

# Annual Report

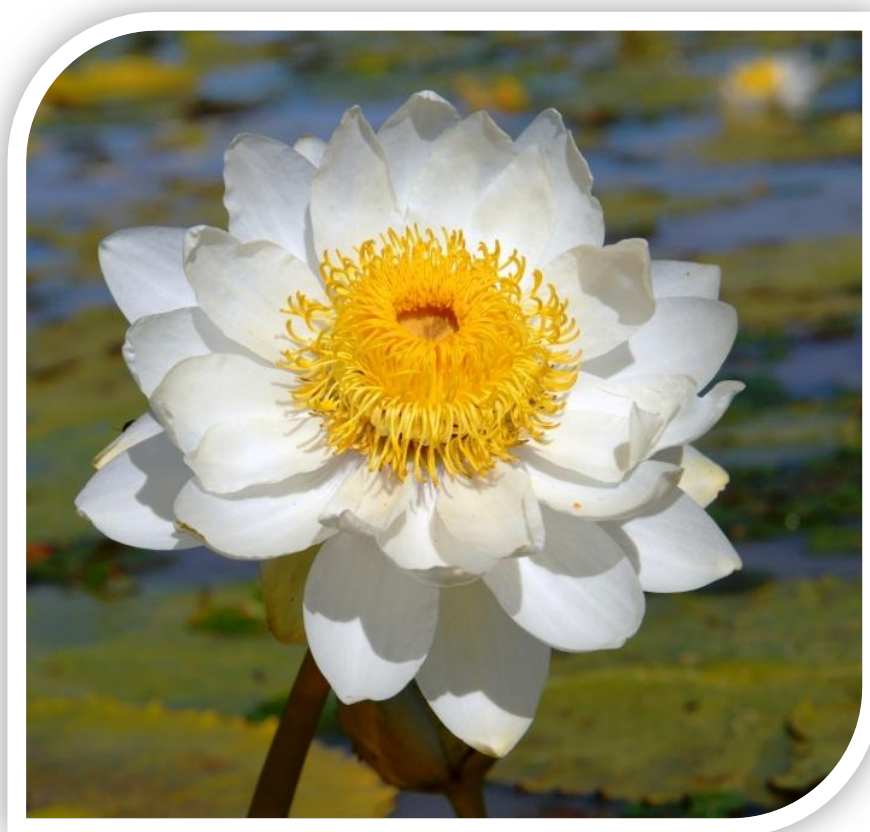
2012 / 2013



## Table of Content

---

Welcome.....	2
A Glimpse of Our Region.....	2
Our Vision, Mission and Values .....	3
Mayoral Report.....	4
Chief Executive Officer Report.....	5
Our Councillors.....	7
Council Meetings .....	8
Organisational Structure.....	9
Legislative Requirements.....	10
Assessment of Performance in Implementing Corporate and Operational plans.....	24
Community Financial Report .....	35
Financial Statements.....	42



## Welcome...

to the Quilpie Shire Council Annual Report for 2012-2013.

Quilpie Shire Council plays a pivotal role within our local community. We provide and maintain infrastructure and quality services for our community whilst managing our environment to ensure a sustainable future for generations to come.

Councils are required by legislation to prepare and adopt an annual report each financial year and Quilpie Shire Council, in accordance with legislation, is committed to transparent reporting and accountability in its operations to the community.

This report provides comprehensive information of Council's performance and achievements from 1 July 2012 to 30 June 2013.

Council welcomes your comments about this Annual Report. Please forward any comments or suggestions to the Chief Executive Officer.

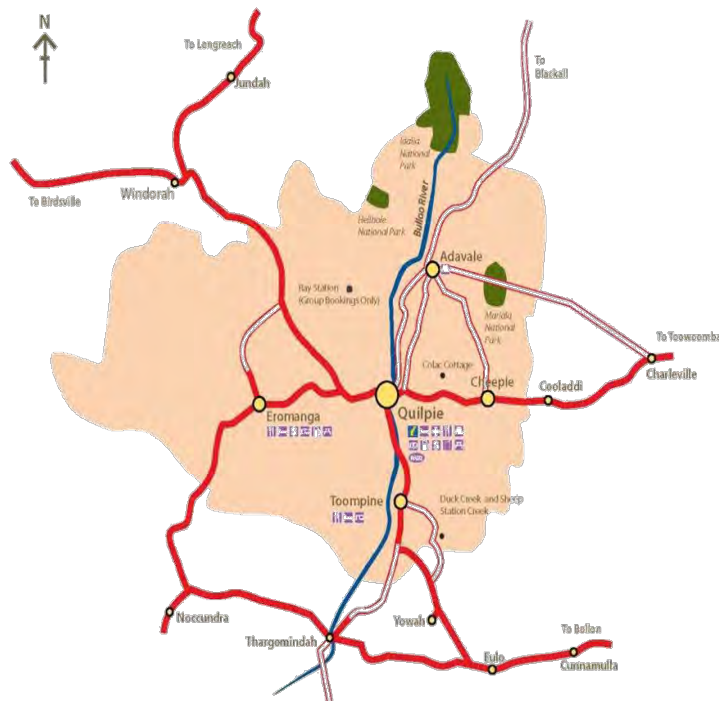
Electronic copies of the Annual Report are available on Council's website [www.quilpie.qld.gov.au](http://www.quilpie.qld.gov.au)

## A Glimpse of Our Region

The Quilpie Shire is centred around the towns of Quilpie, Eromanga, Toompine, Cheepie and Adavale in which primary industries play a huge role in the shire's economy with sheep, cattle, fish and an array of birds and wildlife calling the shire home.

The largest dinosaur found in Australia lies within the Shire which is in far South West Queensland at the end of the railway line, approximately 1000km west of Brisbane. Within the 67,485 square kilometres or 3.9% of the total area of Queensland, there are 997\* community members, of which 630 of them reside in the town of Quilpie. Quilpie Shire is situated in a semi-arid environment where the annual rainfall is approximately 340mm therefore community members rely heavily on the water supply of the Great Artesian Basin.

\*Source: Queensland Regional Profiles – Quilpie Shire Council





## Our Vision, Mission and Values

Quilpie Shire Council's mission is a guiding statement on how Council proposes to achieve the Corporate Plan. It is supported by key corporate values and it is an aspiration to achieve the best for the Quilpie Shire.

### *Our Vision & Mission*

We cherish our lifestyle and the uniqueness of our community.

We value inclusion and meaningful participation in the community and are committed to strengthening all we value to ensure our future is sustainable.

"Planning our future to promote sustainable, flexible business growth and quality services to our community."

### *Our Key Corporate Values*

Responsible  
visionary  
leadership

Working closely  
with the  
community to  
achieve our vision

Open and honest  
communications

Economic  
responsibility

## Mayoral Report

*Cr Stuart Mackenzie*

The 2012-13 year has been a year of contrasts for the Quilpie Shire with some sectors growing strongly and others under pressure. The summer rains were patchy at best and the following dry winter has put the grazing industry into drought mode. The Quilpie Shire was officially drought declared in July 2013. Although this dry season was expected after three good years, for many graziers, the re-building after the 2000's wasn't complete and this is a very unwelcome setback.

The large cattle turn off, especially from the channel country to the west, has seen a very busy year for our trucking companies. They have managed to facilitate this excessive shift of cattle with no assistance from rail. There has not been one cattle train service to Quilpie in 2013. Council has had a number of meetings with Aurizon and the Department of Transport and Main Roads and, although some of the problems have been identified, the solutions are still to be put in place.

The lack of a rail service has highlighted how fortunate Quilpie Shire is to have such a strong and vibrant trucking industry, providing employment, economic turnover and essential services for all other industries.

Tourism has managed to maintain the substantial gains in visitor numbers achieved last year. The newly developed "Natural Science Loop" is proving a success, luring travellers off the well trodden Matilda Highway and providing benefit to all the towns in the shire. It is exciting to see new tourism orientated businesses opening up and the older established ones providing improved services that cater for the discerning tourist.

Resource company activity continues to grow with new seismic and drilling programs planned for the coming year, especially in the Eromanga area. There are indications that "shale" or "tight" gas will be the

next major resource boom in Australia and one of these gas bearing basins extends under the western half of the Quilpie shire, potentially providing many opportunities in the future.

The shire council completed the largest works program ever undertaken in the 2012-13 year with \$30 million spent on Main Roads maintenance and flood damage and \$5.7 million on Shire roads maintenance and flood damage. There is in excess of \$20 million budgeted to be spent in the coming year on roads with \$14 million earmarked for Shire roads alone.

This huge workload has stretched council resources somewhat and has meant that planned land developments in Quilpie will not commence until 2014-15 although some design work is scheduled for the 2013-14 year.

Council did take the initiative to build 6 new homes across the shire during the last year, a move that has alleviated some of the housing shortage issues that existed previously.

There is a feeling of optimism and change occurring in the shire as "Generation Y" starts to play a more dominate role in businesses and the community generally. There is no more important ingredient for a prosperous future than the enthusiasm of youth.

The councillors and staff have, once again, provided committed and solid endeavour, completing an extremely challenging work program and nurturing the community when required.



## Chief Executive Officer Report

### *Dave Burges*

It is with a sense of pride that I present this message on behalf of our Council organisation.

The past 12 months have been very challenging for Council and staff. A new Council was elected and took office in May 2012 and had to adopt the largest budget that Quilpie Shire has ever had within a matter of weeks. The organisation then had to get on with the job of delivering that budget. With expenditure of over \$40M planned for, that was always going to be very challenging. This task was made even more difficult with a new state government taking office and introducing a raft of legislative changes that we had to keep on top of.

The 2012-13 financial year tested the skills and capacity of our organisation. The sheer volume of work to be done within tight timeframes set by government has never been experienced by Quilpie Shire and many other small rural Councils.

Some of the highlights of the year from my perspective have been the commencement of construction of six new houses, the improvements to the water and sewerage systems in Eromanga, the completion of the 46 lot residential estate, "Curlew Estate" in Quilpie, the planning and design of a new industrial estate and a new rural residential estate on the western side of Quilpie and the planning and design of a new works depot and workshop. These major projects, whilst impacting on our financial position, are critical to the ongoing economic

development of our region. As well as these Council works, the significant

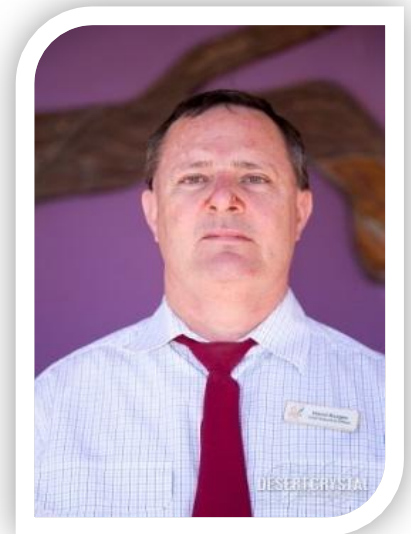
upgrade to the

State controlled Diamantina Development Road at Pinkilla Creek was largely completed by June of this year.

Major flood damage restoration works have been undertaken over the past year and will continue on into the next financial year. These works have been extremely challenging with the onerous restrictions placed on Council by the State and Federal Governments. The government has decreed that Council cannot use our own day labour workforce for much of the works and has placed extremely bureaucratic reporting and administrative barriers in our way. We'll continue to work with government to see if this situation can be improved for future works.

Council has continued to responsibly manage our assets with major bitumen reseal and gravel road re-sheeting programs, water main replacements and a significant fleet modernisation program.

One of the major disappointments over the past year has been the lack of Regional Development Australia funding from the Federal Government for the Eromanga Natural History Museum project. Despite



the various applications being highly ranked in the assessment process the funding eluded us. Council will continue to pursue funding for this major project in the coming financial year.

Tourism continues to be a major area of potential economic development and this, together with other economic drivers, has been identified in Council's *Economic Development Strategy* which was adopted in June of this year.

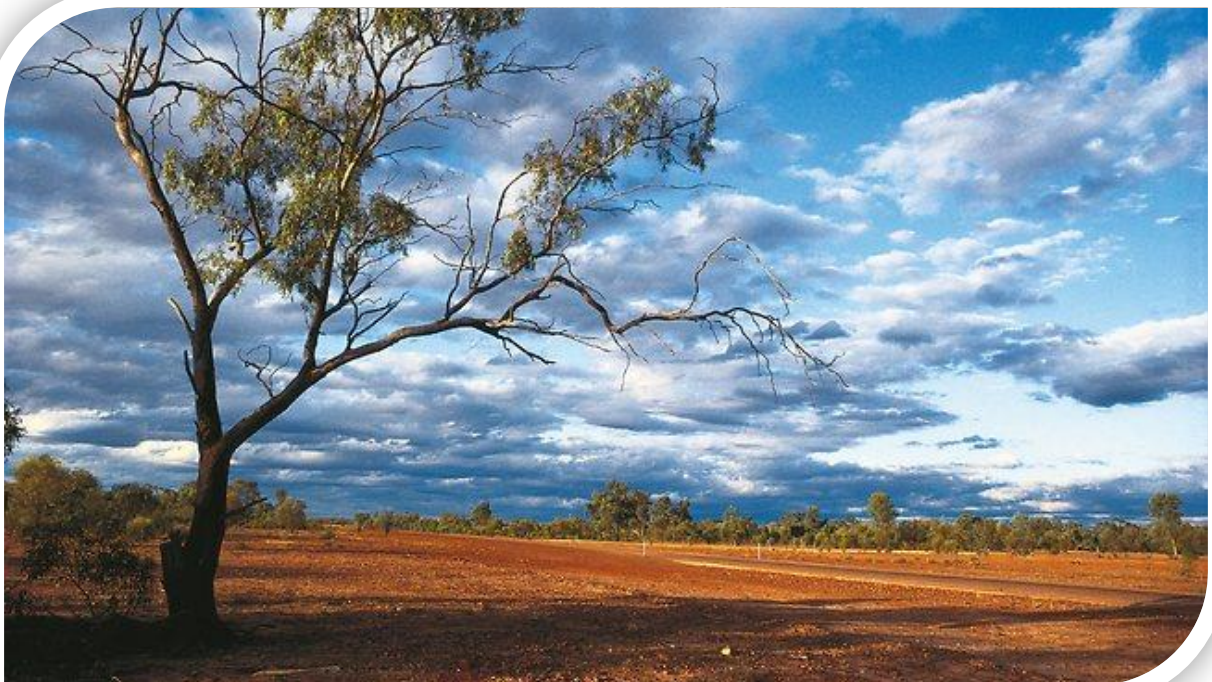
Council has continued to maintain and improve numerous community facilities and offer support to the community through various grants and subsidies. This year also saw us purchase Stage 3 of 5 stages of community housing from the State Government to ensure we keep the destiny of our community in our own hands and not be reliant on State Government

housing policies that are detrimental to regions such as ours.

Council continues to operate in a very tight fiscal environment with funding from both State and Federal Governments decreasing considerably. Despite this our financial position remains very solid and allows Council to undertake some of the major activities and programs listed above.

I look forward with anticipation to the coming years as the plans and aspirations of the past year come to fruition.

In closing I would like to thank the Mayor and Councillors for their support and guidance to the organisation over the past year and to thank all staff for their efforts and dedication in achieving the many successes we have enjoyed.





## Our Councillors



*Cr Stuart Mackenzie*

**Our Mayor**

'Plevna Downs'  
Eromanga Qld 4480  
mayor@quilpie.qld.gov.au



*Cr Jennifer Hewson*

**Our Deputy Mayor**

6 Chulungra Street  
Quilpie Qld 4480  
jhewson@quilpie.qld.gov.au



*Cr Stewart Sargent*

**Our Councillor**

'Granville Station'  
Adavale Qld 4474  
ssargent@quilpie.qld.gov.au



*Cr Milan Milosevic*

**Our Councillor**

35 Winchu Street  
Quilpie Qld 4480  
mmilosevic@quilpie.qld.gov.au



*Cr Tony Lilburne*

**Our Councillor**

Chipu Street  
Quilpie Qld 4480  
tlilburne@quilpie.qld.gov.au



## Council Meetings

Ordinary Meetings of the Quilpie Shire Council are held the second Tuesday of each month in the Quilpie Shire Boardroom, commencing at 9:30am.

