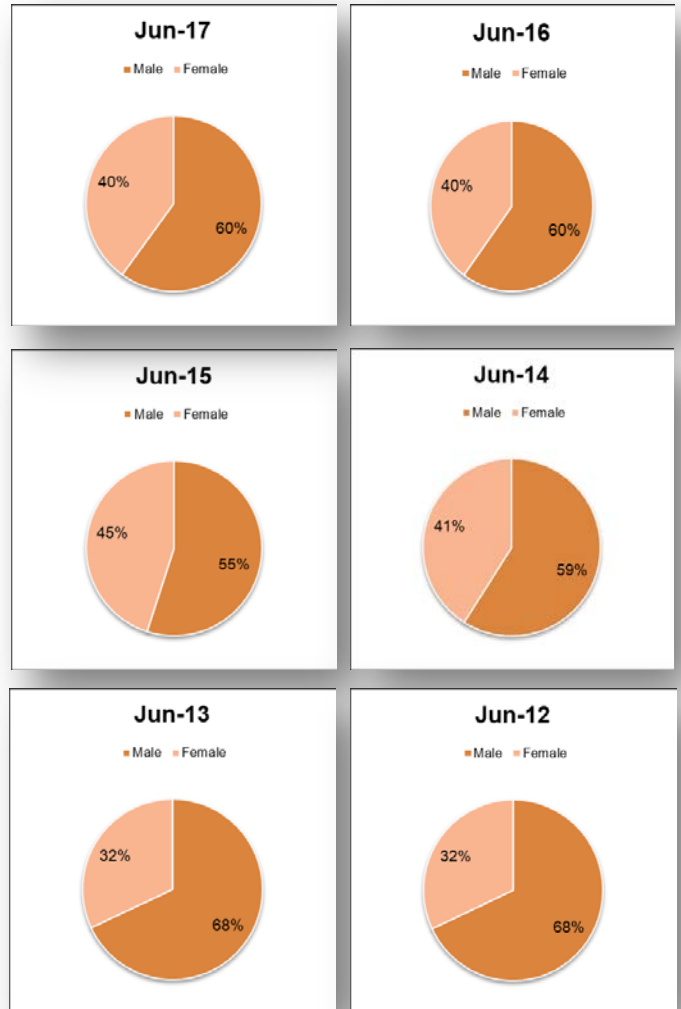
our people

// workforce

The following charts give visual representations of the workplace demographics with a summary of changes over the past eight years (2010-2017)



// employees by gender



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.

our people

// 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 2015-16 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 2016-17 financial year, additional policies and procedures will be implemented as the organisation and its needs evolve.

// awards & recognition

Council was pleased to recognise several staff during the 2016/17 financial year for 20 years & 40 years' service to the Etheridge Shire.

40 years' service

- Mr Warren Marlow.



Mr Warren Marlow

20 years' service

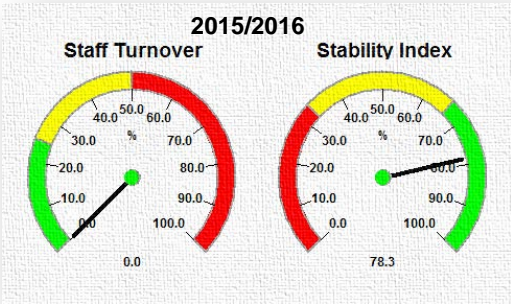
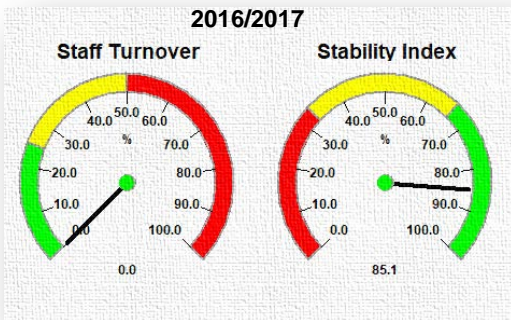
- Ms Jenni Alexander and
- Mr. Shane Butler



Ms Jenni Alexander

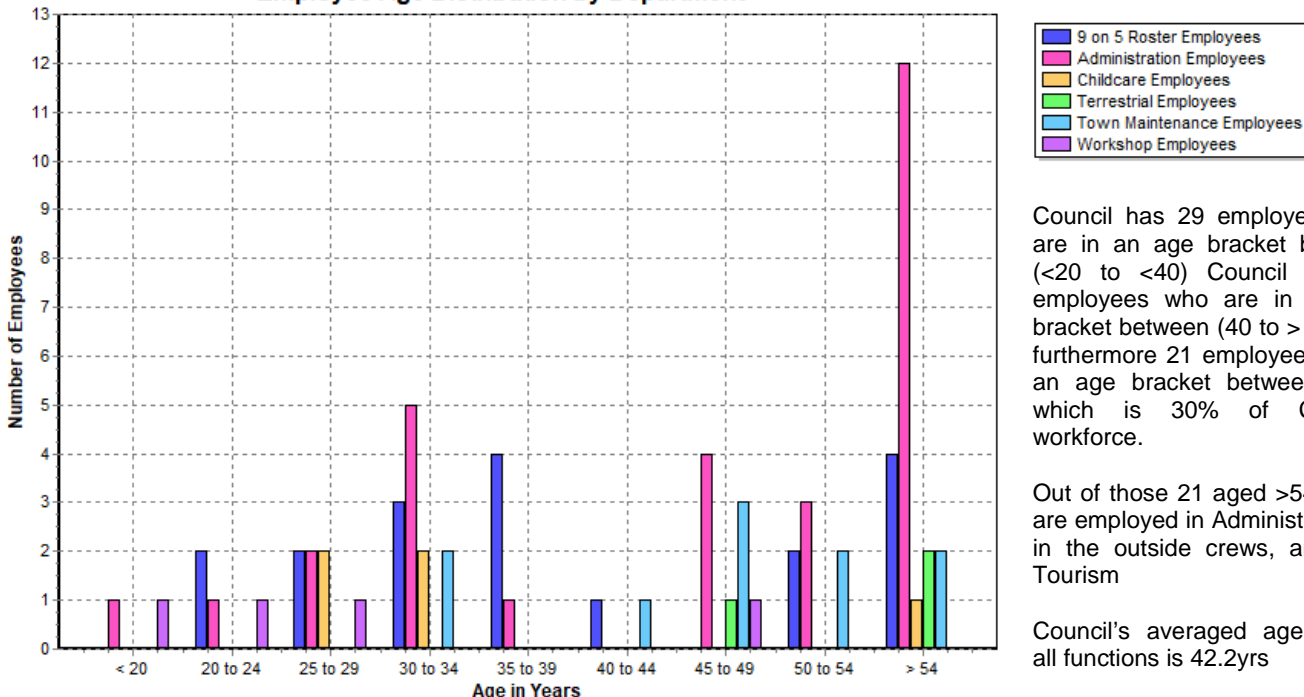


Mr Shane Butler



The Stability index shows a major improvement between the two financial periods. The reason for the variability in the 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.

Employee Age Distribution by Department



Council has 29 employees who are in an age bracket between (<20 to <40) Council has 18 employees who are in an age bracket between (40 to > 54) and furthermore 21 employees are in an age bracket between (>54) which is 30% of Councils workforce.

Out of those 21 aged >54yrs, 13 are employed in Administration, 6 in the outside crews, and 2 in Tourism

Council's averaged age across all functions is 42.2yrs



Windmill at Einasleigh



// 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 2015|2016 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 **"Unmodified / Unqualified Audit"** Report for 2016-2017 financial year.*

// 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 did not have any reason to call for Expressions of Interests in accordance with Section 228(6) of the Regulation during the financial year.





corporate governance

// 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

- Council is committed to dealing fairly with administrative action complaints.
- 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 Corruption 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 2016/17 financial year a total of 82 'request for action' were received and 2 complaints. Council has implemented its complaints management process effectively, with all complaints being actioned and completed in accordance with 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

// 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.

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

Community financial report

The Community Financial Report is a simplified version of Council's financial performance and position for the 2016/17 financial year. The aim of the report is to assist readers in evaluating Council's financial position without the need to interpret the financial information contained in the Annual Financial Statements.

Council's financial statements are audited by the Queensland Audit Office. We aim for an unmodified audit opinion which essentially means a 'clean bill of health' for our financial reporting. This year our financial statements were unmodified.

The key statements that are summarised in the Community Financial Report are:

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

Executive summary of key financial highlights (rounded to the nearest million):

- Unmodified financial statements
- Cash holdings of \$15.144 million with active management generating over \$0.500 million in interest revenue
- Significant reduction in outstanding rates debtors of \$1.400 million

For Council's 2016/17 Audited Financial Statements refer to Part B – Financial Statements

Key Financial Figures over the past 5 years

Financial Performance Figures (\$'000)	2017	2016	2015	2014	2013
Inflows:					
Rates, Levies & Charges	2,443	2,343	2,663	2,391	2,432
Fees & Charges	277	318	343	341	391
Rental Income	145	157	177	184	171
Interest Received	554	489	442	452	343
Sales Revenue	3,671	2,569	7,390	1,652	6,317
Grants, Subsidies, Contributions & Donations					
- Operating & Capital	10,278	8,370	4,772	5,830	14,713
Total Income from Continuing Operations	17,368	14,246	15,787	10,850	24,367
Sale Proceeds from PP&E	(57)	(430)	10	(43)	53
New Loan Borrowings & Advances	-	-	-	-	-
Outflows:					
Employee Benefits	5,384	4,427	4,945	4,613	5,006
Materials & Services	9,690	5,355	7,680	5,999	11,600
Finance Costs	1,421	54	74	99	131
Total Expenses from Continuing Operations	16,495	9,836	12,699	10,711	16,737
Operating Surplus/(Deficit) (excl. Capital Income & Exps &	873	4,410	3,088	139	7,630
Financial Position Figures (\$'000)	2017	2016	2015	2014	2013
Current Assets	17,350	17,526	13,075	13,532	15,023
Current Liabilities	965	1,403	1,473	2,405	1,958
Net Current Assets	16,385	16,123	11,602	11,127	13,065
Cash & Cash Equivalents	15,144	13,218	10,614	8,765	10,263
Total Borrowings Outstanding (excl. any overdraft) (Loans, Advances & Finance Leases)	164	210	798	1,326	1,829
Total Value of PP&E	181,851	184,955	181,277	151,513	139,515
Total Depreciation	4,546	4,275	4,186	4,147	3,438
Indicative Remaining Useful Life (as a % of GBV)	98%	98%	98%	97%	98%

Source: Published audited financial statements of Council (current year & prior year annual 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 shire's infrastructure).

// 2016-2017 result

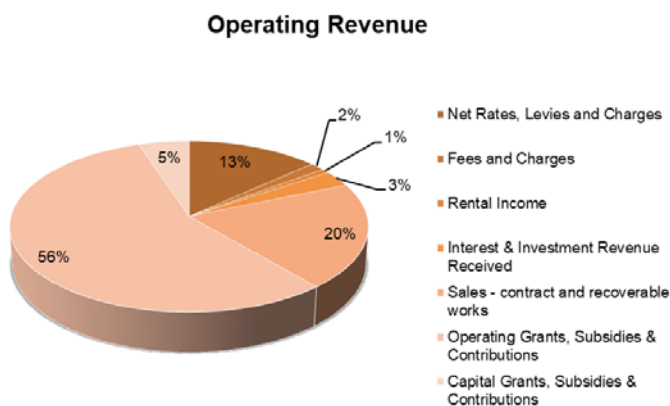
While further explanation is offered below, council continues to provide a wide range of services whilst maintaining a financially sustainable long term outlook.

// total revenue – where our money comes from

Revenue totalled \$18.300 million in the 12 months to June 30, 2017. The graph below indicates that 61 per cent of council's revenue is generated from operating & capital grants and around 20 per cent from sales revenue. Only 13 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 2016-2017 for widening works on the Kennedy Highway & Gulf Developmental Road.

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.



// 2016-2017 result

\$18,300,272 total income
-\$21,043,380 total expenses
-\$ 2,743,108 deficit

Councils Result FYE 2017

\$ '000	Actuals 2016 2017	Actuals 2015 2016
Total Operating Revenue	17,368	14,246
Total Operating Expenditure (including Depreciation)	21,043	14,112
Operating Surplus / (Deficit)	- 3,675	134
Total Capital Grant Revenue	989	8,569
Gain / Loss on Sale of Non-Current Asset	- 57	- 430
Total Capital Revenue	932	8,139
Net Result	- 2,743	8,273

Statement of Comprehensive Income for the year ended 30 June 2017



\$'s	Actuals 2016 2017	Percentage 2016 2017
Revenue		
Net Rates, Levies and Charges	\$ 2,442,809	13.35%
Fees and Charges	\$ 276,961	1.51%
Rental Income	\$ 144,406	0.79%
Interest & Investment Revenue Received	\$ 553,649	3.03%
Sales - contract and recoverable works	\$ 3,671,673	20.06%
Operating Grants, Subsidies & Contributions	\$ 10,278,652	56.17%
Capital Grants, Subsidies & Contributions	\$ 932,122	5.09%
Total Income	\$ 18,300,272	100.00%

Statement of comprehensive income (cont'd)

As shown in the revised Statement of Comprehensive Income Statement, Council's Net Result reveals a deficit of (\$2.743M).

This is Net Result is due to a number of contributing factors:

1). Council had to include a once of impairment to Council's Rates Receivable for \$1.403M with the impairment being recorded within the Finance Costs under Expenses (*refer to Note 10 within the Audited Financial Statements for a full explanation*)

2). Council had received \$3.165M in Flood Damage Funds within the previous financial year (2015/16) which was recorded as income within the FYE 16 Statements under Operating Grants.

Council only commenced working on the 2015 Flood Damage Restoration works within the 2016/17 financial year; therefore Council has had to show the related expenses within Materials & Services within the 2016/17 financial statements.

