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A N N U A L

R E P O R T

2013-2014







Our Council

Customer Service Centre

Administration Offices and Boardroom

50 Brolga Street, Quilpie Qld 4480

P: (07) 4656 0500 E: admin@quilpie.qld.gov.au

F: (07) 4656 1441 W: www.quilpie.qld.gov.au

Works Depot, Stores and Workshop

40 Winchu Street, Quilpie Qld 4480

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

Visitor Information Centre

51 Brolga Street, Quilpie Qld 4480

P: (07) 4656 0540

Library

50 Brolga Street, Quilpie Qld 4480

P: (07) 4656 0550

Youth Activity Centre

11 Brolga Street, Quilpie Qld 4480

P: (07) 4656 2971

Swimming Pool

10 Brolga Street, Quilpie Qld 4480

P: (07) 4656 1201

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A GLIMPSE OF OUR REGION

In this section:

- Map of the Shire
- In Profile
- Our Foundations
- Communication Objectives





IN PROFILE



Eromanga is the largest oil producing area in mainland Australia.

67,482km²
3.9%

The Quilpie Shire is spread over an area of 67,485km² this is equivalent to 3.9% of the total area of Queensland.

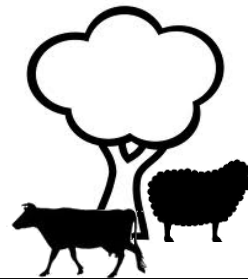


1
&
2

Within the Shire there are two towns with very low populations including:

CHEEPIE – Population 1

TOOMPINE – Population 2



Primary industry plays a huge role in the Shire's economy.



The unique outback lifestyle is an excellent region to bring up a family



The region expresses its 'arty' elements with various community art projects on display.

OUR FOUNDATIONS

“We cherish our lifestyle and the uniqueness of our community.

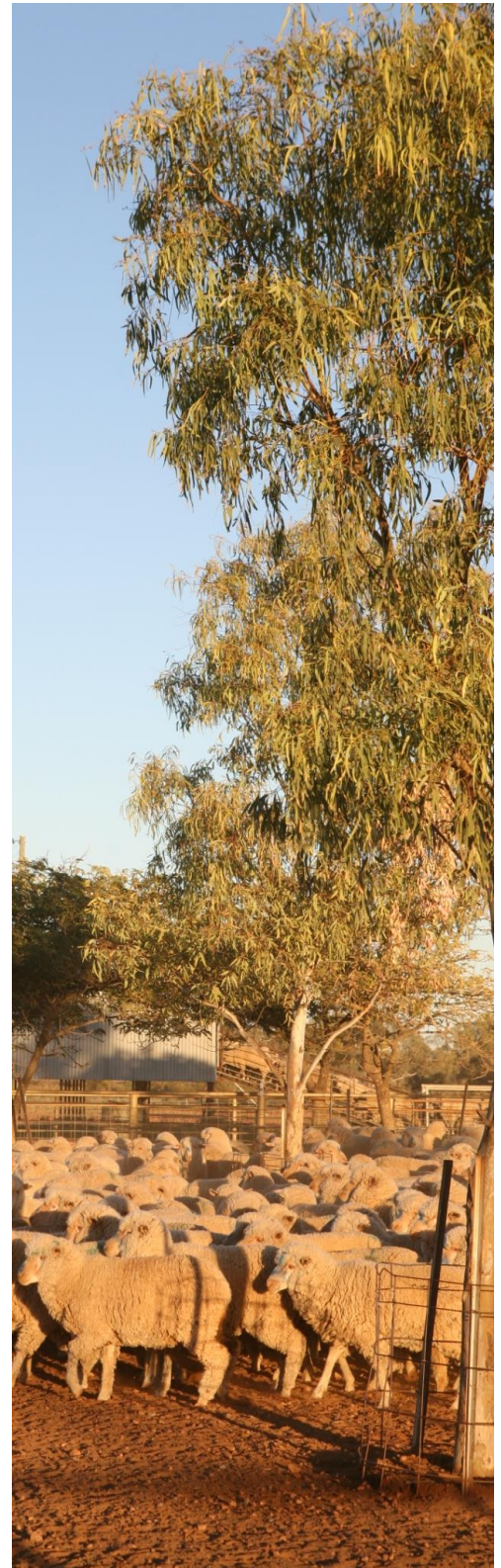
We value inclusion and meaningful participation in the community and are committed to strengthening all we value to ensure our future is sustainable.”

Responsible visionary leadership

Working closely with the community to achieve our vision

Open and honest communications

Economic responsibility



COMMUNICATION OBJECTIVES

Quilpie Shire Council is pleased to present its 2013-2014 annual report and has taken this opportunity to reflect on the year. Whilst the production of the annual report is a legislative requirement of the Local Government Act 2009, it is also the opportunity to highlight our performance and achievements as well as outline our strategic direction and plans for the future.

Copies of this Annual Report are available free of charge electronically on the Council's website at www.quilpie.qld.gov.au





Images courtesy of local artist Annabel Tully
www.annabeltully.com

OUR COUNCIL

In this section:

- Mayor's Review
- Chief Executive Officer's Report
- Councillors
- Council Meetings
- Organisational Structure



MAYOR'S REVIEW

The 2013-14 year for the Quilpie Shire was, sadly, very much about drought. The shire was officially drought declared in July 2013 and at the time of writing that declaration remains current. The extremely dry conditions have certainly impacted on our agricultural sector initially and this eventually feeds through to the small business sector which will feel the impacts of the drought long after the rains have come. The trucking companies, after a very busy 2013 during the destocking phase of the dry season, have really been impacted during 2014 as the stock movements have slowed dramatically.

It was a better story for our tourist servicing businesses as the tourist season, after a slow start, kicked into gear, recording record numbers through the Visitor Information Centre in the months of May and June. The importance of tourism becomes more apparent every year as the increasing numbers go some way to alleviating the inevitable economic downturns that accompany the cycles of the seasons. The planned development of tourism products across the shire over the next couple of years should certainly grow this sector.

Mining continues a slow expansion, particularly in the gas exploration field. Seismic and exploratory drilling programs are occurring in new areas, slowly moving east from the old established areas in the west of the shire. New pipelines are being built to bring the new areas into production mode. We are also finally seeing recognition from all levels of government of the importance of the Cooper Basin and how it has been such a significant resource sector contributor to our nation for so long. The great challenge for Council is to leverage long term benefits for the local community from this expanding industry while not allowing negative impacts to develop.

The 2013-14 financial year was focused very squarely on the completion of the 2012 flood

damage program. In excess of \$15M was spent on shire roads and \$6M on state roads. This was a huge undertaking and all involved

deserve high praise for bringing the program in on time and on budget. The dry season and extreme water shortages put immense pressure on the program over the summer. Council was given absolutely no leeway with the completion date of 30th June 2014. It had to be done and it was. Our Council and contractor road construction crews did a terrific job. Generally speaking our shire roads are in the best condition they have been in for some time.

Pretty well all our capital works program was also completed on time and on budget. This was a major improvement as, historically, Council tended to over budget on capital works and many projects would have to be carried over into the next year. We now aim to complete what we plan to do in any given year. Some of the capital works completed were the Quilpie Shire hall upgrade and the Eromanga water treatment installation. All the smaller asset maintenance projects, road reseals and plant replacement was also completed as planned.

Design work for the many projects planned for the 2014-15 year have also been completed so that we should see these projects getting underway immediately in the new year.

I feel it has been a year of real progress, not just in the work completed, but also in the constant evolution of our staff structure resulting in increased efficiencies and productivity.

I would like to congratulate everyone, from the Councillors down, on a very productive year in particularly trying times.



CHIEF EXECUTIVE OFFICER'S REVIEW

The 2013-14 year was I believe a milestone year for Council. At close to ½ way through the current term, Council and the management team have worked together to consolidate on the first year and set the direction for the rest of this term of Council. One of the main focus' for the year was the completion of a very large flood damage restoration program. The delivery of this program saw over \$15M spent on Shire roads. The challenge now will be to maintain our road network to this standard.

Council and the organisation can look back with considerable pride over the 12 months with achievements including the completion of many smaller projects from previous years, the completion of 6 new houses in Quilpie and Eromanga, the design and construction of a \$1M water treatment plant in Eromanga and the planning and design of new depot and workshop. Whilst constructing and planning for new infrastructure, Council has managed the communities existing assets responsibly with road maintenance, bitumen reseals, towns maintenance and fleet replacement continuing at the high standard of past years.

Apart from hard infrastructure, Council and the administration have applied more resources to tourism and economic development. Projects realised as a result of that are the planning and design of a new industrial subdivision, an access road to Hell Hole Gorge and a "End of Rail" museum in Quilpie. These projects are planned for construction over the next few years. Further exciting developments are in their infancy and work will continue over the next 12 months to ensure Quilpie Shire remains vibrant and sustainable.

Council was successful in securing funding for three major projects under the State Government's "Royalties for the Region" program.

These were \$1M for the upgrading of a section of Kyabra Road, \$0.4M for the extension of the mobile phone service

to Eromanga and \$0.5M for stage 1 of the Eromanga Natural History Museum. These projects will be delivered over the next 12 months and will provide significant benefit to residents, businesses and tourist.

Council has continued to maintain and improve numerous community facilities and offer support to the community through various grants and subsidies. The past year also saw us purchase Stage 4 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 continuing to tighten. 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 year as the plans and aspirations of the past year come to fruition and addressing the many challenges that face rural and remote communities.

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.



COUNCILLORS



Cr Jennifer Hewson

Deputy Mayor

jhewson@quilpie.qld.gov.au



Cr Tony Lilburne

Councillor

tlilburne@quilpie.qld.gov.au



Cr Stewart Sargent

Councillor

ssargent@quilpie.qld.gov.au



Milan Milosevic

Councillor

mmilosevic@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 Chief Executive Officer must call a special meeting if:

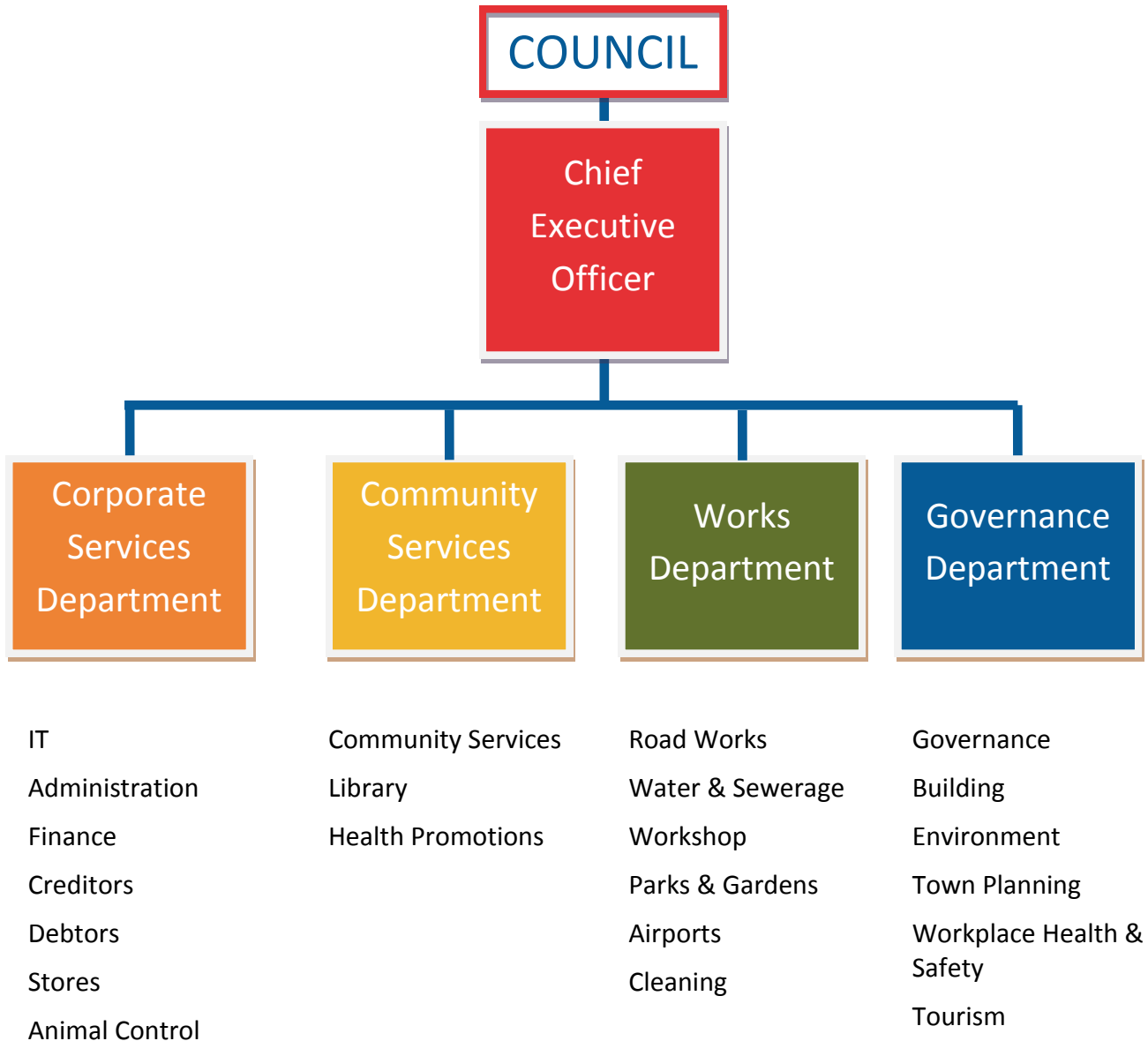
- There is a prior Council resolution specifying that the meeting will be held
- The Chief Executive Officer has identified an urgent matter that needs to be decided before the next scheduled Ordinary Council meeting
- A written request has been received by the Chief Executive Officer which has been 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

In this section:

- Councillor Remuneration
- Councillor Travel
- Administrative Action Complaints
- Registers
- Internal Audit
- Councillor Expenses Reimbursement Policy



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 determines rates of pay for Councillors. Council has resolved to adopt the following rates: -



Councillor Remuneration – 1 July 2013 – 30 June 2014

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 and Superannuation

Councillor	Gross Payment	Travel Expenses	Superannuation	Total Remuneration (\$)
Cr CA Mackenzie	73,803	13,459	8,856	96,119
Cr JC Hewson	31,630		3,796	35,426
Cr SC Sargent	22,492	2,634	2,699	27,825
Cr AM Lilburne	22,492		2,699	25,191
Cr MC Milosevic	22,492		2,699	25,191
			TOTAL	209,751

Councillor Meeting Attendance

	Ordinary Meeting	Special Meeting	Council Workshop	Other	Total
Cr SA Mackenzie	14	2	4	54	75
Cr JC Hewson	12	2	4	16	34
Cr SC Sargent	14	2	3	12	32
Cr AM Lilburne	14	2	4	8	28
Cr MS Milosevic	14	1	4	9	29

Councillor Complaints, Orders and Recommendations

- No orders or recommendations were made under section 180 (Taking Disciplinary Action) of the Local Government Act 2009 during the financial year.
- No orders were made under section 181 (Inappropriate Conduct) 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 176 of the Local Government Act 2009 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

During the 2013-2014 financial year no councillor or Council employee travelled overseas in an official capacity.

Remuneration – Senior Management Employees

During the 2013-2014 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.



Spent on the building of the 6 new houses in Quilpie and Eromanga



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;

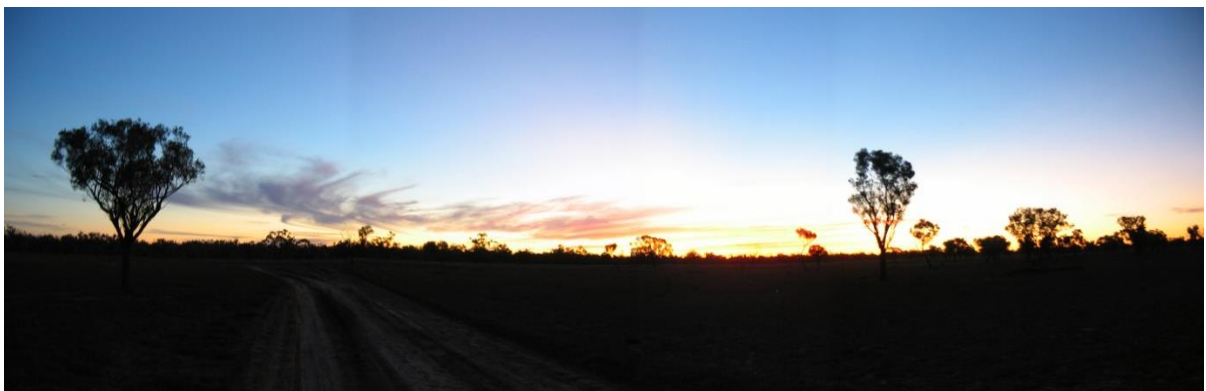
Complaints will be acknowledged and resolved in a timely manner;

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 8 April 2014. 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 did not have any 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 Policies
- Register of Roads
- Contract Register
- Register of Legal Documents
- Register of Fees and Charges
- Building Application Register
- Cemetery Register
- Code of Conduct
- Register of Interest of Councillors
- Register of Disclosure of Electoral Gifts and Loans
- Local Laws and Subordinate Local Laws Register
- Register of Burials
- Register of Lands

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 and Widows Pensions and holders of Veteran Affairs cards 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

During the 2013-14 financial year there were no instances where tenderers were invited to change their tenders.





Grants to Community Organisations

During the 2013-14 financial year Council provided the following grants or in-kind support to organisations:

Grants	Value (\$)
Student Bursary	5,000.00
Council Community Grant Program	33,487.00
Community Grant – Quilpie Kindergarten Building	41,400.00
Community Grant – Quilpie Kindergarten Operational	41,400.00
RADF Grants	43,165.00
TOTAL	164,452.00

Internal Audit

Council engaged the services of the Local Government Association of Queensland to perform the internal audit activities for the 2013-14 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 2013-14 covered financial sustainability, governance, infrastructure, community engagement, planning/regulation and workforce.

Particular Resolutions

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 (the recognition threshold):

Type of Assets	Value (\$)
Furniture and Fittings	5,000.00
Plant and Equipment	5,000.00
Buildings and other structures	10,000.00
Infrastructure assets	10,000.00

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

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.

4.1. 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.

4.2. 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.

4.3. 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 has 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.

4.4. 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.

4.5. 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. Council 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

5.1. 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.

5.2. 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
<i>Council Business</i>	<p>Council will reimburse expenses incurred in undertaking Council business which includes:-</p> <ul style="list-style-type: none"> ▪ attendance at Council meetings, committee meetings, Councillor Information Sessions and approved workshops, strategic briefings and deputations; ▪ attendance at pre-arranged meetings with the Chief Executive Officer and/or General Managers; ▪ 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, ▪ 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; ▪ attendance outside the shire at civic functions and ceremonies on behalf of the Mayor as delegated by the Mayor. <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>
<i>Conferences and Training</i>	<p>Council will reimburse expenses incurred for:-</p> <ul style="list-style-type: none"> ▪ attendance at Regional, State or National Local Government associated conferences, subject to attendance approved by Council; ▪ attendance at Regional meetings and workshops associated with a Councillor's responsibilities; ▪ professional development and training as approved by Council
<i>Travel Costs</i>	<p>Council will reimburse travel expenses deemed necessary to achieve the business of Council where:-</p> <ul style="list-style-type: none"> ▪ a Councillor is an official representative of Council; and ▪ the activity / event and travel have been endorsed by resolution of Council. <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</p>

	<p>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"> ▪ travel has been endorsed by Council resolution or no Council vehicle is available; and ▪ claim for mileage is substantiated with log book details; and ▪ total travel claim does not exceed the cost of the same travel using economy flights plus the cost of taxi transfers. <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 Councillor).</p>
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"> ▪ the Councillor incurs the cost personally; and ▪ the meal was not provided within the registration costs of the approved activity/event; and ▪ a copy of a tax invoice is provided. <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</p>

	\$40 per meal or more than \$100 per day. No alcohol will be reimbursed by Council.
<i>Hospitality and Entertainment Expenses</i>	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.

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.

<i>Administrative Tools</i>	<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"> ▪ Laptop or computer ▪ Printer ▪ Fax ▪ Stationery ▪ Office space and meeting rooms ▪ Photocopier ▪ Publications ▪ Landline telephones and internet access ▪ Secretarial support
<i>Mobile Phone</i>	Council will provide a mobile telephone or alternative communication device to the Mayor with all costs payable by Council.
<i>Credit Card</i>	The Mayor will be provided with a corporate credit card for use in charging costs and expenses associated with the duties of Mayor.
<i>Corporate Uniform and Ancillaries</i>	<p>Council will provide Councillors with the following corporate equipment:-</p> <ul style="list-style-type: none"> ▪ Name badge ▪ Necessary safety equipment for use on official business e.g. safety helmet/boots ▪ Business Cards

<i>Vehicles</i>	<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>
<i>Fuel Costs</i>	<p>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.</p>
<i>Insurance Cover</i>	<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.

DOCUMENT CONTROL

			Adopted by:	Council
Version	Date	Details	Reviewed By	Position
1	14 February 2012	Adopted by Council		
2	8 April 2014	Adopted by Council	Dave Burges	CEO
3				

Review Period: Annually

Review Date: April 2015



PROGRESS AND PERFORMANCE

In this section:

- Assessment of Council Performance



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

What We Will Do.....	Operational Plan Activity	Outcome
C.1.i Provide a range of leisure and recreation infrastructure and activities for the relaxation and enjoyment of the community including public places and facilities such as halls, parks and recreation grounds	Provide and operate swimming pools in Quilpie and Eromanga	Pools open and repairs done in Quilpie and Eromanga. Further works budgeted for in 2014-15
	Operate and maintain halls in the four communities of Quilpie, Toompine, Eromanga and Adavale Flagpole & memorial Adavale Hall Quilpie Hall repairs & refurbishment Quilpie Hall disability access, pavers and awning Adavale Hall jail feature	All works completed or commenced and due for completion by 30 June
	Provide assistance in maintaining recreation grounds in Quilpie, Eromanga, Adavale and Toompine	Ongoing
C.1.ii Assist in the provision of / management of social services and lobby relevant government agencies for the equitable availability of these services	Provide library services in Quilpie	Library services provided
	Provide healthy lifestyle and physical activities opportunities for the aged population	Health Promotions Officer actively providing opportunities
	Provide activities and opportunities for youth including the Activity Centre, holiday programs and physical activity opportunities	Health Promotions Officer actively providing opportunities
C.1.iii Manage the RADF program and ensure an equitable and transparent allocation of funds to a variety of social and cultural activities	Bid for RADF Funding, provide annual reports and coordinate the RADF program	4 th round of grants called. All funds allocated.
C.1.iv Support a range of arts and culture activities, programs and events	Provide Artour and other available travelling productions	Shows undertaken, well attended and received
	Identify and promote relevant funding programs	Small grants being applied for such as Seniors Broadband, Qld Week, Seniors Week
	Implement stage 2 of the Business development program (arts and culture)	Program not renewed
	Undertake exhibitions at Shire Gallery	Exhibitions being held on a regular basis