The date and times of meetings other than special meetings are fixed in accordance with the Local Government Act and the Regulations.

The CEO must call a special meeting if:

The CEO has identified an urgent matter that needs to be decided before the next scheduled Ordinary Council meeting

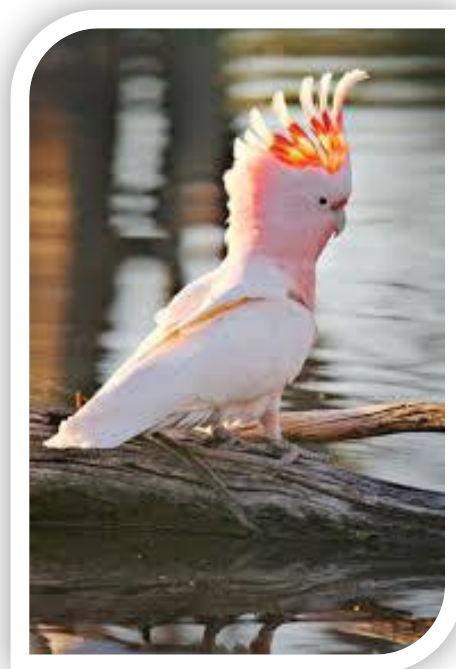
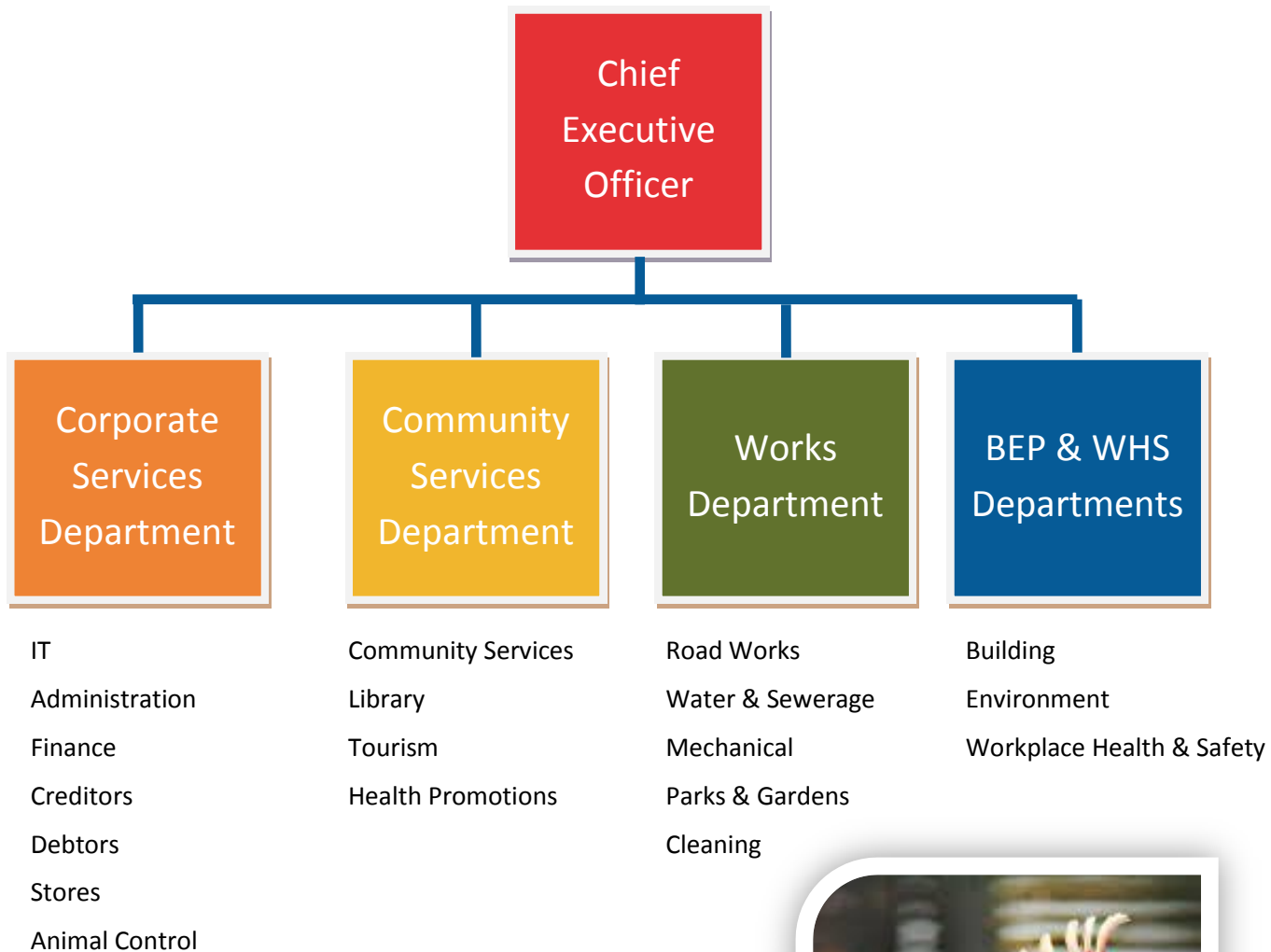
A written request has been received by the CEO which has been signed by the Mayor and two other Councillors and states a particular matter(s) to be discussed.

All meetings are open to the public, unless Council resolve, under Section 274 of the Local Government Regulation 2012, that the meeting be closed whilst discussion takes place “in confidence” regarding specific issues such as staff, legal or industrial proceedings and contracts.



## Organisational Structure

Within the Quilpie Shire Council there are four (4) departments:



## Legislative Requirements

### Councillor Remuneration

Councillors attend various committee meetings or training workshops routinely throughout the month. The Council is governed by the *Local Government Act 2009* and by a *Councillor Code of Conduct*.

The Local Government Remuneration Tribunal has decided to discontinue the practice of setting remuneration ranges and has established rates which are close to the mid-point of the previously established ranges.

The rates for Quilpie Shire Council, being a category 1 council, are as follows:-

### Councillor Remuneration – 1 January 2013 to 31 December 2013

*Local Government Regulation 2012 S186*

**Resolution No: (24-01-13)**

Moved by: Cr Sargent

Seconded by: Cr Milosevic

That Council adopt the following Councillor Remuneration Schedule for 2013:

Mayor	\$73,803
Deputy Mayor	\$31,630
Councillor	\$22,492

5/0

### Councillor Remuneration – 1 January 2012 to 31 December 2012

*Local Government Regulation 2012 S186*

**Resolution No: (11-02-12)**

Moved by Cr Paulsen

Seconded by Cr Hewson

That Council adopt the following Councillor Remuneration Schedule:-

Mayor	\$72,003
Deputy Mayor	\$30,859
Councillor	\$17,144

That Council resolves to cancel Policy GA.12 0111

Carried 5/0

Delegated Officer: Chief Executive Officer





## Councillor Remuneration and Superannuation

Councillor	Gross Payment	Travel Expenses	Superannuation	Total Remuneration (\$)
CA Mackenzie	74,005.00	12,601.00	5,868.00	92,474.00
JC Hewson	32,620.00	1,436.00	2,824.00	36,880.00
SC Sargent	20,865.00	4,122.00	1,864.00	26,851.00
AM Lilburne	19,818.00	0.00	1,864.00	21,682.00
MC Milosevic	19,818.00	0.00	1,864.00	21,682.00
<b>TOTAL</b>				199,569.00

## Councillor Meeting Attendance – 1 Jul 2012 to 30 June 2013

	Ordinary Meeting	Special Meeting	Council Workshop	Other	Total
Cr SA Mackenzie	12	2	5	32	51
Cr JC Hewson	11	2	5	10	28
Cr SC Sargent	12	1	5	10	28
Cr AM Lilburne	11	1	5	1	18
MS Milosevic	11	2	5	5	23
<b>TOTAL</b>					148

## Councillor Complaints, Orders and Recommendations

- No orders and recommendations were made under section 180(2) or (4) of the Local Government Act 2009 during the financial year.
- No orders were made under section 181 of the Local Government Act 2009 during the financial year.
- No complaints were received about the conduct or performance of councillors for which no further action was taken under section 176C(2) of the Local Government Act 2009 during the financial year.
- No complaints were referred to the Chief Executive Officer under section 176C(3)(a)(i) of the Local Government Act 2009 during the financial year.
- No complaints were referred to the Mayor under section 176C(3)(a)(ii) or (b)(i) of the Local Government Act 2009 during the financial year.
- No complaints were referred to the Chief Executive Officer under section 176C(4)(a) of the Local Government Act 2009 during the financial year.
- No complaints were heard by a regional conduct review panel during the financial year.
- No complaints were heard by the tribunal during the financial year.
- No complaints were received to which section 176C(6) of the Local Government Act 2009 applied during the financial year.

## **Discretionary Funds**

Councillors do not have any discretionary funds.

## **Public Sector Ethics Act 1994**

- **Section 15 – Preparation of codes of conduct**

Council has developed a code of conduct for councillors and a code of conduct for staff.

- **Section 21 – Education and training**

Council ensures all staff are aware of and understand their rights and obligations under the Code of Conduct through its induction program.

- **Section 22 – Procedures and practices of public sector entities**

All of Council's procedures and practises demonstrate Council's commitment to the ethical principles and obligations of the Public Sector Ethics Act 1994.

## **Overseas Travel**

In accordance with section 188 of the Local Government Regulation 2012 the annual report must contain information about any overseas travel made by a councillor or Council employee.

During the 2012-2013 financial year no councillor or Council employee travelled overseas in an official capacity.

## **Remuneration – Senior Management Employees**

In accordance with section 201 of the Local Government Act 2009 the annual report must contain information about the remuneration packages of senior management employees.

During the 2012-2013 financial year Quilpie Shire Council employed 5 senior management employees. Details of the remuneration packages for these employees are as follows:

- 1 senior management employee with a total remuneration package in the range of \$150,000 to \$199,999.
- 4 senior management employees with a total remuneration package in the range of \$100,000 to \$149,999.

## **Administrative Action Complaints**

### **Council's Commitment to Dealing Fairly with Administrative Action Complaints**

The complaints management process is established with the following objectives:

The fair, efficient and consistent treatment of complaints about decisions and other administrative actions of the Council;

A complaints management process that is easy to understand and is readily accessible to all;

Detection and rectification, where appropriate, of administrative errors;

Identification of areas for improvement in the Council's administrative practices;  
Increase in awareness of the complaints management process for the Council's staff and the community;  
Enhancement of the community's confidence in the complaints management process and the reputation of the Council as being accountable and transparent;  
Building the capacity of staff to effectively manage complaints in an environment of continuous improvement;  
Complaints will be acknowledged and resolved in a timely manner;  
Council will manage complaints confidentially and ensure that complainants do not suffer any form of reprisal for making a complaint;  
Council will abide by the principles of natural justice/procedural fairness when dealing with complaints.

### Council's implementation of its' Complaints Management Process and Assessment

Council is committed to dealing with administrative action complaints fairly and have reviewed and adopted the amended policy on 15<sup>th</sup> August 2012. Council's Complaints Management policy and process is available on Council's website and at the Administration office.

Number of Administrative Complaints made, resolved by Council, not resolved by Council and complaints not resolved in the previous year.

Number of administrative action complaints made to Council	Nil
Number of administrative action complaints resolved by Council (Under complaints management process)	Nil
Number of administrative action complaints not resolved by Council (under complaints management process)	Nil
Number of administrative action complaints not resolved by Council in the previous year	Nil

### Complaints and Investigations into Business Activities

During the year Council received no complaints in relation to its nominated business activities.



## Registers

Council is required to keep and make available for public inspection certain documents. These documents are available from the Quilpie Shire Council Office and include:

- Investment Register
- Register of Local Planning Policies
- Register of Delegations of Authority by Council
- Register of Delegations of Authority by the CEO
- Register of Local Laws
- Register of Policies
- Register of Roads
- Contract Register
- Register of Legal Documents
- Register of Charges
- Building Application Register
- Cemetery Register
- Corporate & Operational Plan
- Annual Report
- Code of Conduct
- Register of Interest
- Register of Disclosure of Electoral Gifts and Loans
- Delegations by Council
- Delegations by the Chief Executive Officer
- Local Laws and Subordinate Local Laws Register
- Register of Assets
- Register of Burials
- Register of Charges
- Register of Lands
- Register of Roads
- Register of local government business entities to which competitive neutrality principles apply

## Rebates and Concessions

In accordance with Sections 119 and 120 of the Local Government Regulation 2012 Council offers a concession of 50% up to \$450 on rates and utility charges to recipients of Aged, Disability, Widows and Veteran Affairs in accordance with Council's Pensioner Rate Concession Policy.

## Reserves and Controlled Roads

Quilpie Shire Council has control of 278.8ha of land that are reserves under the Land Act 1994. This land does not have a value for Council's Financial Statements.

Council does not control any roads it does not own.

## Invitations for Changes to Tenders

In accordance with section 190(1)(e) of the Local Government Regulation 2012 the annual report must contain information about any invitations to tenderers to change their tenders.

During the 2012-13 financial year there were no instances where tenderers were invited to change their tenders by Council.

## Grants to Community Organisations

In accordance with section 189(a) of the Local Government Regulation 2012 the annual report must contain information on grants to community organisations during the financial year.

During the 2012-13 financial year Council provided the following grants or in-kind support to organisations:

Club / Organisation	Amount
Quilpie Polocrosse Association	1,735.00
Quilpie Events Committee	2,057.00
Quilpie Magpies SRLFC	1,500.00
Quilpie Golf Club	1,200.00
Quilpie State College	12,217.00
St Finbarr's School	6,700.00
Quilpie & District Show	2,000.00
Mulga Mates	6,553.00
QCWA Quilpie	500.00
Toompine Progress Association	2,000.00
Quilpie Outdoor Rec Club	228.00
Quilpie Police	1,500.00
Quilpie Race Club	1,017.00
Adavale Sport & Rec Association	2,000.00
Salvation Army	518.00
Durham Downs Lady Day	518.00
RFDS Eromanga	396.00
Quilpie Pony Club	2,006.00
Catholic Church	2,715.00
Dinosaur Digging Museum	2,715.00

Grant payments were made under the Regional Arts Development Program to the following organisations to promote art and cultural activities within the Shire:

Organisation	Amount
Tedeschi Cooper Tour and Workshop	3,000.00
Eromanga District Community Association	3,561.00
Quilpie Cultural Society Inc	13,467.00
Outback Gondwana Foundation Ltd	6,500.00
Quilpie & District Show & Rodeo	2,000.00

## Internal Audit

In accordance with section 190(h) of the Local Government Regulation 2012 the annual report must contain information on the internal audit for the financial year.

Council has engaged the services of the Local Government Association Queensland to perform the internal audit activities for the 2012-13 financial year. The internal auditors work with management to identify and implement recommended improvements to Council's operations, systems and processes.

The internal audit plan is reviewed and considered annually by management and covers all operations of Council to ensure that desired outcomes and results are achieved. The internal audit plan for 2012-13 covered financial sustainability, governance, infrastructure, community engagement, planning/regulation and workforce.

## Particular Resolutions

In accordance with sections 185(a) and (b) of the Local Government Regulation 2012 the annual report must contain a copy of the resolutions made during the financial year under section 250(1) and a list of any resolutions made during the financial year under section 206(2).

The Council set the following amounts for each different type of non-current assets below which the value of an asset of the same type will be treated as an expense:

- |                                  |          |
|----------------------------------|----------|
| • Furniture and Fittings         | \$5,000  |
| • Plant and Equipment            | \$5,000  |
| • Buildings and other structures | \$10,000 |
| • Infrastructure assets          | \$10,000 |

These amounts are disclosed in Note 1.N of the financial statements.

## Councillor Expenses Reimbursement Policy

### 1. OBJECTIVE

The objective of this policy is to authorise the payment of reasonable expenses incurred, or to be incurred, by Councillors, and provision of facilities to assist Councillors in discharging their duties and responsibilities.

