



ANNUAL REPORT

For the year

1 July 2015 to 30 June 2016



TABLE OF CONTENTS

COUNCIL PROFILE.....	2
REPORT FROM THE MAYOR AND CEO	4
THE COUNCIL	5
LOCAL GOVERNMENT REGULATION 2012 DISCLOSURES	5
LOCAL GOVERNMENT ACT 2009 DISCLOSURES	12
APPENDIX 1 - COMMUNITY FINANCIAL REPORT	13
APPENDIX 2 – RECOGNITION OF GOVERNMENT FUNDING	16
APPENDIX 3 – CORPORATE AND OPERATIONAL PLAN ASSESSMENT	18
APPENDIX 4 – GRANTS TO COMMUNITY ORGANISATIONS.....	30
APPENDIX 5 – SUSTAINABILITY STATEMENT AND AUDITED FINANCIAL STATEMENTS.....	32



COUNCIL PROFILE

Barcaldine Regional Council encompasses five communities with an estimated resident population of 3,361 and covers an area of 53,520 km² in central western Queensland. The communities of Alpha, Aramac, Barcaldine, Jericho and Muttaborra are the residential and service bases for the region. Council has an office in each community to serve the needs of local residents.

Barcaldine Regional Council is the major employer in all communities with a total of 160 full time equivalent employees working in a diverse range of services including road construction and maintenance, administration, water supply, sewerage, waste collection, aged care, banking, post office, tourism, libraries, sport, arts and more. However the major revenue raising activity for Council is road maintenance and construction.

Rural industries including sheep and cattle grazing are the mainstay of the local economy, supported by a range of small businesses and public services including State Government agencies. Tourism is a growing industry and important economic driver. The region is fortunate to have attractions of national, state and local historical significance as well as a growing indigenous cultural presence, natural landscapes and streetscapes which contribute to the character of the region.

The continuous development of events which attract visitors and bring people together are synonymous with the region. Annual events such as the Tree of Knowledge Festival, the Harry Redford Cattle Drive, campdrafts, rodeos and the Westech Field Days play an important role in showcasing what the region has to offer.

The communities within the Council area have a wide range of services to meet most of the needs of residents. Quality infrastructure caters for cultural, sport and recreation activities and public services including education, health care, fire, police and ambulance services. Services auspiced by Council for the aged, families and children are just some of the factors which contribute to the liveability of the region.

The five towns in the region and surrounding centres are all linked by sealed roads. Unsealed roads in the region are generally accessible by conventional vehicles except during the wet season when they may become impassable.

Council continues to support investment in new infrastructure to ensure the future life of its communities. Council forward plans for future projects and continues to apply for grant funding to further enhance community infrastructure.

REPORT FROM THE MAYOR AND CEO

At the March 2016 election, we said farewell to three of our Councillors – Andrew Cowper, Russ Glindemann and Phil Mitchell. Thank you for your service to the community over many years.

We also welcome Sean Dillon, Beccy Plumb and Milynda Rogers as our new Councillors.

June 2016 saw the breaking of the worst drought in living memory. Follow up rain during the summer is required to confirm the change in seasons.

Road construction and maintenance continues to be the main source of employment and income within Council and our communities. Federal and State funding for roadworks is critical for our continued prosperity.

Council continues to improve our town streets, rural roads and highways to meet the demands of local residents and our major industries.

Our local communities hold many events and raise funds for many non-profit organisations throughout the year, mainly through the tremendous efforts of volunteers. Council recognises these efforts by providing both cash donations and in-kind support to local community organisations.

Council could not provide the necessary upgrades to our infrastructure without the support of the Australian and Queensland Governments.

Current projects include the construction of a new Jericho Swimming Pool, retiling of the Barcaldine Swimming Pool, construction of new tennis courts in Aramac, construction of the new Muttaborrasaurus Interpretive Centre in Muttaborra and construction of a new water recreation park in Barcaldine.

Thank you to all of our employees and contractors for their efforts to improve our infrastructure and provide a high level of service to our residents and our communities.

Council will pursue all possible funding opportunities to improve our local infrastructure and keep our workforce gainfully employed.



Cr Rob Chandler
Mayor



Des Howard
Chief Executive Officer

THE COUNCIL

Barcaldine Regional Council is an elected body consisting of a Mayor and six Councillors. Local Government elections were held on 19 March 2016.

Councillors from 1 July 2015 to 18 March 2016:

Mayor – Cr Rob Chandler	
Deputy Mayor – Cr Jenni Gray	Cr Garry Bettiens
Cr Andrew Cowper	Cr Russ Glindemann
Cr Phil Mitchell	Cr Gary Peoples

Councillors from 19 March 2016 to 30 June 2016:

Mayor – Cr Rob Chandler	
Deputy Mayor – Cr Jenni Gray	Cr Garry Bettiens
Cr Sean Dillon	Cr Gary Peoples
Cr Rebecca Plumb	Cr Milynda Rogers

The Councillors are bound by a Code of Conduct that ensures they undertake their duties in the best interests of the Region and its residents.

The Chief Executive Officer is responsible for ensuring all decisions of Council comply with the Local Government Act 2009, other relevant legislation and local laws.

LOCAL GOVERNMENT REGULATION 2012 DISCLOSURES

183 FINANCIAL STATEMENTS

183(a) General Purpose Financial Statements

The general purpose financial statements for the year ending 30 June 2016 are attached at Appendix 5.

183(b) Sustainability Statement

The financial sustainability statement for the year ending 30 June 2016 is attached at Appendix 6.

183(c) Long-Term Sustainability

The long-term financial sustainability statement for the year ending 30 June 2016 is attached at Appendix 7.

183(d) Auditor General's Audit Reports

The Auditor General's audit reports about the general purpose financial statement and the current year financial sustainability statement are attached at Appendix 5 and 6.

184 COMMUNITY FINANCIAL REPORT

The Community Financial Report for the year ending 30 June 2016 is attached at Appendix 1.

185 RESOLUTIONS

185(a) Resolutions Made Under section 250(1) (Requirement to adopt expenses reimbursement policy or amendment)

The Councillor Expenses Reimbursement Policy was reviewed by Council resolution on 16 July 2014. No changes were made to the Policy during the year ending 30 June 2016.

185(b) Resolutions Made Under Section 206(2) (Non-current asset thresholds)

There were no resolutions made under Section 206(2) during the year ending 30 June 2016.

186 COUNCILLORS

186(a) and (b) Remuneration

Councillor Remuneration for the Year Ending 30 June 2016

COUNCILLOR	REMUNERATION PAID	TELEPHONE ALLOWANCE	EXPENSES INCURRED	FACILITIES PROVIDED	SUPER-ANNUATION
Cr Rob Chandler (Mayor)	\$97,501.00	0	\$ 29,813.88	Mayor's Office Motor Vehicle Telephone IT equipment Corporate Clothing	Nil
Cr Jenni Gray (Deputy Mayor)	\$ 56,250.38	\$ 600.00	\$ 7,236.89	Motor Vehicle Corporate Clothing	Nil
Cr Garry Bettiens	\$ 48,841.92	\$ 600.00	\$ 411.67	Corporate Clothing	Nil
Cr Andrew Cowper	\$ 36,631.44	\$ 450.00	\$ 1,511.11	IT equipment	Nil
Cr Sean Dillon	\$ 12,210.48	\$ 150.00	\$ 660.97	Corporate Clothing	Nil
Cr Russ Glindemann	\$ 36,631.44	\$ 450.00	\$ 1,427.20	IT equipment	Nil
Cr Phil Mitchell	\$ 36,631.44	\$ 450.00	\$ 1,072.41	IT equipment	Nil
Cr Gary Peoples	\$ 48,841.92	\$ 600.00	\$ 1,816.24	IT equipment Corporate Clothing	Nil
Cr Rebecca Plumb	\$ 12,210.48	\$ 150.00	\$ 765.65	IT equipment Corporate Clothing	Nil
Cr Milynda Rogers	\$12,210.48	\$ 150.00	\$ 979.97	IT equipment Corporate Clothing	Nil
TOTAL	\$ 397,960.98	\$ 3,600.00	\$ 45,695.99		Nil

186(c) Meetings Attended

Number of Meetings Attended During the Year Ending 30 June 2016

Councillor / Meetings Held	General Meetings	Special Meetings	Post-Election Meeting	Audit Committee Meetings
Cr Rob Chandler (Mayor)	12	1	1	-
Cr Jenni Gray (Deputy Mayor)	12	2	1	-
Cr Garry Bettiens	12	2	1	-
Cr Andrew Cowper	9	-	-	1
Cr Sean Dillon	3	2	1	1
Cr Russell Glindemann	9	-	-	-
Cr Phil Mitchell	9	-	-	1
Cr Gary Peoples	12	2	1	-
Cr Rebecca Plumb	3	2	1	1
Cr Milynda Rogers	3	1	1	-

186(d)(i) Taking Disciplinary Action

There were no orders and recommendations made under Section 180(2) or (4) of the Act during the year ending 30 June 2016.

186(d)(ii) Inappropriate Conduct

There were no orders and recommendations made under Section 181 of the Act during the year ending 30 June 2016.

186(e)(i)(ii)(iii) Taking Disciplinary Action

There were no Councillors for whom orders or recommendations were made under section 180 of the Act or orders made under section 181 of the Act during the year ending 30 June 2016.

186(f) Complaints about Councillors

Section	Details	Number of Complaints
186(f)(i)	Complaints about the conduct or performance of Councillors for which no further action was taken under section 176C(2) of the Act	Nil
186(f)(ii)	Complaints referred to the Department's Chief Executive under section 176C(3)(a)(i) of the Act	Nil
186(f)(iii)	Complaints referred to the Mayor under Section 176C(3)(a)(ii) or (b)(i) of the Act	Nil
186(f)(iv)	Complaints referred to the Department's Chief Executive under Section 176C(4)(a) of the Act	Nil
186(f)(v)	Complaints assessed by the Chief Executive Officer as being about corrupt conduct under the Crime and Corruption Act	Nil
186(f)(vi)	Complaints heard by a regional conduct review panel	Nil
186(f)(vii)	Complaints heard by the Tribunal	Nil
186(f)(viii)	Complaints to which Section 176C(6) of the Act applied	Nil

187 ADMINISTRATIVE ACTION COMPLAINTS

187(1)(a) Statement about Commitment to Dealing Fairly with Administrative Action Complaints

The Council intends to provide a level of customer service that does not attract complaints, but acknowledges the right of persons to provide feedback, both positive and negative, on its services and/or to lodge a complaint about a decision or other action it takes.

The complaints process has been instituted to ensure that, to the greatest practical extent, any complaint is dealt with fairly, promptly, professionally, in confidence (subject to any legal requirements) and in a manner respectful to the complainant.

The Council commits to providing adequate resources and trained officers to deal with complaints and to record and analyse complaints data.

187(1)(b) Implementation of Complaints Management Process

The implementation of the complaints management process is achieved by the following procedures:

- Anyone who is dissatisfied about a decision or other action of the Council, a Council officer or a Councillor can easily and simply lodge a complaint.
- Complainants are 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 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 implementation of registers and procedures to measure response to internal works requests and customer service requests has led to continuous improvement and facilitates reporting in this area of service delivery.

187(2)(a)(i)(ii)(iii) Administrative Action Complaints Made, Resolved and Not Resolved

There were no administrative action complaints made to, resolved or not resolved by Council, during the year ending 30 June 2016.

187(2)(b) Administrative Action Complaints Made in a Previous Financial Year

There were no administrative action complaints under paragraph (a)(iii) made in a previous financial year.

188 OVERSEAS TRAVEL

No overseas travel was undertaken by a Councillor or employee in an official capacity in the year ending 30 June 2016.

189(a) Grants to Community Organisations

A total of \$97,912 in cash and in-kind grants was made to community organisations during the year ending 30 June 2016. A list of grants is detailed at Appendix 4.

189(b)(i)(ii) Expenditure from Councillor's Discretionary Fund

No expenditure was allocated to community organisations from a Councillor's Discretionary Fund during the year ending 30 June 2016.

190 OTHER CONTENTS

190(1)(a) Assessment of Performance – Implementation of Corporate Plan and Annual Operational Plan

The assessment of performance towards implementation of the Corporate Plan and Annual Operational Plan is included at Appendix 3.

190(1)(b) Other Issues Relevant to Assessment of Operations and Performance

There were no other issues relevant to making an informed assessment of the Council's operation and performance for the year ending 30 June 2016.

190(1)(c) Operations Report for Each Commercial Business Unit

Council did not operate any commercial business units in the year ending 30 June 2016.

190(1)(d)(i)(ii) Service Facility or Activity by Another Local Government

No action was taken for, or expenditure on, a service, facility or activity supplied by another local government under an agreement for conducting a joint government activity and no special rates or charges were levied in the year ending 30 June 2016.

190(1)(e) Invitations to Change Tenders

There were no invitations to change tenders under section 228(7) during the year ending 30 June 2016.

190(1)(f) Registers Kept

Register	Legislation	Purpose	Access
Register of Interests of Councillors and related parties	LG Regulation 2012 s 290(1)	To record certain financial and other personal interests of Councillors and related parties.	Available on Council's website and open to the public.
Register of Interests of the Chief Executive Officer and related parties	LG Regulation 2012 s290(1) and (2)	To record certain financial and other personal interests of the Chief Executive Officer, senior executive employees and related parties.	Restricted to the Chief Executive Officer, Councillors of the Barcaldine Regional Council and persons permitted by law or their agents.
Register of Roads	LG Act 2009 s74 LG Regulation 2012 s57	To record details and categories of all roads in the Regional Council area.	Available to any person.
Register of Delegations	LG Act 2009 s260 LG Regulation 2012 s305	To record delegations to persons or committees and the powers delegated	Available to any person
Land Record	LG Act 2009 s 96 LG Regulation 2012 s 154	To record details of every parcel of rateable land in the Council area.	Available to any person but a fee could apply.
Register of Burials		To record all burials made at the cemeteries within the Council area.	Available to any person.
Register of Complaints Made or Received about the Conduct or Performance of a Councillor	LG Act 2009 s181A	To record all written complaints received by the Chief Executive Officer and the outcome of each written complaint.	Available to any person
Register of Water Facility Agreements	Land Protection Act 2002 s164	To record all water facility agreements entered to with landowners.	Available to any person

190(1)(g) Summary of Concessions for Rates and Charges

Pensioners – Rates and Charges

Barcaldine Regional Council grants a concession for rates and charges to pensioners as follows:

1. Council will grant to the owner of a parcel of rateable land a *Pensioner Rebate* if:-
 - a) (i) The owner is a pensioner and the land is the principal place of residence of the owner; or
 - (ii) The land is occupied by a pensioner, as their principal place of residence, and the owner agrees to pass the benefit of the rebate on to the pensioner; and
 - b) (i) An application in the prescribed form has been submitted by the required date (new applicants only); or
 - (ii) Pensioner eligibility has been confirmed through Centrelink; and
 - c) all rates and charges owing to the Council have been fully paid; and
 - d) the amount due and payable for the current period has been fully paid; and
 - e) the parcel of land is located within a Designated Town Area.
2. The *Pensioner Rebate* is calculated (in order) as follows:-

General Rate	30%
Water Charge	30%
Sewerage Charge	30%
Waste Collection Charge	30%
Waste Management Charge	30%
3. A maximum concession of \$365.00 per annum applies to each assessment.
4. For land occupied, but not owned, by a pensioner, the rebate is the amount Council considers is fairly attributable to the pensioner.
5. A pro-rata concession will apply for new applicants during the financial year.
6. A *Pensioner* is a person who holds a Queensland Pensioner Concession Card or a Queensland Repatriation Health Card (Gold Card). No other cards are acceptable.