If you add back the transfer from Councils constrained reserves for the Flood Damage Funds it received within the FYE 2016 it reveals an **adjusted Net Result of \$0.618M**

Statement of Comprehensive Income for the year ended 30 June 2017



	Adjusted 2016 2017	Actuals 2016 2017
\$'s		
Revenue		
Net Rates, Levies and Charges	\$ 2,442,809	\$ 2,442,809
Fees and Charges	\$ 276,961	\$ 276,961
Rental Income	\$ 144,406	\$ 144,406
Interest & Investment Revenue Received	\$ 553,649	\$ 553,649
Sales - contract and recoverable works	\$ 3,671,673	\$ 3,671,673
Operating Grants, Subsidies & Contributions	\$ 10,278,652	\$ 10,278,652
Total Recurrent Revenue	\$ 17,368,150	\$ 17,368,150
Transfer from Constrained Reserve	\$ 3,165,790	\$ -
Transfer from Constrained Reserve	\$ 379,580	\$ -
Transfer to Constrained Reserve	\$ -	\$ -
Transfer from Capital Reserves	\$ -	\$ -
Transfer to Capital Reserves	\$ -	\$ -
Transfer to Capital Reserves	-\$ 183,371	\$ -
Total Transfer to & from Reserves	\$ 3,361,999	\$ -
Capital Revenue		
Capital Grants, Subsidies & Contributions	\$ 989,761	\$ 989,761
Total Capital Revenue	\$ 989,761	\$ 989,761
Capital (Expenses) / Income		
Capital Income	-\$ 57,639	-\$ 57,639
Total Income	\$ 21,662,271	\$ 18,300,272
Expenses		
Employee Benefits	\$ 5,384,347	\$ 5,384,347
Materials and Services	\$ 9,690,749	\$ 9,690,749
Finance Costs	\$ 1,421,361	\$ 1,421,361
Depreciation and Amortisation	\$ 4,546,923	\$ 4,546,923
Total Recurrent Expenses	\$ 21,043,380	\$ 21,043,380
Total Expenses	\$ 21,043,380	\$ 21,043,380
Net Operating Result	\$ 618,891	-\$ 2,743,108
Other Comprehensive Income		
Increase / (decrease) in asset revaluation surplus	\$ -	\$ -
Total other comprehensive income for the year	\$ -	\$ -
Total comprehensive income for the year	\$ 618,891	-\$ 2,743,108

Statement of comprehensive income (cont'd)

// where our money goes

Council incurs both operational and capital expenditure in providing services and infrastructure 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 \$21.043 million, council also spent \$1.611 million on capital projects during the year.

// major items of capital expenditure

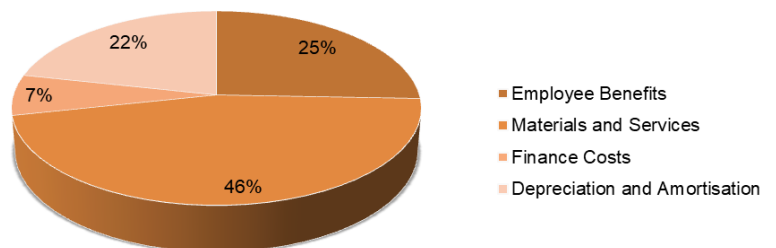
roads, bridges and drainage (\$1.347M)
buildings & other structures (\$0.162M)
plant and equipment (\$0.065M),
water (\$0.039M)

Statement of Comprehensive Income for the year ended 30 June 2017



\$'s	Actuals 2016 2017	Percentage 2016 2017
Expenses		
Employee Benefits	\$ 5,384,347	26%
Materials and Services	\$ 9,690,749	46%
Finance Costs	\$ 1,421,361	7%
Depreciation and Amortisation	\$ 4,546,923	22%
Total Recurrent Expenses	\$ 21,043,380	100%
Total Expenses	\$ 21,043,380	

Operating Expenditure

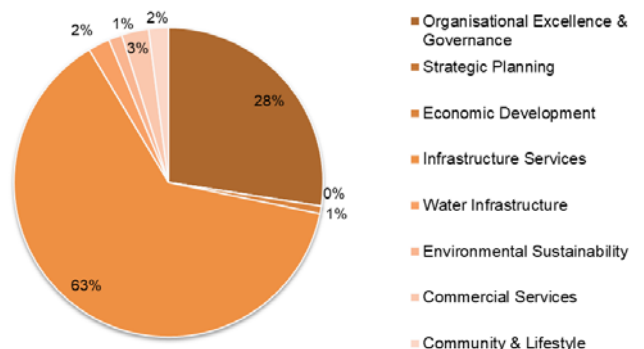


Statement of Comprehensive Income for the year ended 30 June 2017



\$'s	Actual 2017	% of sub-total
Expenses by Functions		
Organisational Excellence & Governance	5,776,853	27.45%
Strategic Planning	3,570	0.02%
Economic Development	165,940	0.79%
Infrastructure Services	13,290,905	63.16%
Water Infrastructure	478,219	2.27%
Environmental Sustainability	296,580	1.41%
Commercial Services	596,590	2.84%
Community & Lifestyle	434,722	2.07%
Total Expenses	21,043,379	100%

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 \$197.755 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.

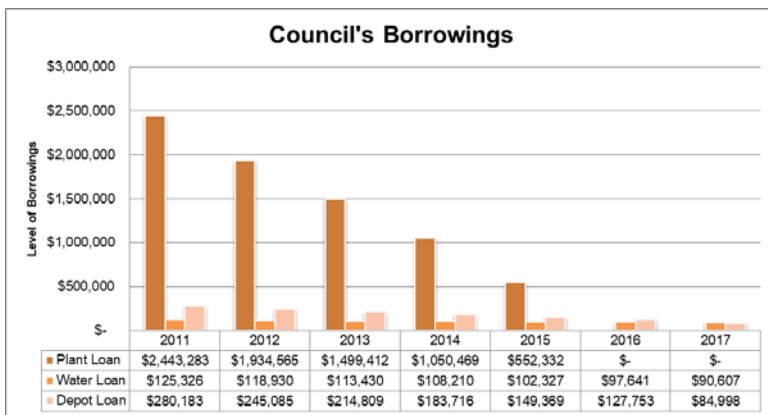
// 2016-2017 result

\$199,201,212 assets
-\$ 1,446,122 liabilities

\$197,755,090 equity

// what do our liabilities consist of?

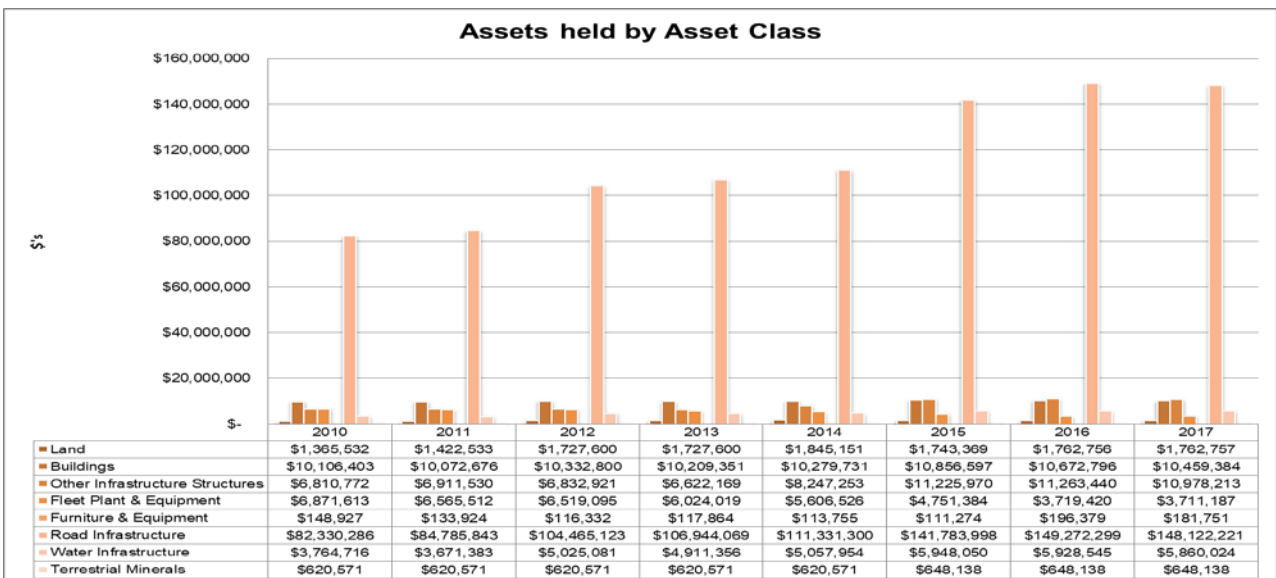
The bulk of council's liabilities are in the form of loans and provisions which collectively represent 50 per cent of council's total liabilities. Council uses loans to finance certain projects in order to ensure costs are shared across the generations who will receive a benefit from those assets. Provisions 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. 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 \$0.164 million. The graph below shows the borrowings of Etheridge Shire Council over the past four years.



Statement of financial position (cont'd)

Current Assets

for the year ended 30 June 2017

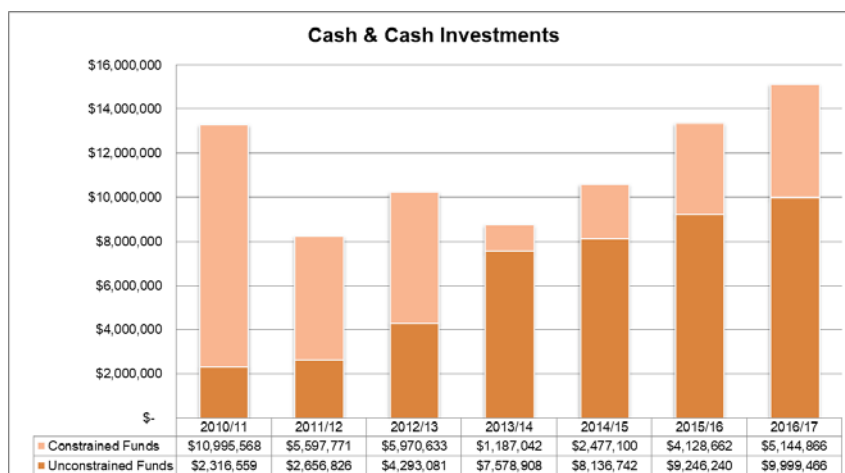
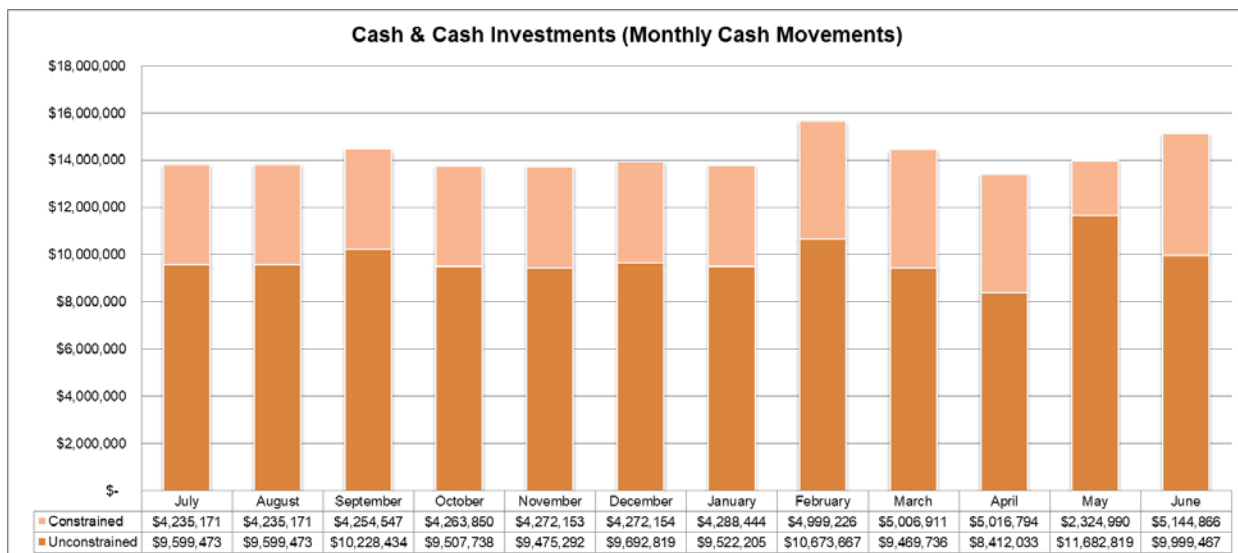


\$'s	Actuals 2016 2017	Actuals 2015 2016
Cash & Cash Investments		
Untied Cash	\$ 9,999,467	\$ 9,411,629
Constrained Funds	\$ 5,144,866	\$ 3,806,473
	<u>\$ 15,144,333</u>	<u>\$ 13,218,102</u>
Trade & Other Receivables		
Debtors & Accruals	\$ 1,226,410	\$ 2,472,635
Rates Debtors	\$ 1,963,155	\$ 1,372,969
Prepayments	\$ 71,282	\$ 21,779
Less Impairment of Rates Debtor	-\$ 1,403,385	\$ -
	<u>\$ 1,857,462</u>	<u>\$ 3,867,383</u>
Inventories		
Stock on Hand (Stores)	\$ 237,317	\$ 317,939
Land held for Resale	\$ 111,003	\$ 122,993
	<u>\$ 348,320</u>	<u>\$ 440,932</u>
Total Trade & Other Receivables	<u>\$ 17,350,115</u>	<u>\$ 17,526,417</u>

The information contained within the table provides the reader with a further breakdown of Council's Current Assets.

Cash has been dissected to show Unconstrained Cash and Constrained Cash, Debtors has been further broken down into Trade Debtors & Rates Debtors, along with Inventories.

Councils Cash & Investment



Statement of cash flows

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 \$15.144 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.

// 2016-2017 result

\$13,218,102	opening balance
+ \$19,640,283	cash received
- \$17,714,051	cash spent
<hr/>	
\$15,144,334	cash available at year end

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 \$9.270 million.

Overall trends

Council ended the 2016-2017 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 2016/17 has been hampered by Council receiving payments in advance for flood damage works in the prior financial year. 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

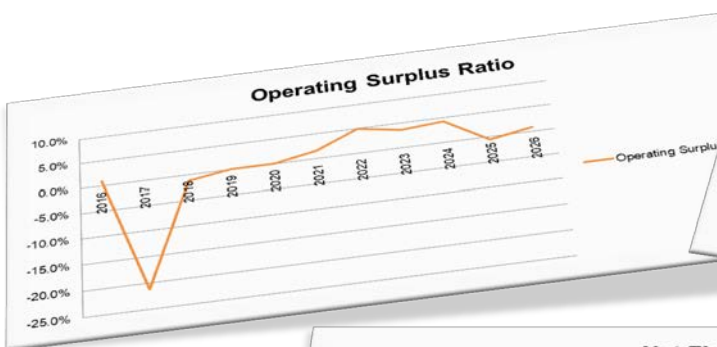
// net financial liabilities ratio

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 below this target range, and Council's long term financial forecast indicates that Council will continue to increasingly fall behind the benchmark into the future.