### 2. PURPOSE

The purpose of the policy is to ensure that Councillors, including the Mayor, can receive reimbursement of reasonable expenses and be provided with necessary facilities in performance of their role. The policy is made pursuant to Section 44-47 of the *Local Government (Operations) Regulation 2010*.

### 3. SCOPE

This policy applies to the Mayor, Deputy Mayor and Councillors. This policy deals with reimbursement of expenses or provision of a facility to Councillors, but does not apply to the conduct of civic functions or the remuneration of Councillors.

It is the responsibility of Council to use its discretion and decide what is required by Councillors in carrying out their civic responsibilities taking into account the role of the Councillor, Council's annual budget and community expectations.

Council must be mindful of the Local Government principles and the legislative requirements of the Act when determining legitimate types of expenses and facilities for Councillors.

### 4. PRINCIPLES

This policy has been written to be compliant with the Local Government principles set out in the Act and the following five underpinning principles.



a. Reasonable expenses reimbursement to Councillors

Council has considered what is reasonable and fair, given the size and population of the Council and the responsibilities of Councillors. Councillors should not be financially disadvantaged when carrying out the requirements of the role of Councillor and should be fairly and reasonably compensated in this regard in accordance with community expectations. Councils should take into account considerations of economy and efficiency when developing their policies. Expenses are not designed to be used to supplement the remuneration levels determined by the Local Government Remuneration Tribunal and where practicable will only cover actual costs.

b. Public accountability and transparency

This policy and the process of approval ensure there is accountability and transparency in the reimbursement of expenses incurred, or to be incurred, by Councillors. The policy covers the specific expenses for which Councillors are entitled to receive reimbursement and is sufficiently clear in scope and easily understood by communities. Councillors can only receive the reimbursement for expenses included in the policy.

c. Public perceptions and community expectations

Council has considered public perceptions and community expectations when developing this policy. It is believed that the detail and range of expenses paid and facilities provided to Councillors by Council have been clearly and specifically stated, fully transparent and acceptable to the local community. The Council is confident that it has considered the community's needs and expectations in determining this policy.

d. No private benefit to be derived

Councillors incurring expenses should not gain personal funds as a result of their role servicing the community. All reimbursement of expenses or provision of facilities must be for legitimate business use only i.e. to enable Councillors to effectively and efficiently carry out their civic duties. Furthermore, facilities and resources provided to Councillors are for the sole use of Councillors in undertaking their duties and should be used responsibly and appropriately. Spouses, partners and family members of Councillors are not entitled to receive any reimbursement of expenses or provision of Council facilities.

e. Equity and Participation

Council's policy is non-discriminatory and provides an opportunity for full participation by all Councillors from a diverse range of backgrounds. The policy accounts for individual differences and is sufficiently inclusive to ensure participation of underrepresented groups. Councils has considered issues such as access and equity and have taken account of any barriers to participation for Councillors. This includes consideration of the needs of Councillors with disabilities and caring responsibilities.

## 5. BACKGROUND

a. Legislation

Division 2 Chapter 5 of the Local Government (Operations) Regulation 2010 requires Council to have an expense reimbursement policy. Such policy is to provide for the following:-

- Payment of reasonable expenses incurred, or to be incurred, by Councillors, for discharging their duties and responsibilities as Councillors; and
- Provision of facilities to the Councillors for that purpose.

Section 45 of the Regulation requires Council to adopt such a policy, by resolution. The policy must be consistent with the local government principles and the financial sustainability criteria under Section 102 of the Act.

Section 46 of the Regulation requires Council to give public notice of the adoption of such a policy. The public notice must be published in a newspaper circulating generally in the local government area and on the local government website.

Section 47 provides that a meeting at which a proposed expense reimbursement policy is discussed cannot be closed to the public.

b. Related Policies

See also: Procurement Policy

## 6. DEFINITIONS

Chief Executive of the Department: The Director-General of the Department of Local Government & Planning.

Council Business: Activities conducted on behalf of Council where a Councillor is required to undertake certain tasks to satisfy legislative requirements, perform ceremonial activities, or achieve business objectives of the Council. Council business should result in a benefit being achieved either for the local government and/or the local community. This includes:-

- Preparing for, attending and participating in Council meetings, committee meetings, workshops, deputations and inspections;
- Attending conferences of local government industry associations or professional bodies (ie LGAQ, UDIA, LGMA, etc);
- Attending civic ceremonies and community events such as representing Council at Anzac Day ceremonies or opening a school fete, where they have been formally invited in their capacity as Councillor to undertake the official duty;
- Attending public meetings, annual meetings or presentation dinners where invited as a Councillor;
- Attending meetings of community groups (Scout Associations, Progress Associations, etc) where invited to speak about Council Programs or initiatives.

Attending or participating in a community event, community group, private meetings or inspection with constituents, or being a representative on a board as a community member is not regarded as 'Official Council Business.'

Councillors: Includes the Mayor, Deputy Mayor and other Councillors, unless specifically identified.

Expenses: Expenses are payments reasonably incurred, or to be incurred, in connection with Councillors discharging their duties. The expenses may be either reimbursed to Councillors or paid direct by Council for something that is deemed a necessary cost or charge. Expenses are not included as remuneration.

**Facility:** Facilities provided to Councillors that are the “tools of trade” and required to enable them to perform their duties with relative ease and at a standard appropriate to fulfill the community expectation for their role.

**Reasonable:** Councils must make sound judgments and consider what is prudent, responsible and acceptable to the community when determining appropriate levels of facilities and expenditure.

## 7. PAYMENT OF EXPENSES

Expenses will be paid to a Councillor through administrative processes approved by Council’s Chief Executive Officer subject to:-

- The limits outlined in this policy;
- Council endorsement by resolution, where required;
- In the case of reimbursement of expenses production of receipts and tax invoices or evidence that such expenses have been paid is required prior to reimbursement; and
- Expense reimbursement must be claimed within two (2) months of such expense having been paid by the Councillor and claims for reimbursements outside of this period will not be accepted.

## 8. EXPENSE CATEGORIES

Expense Category	Details
Council Business	<p>Council will reimburse expenses incurred in undertaking Council business which includes:-</p> <ul style="list-style-type: none"> <li>▪ attendance at Council meetings, committee meetings, Councillor Information Sessions and approved workshops, strategic briefings and deputations;</li> <li>▪ attendance at pre-arranged meetings with the Chief Executive Officer and/or General Managers;</li> <li>▪ attendance at seminars and conferences where Councillors are required to either deliver a paper and/or attend as a delegate of Council as per resolution,</li> <li>▪ attendance outside the shire at public meetings and other community events such as presentation dinners and meetings with community groups where a formal invitation has been received inviting the Councillor in their official capacity to perform official duties or as an official Council representative as per resolution or with the prior approval of the Mayor;</li> <li>▪ attendance outside the shire at civic functions and ceremonies on behalf of the Mayor as delegated by the Mayor.</li> </ul> <p>Section 12(4)(i) of the <i>Local Government Act 2009</i> states that the Mayor has the extra responsibility of representing the local government at ceremonial or civic functions.</p> <p>Section 12(5) of the <i>Local Government Act 2009</i> states that a Councillor who is not the Mayor may perform the Mayor’s extra responsibilities only if the Mayor delegates the responsibility to the Councillor.</p>



Conferences and Training	<p>Council will reimburse expenses incurred for:-</p> <ul style="list-style-type: none"> <li>▪ attendance at Regional, State or National Local Government associated conferences, subject to attendance approved by Council;</li> <li>▪ attendance at Regional meetings and workshops associated with a Councillor's responsibilities;</li> <li>▪ professional development and training as approved by Council</li> </ul>
Travel Costs	<p>Council will reimburse travel expenses deemed necessary to achieve the business of Council where:-</p> <ul style="list-style-type: none"> <li>▪ a Councillor is an official representative of Council; and</li> <li>▪ the activity / event and travel have been endorsed by resolution of Council.</li> </ul> <p>Council will reimburse travel costs for attendance at Council meetings and Council business where a Council vehicle is not available for use and the distance travelled is more than 5km.</p> <p>Councillors are required to travel the most direct route, using the most economical and efficient mode of transport.</p> <p>Any fines incurred while travelling in Council owned vehicles or privately owned vehicles when attending to Council business, will be the responsibility of the Councillor incurring the fine.</p> <p>All Councillor travel approved by Council resolution will be booked and paid for by Council.</p> <p>Any travel transfer expenses associated with Councillors travelling for Council approved business will be reimbursed.</p> <p>Councillor's private vehicle usage will be reimbursed at the Australian Taxation Office cents per kilometre rate if the:-</p> <ul style="list-style-type: none"> <li>▪ travel has been endorsed by Council resolution or no Council vehicle is available; and</li> <li>▪ claim for mileage is substantiated with log book details; and</li> <li>▪ total travel claim does not exceed the cost of the same travel using economy flights plus the cost of taxi transfers.</li> </ul> <p>Any travel/transfer expenses associated with Councillors travelling for Council approved business will be reimbursed. Example: Trains, taxis, buses and ferry fees, toll fees.</p> <p>Cab charge vouchers may also be used if approved by Council where Councillors are undertaking duties relating to the business of Council. Council will provide reimbursement for parking costs paid by Councillors while attending to official Council business.</p> <p>All Councillor travel approved by Council will be booked and paid for by Council. Economy class is to be used where possible although Council may approve business class in certain circumstances. Airline tickets are not transferable and can only be procured for the Councillor's travel on Council business. They cannot be used to offset other unapproved expenses (eg cost of partner or spouse accompanying the</p>

	Councillor).
Accommodation	<p>All Councillor accommodation for Council business will be booked and paid for by Council where possible. Council will pay for the most economical deal available where possible. Where possible the minimum standards for Councillor accommodation will be four star rating.</p> <p>Where particular accommodation is recommended by conference organisers, Council will take advantage of the package deal that is the most economical and convenient to the event.</p>
Meals	<p>Council will reimburse costs of meals for a Councillor when:-</p> <ul style="list-style-type: none"> <li>▪ the Councillor incurs the cost personally; and</li> <li>▪ the meal was not provided within the registration costs of the approved activity/event; and</li> <li>▪ a copy of a tax invoice is provided.</li> </ul> <p>Council reimbursement for meal expenses shall be interpreted as reasonable expenses incurred for the purchase of breakfast, lunch, dinner where these are not provided at the event. Any meal reimbursements shall not be more than \$40 per meal or more than \$100 per day. No alcohol will be reimbursed by Council.</p>
Hospitality and Entertainment Expenses	<p>The Mayor may have occasion to incur hospitality expenses while conducting official Council business. Hospitality expenses incurred will typically take the form of meals and beverages. The maximum amount of hospitality expenses that may be reimbursed is \$1000 / annum for the Mayor. The Mayor will be issued with a corporate credit card which may be used for this purpose or alternatively a copy of a tax invoice is required for reimbursement.</p>

## 9. PROVISION of FACILITIES

Councillors will be provided facilities as detailed in the table below and have been based on the principle that no private benefit is to be gained from the facilities provided. All facilities provided to Councillors remain the property of Council and must be returned to Council when a Councillor's term expires.

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

Administrative Tools	<p>Council will provide access to the following office equipment in the Council office to enable Councillors to carry out their role effectively:</p> <ul style="list-style-type: none"> <li>▪ Laptop or computer</li> <li>▪ Printer</li> <li>▪ Fax</li> <li>▪ Stationery</li> <li>▪ Office space and meeting rooms</li> <li>▪ Photocopier</li> <li>▪ Publications</li> <li>▪ Landline telephones and internet access</li> <li>▪ Secretarial support</li> </ul>
Mobile Phone	Council will provide a mobile telephone or alternative communication device to the Mayor with all costs payable by Council.
Credit Card	The Mayor will be provided with a corporate credit card for use in charging costs and expenses associated with the duties of Mayor.
Corporate Uniform and Ancillaries	<p>Council will provide Councillors with the following corporate equipment:-</p> <ul style="list-style-type: none"> <li>▪ Name badge</li> <li>▪ Necessary safety equipment for use on official business e.g. safety helmet/boots</li> <li>▪ Business Cards</li> </ul>
Vehicles	<p>Council may provide the Mayor with a suitable 4WD or SUV sedan vehicle for use during official Council business including travel to and from home to Council's place of business. Councillors may access a Council vehicle for use on official Council business.</p> <p>Private use of Council owned vehicles is permitted if prior approval has been granted by resolution of Council. Council will, in its resolution authorising private use, set out the terms for the Councillor to reimburse Council for such private use.</p> <p>The Mayor is authorised to use the Council owned vehicle for private use.</p>
Fuel Costs	All fuel used in a Council owned vehicle on official Council business will be provided or paid for by Council. Fuel used in private use of a Council vehicle, including the Mayor's vehicle, will be paid for by the Councillor.
Insurance Cover	<p>Council will insure Councillors in the event of injury sustained while discharging their duties.</p> <p>Council will pay the excess for injury claims made by a Councillor resulting from conducting official Council business.</p>

#### 10. CLAIMS FOR REIMBURSEMENT

All claims for reimbursement of expenses will be made on the approved form and submitted with original receipts to the Chief Executive Officer for approval. Failure to comply with this policy, falsifying claims or logbooks or the mis-use of facilities may breach the Councillors' Code of Conduct and/or represent an offence under the Criminal Code and may be referred to the Crime and Misconduct Commission.

#### 11. EFFECTIVE FROM

This policy will take effect from the commencement of the fortnight immediately following its adoption by Council. Any previous Expenses Reimbursement Policy will cease to have effect at this stage.

#### 12. REPORTING

A report summarising all expenditure in relation to this policy shall be included in Council's Annual Report.

#### 13. REVIEW

This policy will be reviewed within three (3) months of the Council's next quadrennial election.

#### 14. DATE OF RESOLUTION

This policy was approved by the Chief Executive Officer and adopted by Quilpie Shire Council at the Ordinary Meeting of 14 February 2012.

##### **Resolution No: (12-02-12)**

Moved by: Cr Hewson

Seconded by: Cr Nowland

That Council adopts the Councillor Expenses Reimbursement Policy, with the following amendments:

9. Provision of Facilities Corporate Uniforms – "Corporate Wardrobe to the value of \$450 per annum" is omitted.

9. Provision of Facilities Vehicles – Amendment: "Council may provide the Mayor with a suitable vehicle for use during official Council business including travel to and from home to Council's place of business. Councillors may access a Council vehicle for use on official Council business."

9. Provision of Facilities Mobil Phone – "Council will contribute \$50 per month to each Councillor and the Mayor to cover costs involved with the provision and use of their private or business landline, mobile phone and internet costs" is omitted.

CARRIED 5/0



## Assessment of Performance in Implementing Corporate and Operational plans

In accordance with section 190(1)(a) of the Local Government Regulation 2012 the annual report must contain an assessment of the local government's progress towards implementing its 5-year corporate plan and annual operational plan.

Council's Corporate Plan is the primary strategic business and organisational planning document and forms the basis of Council's annual Operational Plan. The plan translates our community's needs, expectations and aspirations into action. It sets the overall direction of the organisation and act as a primary guide in decision making.

The Operational Plan sets out Council's work program for the financial year including costs, timelines and outcomes. The Operational Plan is reviewed quarterly and at all times remains consistent with the Corporate Plan.

### Our Communities

Objectives	Outcomes
1.1 Provide a range of leisure and recreation activities for the relaxation and enjoyment of the community.	Swimming pools in Quilpie and Eromanga provided and operated.
	Ensure appropriate qualifications for pool supervisors.
	Halls in the four communities of Quilpie, Toompine, Eromanga and Adavale maintained and operated. Development of booking facilities system finalised.
	Assistance in maintaining recreation grounds in Quilpie, Eromanga, Adavale and Toompine provided.
1.2 Assist in the provision of / management of social services and lobby relevant government agencies for the equitable availability of these services.	Library services in Quilpie provided.
	Public access opportunities provided.
	Broadband for Seniors program provided.
	TV retransmission services in Quilpie and Eromanga provided. Liaised with N-Com regarding upgrade to digital television service.
	Organised activities to provide healthy lifestyle and physical activities opportunities for the aged population.
	Organised activities to provide activities and opportunities for youth including the Activity Centre, holiday programs and physical activity opportunities.
1.3 Manage the RADF program and ensure an equitable and transparent allocation of funds to a variety of social	RADF funding secured. Program being administered effectively.