What We Will Do.....	Operational Plan Activity	Outcome
C.1.v Embrace and promote community activities and special occasions	Organise Australia Day awards and activities	Event successfully completed
	Organise Anzac Day activities	Event successfully completed
	Organise Remembrance Day services	Event successfully completed
	Organise other relevant community events commemorative or otherwise as identified	Street party & other events organised. Involved with Show organisation
C.2.i Promote pride in our communities and celebrate success	Promote through Community Newsletter certificates and awards	Newsletters going out on a bi monthly basis
	Provide photos and good news stories on web site	Relevant information going on website
C.2.ii Encourage volunteers to participate in range of social and community activities	Provide workshops to groups and clubs in governance	Promotion of workshops such as Sport & Recreation workshops
	Provide opportunities or accreditation where necessary	Information forwarded to groups and when available workshops organised
C.2.iii Lobby state government, access funds where possible and support sport and recreation programs	Work with government departments and agencies to identify needs and work proactively with these groups	Ongoing
C.3.i Facilitate and support where possible community organisation's events and initiatives C.5.v Provide a community grants program	Provide and administer a community grants program	Program fully expended
	Manage the promotion of key events and the OQTA promotion program	Key events being advertised and liaising with OQTA re promotions
C.3.ii Provide and maintain parks and open spaces that demonstrate our pride in our communities	Manage Council's parks and gardens program Bulloo Park shower block Adavale soft-fall Bulloo Park rodeo shed JW Park shade covers Adavale shade cover Dam & watering system Quilpie cemetery	Ongoing Completed Completed Completed Completed Completed Completed
	Work with user groups to ensure open spaces needs are met	Meetings held and needs identified
C.4.ii 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	Information passed on to relevant groups and in newsletters
C.5.ii Provide funding for each community for community generated projects and initiatives (Adavale \$25K, Eromanga \$35K, Quilpie \$50K, Toompine \$15K)	Manage and engage with communities as to projects or relevant needs	All funds allocated and works completed or commenced
C.5.vi Implement an incentive for ratepayers to plant trees through a free-tree initiative	Implement and promote program and monitor uptake	Flyers distributed with rates notices
	Participate in Tree Day plantings and other environmental promotional activities	Ongoing – discussion with Adavale re some plantings around Hall area
C.5.vii Develop community master plans for Eromanga and Quilpie	Undertake a review of the planning scheme to incorporate the PIP, new land developments and minor amendments	PIP amendments incorporated. Further amendments proposed in 2014-15 when rural res and industrial subdivisions finalised.

Our Wellbeing

What We Will Do.....	Operational Plan Activity	Outcome
W.1.iii Promote a viable real estate rental market in Quilpie	Review Council housing and community housing rentals and document price path for next 3 years	Completed
W.1.iv Provide options for alternative lifestyle and housing choices W.5.iv Plan, design and construct a rural residential subdivision	Complete planning and design works for Stage 1 of the new rural residential subdivision	Staging options being finalised to reduce up-front costs. Project deferred until 2015-16.
W.1.v Manage community housing whilst lobbying government to change policy to have it more effectively managed at the local level	Manage the community housing program and ensure dwellings are tenanted and well maintained	Vacancies being managed
	Undertake programmed refurbishments	Being programmed. Works deferred due to unforeseen white ant damage
	Lobby government through QHHAN / QShelter to ensure policy is not one size fits all and that rural and remote Qld's unique issues are acknowledged and addressed.	Rural & Remote Housing Strategy discussed in St George at SWLGA. MSC progressing
W.2.i Support local schools in offering enhanced educational programs	Support the GAME Program	Completed
	Provide a Healthy Lunch program	Provided
	Provide assistance with District Schools Sports and other activity events	Assistance provided
	Provide work experience for students	
W.2.ii Lobby government to continue remote and regional funding programs	Network and work with government departments to ensure continuation of suitable programs for rural/remote areas	Ongoing
W.2.iii Investigate options to source funding for technology improvements	Identify suitable funding programs	Waiting on Federal Gov mobile black spot program
	Monitor the progress of the NBN implementation program and lobby for implementation in the Shire	Waiting on Federal Gov mobile black spot program
W.2.iv Encourage and support camps, excursions and activities and programs that broaden our children's experiences	Provide and encourage suitable workshops and activities out of school hours	
W.2.v Work with service providers to ensure adequate child care and kindy facilities are available for families	Liaise with Quilpie Kindergarten, State and Federal Government to ensure successful transition to Long Day Care facility	Assistance being provided where possible
	Provide funding assistance for capital upgrades to Kindy and operating expenses	Complete
W.3.i Encourage community participation in programs that promote healthy living	Provide activities for the whole community through health promotions officer (eg healthy lunches, bus trips, recreational opportunities)	Ongoing
W.3.ii Promote access to lifelong learning opportunities e.g. open learning network	Promote Seniors Kiosk in Library providing online technology information sessions.	Ongoing
	Promote online learning opportunities (eg OUA) to all residents of the Shire via newsletters etc	Ongoing
W.3.iii Lobby the state government to retain a private health clinic in Quilpie	Liaise closely with, and lobby, Queensland Health to ensure services and facilities at the Quilpie Hospital are attractive to private enterprise	Ongoing

What We Will Do.....	Operational Plan Activity	Outcome
W.3.iv Lobby the state government to retain a permanent doctor in Quilpie	Participate in the Community Advisory Network (CAN) Committee	Ongoing
	Provision of relevant information relating to the Shire to encourage suitably qualified permanent doctor recruitment and retention	Ongoing
W.3.v Lobby the state government to provide more medical specialist visits to Quilpie	Liaise with Queensland Health, Public Health and Medi-care Local to bring services to community	Ongoing
	Liaise with RFDS to ensure services are retained to smaller centres	Ongoing
	Liaise with local Quilpie Hospital staff to formally identify community needs of terms of specialist services	Ongoing
W.3.vi Plan for good open spaces that support healthy living and activity	Investigate various improvements to JW Park and Bulloo Park to increase utilisation	Various improvements undertaken as required
W.4.i Work with Darling Downs and SW Medicare Local to employ a Health Promotions Officer and lobby for the long term retention of the position to build capacity and cohesion in the area of community health.	Employ a Health Promotions officer and fund relevant activities	Employment current
	Coordinate and promote healthy activities to Quilpie and the smaller towns in the Shire	Ongoing
W.5.i Complete the Chipu Street residential subdivision	Install Telstra cables Chipu Street / Galah Street	Complete
W.5.ii Implement a rolling program for the construction of new houses	Complete the construction of 6 new houses in Quilpie and Eromanga	Complete
W.5.iii Buy out the Community Housing	Proceed with stage 4 of the Community Housing buy-out program	Stage 4 of buy out finalised.

Our Natural Environment

What We Will Do.....	Operational Plan Activity	Outcome
N.2.i Ensure new mining developments are carefully managed and developed to reduce adverse consequences on our environment and communities	Initiate ways of improving information flow from government and industry to Council regarding potential developments	Website monitored http://www.business.qld.gov.au/industry/mining/mining-online-services/mining-permit-search
N.2.ii Develop and implement management plans for various Council operated facilities that impact on the environment N.5.iv Prepare Site Based Waste Management Plans and Stormwater Management Plans for all landfills	Management plans developed and adopted	Completed
	Waste management operations managed Quilpie landfill improvements	Ongoing Improvements made. Ongoing costs reviewed in October 2013. Costs trying to be minimised
N.2.iii Obtain environmental licenses for various Council activities that require approval	Obtain all necessary licence approvals	Approvals obtained for Eromanga CED scheme
N.3.i Lobby and work with National Parks in the development of their management plans	Initiate discussions with National Parks in relation to Hell Hole Gorge management plan	To be undertaken in 2014-15
N.3.ii Develop and implement a water quality management plan N.5.vi Prepare a water quality management plan	Adopt developed plan	Plan approved by Department of Energy and Water Supply
N.3.iii Lobby government to improve policies and access to funding for wild animal control, logging / clearing etc	Councillor participation in QDOG / Wild Dog regional Committees	WDAC Chair and WDCO members of newly formed Regional Wild Dog Management Committee.

What We Will Do.....	Operational Plan Activity	Outcome
	Liaise with DEEDI / SWNRM etc for funding opportunities to promote wild animal control	
N.3.iv Be proactive in the area of wild dog control N.5.iii Fund a wild dog control officer in conjunction with other pest management initiatives	Employ a wild dog control officer and fund wild dog control programs and initiatives	Wild Dog Control Officer employed. 1080 baiting program undertaken in October 2013 and April 2014. Hot spot baiting / trapping ongoing. Additional contract WDO employed part time.
N.3.v Provide active participation in natural resource management groups	Provide information as required and participate in any meetings, workshops or training opportunities	Ongoing
N.3.vi Support and assist land holders to be more proactive in the area of controlling weeds, seeds and pests	Support weed pest management initiatives. Organise and participate in regular pest weed meetings to promote funding and other initiatives.	Working with SWNRM to obtain funding for Coral Cactus and newly discovered cacti infestation at Tobermory.
N.3.viii Review and implement the stock routes management plan	Undertake operations and implement initiatives to manage the stock route network	Plan due for review in 2013. Awaiting information from the new online Stock Routes Management System prior to reviewing /updating the document.
N.4.i Support the OGF in their endeavours to construct a working Natural History Museum and promote the foundation where possible N.5.i Provide a funding contribution to the Outback Natural History Museum project (subject to RDA grant)	Assist with submitting funding applications as required Link OGF to Council's website and provide updates in newsletters Undertake approved works	Completed Application successful under R4R round 3. Planning proceeding with construction in 2014-15
N.4.ii Through SWRED, promote the Natural Sciences Tourism loop	Participate in meetings and workshops regarding further development of the Natural Sciences Loop Promote the Natural Sciences Loop through the VIC and tourism operators throughout the Shire	Projects being investigated Ongoing

Our Infrastructure

What We Will Do.....	Operational Plan Activity	Outcome
I.1.ii Lobby TMR to upgrade all strategic state road linkages	Maintain an active participation in the Regional Road Group	Tech Committee meetings held
I.1.iii Lobby TMR to provide flood immunity at critical locations on the state controlled road network	Maintain an active participation in the Regional Road Group	Tech Committee meetings held
I.1.iv 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	Maintain an active participation in relevant groups and committees	Mayor, CEO and relevant Councillors attending meetings
I.1.v 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	Maintain an active participation in relevant groups and committees	Mayor, CEO and relevant Councillors attending meetings
I.1.vi In consultation with state government, investigate improvements to freight services	Liaise with local business providers and industries	SWRED study completed. Further lobbying being progressed

What We Will Do.....	Operational Plan Activity	Outcome
I.1.vii Through SWRED, lobby TMR to undertake a rail study to address the uncertainty over the future of passenger and freight rail services	Maintain an active participation in relevant groups and committees	SWRED study completed. Further lobbying being progressed
I.1.viii Through SWRED, lobby QR National to construct facilities to interchange road / rail wagons / containers at all terminals and provide refrigeration storage at all stations	Participate in SWRED investigation study	SWRED study completed. No further action proposed.
I.1.ix NBN – lobby for equitable access to reliable high speed communications	Monitor progress of the NBN rollout and lobby for local improvements	Focus now on mobile phone coverage in black spot areas.
I.1.x Lobby government to improve mobile phone coverage	Identify stakeholders and initiate discussions	R4R Round 2 project ready to be rolled out (Eromanga). Other funding opportunities being investigated
I.1.xi Implement the conversion to digital television services	Finalise the conversion to digital TV retransmission Quilpie Eromanga system improvements	Systems operational. Ongoing issues being managed
I.2.iv Work with resource sector companies to ensure town amenities, roads and facilities are maintained and developed in mutually beneficial ways	Identify stakeholders and establish links and relationships with relevant government agencies to improve knowledge and access to up to date information	Ongoing
I.2.v Ensure critical infrastructure and services are provided and adequately maintained	Manage Council supplied water supplies to all towns	Ongoing
	Manage sewerage services where provided Eromanga pump station upgrade Complete 2012/13 works Eromanga switchboard & overflow pond	Ongoing PS upgrade completed
	Upgrade the Eromanga water supply Complete 2012/13 works	Project to be completed June 2014 due to delays with power supply
	Complete IT replacements	New computers purchased and installed.
I.4.viii Implement a rolling plant replacement program	Complete budgeted works Complete 2012/13 works	Program completed
I.4.x Adequately maintain Council community facilities, houses and buildings	Admin building fit-out Paint Eromanga Hall and re-do fence	All furniture etc delivered.
	Implement regular inspections and reporting	Ongoing
	Develop 5 year maintenance plans	
I.4.xi Maintain Shire roads and drainage systems to a safe and serviceable standard	Complete budgeted works Rural roads Urban roads Implement regular inspections and reporting	Programs being undertaken
I.4.xii Undertake various road and drainage improvements to shire roads and local streets	Brolga Street kerb Bitumen reseals Gravel resheets Various C/O works	Deferred Completed Completed Completed