Financial Sustainability Indicators as at 30 June 2017													
Measures of financial sustainability													
Ratio	Target	Actual 2016	Actual 2017	Budget 2018	Long Term Financial Plan Projections								
					Yr 2 2019	Yr 3 2020	Yr 4 2021	Yr 5 2022	Yr 6 2023	Yr 7 2024	Yr 8 2025	Yr 9 2026	
Operating Surplus Ratio	0 - 10%	0.9%	-21.2%	-1.2%	0.0%	0.0%	1.6%	5.0%	3.6%	4.2%	-0.6%	0.9%	
Asset Sustainability Ratio	> 90%	178.0%	16.1%	27.1%	29.4%	29.4%	41.0%	42.2%	41.5%	42.0%	40.0%	39.0%	
Net Financial Liabilities Ratio	< 60%	-109.1%	-91.6%	-118.0%	-126.1%	-142.2%	-157.1%	-178.5%	-196.8%	-198.2%	-208.1%	-221.8%	



Overall trends (cont'd)

Note: Sustainability Ratio

Council's "Sustainability Ratio" shows a declining trend in the inability of Council to provision sufficient funds each year to maintain its current assets.

..."A Local Government is financially sustainable if the Local Government is able to maintain its financial capital and infrastructure capital over the long-term"...

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.

The long-term financial forecasts rely on a clear perspective of the long-term infrastructure funding needs of the local government, including maintenance, operations and infrastructure renewals. Without this, a long-term financial forecast for the shire is indicative at best.

Over the FYE17 & FYE18 Council has a focus on diverting the majority of councils Capital Income (Grants + Council funds) towards upgrading State Government infrastructure (i.e Georgetown/Forsayth Rd) with the combined funding over the two financial years equating to around \$3.2M. In the past, Council has utilized these funds to upgrade Councils existing assets (culverts, re-seals, re-sheeting etc).

While the current strategy of Council does have merit, it does reduce the ongoing maintenance and capital renewal programs that would need to be accounted for in future years as the asset is consumed, however this current strategy, may place Council in financial stress in future financial years to maintain its current asset base.

Another point that needs to be made, is a decision of Council (via a policy) to expense Flood Damage Works, where in the past, this has been capitalized and treated as Capital Renewal to Councils road network, which had a positive effect on Councils sustainability ratio. However, Council cannot rely on being declared for REPA under a Flood Damage event each year, and cannot rely on this funding as a solution to Councils declining sustainability ratio.

Council provisions approximately \$250k - \$350k per annum to maintain its current Building Structures which has an annual depreciation expense of approximately \$340k. Due to accounting standards the building maintenance is expensed due to the nature of the work and it is not captured as capital renewal. Based on this quick analogy, it would be fair to say that Council is meeting its obligation to maintain one of its classes of assets however this is not captured when calculating the sustainability ratio.

The bench mark for this particular ratio needs to be looked at and reviewed. It is difficult for small councils (like Etheridge) to generate additional revenue through normal revenue channels (i.e. Rates & Charges) which is needed to maintain services & maintain infrastructure. In addition, the amounts of Capital Grants that are becoming available via (State & Federal Governments) need to be adaptable and flexible to allow Councils to apply the funding for capital renewal basis as well. Councils will end up with a multitude of new assets and the inability to fund the whole of life costs.

At present, Council has core revenue from Rates & Charges of approximately \$2.4M, FAGs funds of around \$4.8M and approximately \$0.280M in fees & charges which equates to around \$7.48M in core revenue with a capital renewal program of around \$2-3M per annum. This does not leave a lot of surplus to pay for Council overheads, insurance obligations and the ever increasing demand to meet community expectations.

Council is constantly looking at ways to become more efficient within its operations and has achieved some good outcomes when procuring goods to reduce Council's ongoing discretionary costs when implementing new projects or undertaking the salt & pepper maintenance of certain assets classes.

The Department of Infrastructure, Local Government & Planning along with QAO have been discussing the review of the Sustainability Ratio over the past 12-16 months which is long overdue and as mentioned above, it is difficult for small Councils to achieve the minimum benchmark imposed on local governments from the Department and Audit. It would be more prudent for the individual Councils to set its own benchmarking ratio as it is best placed to understand its local conditions rather than a "one fit" approach across the industry.

Council is working hard to rectify its ongoing "Sustainability" and is looking at innovative initiatives to assist Council with additional revenue streams, and is keen to keep driving the local economy through the responsible delivery of capital projects and a focused approach to the long term planning and sustainability of our communities while maintaining the Shire's liveability.

Looking ahead

// 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 2016-2017

601 number of rateable assessments

\$2,228,310 general rates

\$ 285,631 water charge

\$ 106,701 water consumption charge

\$ 133,649 waste management & garbage charges

\$2,754,291 total rates & charges

-\$ 284,879 rates discount

-\$ 23,499 pensioner remissions

\$2,445,913 net rates & charges

(Excludes EMFRL)

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 2016-2017

Project	Opening Book Value 06/2016	Interest	Admin Fee	Redemption Payment	New Advances	Closing Book Value 06/2017	Repayment Term
Water	\$97,923.89	\$6,681.44	\$135.02	\$13,997.41	Nil	\$90,607.92	8 years 3 months
Depot	\$123,149.75	\$7,974.32	\$166.26	\$46,125.83	Nil	\$84,998.24	1 year 9 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.

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.

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).

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.

Private use of council vehicles

The Mayor will be provided with a fully maintained Executive Style 4wd Wagon (i.e 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.

Fuel costs

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

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).

Telecommunication needs: mobile phones

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

(a) 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).

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.

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 would be "misconduct". (as provided in Chapter 6, Part 2, Division 6 of the *Local Government Act 2009*).

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.

// Policy was updated and approved by Council as at 11th April 2016 under resolution number 2016/GM003. Policy is due for a review as at April 2018.

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 4th April 2016 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:-

	Remuneration 2014/2015	Remuneration 2015/2016	Remuneration (current) 2016/2017
Mayor	95,488	97,684	99,638
Deputy Mayor	55,089	56,356	57,483
Councillors	47,744	48,842	49,819
	<i>(As set by the Local Government Remuneration Tribunal effective 1/7/2014)</i>	<i>(As set by the Local Government Remuneration Tribunal effective 1/7/2015)</i>	<i>(As set by the Local Government Remuneration Tribunal effective 1/7/2016)</i>

// remuneration paid to councillors during 2016-2017

Councillor	General Meetings Attended	Special Meetings Attended	Remuneration (set by the Local Government Remuneration Tribunal)	Mileage & Other Allowances	Total Remuneration Paid
Mayor Warren Devlin	12	3	\$99,638.00	Nil	\$99,816.92
Deputy Mayor Tony Gallagher	12	3	\$57,483.00	\$1685.64	\$59,271.91
Cr Will Attwood	11	3	\$49,819.00	\$877.80	\$49,372.60
Cr Troy Barnes	12	3	\$49,819.00	\$508.20	\$50,386.83
Cr Warren Bethel	12	2	\$49,819.00	\$943.80	\$50,822.43

// Notes to the remuneration schedule

Note 1: The monetary amounts shown are per annum figures. If an elected representative only serves for part of a full year (that is, 1 July to 30 June) they are only entitled to a pro-rata payment to reflect the portion of the year served.

Note 2: For councillor's in category 1 councils, a base payment of \$33,213 is payable for the 12 months commencing on 1 July 2016. A meeting fee of \$1,383.83 is payable for attendance at each of the 12 mandated monthly meetings of council subject to certification by the mayor and/or chief executive officer of the council. Mayors and deputy mayors in category 1 councils are to receive the full annual remuneration level shown.

Note 3: Total remuneration includes a component of adjustment of previous year underpayment

Etheridge Shire Council is classified as a Category 1 Council.

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



Einasleigh Public Park



*Old Historic Einasleigh Police Station
(Dyas Homestead)*

committees

// committees 2016-2017

Mayor & Councillors (post Local Government Quadrennial Elections dated 19th March 2016)

Councillor	Committees
Cr Warren Devlin	Gulf Savannah Development (GSD); FNQRRG (Regional Road Group) NWQROC; Chair of the Local Disaster Management Group; Chair of Internal Audit & Risk Management Committee; Gulf Cattleman's Association ; Gilbert River Irrigation Area; Etheridge Road Action Group; Tablelands Futures; Advance Cairns; TTNQ; FNQROC
Cr Tony Gallagher	NWQROC; Savannah Way Ltd ; ETAG; Gulf Cattleman's Association Forsyth Improvements Group; Etheridge Road Action Group
Cr Will Attwood	District Disaster Management Group; Member of the Cairns & Hinterland Health Services; Local Disaster Management Group; Gulf Cattleman's Association; Georgetown Progress Association; Tablelands Futures; NGRMG
Cr Troy Barnes	Savannah Way Ltd; Internal Audit & Risk Management Committee; ELF Advisory Committee; ETAG; Gilbert River Irrigation Area; TTNQ
Cr Warren Bethel	Pest Management Committee; NGRMG; Southern Gulf Catchments Group; Einasleigh Progress Association



Mayor, Councillors, Council's former CEO & Economic Development Officer at the Developing Northern Australia Conference

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 2016-2017 year were:

- *Chief Executive Officer*
Michael Kitzelmann (until 27 January 2017)
Norman Garsden (24 March 2017 – current)
- *Deputy Chief Executive Officer/
Director Corporate & Community Services*
David Munro
- *Director of Engineering Services*
Rohana Samarasekera (until 27 Nov 2016)
Jeff Bunt (20 March 2017 – current)

// total remuneration packages for senior officers during 2016-2017

- 3 senior contract officers received total remuneration packages in the range of \$150,000 – \$250,000
- The 3 senior contracts totalled \$583,733.

grants to community organisations

During the 2016-2017 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 2016-2017 financial year there was no overseas travel undertaken by a Councillor and or an Employee of Etheridge Shire Council for business purposes.



internal audit

// internal audit

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 2016-2017 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.



internal audit

Composition of the Strategic Internal Audit Plan

The following tables represent each of the projects we have proposed for delivery during 2017-19. For each project we have included a brief overview of the scope of review to support why it was chosen and prioritised. The projects included in Year 2 and Year 3 are subject to an annual review process. This may involve revision of planned projects and re-prioritisation, where appropriate, to meet the changing needs of the organisation.

Proposed Annual Internal Audit Plan 2016-17

Year 1	Project Description	Overview of Project Scope	Type of Review	Est. Days
2016/17	Procurement, Contract Establishment and Administration	Review the effectiveness of procedures and internal controls over the Department's procurement activities. Determine whether suppliers are selected in accordance with legislative requirements/Council's formal procurement guidelines and that procurement is initiated on the basis of legitimate business need. Evaluate the Department's approach to contract establishment and administration processes, including needs analysis and project authorisation controls, the appropriateness and effectiveness of selection criteria, supplier assessment methodology, notifications of successful and unsuccessful tenderers, use of probity reviews, review by legal and application of Council's standard terms and conditions, and adherence to the Local Government Act and Local Government Regulation.	Internal Audit	13 days
2016/17	Stores and Inventory Management	Inventory management practices and movements, and maintenance of store items represent a large volume of purchasing activity. This review complements the previous reviews in the purchasing and procurement area, and will examine the operational effectiveness of processes for ordering, receiving, recording and updating inventory movements within the management system; effectiveness of physical security controls; and controls over issuing items to employees, including portable and attractive items such as generators, electronic devices, fuel.	Internal Audit Process walkthroughs	8 days

In our assessment of the Operational Risk Register, we considered the residual risk ratings and management's assessment of the effectiveness of existing systems and controls to mitigate those risks. The risks have been prioritised for Internal Audit Planning purposes (distinct from the Executive Team/Corporate prioritisation).

For each risk we reflected on the timing, appropriateness and type of Internal Audit activity that could be performed. The basis for our rationale, as it relates to each risk is outlined in the table below. It is important to recognise that not all risks and/or risk treatments are auditable.



internal audit

Composition of the Strategic Internal Audit Plan

The following tables represent each of the projects we have proposed for delivery during 2017-19. For each project we have included a brief overview of the scope of review to support why it was chosen and prioritised.

The projects included in Year 2 and Year 3 is subject to an annual review process. This may involve revision of planned projects and re-prioritisation, where appropriate, to meet the changing needs of the organisation.

Year 2 - Proposed Internal Audit projects

Year 2	Project description	Department	Overview of project scope
2018-1	Revenue Assurance – Key Revenue Streams & Debtor Management	All Departments	Assess whether the internal controls over key revenue streams are sufficient and appropriate to ensure that all revenue to which Council is entitled is identified, captured, reported, charged/invoiced and collected. The review will focus on: <ul style="list-style-type: none"> High-risk fees and charges. Activity-driven revenue. Rates and levies. Waivers, discounts and rebates. Cash handling and bank reconciliation processes. Controls around credit worthiness, credit approval, maintenance of accounts receivable master file, reporting, treatment of overdue accounts, doubtful debts, provisioning for bad and doubtful debts.
2018-2	Contractor Performance Monitoring	Engineering Services	Most departments have a number of large scale contracts that are highly visible to the community. In many cases these directly affect the aesthetic, amenity and/or safety of Council's community-facing facilities (public space cleaning) or core services (waste collection). Such contracts carry a significant reputational risk to Council and can have safety implications for the community. This review will examine the processes and controls in place to monitor and ensure that third-party contractors are performing the duties for which they are contracted to Council, and in the manner specified.

Year 3 - Proposed Internal Audit projects

Year 3	Project description	Department	Overview of project scope
2019-2	Project Management, Project Costing & Estimating	Engineering Services	Analysis of risks and controls including planning, proposal, design, approval, execution, finalisation and contract management systems. Review practices relating to specification, tender and evaluation of offers, negotiation of terms, monitoring of contractor performance and budgets.
2019-3	Plant Management Practices	Engineering Services	Council has a fleet of heavy plant which it supplements with third-party plant hire (wet/dry). The objective of this review is to examine the organisation's plant management practices including: compilation of plant rates charged to projects, utilisation rates of existing Council plant, process for sourcing external plant hire (wet/dry); and plant replacement approach.

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 2017 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 2016 to 30 June 2017 council received two (2) RTI 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.



Heritage Park, Georgetown

Australia Day Awards

Council's Australia Day Awards program recognises and honours the outstanding achievement of individuals within the communities in the Etheridge Shire. The awards identify excellence in sporting endeavours, recognises significant community events, as well as naming Citizens of the Year and Young Citizens of the Year.

- Australia Day Citizen of the Year**
- Australia Day Young Citizen of the Year**
- Community Event / Organisation of the Year**
- Senior Sports Medallion**
- Junior Sports Medallion**
- Mayoral Award**

- Cherie Tansey*
- Brodee Ryan*
- Georgetown Golf Club & Georgetown All Sports Association – "Ride to Recovery – Jesse Butler"*
- Logan Bethel*
- Maria Wilson*
- Eric Tan*



2017 Australia Day Award Recipients



2017 Australia Day Ambassador – Tasman Bains



2017 Australia Day Celebrations – Mt Surprise

awards & events



Georgetown Primary School celebrating the opening of the Peace Monument, Georgetown

Peace Day Monument Opening Ceremony

The park was officially opened on the 5th October 2016 and it has become a key part of both Georgetown and the wider Etheridge Shire community. The Peace Monument Park is a place designed to commemorate those people in the world who have contributed to World Peace on a large scale. This park has given the opportunity for local residents and tourists to stop and reflect on how much the world has changed and can continue to change with spirited and hopeful people.