Objectives	Outcomes
and cultural activities.	Active participation from all groups and individuals in the program promoted and encouraged.
1.4 Support a range of arts and culture activities, programs and events.	Managed Council's arts and culture program. Arranged and organised exhibitions.
	Artour and other available travelling productions provided. 1 show February, 1 August 13 and Dec 13.
	Relevant funding programs identified and promoted.
	Agreement signed for Implementation of stage 1 of the Business development program (arts and culture).
	Held exhibitions at Shire Gallery. 10 exhibitions planned for 2013.
	Support the Cultural Society by provision of building where workshops can take place.
1.5 Embrace and promote community activities and special occasions.	Organised Australia Day awards and activities.
	Organised Anzac Day activities.
	Organised Remembrance Day services.
	Participated in NAIDOC week.
1.6 Promote pride in our communities and celebrate success.	Promote through Community Newsletter and Sports Newsletters, certificates and awards.
	Provided photos and good news stories on web site.
1.7 Encourage volunteers to participate in range of social and community activities.	Organised workshops to groups and clubs in governance.
	SRO worked with groups and organisations.
	SRO worked with groups to provide opportunities or accreditation where necessary.
1.8 Lobby state government, access funds where possible and support sport and recreation programs.	Worked with government departments and agencies to identify needs and worked proactively with these groups. Sport and Recreation Grants advertised and promoted.
1.9 Facilitate and support where possible community organisation's events and initiatives and provide a community grants program.	Community grants program provided and administered.
	Stage 1 of the key events promotion program implemented.
1.10 Provide and maintain parks and open spaces that demonstrate our pride in our communities.	Manage Council's parks and gardens program.
	Identified needs and received community feedback on open spaces
	Worked with groups to ensure open spaces needs are met.

Objectives	Outcomes
	User groups formed for open spaces.
1.11 Identify the unique strengths and priorities of the various communities within the Shire.	Combined Sports Group formed throughout the Shire.
	Historical Society, Tourism Group, Business Development Group formed.
	Strengths and needs of communities identified through community engagement processes.
1.12 Work with the communities in identifying and funding community grants that will provide necessary assistance to improve communities and organisations within the Shire.	Relevant grant information promoted through email, newsletters and community meetings.
1.13 Identify opportunities for collaboration and skill development within the various communities.	Identified and actively promoted workshops.
1.14 With funding assistance from Sport & Recreation Qld employ a Sport and Recreation Coordinator to build capacity and cohesion in the area of community sports, activities and recreational endeavours.	Employed S&R Co-ordinator.
1.15 Provide funding for each community for community generated projects and initiatives (Adavale \$25K, Eromanga \$35K, Quilpie \$50K, Toompine \$15K).	Managed and engaged with communities as to projects or relevant needs
1.16 Implement a rolling program of streetscape improvements, parks improvements, street tree plantings etc.	Promoted and encouraged Community Garden participation. Seniors and young people working in garden.
1.17 Implement an incentive for ratepayers to plant trees through a free-tree initiative.	Participated in Tree Day plantings and other environmental promotional activities. Tree day completed and Community Garden planted.
1.19 Develop community master plans for Eromanga and Quilpie.	Commenced planning scheme review and amendments to incorporate new land developments. Discussions initiated with planner. Workshop held Nov 2012. Amendments to be progressed in 2013.

## Our Wellbeing

Objectives	Outcomes
2.1 Plan for further expansion of designated town areas and completion of the Chipu Street residential subdivision.	Subdivision completed and made available for sale.
2.2 Investigate options for more affordable housing.	Short term needs for next housing project determined (2 bed/4 bed/multi dwelling etc.) and options investigated. Tenders called and awarded.
2.3 Promote a viable real estate rental market in Quilpie.	Reviewed Council housing and community housing rentals and documented price path for next 3 years.
2.4 Provide options for alternative lifestyle and housing choices and plan, design and construct a rural residential subdivision.	Planning and design works almost completed for stage 1 of the new rural residential subdivision. Development application being prepared.
2.5 Manage community housing whilst lobbying government to change policy to have it more effectively managed at the local level.	Managed the community housing program and ensure dwellings are tenanted and well maintained.
	Lobby Government through QHHAN / QShelter group to ensure policy is not one size fits all across the state and rural and remote qld's unique issues are acknowledged and addressed.
2.6 Support local schools in offering enhanced educational programs.	GAME Program supported.
	Participation invited in relevant workshops and assist with having specialised workers attend functions.
	Healthy Lunch program provided.
	Assistance with District Schools Sports and other activity events provided.
	Representation at school events provided as appropriate.
	Work experience for students provided.
2.7 Lobby government to continue remote and regional funding programs.	Networked and worked with government departments to ensure continuation of suitable programs for rural/remote areas
2.8 Investigate options to source funding for technology improvements.	Suitable funding programs identified. Seniors broadband with ongoing funding.
2.9 Encourage and support camps, excursions and activities and programs that broaden our children's experiences	Assisted with community bus use when applicable for camp travel through Community Grants Program.
	Suitable workshops and activities out of school hours provided and encouraged.
2.10 Work with service providers to ensure adequate child care and kindy facilities are available for families	Liaised with Quilpie Kindergarten, State and Federal Government to ensure successful transition to Long Day Care facility. Long Day Care operating from 29 <sup>th</sup> January 2013.



Objectives	Outcomes
2.11 Encourage community participation in programs that promote healthy living	Provision of activities for the whole community through sport and recreation and health promotion (eg. healthy lunches, bus trips, recreational opportunities).
2.13 Promote access to lifelong learning opportunities e.g. open learning network	Promotion of Seniors Kiosk in Library providing online technology information sessions.
	Liaised with relevant Government Department to identify opportunities available and access to these services.
	Support with Brolga Project to have university students do relative practicals in Shire. Held discussions with other stakeholders.
	Promoted online learning opportunities (eg OUA) to all residents of the Shire via newsletters etc. Tourism E kit and online courses being promoted when available.
2.14 Lobby the state government to retain a private health clinic in Quilpie	Liaised closely with, and lobbied, Queensland Health to ensure services and facilities at the Quilpie Hospital are attractive to private enterprise
	New 4 bedroom Galah Street made available to Qld Health through lease arrangement for a Doctor, commenced 22 April 2013.
2.15 Lobby the state government to retain a permanent doctor in Quilpie	Participated in MPHS Committee.
	Provision of relevant information relating to the Shire to encourage suitably qualified permanent doctor recruitment and retention.
	Supported with John Flynn Program for student Doctors.
2.16 Lobby the state government to provide more medical specialist visits to Quilpie	Provided information to the new Hospital Board. Participation of Medicare Local Board feeding up to Hospital Board + MPHS meetings.
	Liaised with Queensland Health and Public Health to bring services to community. Held discussions with Medicare Local.
	Liaised with RFDS to ensure services are retained to smaller centres.
	Liaised with local Quilpie Hospital staff to formally identify community needs of terms of specialist services.

2.17 Work with Darling Downs and SW Medicare Local to employ an Health Promotions Officer and lobby for the long term retention of the position to build capacity and cohesion in the area of community health.	Health Promotions Officer employed.
	Active participation in the Advisory Committee. Attended quarterly meetings – CSM chair.
	Coordinated and promoted healthy activities to Quilpie and the smaller towns in the Shire. Activities organised in Eromanga with further activities planned for Adavale and Toompane.
2.18 Buy out the Community Housing.	Stage 3 of Community Housing buyout plan completed.
2.19 Rural residential subdivision.	Commenced designing of stage 1. Construction and survey set out to commence in near future.

## Our Natural Environment

Objectives	Outcomes
3.1 Climate change educational programs and information developed and distributed.	Information distributed as required.
3.2 Ensure new mining developments are carefully managed and developed to reduce adverse consequences on our environment and communities.	Initiated ways of improving information flow from government and industry to Council regarding potential developments. New web site being monitored.
3.3 Develop and implement management plans for various Council operated facilities that impact on the environment and prepare Site Based Waste Management Plans and Stormwater Management Plans for all landfills.	Various management plans being prepared.
	Waste management operations managed.
3.4 Obtain environmental licenses for various Council activities that require approval.	Consultant commissioned to assist with Eromanga CED scheme licensing.
3.5 Lobby and work with National Parks in the development of their management plans.	Initial site visit undertaken including discussions with adjacent landowner and National Parks.
3.6 Develop and implement a water quality management plan and prepare a water quality management plan.	Plan being prepared.
3.7 Lobby government to improve polices and access to funding for wild animal control, logging / clearing etc.	Councillor participation in QDOG / Wild Dog regional Committees. Cr Sargent to represent Quilpie Shire on Wild Dog Barrier Fence Board.
	Liaised with DEEDI / SWNRM etc. for funding opportunities to promote wild animal control. Additional funding secured.

3.8 Be proactive in the area of wild dog control.	Employed a wild dog control officer to work collaboratively with key stakeholders and promote best practice in wild dog control. Wild Dog Control Officer working successfully with landholders and key stakeholders.
	Second Shire major baiting program for 12/13 completed.
	Wild dog control activities, including mapping in Quilpie and Bulloo Shire to establish intelligence in wild dog activities / patterns to be utilised to achieve effective results from wild dog eradication programs supported. Wild Dog Control Officer working with SWNRM re logging, mapping etc.
3.9 Provide active participation in natural resource management groups.	Provide information as required and participate in any meetings, workshops or training opportunities
3.10 Support and assist land holders to be more proactive in the area of controlling weeds, seeds and pests.	Weed pest management initiatives supported. Organised and participated in regular pest weed (Mesquite) meetings to promote funding and other initiatives. Mesquite spraying program completed at Nth Comongin in partnership with SWNRM and landholder.
3.11 Lobby government for workable and fair stock route network management legislation.	Comments forwarded at various stages.
3.12 Review and implement the stock routes management plan.	Relevant stakeholders engaged to review and update Stock Routes Management Plan.
3.13 Support the OGF in their endeavours to construct a working Natural History Museum and promote the foundation where possible and provide a funding contribution to the Outback Natural History Museum project (subject to RDA grant).	Assisted with submitting an application for Round 3 and Round 4 of RDA
	Link OGF to Council's website and provide updates in newsletters. Land issue progressing.
3.14 Through SWRED, promote the Natural Sciences Tourism loop.	Assistance with fencing proceeding.
	Participated in meetings and workshops regarding further development of the Loop.
	Loop promoted through the Visitor Information Centre and tourism operators throughout the Shire as well as through the Corner Country Tourism Group.

## Our Infrastructure

Objectives	Outcomes
4.1 Lobby TMR to upgrade all strategic state road linkages.	Participation maintained. Regular Tech Comm meetings held.
4.2 Through SWRED, RRG and TMR, lobby for the development of a business case to obtain a commitment to continue air passenger service subsidies to 2030 and to get support for local councils to meet increasing compliance costs.	Initial discussions held at RRG level .
4.3 Through SWRED and TMR, lobby for a business case to obtain a commitment from TMR to continue bus and rail passenger subsidies to maintain and enhance the existing levels of service to 2030.	Senior TMR rep attended Nov RRG meeting. SWRED funding to be used to prepare a business case.
4.5 Through SWRED, lobby TMR to undertake a rail study to address the uncertainty over the future of passenger and freight rail services.	Senior TMR rep attended Nov RRG meeting. SWRED funding to be used to prepare a business case.
4.6 Lobby government to improve mobile phone coverage.	Issue raised at all suitable forums.
4.7 Implement the conversion to digital television services.	Upgrade undertaken in early April. Technical issues to be rectified. Worked with Digital taskforce. Promotional material distributed to the communities of Eromanga / Quilpie.
4.8 Ensure critical infrastructure and services and provided and adequately maintained.	Managed Council supplied water supplies to all towns Managed sewerage services where provided Worked with the Eromanga community to ensure the sub-artesian water supply is safe. UV systems installed. Long term solution being pursued. Identified medium to long term water improvement options for Eromanga water supply. Planning report received. New bore investigations completed. Subsidy approved. Alternate options being investigated.
4.9 Continue sealing Quilpie Adavale Road in sections.	Seal work to be done by contractors underway.
4.10 Widen Quilpie Windorah Road in sections (\$2,000K from 2011/2012).	Budgeted works 48% completed.
4.11 Undertake drainage improvements to Napoleon Road.	Budgeted works completed.
4.12 Implement a rolling plant replacement program.	Continuing with preparations of tenders and quotes & recommendations, replacement program is 82% complete.
4.13 Adequately maintain Council community facilities, houses and buildings.	Budgeted works ongoing.
4.14 Maintain Shire roads and drainage systems to a safe and serviceable standard.	Work is being carried out as required. Approximately 54% complete.



Objectives	Outcomes
4.15 Undertake various road and drainage improvements to shire roads and local streets.	Council road gravel resheet program is being done with 2011 flood damage.

## Our Economy

Objectives	Outcomes
5.1 Promote and be involved in regional economic development, including Tourism Qld, OQTA, SWRED and Corner Country Tourism.	Information submitted to OQTA for Travellers Guide. Events listed on ATDW. Promoted the Shire to visitors through advertisements, brochures and websites.
5.2 Plan for and provide the relevant infrastructure required for private enterprise to be able to establish and grow and plan, design and construct a new industrial subdivision.	Design almost completed. Development application being prepared. In design stage. Survey set out to commence in near future.
5.3 Investigate economic drivers for the region and prepare an Economic Development Plan.	Discussed at SWRED meeting and not pursued. Quilpie Shire Council continuing with developing an action plan.
5.4 Prepare a Tourism Strategy for the Shire.	Tourism strategy prepared and adopted.
5.5 Investigate sponsorship opportunities for various community activities and programs.	Liaised with industry and agencies to identify opportunities.
5.7 Work actively to promote tourism within the region.	Managed Council's economic development program.
5.8 Web site and hard copy information material is available promoting opportunities within the shire for new businesses and organisations undertaking activities within the Shire.	EDA workshop held.
5.9 Lobby government to change policies to make it more viable and attractive to live and work in rural areas.	Responded to LGAQ survey on rural and remote council issues.
5.10 Plan, design and construct a new Works Depot.	Preliminary design underway.
5.11 Obtain public access to Hell Hole Gorge national Park.	Initial site visit undertaken and options being investigated. Liaised with affected landholders

## Our Governance

<i>Objectives</i>	<i>Outcomes</i>
6.1 Develop and adopt a community engagement policy and associated public consultation strategy.	Policy reviewed and amended policy adopted.
6.2 Implement the community engagement and consultation strategy and develop meaningful mechanisms to engage the community.	Policy implemented as required.
6.3 Develop and implement a communication plan for Council and the community.	Community Engagement Policy adopted.
6.4 Advise and update the community on Council's plans and progress with initiatives.	Published regular newsletters and ensure relevant and up to date information on Council's website.
	Media releases prepared to date.
	Regular updates from the Mayor to the community included in community newsletter.
6.5 Maintain an active involvement in community organisations and regional bodies.	Numerous community group and regional group meetings attended.
6.6 Develop and adopt a Long Term Financial Plan.	Rate review undertaken and implemented.
	Policies reviewed as required.
6.7 Implement and continually review and monitor the long term financial plan and financial forecast.	Financial plan reviewed.
	An elected member workshop on the long term financial forecast model undertaken.
6.8 Prepare and update asset management plans and ensure key infrastructure and services are appropriately managed.	Asset Management Committee formed and meetings held.
	Draft documents prepared.
	Draft documents prepared.
6.9 Ascertain key community issues and lobby government and industry on behalf of the community.	Key issues identified from the Community Plan.
6.10 The Corporate Plan is reviewed on an annual basis.	Corporate Plan reviewed prior to 2013/14 budget preparation.
6.11 Develop and adopt a Customer Service Charter	Customer Service Charter completed.
6.12 Implement the Customer Service Charter and monitor and evaluate performance.	Customer Service Charter distributed to staff for input. Final document distributed to staff.
6.13 Undertake an annual community satisfaction survey.	Survey completed. Results to be reviewed.
6.14 Develop and implement a risk management plan.	Commenced work with ERM Committee and JLT to establish Risk Management Policy and Plan to be implemented across organisation

<i>Objectives</i>	<i>Outcomes</i>
	Staff awareness and training promoted.
6.15 Support the separation of roles between elected members and management.	Councillor Assistance from Staff Guidelines issued to all staff.
	Role of elected member at staff meetings reinforced.
	Role of elected member to public promoted.
6.16 Maintain effective planning and reporting processes from management to Council.	Timely, accurate and professional reports are presented to Council.
	Reports being compiled on the status of Customer Requests.
6.17 Promote elected member training and professional development programs.	Information provided and various programs initiated.
	Organised elected member financial training.
	Promoted the use of LG Online to elected members.
	Subscriptions renewed.
6.18 Develop and implement a structured staff training program.	Training plan developed. Implementation commenced.
6.19 Develop and implement a performance management system for senior managers.	Appraisal completed. Draft performance management system prepared.
6.20 Complete regular performance appraisals for all staff.	Appraisals completed.
6.21 Promote learning through community education programs and community scholarship program.	Student Bursary Program managed and promoted.
6.22 Elected member professional development program	Information to elected members provided and participation encouraged.