Our Economy

What We Will Do.....	Operational Plan Activity	Outcome
E.1.i Promote and be involved in regional economic development, including Tourism Qld, OQTA, SWRED and Corner Country Tourism	Participate in OQTA activities	Advertising and assistance given
	Promote the Shire to visitors through advertisements, brochures and websites	Promotion through advertising and brochures

What We Will Do.....	Operational Plan Activity	Outcome
E.1.iii Plan for and provide the relevant infrastructure required for private enterprise to be able to establish and grow E.4.i Plan, design and construct a new industrial subdivision	Complete planning and design works for Stage 1 of the new industrial subdivision	Staging options being finalised to reduce costs
E.1.iv Investigate economic drivers for the region E.4.v Prepare an Economic Development Strategy	Support selected SWRED initiatives Implement selected initiatives and programs and monitor strategy	Various projects underway Further funding obtained for the next 2 years
E.1.vi Lobby government for tax breaks / incentives for rural and remote areas	Follow up the Federal Government and RDA on Professor Manning's report	No feedback to date
E.2.i Investigate sponsorship opportunities for various community activities and programs	Liaise with industry and agencies to identify opportunities	Relevant information passed on to business
E.2.ii Encourage access to business training for locals to maximise opportunities to capture market share	Where possible access suitable business workshops and opportunities.	Limited number of workshops available and limited uptake for these workshops
E.2.iii Work actively to promote tourism within the region	Manage and operate the VIC	Ongoing
	Promote tourism events and attractions	Ongoing
	Promote economic development initiatives	Ongoing
E.2.iv Web site and hard copy information material is available promoting opportunities within the shire for new businesses and organisations undertaking activities within the Shire	Develop an Economic profile for the shire and publish hard copies and on website	Not commenced
E.3.i Lobby government to change policies to make it more viable and attractive to live and work in rural areas	Identify appropriate proposals for presentation	
E.4.iii Plan, design and construct a new Works Depot	Plan and complete detailed design works	Detailed design works largely completed
E.4.iv Obtain public access to Hell Hole Gorge national Park	Investigate public access options and scope out the necessary works	Access road being acquired
	Liaise with affected landholders	Commenced

Our Governance

What We Will Do.....	Operational Plan Activity	Outcome
G.1.i Develop and adopt a community engagement policy and associated public consultation strategy.	Review the policy to determine effectiveness	Policy reviews undertaken March / April 2014
G.1.ii Implement the community engagement and consultation strategy and develop meaningful mechanisms to engage the community	Monitor implementation	Ongoing
G.2.i Develop and implement a communication plan for Council and the community	Develop, adopt and implement	IT & Communications Policy adopted Website & Social Media Policy adopted
G.2.ii Advise and update the community on Council's plans and progress with initiatives	Publish regular newsletters and ensure relevant and up to date information on Council's website	Website redeveloped and updated Bi-monthly community newsletters and staff newsletters done
	Prepare and issue media releases for priority issues	Ongoing

What We Will Do.....	Operational Plan Activity	Outcome
	Distribute a regular update from the Mayor to the community	Included in bi-monthly community newsletter
G.3.i Maintain an active involvement in community organisations and regional bodies	Maintain an active participation in relevant groups and committees	Ongoing
G.3.ii Establish and foster community / consultative / user groups for identified initiatives	Investigate options and provide advice to Council	No further groups identified at this stage
G.5.i Develop and adopt a Long Term Financial Plan	Implement the rates and services review	Completed. Further implementation to be considered as part of the 2014/15 budget
	Review relevant policies	All policies reviewed march / April 2014
G.5.ii Implement and continually review and monitor the long term financial plan and financial forecast	Review the financial plan	Completed as part of the 2014/15 budget development process
	Undertake an elected member workshop on the long term financial forecast model	Deferred
G.5.iii Prepare and update asset management plans and ensure key infrastructure and services are appropriately managed	Progress the role of the Asset Management Committee	
	Prepare and adopt an asset management policy and framework	Draft documents prepared
	Prepare an asset management improvement action plan	Draft documents prepared
G.5.iv Ascertain key community issues and lobby government and industry on behalf of the community	Identify key issues from the Community Plan	Ongoing
G.5.v The Corporate Plan is reviewed on an annual basis	Review the Corporate Plan prior to 2014/15 budget preparation	
G.6.iii Undertake an annual community satisfaction survey	Develop survey to allow comparison to biennial LGAQ satisfaction survey and facilitate relevant benchmarking to other Councils	Deferred to 2014
G.6.iv Develop and implement a risk management plan	Work with ERM Committee and JLT to establish Risk Management Policy and Plan to be implemented across organisation	Commenced
	Promote staff awareness and training	Ongoing
G.6.v Support the separation of roles between elected members and management	Reinforce role of elected member at staff meetings	Ongoing
	Promote role of elected member to public	Ongoing
G.6.vi Maintain effective planning and reporting processes from management to Council	Provide timely, accurate and professional reports to Council	Reports provided
	Report quarterly on the status of Customer Requests	Reports provided
G.6.vii Implement and operate a workplace health and safety scheme	Hold regular Safety Committee meetings	Regular meetings held
	Implement SafePlan 3	Implementation deferred. SafePlan 2 now being further refined
G.7.i Promote elected member training and professional development programs	Provide information to elected members on available programs, training and conferences as information becomes available	Information provided regularly
	Organise elected member financial training	Deferred
	Promote the use of LG Online to elected members	Ongoing

What We Will Do.....	Operational Plan Activity	Outcome
	Subscribe to relevant publications, journals etc	Ongoing
G.7.ii Develop and implement a structured staff training program	Collate outcomes of staff satisfaction survey, staff training survey and appraisals. Identify skill shortages and develop relevant training programs	Training plan in place
	Obtain and use appropriate software to establish a training register and database	Being investigated
G.7.iii Develop and implement a performance management system for senior managers	Develop performance indicators and undertake appraisals	Complete
G.7.iv Complete regular performance appraisals for all staff	Annual performance appraisals for all staff	Complete
G.7.v Promote learning through community education programs G.8.ii Community scholarship program	Promotion and management of Student Bursary Program	Student Bursary being administered and advertising commencing for 2014/15
G.8.i Elected member professional development program	Provide information to elected members and encourage participation	Information provided

COMMUNITY FINANCIAL REPORT

In this section:

- Community Financial Report
- Financial Statements



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 2013 to 30 June 2014. The use of graphs makes it easier for readers to understand Council's financial management and performance.

Statement of Comprehensive Income

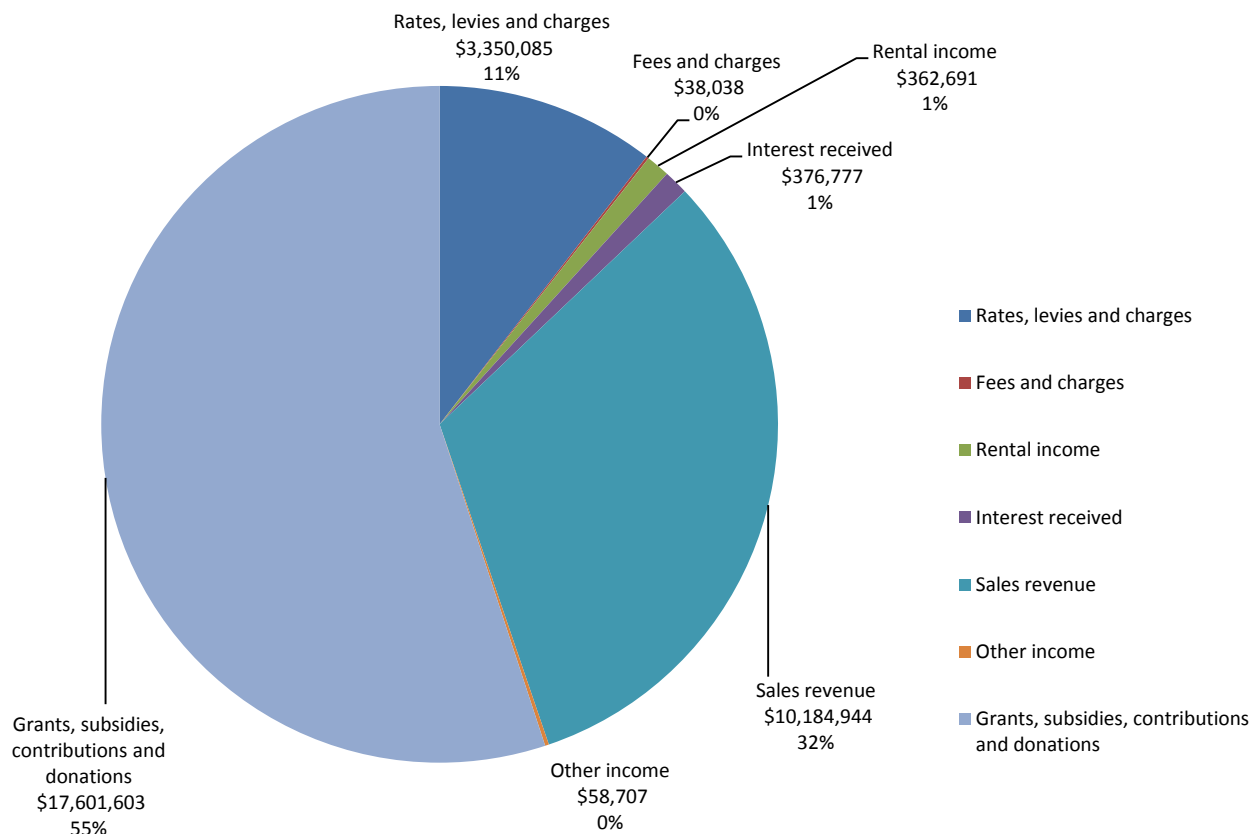
This statement of Comprehensive income displays Council's performance in relation to income and expenses during the financial year.

Revenue – Where our money comes from...

Council obtains revenue from a variety of sources. The best known is Rates which totalled \$3,350,085 for the year (net of discount and rebates) but this is only 11% of the total revenue.

Other major sources of revenue are works carried out for Main Roads (included in Sales Revenue) which totalled \$9,804,524 or 30% of total revenue and reimbursement for flood damage works conducted on Council's own roads (included in recurrent grants) totalling \$11,657,075 or 44% of total revenue. Financial assistance grants from the Commonwealth Government totalled only \$2,388,090 or 7% of the total.

Total Revenue \$31,972,844



Expenditure – where our money goes...