GEORGETOWN PEACE MONUMENT

...This monument honours the courageous efforts of men and women who have devoted their lives to a peaceful and harmonious world.

The people of the Shire of Etheridge acknowledge those known and unknown heroes of humanity throughout the ages. We also note the tremendous contributions of these champions of peace whose legacy will last for eternity...

...a great revolution in just a single individual will enable a change in the destiny of all humankind...
— SGI President Dr. Daisaku Ikeda

In the initiative of a local Georgetown resident, Mr. Eric Tan. Proudly sponsored by Etheridge Shire Council.



Community Christmas Party

The Etheridge Community Christmas Party on Saturday 17th December 2016 turned out to be a joyous occasion, with over 170 people attending, with the evening being jam packed full of entertainment for both children and adults. Of course, a Christmas Party would not be the same if Santa was not invited. Santa arrived in style on the Little Red Fire Engine.

Talgai local, Walter Whip amazed the crowd with his flaming whip demonstration which had the crowd amused with his performance. The evening closed with a spectacular fireworks display.

It was a brilliant night because of the people that make up the supportive fun loving community of Etheridge.



A sunset over a savanna landscape. The sun is low on the horizon, creating a bright sunburst effect with rays of light. The sky is filled with scattered, golden clouds. The foreground is a grassy field with some rocks, and the middle ground is a dense forest of trees. The overall scene is bathed in the warm, golden light of the setting sun.

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>Libraries</p> <ol style="list-style-type: none"> 1. Maintain Library services 2. Maintain Internet services provided through the Shire Library(s) 3. Continue to provide support & training to library staff 	<p>1.3 1.9</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Council has continued to maintain its Library Services in accordance with the requirements from State Libraries via the Country Service arrangement. New exchange of books has occurred over the past 12 months. <input type="checkbox"/> Internet services have been reduced due to the introduction of free Wi-Fi at the Terrestrial courtesy of Queensland Tourism. Council has two fixed internet computers available for public use. Wi-Fi is extremely popular with the locals and tourists. <input type="checkbox"/> Staff training has been undertaken for all operators within the Centre. <input type="checkbox"/> The promotion of the library has been ongoing however Council will be introducing a monthly update via the Inform and Facebook page, this is yet to occur.
<p>Cultural Development</p> <ol style="list-style-type: none"> 1. Continue participation in RADF program 2. Continue to advertise funding rounds throughout the community. 3. Update Arts & Cultural Policy 4. Undertake the annual report for RADF 5. Continue to promote the Education / Tertiary Scholarship Program 6. Continue to provide Bus Subsidy Program for Community Groups / State Schools 7. Continue to host Australia Day Events and other Community Events 	<p>1.1</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Council has submitted its annual Bid to Arts Queensland for the 2016/17 financial year. Council has been successful however the allocation has been reduced from \$20,000 to \$13,000. <input type="checkbox"/> There is no longer a requirement to call for funding rounds however; council will provide the community the opportunity to submit applications for RADF funds throughout the year. Council has conducted a film workshop in December 2016 for Georgetown, Forsayth, Mt Surprise, Einasleigh & the Lynd, cake decorating workshop in June 2017 <input type="checkbox"/> RADF Policy requires updating to reflect the new changes within Arts Queensland. RADF Policy was reviewed in 2015/16. This is being worked upon by the ECDO and is still in the draft /development stage.. <input type="checkbox"/> Annual report for RADF has been completed and submitted in July 2016. <input type="checkbox"/> The Year 7 & 8 Education Facility has been suspended until further notice. Meeting was conducted on the 16/3/17 with the steering committee. Letter has been sent to the Department of Education which has summarized the outcome of the meeting. <input type="checkbox"/> Council has continued to support the Community & School Groups in subsidizing the hire of local busses to attend activities. <input type="checkbox"/> Council hosted the Australia Day Celebrations at Mt Surprise, with in-conjunction with the Mt Surprise community. Future events are being developed for the shire and will be presented to Council over the coming months.
<p>Cemeteries</p> <ol style="list-style-type: none"> 1. Continue to maintain the Shire's cemeteries 2. Continue to develop and maintain Cemetery Register and Cemetery history 3. Undertake a review of Council's cemetery infrastructure (I.e Fencing, gates) 	<p>1.17</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Council's cemeteries are being maintained throughout the various townships. <input type="checkbox"/> Cemetery register is being maintained. Council is looking into having all of the existing Cemeteries re-surveyed to capture all existing cemetery plots to assist Council in preserving its cemetery history. This has been carried over to the 2017/18 financial year. <input type="checkbox"/> Council has undertaken an audit of the cemetery fencing and has found no significant issues to its infrastructure.

<p>Halls & Public Facilities</p> <ol style="list-style-type: none"> 1. Maintain Public Hall within Georgetown to ensure the facility meets our risk exposure and insurers obligations. 2. Maintain Public Halls within Einasleigh to ensure the facility meets our risk exposure and insurers obligations. 3. Maintain Public Halls within Mt Surprise to ensure the facility meets our risk exposure and insurers obligations. 	<p>5.5</p>	<ul style="list-style-type: none"> □ <i>The Georgetown Hall is being maintained. Council has carried out statutory maintenance to this facility. (pest control & air conditioning servicing). No major works have been carried out throughout the year.</i> □ <i>The Einasleigh Hall is being maintained. Council has carried out statutory maintenance to this facility. (pest control & air conditioning servicing). Minor maintenance has occurred to the Hall regarding the roof plus Council has conducted an electrical investigation regarding fluctuating power to the building. Council has installed a small hot water system to the kitchen.</i> □ <i>The Mt Surprise Hall is being maintained. Council has carried out statutory maintenance to this facility. (pest control & air conditioning servicing). Council has installed a community noticeboard outside the hall, and has installed a VAST satellite system along with installing a Digital TV to enhance the use of this Hall</i>
<p>Swimming Pool</p> <ol style="list-style-type: none"> 1. Maintain swimming pool facilities for public use 	<p>1.1</p>	<ul style="list-style-type: none"> □ <i>The Pool Complex is being maintained and serviced in accordance with the requirements for a public pool. Water quality testing is being carried out on a daily basis. No major issues to report regarding this facility.</i> □ <i>Council has completed the replacement of the main gate token device due to the device being damaged. Statutory maintenance (pest control) has been completed.</i> □ <i>Council is investigating the option of installing a CTV camera to the centre to assist in mitigating the High Risk Status as identified through Councils Enterprise Risk Management Review. The installation will occur within 2017/18 financial year.</i> □ <i>The Shire's aquatic Centre located within Georgetown has been maintained throughout the financial year and has remained opened all year.</i>



Copperfield Dam, Kidston

// 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>Membership</p> <ol style="list-style-type: none"> 1. Continue association and membership with Savannah Way Limited 2. Continue association and membership with Local Government Association Qld 3. Continue association and membership with NQ Local Government Association Qld 4. Continue association and membership with NWQ Regional Organisation of Councils (NWQROC) 5. Continue membership with NGRMG 6. Continue membership with Southern Gulf Catchment. 7. Continue membership with North Qld Sports Foundation 8. Re-establish Council's membership with FNQROC 9. Undertake Shire promotional advertising (i.e. Radio, TV, Press) 	<p>2.8</p> <p>2.9</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Council has paid its annual renewal subscription to Savannah Way <input type="checkbox"/> Council has paid its annual renewal membership to continue its association with Local Government Association of Queensland as our peak industry body. <input type="checkbox"/> Council has continued to be a member with the North Queensland Local Government Association <input type="checkbox"/> Council has committed itself for the 2016/17 financial year to be part of the NWROC <input type="checkbox"/> Council has paid its annual membership to the Northern Gulf Resource Management Group & Southern Gulf Resource Management Group. <input type="checkbox"/> Council has continued its financial membership to the Nth Qld Sports Foundation. <input type="checkbox"/> Council has resolved to be part of the FNQROC for the 2016/17 financial year, with Council paying its membership fees within the first quarter. <input type="checkbox"/> Council has commenced the planning stage to promote the Shire through Radio and Television with a series of scripted advertisements showcasing the Shire. This project will be carried forward into the 2017/18 financial year.
<p>Economic Development</p> <ol style="list-style-type: none"> 1. Development of an Economic Development Strategy for the Shire and implementation of the Strategy 2. Continue to promote the Economic Development Fund. 3. Investigate various Economic Development Study Tours / Economic initiatives for the Shire 	<p>2.5</p> <p>2.8</p>	<ul style="list-style-type: none"> <input type="checkbox"/> The development of an economic development strategy for the Etheridge Shire is still a work in progress with a draft outline being formulated to date. This project is progressing however it will be carried forward into the 2017/18 financial year. <input type="checkbox"/> Council has received several applications to source funds from the Economic Development Fund to enhance economic activities within the shire. Council has approved 2 applications within the first quarter. No further applications have been received to date. <input type="checkbox"/> Council has progressed and finalized the advertising signs that will be located at several different locations within the Shire. This was funded through GSD. The installation of the signs will occur within the 2017/18 financial year. <input type="checkbox"/> Council investigated the option to have the Shire become a UNESCO Geo Park. This option has been withdrawn by Council, however Council is now developing its own internal GeoPark/Trail without the link to Unesco <input type="checkbox"/> Council has attended two "Developing Northern Australia Conferences" and has undertaken study tours of the "Ord River and also the Tasmanian Irrigation Schemes". These tours were integral for Council to start implementing the Gilbert River Irrigation Scheme to drive economic development within the shire.

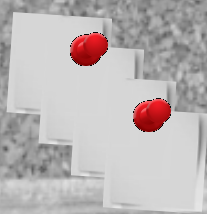
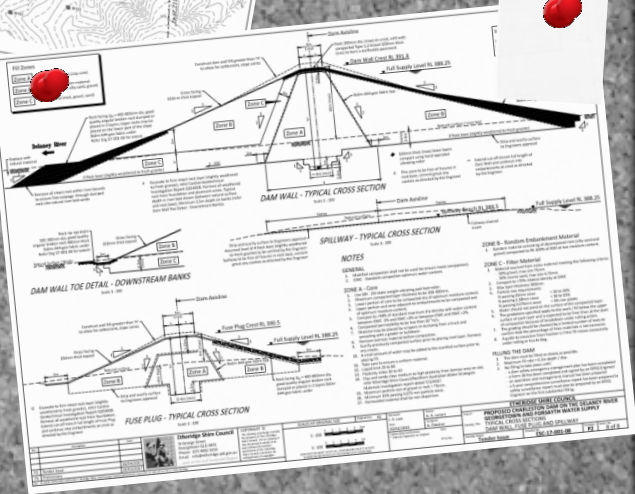
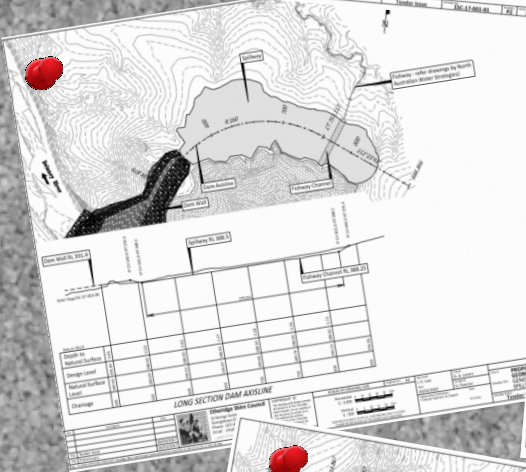
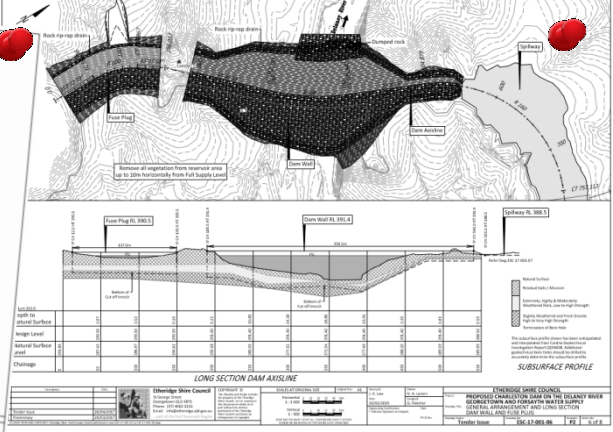
Charleston Dam Project - Etheridge Shire Council Planning Phase - Economic Development

Etheridge Shire Council Proposed Charleston Dam on the Delaney River Georgetown and Forsyth Town Water Supply

LOCALITY MAP

DRAWING SCHEDULE

Drawing No.	Drawing Title
101	Proposed Charleston Dam
102	Proposed Charleston Dam
103	Proposed Charleston Dam
104	Proposed Charleston Dam
105	Proposed Charleston Dam
106	Proposed Charleston Dam
107	Proposed Charleston Dam
108	Proposed Charleston Dam
109	Proposed Charleston Dam
110	Proposed Charleston Dam
111	Proposed Charleston Dam
112	Proposed Charleston Dam
113	Proposed Charleston Dam
114	Proposed Charleston Dam
115	Proposed Charleston Dam
116	Proposed Charleston Dam
117	Proposed Charleston Dam
118	Proposed Charleston Dam
119	Proposed Charleston Dam
120	Proposed Charleston Dam