## Community Financial Report

This Community Financial Report is a summary and analysis of the Council's financial performance and position for the financial year 1 July 2012 to 30 June 2013. The use of graphs makes it easier for readers to understand Council's financial management and performance.

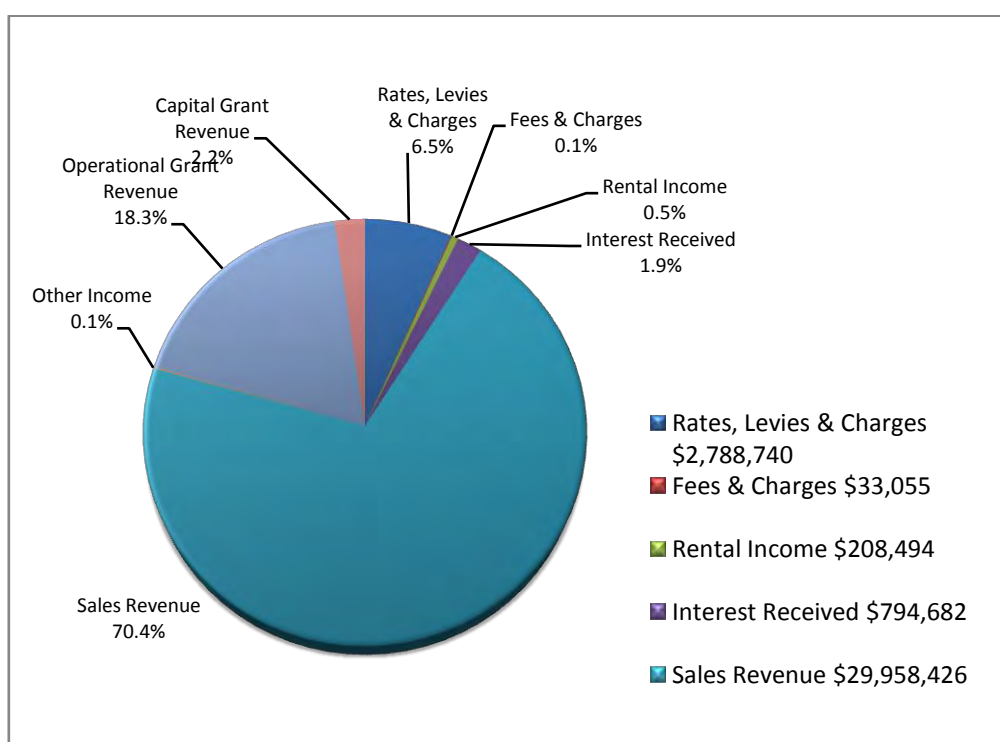
### Statement of Comprehensive Income

The statement of comprehensive income displays Council's performance in relation to income and expenses during the financial year.

### Revenue – where our money comes from

Revenue for the financial year is received from various sources as shown in the graph below:

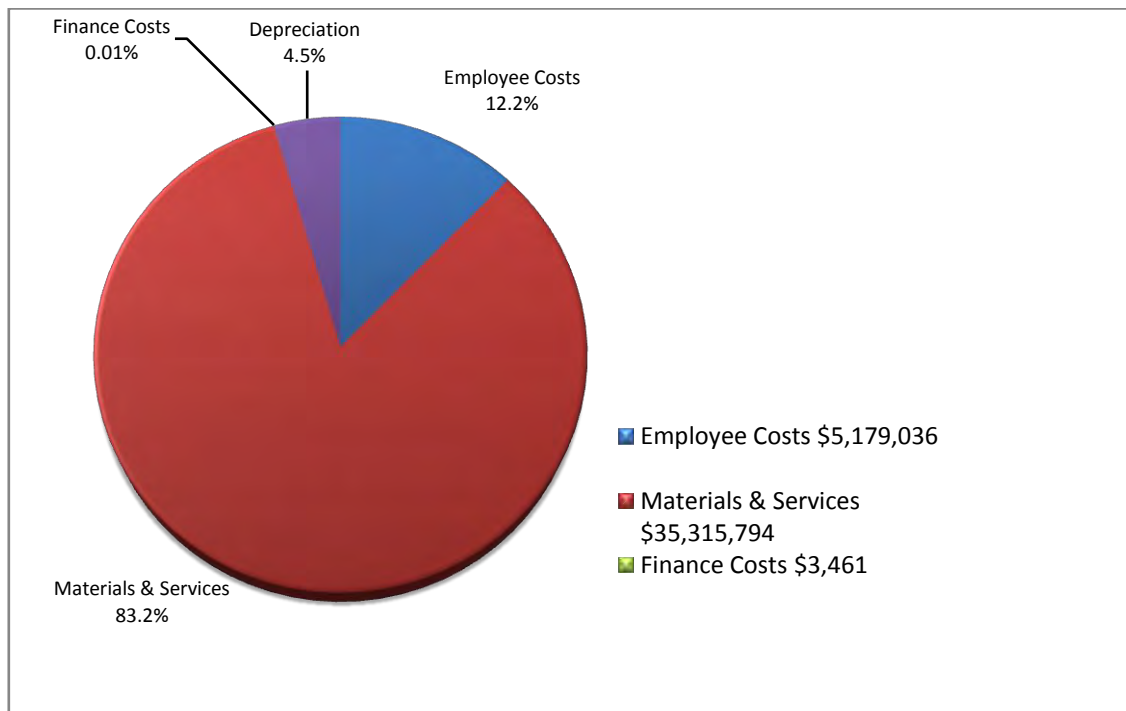
Council's Total Revenue \$42,551,424



## Expenditure – where our monies goes

Expenditure for the financial year is shown in the graph below:

Council's Total Expenditure \$42,411,904





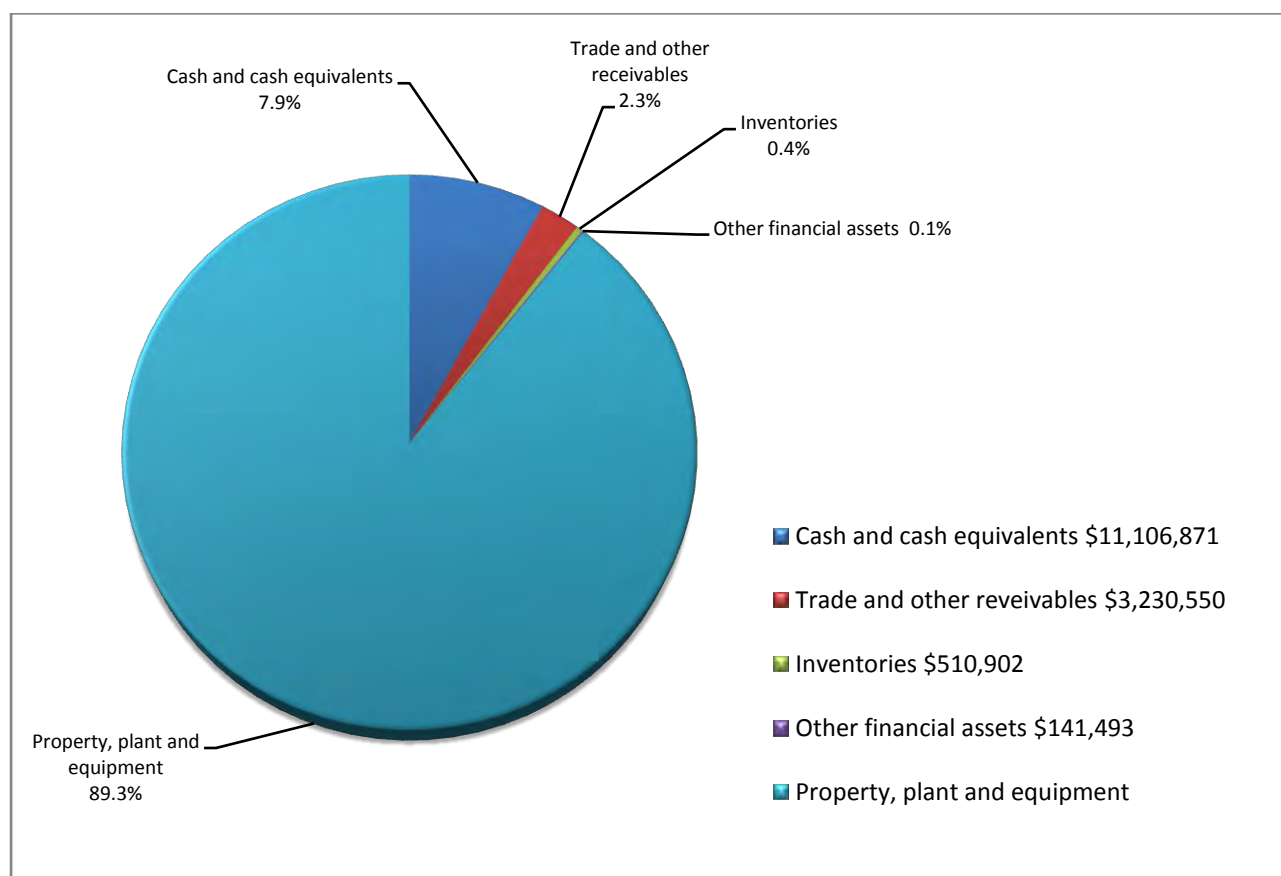
## Statement of Financial Position – Assets & Liabilities

The statement of financial position shows what council owns (assets) and owes (liabilities) at the end of the financial year. Assets less liabilities is the net wealth of council which is the net wealth of the community.

### Assets

The bulk of Council's assets are non-current assets and consist of land, buildings and other structures, plant and equipment, furniture and equipment, roads, water and sewerage assets. These assets make up 89 percent of council's total asset base.

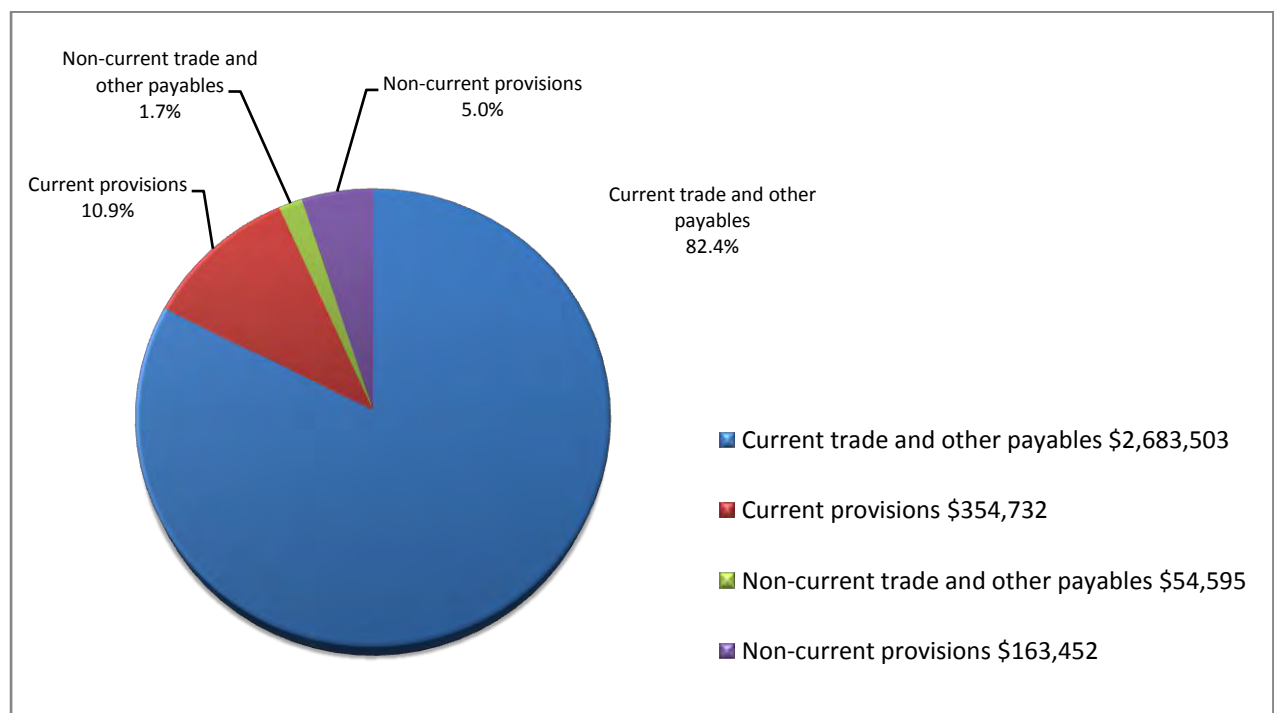
Council's Total Assets \$140,097,854



## Liabilities

Council's liabilities consist of trade and other payables (amounts owed to suppliers) and provisions (amounts owed to employees for leave entitlements) and are shown in the graph below:

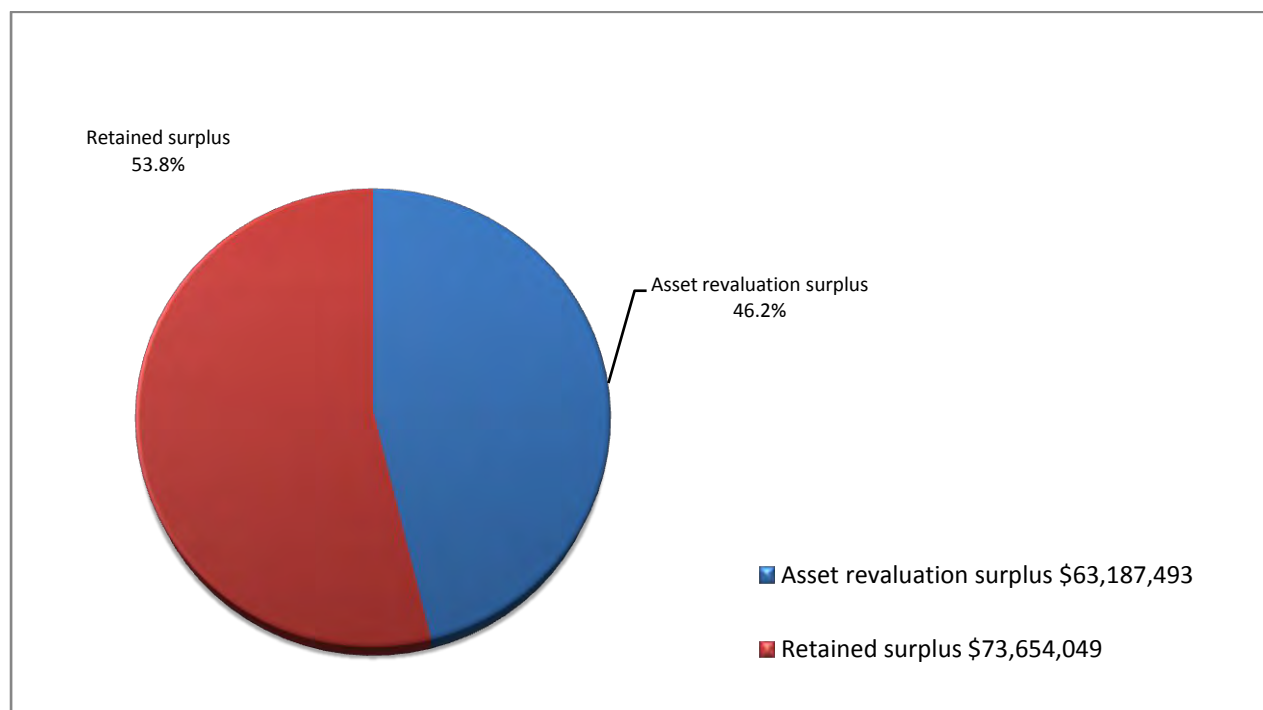
Council's Total Liabilities \$3,256,282



## Community Equity

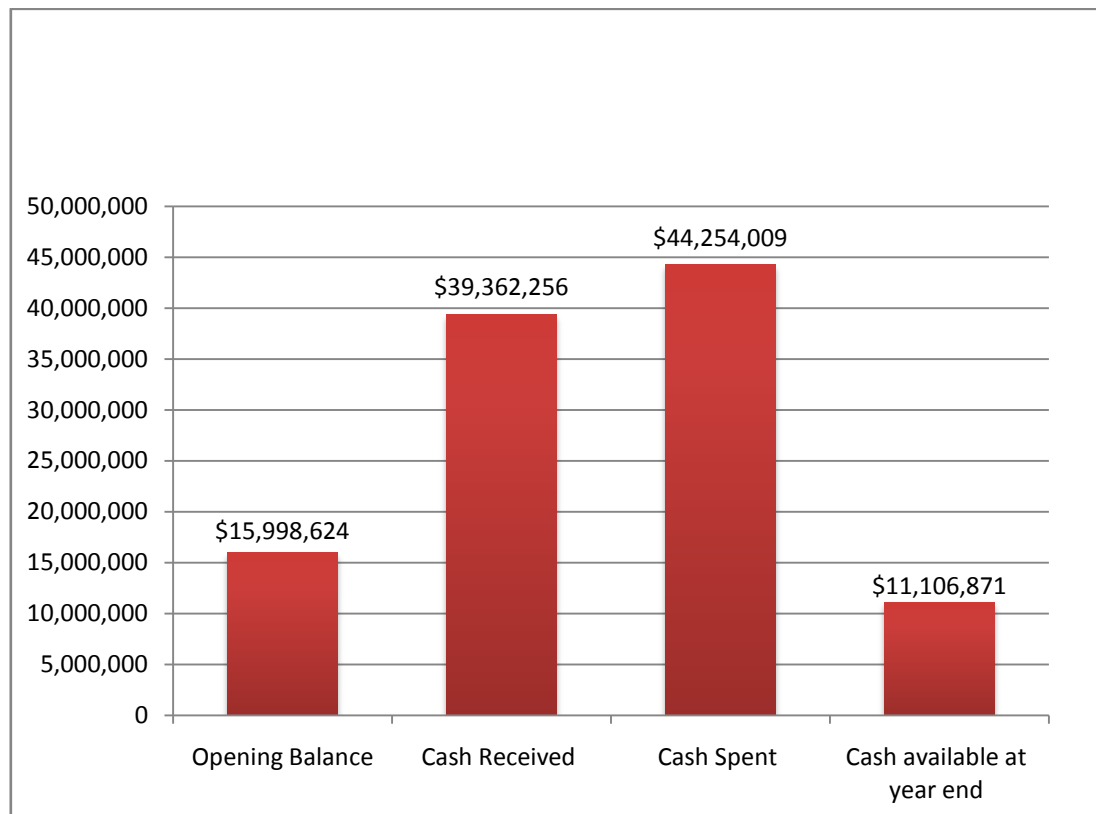
Community equity equals total assets (what we own) minus total liabilities (what we owe) and consist of the asset revaluation surplus and retained surplus/(deficit). The community equity as at the end of the financial year is shown in the graph below:

Council's Community Equity \$136,841,572



## Statement of Cash Flows

The statement of cash flows shows how council received and spent its money during the financial year. The cash received and spent are shown in the following graph:



## Measures of Financial Sustainability

Ratio	2012-2013
<b><u>1. Operating Surplus Ratio</u></b>	
<b>(Net Operating Surplus/Total Operating Revenue)(%)</b>  Ratio indicates the extent to which revenues raised cover operational expenses only or are available for capital funding purposes. Target benchmark between 0% and 10%.	<b>-2%</b>
<b><u>2. Net Financial Assets/Liabilities Ratio</u></b>	
<b>((Total Liabilities - Current Assets)/Total Operating Revenue)</b>  Ratio is an indicator of the extent to which the net financial liabilities of Council can be serviced by its operating revenues. Target benchmark not greater than 60%.	<b>-28%</b>
<b><u>3. Asset Sustainability Ratio</u></b>	
<b>(Capital Expenditure on the Replacement of Assets (renewals)/Depreciation Expense)</b>  Ratio indicates the extent to which infrastructure assets are replaced as assets reach the end of their useful lives. Target benchmark greater than 90%.	<b>88%</b>





## Financial Statements 2012-2013

# Quilpie Shire Council

## Financial statements

### For the year ended 30 June 2013

Table of contents	Page
Statement of Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Statement of Cash Flows	5
Notes to the financial statements	
1 Significant accounting policies	6
2 Analysis of results by function	15
3 Revenue analysis	17
4 Grants, subsidies, contributions and donations	17
5 Capital expenses	18
6 Employee benefits	18
7 Materials and services	19
8 Finance costs	19
9 Depreciation and amortisation	19
10 Cash and cash equivalents	19
11 Trade and other receivables	20
12 Inventories	20
13 Other financial assets	20
14 Property, plant and equipment	21
15 Trade and other payables	26
16 Provisions	26
17 Asset revaluation surplus	26
18 Reserves	27
19 Contingent liabilities	28
20 Superannuation	28
21 Trust funds	29
22 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities	30
23 Events after the reporting period	30
24 Financial instruments	31
25 Correction of error	33
Management Certificate	
Independent Auditor's Report	

**Quilpie Shire Council**  
**Statement of Comprehensive Income**  
For the year ended 30 June 2013

	Note	2013 \$	2012 \$
<b>Income</b>			
<b>Revenue</b>			
<b>Recurrent revenue</b>			
Rates, levies and charges	3(a)	2,788,740	2,610,138
Fees and charges	3(b)	33,055	30,140
Rental income	3(c)	208,494	220,089
Interest received	3(d)	794,682	632,306
Sales revenue	3(e)	29,958,426	6,859,209
Other income	3(f)	27,716	13,412
Grants, subsidies, contributions and donations	4(a)	7,772,406	11,624,799
		<u>41,583,519</u>	<u>21,990,093</u>
<b>Capital revenue</b>			
Grants, subsidies, contributions and donations	4(b)	967,905	1,804,648
<b>Total income</b>		<u>42,551,424</u>	<u>23,794,741</u>
<b>Expenses</b>			
<b>Recurrent expenses</b>			
Employee benefits	6	(5,179,036)	(4,916,202)
Materials and services	7	(35,315,794)	(13,953,200)
Finance costs	8	(3,461)	(3,612)
Depreciation and amortisation	9	(1,913,613)	(1,906,691)
		<u>(42,411,904)</u>	<u>(20,779,705)</u>
<b>Capital expenses</b>	5	(8,923)	(71,239)
<b>Total expenses</b>		<u>(42,420,827)</u>	<u>(20,850,944)</u>
<b>Net result</b>		<u>130,597</u>	<u>2,943,797</u>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Increase / (decrease) in asset revaluation surplus	17	29,542,557	-
<b>Total other comprehensive income for the year</b>		<u>29,542,557</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u>29,673,154</u>	<u>2,943,797</u>

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

**Quilpie Shire Council**  
**Statement of Financial Position**  
as at 30 June 2013

	Note	2013 \$	2012 \$
<b>Current assets</b>			
Cash and cash equivalents	10	11,106,871	15,998,624
Trade and other receivables	11	3,230,550	277,161
Inventories	12	510,902	360,402
Other financial assets	13	141,493	-
<b>Total current assets</b>		<u>14,989,816</u>	<u>16,636,187</u>
<b>Non-current assets</b>			
Property, plant and equipment	14(a)	125,108,038	92,624,492
<b>Total non-current assets</b>		<u>125,108,038</u>	<u>92,624,492</u>
<b>Total assets</b>		<u>140,097,854</u>	<u>109,260,679</u>
<b>Current liabilities</b>			
Trade and other payables	15	2,683,503	1,590,956
Provisions	16	354,732	53,402
<b>Total current liabilities</b>		<u>3,038,235</u>	<u>1,644,358</u>
<b>Non-current liabilities</b>			
Trade and other payables	15	54,595	52,412
Provisions	16	163,452	395,489
<b>Total non-current liabilities</b>		<u>218,047</u>	<u>447,901</u>
<b>Total liabilities</b>		<u>3,256,282</u>	<u>2,092,259</u>
<b>Net community assets</b>		<u>136,841,572</u>	<u>107,168,420</u>
<b>Community equity</b>			
Shire Capital		-	59,610,179
Asset revaluation surplus	17	63,187,493	33,644,935
Retained surplus/(deficiency)		73,654,079	10,258,800
Reserves	Quilpie Shire C	-	3,654,506
<b>Total community equity</b>		<u>136,841,572</u>	<u>107,168,420</u>

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



**Quilpie Shire Council**  
**Statement of Changes in Equity**  
For the year ended 30 June 2013

	Share Capital	Asset revaluation surplus	Retained Surplus	Reserves	Total
	\$	\$	\$	\$	\$
Balance as at 1 July 2012	59,610,179	33,644,936	10,258,797	3,654,506	107,168,418
Net operating surplus	-	-	130,597	-	130,597
Other comprehensive income for the year	-	-	-	-	-
Increase / (decrease) in asset revaluation surplus	-	29,542,557	-	-	29,542,557
Available-for-sale-financial assets	-	-	-	-	-
Current year gains/ (losses)	-	-	-	-	-
Reclassification to profit or loss	-	-	-	-	-
Cash flow hedging	-	-	-	-	-
Current year gains/ (losses)	-	-	-	-	-
Reclassification to profit or loss	-	-	-	-	-
Share of comprehensive income of associates	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	29,542,557	130,597	-	29,673,154
<b>Transfers to and from reserves</b>					
Transfers to/from capital	(59,610,179)	-	59,610,179	-	-
<b>Transfers to reserves</b>	-	-	-	-	-
<b>Transfers from reserves</b>	-	-	3,654,506	(3,654,506)	-
Total transfers to and from reserves	(59,610,179)	-	63,264,685	(3,654,506)	-
<b>Balance as at 30 June 2013</b>	-	63,187,493	73,654,079	-	136,841,572

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

Page 3





**Quilpie Shire Council**  
**Statement of Changes in Equity**  
For the year ended 30 June 2012

	Shire Capital	Asset revaluation surplus 16	Retained Surplus	Reserves	Total
	\$	\$	\$	\$	\$
Balance as at 1 July 2011	59,610,179	33,644,935	8,153,953	2,815,556	104,224,623
Effect of correction of error	-	-	-	-	-
Restated balances	59,610,179	33,644,935	8,153,953	2,815,556	104,224,623
Net operating surplus	-	-	2,943,797	-	2,943,797
Other comprehensive income for the year	-	-	-	-	-
Increase / (decrease) in asset revaluation surplus	-	-	-	-	-
Available-for-sale-financial assets	-	-	-	-	-
Current year gains/ (losses)	-	-	-	-	-
Reclassification to profit or loss	-	-	-	-	-
Cash flow hedging	-	-	-	-	-
Current year gains/ (losses)	-	-	-	-	-
Reclassification to profit or loss	-	-	-	-	-
Share of comprehensive income of associates	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	<b>2,943,797</b>	-	<b>2,943,797</b>
Transfers to and from reserves	-	-	-	-	-
Transfers to/from capital	-	-	-	-	-
<b>Transfers to reserves</b>	-	-	<b>(7,954,943)</b>	<b>7,954,943</b>	-
<b>Transfers from reserves</b>	-	-	<b>7,115,993</b>	<b>(7,115,993)</b>	-
Total transfers to and from reserves	-	-	<b>(838,950)</b>	<b>838,950</b>	-
Balance as at 30 June 2012	59,610,179	33,644,935	10,258,800	3,654,506	107,168,420

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

Page 4

QAO  
certified statements

**Quilpie Shire Council**  
**Statement of Cash Flows**  
For the year ended 30 June 2013

	Note	2013 \$	2012 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		29,561,269	10,447,069
Payments to suppliers and employees		(39,332,982)	(17,825,227)
		(9,771,713)	(7,378,158)
Interest received		794,682	632,306
Rental income		208,494	220,089
Non capital grants and contributions		7,772,406	11,624,799
<b>Net cash inflow (outflow) from operating activities</b>	22	(996,131)	5,099,036
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(4,921,027)	(3,780,210)
Proceeds from sale of property plant and equipment		57,500	107,023
Grants, subsidies, contributions and donations		967,905	1,804,648
<b>Net cash inflow (outflow) from investing activities</b>		(3,895,622)	(1,868,539)
<b>Cash flows from financing activities</b>			
<b>Net cash inflow (outflow) from financing activities</b>		-	-
<b>Net increase (decrease) in cash and cash equivalent held</b>		(4,891,753)	3,230,497
<b>Cash and cash equivalents at the beginning of the financial year</b>		15,998,624	12,768,127
<b>Cash and cash equivalents at end of the financial year</b>	10	11,106,871	15,998,624

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

**Quilpie Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2013

**1 Significant accounting policies**

**1.A Basis of preparation**

These general purpose financial statements are for the period 1 July 2012 to 30 June 2013 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*. Consequently, these financial statements have been prepared in accordance with all Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board.

These financial statements have been prepared under the historical cost convention except for the revaluation of certain non-current assets.

**1.B Statement of compliance**

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

**1.C Constitution**

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

**1.D Date of authorisation**

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

**1.E Currency**

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

**1.F Adoption of new and revised Accounting Standards**

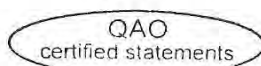
In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations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

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Effective for  
annual report  
periods beginning  
on or after:

AASB 9 <i>Financial Instruments</i> (December 2009)	1 January 2015
AASB 10 <i>Consolidated Financial Statements</i>	1 January 2013
AASB 11 <i>Joint Arrangements</i>	1 January 2013
AASB 12 <i>Disclosure of interests in other entities</i>	1 January 2013
AASB 13 <i>Fair Value Measurement</i>	1 January 2013
AASB 119 <i>Employee benefits</i> (completely replaces existing standard)	1 January 2013

Page 6





**Quilpie Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2013

AASB 127 <i>Separate Financial Statements</i> (replaces the existing standard together with AASB 10)	1 January 2013
AASB 128 <i>Investments in Associates and Joint Ventures</i> (replaces the existing standard)	1 January 2013
AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i>	1 July 2013
2009-11 <i>Amendments to Australian Accounting Standards arising from AASB 9</i> (December 2009)	1 January 2013
AASB 2010-2 <i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i>	1 July 2013
AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i> (December 2010)	1 January 2015
AASB 2010-8 <i>Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets</i>	1 January 2012
AASB 2010-10 <i>Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters</i>	1 January 2013
AASB 2011-2 <i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements</i>	1 July 2013
AASB 2011-3 <i>Amendments to Australian Accounting Standards – Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments</i>	1 July 2012
AASB 2011-4 <i>Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements</i>	1 July 2013
AASB 2011-6 <i>Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements</i>	1 July 2013
AASB 2011-7 <i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards</i>	1 January 2013
AASB 2011-8 <i>Amendments to Australian Accounting Standards arising from AASB 13</i>	1 January 2013
AASB 2011-9 <i>Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income</i>	1 July 2012
AASB 2011-10 <i>Amendments to Australian Accounting Standards arising from AASB 119</i> (September 2011)	1 January 2013
AASB 2011-11 <i>Amendments to AASB 119</i> (September 2011) arising from Reduced Disclosure Requirements	1 July 2013
AASB 2011-12 <i>Amendments to Australian Accounting Standards arising from Interpretation 20</i> (AASB 1)	1 January 2013
AASB 2011-13 <i>Amendments to Australian Accounting Standard - Improvements to AASB 1049 Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine</i>	1 July 2012 1 January 2013

The reported results and position of the Council will not change on adoption of the other pronouncements as they do not result in any changes to the council's existing accounting policies. Adoption will, however, result in changes to information currently disclosed in the financial statements. The council does not intend to adopt any of these pronouncements before their effective dates.