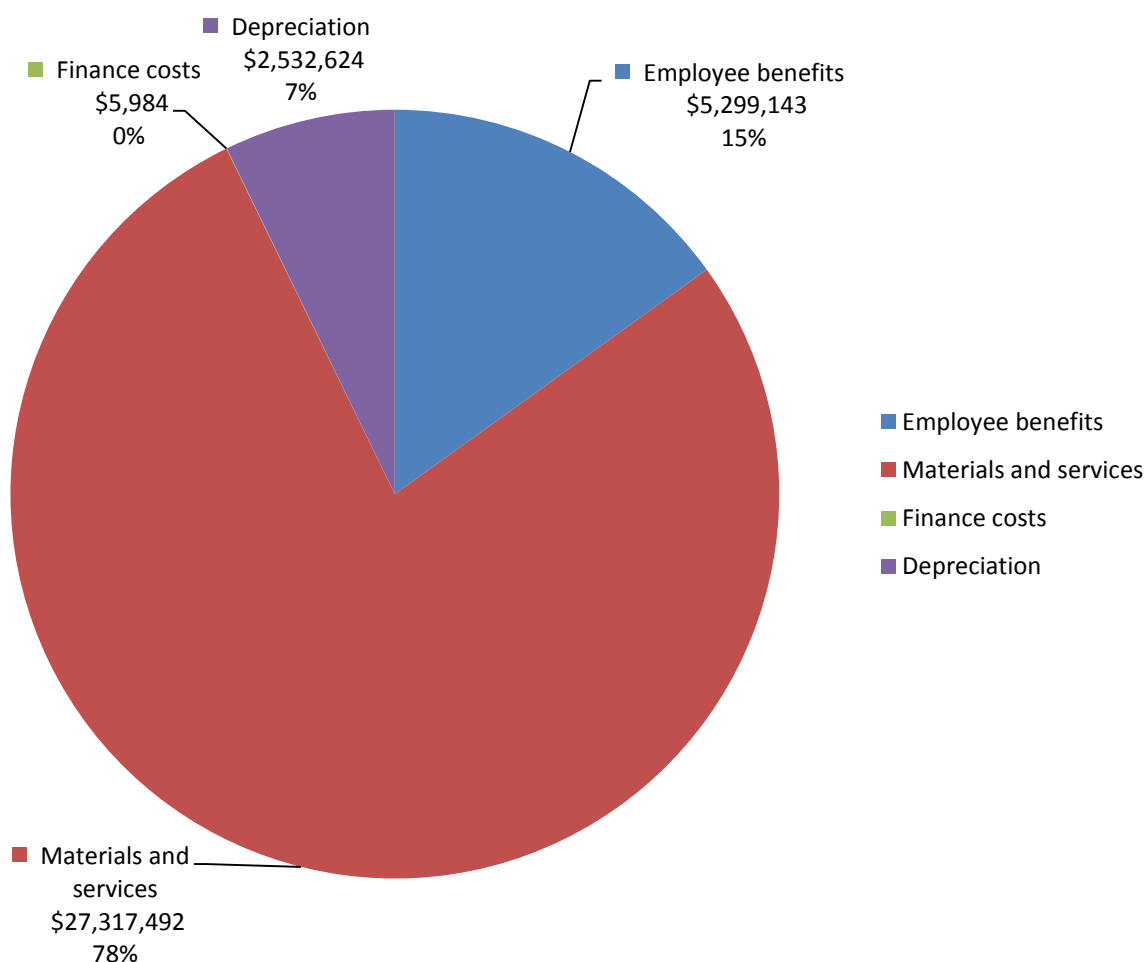
Employee benefits of \$5,299,143, representing 15% of total expense includes wages actually paid, leave accrued and Councillors remuneration.

Materials and Services at \$27,317,492 is by far the largest component of expenses at 78% of the total with payments to contractors the largest items.

Depreciation comprising just 7% of total expenses, is the recognition of consumption and wear and tear on Council's assets.

Result was a net loss of \$2 million caused by revenue received in the previous year while expenditure was incurred this year.

Total Expenditure \$35,155,243

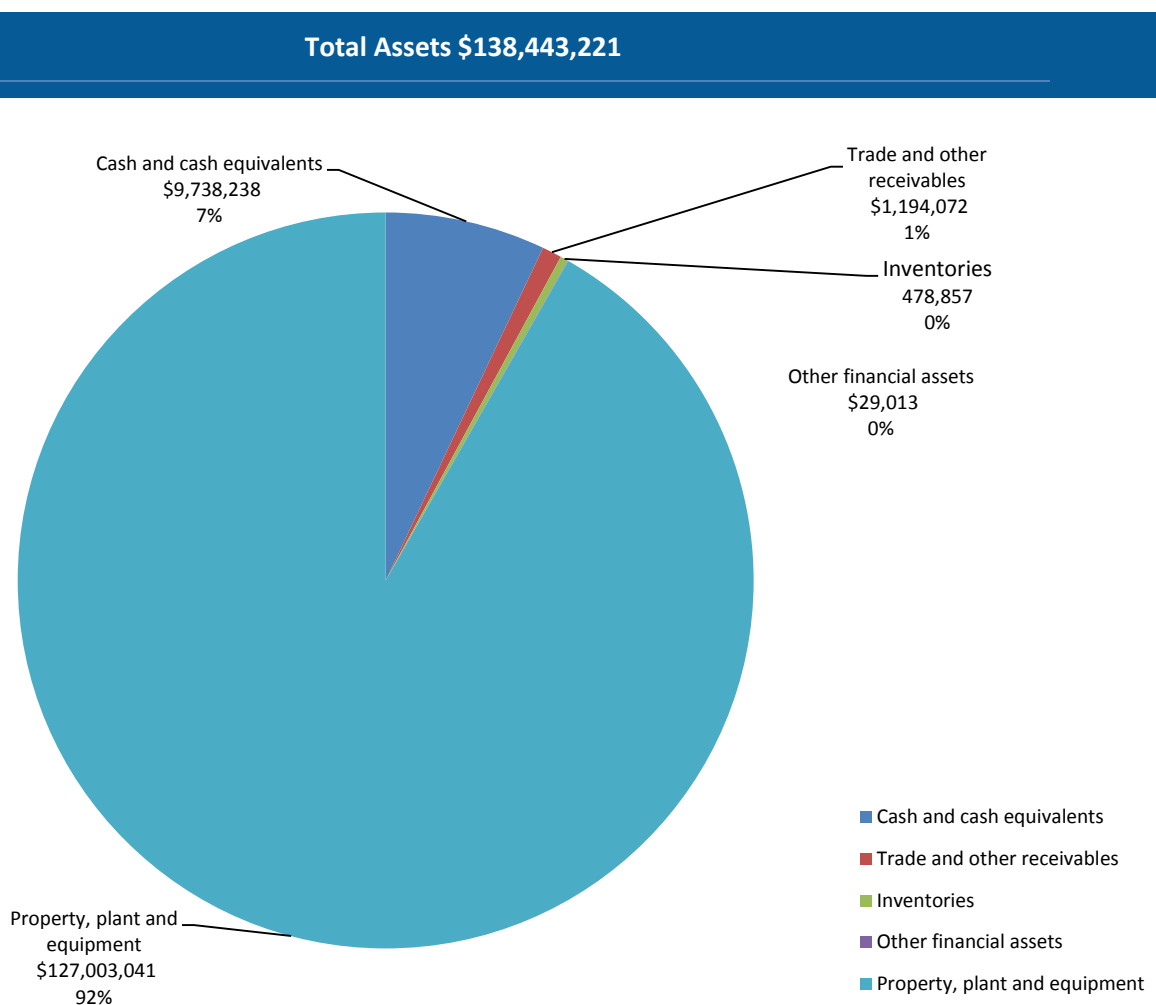


Statement of Financial Position

The Statement of Financial Position shows what Council owns (assets) and owes (Liabilities) at the end of the financial year. Assets less liabilities are the net wealth of Council which is the net wealth of the Community.

Current Assets have fallen over the course of the year due to receipts from various debtors (reduction in receivables from \$3,230,550 down to \$1,194,072) and payments for, in particular, flood damage (cash down from \$11,106,871 to \$9,738,238 despite the reduction in receivables which must have increased cash)

Non - Current Assets increased by \$1.9 million due to expenditure of \$4.8 million, depreciation of \$2.5 million and disposal with a net value of \$0.4 million.

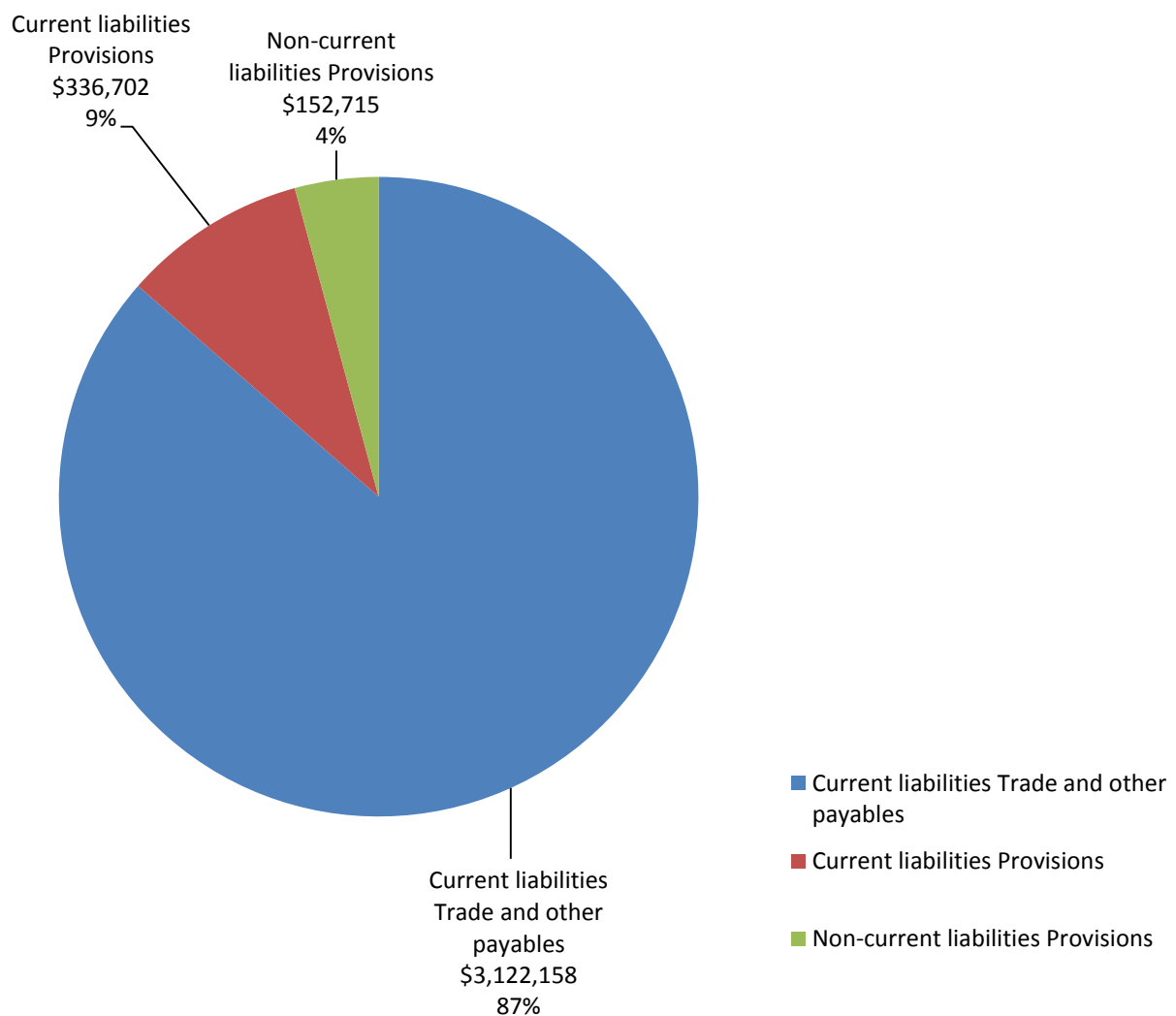


Liabilities

Council's liabilities consist of trade and other payables (amount owed to suppliers) and provisions (amounts owed to employees for leave entitlements).