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

Operational Plan Action / Outputs	Link to Strategy	Accomplished Outcome(s)
<p>Environmental Health – Inspection</p> <ol style="list-style-type: none"> 1. Continue regular food inspection program for compliance with various Acts / Regulations 2. Continue and maintain education programs for the community to ensure compliance with new and or amended legislation. 3. Continue to provide data to the Department regarding compliance under Councils approved Environmental Licenses 	<p>3.1</p>	<ul style="list-style-type: none"> □ Council has completed its annual food inspections program with a total of 21 premises being inspected across the Shire along with two (2) mobile food vans. Council will continue its random inspections throughout the year to ensure food proprietors are adhering to the Food Act. Council has also engaged a new Food Inspector. □ During the 2016/17 financial year Council did not issue any food breaches □ Annual ERA return has been completed and sent to the Department in August 2017 □ Council continues to provide food retailers with updates on food standards and alerts.
<p>Pest Management</p> <ol style="list-style-type: none"> 1. Maintain budget program in line with Pest Management Plan 2. Update Councils Pest Management Plan 3. Maintain procedures and compliance with Land Protection (Pest & Stock Route Management) Act 2002 4. Implement pest/plant control program on behalf of Main Roads 5. Continue of a Wild Dog Bounty Scheme 6. Purchase of Cat Traps 7. Undertake aerial baiting program in consultation with the rural sector of the Shire 8. Undertake the implementation of weed control around and within the various Townships 9. Implement an incentive program for the rural land owners to combat weeds within their properties 10. Implement a program to eradicate Neem Trees within the various Townships 	<p>3.8</p>	<ul style="list-style-type: none"> □ Council has maintained and allocated a Pest Management Budget for the 2016/17 financial year. □ Council's Pest Management Plan is being reviewed and updated in accordance with the new Bio-Security Legislation. This is being undertaken by the Pest Management Committee in-conjunction with Council Officers. This update to Councils plan will be finalised within the 2017/18 financial year. □ Council has been awarded additional funds from Main Roads to undertake weed eradication along certain Main Roads within the Shire. Council has completed this work and will be lodging further applications with Main Roads within the 2017/18 financial year. □ Council has maintained its commitment to a wild dog & cat bounty with this bounty scheme proving to be successful. □ Council has purchased several cat traps to be used by the Council and the Community. □ Aerial Baiting has been conducted in October 2016 & June 2017. □ Weed eradication has been completed within several townships □ Incentive program for rural landowners has been well received with the issuing of poison and spray packs to landowners. □ The eradication of Neem Trees within the township reserves has been completed.
<p>Waste Management</p> <ol style="list-style-type: none"> 1. Continue to maintain landfill site at Georgetown, Einasleigh, Mt Surprise & Forsyth in accordance with the ERA License issued by the Department 2. Continue to provide refuse collection to Georgetown 3. Continue to maintain septic waste site at Georgetown 4. Continue to undertake the annual renewal of all Environmental Licenses and remain compliant with current legislation 5. Work with NWQROC regarding the disposal of waste tyres within our landfills. 	<p>3.4 5.7</p>	<ul style="list-style-type: none"> □ All landfill sites within the various townships are being maintained in accordance with the ERA License issued by the Department. □ Council has continued to collect domestic rubbish for the Georgetown Township. □ Septic Pond is being maintained. Management is looking at alternative site for this pond and is looking at the landfill site at Georgetown for relocating this resource. □ Annual ERA return for landfills and regulated waste has been completed. □ Disposal of tyres will be an ongoing discussion with the NWQROC □ Council has signed off on an agreement with SIMs Metal to collect scrap metal from the Landfill sites.

// 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>Town Planning</p> <ol style="list-style-type: none"> Continue implementation of planning scheme to meet the requirements of the Sustainable Planning Act 2009. Continue assessment of development applications Undertake a review of the current Town Planning Scheme Identify land opportunities throughout the shire for re-sale and development. Continue to undertake pre-lodgment meetings with potential developers. Implement and develop the strategic Urban / Master Plan for the various Townships. 	<p>4.1 4.3 4.6 4.10</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Planning Scheme is being maintained <input type="checkbox"/> All applications for MCU or RoL have been processed within the timeframes allocated by the current legislation (SPA) <input type="checkbox"/> Council has made application to acquire the balance of land within the Mt Surprise Township and also part of a road reserve just west of the Georgetown Township. Council is waiting on offers from the Department of Natural Resources & Mines. <input type="checkbox"/> Council has commenced the drafting of new Town Plan. The draft plan is approximately 60% complete. Council has been allocated funds and resources from the Dept. of LG & Planning to assist Council with its new Planning Scheme. <input type="checkbox"/> Council has prepared an amendment alignment to its Planning Scheme to ensure that the Planning Scheme meets the new Planning Act which is to commence as at 3/7/17. <input type="checkbox"/> Council's Urban Plan has been completed and has been issued to Council as at September 2016
<p>Building</p> <ol style="list-style-type: none"> Continue to maintain compliance with the relevant Acts, Codes & Regulations Continue the assessment of Building & Plumbing Applications. Attend training sessions when required Implement public education on building matters 	<p>4.3 4.4</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Building & Plumbing applications are being assessed as and when received. <input type="checkbox"/> Inspections have been undertaken as required and called for by the proponents. <input type="checkbox"/> Council provides a monthly update to the community via the Inform regarding Building knowledge and compliance <input type="checkbox"/> Council has developed a number of templated Non-Conforming Building Notices in the event of breaches under the various Acts & Codes.
<p>Disaster Management Planning</p> <ol style="list-style-type: none"> Continue to update Disaster Management Plan and Sub Plans Undertake the development and implementation of a Community Recovery Plan Continue to implement and test Disaster Management Plan Continue to attend District Disaster Management Committee Meetings Continue to conduct Local Disaster Management Committee Meetings Implement staff training under the Disaster Management Guidelines Attend training sessions when required 	<p>4.7</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Disaster Management Plan is continually being updated and tested by the LDMG <input type="checkbox"/> Council's Disaster Management Plan still requires a number of sub-plans that need to be developed and implemented. The development will be ongoing with the majority of sub-plans being developed internally with the assistance of the Department <input type="checkbox"/> Council is still conducting quarterly Local Disaster Management Group meetings. <input type="checkbox"/> The LDMG have undertaken training during August/September as part of the charter arrangements under the Disaster Management Act. <input type="checkbox"/> Council is a participant in the DDMG meetings each quarter



// 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>Road Maintenance (Shire)</p> <ol style="list-style-type: none"> 1. Continue Town Street Maintenance programs 2. Continue Shire Road Maintenance programs 3. Implement a program to clean out table drains within the Georgetown Township 	<p>5.3</p>	<ul style="list-style-type: none"> □ Town Street Maintenance has been undertaken throughout the financial year in accordance with Councils approved schedule of works. □ Shire Road Maintenance was completed for the 2016/17 financial year in accordance with the approved schedule and in accordance with Councils Asset Management Plan for Roads & Drainage. □ A program of works was not developed during the 2016/17 financial year. This program has been carried forward into the 2017/18 financial year.
<p>Road Improvements (Shire)</p> <ol style="list-style-type: none"> 1. Continue re-seal program on Councils rural roads & town streets 2. Continue re-sheeting program on Councils rural road network 3. Change TIDS program for the 2016/17 financial year an transfer to the Georgetown – Forsayth Road 4. Undertake 3rd & 4th year of the R2R program on the Georgetown-Forsayth Road 5. Continue commitment to Regional Roads Group and Partnership 6. Upgrade road signage within the Georgetown Township 	<p>5.3 5.12 5.15 5.16</p>	<ul style="list-style-type: none"> □ Funds have been provisioned from the 2015/16 Budget and are being held in reserves for the reseal of various town streets. Engineering is to provide a report to Council for approval prior to funds being expended in the 2016/17 financial year. This has been referred to the 2017/18 financial year. □ Re-sheeting works on Shire Roads was completed in conjunction with delivering on the 2015 NDRRA works. No re-sheeting will occur within the 2017/18 financial year except under the 2015 NDRRA approved schedule of works. □ TIDS funding & R2R funding have been approved to allow for the pave & seal of the Georgetown-Forsayth Road. Works have commenced with Council expending all TIDs funding prior to the 30th June 2017. This project will continue into the 2017/18 financial year. □ Council has continued to attend the Regional Roads Group Meetings and lobby for additional TIDs funding and lobby for alternative Local Roads of Regional Significance (LRRS) □ The upgrade to town street signage has not yet commenced and has been transferred into the 2017/18 financial year.
<p>Road Improvements (Main Roads)</p> <ol style="list-style-type: none"> 1. Continue to work with Main Roads to improve state controlled road networks within the shire 2. Continue of RMPC expenditure 3. Implement Scenic Lookout on the Gulf Development Road on the Newcastle Range subject to successful grant application 	<p>5.14 5.15</p>	<ul style="list-style-type: none"> □ Council has had numerous meetings with the Regional Main Roads hierarchy regarding RMPC, Western Roads Program, Gregory Development Road & Hann Highway along with the Georgetown – Forsayth Road. Council was successful during the 2016/17 financial year in securing additional funds to upgrade the Gregory Development Road (Re-Sheeting) plus additional funds under the RMPC contract □ Council's RMPC contract was renewed for the 2016/17 financial year however there was no change in the contract amount. Council completed all works within the contract and gained approval to drawdown on the 2017/18 RMPC within the 2016/17 financial year. Council has received additional funds from Main Roads under RMPC to perform specific one –off works program (i.e Weed Control, Road Side Slashing) □ Council's grant funding application was not successful for the Newcastle Range Lookout.

<p>NDRRA (Flood Damage – Shire)</p> <ol style="list-style-type: none"> 1. Continue to implement and undertake flood damage works - 2014 2. Continue to implement and undertake flood damage works – 2015 	<p>5.3 5.4</p>	<ul style="list-style-type: none"> □ Council has completed the 2014 NDRRA works and has submitted its final claim to QRA. □ Council has commenced works on the 2015/2016 NDRRA flood damage works and will be ongoing throughout the year and will be completed prior to the 30th June 2018. A schedule program has been developed and Council is working against this schedule.
<p>Sporting Recreational & Park Facilities</p> <ol style="list-style-type: none"> 1. Maintain Parks & Gardens areas within Georgetown 2. Maintain Parks & Gardens areas within Forsayth 3. Maintain Parks & Gardens areas within Einasleigh 4. Maintain Parks & Gardens areas within Mt Surprise 5. Install town fence around the boundary of Mt Surprise Township 6. Apply for a Grant (LGGSP) for the installation of playground at Mt Surprise 7. Purchase outdoor gym equipment for Heritage Park 8. Re-Design and Upgrade the River Walk at Georgetown 9. Implement and undertake playground inspections on Councils playground facilities 10. Maintain all playground facilities 	<p>5.1 1.1 2.5</p>	<ul style="list-style-type: none"> □ Parks & Gardens have been maintained throughout the four townships in accordance with the approved program. □ Council has commenced the re-design planning stage for Caschafor Park at Forsayth. Progress of this work will commence as part of the W4Q program and will be completed by November 2017. Council has endorsed the relocation of the old Police Jail at Forsayth to the Caschafor Park Precinct area which will be utilised as a small museum. This project is being undertaken by the Forsayth Improvements Group under the stewardship of Council. □ The installation of the town fence at Mt Surprise has commenced and will now be incorporated as part of the W4Q program. □ Council has submitted its Grant Application to the Department of Local Government for a playground at Mt Surprise. Councils grant application was successful. The installation of the new playground was completed in May 2017 □ Council applied for Grant funding through Sport & Recreation to install outdoor exercise equipment at Heritage Park. Council's grant application was successful. The installation of the new outdoor fitness equipment was completed in May 2017. □ Playground inspections are being carried out to ensure compliance with legislative requirements and insurance purposes. Council also provided training to the Senior Supervisor and Lead Ganger of Parks & Gardens to attend a playground inspection course. As a result of this training these officers are qualified and certified to undertake weekly, monthly and quarterly inspections of Council's playground equipment. □ Council was awarded funding as part of the Work for Queensland (W4Q) program. As a result of this funding Council has submitted a number of beautification projects across all four townships. The projects were approved and endorsed by the Department of Local Government with the completion dated being November 2017. Projects include: □ Beautification of the Riverwalk Greens Park to Normanton St – Georgetown, Upgrade to Caschfor Park – Forsayth, New walking track and picnic shelters – Einasleigh, Town fencing, electronic speed cameras – Mt Surprise, New Community Buildings for the Lynd Junction & Gilbert River.

Water Supply – Georgetown

1. Continue to update Asset Management Plans
2. Undertake capital works required within the Georgetown water supply.
 - (i) Replacement of Meters
 - (ii) Reticulation Improvements
 - (iii) Supply Back Wash Water from the ETP to Sports Oval & Heritage Park
 - (iv) Implement a Reservoir Chlorination system (Monitor & Dose)
 - (v) Install Telemetry to Wells behind Hall (Back up Wells)
 - (vi) Install new Water Reservoir @ Georgetown

Water Supply – Forsayth

1. Continue to update Asset Management Plans
2. Continue Rising & Reticulation System maintenance
3. Continue plant maintenance programs for reservoir and wells
4. Maintain Drought management plan for the Forsayth township
5. Continue water wise education programs
6. Undertake capital works program
 - (i) Replacement of Meters
 - (ii) Upgrade WTP @ Forsayth subject to grant funds from the Building our Regions Program.

5.8

5.9

5.10

5.11

7.1

7.9

- Councils Asset Management Plans for Georgetown Water have been updated and approved
- Maintenance of the reticulations network , water plant have been ongoing throughout the financial year in accordance with the approved maintenance programs that Council has implemented.
- Council has a systematic inspection program to determine when Water Meters will be replaced. Council replaced several Water Meters during the 2016/17 financial year.
- Council is maintaining its legislative obligations by continually updating its Drought Management / Water Quality Plan with Council due for an Audit by the Water Regulators in the last quarter of the 2016/17 financial year. Council was informed that Etheridge Shire has passed the audit.
- Reticulation upgrade at Normanton Street has been completed in accordance with the approved capital works schedule and within Budget.
- Council has been awarded funds under Round 1 of Building our Regions with the installation of a new water reservoir & chlorination dosing units. Council has issued Tender Documents for the supply, design & installation, Tender has been assessed and approved by Council, Contract has been signed. The commencement of the works is schedule for February 2017 with a completion date being June 2017. Councils new reservoir will be completed within the first quarter of the new financial year.

- Councils Asset Management Plans for Forsayth Water have been updated and approved.
- Maintenance of the reticulations network, water plant has been ongoing throughout the financial year in accordance with the approved maintenance programs that Council has implemented.
- Council has a systematic inspection program to determine when Water Meters will be replaced. Council replaced several Water Meters during the 2016/17 financial year.
- Council lodged an EOI under Round 2 of the Building our Regions fund with Council being successful which allowed Council to lodge a formal application. Council's Building our Region Grant Application was successful for the Upgrade to the Forsayth Water Treatment Plant.
- No work has commenced for the upgrade. Council has drawn preliminary plans and has scoped the works to enable the upgrade. Councils Director of Engineering is revising the scope of the works and will be calling for tenders in the new financial year. The upgrade is to be completed by February 2018.