Non-Profit Organisations – General Rate

Barcaldine Regional Council provides a full rebate of the General Rate for ratepayers whose objects do not include making a profit or provide assistance or encouragement for arts or cultural development.

Non-Profit Organisations and Local Residents - Fees

Barcaldine Regional Council provides concessions to non-profit organisations and local residents based within the Barcaldine Regional Council boundaries for the hire of Council facilities and equipment as follows:

Non-profit organisations	100% rebate
Local residents	50% rebate

Non-Profit Organisations – Water Utility Charges

Barcaldine Regional Council grants a concession of 50% of water utility charges (including excess water charges) for land owned by non-profit organisations.

190(1)(h) Report on the Internal Audit

Council's internal auditors presented a report on Council's procurement processes during the year. The report was presented to the Audit Committee for further action.

190(1)(i) Summary of Investigation Notices for Competitive Neutrality Complaints

There were no investigation notices given in the year ending 30 June 2016 under section 49 for competitive neutrality complaints.

190(1)(j) Responses on QCA's Recommendations on Competitive Neutrality Complaints

Council made no responses in the year ending 30 June 2016 on the QCA's recommendations on competitive neutrality complaints under section 52(3).

LOCAL GOVERNMENT ACT 2009 DISCLOSURES

41 (a), (b) Identifying Beneficial Enterprises

There was no commercialization, or full cost pricing of a significant business activity in the financial year ending 30 June 2016.

45(a), (b), (c), (d) Identifying Significant Business Activities

- No business activities were conducted during the financial year ending 30 June 2016.
- There were no significant business activities during the year ending 30 June 2015.
- The competitive neutrality principle was not applied as there were no significant business activities conducted during the year ending 30 June 2016.
- There are no new significant business activities in the year ending 30 June 2016.

201(a)(b) Remuneration Packages

Total remuneration packages paid to senior contract employees for the year are:

Remuneration Range	Number of Senior Contract Employees
\$0 - \$100,000	0
\$101,000 - \$200,000	3
\$201,000 - \$300,000	1



APPENDIX 1 - COMMUNITY FINANCIAL REPORT

This report has been compiled as an easy to read version of the Annual Financial Statements for Barcaldine Regional Council for the year ended 30 June 2016

Income and Expenditure for the year

Income

Rates	\$6,129,155
Fees & Charges	\$833,272
Recoverable Works	\$7,147,843
Interest Received	\$767,389
Government Grants	\$17,833,056
Rental Income	\$309,320
Other	\$218,668

Expenditure

Employee Costs	\$8,982,411
Materials & Services	\$8,872,946
Finance Costs	\$155,248
Depreciation	\$8,159,012
Other	\$1,319,829

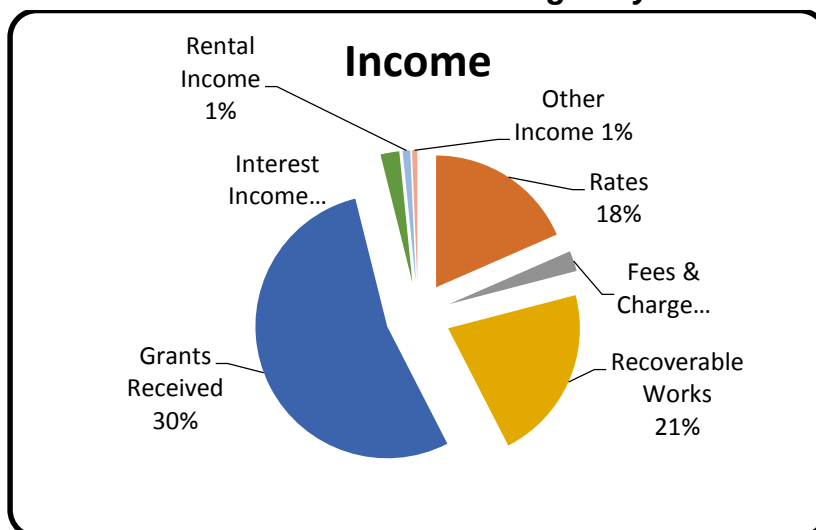
Total Income

\$33,238,703

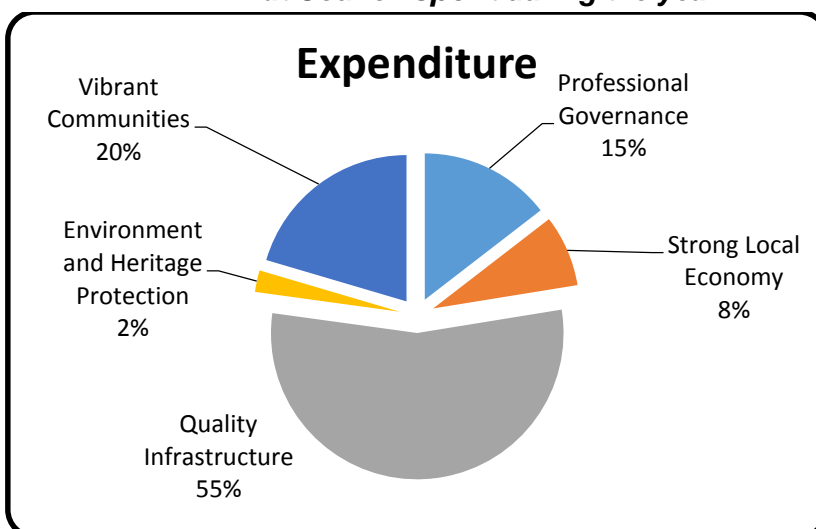
Total Expenditure

\$27,489,446

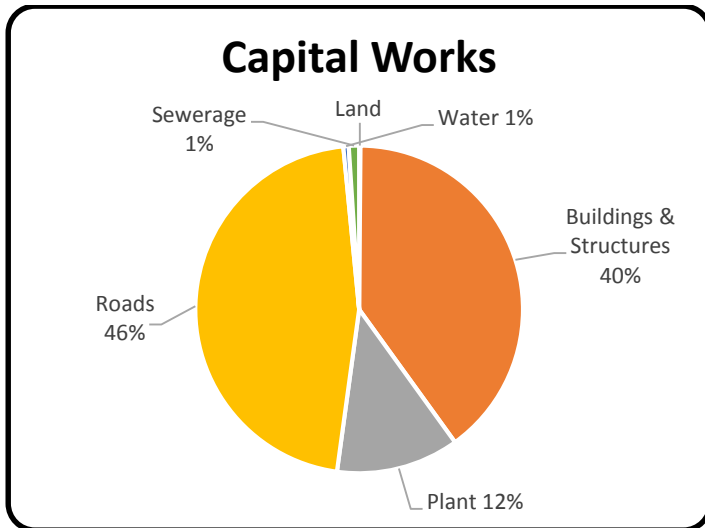
What Council earned during the year



What Council spent during the year



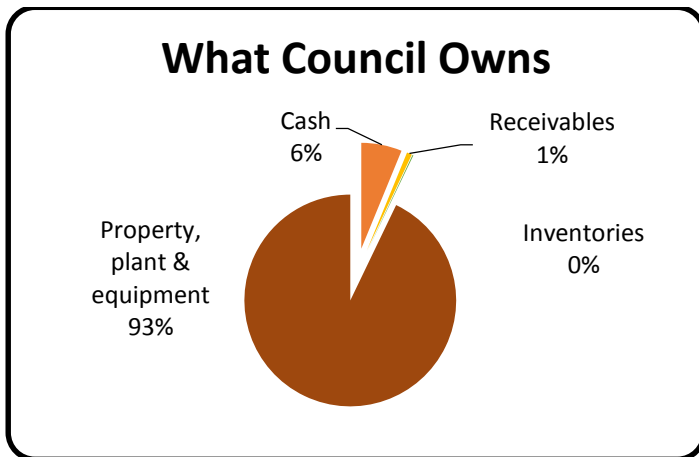
Capital Infrastructure Expenditure during the year



Capital Expenditure:

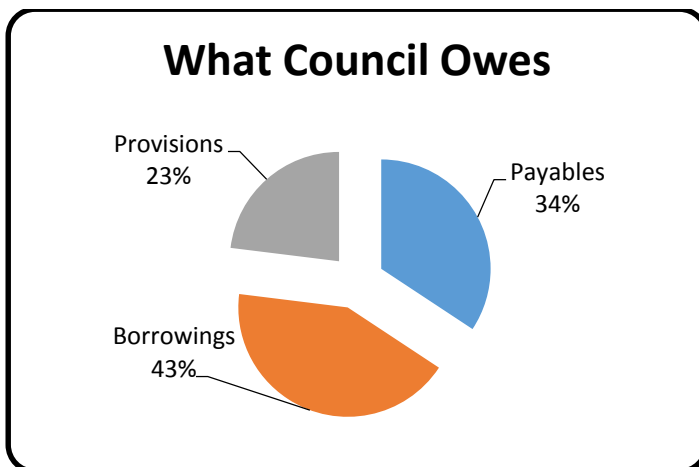
Land	\$25,505
Buildings & Structures	\$7,855,326
Plant & Equipment	\$2,385,778
Road Infrastructure	\$9,107,844
Water Infrastructure	\$104,579
Sewerage Infrastructure	<u>\$199,924</u>
Total	<u>\$19,678,956</u>

Council Assets and Liabilities as at 30 June 2016



Assets:

Cash	\$22,996,488
Receivables	\$2,913,265
Inventories	\$533,968
Property, plant & equipment	<u>\$344,231,316</u>
Total	<u>\$370,675,037</u>

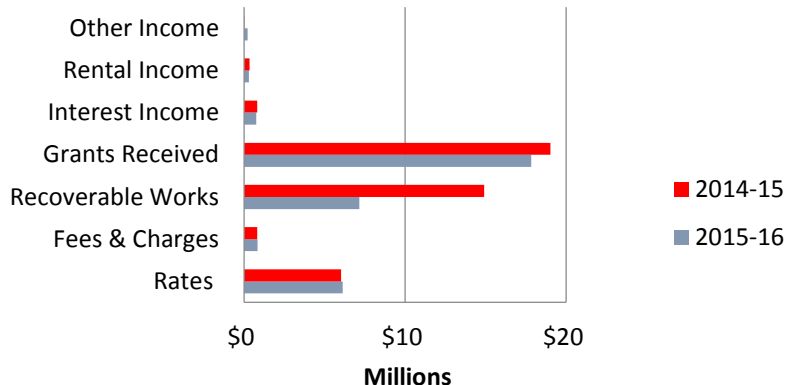


Liabilities:

Payables	\$2,485,913
Borrowings	\$3,094,114
Provisions	<u>\$1,670,665</u>
Total Liabilities	<u>\$7,250,692</u>

Income and Expenditure in 2016 compared to 2015

Two Year Income Comparison



Income

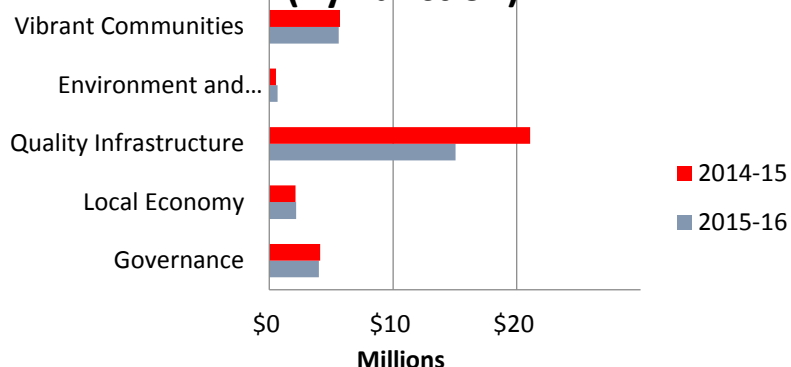
Total revenue decreased by 20.8% from 2015 to 2016.

This was due to a reduction in flood damage grants and recoverable works revenue.

Rates revenue increased by 1.8%.

All other revenue was comparable with the prior year.

Two Year Expenditure Comparison (By Function)



Expenditure

Total expenditure decreased by 8.1% from 2015 to 2016.

Expenditure on infrastructure decreased by 28.6% due to the completion of major flood damage road works in the 2015 year.

All other expenditure was comparable with the prior year.

Current Year Financial Sustainability

Ratio	Target	2016	2015
Operating Surplus Ratio	0-10%	-9.47%	-6.33%
Asset Sustainability Ratio	>90%	104.31%	118.51%
Net Financial Liabilities Ratio	<60%	-80.28%	-68.80%

Operating Surplus Ratio

This is the extent to which revenue raised covers operational expenses or is available for capital funding purposes or other purposes.

Asset Sustainability Ratio

This is an approximation of the extent to which the infrastructure assets managed by Council are being replaced as these reach the end of their useful lives. This ratio indicates whether a Council is renewing or replacing existing non-financial assets at the same rate that its overall stock of assets is wearing out.

Net Financial Liabilities Ratio

This expresses Net Financial Liabilities as a percentage of Total Operating Revenue. The measure also indicates the capacity of a council to meet its financial obligations from revenue streams.

APPENDIX 2 – RECOGNITION OF GOVERNMENT FUNDING

Barcaldine Regional Council is able to provide additional amenities and infrastructure to the residents of the region due to the valuable support of the Australian Government, Queensland Government and other organisations. A comprehensive list of the funding received in the 2016 financial year is provided below.