Liabilities remained largely unchanged with only minor increase in employee entitlements.

Total Liabilities \$3,611,576

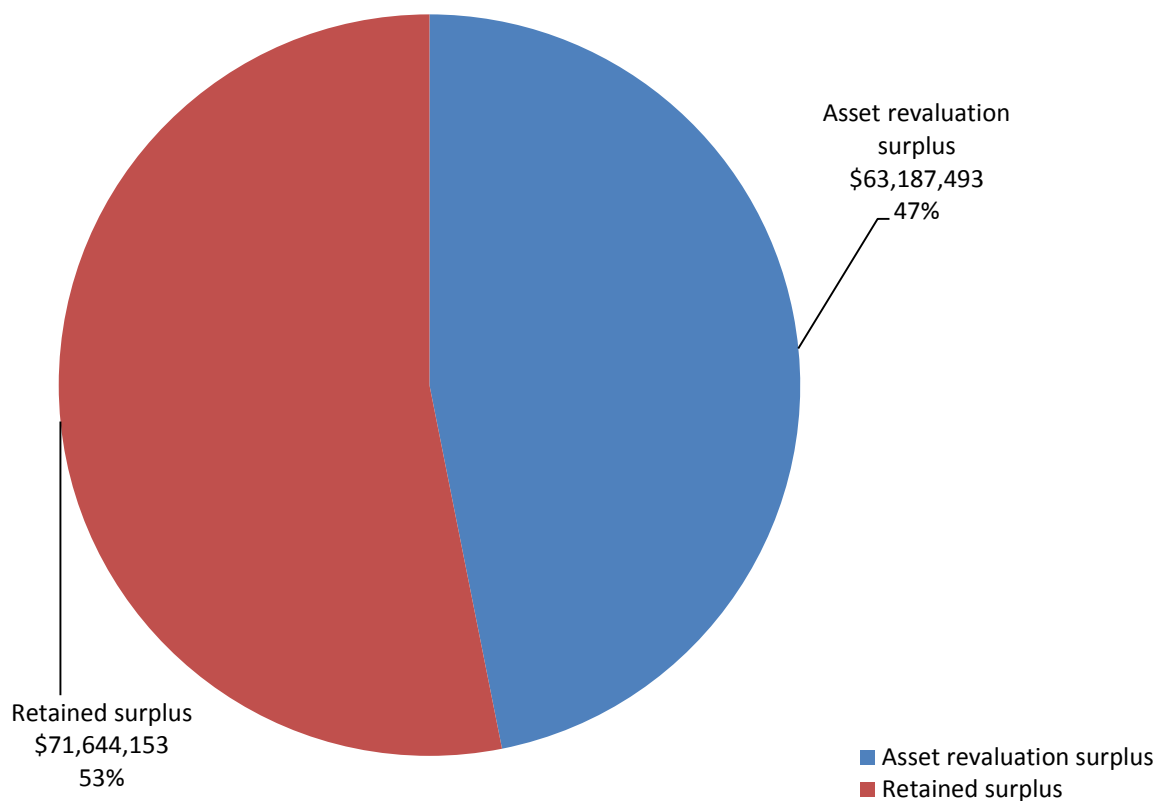


Community Equity

Community equity equals total assets (what we own) minus total liabilities (what we owe) and consist of the asset revaluation surplus and retained surplus.

Reflecting the loss from operations caused in the main by expenditure in the year offset by revenue received in the previous year, Council's net worth fell by about \$2 million. Council is in a strong position financially and this 'loss' is not considered cause for concern.

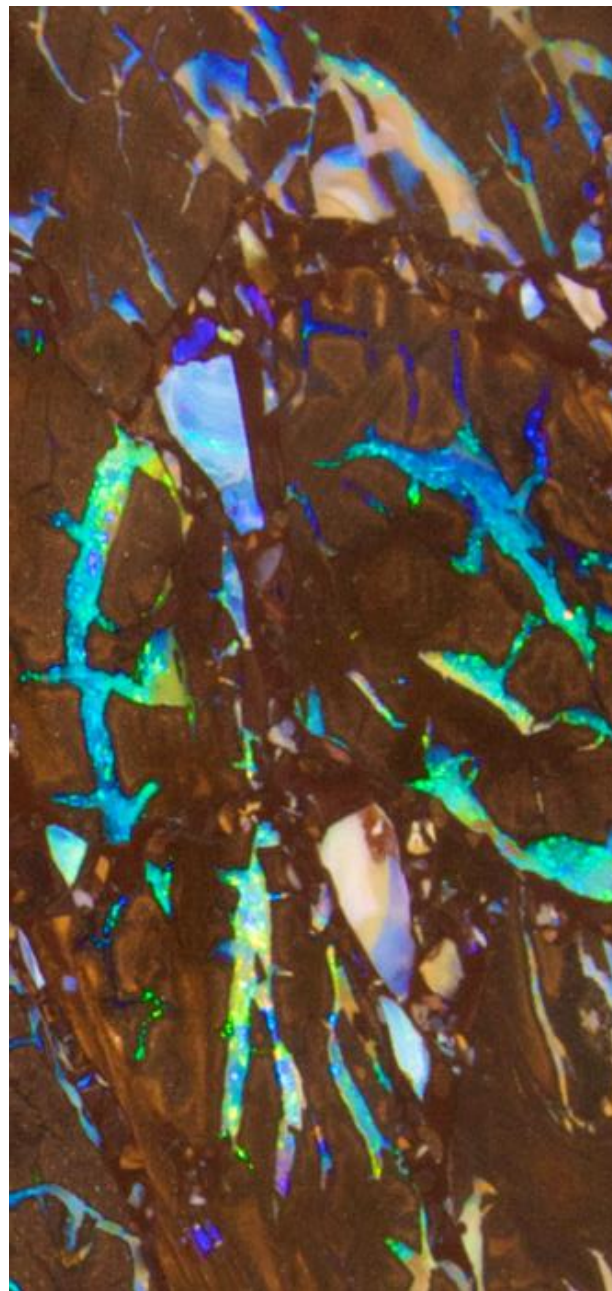
Total Community Equity \$134,831,646



FINANCIAL STATEMENTS

In this section:

- Financial Statements



Financial Statement

1 July 2013 - 30 June 2014



QUILPIE
Shire

Quilpie Shire Council

Financial statements

For the year ended 30 June 2014

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Quilpie Shire Council
Statement of Comprehensive Income
For the year ended 30 June 2014

		2014	2013
	Note	\$	\$
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3(a)	3,350,085	2,788,740
Fees and charges	3(b)	38,038	33,055
Rental income	3(c)	362,691	208,494
Interest received	3(d)	376,777	794,682
Sales revenue	3(e)	10,184,944	29,958,426
Other income	3(f)	58,707	27,716
Grants, subsidies, contributions and donations	4(a)	17,601,603	7,772,406
		<u>31,972,844</u>	<u>41,583,519</u>
Capital revenue			
Grants, subsidies, contributions and donations	4(b)	1,257,858	967,905
Total income		<u>33,230,702</u>	<u>42,551,424</u>
Expenses			
Recurrent expenses			
Employee benefits	6	(5,299,143)	(5,179,036)
Materials and services	7	(27,317,492)	(35,315,794)
Finance costs	8	(5,984)	(3,461)
Depreciation and amortisation	9	(2,532,624)	(1,913,613)
		<u>(35,155,243)</u>	<u>(42,411,904)</u>
Capital expenses	5	(85,385)	(8,923)
Total expenses		<u>(35,240,628)</u>	<u>(42,420,827)</u>
Net result		<u>(2,009,927)</u>	<u>130,597</u>
Other comprehensive income			
Items that will not be reclassified to net result			
Increase / (decrease) in asset revaluation surplus	18	-	29,542,557
Total other comprehensive income for the year		<u>-</u>	<u>29,542,557</u>
Total comprehensive income for the year		<u>(2,009,927)</u>	<u>29,673,154</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 2014

	Note	2014 \$	2013 \$
Current assets			
Cash and cash equivalents	10	9,738,238	11,106,871
Trade and other receivables	11	1,194,072	3,230,550
Inventories	12	478,857	510,902
Other financial assets	13	29,013	141,493
Total current assets		<u>11,440,180</u>	<u>14,989,816</u>
Non-current assets			
Property, plant and equipment	14	127,003,041	125,108,038
Total non-current assets		<u>127,003,041</u>	<u>125,108,038</u>
Total assets		<u>138,443,221</u>	<u>140,097,854</u>
Current liabilities			
Trade and other payables	16	3,122,158	2,683,503
Provisions	17	336,702	354,732
Total current liabilities		<u>3,458,860</u>	<u>3,038,235</u>
Non-current liabilities			
Trade and other payables	16	-	54,595
Provisions	17	152,715	163,452
Total non-current liabilities		<u>152,715</u>	<u>218,047</u>
Total liabilities		<u>3,611,576</u>	<u>3,256,282</u>
Net community assets		<u>134,831,646</u>	<u>136,841,572</u>
Community equity			
Shire Capital			
Asset revaluation surplus	18	63,187,493	63,187,493
Retained surplus		71,644,153	73,654,079
Total community equity		<u>134,831,646</u>	<u>136,841,572</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 2014

	Asset revaluation surplus 18	Retained Surplus	Reserves 19	Total
	\$	\$	\$	\$
Balance as at 1 July 2013	63,187,493	73,654,079	-	136,841,572
Net operating surplus	-	(2,009,927)	-	(2,009,927)
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	-	-	-	-
Total comprehensive income for the year	-	(2,009,927)	-	(2,009,927)
Transfers to and from reserves				
Transfers to/from capital	-	-	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Total transfers to and from reserves	-	-	-	-
Balance as at 30 June 2014	63,187,493	71,644,153	-	134,831,646

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

Quilpie Shire Council
Statement of Changes in Equity
For the year ended 30 June 2014

	Shire Capital	Asset revaluation surplus	Retained Surplus	Reserves	Total
		18		19	
Note	\$	\$	\$	\$	\$
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	-	-	-	-	-
Total comprehensive income for the year	-	29,542,557	130,597	-	29,673,154
Transfers to and from reserves					
Transfers to/from capital	(59,610,179)	-	59,610,179	-	-
Transfers to reserves	-	-	-	-	-
Transfers from reserves	-	-	3,654,506	(3,654,506)	-
Total transfers to and from reserves	(59,610,179)	-	63,264,685	(3,654,506)	-
Balance as at 30 June 2013	-	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.

Quilpie Shire Council
Statement of Cash Flows
For the year ended 30 June 2014

	Note	2014 \$	2013 \$
Cash flows from operating activities			
Receipts from customers		15,811,712	29,561,269
Payments to suppliers and employees		(32,266,262)	(39,332,982)
		(16,454,550)	(9,771,713)
Interest received		376,777	794,682
Rental income		362,691	208,494
Non capital grants and contributions		17,601,603	7,772,406
Net cash inflow (outflow) from operating activities	####	<u>1,886,521</u>	<u>(996,131)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(4,858,967)	(4,921,027)
Proceeds from sale of property plant and equipment		345,955	57,500
Grants, subsidies, contributions and donations		1,257,858	967,905
Net cash inflow (outflow) from investing activities		<u>(3,255,154)</u>	<u>(3,895,622)</u>
Cash flows from financing activities			
Net cash inflow (outflow) from financing activities		<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalent held		<u>(1,368,633)</u>	<u>(4,891,753)</u>
Cash and cash equivalents at the beginning of the financial year		11,106,871	15,998,624
Cash and cash equivalents at end of the financial year	10	<u>9,738,238</u>	<u>11,106,871</u>

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 2014

1 Significant accounting policies

1.A Basis of preparation

These general purpose financial statements are for the period 1 July 2013 to 30 June 2014 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. However the Application of AASB 13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13* for the first time this year has resulted in greater disclosures.