// 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>Terrestrial Centre – V.I.C.</p> <ol style="list-style-type: none"> 1. Continue to promote the shire and its attractions 2. Continue to support tourism publications 3. Continue to update shire's information and tourism brochures 4. Continue to review Business Plan 5. Continue to work with and in-conjunction with ETAG 6. Completion of Mining exhibition at rear of Terrestrial 7. Investigate new tourism ideas (Gold Panning) 	<p>6.3</p> <p>2.5</p> <p>2.8</p> <p>2.9</p>	<ul style="list-style-type: none"> □ Council has continued to promote the Shire through various VIC Centre's throughout the State. Council has endorsed a new Shire Brochure which has been printed and has been distributed across the various V.I.C.'s. □ Council has continued to support various publications by placing adverts showcasing the Centre and also the Shire's attractions. □ Council has relocated several pieces of Mining memorabilia to the Terrestrial Centre to add value to the visiting public □ The Centre's new Business Plan has been carried forward to the 2017/18 financial year. □ Council has been working with ETAG with the development of tourism signs which has been funded through GSD. The manufacturing of the signs (which will be located in eight strategic locations within the Shire) has been completed. The installation of the signs will occur within the first quarter of the new financial year. □ The Centre has received 13,772 visitors from 1 July 2016 to 30 June 2017, which is a 10% increase in visitors to the area from the previous financial year.
<p>Childcare</p> <ol style="list-style-type: none"> 1. Continue agreement with child care services 2. Continue to seek additional funding for the centre 3. Review and update policies and procedures 4. Continue to maintain building 5. Provide training where necessary 6. Continue to promote the Centre 	<p>1.14</p> <p>2.18</p> <p>6.4</p>	<ul style="list-style-type: none"> □ Council has continued to meet and comply with all current legislative requirements under the new Early Years Framework. The Centre's was last subject to a Departmental Audit in August 2014 with the childcare Centre passing the audit with no areas of concerns. The Centre has been subject to several surprise audits during the past financial year and has been commended on its compliance and is being used as a benchmark for other Childcare Centre's within the Rural & Regional areas. □ The Centre was again nominated for several awards during the financial year for its environmental sustainability program. Plus for the Director of the Year. The Centre is now an award winning Childcare Centre that the community can be proud of. □ Council's Childcare Educators have all completed their Diploma's in Childcare during the financial year and have continually updating their skills qualifications over the past financial year.
<p>Student Hostel</p> <ol style="list-style-type: none"> 1. Continue to provide student hostel facilities 2. Update current business plan for the centre 3. Continue to undertake building maintenance 	<p>2.19</p> <p>6.5</p>	<ul style="list-style-type: none"> □ Council has continued its commitment to run and operate the Student Hostel on behalf of the community. □ Minor maintenance has been carried out to the Centre over the past 12 months to ensure compliance with the appropriate standards. □ 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. □ Council has also completed an external repaint to the Centre. □ The new business plan has been carried forward to the 2017/18 financial year

governance

// 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>Workplace Health & Safety</p> <ol style="list-style-type: none"> 1. Ensure compliance with Workplace Health & Safety Act 2. Continue to develop, update, implement and maintain Safeplan 3. Continue to identify and carry out specific workplace health & safety training 4. Continue to conduct Workplace Health & Safety meetings and review frequency of meetings. 5. Continue of Drug & Alcohol Testing 	<p>7.3</p> <p>7.17</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Council has been subject to several audits within the 1st quarter to ensure compliance with Safe Plan and the WHS Act. Council has passed its WHS Audit and is now sitting above the state benchmark of 70% compliance. Council was also recognized for this achievement through Council's insurers. <input type="checkbox"/> Council has completed the update to councils safe plan <input type="checkbox"/> Training for workplace health & safety has been ongoing throughout the financial year. Council has developed a formalized training plan to capture WH&S training as and when it it required. <input type="checkbox"/> Workplace Health & Safety meetings were undertaken throughout the financial year, with minutes being distributed after each meeting to all staff. <input type="checkbox"/> Council has continued implementing random Drug & alcohol testing for employees & contractors of Council.
<p>Audit</p> <ol style="list-style-type: none"> 1. Maintain and review accounting procedures and policies and maintain the internal accounting manual procedures 2. Maintain policy register 3. Maintain compliance standards with the Local Government Act & Regulations 4. Maintain compliance standards with Accountings Standards 5. Undertake Internal Audits as & when required 6. Undertake a minimum of two audit committee meetings within each financial year. 7. Prepare & implement Internal Audit Plan 	<p>7.8</p> <p>7.9</p> <p>7.10</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Councils internal accounting manual has been reviewed and updated to meet audit requirements <input type="checkbox"/> Policy register is current. All statutory policies have been updated. <input type="checkbox"/> Council's governance requirements are current with council meeting all statutory requirements at this point in time. <input type="checkbox"/> Councils chart of accounts is in order and is compliant with the relevant accounting standards <input type="checkbox"/> Council has endorsed the 16/17 Audit Plan <input type="checkbox"/> Council's internal audit has been reviewed and renewed by Council as at September 2016. Council has also endorsed the internal audit plan. Internal Auditors have conducted two audits as per the internal audit plan audits completed were in the field of Procurement & Stores.
<p>Financial Reporting</p> <ol style="list-style-type: none"> 1. Continue to provide monthly financial reports to Council and the Community 2. Continue to review ten (10) year financial forecast in line with Asset management plans, community plan & corporate plan 	<p>7.9</p> <p>7.10</p>	<ul style="list-style-type: none"> <input type="checkbox"/> 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". <input type="checkbox"/> 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.

Operational Plan Action / Outputs	Link to Strategy	Accomplished Outcome(s)
<p>Training & Development</p> <ol style="list-style-type: none"> 1. Continue to implement Human Resource Strategy and update and implement HR Policies 2. Maintain staff training and development in line with Human Resource Strategy 3. Maintain budget allocations for Staff Training & Development 4. Continue traineeship employment program 	<p>7.2</p> <p>7.4</p>	<ul style="list-style-type: none"> □ More than 65 per cent of staff undertook some form of formal training during the 2016-17 financial year. Courses included: <ul style="list-style-type: none"> □ Queensland Disaster Management training; □ Trainee – Cert IV Business & Administration; □ Diploma in Leadership & Management; □ Cert IV – Civil Construction; □ Cert III – Plant Operations; □ Cert III – Road Construction & Maintenance; □ Personal Safety Sessions; □ Cert IV – Tourism; □ Cert III Playground Inspections; □ Cert III Water Operations □ Advanced Diploma Children Services; □ Confined Spaces □ Council has continued to support traineeships with council again hosting 1 trainee and 1 apprentice during the 2015/16 financial year.

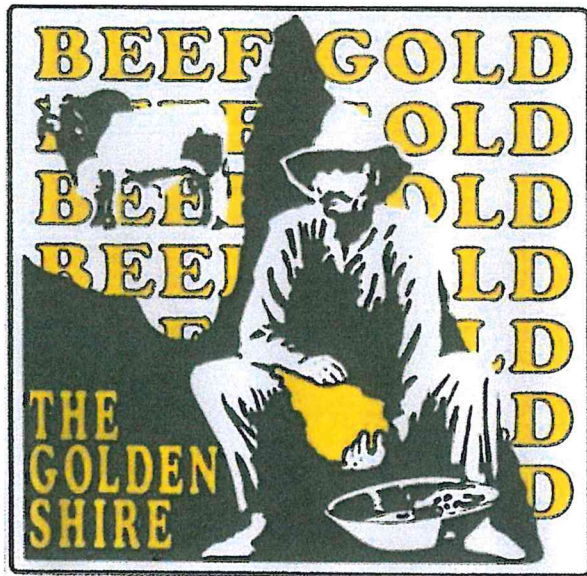
...."People are the key to the Etheridge Shire Council's future. The survival, growth and success of Etheridge Shire Council are directly linked to the quality of the staff as individuals and as collaborative colleagues. If we are to maintain our place among the best Shire's & Regional Councils, we will need to attract, develop and retain a world class workforce – both administrative professional staff and skilled construction & plant operators".....



...."In all its dealings Council acknowledges that the achievement of quality services and facilities requires a united team approach by our elected representatives and our workforce.



Financial
Statements
2016 | 2017



Annual Financial Statements

Etheridge Shire Council

01 July 2016

to

30th June 2017

Etheridge Shire Council

Table of contents

Statement of Comprehensive Income
Statement of Financial Position
Statement of Changes in Equity
Statement of Cash Flows

Notes to the Financial Statements:

- 1 Significant accounting policies
- 2 Analysis of results by function components
- 3 Revenue analysis
- 4 Grants, subsidies, contributions and donations
- 5 Capital income (expense)
- 6 Employee benefits
- 7 Materials and services
- 8 Finance costs
- 9 Cash and cash equivalents
- 10 Trade and other receivables
- 11 Inventories
- 12 Property, plant and equipment
- 13 Trade and other payables
- 14 Borrowings
- 15 Provisions
- 16 Asset revaluation surplus
- 17 Reconciliation of net result for the year to net cash inflow/outflow from operating activities
- 18 Contingent liabilities
- 19 Superannuation
- 20 Commitments for expenditure
- 21 Events after the reporting period
- 22 Transactions with related parties

Management Certificate

Independent Auditor's Report (General Purpose Financial Statements)

Contents Page Current Year Financial Sustainability Statement

Current Year Financial Sustainability Statement

Certificate of Accuracy-for the Current Year Financial Sustainability Statement

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

Contents Page Long Term Financial Sustainability Statement

Long Term Financial Sustainability Statement

Certificate of Accuracy-for the Long Term Financial Sustainability Statement

Etheridge Shire Council

Statement of Comprehensive Income

For the year ended 30 June 2017

	Notes	2017 \$	2016 \$
Income			
Recurrent revenue			
Rates, levies and charges	3a	2,442,809	2,343,729
Fees and charges		276,961	318,104
Rental income		144,406	157,555
Interest received		553,649	488,633
Sales revenue	3b	3,671,673	2,568,839
Grants, subsidies, contributions and donations	4a	10,278,652	8,370,046
		17,368,150	14,246,905
Capital revenue			
Grants, subsidies, contributions and donations	4b	989,761	8,569,444
		989,761	8,569,444
Capital Income/(Expense)			
Capital Income/(Expense)	5	(57,639)	(430,617)
Total income		18,300,272	22,385,732
Expenses			
Recurrent expenses			
Employee benefits	6	5,384,347	4,427,831
Materials and services	7	9,690,749	5,355,439
Finance costs	8	1,421,361	53,758
Depreciation	12	4,546,923	4,275,354
Total expenses		21,043,379	14,112,382
Net result		(2,743,107)	8,273,350
Other comprehensive income			
Items that will not be reclassified to net result			
Increase/(decrease) in asset revaluation surplus	12	-	(41,392)
Total other comprehensive income for the year		-	(41,392)
Total comprehensive income for the year		(2,743,107)	8,231,958

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 2017

	Notes	2017 \$	2016 \$
Current assets			
Cash and cash equivalents	9	15,144,334	13,218,102
Trade and other receivables	10	1,857,462	3,867,382
Inventories	11	348,320	440,932
Total current assets		17,350,116	17,526,416
Non-current assets			
Property, plant and equipment	12	181,851,096	184,955,306
Total non-current assets		181,851,096	184,955,306
TOTAL ASSETS		199,201,212	202,481,722
Current liabilities			
Trade and other payables	13	800,470	1,261,342
Borrowings	14	60,694	46,235
Provisions	15	104,600	96,002
Total current liabilities		965,764	1,403,579
Non-current liabilities			
Borrowings	14	103,542	164,353
Provisions	15	376,815	415,591
Total non-current liabilities		480,358	579,944
TOTAL LIABILITIES		1,446,122	1,983,523
NET COMMUNITY ASSETS		197,755,090	200,498,199
Community equity			
Asset revaluation reserve	16	125,499,981	125,499,981
Retained surplus		72,255,110	74,998,217
TOTAL COMMUNITY EQUITY		197,755,091	200,498,199

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 2017

	Asset Revaluation Surplus	Retained Surplus	Total
Notes	16		
	\$	\$	\$
Balance as at 1 July 2016	125,499,981	74,998,217	200,498,198
Net Result	-	(2,743,107)	(2,743,107)
Other comprehensive income for the year			
Increase in asset revaluation surplus	-	-	-
Total comprehensive income for the year	-	(2,743,107)	(2,743,107)
Balance as at 30 June 2017	125,499,981	72,255,110	197,755,091
Balance as at 1 July 2015	125,541,373	66,724,867	192,266,240
Net Result	-	8,273,350	8,273,350
Other comprehensive income for the year			
Increase (decrease) in asset revaluation surplus	(41,392)	-	(41,392)
Total comprehensive income for the year	(41,392)	8,273,350	8,231,958
Balance as at 30 June 2016	125,499,981	74,998,217	200,498,198

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 2017

	Notes	2017 \$	2016 \$
Cash flows from operating activities:			
Receipts from customers		7,562,488	4,022,161
Payments to suppliers and employees		(16,041,678)	(9,939,942)
		<u>(8,479,190)</u>	<u>(5,917,781)</u>
Interest received		553,649	488,633
Rental income		144,406	157,555
Non-capital grants and contributions		10,278,652	8,370,046
Borrowing costs		(14,342)	(50,484)
Net cash (outflow)/inflow from operating activities	17	<u>2,483,174</u>	<u>3,047,969</u>
Cash flows from investing activities:			
Payments for property, plant and equipment		(1,611,679)	(9,676,097)
Proceeds from sale of property, plant and equipment		111,327	1,251,309
Grants, subsidies, contributions and donations		989,761	8,569,444
Net cash inflow/(outflow) from investing activities		<u>(510,591)</u>	<u>144,655</u>
Cash flows from financing activities			
Repayment of borrowings		(46,352)	(588,365)
Net cash inflow (outflow) from financing activities		<u>(46,352)</u>	<u>(588,365)</u>
Net increase/(decrease) in cash and cash equivalents held		1,926,232	2,604,260
Cash and cash equivalents at beginning of reporting period		13,218,102	10,613,842
Cash and cash equivalents at end of reporting period	9	<u>15,144,334</u>	<u>13,218,102</u>

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

Etheridge Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2017

Note 1: Significant accounting policies

1.A Basis of Preparation

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

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

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

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

This year Etheridge Shire Council has applied AASB 124 *Related Party Disclosures* for the first time. This means that Council will disclose more information about related parties and transactions with those related parties. This information is disclosed in Note 22.

Some Australian Accounting Standards and Interpretations have been issued but are not yet effective. The standards that may have a material impact on Council's future financial statements are:

AASB15 Revenue from Contracts with Customers,
AASB1058 Income of Not-for-Profit Entities and
AASB2016-8 Amendments to Australian Accounting Standards-Australian Implementation Guidance for Not-for Profit Entities.

Council will apply these standards from 1 July 2019. These will replace several Standards and Interpretations including AASB 118 Revenue, AASB111 Construction Contracts and part of AASB 1004 Contributions. They contain a comprehensive and robust framework for the recognition measurement and disclosure of revenue by not-for-profit entities. Council is still reviewing the way that revenue is measured and recognised to identify whether they will have a material impact. To date the following impact has been identified.

At 30 June 2017 Council had received pre-paid rates totalling \$49,133. These rates are recognised as Revenue in the Statement of Comprehensive Income.