Australian Government Funding

Funding Source	Program/Purpose	Contribution
Department of Social Services	Community Aged Care	\$93,468
	Commonwealth Home Support Program	\$666,706
Department of Infrastructure and Regional Development	Roads to Recovery	\$2,703,093
	Federal Assistance Grant	\$6,749,804
	Alpha Pool	\$700,000
	Barcaldine Cultural Complex	\$50,000
	Drought Communities Program	\$500,000
	Barcaldine Airport Lighting	\$246,375

State Government Funding

Funding Source	Program/Purpose	Contribution
Arts Queensland	Regional Arts Development Fund	\$19,636
Department of Community Safety	SES Operational Funding	\$23,686
Department of Communities, Child Safety and Disability Services	Respite Care	\$81,415
	Sixty and Better	\$53,866
	Commonwealth Home Support Program – Under 65	\$188,112
Department of Education and Training	Trainee Subsidies	\$69,500
Department of Housing and Public Works	Home Assist Secure	\$116,254
Department of Agriculture, Fisheries and Forestry	RAPAD - Drought Resilience	\$82,500
	RAPAD – Wild Dog Control	\$42,000
Qld Reconstruction Authority	Flood Damage to Roads	\$449,840
Department of Transport and Main Roads	TIDS – Road projects	\$871,001
	Muttaborra Boat Ramp	\$9,000
	Blackspot Funding	\$174,300
	Pathways	\$7,500
Department of Local Government, Community Recovery and Resilience	Graffiti Stop	\$1,960
	Barcaldine Swimming Pool	\$28,800
	Get Ready	\$10,268
	Aramac Showground	\$107,471
	Jericho Swimming Pool	\$66,000
	Rejuvenation of Shakespeare Street	\$45,240

Department of Natural Resources and Mines	Stock Route Water Facilities Upgrades	\$68,182
Department of State Development, Infrastructure & Planning	Royalties for the Regions – Eastmere Road	\$2,916,000
	Jericho Swimming Pool	\$65,000
	Aramac Sewerage Upgrade	\$72,468
	Jericho Flood Immunity	\$217,621
State Library of Qld	Library Resources	\$7,259
Department of Premier & Cabinet	Tree of Knowledge Festival	\$35,000
Department of National Parks, Sport and Racing	Aramac Tennis Courts	\$39,482

Other Contributions

Funding Source	Program/Purpose	Contribution
Barcaldine Tourist Association	Contribution to Visitor Information Centre	\$4,545
North Qld Dry Tropics	Weed Control	\$9,518
Jericho Bush Nursing Association	Contribution to Jericho Airport Lights	\$16,750
Alpha Tourist Association	Contribution to Relocation of Beta Hut	\$35,000
S Betteridge	Contribution to Chair	\$909

APPENDIX 3 – CORPORATE AND OPERATIONAL PLAN ASSESSMENT

1. Professional Governance

1.1. Financial Responsibility and Sustainability

Corporate Plan Strategies	Key Operational Activities	Progress
<i>1.1.1. Embrace professional business practices and responsible use of Council resources</i>	<ol style="list-style-type: none"> 1. Prepare and adopt a balanced budget for 2015-16. 2. Monitor expenditure to ensure it remains within budget limits. 3. Operate in accordance with the Local Government Act and other relevant legislation and Council's Corporate and Operational Plan. 4. Adopt an Organisational Structure that provides the most efficient operations for the Council. 5. Provide an efficient finance system that ensures Council transactions are processed in a timely manner and that produces high quality reporting. 6. Maintain sound risk management policies and strategies 	<p>Completed</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>
<i>1.1.2. Manage assets responsibly through appropriate maintenance and replacement strategies</i>	<ol style="list-style-type: none"> 1. Balance the maintenance of existing assets and infrastructure with the construction of new infrastructure. 2. Utilise evidence based decision making for asset management. 3. Maintain existing infrastructure to the best condition for its use to ensure the longest possible useful life is obtained. 4. Upgrade the Council Office in Jericho. 5. Upgrade the Council Office in Barcaldine for security purposes. 	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Completed</p> <p>Completed</p>
<i>1.1.3. Implement long term financial planning to reduce financial risks and ensure financial sustainability</i>	<ol style="list-style-type: none"> 1. Prepare and implement a 10 year Long Term Financial Plan. 2. Borrow funds for major infrastructure projects to ensure equity between the current and future generations. 	<p>Ongoing</p> <p>n/a</p>
<i>1.1.4. Distribute Council resources fairly across the Region</i>	<ol style="list-style-type: none"> 1. Prepare a budget taking into account the needs of all residents and communities across the Region. 2. Sustain employment numbers in each community across the Region. 3. Apply Community Service Obligations to provide services in communities where it is not otherwise viable. 	<p>Completed</p> <p>Ongoing</p> <p>Ongoing</p>

1.2. Confident and Stable Leadership

Corporate Plan Strategies	Key Operational Activities	Progress
1.2.1. Promote a high standard of corporate responsibility, transparency and accountability in decision making	1. Prepare Council Agendas with all the required information to enable the best decisions to be made by Council.	Ongoing
	2. Make decisions, at all levels of the organisation that are in the best interest of Council and the community.	Ongoing
	3. Open Council meetings to the public and publish Council minutes on the website in a timely manner.	Ongoing
1.2.2. Encourage a high standard of leadership and management at all levels of Council	1. Maintain a high standard of management, leadership and administration.	Ongoing
	2. Implement a consistent set of policies across Council to provide guidance to employees when making decisions.	Ongoing
1.2.3. Create a positive future-focused culture that demonstrates and supports Council's values	1. Make decisions taking into account future costs and benefits.	Ongoing
	2. Actively promote Council's values with the workforce.	Ongoing
	3. Make decisions in accordance with long term plans including the Community Plan, Corporate Plan, Sport and Recreation Plan, Cultural Plan.	Ongoing

1.3. A Valued Workforce

Corporate Plan Strategies	Key Operational Activities	Progress
1.3.1. Recognise the knowledge, expertise and experience of our employees	1. Maintain open communications with employees and their representatives.	Ongoing
	2. Implement an organisational structure that recognises the ability and qualifications of employees.	Ongoing
	3. Commence enterprise bargaining negotiations with employees.	Deferred
1.3.2. Provide a safe and healthy workplace for all employees	1. Maintain a high standard of workplace health and safety in all Council operations.	Ongoing
	2. Provide appropriate training for existing employers to ensure all current workplace standards are maintained.	Ongoing
1.3.3. Promote a culture of pride and satisfaction amongst the workforce	1. Provide all employees with and enforce the wearing of a mandatory Council uniform.	Ongoing
	2. Support the annual Employee Christmas Parties in each Area.	Completed
1.3.4. Provide employee housing where there is no suitable private housing	1. Maintain good quality housing at a reasonable rental for Council employees in each community.	Ongoing
	2. Carry out special maintenance of Council houses in Alpha and Jericho.	Completed
	3. Carry out special maintenance of Council houses in Aramac.	Completed

1.4. Community Representation

Corporate Plan Strategies	Key Operational Activities	Progress
1.4.1. Identify and advocate for key issues in each community	<ol style="list-style-type: none"> 1. Meet with community members on a regular basis to identify key issues in each community. 2. Participate in community organisation activities to identify community issues and to provide feedback to the community. 3. Promote key issues in the media and with the State and Federal Governments. 	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>
1.4.2. Develop relationships for the benefit of the community with key government sector and private sector organisations	<ol style="list-style-type: none"> 1. Continue to develop relationships with key government ministers and departments. 2. Continue to develop relationships with companies operating in the Region including mining companies. 3. Develop and maintain a sound working relationships with the Central West Aboriginal Organisation. 	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>
1.4.3. Continue to develop effective mechanisms for timely communications between Council and its communities and for residents to communicate effectively with Council	<ol style="list-style-type: none"> 1. Develop communication mechanisms between Council and the community including the Galilee Gazette and local newsletters. 2. Maintain and develop the Council website and Facebook page. 3. Implement web based programs for customers to provide quick and easy feedback eg SnapSendSolve. 	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>
1.4.4. Advocate to maintain and enhance health facilities and services in each community	<ol style="list-style-type: none"> 1. Develop relationships with the Central West Health and Hospital Board to ensure health facilities and services reflect the community's needs 2. Advocate for a new health complex for Aramac. 	<p>Ongoing</p> <p>Ongoing</p>
1.4.5. Actively contribute to wider regional organisations to provide a united voice for western Queensland	<ol style="list-style-type: none"> 1. Actively contribute to the Western Qld Local Government Association. 2. Actively contribute to Remote Area Planning and Development Board. 3. Actively contribute to the Regional Pest Management Group. 4. Actively contribute to the Outback Regional Roads Group. 5. Actively contribute to the Outback Regional Water Group. 6. Actively contribute to the Outback Qld Tourism Association 	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>

1.5. Planning

Corporate Plan Strategies	Key Operational Activities	Progress
1.5.1. Make planning decisions that allow for appropriate economic development	<ol style="list-style-type: none"> 1. Assess development applications in a professional and timely manner. 2. Ensure that all development retains the amenity of the local community. 3. Continue planning for future growth in each community. 	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>
1.5.2. Prepare and renew Council's planning documents to reflect Council's and the community's needs	<ol style="list-style-type: none"> 1. Review internal plans and policies on a regular basis to ensure their relevance. 2. Continue development of new planning schemes for all communities. 	<p>Ongoing</p> <p>Ongoing</p>

1.6. Exceptional Service Delivery

Corporate Plan Strategies	Key Operational Activities	Progress
1.6.1. Provide courteous, timely and informed responses to customers	1. Ensure that all correspondence is acknowledged as soon as possible after receipt.	Ongoing
	2. Ensure customer requests are acknowledged and then responded to in a reasonable timeframe.	Ongoing
1.6.2. Promote a culture of continuous improvement and problem solving throughout Council	1. Investigate ways to improve the way services are delivered	Ongoing
	2. Provide opportunities for consumer feedback to identify areas for service improvement.	Ongoing
1.6.3. Implement and enforce Council's Local Laws	1. Promote the Local Laws requirements to the community.	Ongoing
	2. Appoint a Local Laws Officer either on a contract basis to enforce Local Laws.	Ongoing

2. Strong Local Economy

2.1. Agriculture

Corporate Plan Strategies	Key Operational Activities	Progress
2.1.1. Assist the agriculture sector to grow sustainably	1. Support the agricultural sector to raise local issues with State and Federal Governments.	Ongoing
	2. Work with regional groups to provide support to the agricultural sector.	Ongoing
2.1.2. Continue weed and pest eradication programs	1. Conduct weed and pest eradication programs on a continuous basis.	Ongoing
	2. Continue to source funding opportunities for eradication programs	Ongoing
	3. Continue to support the Barcaldine Regional Council Wild Dog Committee to develop programs to control wild dogs.	Ongoing
	4. Work with regional groups to provide a united approach to weed & pest problems including wild dogs.	Ongoing
2.1.3. Provide stock route oversight and maintenance	1. Manage the stock route network on behalf of the State Government.	Ongoing
	2. Conduct infrastructure upgrades to watering facilities when funding is available.	Ongoing
2.1.4. Provide necessary and affordable infrastructure to support the agricultural industry	1. Maintain access roads in a trafficable condition to enable transporting of rural produce.	Ongoing
	2. Ensure saleyards in Barcaldine are well managed and maintained.	Ongoing
	3. Ensure dip yards in Alpha are well managed and maintained.	Ongoing
	4. Upgrade the toilets at the dip yards in Alpha.	Ongoing

2.2. Tourism		
Corporate Plan Strategies	Key Operational Activities	Progress
<i>2.2.1. Engage with stakeholders to encourage the development of new, sustainable tourism opportunities that are 'genuine' experiences and connect to place and people</i>	1. Pursue all available opportunities to promote 'sustainable' tourism in our region. 2. Continue to be an active member of OQTA and participate in their marketing programs including contestable funding. 3. Apply to host the OQTA Tourism Awards in 2015. 4. Provide appropriate in-kind support for local indigenous tourism initiatives. 5. Participate in The Palace meetings to develop a new tourism experience.	Ongoing Ongoing Completed Ongoing Ongoing
<i>2.2.2. Provide necessary, affordable and appropriate tourism infrastructure</i>	1. Provide clean and attractive camping areas in each community. 2. Relocate the Beta Hut in Alpha. 3. Construct a shade structure over seat at the Crystal Trumpeter in Jericho.	Ongoing Completed Ongoing
<i>2.2.3. Provide tourist information centres in each community</i>	1. Maintain the tourist information services and centres in each community to provide visitors with information on the Region. 2. Complete the fitout of the new Visitor Information Centre in Barcaldine. 3. Apply for funding for Stage 2 of The Globe project (Art Gallery).	Ongoing Completed Completed
<i>2.2.4. Maintain and promote iconic tourism assets in each community</i>	1. Maintain tourism assets in each community to a high standard. 2. Utilise images of each community to promote the Region.	Ongoing Ongoing
<i>2.2.5. Support signature events and promote the identity of the Region</i>	1. Manage and support the Harry Redford Cattle Drive on an annual basis. 2. Support local community events including Tree of Knowledge Festival, Alpha Show, Barcaldine Show, Westech Field Days, Race Days etc.	Ongoing Ongoing
2.3. Mining		
Corporate Plan Strategies	Key Operational Activities	Progress
<i>2.3.1. Manage mining development whilst balancing the social needs of the local community</i>	1. Liase with mining companies and the State Government to ensure that the social needs of the community are met at no cost to the community. 2. Continue to plan for community infrastructure to meet the needs of a mining community. 3. Continue to respond to EIS and SMP's from mining companies to ensure community needs are met.	Ongoing Ongoing Ongoing
<i>2.3.2. Ensure that the mining industry leaves legacy infrastructure for the community</i>	1. Continue to lobby for the establishment of a 'Social Needs' grant program from all mining proponents to ensure that a legacy of infrastructure is provided for the community.	Ongoing
2.4. Employment		
Corporate Plan Strategies	Key Operational Activities	Progress
<i>2.4.1. Continuously seek sources of funding to sustain growth, retain resources and provide Council employment in the Region</i>	1. Pursue all available funding opportunities, for planned projects, while maintaining Council contributions within budget limits. 2. Retain Council employee numbers across the Region.	Ongoing Ongoing

2.5. Business Investment

Corporate Plan Strategies	Key Operational Activities	Progress
2.5.1. <i>Actively seek new business, investment, population and employment opportunities for our Region</i>	<ol style="list-style-type: none"> 1. Sell surplus residential land in Alpha. 2. Prepare plans for industrial land in Aramac 3. Sell surplus industrial and residential land in Barcaldine. 	<p>Ongoing</p> <p>Deferred</p> <p>Ongoing</p>
2.5.2. <i>Continue to 'fill the gap' between local businesses and necessary service industries</i>	<ol style="list-style-type: none"> 1. Identify gaps in service provision and where practical offer alternative services to fill the gap. 2. Relocate the Bank of Qld branch in Barcaldine to the Globe. 	<p>Ongoing</p> <p>Completed</p>
2.5.3. <i>Maintain and expand awareness of all relevant funding opportunities</i>	<ol style="list-style-type: none"> 1. Continue to keep the public and private enterprise aware of available funding opportunities. 2. Provide information packs to new residents and potential investors to promote the businesses and services in each community. 3. Develop partnership opportunities to promote and support local businesses. 	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>

3. Quality Infrastructure

3.1. Roads and Streets

Corporate Plan Strategies	Key Operational Activities	Progress
3.1.1. <i>Construct and maintain Council owned roads and streets in accordance with Council's road categories</i>	<ol style="list-style-type: none"> 1. Maintain rural roads in accordance with the annual maintenance programs. 2. Maintain town streets in accordance with the annual maintenance programs. 3. Complete NDRRA flood damage works on Council owned roads in a timely fashion. 4. Complete the rural roads capital works program including sealing of Tumber Road, rehabilitation of Eastmere Road (including jump-up), construction of a floodway on Barcaldine Downs Road, rehabilitation of Home Creek Road and resealing of Narbethong Road. 5. Complete the town streets capital works program including resealing streets in each community, Milton Street Alpha (Drainage), Dryden Street Alpha (Drainage), McWhannell Street Aramac (Rehabilitation), Coolibah Street Barcaldine (Kerb & Seal), Gidyea Street Barcaldine (Kerb & Seal), Oak Street Barcaldine (Parking), Cemetery Road (Muttaborra) and kerb and channelling in Jericho. 6. Improve the network of pathways in each community. 7. Upgrade Shakespeare Street footpath in Alpha. 8. Complete the last stage of Acacia Street stormwater drainage in Barcaldine. 	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Completed</p> <p>In Progress</p> <p>In Progress</p> <p>Completed</p> <p>Deferred</p>
3.1.2. <i>Construct and maintain Queensland Government roads on a contract basis</i>	<ol style="list-style-type: none"> 1. Maintain a strong relationship with Department of Transport and Main Roads. 2. Complete contract works on behalf of the Department of Transport and Main Roads including RMPC, TIDS, Flood Damage and road construction and maintenance. 3. Advocate for road funding including through Outback Regional Roads Group. 	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>