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 2017
AASB 10 <i>Consolidated Financial Statements</i>	1 January 2014
AASB 11 <i>Joint Arrangements</i>	1 January 2014
AASB 12 <i>Disclosure of interests in other entities</i>	1 January 2014
AASB 127 <i>Separate Financial Statements</i> (replaces the existing standard together with AASB 10)	1 January 2014
AASB 128 <i>Investments in Associates and Joint Ventures</i> (replaces the existing standard)	1 January 2014
AASB 1055 <i>Budgetary Reporting</i>	1 July 2014
2009-11 <i>Amendments to Australian Accounting Standards arising from AASB 9</i> (December 2009)	1 January 2015

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2014

1.F Adoption of new and revised Accounting Standards (continued)

AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	1 January 2015
AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	1 January 2014
AASB 2013-1 Amendments to AASB 1049 - Relocation of Budgetary Reporting Requirements	1 July 2014
AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
AASB 2013-4 Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]	1 January 2014
AASB 2013-5 Amendments to Australian Accounting Standards – Investment Entities [AASB 1, AASB 3, AASB 7, AASB 10, AASB 12, AASB 107, AASB 112, AASB 124, AASB 127, AASB 132, AASB 134 & AASB 139]	1 January 2014
AASB 2013-6 Amendments to AASB 136 arising from Reduced Disclosure Requirements	1 January 2014
AASB 2013-7 Amendments to AASB 1038 arising from AASB 10 in relation to consolidation and interest of policyholders [AASB 1038]	1 January 2014
AASB 2013-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities - Control and Structured Entities [AASB 10, AASB 12 & AASB 1049]	1 January 2014
AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments	
[Operative dates: Part A Conceptual Framework - 20 December 2013; Part B Materiality - 1 January 2014; Part c Financial Instruments - 1 January 2015]	
Interpretation 21 Levies	1 January 2014

AASB 9 Financial Instruments (effective from 1 January 2015)

AASB 9, which replaces AASB 139 *Financial Instruments: Recognition and Measurement*, is effective for reporting periods beginning on or after 1 January 2015 and must be applied retrospectively. The main impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories: fair value and amortised cost and financial assets will only be able to be measured at amortised cost where very specific conditions are met.

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.P and Note 14
Impairment of property, plant and equipment - Note 1.Q and Note 14
Provisions - Note 1.T and Note 17
Contingent liabilities - Note 21.

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.

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2014

1.H Revenue (continued)

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 2013, 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.

Physical assets contributed to Council by developers in the form of road works, stormwater, water and wastewater infrastructure and park equipment are recognised as revenue when the development becomes "on maintenance" (i.e. the Council obtains control of the assets and becomes liable for any ongoing maintenance) and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. All non-cash contributions are recognised at their fair value of the contribution received on the date of acquisition.

Cash contributions

Developers also pay infrastructure charges for trunk infrastructure, such as pumping stations, treatment works, mains, sewers and water pollution control works. These infrastructure charges are not within the scope of AASB Interpretation 18 because there is no performance obligation associated with them. Consequently, the infrastructure charges are recognised as income when received.

Rental income

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

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

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2014

1.I Financial assets and financial liabilities (continued)

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.M)

Financial liabilities

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

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

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

1.J Cash and cash equivalents

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

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.

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

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2014

1.M Other financial assets

Other financial assets are recognised at cost.

1.N Non Current Assets held for Sale

Items of property, plant and equipment are reclassified as non-current assets as held for sale when the carrying amount of these assets will be recovered principally through a sales transaction rather than continuing use. Non-current assets classified as held for sale are available for immediate sale in their present condition and management believe the sale is highly probable. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less cost to sell and are not depreciated. On the eventual sale of these assets a gain or loss is recognised.

1.O 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 2014 Council did not have any term deposits in excess of six months.

1.P 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 Structures
Plant and Equipment
Road, Drainage and Bridge Network
Water Infrastructure
Sewerage Infrastructure
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 is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.

Capital and operating expenditure

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

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* and AASB 13 *Fair Value Measurement*. 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 2014

1.P Property, plant and equipment (continued)

Valuation (continued)

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

In the intervening years, Council uses internal engineers, asset managers and independent, qualified professionally valuers to assess the condition and cost assumptions associated with all infrastructure assets, the results of which are considered in combination with an appropriate cost index for the region. Together these are used to form the basis of a management valuation for infrastructure asset classes in each of the intervening years. With respect to the valuation of the land and improvements and buildings asset classes in the intervening years, management engage independent, professionally qualified valuers to perform a "desktop" valuation. A desktop valuation involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

An analysis performed by management has indicated that, on average, the variance between an indexed asset value and the valuation by an independent valuer when performed is not significant and the indices used by Council are sound. Council considers variances of less than 5% not material and in these instances do not apply indexes. Further details in relation to valuers, the methods of valuation and the key assumptions used are disclosed in Note 14.

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.

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.

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2014

1.P Property, plant and equipment (continued)

Depreciation (continued)

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The condition assessments performed as part of the annual valuation process for assets measured at written down current replacement cost are used to estimate the useful lives of these assets at each reporting date. Details of the range of estimated useful lives for each class of asset are shown in Note 14.

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.Q 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.R Leases

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

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.

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.

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2014

1.S 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.T 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 16 as a payable.

Annual leave

A liability for annual leave is recognised. Amounts expected to be settled within 12 months (the current portion) are 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 16 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 22.

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 17 as a provision.

1.U Borrowings and borrowing costs

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

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

1.V 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 2014

1.V Asset revaluation surplus (continued)

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.W Retained surplus

In reference to the comparative figures for the year ended 30 June 2013, this represents the amount of Council's net funds not set aside in reserves to meet specific future needs.

1.X 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.Y 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.Z Trust funds held for outside parties

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

The monies are disclosed in the notes to the financial statements for information purposes only in Note 23.

1.AA 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 2014

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 2014

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 2014

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							
	2014	2014	2014	2014		2014	2014				
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Corporate Governance	-	-	-	-	-	(517,424)	-	(517,424)	(517,424)	(517,424)	-
Administration & Finance	1,834,726	3,239,292	-	-	5,074,018	(1,407,380)	(18,075)	(1,425,456)	3,666,637	3,648,562	11,607,335
Community Services	126,797	272,137	65,419	-	464,353	(2,442,605)	76,657	(2,365,948)	(2,043,671)	(1,901,596)	19,223,996
Environment & Health	176,423	23,160	-	-	199,583	(919,676)	-	(919,676)	(720,092)	(720,092)	-
Engineering & Works	15,462,657	10,001,446	902,031	-	26,366,133	(29,082,339)	(143,967)	(29,226,306)	(3,618,237)	(2,860,172)	99,253,465
Waste Management	1,000	175,938	-	-	176,938	(362,857)	-	(362,857)	(185,919)	(185,919)	-
Water & Sewerage Infrastructure	-	659,269	290,408	-	949,677	(422,962)	-	(422,962)	236,307	526,715	8,358,425
Total Council	17,601,603	14,371,241	1,257,858	-	33,230,702	(35,155,243)	(85,385)	(35,240,628)	(3,182,399)	(2,009,927)	138,443,221

Year ended 30 June 2013

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							
	2013	2013	2013	2013							
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Corporate Governance	-	-	-	-	-	(558,232)	-	(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

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2014

	Note	2014 \$	2013 \$
3 Revenue analysis			
(a) Rates, levies and charges			
General rates		3,096,779	2,566,971
Water		219,485	196,490
Sewerage		190,284	146,204
Garbage charges		190,183	170,792
Total rates and utility charge revenue		3,696,732	3,080,457
Less: Discounts		(330,425)	(275,491)
Less: Pensioner remissions		(16,222)	(16,226)
		<u>3,350,085</u>	<u>2,788,740</u>
(b) Fees and charges			
Other fees and charges		38,038	33,055
		<u>38,038</u>	<u>33,055</u>
(c) Rental income			
Other rental income		362,691	208,494
		<u>362,691</u>	<u>208,494</u>
(d) Interest received			
Interest received from term deposits		362,406	786,396
Interest from overdue rates and utility charges		14,372	8,286
		<u>376,777</u>	<u>794,682</u>
(e) Sales revenue			
Sale of services			
Contract and recoverable works		10,184,944	29,958,426
Total sales revenue		<u>10,184,944</u>	<u>29,958,426</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.			
(f) Other income			
Other Income		58,707	27,716
		<u>58,707</u>	<u>27,716</u>
4 Grants, subsidies, contributions and donations			
(a) Recurrent			
General purpose grants		17,601,603	7,772,406
		<u>17,601,603</u>	<u>7,772,406</u>
(b) Capital			
State government subsidies and grants		1,257,858	967,905
		<u>1,257,858</u>	<u>967,905</u>
5 Capital expenses			
Gain / loss on disposal of non-current assets			
Proceeds from the sale of property, plant and equipment		240,682	57,500
Less: Book value of property, plant and equipment disposed of		(398,902)	(66,423)
		<u>(158,220)</u>	<u>(8,923)</u>
Proceeds from sale of land and improvements		105,273	-
Less: Book value of land sold		(32,438)	-
		<u>72,835</u>	<u>-</u>
Total capital expenses		<u>(85,385)</u>	<u>(8,923)</u>

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2014

	Note	2014 \$	2013 \$
6 Employee benefits			
Total staff wages and salaries		3,808,462	3,851,549
Councillors' remuneration		205,191	271,448
Annual, sick and long service leave entitlements		755,306	677,859
Superannuation	22	498,159	470,767
		<u>5,267,118</u>	<u>5,271,623</u>
Other employee related expenses		222,831	165,312
		<u>5,489,949</u>	<u>5,436,935</u>
Less: Capitalised employee expenses		(190,806)	(257,899)
		<u>5,299,143</u>	<u>5,179,036</u>

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	18	19
Depot and outdoors staff	42	45
Total full time equivalent employees	<u>65</u>	<u>69</u>

7 Materials and services

Administration Costs	96,290	84,375
Audit of annual financial statements by the Auditor-General of Queensland	48,026	37,029
Communications & Information Technology	193,258	162,650
Community housing pay out	240,451	271,170
Community and recreational services	536,841	692,184
Consultants/contractors	56,677	85,508
Donations paid	121,287	-
Engineering and works	22,701,836	30,152,207
Rental property expenses	77,341	50,319
Repairs and maintenance	1,720,736	1,960,198
Other materials and services	1,524,749	1,820,154
	<u>27,317,492</u>	<u>35,315,794</u>

8 Finance costs

Bank charges	5,984	3,461
	<u>5,984</u>	<u>3,461</u>

9 Depreciation and amortisation

Depreciation of non-current assets

Furniture & Fittings	92,251	32,137
Buildings	774,501	350,551
Plant & Equipment	492,955	498,809
Road, drainage and bridge network	1,014,342	902,968
Sewerage	78,962	57,729
Water	79,614	71,419
	<u>2,532,624</u>	<u>1,913,613</u>

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Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2014

	Note	2014 \$	2013 \$
10 Cash and cash equivalents			
Cash at bank and on hand		2,492,748	1,106,871
Term deposits		7,245,490	10,000,000
Balance per Statement of Cash Flows		<u>9,738,238</u>	<u>11,106,871</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	126,600	3,053,378
*Internally imposed expenditure restrictions at the reporting date:		
Future capital works	643,888	643,888
Plant replacement reserve	177,297	177,297
Infrastructure capital works reserve	879,660	879,660
Total unspent restricted cash	<u>1,827,445</u>	<u>4,754,223</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.