If Council had applied AASB 1058 this year the rates revenue would have been reduced by \$49,133 and these rates would have been recognised as a liability in the Statement of Financial Position and Councils net result would decrease by \$49,133. This amount is not material.

Council reviewed grant funding received under the Work for Queensland Contract funding. This was the only funding that would be material if Council had adopted AASB15 as at 30 June 2017. Council received \$642,000 of which \$628,122 remains unspent.

Etheridge Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2017

Note 1: Significant accounting policies

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.

Valuation and depreciation of property, plant and equipment- (Note 12).

Provisions-(Note 15).

Contingent Liabilities-(Note 18).

1.E Taxation

Income of local authorities and public authorities is exempt from Commonwealth taxation except for Fringe Benefits Tax and Goods and Services Tax ('GST').

Etheridge Shire Council

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

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 2017

Notes	2017 \$	2016 \$
-------	------------	------------

Note 3: Revenue analysis

(a) Rates, levies and charges

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.

General rates	2,228,310	2,035,576
Water	285,631	273,500
Water consumption	106,701	107,308
Waste management	31,695	30,859
Garbage charges	101,954	94,680
State Emergency Levy	(3,103)	101,712
Total rates and utility charges	2,751,187	2,643,635
Less: Discounts	(284,879)	(280,010)
Less: Pensioner remissions	(23,499)	(19,896)
Net rates and utility charges	2,442,809	2,343,729

(b) Sales revenue

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

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

Sales of services

Contracts and recoverable works	3,546,195	2,432,841
Private Works	125,478	135,997
Total Sales Revenue	3,671,673	2,568,839

Note 4: Grants, Subsidies, Contributions and Donations

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

(a) Recurrent

State government subsidies and grants	2,044,143	3,751,638
Federal government Subsidies and grants	8,234,509	4,618,408
Total recurrent revenue	10,278,652	8,370,046

(b) Capital

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

State government subsidies and grants	949,761	7,090,930
Federal government subsidies and grants	40,000	1,478,514
Total capital revenue	989,761	8,569,444

Etheridge Shire Council

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

Notes	2017 \$	2016 \$
(c) Conditions over contributions		
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.		
Non-reciprocal grants for operating expenditure	866,230	-
Non-reciprocal grants for expenditure on infrastructure	754,230	-

Note 5: Capital income/(Expense)

Gain (loss) on the disposal of non-current assets

(a) Proceeds from the sale of property, plant and equipment	111,327	1,251,309
Less: Book value of property, plant and equipment disposed	(168,966)	(1,681,926)
Total capital income/(expense)	(57,639)	(430,617)

Note 6: Employee Benefits

Total staff wages and salaries	4,219,110	4,007,470
Councillors' remuneration	309,671	293,392
Annual, sick and long service leave entitlements	639,182	491,661
Superannuation	439,278	430,666
	19	
	5,607,240	5,223,189
Other employee related expenses	318,252	109,518
	5,925,492	5,332,707
Less: Capitalised employee expenses	(541,145)	(904,875)
	5,384,347	4,427,831

Total Council employees at reporting date

Elected members	5	5
Administrative staff	23	20
Child Care	4	4
Depot and outdoors staff	31	29
Total full time equivalent employees	63	58

Note 7: Materials and services

Administration supplies and consumables	74,266	457,732
Audit of annual financial statements by the Auditor-General of Queensland	45,732	64,993
Communication and IT	278,858	274,096
Consultants	347,674	1,150,682
Contractor Works-TMR	687,597	1,035,559
Contract Works-Flood Damage	3,071,166	-
Contract Works-99A Hann Highway	23,418	10,004
Repairs Maintenance & Power	3,833,005	1,358,558
Other material and services	860,797	475,595
Travel expenses	115,867	127,058
Water operations	249,149	323,940
Work for Queensland	2,186	-
Waste management	101,032	77,223
	9,690,749	5,355,439

Etheridge Shire Council

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

Notes	2017 \$	2016 \$
Note 8: Finance costs		
Finance costs charged by Queensland Treasury Corporation	14,342	70,641
Bank charges	3,633	3,434
Impairment of Rates	1,403,385	-
	1,421,361	74,076

The amount of the impairment is referenced in Note 10 Trade and other receivables. Where a lessee of a property is responsible for the rates on a property in accordance with formal lease conditions, Council cannot recover any debt under the *Local Government Act 2009* by way of sale as the debt is not recorded with the owner of the property.

Note 9: Cash and cash equivalents

Cash at bank and on hand	120,150	36,009
Deposits at call	15,024,183	13,182,093
Balance per Statement of Cash Flows	15,144,334	13,218,102

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	822,351	861,912
Future Capital Works Reserve	7,128,193	7,043,451
Capital Works Reserve	1,271,171	962,161
Recurrent Expenditure Reserves	1,062,245	-
Total unspent restricted cash	10,283,960	8,867,524

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+.

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.

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

Trust fund held for outside parties

Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities	27	2,060
---	----	-------

(i) Credit risk

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

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

Etheridge Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2017

Notes	2017	2016
	\$	\$

Note 10: Trade and other 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. 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.

As at 30 June 2017 Council had \$3,189,565 in outstanding receivables with rates receivables being 61.5% of the total amount of outstanding receivables owed to Council. The reason for Council's rates receivables being so high is due to several assessments being placed into voluntary administration with Council undertaking recoverable actions in accordance with the Local Government Act 2009 and Local Government Regulation 2012 to recover the debt.

Council commenced a claim in the District Court of Queensland in relation to unpaid rates against the owner of Lot 1 MLG30156 in the 2014/2015 Financial Year. Council and the Owner of Lot 1 MLG30156 participated in a mediation process in September 2015. Following the mediation, Council made a "without prejudice" offer to the Owner which was not accepted, and subsequently the Owner made a counter-offer to Council which was rejected by Council. The claim in the District Court was delayed due to the Owner of Lot 1 MLG30156 being placed into Voluntary Administration, however Rates and Charges continued to be levied by Council in accordance with the Local Government Act 2009 & Local Government Regulation 2012 during the period that the Owner was in Administration. In the 2016/2017 Financial Year the Owner of Lot 1 MLG30156 was placed out of Administration by the Administrators and was again able to operate and function. In April 2017, Council resolved to enter into mediation with the Owner of Lot 1 MLG30156. Council has been advised that the Offer placed before the Owner of Lot 1 MLG30156 has been accepted as at August 2017. As a result of the offer being accepted prior to signing of the financial statements and audit report, Council has recorded this transaction within the 2016/17 Financial Statements via an impairment to Rates Receivables within the Receivables balance on the Statement of Financial Position and under Finance Costs within the Statement of Comprehensive Income.

(a) Current

Rateable revenue and utility charges	1,963,155	1,372,969
Other debtors	1,226,410	2,472,635
Prepayments	71,282	21,779
Less Impairment	(1,403,385)	-
Total Current Trade and Other Receivables	1,857,462	3,867,382

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	316,161	2,593,909
< 30 Days	1,273,544	1,165,610
30 - 60 Days	260	82,361
61-90 Days	196,215	3,723
Total	1,786,180	3,845,603

Etheridge Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2017

Notes	2017	2016
	\$	\$

Note 11: Inventories

(a) Total inventories for distribution

Stores and raw materials are valued at the lower of cost or 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.

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

Plant and equipment stores	237,317	317,939
----------------------------	---------	---------

(b) House and Land for resale

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

House and Land for resale	111,003	122,993
Total Inventories	348,320	440,932

Etheridge Shire Council

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

Note 12: Property, Plant and Equipment

30th June 2017	Note	Land		Buildings		Other Structures		Fleet Plant and Equipment		Furniture and Other Equipment		Road Infrastructure		Water Infrastructure		TerrEstrial Collection		Work in Progress		TOTAL
		Fair Value	Level 2	Fair Value	Level 2 and 3	Fair Value	Level 3	Cost	Cost	Cost	Fair Value	Level 3	Fair Value	Level 3	Fair Value	Level 3	Fair Value	Level 3	Cost	
Opening Balances		1,743,369		19,767,899		14,067,226		7,853,476		553,903		177,038,906		7,933,795		648,138		1,297,765		230,904,477
Opening Gross Value		-		8,967,856		3,008,300		4,085,523		360,437		27,528,248		1,998,808		-		-		45,949,172
Accumulated Depreciation																				
Opening Written Down Value		1,743,369		10,800,043		11,058,926		3,767,953		193,466		149,510,658		5,934,987		648,138		1,297,765		184,955,305
Movements during Year																				
Additions	5	-		-		-		-		-		-		-		-		1,611,679		1,611,679
Disposals		-		-		-		(120,887)		-		(18,562)		(29,517)		-		-		(168,966)
Depreciation		-		(340,659)		(378,241)		(326,093)		(11,716)		(3,375,868)		(114,346)		-		-		(4,546,923)
Revaluations		-		-		-		-		-		-		-		-		-		-
Transfers between classes		19,388		-		297,527		390,213		-		2,005,994		68,900		-		(2,782,023)		-
Closing Balances		1,762,757		19,767,899		14,364,753		7,945,096		553,903		178,978,292		7,942,220		648,138		127,422		232,090,480
Closing Gross Value		-		9,308,515		3,386,540		4,233,909		372,152		30,856,071		2,082,196		-		-		50,239,383
Accumulated Depreciation																				
Closing Written Down Value		1,762,757		10,459,384		10,978,213		3,711,187		181,751		148,122,221		5,860,024		648,138		127,422		181,851,096
Estimated Useful Life (Years)		Not Depreciated		3-100		5-80		2-20		3-80		5-150		10-100		Not Depreciated				
2017 Additions comprise:																				
Renewals		-		-		-		-		-		-		-		-		1,141,289		1,141,289
Other additions		-		-		-		-		-		-		-		-		470,391		470,391
Total additions		-		-		-		-		-		-		-		-		1,611,680		1,611,680

Etheridge Shire Council

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

Note 12: Property, Plant and Equipment

30th June 2016	Land		Buildings		Other Structures		Fleet Plant and Equipment		Furniture and Other Equipment		Road Infrastructure		Water Infrastructure		Terrestrial Collection		Work In Progress		TOTAL	
	Fair Value Level 2	Fair Value Level 3	Fair Value Level 2 and 3	Fair Value Level 3	Cost	Cost	Cost	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3			
Basis of measurement																				
Fair value category																				
Opening Balances																				
Opening Gross Value	1,743,369		19,501,000	13,857,884	10,860,993	461,560	166,233,036	7,834,696	648,138										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	
Opening Written Down Value	1,743,369		10,856,597	11,225,970	4,751,384	111,275	141,783,998	5,948,050	648,138										181,277,880	
Movements during Year																				
Additions	-		278,899	209,342	539,181	92,344	11,368,567	99,099	-										(2,911,334)	9,676,098
Disposals	-		-	-	(1,126,283)	-	(555,643)	-	-										-	(1,681,926)
Depreciation	-		(335,453)	(376,385)	(396,330)	(10,151)	(3,044,872)	(112,162)	-										-	(4,275,354)
Revaluations	-		-	-	-	-	(41,392)	-	-										-	(41,392)
Closing Balances																				
Closing Gross Value	1,743,369		19,767,899	14,067,226	7,853,476	553,903	177,038,906	7,933,795	648,138											230,904,477
Accumulated Depreciation	-		8,967,856	3,008,300	4,085,523	360,437	27,528,248	1,998,808	-											45,949,171
Closing Written Down Value	1,743,369		10,800,043	11,058,926	3,767,953	193,467	149,510,658	5,934,987	648,138											184,955,306
Estimated Useful Life (Years)	Not Depreciated		3-100	5-80	2-20	3-80	5-150	10-100	Not Depreciated											
2016 Additions comprise:																				
Renewals	-		-	-	539,181	-	9,373,203	46,709	-											(2,544,473)
Other additions	-		278,899	209,342	-	92,344	1,995,363	52,390	-											(366,861)
Total additions	-		278,899	209,342	539,181	92,344	11,368,567	99,099	-											(2,911,334)
																				9,676,097

Etheridge Shire Council
Notes to the Financial Statements
for the financial year ended 30 June 2017
Note 12: Property, plant and equipment

(a) Recognition

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.

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.

Land under roads

Land under the roads and reserve land which falls under the *Land Title Act 1994* is controlled by the Queensland Government pursuant to the relevant legislation. This land is not recognised in these financial statements.

(b) Measurement

Property, plant and equipment assets are initially recorded at cost. Subsequently, each class of property, plant and equipment is stated at cost or fair value (as shown in the table above) less, where applicable, any accumulated depreciation and accumulated impairment loss.

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.

Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of assets are also included in their cost.

Property, plant and equipment received in the form of contributions, are recognised as assets and revenues at fair value.

(c) Depreciation

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, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

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.

Where assets have separately identifiable significant 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 Independent valuation process for assets measured at the written down current replacement cost are used to estimate the useful lives of these assets at each reporting date.

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

Etheridge Shire Council
Notes to the Financial Statements
for the financial year ended 30 June 2017
Note 12: Property, plant and equipment

(d) Impairment of non-current assets

Each non-current physical asset and group of assets is assessed for indicators of impairment annually. If an indicator of possible impairment exists, the Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

(e) Valuation processes

Council's valuation policies and procedures are set by Management and approved by Council. They are reviewed annually taking into consideration an analysis of movements in fair value and other relevant information.

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 consulting engineers to assess for material differences in the assumptions for useful life, remaining lives and costs with all infrastructure assets. The results of which are considered in combination with suitable indexes from the Australian Bureau of Statistics.

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.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

(f) Valuation techniques used to derive fair values

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).

There were no transfers between levels during the year.

Land (level 2)

Land fair values were determined by independent valuer AssetVal Pty Ltd at 31 March 2015 and a review by management has been performed by Council at 31 March 2017.

Over the last twelve months, there has been no decrease or increase in land values. This is also reflective by the Valuer General not conducting a valuation in the Shire. The Valuer General also reviews the Market value of property during their evaluation.

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.

Etheridge Shire Council
Notes to the Financial Statements
for the financial year ended 30 June 2017
Note 12: Property, plant and equipment

Buildings (level 2 and 3)

The fair values of buildings were determined by independent valuer AssetVal Pty Ltd effective as at the 31 March 2015. A desktop review as at 31 March 2017 has been performed by independent valuer Shepherd Services Pty Ltd.

The desktop review assessed for material differences in the assumptions for useful life, remaining lives and costs. The results of which are considered in combination with suitable indexes from the Australian Bureau of Statistics.

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

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.

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

Annual reviews of these values are completed to determine material differences. Currently the Australian Bureau Statistic indexes (Ref. ABS Catalogues, 6427.0 Producer Price indexes, Australian Table 17.) are used to do these reviews.