3.1.3. <i>Ensure asset sustainability through proactive management of long term road planning and prioritisation</i>	1. Pursue the implementation of Asset Management taking account of the service that Council is expected to provide.	Ongoing
	2. Categorise Council's roads to ensure maintenance and capital funds are applied according to need and usage.	Ongoing

3.2. Airports

Corporate Plan Strategies	Key Operational Activities	Progress
3.2.1. <i>Provide and maintain an appropriate sized airport in each community</i>	1. Maintain the airport in each community to provide an appropriate level of service. 2. Upgrade lighting at Barcaldine Airport if funding is approved.	Ongoing In Progress
3.2.2. <i>Provide airport services for regulated passenger transport</i>	1. Operate security screening at Barcaldine Airport for QantasLink flights.	Ongoing

3.3 Water Supply

Corporate Plan Strategies	Key Operational Activities	Progress
3.3.1. <i>Provide safe, reliable and high quality water services</i>	1. Maintain water supply infrastructure to ensure a reliable and safe water supply to all communities.	Ongoing
3.3.2. <i>Maintain and upgrade water infrastructure to a high standard</i>	1. Develop & implement a Total Management Plan to ensure that each community is serviced by infrastructure of the highest standard. 2. Upgrade water mains in Aramac. 3. Upgrade water supply equipment in Alpha and Jericho.	Ongoing Ongoing Completed
3.3.3. <i>Encourage water-wise practices to manage water responsibly</i>	1. Maintain water restrictions and other water wise practices in the community. 2. Continue installation of water meters in Aramac and Muttaborra.	Ongoing Ongoing
3.3.4. <i>Protect natural water sources</i>	1. Monitor all water sources in the region to ensure their sustainability for the future.	Ongoing

3.4. Sewerage

Corporate Plan Strategies	Key Operational Activities	Progress
3.4.1. <i>Maintain and upgrade existing sewerage schemes in Barcaldine, Aramac and Muttaborra to an appropriate standard</i>	1. Provide a reliable sewerage service to Aramac, Barcaldine and Muttaborra.	Ongoing
	2. Complete fencing around sewerage ponds in Aramac and Muttaborra.	Completed
3.4.2. <i>Plan for future sewerage services in Alpha and Jericho</i>	1. Investigate the funding opportunities for the provision of services in Alpha & Jericho.	Ongoing
3.4.3. <i>Treat sewerage waste in accordance with environmental standards</i>	1. Continue to meet all relevant standards throughout the region by systematic testing.	Ongoing

3.5. Infrastructure Support

Corporate Plan Strategies	Key Operational Activities	Progress
3.5.1. <i>Replace plant and equipment in a manner that provides optimal efficiency</i>	<ol style="list-style-type: none"> 1. Replace plant and vehicles as per Council's annual plant replacement program. 2. Maximise efficiency in the use and deployment of plant. 	<p>Completed</p> <p>Ongoing</p>
3.5.2. <i>Maintain all plant and equipment to a high standard to support Council's functions in a cost efficient manner</i>	<ol style="list-style-type: none"> 1. Maintain plant in good order and in a presentable condition. 2. Comply with all maintenance schedules for plant and equipment. 	<p>Ongoing</p> <p>Ongoing</p>
3.5.3. <i>Maintain Council Depots in an efficient manner to provide support for Council operations.</i>	<ol style="list-style-type: none"> 1. Provide an efficient stores operation in each depot. 2. Install a waste oil storage facility in Aramac Depot. 3. Concrete the carpenter's shed in Aramac Depot. 2. Maintenance upgrades of Aramac and Muttaborra Depots. 	<p>Ongoing</p> <p>In Progress</p> <p>Deferred</p> <p>In Progress</p>

4. Environment and Heritage Protection

4.1. Environmental Protection

Corporate Plan Strategies	Key Operational Activities	Progress
4.1.1. <i>Minimise the impact of pests and weeds on the local landscape</i>	<ol style="list-style-type: none"> 1. Respond to pests and weeds problems in a timely manner. 2. Continue annual pests and weeds eradication programs on Council controlled land. 	<p>Ongoing</p> <p>Ongoing</p>
4.1.2. <i>Monitor new developments for environmentally sustainable practices</i>	<ol style="list-style-type: none"> 1. Support organisations working to protect and improve the environment eg Desert Uplands, Desert Channels etc. 2. Conduct an electricity usage audit and install energy saving lighting where possible. 	<p>Ongoing</p> <p>Ongoing</p>
4.1.3. <i>Promote environmentally sensitive design, development and operations for tourism in the Region's natural environment</i>	<ol style="list-style-type: none"> 1. Ensure tourism operations implement mitigation measures where there is an impact on the natural environment. 2. Ensure that development applications address environmental issues. 	<p>Ongoing</p> <p>Ongoing</p>

4.2. Disaster Management

Corporate Plan Strategies	Key Operational Activities	Progress
4.2.1. <i>Develop and deliver initiatives to mitigate, prevent, prepare for, respond to and recover from natural disasters</i>	<ol style="list-style-type: none"> 1. Prepare and adopt Disaster Management Plans at a regional and local level. 2. Hold regular meetings of the Local Disaster Management Committee. 3. Provide adequate and appropriate training for members of the Local Disaster Management Committee and its sub-groups. 	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>
4.2.2. <i>Provide emergency services support appropriate for each community</i>	<ol style="list-style-type: none"> 1. Support the local SES committees in each community. 2. Upgrade the SES/Fire building in Jericho. 3. Upgrade the SES building in Alpha. 	<p>Ongoing</p> <p>In Progress</p> <p>In Progress</p>

4.3. Heritage Protection

Corporate Plan Strategies	Key Operational Activities	Progress
4.3.1. Preserve and promote the heritage of our people, structures and communities	1. Maintain a local Heritage Register.	Annual
	2. Recognise the local places on the State and National Heritage Register.	Annual
4.3.2. Sensitively develop historical buildings	1. Complete the development of the Globe building in Barcaldine taking into account of the existing streetscape.	Ongoing
	2. Encourage the private sector to recognise the existing streetscape when planning works on historical buildings.	Ongoing
4.3.3. Respect and acknowledge the Indigenous heritage of our Region	1. Acknowledge and include the local indigenous community in all public meetings and events.	Ongoing
	2. Provide cultural awareness training to employees providing direct services to indigenous people.	Ongoing
4.3.4. Form a positive sustainable partnership with the Region's Aboriginal community and maintain inclusive cultural protocols with future tourism ventures	1. Attend and participate in the six monthly negotiation table.	Ongoing
	2. Ensure Council is represented at significant indigenous functions.	Ongoing

4.4. Waste Management

Corporate Plan Strategies	Key Operational Activities	Progress
4.4.1. Provide the best possible waste management practices and waste disposal facilities within resource constraints	1. Provide an efficient waste management service to all communities.	Ongoing
	2. Develop strategies to deal with industrial and contaminated waste.	Ongoing
	3. Develop a new waste landfill at Jericho.	Deferred
	4. Improve the waste landfill in Alpha.	In Progress
	4. Commission the new waste landfill in Barcaldine and rehabilitate the old waste landfill site.	In Progress
4.4.2. Encourage and support recycling strategies	1. Organise the annual removal of scrap metal for recycling from waste landfills.	Ongoing
	2. Maintain a waste oil collection point at each Depot.	Ongoing
	3. Chip green waste for reuse in Council gardens.	Ongoing

4.5. Animal Management

Corporate Plan Strategies	Key Operational Activities	Progress
4.5.1. Utilise timely and appropriate animal management practices to minimise nuisance issues	1. Maintain a local dog register.	Ongoing
	2. Encourage responsible pet ownership.	Ongoing
	3. Respond appropriately to public complaints regarding nuisance animals.	Ongoing

4.6. Environmental Health

Corporate Plan Strategies	Key Operational Activities	Progress
4.6.1. Enforce legislative requirements for businesses operating within the Region to protect the health and safety of residents and visitors.	1. Employ a contract Environmental Health Officer to regulate local businesses health and safety operations.	Ongoing
	2. Promote the importance of complying with health and safety regulations with local businesses.	Ongoing

Goal 5. Vibrant Communities

5.1. Enhancing Landscapes		
Corporate Plan Strategies	Key Operational Activities	Progress
5.1.1. Encourage private landholders to adequately maintain the appearance of their properties	1. Conduct an annual garden competition.	Completed
	2. Issue notices to landholders with untidy or overgrown allotments.	Ongoing
	3. Conduct a garden expo to encourage local residents to improve their gardens.	Completed
5.1.2. Maintain and enhance the beauty of town entrances and the streetscapes of each community	1. Maintain existing street gardens and signage at a high standard.	Ongoing
	2. Enter each community in the annual State Tidy Towns competition.	Ongoing
	3. Prepare a streetscape plan for Oak Street in Barcaldine.	In Progress
	4. Install watering systems in each community.	In Progress
	5. Purchase trees for beautification of town parks in Aramac and Muttaborra.	In Progress
5.2. Arts and Culture		
Corporate Plan Strategies	Key Operational Activities	Progress
5.2.1. Encourage creativity by supporting arts and cultural activity	1. Support community arts activity by providing RADF grants to local artists and arts organisations.	Completed
	2. Sponsor local arts activities including the Barcaldine Art Competition.	Completed
	3. Support live performances throughout the Region including Qld Music Festival and arTour.	Completed
	4. Support the creation of public art throughout the Region.	Ongoing
5.2.2. Embrace libraries as a multifunctional community resource	1. Provide professional library services in each community with the support of the State Library.	Ongoing
	2. Maintain a sound working relationship with the State Library of Queensland to facilitate partnerships for innovative projects.	Ongoing
	3. Incorporate new technology in each library to meet the demands of the residents and visitors.	Ongoing
	4. Develop each library as a resource for family and local history research.	Ongoing
5.2.3. Maintain and enhance cultural infrastructure	1. Maintain existing Council owned arts and cultural infrastructure.	Ongoing
	2. Support community organisations to maintain arts and cultural infrastructure including museums.	Ongoing
	3. Install a sound system in the Alpha Town Hall.	Completed
	4. Upgrade electricity at Aramac Town Hall.	Deferred
	5. Install concrete at the Tramway Museum in Aramac.	Completed
	6. Fitout the new Galilee Gallery in Barcaldine.	Deferred

5.3. Health and Wellbeing

Corporate Plan Strategies	Key Operational Activities	Progress
5.3.1. Provide community services through government funded programs for the benefit of disadvantage members of the community	1. Continue the provision of community programs including HACC, HAS, 60 & Better, MOW, Respite Care.	Ongoing
	2. Maintain a sound relationship with Government Departments which fund community programs.	Ongoing
	3. Work with the State and Federal Governments to identify additional needs within the community.	Ongoing
5.3.2. Improve disability access to facilities in each community	1. Ensure public spaces have appropriate disability access. 2. Continue the program of upgrading footpaths in each community	Ongoing Ongoing
5.3.3. Provide housing for those in the community less able to provide for themselves	1. Manage community housing programs on behalf of the State Government.	Ongoing
	2. Provide maintenance upgrades to community housing in each community.	Ongoing

5.4. Community Spaces

Corporate Plan Strategies	Key Operational Activities	Progress
5.4.1. Maintain and enhance parks and gardens to a high standard to ensure the attractiveness of our communities	1. Maintain and enhance parks and gardens in each community.	Ongoing
	2. Construct a safety activity track in Barcaldine.	In Progress
	3. Renovate old information centre in Barcaldine.	In Progress
	4. Upgrade the switchboard at the Aramac Town Hall.	Deferred
	5. Commence construct of a park along Lagoon Creek Barcaldine.	In Progress
5.4.2. Provide leisure spaces for the use and enjoyment of visitors and residents	1. Manage the town commons in each community for the benefit of local residents.	Ongoing
	2. Develop and maintain walking trails in each community.	Ongoing

5.5. Sport and Recreation

Corporate Plan Strategies	Key Operational Activities	Progress
5.5.1. Maintain and enhance sport and recreation infrastructure to meet the needs of each community	1. Maintain existing sporting infrastructure in each community.	Ongoing
	2. Conduct repairs to the Aramac Pool.	Deferred
	3. Complete construction of the Alpha Pool.	Completed
	4. Install a new surface on the tennis courts in Aramac.	Completed
	5. Replace the tiles in the Barcaldine Pool.	Completed
	6. Investigate options for a turf race track in Barcaldine.	In Progress
	7. Construct a new Show Society office in Barcaldine.	Completed
	8. Construct a new swimming pool in Jericho.	In Progress
5.5.2. Support organisations providing sport and recreational activities	1. Provide a concession on general rates and water charges for sport and recreation organisations.	Ongoing
	2. Sponsor local sport and recreation events and activities.	Ongoing

5.6. Community Support

Corporate Plan Strategies	Key Operational Activities	Progress
5.6.1. Encourage and support not-for-profit and charitable organisations working in the Region	1. Provide appropriate in-kind and financial assistance to community organisations through a Community Grants Program.	Ongoing
	2. Provide a discount on general rates and water charges for non-profit organisations.	Ongoing
5.6.2. Recognise and support the work of volunteers in the community	1. Provide appropriate guidance, advice and referral for community organisations.	Ongoing
	2. Recognise the input of volunteers in Council operations.	Ongoing
	3. Hold Australia Day Awards functions in each community to recognise volunteers.	Completed
5.6.3. Support and promote 'in place' events	1. Support local events relevant to each community.	Ongoing
	2. Support NAIDOC Week activities.	Completed

5.7. Funeral Services

Corporate Plan Strategies	Key Operational Activities	Progress
5.7.1. Provide high quality and caring funeral and burial services	1. Provide high quality funeral services in each community.	Ongoing
	2. Work with private funeral directors to provide funeral services when required.	Ongoing
5.7.2. Maintain cemeteries and memorial monuments in each community	1. Maintain local cemeteries to the highest standards.	Ongoing
	2. Renumber grave sites at the Barcaldine cemetery.	Ongoing
	3. Maintain a regional cemetery database on Council's website.	Ongoing
	4. Construct new fencing around cemeteries in Muttaborra.	Ongoing