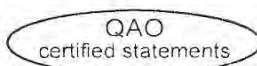
**1.G Critical accounting judgements and key sources of estimation uncertainty**

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

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

Valuation and depreciation of property, plant and equipment - Note 1.N and Note 14  
Impairment of property, plant and equipment - Note 1.P and Note 14  
Provisions - Note 1.S and Note 16  
Contingencies - Note 19.

Page 7



**Quilpie Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2013

**1.H Revenue**

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

Rates and levies

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

Grants and subsidies

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them. In the financial year ended 30 June 2012, and previous years, an equivalent amount was transferred from retained earnings to the relevant reserve until the funds were expended. Unspent non-reciprocal capital grants were placed in the unspent capital grants reserve. On 19 August 2013, council passed a resolution to close all existing reserves and account for these restrictions using an internal management accounting system. Internal restrictions that have been placed on council's cash and cash equivalents are now disclosed in note 10.

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.

Rental income

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

Interest and dividends

Interest received from term deposits is accrued over the term of the investment. Dividends are recognised once they are formally declared by the directors of the controlled entity.

Sales revenue

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

The Council generates revenues from a number of services including private works 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.I Financial assets and financial liabilities**

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



**Quilpie Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2013

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

Financial assets

Cash and cash equivalents (Note 1.J)

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

Other financial assets - measured at fair value (Note 1.Q)

Financial liabilities

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

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

The fair value of financial instruments is determined as follows:

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

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

Quilpie Shire Council recognises 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 24.

**1.J Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, all cash and cheques receipted but not banked at the year end, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of six 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.K Receivables**

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

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

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

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.

Loans and advances are recognised in the same way as other receivables. Terms are usually a maximum of five years with interest charged at commercial rates. Security is not normally obtained.

**Quilpie Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2013

**1.L Inventories**

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

Inventories held for distribution are:

- goods to be supplied at no or nominal, charge, and
  - goods to be used for the provision of services at no or nominal, charge.
- These goods are valued at cost, adjusted, when applicable, for any loss of service potential.

**1.M Investments**

Term deposits in excess of six months are reported as investments, with deposits of less than six months being reported as cash equivalents. At 30 June 2013 Council did not have any term deposits in excess of six months.

**1.N 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 furniture and fittings and plant and equipment with a total value of less than \$5,000, infrastructure assets and buildings and other structures 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:

Furniture & Fittings  
Buildings & Other Structure  
Plant and Equipment  
Road, Drainage and Bridge Network  
Water  
Sewerage  
Council Land  
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.

Valuation

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



**Quilpie Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2013

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 material variation in the index.

Council considers that there has been no material variation in the valuations of non-current physical assets and has not used any indexes. Council intends to carry out a comprehensive revaluation of all classes of assets before 30 June 2013.

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

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

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

Details of valuers and methods of valuations are disclosed in Note 14.

Major plant

The Council has determined that plant which has an individual cost in excess of \$500,000 is of high value to the Council. Plant which meets this criteria is major plant if it is prone to a high degree of price fluctuations or in danger of becoming obsolete. The Council does not have any major plant.

Capital work in progress

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

Depreciation

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

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

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

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

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

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed annually.

**Quilpie Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2013

Land under roads

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

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

**1.O Intangible assets**

Intangible assets with a cost or other value exceeding \$10,000 are recognised as intangible assets in the financial statements, items with a lesser value being expensed.

Expenditure on research activities relating to internally-generated intangible assets is recognised as an expense in the period in which it is incurred.

Costs associated with the development of computer software are capitalised and are amortised on a straight-line basis over the period of expected benefit to Council.

It has been determined that there is not an active market for any of the Council's intangible assets. Therefore, the assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses.

**1.P Impairment of non-current assets**

Each non-current physical and intangible asset and group of assets is assessed for indicators of impairment annually. If an indicator of possible impairment exists, the Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

An impairment loss is recognised as an expense in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation surplus increase.

**1.Q Leases**

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

Finance leases as lessee

Where Council enters into a finance lease as lessee, Council recognises an asset equal to the lower of fair value of the leased property and the present value of the minimum lease payments. The lease liability is recognised at the same amount. Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are charged as finance costs. The asset is accounted for on the same basis as other assets of the same class. Contingent rentals are written off as an expense in the accounting period in which they are incurred.



**Quilpie Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2013

Operating leases

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

**1.R Payables**

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

**1.S Liabilities - employee benefits**

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

Salaries and wages

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

Annual leave

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

Superannuation

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

Long service leave

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

**1.T 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.

**Quilpie Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2013

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.U Retained surplus**

In reference to the comparative figures for the year ended 30 June 2012, this represents the amount of Council's net funds not set aside in reserves to meet specific future needs.

**1.V Reserves**

Council's cash and cash equivalents are subject to a number of internal restrictions that limit the amount that is available for discretionary or future use. In prior years council accounted for these restrictions using a system of reserves.

On 19 August 2013, council passed a resolution to close all existing reserves and account for these restrictions using an internal management accounting system. Internal restrictions that have been placed on council's cash and cash equivalents are now disclosed in note 10.

**1.W Rounding and comparatives**

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

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

**1.X Trust funds held for outside parties**

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

The monies are disclosed in the notes to the financial statements for information purposes only in Note 21.

**1.Y 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.



**Quilpie Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2013

**2. Analysis of Results by Function**

**2(a) Components of council functions**

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

**Corporate Governance**

This comprises the support functions for the Mayor and Councillors, Council and committee meetings and statutory requirements.

**Administration & Finance**

The support functions of Management of the Council's finance, information technology and administration.

**Community Services**

Community services and facilities including cultural, health, welfare, entertainment and recreational services.

This function includes:

Libraries

Entertainment and recreational venues

Public health services

Tourism

Housing

**Environment & Health Services**

Management of the development of the shire and approval processes for development and building.

Environmental licences and approvals.

**Engineering & Works**

Providing and maintaining roads and drainage.

**Waste Management**

Providing refuse collection and disposal services.

**Water & Sewerage Infrastructure**

Providing water supply and sewerage services.

Quilpie Shire Council  
Notes to the financial statements  
For the year ended 30 June 2013

- 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 2013

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurrent operations	Net Result	Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
	2013 \$	2013 \$	2013 \$	2013 \$							
Corporate Governance	-	-	-	-	-	(558,232)	-	(558,232)	(558,232)	\$	-
Administration & Finance	3,469,611	3,144,198	-	-	6,613,809	(285,404)	-	(285,404)	6,328,405	6,328,405	16,484,622
Community Services	98,307	536,552	42,069	-	676,928	(2,865,672)	-	(2,865,672)	(2,230,813)	(2,188,744)	19,629,823
Environment & Health	286,799	136,269	-	-	423,068	(175,441)	-	(175,441)	247,626	247,626	-
Engineering & Works	3,917,689	29,481,988	900,836	-	34,300,513	(37,743,449)	(8,923)	(37,752,372)	(4,343,772)	(3,451,859)	96,526,350
Waste Management	-	158,046	-	-	158,046	(283,102)	-	(283,102)	(125,056)	(125,056)	-
Water & Sewerage Infrastructure	-	354,060	25,000	-	379,060	(500,604)	-	(500,604)	(146,544)	(121,544)	7,457,059
Total Council	7,772,406	33,811,113	967,905	-	42,551,424	(42,411,904)	(8,923)	(42,420,827)	(828,387)	130,597	140,097,854

Year ended 30 June 2012

Functions	Gross program income						Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net Result	Assets
	Recurring		Capital		Recurring	Capital							
	Grants	Other	Grants	Other									
	2012	2012	2012	2012									
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Corporate Governance						(458,120)		(458,120)		(458,120)			
Administration & Finance	4,574,376	2,839,252			7,413,628	(225,915)		(225,915)		2,613,337	7,187,713	17,871,016	
Community Services	176,892	232,468	144,670		554,030	(1,638,326)		(1,638,326)		(1,405,858)	(1,084,296)	14,729,627	
Environment & Health	26,000	21,238			47,238	(519,343)		(519,343)		(498,105)	(472,105)		
Engineering & Works	1,373,027	12,265,035	1,659,978		15,298,040	(16,436,181)	(71,239)	(16,507,420)		(4,171,146)	(1,209,380)	70,810,593	
Waste Management		139,873			139,873	(227,586)		(227,586)		(87,713)			
Water & Sewerage Infrastructure		341,930			341,930	(338,115)		(338,115)		3,815	3,815	5,769,442	
Total Council	6,150,295	15,839,796	1,804,648	-	23,794,739	(19,843,586)	(71,239)	(19,914,825)		(4,003,790)	3,879,914	109,180,678	

QAO  
certified statements

**Quilpie Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2013

	Note	2013 \$	2012 \$
<b>3 Revenue analysis</b>			
<b>(a) Rates, levies and charges</b>			
General rates		2,566,971	2,384,888
Water		196,490	174,692
Sewerage		146,204	131,418
Garbage charges		170,792	153,001
Total rates and utility charge revenue		3,080,457	2,843,999
Less: Discounts		(275,491)	(218,555)
Less: Pensioner remissions		(16,226)	(15,306)
		<u>2,788,740</u>	<u>2,610,138</u>
<b>(b) Fees and charges</b>			
Other fees and charges		33,055	30,140
		<u>33,055</u>	<u>30,140</u>
<b>(c) Rental income</b>			
Other rental income		208,494	220,089
		<u>208,494</u>	<u>220,089</u>
<b>(d) Interest received</b>			
Interest received from term deposits		786,396	620,350
Interest from overdue rates and utility charges		8,286	11,956
		<u>794,682</u>	<u>632,306</u>
<b>(e) Sales revenue</b>			
<b>Sale of services</b>			
Contract and recoverable works		29,958,426	6,859,209
Total sales revenue		<u>29,958,426</u>	<u>6,859,209</u>
The amount recognised as revenue for contract revenue during the financial year is the amount receivable in respect of invoices issued during the period. There are no contracts in progress at the year end. The contract work carried out is not subject to retentions.			
<b>(f) Other income</b>			
Other Income		27,716	13,412
		<u>27,716</u>	<u>13,412</u>
<b>4 Grants, subsidies, contributions and donations</b>			
<b>(a) Recurrent</b>			
General purpose grants		7,772,406	11,624,799
		<u>7,772,406</u>	<u>11,624,799</u>
<b>(b) Capital</b>			
State government subsidies and grants		967,905	1,804,648
		<u>967,905</u>	<u>1,804,648</u>



**Quilpie Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2013

	Note	2013 \$	2012 \$
<b>Conditions over contributions</b>			
Contributions recognised as income during the reporting period and which were obtained on the condition that they be expended in a manner specified by the contributor but had not been expended at the reporting date:			
Non-reciprocal grants for expenditure on infrastructure		-	164,348
		-	164,348
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		-	442,970
		-	442,970
<b>5 Capital expenses</b>			
<b>Gain / loss on disposal of non-current assets</b>			
Proceeds from the sale of property, plant and equipment		57,500	90,614
Less: Book value of property, plant and equipment disposed of		(66,423)	(167,862)
		(8,923)	(77,248)
Proceeds from sale of land and improvements		-	16,409
Less: Book value of land sold		-	(10,400)
		-	6,009
Total capital expenses		(8,923)	(71,239)
<b>6 Employee benefits</b>			
Total staff wages and salaries		3,851,549	3,682,756
Councillors' remuneration		271,448	120,822
Annual, sick and long service leave entitlements		677,859	647,641
Superannuation	20	470,767	424,952
		5,271,623	4,876,171
Other employee related expenses		165,312	202,634
		5,436,935	5,078,805
Less: Capitalised employee expenses		(257,899)	(162,603)
		5,179,036	4,916,202
Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties.			
Total Council employees at the reporting date:			
Elected members		5	5
Administration staff		19	17
Depot and outdoors staff		45	45
Total full time equivalent employees		69	67

**Quilpie Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2013

	Note	2013 \$	2012 \$
<b>7 Materials and services</b>			
Administration Costs		84,375	100,738
Audit of annual financial statements by the Auditor-General of Queensland		37,029	31,925
Communications & Information Technology		162,650	203,532
Community housing pay out		271,170	-
Community and recreational services		692,184	923,258
Consultants/contractors		85,508	89,681
Donations paid		-	25,155
Engineering and works		30,152,207	11,021,086
Rental property expenses		50,319	193,035
Repairs and maintenance		1,960,198	1,046,987
Other materials and services		1,820,154	317,803
		<u>35,315,794</u>	<u>13,953,200</u>
<b>8 Finance costs</b>			
Bank charges		3,461	3,612
		<u>3,461</u>	<u>3,612</u>
<b>9 Depreciation and amortisation</b>			
<b>Depreciation of non-current assets</b>			
Furniture & Fittings		32,137	4,549
Buildings		350,551	366,075
Plant & Equipment		498,809	511,653
Road, drainage and bridge network		902,968	898,827
Sewerage		57,729	55,162
Water		71,419	70,425
	14(a)	<u>1,913,613</u>	<u>1,906,691</u>
<b>10 Cash and cash equivalents</b>			
Cash at bank and on hand		1,106,871	1,998,624
Term deposits		10,000,000	14,000,000
Balance per Statement of Cash Flows		<u>11,106,871</u>	<u>15,998,624</u>

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

Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:

Unspent government grants and subsidies	3,053,378	2,476,348
*Internally imposed expenditure restrictions at the reporting date:		
Future capital works	643,888	-
Plant replacement reserve	177,297	-
Infrastructure capital works reserve	879,660	-
Total unspent restricted cash	<u>4,754,223</u>	<u>2,476,348</u>

\*These restrictions were previously allocated reserves

Cash and deposits at call are held in the National Australia Bank and Rural Bank in normal term deposits and business cheque accounts. The National Australia Bank currently has a short term credit rating of A1+ and long term rating of AA- and the Rural Bank has a short term rating of A2- and long term rating of BBB.

**Quilpie Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2013

	Note	2013 \$	2012 \$
<b>11 Trade and other receivables</b>			
<b>Current</b>			
Rateable revenue and utility charges		169,089	84,366
Other debtors		2,954,656	171,579
Less Provision for doubtful debt		(5,000)	(5,000)
Prepayments		111,805	26,216
		<u>3,230,550</u>	<u>277,161</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.

**12 Inventories**

**Inventories held for distribution**

Plant and equipment stores	510,902	360,402
Total inventories	<u>510,902</u>	<u>360,402</u>

**13 Other financial assets**

Accrued revenue	141,493	-
	<u>141,493</u>	<u>-</u>



**14(a) Property, plant and equipment**

### Note

ment to asset revaluation surplus

Revaluation adjustment to income  
Assets classified as held for sale  
Transfers between classes

Closing gross value as at 30 June 2013

### Accumulated depreciation and impairment

9

sales  
ent to asset revaluation surplus

Contribution to asset revaluation surplus

Impairment adjustment to Income  
Assets transferred to investment property  
Transfers between classes

Accumulated depreciation as at 30 June 2013

494,808	17,660,312	4,276,419	91,001,047	4,070,468	3,386,592	1,202,500	3,015,995	125,108,038
600	2,219,617	1,916,713	77,106,845	-	-	1,202,500	-	-
2-20	10-75	2-20	5-100	20-100	25-110	Not depreciated		

Page 21

QAQ  
certified statements

**Quilpie Shire Council**  
**Notes to the financial statements**  
**For the year ended 30 June 2013**

**14(a) Property, plant and equipment (continued)**

Additions comprise:

	Furniture & Fittings	Buildings & Other Structures	Plant and Equipment	Road, Drainage and Bridge	Sewerage	Water	Council Land	Work in progress	Total
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Renewals	473,006	73,690	527,920	53,441	14,081	27,604	-	519,058	1,688,800
Other additions	-	941,490	-	887,625	422,625	101,472	-	879,015	3,232,227
Total additions	473,006	1,015,180	527,920	941,066	436,706	129,076	-	1,398,073	4,921,027

Page 22

QAO  
certified statements



**Quilpie Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2013

14(b) Property, plant and equipment valuations were determined by reference to the following:

**Council land**

The fair value of council land is measured at current market value as at 30 June 2013 as independently determined by AssetVal, Registered Valuers. Fair value was derived by reference to market based evidence including observable historic sales data for properties of similar nature and specification within the Quilpie Shire Council and surrounding areas.