	Type	2017	2016
Specialised Buildings	Type 3	\$8,432,256	\$8,612,634
Non-Specialised Buildings	Type 2	\$2,027,128	\$2,187,409
Building Total		10,459,384	10,800,043

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, last comprehensive review was as at 31 March 2015 with a desktop assessment as at 31 March 2017.

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.

Etheridge Shire Council
Notes to the Financial Statements
for the financial year ended 30 June 2017
Note 12: Property, plant and equipment

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 percentage was applied to the CRC to represent the proportion of asset that is providing the desired 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.

Roads

Current Replacement Cost

Council categorises its road infrastructure into urban and rural roads and then further sub-categorises these into sealed and unsealed roads. All road segments are then componentised into formation, pavement and seal (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

CRC was calculated by reference to asset linear and area specifications, estimated labour and material inputs, services costs, and overhead allocations. Council assumes that pavements are constructed to depths of 200mm for urban areas and 150mm for rural roads. Council also assumes that all raw materials can be sourced from the local M& G Crushing Quarry with a turnaround time of approximately 3 hours.

For internal construction estimates, material and services prices were based on existing supplier contract rates or supplier price lists and labour wage rates were based on Council's Enterprise Bargaining Agreement (EBA). All direct costs were allocated to assets at standard usage quantities according to recently completed similar projects. Where construction is outsourced, CRC was based on the average of completed similar projects over the last few years.

Accumulated depreciation

In determining the level of accumulated depreciation, roads were disaggregated into significant components which exhibited different useful lives.

A consumption assessment was undertaken based on defects/condition assessments for each segment. For sealed surfaces defect % by Area and Average International Roughness Index, for sealed pavements % of rutting by area and average international roughness index, for unsealed pavements % of gravel remaining were all used to determine remaining lives.

Bridges

Current replacement cost

A full valuation of bridges assets was undertaken by independent valuers, Shepherd Services Pty Ltd, effective 31 March 2015. Each bridge was assessed individually, with the valuation varying according to the material type used for construction, the deck area, condition and size. Construction estimates were determined on a similar basis to roads.

Accumulated depreciation

In determining the level of accumulated depreciation, remaining useful lives were calculated based on condition assessments. The condition assessments were made using a five point scale with 0 being

Etheridge Shire Council
Notes to the Financial Statements
for the financial year ended 30 June 2017
Note 12: Property, plant and equipment

the lowest and 5 being the highest. A 0 condition assessment indicates an asset with a very high level of remaining service potential. 5 represents an asset at the end of its useful life.

Drainage infrastructure

Current replacement cost

A full valuation of drainage infrastructure was undertaken by independent valuers, Shepherd Services Pty Ltd, effective 31 March 2015. Similar to roads, drainage assets are managed by major components pipes, headwalls, surfaces and pits.

Consistent with roads, Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment and that a segment is designed and constructed to the same standard yet grouped into urban and rural types.

Where drainage assets are located underground and physical inspection is not possible, the age, size and type of construction material are used to determine the fair value at reporting date.

Accumulated depreciation

In determining the level of accumulated depreciation, remaining useful lives were calculated based on condition assessments. The condition assessments were made using a five point scale with 0 being the lowest and 5 being the highest. A 0 condition assessment indicates an asset with a very high level of remaining service potential. 5 represents an asset at the end of its useful life.

Water Assets

Current replacement cost

Water infrastructure fair values were determined by independent valuers, Shepherd Services Pty Ltd, effective 31 March 2015. CRC was calculated based on expected replacement costs.

In all cases the assets were disaggregated to component level to ensure a reliable measure of cost and service capacity and deterioration of estimated remaining life.

Unit rates were developed from a combination of past construction project averages or from first principles calculation for assets that recent construction were unknown.

Accumulated depreciation

In determining accumulated depreciation, assets were either subject to a site inspection or an assessment to determine remaining useful life. Where site inspections were conducted (i.e. for active assets), the assets were allocated a condition assessment rating of between 1 and 5, which was used to estimate remaining useful life - 1 being excellent with a remaining useful life of 95% and 5 being unserviceable with a remaining useful life of 5%. The higher the condition rating, the lower the fair value.

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

Etheridge Shire Council

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

2017

2016

\$

\$

Note 13: Trade and other 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.

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. Amounts not expected to be settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values. This liability represents an accrued expense.

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

Current

Creditors and accruals	269,799	672,902
Annual Leave	516,330	574,344
Time in Lieu	14,341	14,096
Total Current Trade and Other Payables	800,470	1,261,342

Note 14: Borrowings

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.

Current

Loans-Queensland Treasury Corporation	60,694	46,235
Total Current Borrowings	60,694	46,235

Non Current

Loans-Queensland Treasury Corporation	103,542	164,353
Total Non-Current Borrowings	103,542	164,353

The QTC loan market value at the reporting date was \$106,052 for the Water Loan Forsyth and \$79,351 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 in these accounts.

Etheridge Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2017

(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.

The following table sets out the liquidity risk of financial liabilities held by the Council in a format as it might be provided to management. The amounts disclosed in the maturity analysis represent the contractual undiscounted cash flows at balance date:

	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows
	\$	\$	\$	\$
2017				
Trade and other payables	269,799	-	-	269,799
Loans - QTC	60,694	92,414	46,893	200,001
	330,493	92,414	46,893	469,800
2016				
Trade and other payables	672,902	-	-	672,902
Loans - QTC	60,694	138,679	61,321	260,694
	733,596	138,679	61,321	933,596

(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.

Etheridge Shire Council

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

2017

2016

\$

\$

Note 15: Provisions

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 which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value.

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

Current

Long service leave	104,600	96,002
Total Current Provisions	104,600	96,002

Non Current

Long service leave	376,815	415,591
Total Non-Current Provisions	376,815	415,591

Long Service Leave

Opening balance at beginning of financial year	511,593	
Long service leave entitlement arising	65,419	
Long service leave entitlement paid	(95,597)	
Closing balance at the end of the financial year	481,415	

Note 16: Asset Revaluation Surplus

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

Land	1,348,613	1,348,613
Buildings	7,364,328	7,364,328
Other Structures	7,006,648	7,006,648
Road Infrastructure	106,593,304	106,593,304
Water Infrastructure	2,965,843	2,965,843
TerrEstrial Collection	221,245	221,245
Balance at the End of the Financial Year	125,499,981	125,499,981

Etheridge Shire Council

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

		2017	2016
		\$	\$
Note 17: Reconciliation of net result from ordinary activities to net cash (outflow)/inflow from operating activities			
Net result		(2,743,107)	8,273,350
Non-cash operating items:			
Depreciation	12	4,546,923	4,275,354
Investing and development activities:			
Net (profit) loss on disposal of non-current assets	5	57,639	430,617
Capital grants and contributions	4b	(989,761)	(8,569,444)
		(932,122)	(8,138,827)
Changes in operating assets and liabilities:			
(Increase)/decrease in receivables		2,009,920	(1,875,244)
(Increase)/decrease in inventory		92,612	28,713
Increase/(decrease) in payables		(460,872)	416,027
Increase/(decrease) in other provisions		(30,178)	68,597
		1,611,482	(1,361,907)
Net cash inflow from operating activities		2,483,176	3,047,969

Note 18: 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 2017 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare:

The Council is a member of the Queensland local government 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 \$59,862.

Etheridge Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2017

Note 19: 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 2015. The actuary indicated that "At the valuation date of 1 July 2015, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date."

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

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

There are currently 65 Councils contributing to the Regional DBF plan and any changes in contribution rates would apply equally to all 65 Councils. Etheridge Shire Council made less than 4% of the total contributions to the plan in the

2016-17 financial year.

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

	Notes	2017	2016
		\$	\$
The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of employee was:	6	439,278	430,666

Etheridge Shire Council
Notes to the Financial Statements
for the financial year ended 30 June 2017

Note 20: Commitments for expenditure

Contractual commitments

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

	2017	2016
	\$	\$
	<hr/>	<hr/>
Green Tech Asia Pacific Pty Ltd-Contract Project Engineer - 2013 & 2014 Flood 01-11-2016 to 27-09-2017.	-	95,040
Jennifer Leonard (T/A Copperfield Lodge) NDDRA & Other Associated Works 01/11/2016 to 19/09/2016.	-	30,650
Karen Remfrey - Management of ESC Student Hostel 01/01/2017 to 31/12/2019.	366,000	244,000
Town Maintenance Contract - Mt Surprise 01/10/2015 to 01/09/2018.	109,537	113,256
Copperfield Town Maintenance Contract - Einasleigh 01/07/2016 to 30/06/2019.	72,800	72,800
Kidston Dam Inspections - Robert M Jones	36,722	36,722
Kidston Dam Inspections - O.A. Campbell	-	16,800
Total Commitments	<hr/> 585,059	<hr/> 609,268

Note 21: Events after the reporting period

There were no material adjusting events after the balance date.

Etheridge Shire Council
Notes to the Financial Statements
for the financial year ended 30 June 2017

Note 22: Transactions with related parties

(a) Transactions with key management personnel (KMP)

KMP are the Mayor, Councillors, Council's Chief Executive Officer, Director of Engineering and the Director of Corporate and Communities. The compensation paid to KMP for 2016/17 comprises:

	2017
	\$
Short-term employee benefits	1,154,695
Post-employment benefits	2,525
Long-term benefits	20,784
Termination benefits	-
Total	1,178,004

Calculations for short term employee benefits has taken into consideration Councillors' Remuneration plus allowances (as per Councils Reimbursement of Expenses and Provision of Facilities Policy) plus salary, annual leave, sick leave for employees identified as a KMP. Long Term benefits include Long Service Leave.

(b) Transactions with other related parties

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

Details of transactions between council and other related parties are disclosed below:

Details of Transaction	Additional information	2017
		\$
Purchase of materials and services from entities controlled by KMP	22 (b)(i)	387,879
Purchase of materials and services from entities controlled by close family members of KMP.	22 (b)(ii)	208,780
Employee expenses for close family members of KMP	22 (b)(iii)	292,914

(i) Council purchased the following material and services from entities that are controlled by KMP. All purchases were at arm's length and were in the normal course of Council operations. Council entered into a contract with Councillor Warren Bethel and Ralph and Lorna Bethel a close family member as a Pre-Qualified Supplier for Wet and Dry Hire of Plant and Equipment. This tender was effective on 15 December 2016. This is a continual contract with no total contract value available until completion. The contract was the result of a tender process in accordance with Council's normal procedures and policies. Councillor Warren Bethel was not involved in the decision of awarding this contract. Below is the Contract value to 30 June 2017.

Groceries and Hardware-Georgetown Roadhouse	\$	16,042
Meat-Georgetown Butchery	\$	2,252
Contracting services-Warren Timothy Bethel	\$	369,585
Total	\$	387,879

(ii) Entities controlled by close family members of KMP.

Ralph and Lorna Bethel	\$	208,780
------------------------	----	---------

Etheridge Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2017

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

Employee expenses:

Council employs 63 Staff of which only 4 are close family members of key management personnel.

Calculations are based on FY2016-2017 earnings and Annual Leave, Long Service Leave and Sick Leave.

(c) Outstanding balances

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

Receivables	Amounts owed by entities controlled by key management personnel	Amounts owed by key management personnel
Past due 31-60 days	\$0	\$22
Past due 61-90 days	\$0	\$0
More than 90 days overdue	\$0	\$0
Total Owing	\$0	\$22

No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

(d) Loans and guarantees to/from related parties

Council does not make loans to or receive loans from related parties. No guarantees have been provided.

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

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

- Payment of rates
- Use of the Georgetown swimming pool.
- Borrowing books from a council library

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

Etheridge Shire Council

Financial statements

For the year ended 30 June 2017

Management Certificate

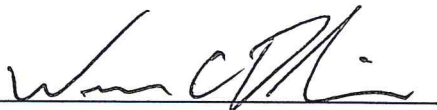
For the year ended 30 June 2017

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

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

(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 28, 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.



Warren Devlin
Mayor

Date: 14 / 09 / 2017



Norman Garsden
Chief Executive Officer

Date: 14 / 09 / 2017

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Etheridge Shire Council

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Etheridge Shire Council.

In my opinion, the financial report:

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

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

Basis for opinion

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

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

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

Other information

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

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

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

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

Responsibilities of the council for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

Report on other legal and regulatory requirements

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

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



C G STRICKLAND CA
as Delegate of the Auditor-General

Queensland Audit Office
Brisbane

Etheridge Shire Council

Current Year Financial Sustainability Statement	33
Certificate of Accuracy - for the Current Year Financial Sustainability Statement	34
Independent Auditor's Report (Current Year Financial Sustainability Statement)	35-36

Etheridge Shire Council
Current-year Financial Sustainability Statement
For the year ended 30 June 2017

Measures of Financial Sustainability

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

	How the measure is calculated	Actual - Council	Target
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-21.2%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	16.1%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-91.6%	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 2017.

Etheridge Shire Council

Certificate of Accuracy
Current-year Financial Sustainability Statement
For the year ended 30 June 2017.

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

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



Warren Devlin
Mayor

Date: 14 / 09 / 2017



Norman Garsden
Chief Executive Officer

Date: 14 / 09 / 2017

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Etheridge Shire Council

Report on the Current-Year Financial Sustainability Statement

Opinion

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

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

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other information

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

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

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

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

Responsibilities of the council for the current-year financial sustainability statement

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

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

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

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

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

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

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

C G Strickland CA
as Delegate of the Auditor-General

Queensland Audit Office
Brisbane

Etheridge Shire Council

Long Term Financial Sustainability Statement - Unaudited	38
Certificate of Accuracy - for the Long Term Financial Sustainability Statement	39

Etheridge Shire Council
 Long-Term Financial Sustainability Statement
 Prepared as at 30 June 2017

Measures of Financial Sustainability

Measure	Target	Actuals at 30 June 2017	Projected for the years ended									
			30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	
Operating surplus ratio	Between 0% and 10%	-21.2%	-1.2%	0.0%	1.6%	5.0%	3.6%	4.2%	-0.6%	0.9%	0.2%	
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	16.1%	27.1%	29.4%	41.0%	42.2%	41.5%	42%	40%	39%	37%	
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue.	-91.6%	-118.0%	-126.1%	-142.2%	-157.1%	-178.5%	-196.8%	-198.2%	-208.1%	-221.8%	

Etheridge Shire Council's Financial Management

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


Etheridge Shire Council

Certificate of Accuracy

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

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

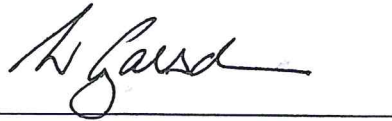
In accordance with Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.



Warren Devlin

Mayor

Date: 14 / 09 / 2017



Norman Garsden

Chief Executive Officer

Date: 14 / 09 / 2017