5.8. Young People

Corporate Plan Strategies	Key Operational Activities	Progress
5.8.1. Provide kindergarten and child care services as appropriate for each community	1. Provide the e-kindy program in Aramac.	Ongoing
	2. Support the Jellybeans Association in Alpha by providing a building for the provision of kindergarten and limited hours care programs.	Ongoing
	3. Support the Barcaldine Kindergarten Association by providing a building for provision of kindergarten and limited hours programs.	No longer required
	4. Construct a carpark for the new Early Childhood Centre in Barcaldine.	Completed
5.8.2. Support organisations providing activities for young people in the Region	1. Support programs for young people in each community.	Ongoing

APPENDIX 4 – GRANTS TO COMMUNITY ORGANISATIONS

Organisation Name	Purpose	Amount
<i>Alpha</i>		
Alpha Golf Club	In-kind assistance	\$1,200
Alpha Mothers Day Fun Run	Event sponsorship	\$500
Alpha State School P & C	Touch Football Carnival Sponsorship	\$1,020
Alpha Jockey Club	Sponsorship & In-kind assistance	\$1,578
Alpha Rodeo Association	Events Sponsorship	\$1,864
ICPA State Conference	Event Sponsorship	\$500
ICPA Alpha Branch	Annual Cricket Day	\$500
Alpha District Tourist Association	Alpha Christmas Celebrations	\$1,500
Alpha District Tourist Association	Sponsorship	\$520
Alpha Anzac Day	Luncheon	\$1,093
Alpha Show Society	Show Sponsorship and In-kind assistance	\$2,683
St Mark's Church of England	In-kind assistance	\$375
Alpha State School	Athletics Carnival	\$500
Alpha State School	Speech Night	\$150
Alpha Swimming Club	Sponsorship	\$500
<i>Aramac</i>		
Queensland Ambulance Service	Rates Concessions - Aramac	\$2,376
Ballyneety Rodeo Association	In-kind support	\$28
Aramac State School	Awards Presentations	\$139
Aramac State School P & C	Event Sponsorship	\$455
Aramac Anzac Day	In-kind support	\$1,033
Aramac Touch Football Association	Community Christmas Celebrations	\$1,000
Aramac Race Club	Sponsorship and In-kind assistance	\$471
Aramac Tramway Museum	In-kind support	\$28
Aramac Seniors Citizens	Annual Dinner	\$500
Aramac Hotel Social Club	Insurance assistance	\$500
Aramac Community Development Association	Insurance assistance	\$2,500
Aramac Community Development Association	Sponsorship	\$3,000
<i>Barcardine</i>		
Barcardine Pony Club	Sponsorship	\$400
Barcardine Women's Show Auxiliary	Pavilion Sponsorship	\$455
Barcardine Golf Club	Sponsorship	\$500
Central West Golf Association	Sponsorship	\$500
Barcardine Arts Council	Annual Art Competition	\$3,291
Barcardine Cultural Association	Sponsorship	\$455
Barcardine State School	Awards Presentations	\$273
Central West Rugby League	Sponsorship	\$455
Central West Aboriginal Corporation	In-kind support – Weir Farm	\$299
Westech Field Days	In-kind support	\$205
Barcardine 60 & Better	Seniors Christmas Dinner	\$1,000
Barcardine Men's Shed	In-kind assistance	\$24
Barcardine Touch Association	Sponsorship	\$500
Barcardine Amateur Swimming Club	Sponsorship and Contribution to lane ropes	\$4,768
Barcardine Show Society	In-kind support	\$115

Barcaldine Historical Society	Insurance assistance	\$2,440
Outback Barrel Horse Association	Sponsorship	\$2,000
<u>Jericho</u>		
Jericho State School	In-kind assistance	\$716
Jericho State School	Awards Presentations	\$150
Jericho Christmas Tree	Community Christmas Celebrations	\$1,000
<u>Muttaburra</u>		
BlazeAid	In-kind assistance	\$58
Muttaburra Amateur Turf Club	Sponsorship	\$59
Muttaburra State School	Awards Presentations	\$136
Muttaburra State School	eKindy	\$5,000
Landsborough Flock Ewe Show	Sponsorship	\$409
Muttaburra Town & Country	Community Christmas Celebrations	\$1,000
Muttaburra Anzac Day Service	In-kind Support	\$1,580
Muttaburra Ambulance	Senior Citizens Dinner	\$400
Muttaburra Community Development Association	Donation and In-kind assistance	\$917
Muttaburra Community Development Association	Insurance assistance	\$2,273
Muttaburra Sculpture Group	In-kind support	\$3,559
<u>Regional</u>		
Scripture Union	School Chaplaincy contribution	\$30,000
Desert Uplands Committee	Sponsorship	\$3,000
Koori Kids	NAIDOC Week School Initiatives	\$450
Royal Flying Doctor Service	Donation	\$200
Qld Ambulance Service	Community Messages	\$400
Hay Runners	Drought Delivery Meals	\$1,730
Windorah State School	Small Schools Coaching Camp	\$682
Total Community Donations		\$97,912

**Barcaldine Regional Council
Financial Statements
for the year ended 30 June 2016**



Alpha Memorial Pool - completed October 2015

Barcaldine Regional Council

Financial Statements

For the year ended 30 June 2016

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
3	Revenue analysis
4	Capital income analysis
5	Loss on disposal of property, plant and equipment
6	Employee costs
7	Materials and services costs
8	Cash and cash equivalents
9	Trade and other receivables
10	Property, plant and equipment
11	Fair value measurements
12	Trade and other payables
13	Borrowings
14	Retained surplus/(deficiency)
15	Asset revaluation reserve
16	Commitments for expenditure
17	Contingent liabilities
18	Superannuation
19	Reconciliation of net operating surplus for the year to net cash inflow (outflow) from operating activities
20	Events after the reporting period
21	Financial instruments

Management Certificate
Independent Auditor's Report

Barcaldine Regional Council
Statement of Comprehensive Income
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
Income			
Recurrent revenue			
Rates, levies and charges	3(a)	6,129,155	6,019,636
Fees and charges	3(b)	833,272	826,803
Rental income		309,320	345,783
Interest received		767,389	827,047
Recoverable works income	3(c)	7,147,843	14,918,895
Other income		218,668	31,840
Recurrent grants, subsidies, contributions and donations	3(d)	8,500,938	8,507,263
		<u>23,906,585</u>	<u>31,477,267</u>
Capital revenue			
Capital grants, subsidies, contributions and donations	4(a)	8,882,278	4,033,229
Capital flood damage recoveries	4(b)	449,840	6,479,641
		<u>9,332,118</u>	<u>10,512,870</u>
Total income		<u>33,238,703</u>	<u>41,990,137</u>
Expenses			
Recurrent expenses			
Employee costs	6	(8,982,411)	(9,629,090)
Materials and services costs	7	(8,872,946)	(15,893,838)
Finance costs		(155,248)	(134,482)
Depreciation and amortisation	10	(8,159,012)	(7,813,780)
		<u>(26,169,617)</u>	<u>(33,471,190)</u>
Capital expenses			
Loss on disposal of property, plant and equipment	5	(1,319,829)	(93,328)
		<u>(1,319,829)</u>	<u>(93,328)</u>
Total Expenses		<u>(27,489,446)</u>	<u>(33,564,518)</u>
Net results		<u>5,749,257</u>	<u>8,425,619</u>
Other comprehensive income			
Items that will not be reclassified to net result			
Increase / (decrease) in asset revaluation surplus	15	5,110,123	7,015,016
Total other comprehensive income for the year		<u>5,110,123</u>	<u>7,015,016</u>
Total comprehensive income for the year		<u>10,859,380</u>	<u>15,440,635</u>

The above statement should be read in conjunction with the accompanying notes and summary of significant accounting policies.

Barcaldine Regional Council
Statement of Financial Position
as at 30 June 2016

	Note	2016 \$	2015 \$
Current assets			
Cash and cash equivalents	8	22,996,488	26,077,876
Trade and other receivables	9	2,913,265	2,681,875
Inventories		533,968	468,545
Total current assets		<u>26,443,721</u>	<u>29,228,296</u>
Non-current assets			
Property, plant and equipment	10	344,231,316	330,909,132
Total non-current assets		<u>344,231,316</u>	<u>330,909,132</u>
Total assets		<u>370,675,037</u>	<u>360,137,428</u>
Current liabilities			
Trade and other payables	12	2,134,893	2,147,716
Borrowings	13	338,617	370,303
Provision for Long Service Leave		80,000	80,000
Total current liabilities		<u>2,553,510</u>	<u>2,598,019</u>
Non-current liabilities			
Trade and other payables	12	351,020	320,643
Borrowings	13	2,755,497	3,137,049
Provision for Long Service Leave		1,590,665	1,516,752
Total non-current liabilities		<u>4,697,182</u>	<u>4,974,444</u>
Total liabilities		<u>7,250,692</u>	<u>7,572,463</u>
Net community assets		<u>363,424,345</u>	<u>352,564,965</u>
Community equity			
Retained surplus	14	164,700,790	158,951,533
Asset revaluation surplus	15	198,723,555	193,613,432
Total community equity		<u>363,424,345</u>	<u>352,564,965</u>

The above statement should be read in conjunction with the accompanying notes and summary of significant accounting policies.

Barcaldine Regional Council
Statement of Changes in Equity
For the year ended 30 June 2016

	Retained Surplus	Asset revaluation surplus	Total
Note	14	15	
	\$	\$	\$
Balance as at 1 July 2015	158,951,533	193,613,432	352,564,965
Net results	5,749,257	-	5,749,257
Other comprehensive income for the year			
Increase / (decrease) in asset revaluation surplus	-	5,110,123	5,110,123
Total comprehensive income for the year	<u>5,749,257</u>	<u>5,110,123</u>	<u>10,859,380</u>
Balance as at 30 June 2016	<u><u>164,700,790</u></u>	<u><u>198,723,555</u></u>	<u><u>363,424,345</u></u>
Balance as at 1 July 2014	150,525,914	186,598,416	337,124,330
Net results	8,425,619	-	8,425,619
Other comprehensive income for the year			
Increase / (decrease) in asset revaluation surplus	-	7,015,016	7,015,016
Total comprehensive income for the year	<u>8,425,619</u>	<u>7,015,016</u>	<u>15,440,635</u>
Balance as at 30 June 2015	<u><u>158,951,533</u></u>	<u><u>193,613,432</u></u>	<u><u>352,564,965</u></u>

The above statement should be read in conjunction with the accompanying notes and summary of significant accounting policies.

Barcaldine Regional Council
Statement of Cash Flows
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from customers		22,935,435	28,870,104
Payments to suppliers and employees		<u>(17,856,942)</u>	<u>(21,596,776)</u>
		5,078,493	7,273,328
Interest received		767,389	827,047
Interest paid		<u>(155,248)</u>	<u>(134,482)</u>
Net cash inflow from operating activities	19	<u>5,690,634</u>	<u>7,965,893</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(18,401,038)	(15,825,733)
Proceeds from sale of property plant and equipment		710,136	893,775
Grants, subsidies, contributions and donations		8,882,278	4,033,229
Capital flood damage recoveries		449,840	6,479,641
Net cash outflow from investing activities		<u>(8,358,784)</u>	<u>(4,419,088)</u>
Cash flows from financing activities			
Proceeds from borrowings		-	1,000,000
Repayment of borrowings		<u>(413,238)</u>	<u>(275,937)</u>
Net cash inflow (outflow) from financing activities		<u>(413,238)</u>	<u>724,063</u>
Net increase (decrease) in cash and cash equivalents held		<u>(3,081,388)</u>	<u>4,270,868</u>
Cash and cash equivalents at beginning of the financial year		26,077,876	21,807,008
Cash and cash equivalents at end of the financial year	8	<u>22,996,488</u>	<u>26,077,876</u>

The above statement should be read in conjunction with the accompanying notes and summary of significant accounting policies.

Barcaldine Regional Council
Notes to the financial statements
For the year ended 30 June 2016

1 Significant accounting policies

1.A Basis of preparation

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

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

These financial statements have been prepared under the historical cost convention, except for:

- financial assets and liabilities, certain classes of property, plant and equipment which are measured at fair value; and
- assets held for sale which are measured at fair value less cost of disposal.

Recurrent/capital classification

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

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

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

- disposal of non-current assets
- discount rate adjustments to restoration provisions
- revaluations of investment property and property, plant and equipment.

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

1.B Date of authorisation

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

1.C Currency

The Council uses the Australian dollar as its functional currency and its presentation currency and is rounded to the nearest \$1.

1.D Adoption of new and revised Accounting Standards

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

The Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective with the exception of AASB 2015-17 *Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities*. Generally Council applies standards and interpretations in accordance with their respective commencement dates. The retrospective application of AASB 2015-17 has exempted Council from the disclosure of quantitative information and sensitivity analysis for some valuations categorised within Level 3 of the fair value hierarchy.

Australian Accounting Standards and Interpretations that have recently been issued or amended but not yet effective and have not been updated by the Council for the annual reporting period ended 30 June 2016 are outlined below:

From 1 July 2016 AASB 124 *Related Party Disclosures* will apply to Council, which means that Council will disclose more information about related parties and transactions with those related parties. Council is currently preparing for this change by identifying key management personnel (KMP) and their related parties. KMP will include the Mayor, Councillors and some Council staff. In addition, close family members of those people and any organisation that they control or influence will be classified as a related party.

AASB 9, which replaces AASB 139 *Financial Instruments: Recognition and Measurement*, is effective for reporting periods beginning on or after 1 January 2018 and must be applied retrospectively. The main impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories: fair value and amortised cost and financial assets will only be able to be measured at amortised cost where very specific conditions are met. The impact of this standard is yet to be quantified.

Council is still reviewing the way that revenue is measured and recognised to identify whether AASB 15 *Revenue from Contracts with Customers* will have a material impact. To date no impact has been identified. AASB 15 is effective from 1 January 2018 and will replace AASB 118 *Revenue*, AASB 111 *Construction Contracts* and a number of interpretations. It contains a comprehensive and robust framework for the recognition, measurement and disclosure of revenue from contracts with customers. The impact of this standard is yet to be quantified.

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

Barcaldine Regional Council
Notes to the financial statements
For the year ended 30 June 2016

1.E Critical accounting judgements and key sources of estimation uncertainty

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

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

Valuation of property, plant and equipment - Note 1.J and Note 10
Contingent liabilities - Note 17

1.F Revenue

Rates and levies

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

Grants and subsidies

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

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

Non-cash contributions

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

Cash Contributions

Developers pay infrastructure charges for trunk infrastructure in accordance with Council's planning scheme policies. These cash contributions are recognised as income when received.

Rental income

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

Recoverable contract works revenue

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

Fees and Charges

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

1.G Financial assets and financial liabilities

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

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

Financial assets

Cash and cash equivalents (Note 1.H)
Receivables - measured at amortised cost (Note 1.I)

Financial liabilities

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

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

Barcaldine Regional Council
Notes to the financial statements
For the year ended 30 June 2016

1.G Financial assets and financial liabilities (continued)

The fair value of financial instruments is determined as follows:

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

The fair value of borrowings, as disclosed in Note 13 to the accounts, is determined by reference to published price quotations in an active market and/or by reference to pricing models and valuation techniques. It reflects the value of the debt if the Council repaid it in full at balance date. As it is the intention of the Council to hold its borrowings for their full term, no adjustment provision is made in these accounts.