**Buildings and other structures**

There is no market for Council's buildings and other structures as these are held to provide essential services to the community. Accordingly, the fair value of all building and other structure assets is measured at written down current replacement cost. The fair value of buildings and other structures as at 30 June 2013 was independently determined by AssetVal, Registered Valuers. AssetVal has considered relevant market information and economic factors to determine these valuations.

The condition of buildings was assessed using the following table:

Condition Rating	Remaining Useful Life (%)
New	100%
1.00	90%
2.00	80%
3.00	70%
4.00	60%
5.00	50%
6.00	40%
7.00	30%
8.00	20%
9.00	10%
10.00	0%

**Plant and Equipment**

Plant and equipment are measured at original cost less accumulated depreciation.

**Infrastructure**

There is no market for Council's infrastructure assets as these are held to provide essential services to the community. Accordingly, the fair value of all infrastructure assets is measured at written down current replacement cost.

The fair value of water and sewerage infrastructure as at 30 June 2013 was independently determined by George Bourne & Associates based on the following key factors:

- The average cost per meter was \$240.00 for water reticulation mains and \$274.00 for sewerage gravity mains.

- Condition was assessed using the following table:

Condition Rating	Remaining Useful Life
New	100%
1.00	80%
2.00	60%
3.00	40%
4.00	20%
5.00	0%

Page 24

QAO  
certified statements



**Quilpie Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2013

The fair value of road, drainage and bridge network as at 30 June 2013 was independently determined by George Bourne & Associates based on the following key factors:

- Average unit rates for each of the key components were:

- Formation works	\$20,766 per km
- Gravel pavement unsealed	\$41,034 per km
- Gravel pavement sealed	\$72,770 per km

- Condition was assessed using the same table as that identified for water and sewerage.

**Quilpie Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2013

**15 Trade and other payables**

Note	2013 \$	2012 \$
<b>Current</b>		
Creditors and accruals	2,385,798	1,301,607
Annual leave	289,336	289,349
Other entitlements	8,369	-
	<u>2,683,503</u>	<u>1,590,956</u>
<b>Non-current</b>		
Annual leave	54,595	52,412
	<u>54,595</u>	<u>52,412</u>

**16 Provisions**

<b>Current</b>		
Long service leave	354,732	53,402
	<u>354,732</u>	<u>53,402</u>
<b>Non-current</b>		
Long service leave	163,452	395,489
	<u>163,452</u>	<u>395,489</u>
<b>Long service leave</b>		
Balance at beginning of financial year	448,894	404,884
Long service leave entitlement arising	101,930	130,632
Long Service entitlement extinguished	(32,640)	(86,622)
Long Service entitlement paid	-	-
Balance at end of financial year	<u>518,184</u>	<u>448,894</u>

**17 Asset revaluation surplus**

**Movements in the asset revaluation surplus were as follows:**

Balance at beginning of financial year	33,644,936	33,644,935
Net adjustment to non-current assets at end of period to reflect a change in current fair value:		
Council Land	39,467	-
Buildings	(2,559,617)	-
Road, drainage and bridge network	30,811,723	-
Water	166,629	-
Sewerage	1,084,355	-
Balance at end of financial year	<u>63,187,493</u>	<u>33,644,935</u>

**Asset revaluation surplus analysis**

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

Council Land	536,283	496,816
Buildings	9,028,110	11,587,726
Road, drainage and bridge network	51,102,658	20,290,935
Water	1,436,087	1,269,459
Sewerage	1,084,355	-
	<u>63,187,493</u>	<u>33,644,936</u>



**Quilpie Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2013

**18 Reserves**

Council's cash and cash equivalents are subject to a number of internal restrictions that limit the amount that is available for discretionary or future use. In prior years council accounted for these restrictions using a system of reserves.

On 19 August 2013, council passed a resolution to close all existing reserves and account for these restrictions using an internal management accounting system.

The internal restrictions that have been placed on council's cash and cash equivalents are now disclosed in Note 10.

	2013	2012
Reserves held for funding future capital expenditure	\$	\$
Plant Replacement Reserve	-	131,096
Water & Sewerage Capital Works Reserve	-	922,062
IT Upgrade Reserve	-	125,000
Capital Grants Reserve	-	37,364
	-	1,215,522
<b>Reserves held for funding future recurrent expenditure</b>		
Non Capital Grants Reserve	-	2,438,984
	-	2,438,984
<b>Total reserves</b>	-	3,654,506
<b>Movements in capital reserves:</b>		
<b>Plant Replacement Reserve</b>		
Balance at beginning of financial year	131,096	131,096
Transfer from retained surplus for future expenditure	-	-
Transfer to the retained surplus/capital funds due to the closure of the reserve	(131,096)	-
Balance at end of financial year	-	131,096
<b>Water &amp; Sewerage Capital Works Reserve</b>		
Balance at beginning of financial year	922,062	922,062
Transfer from retained surplus for future expenditure	-	-
Transfer to the retained surplus/capital funds due to the closure of the reserve	(922,062)	-
Balance at end of financial year	-	922,062
<b>IT Upgrade Reserve</b>		
Balance at beginning of financial year	125,000	125,000
Transfer from retained surplus for future expenditure	-	-
Transfer to the retained surplus/capital funds due to the closure of the reserve	(125,000)	-
Balance at end of financial year	-	125,000
<b>Capital Grants Reserve</b>		
Balance at beginning of financial year	37,364	422,970
Transfer from retained surplus for future expenditure	-	1,804,648
Transfer to the retained surplus/capital funds due to the closure of the reserve	(37,364)	(2,190,254)
Balance at end of financial year	-	37,364

**Quilpie Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2013

Note	2013 \$	2012 \$
<b>Movements in recurrent reserves:</b>		
<b>Non-Capital Grants Reserve</b>		
Balance at beginning of financial year	2,438,984	1,214,428
Transfer from retained surplus for future expenditure	-	6,150,295
Transfer to retained surplus	(2,438,984)	(4,925,739)
Balance at end of financial year	-	2,438,984

**19 Contingent liabilities**

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

**Local Government Mutual**

The Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or 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 2012 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

**Local Government Workcare**

The Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$88,883.

**Community Housing**

\$607,074 is an expected claim on buildings owned by the Department of Communities and is expected to be repaid during the next two annual reporting periods. It is expected that \$293,833 of this amount will be incurred in the next annual reporting period.

**20 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 Accumulated Benefits Fund (ABF).

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

**Quilpie Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2013

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.

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.

The audited general purpose financial report of the scheme as at 30 June 2012 (the most recent available) which was not subject to any audit qualification, indicates that 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.

The next actuarial investigation will be made as at 1 July 2015.

	Note	2013 \$	2012 \$
The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of employees was:	6	470,767	424,952
<b>21 Trust funds</b>			
<b>Trust funds held for outside parties</b>			
Road Alliance Program		31,640	31,640
Security deposits		14,770	1,397
Corner Country Tourism		1,520	-
Charity collections/donations		255	-
		<u>48,185</u>	<u>33,037</u>

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

**Quilpie Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2013

	Note	2013 \$	2012 \$
<b>22 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities</b>			
Net result		130,597	2,943,797
Non-cash items:			
Depreciation & amortisation		1,913,613	1,906,691
		<u>1,913,613</u>	<u>1,906,691</u>
Investing and development activities:			
Net (profit)/loss on disposal of non-current assets		8,923	71,239
Capital grants and contributions		(967,905)	(1,804,648)
		<u>(958,982)</u>	<u>(1,733,409)</u>
Changes in operating assets and liabilities:			
(Increase)/ decrease in receivables		(2,953,389)	1,007,351
(Increase)/decrease in inventory		(150,500)	(73,945)
(Increase)/decrease in inventory		(141,493)	-
Increase/(decrease) in payables		1,092,547	1,004,544
Increase/(decrease) in other provisions		71,476	44,010
		<u>(2,081,359)</u>	<u>1,981,960</u>
Net cash inflow/(outflow) from operating activities		<u>(996,131)</u>	<u>5,099,039</u>
<b>23 Events after the reporting period</b>			
There were no material adjusting events after the balance date.			



**Quilpie Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2013

**24 Financial instruments**

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

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

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

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

Risk exposure	Measurement method
Credit risk	Ageing analysis
Liquidity risk	Maturity analysis
Interest rate risk	Sensitivity analysis

**Credit risk exposure**

Credit risk exposure refers to the situation where the Council may incur financial loss as a result of another party to a financial instrument failing to discharge their obligations.

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 these debts.

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.

The Council is exposed to credit risk through its deposits held with the National Australia Bank and the Rural Bank. Deposits are held with highly rated/regulated banks/financial institutions and whilst not capital guaranteed, the likelihood of a credit failure is remote.

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

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any provisions for impairment.

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

Council's maximum exposure to credit risk is as follows:

	Note	2013	2012
Financial assets		\$	\$
Cash and cash equivalents	10	11,106,871	15,998,624
Receivables - rates	11	169,089	84,366
Receivables - other	11	2,949,656	166,579
		<u>14,225,616</u>	<u>16,249,569</u>



**Quilpie Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2013

The following represents an analysis of the age of the Council's financial assets that are either fully performing, past due or impaired:

30-Jun-13	Fully performing	Past due			Total
		Less than 30 days	30-60 days	61-90 days	
	\$	\$	\$	\$	\$
Receivables	2,905,900	-	29,045	183,800	3,118,745
Less impairment	-	-	-	-	-
Net Receivables	2,905,900	-	29,045	183,800	3,118,745

30-Jun-12	Fully performing	Past due			Total
		Less than 30 days	30-60 days	61-90 days	
	\$	\$	\$	\$	\$
Receivables	137,010	-	98,443	15,492	250,945
Less impairment	-	-	-	-	-
Net Receivables	137,010	-	98,443	15,492	250,945

**Liquidity risk**

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

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

	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows
	\$	\$	\$	\$
<b>2013</b>				
Trade and other payables	2,683,503	54,595	-	2,738,098
	2,683,503	54,595	-	2,738,098
<b>2012</b>				
Trade and other payables	1,590,956	52,412	-	1,643,368
	1,590,956	52,412	-	1,643,368

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.

**Interest rate risk**

The Council is exposed to interest rate risk through its deposits and investments held with financial institutions.

The Quilpie Shire Council is currently debt free and proposes to maintain that status into the foreseeable future.

The following interest rate sensitivity analysis is based on a report similar to that which would be provided to management, depicting the outcome to profit and loss should there be a 1% increase in market interest rates. The calculations assume that the rate would be held constant over the next financial year, with the change occurring at the beginning of that year. It is assumed that interest rates on overdue rates would not change. If the rates decreased by 1% the impact would be equal in amount in the reverse direction.

**Quilpie Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2013

	Net carrying amount		Profit		Equity	
	\$	\$	\$	\$	\$	\$
Financial assets	111,069	159,986	111,069	159,986	111,069	159,986
Financial liabilities	-	-	-	-	-	-
Net total	111,069	159,986	111,069	159,986	111,069	159,986

**25 Correction of error**

In the 2013 financial year Council engaged independent valuers George Bourne and Associates to comprehensively review Council's road assets. As a result of this process a number of assets were found to have been undervalued in prior years due to incorrect construction costs and incorrect application of road types (ie valued based on road being dirt when it was actually gravel) being applied.

The error has been corrected within the 2013 financial statements as Council does not have sufficient and reliable information that will allow the restatement of information prior to 30 June 2013.

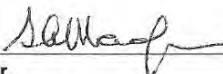
**Quilpie Shire Council**  
**Financial statements**  
For the year ended 30 June 2013

**Management Certificate**  
For the year ended 30 June 2013

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:

- (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 33, 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  
Stuart Mackenzie

Date: 18/10/2013

  
\_\_\_\_\_  
Chief Executive Officer  
David Burges

Date: 18/10/2013

QAO  
certified statements



## INDEPENDENT AUDITOR'S REPORT

To the Mayor of Quilpie Shire Council

### Report on the Financial Report

I have audited the accompanying financial report of Quilpie Shire Council, which comprises the statement of financial position as at 30 June 2013, 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 the 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 Quilpie Shire Council for the financial year 1 July 2012 to 30 June 2013 and of the financial position as at the end of that year.

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

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



P J FLEMMING CPA  
As delegate of the Auditor-General of Queensland



Queensland Audit Office  
Brisbane

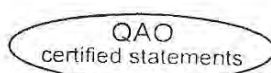


**Quilpie Shire Council**  
**Current-year Financial Sustainability**  
 For the year ended 30 June 2013

Measures of Financial Sustainability	How the measure is calculated	Actual	Target
Council's performance at 30 June 2013 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-2%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	88%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-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 2013.



**Quilpie Shire Council**  
**Financial statements**  
For the year ended 30 June 2013

**Certificate of Accuracy**  
For the year ended 30 June 2013

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

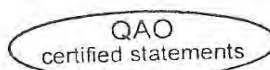
In accordance with Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.

  
\_\_\_\_\_  
Mayor  
Stuart Mackenzie

Date: 18, 10, 2013

  
\_\_\_\_\_  
Chief Executive Officer  
David Burges

Date: 18, 10, 2013



## INDEPENDENT AUDITOR'S REPORT

To the Mayor of Quilpie Shire Council

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

I have audited the accompanying current-year financial sustainability statement, which is a special purpose financial report of Quilpie Shire Council for the year ended 30 June 2013, 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 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 Quilpie Shire Council, for the year ended 30 June 2013, 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.



P J FLEMMING CPA  
As delegate of the Auditor-General of Queensland



Queensland Audit Office  
Brisbane



**Quilpie Shire Council**  
**Long-Term Financial Sustainability Statement**  
Prepared as at 30 June 2013

Measures of Financial Sustainability	Measure	Target	Projected for the years ended									
			Actuals at 30 June 2013	30 June 2014	30 June 2015	30 June 2016	30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022
Operating surplus ratio	Net result divided by total operating revenue	Between 0% and 10%	-2%	5%	8%	10%	11%	9%	10%	10%	11%	11%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	88%	151%	199%	126%	108%	99%	113%	113%	112%	112%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%	-28%	-31%	-26%	-20%	-18%	-12%	-16%	-20%	-25%	-31%

**Quilpie Shire 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.

**Quilpie Shire Council**  
**Financial statements**  
For the year ended 30 June 2013

**Certificate of Accuracy**  
**For the long-term financial sustainability statement prepared as at 30 June 2013**

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

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

  
\_\_\_\_\_  
**Mayor**  
**Stuart Mackenzie**

Date: 18, 10, 2013

  
\_\_\_\_\_  
**Chief Executive Officer**  
**David Burges**

Date: 18, 10, 2013

# Our Council

## **Customer Service Centre**

### **Administration Offices and Boardroom**

50 Brolga Street, Quilpie Qld 4480

P: (07) 4656 0500

F: (07) 4656 1441

E: [admin@quilpie.qld.gov.au](mailto:admin@quilpie.qld.gov.au)

W: [www.quilpie.qld.gov.au](http://www.quilpie.qld.gov.au)

## **Works Depot, Stores and Workshop**

40 Winchu Street, Quilpie Qld 4480

P: (07) 4656 0582 F: (07) 4656 1395

## **Library**

50 Brolga Street, Quilpie Qld 4480

P: (07) 4656 0550 F: (07) 4656 1683

## **Visitor Information Centre**

51 Brolga Street, Quilpie Qld 4480

P: (07) 4656 0540 F: (07) 4656 1441

## **Youth Activity Centre**

11 Brolga Street, Quilpie Qld 4480

P: (07) 4656 2971

## **Quilpie Swimming Pool**

10 Brolga Street, Quilpie Qld 4480

P: (07) 4656 1201

*Simply Unique*