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

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

All other disclosures relating to the measurement and financial risk management of financial instruments are included in Note 21.

1.H Cash and cash equivalents

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

1.I Receivables

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

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

All known bad debts were written-off at 30 June. Subsequent recoveries of amounts previously written off in the same period are recognised as finance costs in the Statement of Comprehensive Income. If an amount is recovered in a subsequent period it is recognised as revenue.

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

1.J Property, plant and equipment

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

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

Land
Buildings and structures
Plant and equipment
Road infrastructure
Water infrastructure
Sewerage infrastructure
Work in progress

Acquisition of assets

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

Property, plant and equipment received in the form of contributions, are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value means the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Capital and operating expenditure

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

Barcaldine Regional Council
Notes to the financial statements
For the year ended 30 June 2016

1.J Property, plant and equipment (continued)

Valuation

Land and improvements, buildings, major plant and all infrastructure assets are measured on the revaluation basis, at fair value, in accordance with AASB116 *Property, Plant and Equipment* and the *Local Government Finance Standard 2005*. Other plant and equipment is measured at cost.

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by comprehensively revaluing these assets at least once every five years, with interim valuations using a suitable index being otherwise performed on an annual basis where there has been a material variation in the index.

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 to 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.

Details of valuers and methods of valuations are disclosed in Note 11.

Capital work in progress

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

Depreciation

Land is not depreciated as it has an unlimited useful life.

Depreciation on other property, plant and equipment assets is calculated on a straight-line basis so as to write-off the net cost of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to the Council. Management believes that the straight line basis appropriately reflects the pattern of consumption of plant and equipment.

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

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

Major spares purchased specifically for particular assets that are above the asset recognition threshold are capitalised and depreciated on the same basis as the asset to which they relate.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements to the Council or the unexpired period of the lease, whichever is the shorter.

The estimated useful lives of property, plant and equipment are reviewed annually. Details of the range of useful lives for each class of asset are shown in Note 10.

Land under roads

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

1.K 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.

Barcaldine Regional Council
Notes to the financial statements
For the year ended 30 June 2016

1.L Liabilities - employee benefits

Salaries and wages

A liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date. This liability represents an accrued expense and is reported in Note 12 as a payable.

Annual leave

A liability for annual leave is recognised. The current portion (based on the expected payment date) is calculated on current wage and salary levels and includes related employee on-costs. The non-current portion is calculated on projected future wage and salary levels and related employee on-costs, discounted to present values. This liability represents an accrued expense and is reported in Note 12 as a payable.

Sick leave

Council does not have an obligation to pay sick leave on termination to employees and therefore no liability has been recognised.

Superannuation

The superannuation expense for the reporting period is the amount of the contribution the Council makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in Note 19.

Long service leave

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

1.M Borrowings and borrowing costs

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

1.N Asset revaluation surplus

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

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

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

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

1.O Retained surplus

In reference to the comparative figures for the year ended 30 June 2015, this represents the amount of Council's net funds not set aside in reserves to meet specific future needs.

1.P Taxation

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

Barcaldine Regional Council
Notes to the financial statements
For the year ended 30 June 2016

2 Analysis of Results by Function
(a) Components of council functions

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

Governance

The objectives of Professional Governance are: financial responsibility and sustainability; confident and stable leadership; a valued workforce; community representation; appropriate planning decisions; and exceptional service delivery.

Activities of this function include: providing administrative, financial and information technology support to the whole organisation; managing planning and development within the Council Area; and maintaining the roles of the Mayor, Councillors, Chief Executive Officer and Senior Management.

Economy

The objectives of Strong Local Economy are: assisting the agricultural sector to grow sustainably; encourage the development of new tourism opportunities; managing mining development whilst balancing the social needs of the community; provide employment opportunities in the region; and encourage business investment.

Activities of this function include: providing support and encouragement to business and tourism activities within the Council Area; providing pest and weed control for agriculture; responding to mining development issues; and seeking new investment opportunities and funding for the region.

Infrastructure

The objectives of Quality Infrastructure are: to construct and maintain roads and streets; provide airports for each community; provide safe, reliable and high quality water for each community; maintain and upgrade sewerage schemes; and maintain all plant and equipment to a high standard.

Activities of this function include: road and street construction and maintenance; providing services for regulated passenger transport; maintaining and upgrading water and sewerage infrastructure; and maintenance of plant.

Environment

The objectives of Environment and Heritage Protection are: to minimise the impact of pests and weeds on the environment; prepare for and respond to natural disasters; preserve and promote the heritage of local people, structures and communities; provide efficient waste management services; and provide animal management to minimise nuisances.

Activities of this function include: providing refuse collection and disposal services; plant and animal pest control; SES services; and heritage protection registers.

Community

The objectives of Vibrant Communities are: to maintain and enhance the streetscapes; encourage creativity by supporting arts and culture; provide services to improve the health and wellbeing of the community; provide parks and gardens; provide sport and recreation facilities; support community organisations through donations; provide high quality funeral services; and provide facilities for young people.

Activities of this function include: the provision of libraries, art galleries, museums, sporting ovals, showgrounds, tennis courts and community halls; the provision of health services including in home care, meals on wheels, respite care; the provision of community housing; funeral services and cemeteries; and maintaining the streetscapes of each community.

Barcaldine Regional Council
Notes to the financial statements
For the year ended 30 June 2016

2 Analysis of results by function

(b) Income and expenses defined between recurring and capital are attributed to the following functions:

Year ended 30 June 2016

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net results from recurrent operations	Net results	Assets
	Recurring		Capital			Recurring	Capital				
	Grants	Other	Grants	Other							
	\$	\$	\$	\$		\$	\$				
Governance	5,133,555	4,637,277	-	-	9,770,832	(3,997,697)	-	(3,997,697)	5,773,135	5,773,135	33,180,921
Economy	54,319	518,938	-	-	573,257	(2,171,476)	-	(2,171,476)	(1,598,219)	(1,598,219)	12,104,056
Infrastructure	1,862,166	9,511,018	8,198,025	-	19,571,209	(13,724,902)	(1,319,829)	(15,044,731)	(2,351,718)	4,526,478	257,710,132
Environment	23,686	474,541	-	-	498,227	(657,531)	-	(657,531)	(159,304)	(159,304)	612,963
Community	1,427,212	263,873	1,134,093	-	2,825,178	(5,618,011)	-	(5,618,011)	(3,926,926)	(2,792,833)	67,066,965
Total	8,500,938	15,405,647	9,332,118	-	33,238,703	(26,169,617)	(1,319,829)	(27,489,446)	(2,263,032)	5,749,257	370,675,037

Year ended 30 June 2015

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net results from recurrent operations	Net results	Assets
	Recurring		Capital			Recurring	Capital				
	Grants	Other	Grants	Other							
	\$	\$	\$	\$		\$	\$				
Governance	4,977,018	4,700,327	-	-	9,677,345	(4,113,942)	-	(4,113,942)	5,563,403	5,563,403	31,979,088
Economy	147,978	373,139	55,978	-	577,095	(2,124,409)	-	(2,124,409)	(1,603,292)	(1,547,314)	8,671,625
Infrastructure	1,896,795	17,128,133	2,628,982	6,479,641	28,133,551	(21,000,049)	(93,328)	(21,093,377)	(1,975,121)	7,040,174	248,714,407
Environment	22,761	473,569	-	-	496,330	(533,707)	-	(533,707)	(37,377)	(37,377)	551,743
Community	1,462,711	294,836	1,348,269	-	3,105,816	(5,699,083)	-	(5,699,083)	(3,941,536)	(2,593,267)	70,220,565
Total	8,507,263	22,970,004	4,033,229	6,479,641	41,990,137	(33,471,190)	(93,328)	(33,564,518)	(1,993,923)	8,425,619	360,137,428

Barcaldine Regional Council
Notes to the financial statements
For the year ended 30 June 2016

	2016	2015
Note	\$	\$
3 Revenue analysis		
(a) Rates, levies and charges		
General rates	4,025,831	3,972,753
Separate rates	5,947	6,036
Water charges	1,436,758	1,411,338
Sewerage charges	860,185	831,292
Waste charges	470,095	448,478
Total rates and utility charge revenue	<u>6,798,816</u>	<u>6,669,897</u>
Less: Discounts	(595,476)	(576,942)
Less: Rates Refunds	-	(641)
Less: Pensioner remissions	(74,185)	(72,678)
	<u><u>6,129,155</u></u>	<u><u>6,019,636</u></u>
(b) Fees and charges		
Administration	56,385	44,832
Airport fees	114,617	123,428
Animal fees	82,118	92,193
Bank and Post Office Commissions	181,559	170,547
Community facilities	114,283	101,775
Environmental Health	6,056	769
Funeral Services	52,761	55,737
Planning & development	46,345	85,619
Rural services	88,606	69,994
Waste management	17,928	40,499
Water and sewerage	62,610	21,300
Other fees and charges	10,004	20,110
	<u>833,272</u>	<u>826,803</u>
(c) Recoverable works income		
Recoverable contract roadworks	6,758,203	8,013,564
Recoverable flood damage roadworks	-	6,621,900
Private works	389,640	283,431
	<u>7,147,843</u>	<u>14,918,895</u>
<p>The amount recognised as revenue for contract revenue during the financial year is the amount receivable in respect of invoices issued during the period. The contract work carried out is not subject to retentions.</p>		
(d) Recurrent grants, subsidies, contributions and donations		
General purpose grants and subsidies	6,749,804	6,701,659
Specific purpose grants and subsidies	1,666,159	1,663,056
Contributions	84,975	142,548
	<u>8,500,938</u>	<u>8,507,263</u>
4 Capital income analysis		
(a) Capital grants, subsidies, contributions and donations		
Flood mitigation	145,881	91,307
Community infrastructure	1,689,811	1,563,336
Transport infrastructure	6,993,927	2,330,463
Contributions	52,659	48,123
	<u>8,882,278</u>	<u>4,033,229</u>

Barcaldine Regional Council
Notes to the financial statements
For the year ended 30 June 2016

	Note	2016	2015
		\$	\$
(b) Capital flood damage recoveries			
NDRRA payments for flood damage to Council infrastructure		449,840	6,479,641
		<u>449,840</u>	<u>6,479,641</u>
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 but had not been expended at the reporting date:			
Non-reciprocal grants for expenditure on infrastructure		-	4,590,624
Contributions recognised as income during a previous reporting period that were obtained in respect of the current reporting period:			
Non-reciprocal grants for expenditure on infrastructure		4,590,624	210,446
5 Loss on disposal of property, plant and equipment			
Book value of property, plant and equipment disposed of		2,029,965	987,103
Less: Proceeds from the sale of property, plant and equipment		(710,136)	(893,775)
Loss on Sale		<u>1,319,829</u>	<u>93,328</u>
6 Employee costs			
Total staff wages and salaries		9,656,841	9,291,057
Councillors' remuneration		432,825	421,928
Annual and long service entitlement		115,662	51,066
Superannuation		1,009,117	993,489
Other employee related expenses		282,775	392,882
		<u>11,497,220</u>	<u>11,150,422</u>
Less: Capital employee costs		(2,514,809)	(1,521,332)
		<u>8,982,411</u>	<u>9,629,090</u>
Councillor remuneration represents salary and other allowances paid in respect of carrying out their duties.			
Total Full Time Equivalent Council employees at the reporting date:			
		<u>Number</u>	<u>Number</u>
Elected members		7	7
Administration staff		22	22
Community and commercial services		15	15
Depot and outdoors staff		118	108
Total full time equivalent employees		<u>162</u>	<u>152</u>
7 Materials and services costs			
Plant maintenance		1,905,461	2,262,611
Recoverable works - road contracts - State network		4,436,714	7,975,971
Recoverable works - flood damage - State network		-	1,313,669
Road maintenance - Council network		1,210,725	2,049,980
Administration		1,346,824	1,488,827
Works Supervision		508,987	424,444
Rural services		569,539	811,785
Care services		318,974	523,307
Water and sewerage		885,828	949,902
Community services		781,039	814,768
Parks and Gardens		541,005	559,805
Sport and recreation		552,455	593,528
Tourism & Events		172,036	-
Waste services		255,935	236,384
Other		2,000,368	1,403,269
		<u>15,485,890</u>	<u>21,408,250</u>
Less: Internal recoveries		(6,612,944)	(5,514,412)
		<u>8,872,946</u>	<u>15,893,838</u>

Barcaldine Regional Council
Notes to the financial statements
For the year ended 30 June 2016

	2016	2015
Note	\$	\$
8 Cash and cash equivalents		
Cash at bank and on hand	1,720	1,720
Deposits at call	19,229,394	102,844
Term deposits	3,765,374	25,973,312
Balance per Statement of Cash Flows	<u>22,996,488</u>	<u>26,077,876</u>
Externally imposed expenditure restrictions at the reporting date:		
Unspent government grants and subsidies - recurrent	366,373	236,755
NDRRA flood damage recoveries received in advance	-	4,353,869
Total unspent restricted cash	<u>366,373</u>	<u>4,590,624</u>
Internally imposed expenditure restrictions at the reporting date:		
Alpha Swimming Pool Reserve	-	770,093
Alpha Infrastructure Reserve	904,028	959,082
Alpha Roadworks Reserve	2,709,934	2,408,402
Alpha Water Reserve	365,416	365,416
Alpha Aerodrome Reserve	317,000	317,000
Jericho Swimming Pool Reserve	526,447	300,000
Aramac Swimming Pool Reserve	400,000	300,000
Aramac Industrial Estate Reserve	232,423	232,423
Aramac Infrastructure Reserve	25,000	25,000
Aramac Childcare Reserve	82,363	96,363
Harry Redford Cattle Drive Reserve	68,248	55,003
Barcaldine Infrastructure Reserve	38,292	158,292
Muttaborra Infrastructure Reserve	61,500	61,500
Muttaborra Dinosaur Museum Reserve	200,000	100,000
Water Reserve	589,619	698,233
	<u>6,520,270</u>	<u>6,846,807</u>

Cash is held at Bank of Queensland and deposits at call are held at Bank of Queensland and Qld Treasury Corporation in normal term deposits and business cheque accounts. BOQ currently has a short term credit rating of A2 (Standard & Poor's).

9 Trade and other receivables

Current

Rateable revenue and utility charges	740,796	572,128
Other debtors	2,024,493	1,953,839
Prepayments	157,976	165,908
Less impairment	(10,000)	(10,000)
	<u>2,913,265</u>	<u>2,681,875</u>

Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.

Barcaldine Regional Council
Notes to the financial statements
For the year ended 30 June 2016

10 Property, plant and equipment

30 June 2016

Basis of measurement

Asset values

Opening balance as at 1 July 2015

Additions

Disposals

Revaluation adjustment to asset revaluation surplus

Transfers between classes

Closing gross value as at 30 June 2016

Note	Land	Buildings and Structures	Plant and equipment	Road Infrastructure	Water Infrastructure	Sewerage Infrastructure	Work in progress	Total
	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Cost	
	\$	\$	\$	\$	\$	\$	\$	\$
	11,532,773	81,814,303	20,895,899	218,440,256	26,935,779	22,306,920	11,828,456	393,754,386
	-	-	2,385,778	-	-	-	16,015,260	18,401,038
5(a)	(25,505)	(1,280,024)	(1,931,191)	-	-	-	-	(3,236,720)
15	-	874,583	-	(3,780,576)	523,983	195,335	-	(2,186,675)
	25,505	7,869,044	(13,718)	9,107,844	104,579	199,924	(17,293,178)	-
	11,532,773	89,277,906	21,336,768	223,767,524	27,564,341	22,702,179	10,550,538	406,732,029

Accumulated depreciation and impairment

Opening balance as at 1 July 2015

Depreciation provided in period

Depreciation on disposals

Revaluation adjustment to asset revaluation surplus

Accumulated depreciation as at 30 June 2016

	-	9,480,333	9,037,068	28,363,775	7,618,156	8,345,922	-	62,845,254
	-	1,467,546	1,209,887	4,769,184	385,661	326,734	-	8,159,012
5(a)	-	(72,238)	(1,134,517)	-	-	-	-	(1,206,755)
15	-	(1,168,366)	-	(5,569,908)	(230,476)	(328,048)	-	(7,296,798)
	-	9,707,275	9,112,438	27,563,051	7,773,341	8,344,608	-	62,500,713

Total written down value as at 30 June 2016

Residual value

Range of estimated useful life in years

	11,532,773	79,570,631	12,224,330	196,204,473	19,791,000	14,357,571	10,550,538	344,231,316
	11,532,773	-	8,179,837	-	-	-	-	
	Not depreciated	20 - 150	2 - 20	8 - 300	20 - 200	20 - 200	Not depreciated	

Additions comprise:

Renewals

Other additions

Total Additions

	-	4,573,992	-	3,728,322	8,554	199,924	(1,261,828)	7,248,964
	25,505	3,281,334	2,385,778	5,379,522	96,025	-	(16,090)	11,152,074
	25,505	7,855,326	2,385,778	9,107,844	104,579	199,924	(1,277,918)	18,401,038

Barcaldine Regional Council
Notes to the Financial Statements
For the year ended 30 June 2016

30 June 2015

Basis of measurement

Asset values

Opening gross value as at 1 July 2014

Additions

Disposals

Revaluation adjustment to asset revaluation surplus

Transfers between classes

Closing gross value as at 30 June 2015

Note	Land	Buildings and Structures	Plant and equipment	Road Infrastructure	Water Infrastructure	Sewerage Infrastructure	Work in progress	Total
	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Cost	
	\$	\$	\$	\$	\$	\$	\$	\$
	10,420,896	85,634,075	20,278,613	212,941,898	25,934,675	21,737,806	2,284,370	379,232,333
	-	-	2,434,518	-	-	-	13,391,215	15,825,733
5(a)	(60,000)	(269,204)	(1,817,232)	-	-	-	-	(2,146,436)
15	-	(4,543,241)	-	4,416,390	400,493	569,114	-	842,756
	1,171,877	992,673	-	1,081,968	600,611	-	(3,847,129)	-
	11,532,773	81,814,303	20,895,899	218,440,256	26,935,779	22,306,920	11,828,456	393,754,386

Accumulated depreciation and impairment

Opening balance as at 1 July 2014

Depreciation provided in period

Depreciation on disposals

Revaluation adjustment to asset revaluation surplus

Accumulated depreciation as at 30 June 2015

	-	14,231,035	8,687,042	24,548,646	7,084,892	7,811,452	-	62,363,067
	-	1,299,875	1,295,155	4,518,667	378,463	321,620	-	7,813,780
5(a)	-	(214,204)	(945,129)	-	-	-	-	(1,159,333)
15	-	(5,836,373)	-	(703,538)	154,801	212,850	-	(6,172,260)
	-	9,480,333	9,037,068	28,363,775	7,618,156	8,345,922	-	62,845,254

Total written down value as at 30 June 2015

Residual value

Range of estimated useful life in years

	11,532,773	72,333,970	11,858,831	190,076,481	19,317,623	13,960,998	11,828,456	330,909,132
	11,532,773	33,395,998	7,032,204	93,365,421	-	-	-	
	Not depreciated.	20 - 167	2 - 20	5 - 100	20 - 80	20 - 80	Not depreciated.	

Additions comprise:

Renewals

Other additions

Total Additions

	-	404,722	-	829,188	150,903	-	7,874,963	9,259,776
	1,171,877	587,951	2,434,518	252,780	449,708	-	1,669,123	6,565,957
	1,171,877	992,673	2,434,518	1,081,968	600,611	-	9,544,086	15,825,733

Barcaldine Regional Council
Notes to the financial statements
For the year ended 30 June 2016

11 Fair Value Measurements

(i) Recognised fair value measurements

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

- Property, plant and equipment
 - Land
 - Buildings & Structures
 - Road Infrastructure
 - Water Infrastructure
 - Sewerage Infrastructure

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

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

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in Note 13 is provided by the Queensland Treasury Corporation and represents the contractual undiscounted cash flows at balance date (level 2).

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

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

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

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

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

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

Asset	Note	Valuation Technique	Level 2		Level 3		Total	
			2016	2015	2016	2015	2016	2015
			\$	\$	\$	\$		
Land	10	Market	11,532,773	11,532,773	-	-	11,532,773	11,532,773
Buildings and structures	10						-	-
- Specialised Buildings		Cost	-	-	60,142,420	54,783,771	60,142,420	54,783,771
- Residential Buildings		Market	4,795,000	4,795,000	-	-	4,795,000	4,795,000
- Commercial Buildings		Market	250,000	250,000	-	-	250,000	250,000
- Other Structures		Cost	-	-	14,383,211	12,505,199	14,383,211	12,505,199
Road infrastructure	10	Cost	-	-	196,204,473	190,076,481	196,204,473	190,076,481
Water infrastructure	10	Cost	-	-	19,791,000	19,317,623	19,791,000	19,317,623
Sewerage infrastructure	10	Cost	-	-	14,357,571	13,960,998	14,357,571	13,960,998

There were no transfers between levels 1 and 2 during the year or prior year, nor between levels 2 and 3.

There were no assets valued where it was assumed that the highest and best use was other than its current use.

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

(ii) Valuation techniques used to derive fair values for level 2 and level 3 valuations

1. Land - Valuation techniques used to derive fair value

The fair value of land was determined by independent valuer, APV Valuers & Asset Management, effective as at 30 June 2016.

Level 2 valuation inputs were used to value land in freehold title (investment and non-investment) as well as land used for special purposes, which is restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.

The main level inputs used are derived and evaluated as follows:

Cost for land restricted in use (non-saleable) - estimate cost to replace the existing land if Council had to acquire it on the open market in competition with other market participants. Due to the restricted nature and unique characteristics of this land there was insufficient market evidence of directly comparable sales. Reference was made to sales of land with a limited level of comparability at distant locations and adjusted by the valuer using professional judgement to take account of the differing characteristics. These were evaluated for reasonableness against the price per area for other restricted in use land by the Council that had been valued as level 2.

2(a) Buildings and Structures - Valuation techniques used to derive fair value

The fair value of buildings and structures was determined by independent valuer, APV Valuers & Asset Management, effective as at 30 June 2016.

Level 2 valuation inputs - These were used to determine the fair value of a range of properties. This included the bulk of residential and commercial properties. The residential properties fair value has been derived from sales prices of comparable properties after adjusting for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.

Level 3 valuation inputs - Specialised buildings were valued using the cost approach using professionally qualified Registered Valuers. The approach estimated the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metres could be supported from market evidence (level 2) other inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

2(b) Buildings and Structures - Fair value sensitivity to unobservable inputs

The following table provides a summary of the unobservable inputs and an assessment of the sensitivity of these to the fair value measurement.

Asset	Unobservable Inputs	Sensitivity to Unobservable Market Inputs (%)		Amount of Potential Impact			
		Lower	Upper	2016		2015	
				Lower	Upper	Lower	Upper
Specialised Buildings	Relationship between asset consumption rating scale and the level of consumed service potential.	-2.50%	2.50%	-\$1,669,556	\$1,669,556	-\$1,531,721	\$1,531,721
Other Structures	Relationship between asset consumption rating scale and the level of consumed service potential.	-2.50%	2.50%	-\$359,580	\$359,580	-\$314,627	\$314,627

3(a) Road infrastructure - Valuation techniques used to derive fair values

The fair value of road infrastructure was determined by independent valuer, APV Valuers & Asset Management, effective as at 30 June 2016.

All road infrastructure assets were valued using level 3 valuation inputs using the cost approach.

The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metres or similar capacity could be supported from market evidence (level 2) other inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

During the year there were a number of new projects completed where the actual cost was recorded and the impact of depreciation at year end was negligible. While these could be classified as valued at level 2 given the low proportion of the total portfolio that these represented and the likelihood that in future valuations they would most likely be valued at level 3 we have adopted a policy that all infrastructure assets are deemed to be valued at level 3.

The quantitative disclosures of the remaining service potential relating to each corresponding condition score for each of the patterns of consumption utilised in this valuation are as follows:

Consumption Score	Description	% Remaining Service Potential				
		Straight Line	Low	Medium	High	Extreme
0	New or very good condition - very high level of remaining service potential.	100%	100%	100%	100%	100%
1	Not new but in very good condition with no indicators of any future obsolescence and providing a high level of remaining service potential.	85%	92%	94%	98%	100%
2	Aged and in good condition, providing an adequate level of remaining service potential. No signs of immediate or short term obsolescence.	50%	65%	75%	85%	99%
3	Providing an adequate level of remaining service potential but there are some concerns over the asset's ability to continue to provide an adequate level of service in the short to medium term. May be signs of obsolescence in short to medium term.	25%	40%	54%	70%	90%
4	Indicators showing the need to renew, upgrade or scrap in near future. Should be reflected by inclusion in the Capital Works Plan to renew or replace in short term. Very low level of remaining service potential.	10%	20%	34%	45%	70%
5	At intervention point. No longer providing an acceptable level of service. If remedial action is not taken immediately the asset will need to be closed or decommissioned.	0%	0%	0%	0%	0%

The main level 3 inputs used are derived and evaluated as follows:

Asset Condition - The nature of road infrastructure is that there is a very large number of assets which comprise the network and as a result it is not physically possible to inspect every asset for the purposes of completing a valuation. As a consequence reliance is placed on the accuracy of data held in the asset management system and its associated internal controls. This includes regular planned inspections and updates to the system following maintenance activities and renewal treatments. Likewise, especially for stormwater infrastructure, a large portion of the portfolio is located underground and may only be inspected on an irregular basis.

Relationship between asset consumption rating scale and the level of consumed service potential - Under the cost approach the estimated cost of replace the asset is calculated and then adjusted to take account of an accumulated depreciation. In order to achieve this the valuer determines an asset consumption rating scale for each asset type based on the interrelationship between a range of factors. These factors and their relationship to the fair value require professional judgement and include asset condition, legal and commercial obsolescence and the determination of key depreciation related assumptions such as residual value, useful life and pattern of consumption of the future economic benefit.

The consumption rating scales were based initially on the past experience of the valuation firm and industry guides and were then updated to take into account the experience and understanding of Council's own engineers, asset management and finance staff. The results of the valuation were further evaluated by confirmation against Council's own understanding of the assets and the level of remaining service potential.

3(b) Roads infrastructure – Fair value sensitivity to unobservable inputs

The following table provides a summary of the unobservable inputs and an assessment of the sensitivity of these to the fair value measurement.

Asset	Unobservable Inputs	Sensitivity to Unobservable Market Inputs (%)		Amount of Potential Impact			
		Lower	Upper	2016		2015	
				Lower	Upper	Lower	Upper
Road Infrastructure	Condition of the asset where based on condition as supplied by client	-5.00%	5.00%	-\$9,806,740	\$9,806,740	-\$9,403,577	\$9,403,577
Road Infrastructure	Relationship between asset consumption rating scale and the level of consumed service potential.	-5.00%	5.00%	-\$9,806,740	\$9,806,740	-\$9,403,577	\$9,403,577

4(a) Water and Sewerage Infrastructure – Valuation techniques used to derive fair value

The fair value of water and sewerage infrastructure was determined by independent valuer, APV Valuers & Asset Management, effective as at 30 June 2016.

All water supply and sewerage network infrastructure assets were valued using level 3 valuation inputs using the cost approach.

The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metres or similar capacity could be supported from market evidence (level 2) other inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

During the year there were a number of new projects completed where the actual cost was recorded and the impact of depreciation at year end was negligible. While these could be classified as valued at level 2 given the low proportion of the total portfolio that these represented and the likelihood that in future valuations they would most likely be valued at level 3 we have adopted a policy that all water supply and sewerage network infrastructure assets are deemed to be valued at level 3.

The quantitative disclosures of the remaining service potential relating to each corresponding condition score for each of the patterns of consumption utilised in this valuation are as follows:

Consumption Score	Description	% Remaining Service Potential				
		Straight Line	Low	Medium	High	Extreme
0	New or very good condition - very high level of remaining service potential.	100%	100%	100%	100%	100%
1	Not new but in very good condition with no indicators of any future obsolescence and providing a high level of remaining service potential.	85%	92%	94%	98%	100%
2	Aged and in good condition, providing an adequate level of remaining service potential. No signs of immediate or short term obsolescence.	50%	65%	75%	85%	99%
3	Providing an adequate level of remaining service potential but there are some concerns over the asset's ability to continue to provide an adequate level of service in the short to medium term. May be signs of obsolescence in short to medium term.	25%	40%	54%	70%	90%
4	Indicators showing the need to renew, upgrade or scrap in near future. Should be reflected by inclusion in the Capital Works Plan to renew or replace in short term. Very low level of remaining service potential.	10%	20%	34%	45%	70%
5	At intervention point. No longer providing an acceptable level of service. If remedial action is not taken immediately the asset will need to be closed or decommissioned.	0%	0%	0%	0%	0%
6	Theoretical end of life.	Fully written off				

The main level 3 inputs used are derived and evaluated as follows:

Asset Condition - The nature of water supply and sewerage network infrastructure is that there is a very large number of assets which comprise the network and as a result it is not physically possible to inspect every asset for the purposes of completing a valuation. As a consequence reliance is placed on the accuracy of data held in the asset management system and its associated internal controls. This includes regular planned inspections and updates to the system following maintenance activities and renewal treatments. Likewise, especially for water supply and sewerage network infrastructure, a large portion of the portfolio is located underground and may only be inspected on an irregular basis.

Relationship between asset consumption rating scale and the level of consumed service potential - Under the cost approach the estimated cost to replace the asset is calculated and then adjusted to take account of accumulated depreciation. In order to achieve this the valuer determines an asset consumption rating scale for each asset type based on the interrelationship between a range of factors. These factors and their relationship to the fair value require professional judgement and include asset condition, legal and commercial obsolescence and the determination of key depreciation related assumptions such as residual value, useful life and pattern of consumption of the future economic benefit.

The consumption rating scales were based initially on the past experience of the valuation firm and industry guides and were then updated to take into account the experience and understanding of Council's own engineers, asset management and finance staff. The results of the valuation were further evaluated by confirmation against Council's own understanding of the assets and the level of remaining service potential.

4(b) Water and Sewerage Infrastructure – Fair value sensitivity to unobservable inputs

The following table provides a summary of the unobservable inputs and an assessment of the sensitivity of these to the fair value measurement.

Asset	Unobservable Inputs	Sensitivity to Unobservable Market Inputs (%)		Amount of Potential Impact			
		Lower	Upper	2016		2015	
				Lower	Upper	Lower	Upper
Water and Sewerage Infrastructure	Condition of the asset where based on condition as supplied by client	-5.00%	5.00%	-\$1,707,428	\$1,707,428	-\$1,663,931	\$1,663,931
Water and Sewerage Infrastructure	Relationship between asset consumption rating scale and the level of consumed service potential.	-2.50%	2.50%	-\$853,714	\$853,714	-\$831,965	\$831,965

(iii) Changes in fair value measurements using significant unobservable inputs (level 3)

The changes in level 3 assets with recurring fair value measurements are detailed in Note 10 (Property, Plant and Equipment), except for specialised buildings and other structures which are detailed below. There have been no transfers between level 1, 2 or 3 measurements during the year.

	2016		2015	
	Specialised Buildings	Other Structures	Specialised Buildings	Other Structures
Opening Gross Value at start of year	61,268,838	15,500,465	58,851,613	14,839,061
Additions	3,038,097	4,830,947	623,805	368,868
Disposals	-	1,280,024	-	-
Revaluation adjustment to asset revaluation surplus	2,475,321	1,657,493	1,793,420	292,536
Closing Gross Value at end of year	66,782,256	17,393,895	61,268,838	15,500,465
Accumulated Depreciation at start of year	6,427,627	2,971,150	5,242,071	2,064,007
Depreciation for year	933,274	399,158	808,522	370,683
Disposals	-	72,238	-	-
Revaluation adjustment to asset revaluation surplus	641,315	287,386	377,034	536,460
Accumulated Depreciation at end of year	6,719,586	3,010,684	6,427,627	2,971,150
Written Down Value at end of year	60,062,670	14,383,211	54,841,211	12,529,315

(iv) Valuation processes

Council's valuation policies and procedures are set by the executive management team which comprises the Chief Executive Officer and three Executive Managers. They are reviewed annually taking into consideration an analysis of movements in fair value and other relevant information. Council's current policy for the valuation of property, plant and equipment (recurring fair value measurements) is set out in note 1J.

Council engages external, independent and qualified valuers to determine the fair value of its non-current assets on a regular basis. An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from the fair value. If any variation is considered material, a revaluation is undertaken either by comprehensive revaluation or by applying an interim revaluation using appropriate indices.

As at 30 June 2016, a desk top revaluation was undertaken by APV Valuers and Asset Management for all non-current assets. A comprehensive valuation by APV Valuers and Asset Management was conducted as at 30 June 2013. The desk top valuation relies on the validation of the asset registers and physical inspections carried out by APV in 2013. Accuracy of the desk top as at 30 June 2016 is reliant on information supplied by Barcaldine Regional Council to APV in relation to acquisitions and disposals since the previous valuation. APV has assumed that all relevant information in this regard has been provided.

Barcaldine Regional Council
Notes to the financial statements
For the year ended 30 June 2016

	2016	2015
Note	\$	\$
12 Trade and other payables		
Current		
Creditors and accruals	1,269,176	1,293,728
Annual leave	858,902	847,531
Other entitlements	6,815	6,457
	<u>2,134,893</u>	<u>2,147,716</u>
Non-current		
Annual leave	351,020	320,643
	<u>351,020</u>	<u>320,643</u>

13 Borrowings		
Current		
Loans - Queensland Treasury Corporation	338,617	370,303
	<u>338,617</u>	<u>370,303</u>
Non-current		
Loans - Queensland Treasury Corporation	2,755,497	3,137,049
	<u>2,755,497</u>	<u>3,137,049</u>
Loans - Queensland Treasury Corporation		
Opening balance at beginning of financial year	3,507,352	2,783,289
Loans raised	-	1,000,000
Principal repayments	(413,238)	(275,937)
Book value at end of financial year	<u>3,094,114</u>	<u>3,507,352</u>

The market value of QTC borrowings as at 30 June 2016 is \$3,521,269. This represents the value of the debt if Council repaid it at that date.

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

All borrowings are in \$A denominated amounts and carried at amortised cost, interest being expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 15 June 2020 to 15 June 2027. There have been no defaults or breaches of the loan agreement during the period.

Principal and interest repayments are made quarterly in arrears.

	2016	2015
Note	\$	\$
14 Retained surplus/(deficiency)		
Movements in the retained surplus were as follows:		
Retained surplus/(deficit) at beginning of financial year	158,951,533	150,525,914
Net result attributable to Council	5,749,257	8,425,619
Retained surplus at end of financial year	<u>164,700,790</u>	<u>158,951,533</u>

15 Asset revaluation surplus		
Movements in the asset revaluation surplus were as follows:		
Balance at beginning of financial year	193,613,432	186,598,416
Net adjustment to non-current assets at end of period to reflect a change in current fair value	5,110,123	7,015,016
Balance at end of financial year	<u>198,723,555</u>	<u>193,613,432</u>

Asset revaluation surplus analysis

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

Land	7,611,465	7,611,465
Buildings & Structures	36,065,117	34,022,168
Road Infrastructure	136,569,801	134,780,469
Water Infrastructure	8,326,835	7,572,376
Sewerage Infrastructure	10,150,337	9,626,954
	<u>198,723,555</u>	<u>193,613,432</u>

16 Commitments for expenditure		
Contractual commitments at end of financial year but not recognised in the financial statements are as follows:		
Barcaldine Airport Lighting Upgrade (expires 16 September 2016)	87,808	
Jericho Swimming Pool construction contract (expires 31 December 2016)	463,213	-
Barcaldine Swimming Pool tile replacement (expires 1 October 2016)	154,795	-
The Globe construction contract (expires 16 September 2015)	-	693,435
Alpha Swimming Pool construction contract (expires 31 October 2015)	-	937,200
	<u>705,816</u>	<u>1,630,635</u>

Barcaldine Regional Council
Notes to the financial statements
For the year ended 30 June 2016

17 Contingent liabilities

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

Local Government Mutual

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

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

Local Government Workcare

Barcaldine Regional Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$167,925.

18 Superannuation

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

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

The scheme has three elements referred to as:

The City Defined Benefits Fund (CDBF) which covers former members of the City Super Defined Benefits Fund;

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

The Accumulation Benefits Fund (ABF).

The ABF is a defined contribution scheme as defined in 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 Regional DBF, and is not an asset or liability of the Council. Accordingly there is no recognition in the financial statements of any over or under funding of the scheme.

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

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

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

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

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

Note	2016	2015
	\$	\$
The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of employees was:	1,009,117	993,489

Barcaldine Regional Council
Notes to the financial statements
For the year ended 30 June 2016

19 Reconciliation of net operating surplus for the year to net cash inflow (outflow) from operating activities

Net result	5,749,257	8,425,619
Non-cash items:		
Depreciation and amortisation	8,159,012	7,813,780
Land transferred from inventory to non-current assets	-	-
Impairment of property plant and equipment	-	-
	<u>8,159,012</u>	<u>7,813,780</u>
Investing and development activities:		
Net (profit)/loss on disposal of non-current assets	1,319,829	93,328
Capital grants and contributions	<u>(9,332,118)</u>	<u>(10,512,870)</u>
	<u>(8,012,289)</u>	<u>(10,419,542)</u>
Changes in operating assets and liabilities:		
(Increase)/ decrease in receivables	(231,390)	2,840,847
(Increase)/decrease in inventory	(65,423)	222,940
Increase/(decrease) in payables	17,554	(958,626)
Increase/(decrease) in other provisions	73,913	40,875
	<u>(205,346)</u>	<u>2,146,036</u>
Net cash inflow from operating activities	<u>5,690,634</u>	<u>7,965,893</u>

20 Events after the reporting period

There were no material adjusting events after the balance date.

Barcaldine Regional Council Notes to the financial statements

For the year ended 30 June 2016

21 Financial instruments

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

- credit risk
- liquidity risk
- market risk

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

Financial risk management

Barcaldine Regional Council is responsible for the establishment and oversight of the risk management framework, together with developing and monitoring risk management policies. Council's management approves policies for overall risk management, as well as specifically for managing credit, liquidity and market risk.

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

Barcaldine Regional Council does not enter into derivatives.

Credit risk

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

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

No collateral is held as security relating to the financial assets held by Barcaldine Regional Council.

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

	Note	2016	2015
Financial assets		\$	\$
Cash and cash equivalents	8	22,996,488	26,077,876
Receivables - rates	9	740,796	572,128
Receivables - other	9	2,014,493	1,943,839
		<u>25,751,777</u>	<u>28,593,843</u>
Other credit exposures			
Guarantees	17	(167,925)	(191,844)
		<u>(167,925)</u>	<u>(191,844)</u>

Cash and Cash Equivalents

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

Other cash investments are held with Bank of Qld, which is rated A2 by Standard & Poor's, and whilst not capital guaranteed, the likelihood of a credit failure is assessed as remote.

Trade and other receivables

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

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

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

Barcaldine Regional Council
Notes to the financial statements

For the year ended 30 June 2016

21 Financial instruments (continued)

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

2016	Not past due	Past due			Total
		30-60 days	61-90 days	> 90 days	
	\$	\$	\$	\$	\$
Trade and other receivables - Rates	152,849	217,875	-	370,072	740,796
Trade and other receivables - Other	1,917,496	9,460	7,481	90,056	2,024,493
Less: Impairment	-	-	-	10,000	- 10,000
Total	2,070,345	227,335	7,481	450,128	2,755,289

2015	Not past due	Past due			Total
		30-60 days	61-90 days	> 90 days	
	\$	\$	\$	\$	\$
Trade and other receivables - Rates	362,219	112,998	-	96,911	572,128
Trade and other receivables - Other	1,828,504	975	4,695	119,665	1,953,839
Less: Impairment	-	-	-	10,000	- 10,000
Total	2,190,723	113,973	4,695	206,576	2,515,967

Liquidity risk

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

Barcaldine Regional Council is exposed to liquidity risk through its normal course of business and through its borrowings with QTC and other financial institutions.

The Council manages its exposure to liquidity risk by maintaining sufficient cash deposits, both short and long term, to cater for unexpected volatility in cash flows. Council does not have any undrawn facilities or lines of credit at the end of the reporting period:

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

	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
2016					
Trade and other payables	2,134,893	351,020	-	2,485,913	2,485,913
Loans - QTC	493,370	1,793,981	1,646,762	3,934,113	3,094,114
	2,628,263	2,145,001	1,646,762	6,420,026	5,580,027
2015					
Trade and other payables	2,147,716	320,643	-	2,468,359	2,468,359
Loans - QTC	532,926	1,966,233	1,992,190	4,491,349	3,507,352
	2,680,642	2,286,876	1,992,190	6,959,708	5,975,711

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

Barcaldine Regional Council
Notes to the financial statements
For the year ended 30 June 2016

21 Financial instruments (continued)

Market Risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Council's income or the value of its holdings of financial instruments.

Interest rate risk

Barcaldine Regional Council is exposed to interest rate risk through investments and borrowings with QTC and other financial institutions.

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

Sensitivity

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

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

2016	Net carrying amount	Effect on Net Result		Effect on Equity	
		1% increase	1% decrease	1% increase	1% decrease
	\$	\$	\$	\$	\$
QTC Cash Fund	19,103,828	191,038	(191,038)	191,038	(191,038)
Other Cash Funds	3,890,940	38,909	(38,909)	38,909	(38,909)
QTC Loans*	3,094,114	-	-	-	-
Net total		229,947	(229,947)	229,947	(229,947)

2015	Net carrying amount	Effect on Net Result		Effect on Equity	
		1% increase	1% decrease	1% increase	1% decrease
	\$	\$	\$	\$	\$
QTC Cash Fund	22,337,166	223,372	(223,372)	223,372	(223,372)
Other Cash Funds	3,738,990	37,390	(37,390)	37,390	(37,390)
QTC Loans*	3,507,352	-	-	-	-
Net total		260,762	(260,762)	260,762	(260,762)

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

**Barcaldine Regional Council
Financial statements
For the year ended 30 June 2016**

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

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

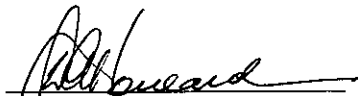
In accordance with section 212(5) of the Regulation we certify that:

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 1 to 27, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



Mayor
Rob Chandler

Date: 14, 10, 16



Chief Executive Officer
Des Howard

Date: 14, 10, 16

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Barcaldine Regional Council

Report on the Financial Report

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

The Council's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

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

Opinion

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

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

Other Matters - Electronic Presentation of the Audited Financial Report

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


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



Queensland Audit Office
Brisbane

**Barcaldine Regional Council
Current-year Financial Sustainability Statement
For the year ended 30 June 2016**

Measures of Financial Sustainability

Council's performance at 30 June 2016 against key financial ratios and targets:

	How the measure is calculated	Actual	Target
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-9.47%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	104.31%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-80.28%	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 2016.

Certificate of Accuracy
For the year ended 30 June 2016

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

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



Mayor

Rob Chandler

Date: 14/10/2016



Chief Executive Officer

Des Howard

Date: 14/10/2016

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Barcaldine Regional Council

Report on the Current-Year Financial Sustainability Statement

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

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

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

Auditor's Responsibility

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

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

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

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

Independence

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

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

Opinion

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

Emphasis of Matter – Basis of Accounting

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

Other Matters - Electronic Presentation of the Audited Statement

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

D. Stolz

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



Queensland Audit Office
Brisbane

**Barcaldine Regional Council
Long-Term Financial Sustainability
Prepared as at 30 June 2016**

Measures of Financial Sustainability

Measure	Actuals at		Projected for the years ended									
	30 June 2016	30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025		
Operating surplus ratio	Target	Between 0% and 10%	-9.47%	0.01%	-3.62%	-2.91%	-7.89%	-7.26%	-6.62%	-6.23%	-5.66%	-5.50%
Asset sustainability ratio	greater than 90%	104.31%	188.44%	146.82%	129.13%	129.13%	146.82%	129.13%	129.13%	129.13%	129.13%	146.82%
Net financial liabilities ratio	not greater than 60%	-80.28%	-60.68%	-80.85%	-94.53%	-122.04%	-126.91%	-140.23%	-145.33%	-150.77%	-163.46%	

Barcaldine Regional Council's Financial Management Strategy

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

Certificate of Accuracy

For the long-term financial sustainability statement prepared as at 30 June 2016

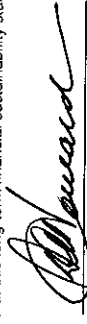
This long-term financial sustainability statement has been prepared pursuant to Section 178 of the Local Government Regulation 2012 (the regulation).

In accordance with Section 178(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.



Mayor
Name

Date: 14/10/2016



Chief Executive Officer
Name

Date: 14/10/2016