11 Trade and other receivables

Current

Rateable revenue and utility charges	287,347	169,089
Other debtors	911,726	2,954,656
Less Provision for doubtful debt	(5,000)	(5,000)
Prepayments	-	111,805
	<u>1,194,072</u>	<u>3,230,550</u>

Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on other debtors.

Movement in provision for doubtful debt (other debtors) is as

Opening balance as at 1 July	5,000	5,000
Doubtful debts written off during the year	-	-
Additional provision for doubtful debt recognised	-	-
Closing balance as at 30 June	<u>5,000</u>	<u>5,000</u>

12 Inventories

Inventories held for distribution

Plant and equipment stores	478,857	510,902
Total inventories	<u>478,857</u>	<u>510,902</u>

13 Other financial assets

Accrued revenue	29,013	141,493
	<u>29,013</u>	<u>141,493</u>

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2014

14 Property, plant and equipment

Council - 30 June 2014

Basis of measurement

Asset values

Opening gross value as at 1 July 2013

Adjustment to opening value

Additions

Disposals

Revaluation adjustment to asset revaluation surplus

Revaluation adjustment to income

Assets classified as held for sale

Transfers between classes

Closing gross value as at 30 June 2014

Note

	Furniture & Fittings	Buildings & Other Structures	Plant and Equipment	Road, Drainage and Bridge Network	Sewerage Infrastructure	Water Infrastructure	Council Land	Work in progress	Total
	Cost	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
	629,416	27,809,125	10,569,325	121,018,686	5,455,833	5,625,262	1,202,500	3,015,895	175,326,041
	-	-	-	-	-	-	-	-	-
	288,028	2,052,966	1,000,628	2,628,440	145,885	-	320,569	(1,577,550)	4,858,967
5	-	(76,636)	(740,252)	-	-	-	(32,438)	-	(849,326)
18	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	917,444	29,785,455	10,829,701	123,647,126	5,601,718	5,625,262	1,490,631	1,438,345	179,335,682

Accumulated depreciation and impairment

Opening balance as at 1 July 2013

Adjustment to opening value

Depreciation provided in period

Depreciation on disposals

Revaluation adjustment to asset revaluation surplus

Impairment adjustment to asset revaluation surplus

Impairment adjustment to income

Assets transferred to investment property

Transfers between classes

Accumulated depreciation as at 30 June 2014

	134,608	10,148,815	6,292,908	30,017,643	1,385,363	2,238,670	-	-	50,218,007
	-	-	-	-	-	-	-	-	-
9	92,251	774,501	492,955	1,014,342	78,962	79,614	-	-	2,532,624
5	-	(7,549)	(410,437)	-	-	-	-	-	(417,986)
18	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
18	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	226,859	10,915,766	6,375,425	31,031,985	1,464,325	2,318,283	-	-	52,332,645
	690,585	18,869,689	4,454,276	92,615,140	4,137,394	3,306,979	1,490,631	1,438,345	127,003,041
	600	2,461,444	1,775,048	78,490,387	-	-	1,490,631	-	-
	2 - 20	10 - 75	2 - 20	5 - 100	20 - 100	25 - 110	Not depreciated		

Book value as at 30 June 2014

Residual value

Range of estimated useful life in years

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2014.

14 Property, plant and equipment (continued)

Additions comprise:

Renewals
Other additions
Total additions

Furniture & Fittings	Buildings & Other Structures	Plant and Equipment	Road, Drainage and Bridge Network	Sewerage Infrastructure	Water Infrastructure	Council Land	Work in progress	Total
\$	\$	\$	\$	\$	\$	\$	\$	\$
274,056	231,461	994,298	2,628,440	145,885	-	-	(178,363)	4,095,777
13,973	1,821,506	6,330	-	-	-	320,569	(1,400,187)	762,190
288,028	2,052,966	1,000,628	2,628,440	145,885	-	320,569	(1,578,550)	4,857,967

Quilpie Shire Council
Notes to the Financial Statements
For the year ended 30 June 2014

14 Property, plant and equipment

Council - 30 June 2013

Basis of measurement

Asset values

Opening gross value as at 1 July 2012

Adjustment to opening value

Additions

Disposals

Revaluation adjustment 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

Opening balance as at 1 July 2012

Adjustment to opening value

Depreciation provided in period

Depreciation on disposals

Revaluation adjustment to asset revaluation surplus

Impairment adjustment to asset revaluation surplus

Impairment adjustment to Income

Assets transferred to investment property

Transfers between classes

Accumulated depreciation as at 30 June 2013

Book value as at 30 June 2013

Residual value

Range of estimated useful life in years

Note	Furniture & Fittings	Buildings & Other Structures	Plant and Equipment	Road, Drainage and Bridge Network	Sewerage Infrastructure	Water Infrastructure	Council Land	Work in progress	Total
	Cost	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
	156,409	27,221,107	10,152,148	82,836,520	3,842,739	5,132,003	1,171,033	1,617,823	132,129,782
	-	(1,109,129)	-	-	-	-	-	-	(1,109,129)
	473,006	1,015,180	527,920	941,066	436,706	129,076	-	1,398,072	4,921,027
5	-	-	(110,742)	-	-	-	(8,000)	-	(118,742)
18	-	3,268,770	-	34,654,290	1,176,388	364,183	39,467	-	39,503,096
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	(2,586,804)	-	2,586,804	-	-	-	-	-
	629,415	27,809,124	10,569,326	121,018,680	5,455,833	5,625,262	1,202,500	3,015,895	175,326,034
	102,470	5,591,512	5,846,418	24,759,590	1,235,603	1,969,697	-	-	39,505,290
	-	(1,109,129)	-	-	-	-	-	-	(1,109,129)
9	32,137	350,551	498,809	902,968	57,729	71,419	-	-	1,913,613
5	-	-	(52,319)	-	-	-	-	-	(52,319)
18	-	5,828,386	-	3,842,567	92,033	197,554	-	-	9,960,540
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	(512,508)	-	512,508	-	-	-	-	-
	134,607	10,148,812	6,292,908	30,017,633	1,385,365	2,238,670	-	-	50,217,996
	494,808	17,660,312	4,276,419	91,001,047	4,070,468	3,386,592	1,202,500	3,015,895	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		

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2014

15 Fair Value Measurements

(i) Recognised fair value measurements

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

Property, plant and equipment

- Council land
- Buildings and other structures
- Roads, drainage and bridge network
- Water infrastructure
- Sewerage infrastructure

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

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

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

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

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

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

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

The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2014. Comparative information has not been provided as allowed by the transitional provisions of AASB 13 *Fair Value Measurement*.

At 30 June 2014	Note	Level 2 (Significant other observable inputs)	Level 3 (Significant unobservable inputs)	Total
		\$	\$	\$
Recurring fair value				
Council land	14	1,490,631	-	1,490,631
Buildings and other structures	14	-	18,869,689	18,869,689
Roads, drainage and bridge network	14	-	92,615,140	92,615,140
Water infrastructure	14	-	3,306,979	3,306,979
Sewerage infrastructure	14	-	4,137,394	4,137,394
		<u>1,490,631</u>	<u>118,929,202</u>	<u>120,419,833</u>

There were no transfers between levels 2 and 3 during the year.

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

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

Council adopted AASB 13 *Fair Value Measurement* for the first time this financial year and has reviewed each valuation to ensure compliance with the requirements of the new standard. There have been no changes in valuation techniques as a result of this review.

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15 Fair Value Measurements (continued)

Specific valuation techniques used to value Council assets comprise:

Council land (level 2)

Council land fair values were determined by independent valuer, AssetVal effective 30 June 2013. Level 2 valuation inputs were used to value land in freehold title as well as land used for special purposes, which is restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. It should be noted that there was often a lack of appropriate comparable sales evidence in certain geographic locations and also for properties of certain specific comparable land use and/or zoning. In such cases, regard was given to the closest comparable sales and the subject properties' general geographic/land use/zoning in relation to those sales. In this instance market values sit within level 3 of the AASB 13 Fair Value hierarchy. The most significant inputs into this valuation approach are price per square metre.

CRC at 30 June 2014 was independently determined by AssetVal using the website Pricefinder which was 0%. A full valuation of land assets is planned in 2016.

The table below describes the significant unobservable inputs used in the valuation together with a description of the valuation's sensitivity to changes in those inputs.

Significant unobservable input	Range of inputs	Relationships of unobservable inputs to fair value
Price (per square metre)	\$0.06 - \$22.00	The higher the price, the higher the fair value.

Buildings and other structures (level 2 and 3)

The fair value of buildings and other structures were also determined by independent valuer, AssetVal effective 30 June 2013. For all of the assets, the value has been determined using the Cost Approach (Depreciated Replacement Cost) of valuation using the straight line depreciation. A desktop assessment was conducted, relying on SPM software output information provided by CT Management from their inspections including condition assessments, photographs and descriptions as at 30 June 2013. Asset values under the Cost Approach are a measurement of level 3 of the AASB 13 Fair Value hierarchy. The average cost of construction used to calculate the gross current value of Council's buildings was \$60/sqm to \$1523/sqm.

CRC at 30 June 2014 was independently determined by AssetVal using the Rawlinson's Australian Construction Handbook which was 2%. Council considers that the increase is not material and has not applied the indexes. A full valuation of buildings and other structures is planned in 2016.

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

Assets with residual values undertaken as at 30 June 2013 had a 0%-10% residual.

While the unit rates based on square meters can be supported by market evidence (level 2), the estimates of residual value, useful life, pattern of consumption and asset condition that are used to calculate accumulated depreciation comprise unobservable inputs (level 3). Where these other inputs are significant to the valuation, the overall valuation has been classified as level 3. The valuation's sensitivity to these inputs is summarised below:

Significant unobservable input	Range of inputs	Relationships of unobservable inputs to fair value
Price (per square metre)	\$60.00 - \$1,523.00	The higher the price, the higher the fair value.
Condition rating (useful life)	0.5 - 10	The lower the condition rating, the higher the fair value.
Residual value	0 - 10%	The higher the residual value, the higher the fair value.
Estimated life	0 - 60 years	The higher the estimated life, the higher the fair value.

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15 Fair Value Measurements (continued)

Infrastructure assets (level 3)

All Council infrastructure assets were fair valued using written down current replacement cost. This valuation comprises the asset's current replacement cost (CRC) less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Council first determined the gross cost of replacing the full service potential of the asset and then adjusted the amount to take account of the expired service potential of the asset.

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

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

1(a) Road, drainage and bridge network - calculate of current replacement cost

Roads

Current Replacement Cost

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

CRC was calculated by reference to asset linear and area specifications, estimated labour and material inputs, service costs and overhead allocations. Council assumes that pavements are constructed to depths of 20cms for high traffic areas and 15cms for lower traffic locations. Council also assumes that all raw materials can be sourced from local quarries with haulage rates approximately \$0.56 per metre per kilometre. For internal construction estimates, material and services prices were based on existing supplier contract rates or supplier price lists and labour wage rates were based on Council's Enterprise Bargaining Agreement (EBA). All direct costs were allocated to assets at standard usage quantities according to recently completed similar projects. Where construction is outsourced, CRC was based on the average of completed similar projects over the last few years.

The last full valuation of road infrastructure was undertaken effective 30 June 2013. CRC at 30 June 2014 was independently determined by Brandon & Associates using the Engineering Construction, Queensland, March qtr 1998 to June qtr 2014 which was 1.6%. Council considers that the increase is not material and has not applied the indexes. A full valuation of sealed roads and associated infrastructure is planned in 2016.

Accumulated Depreciation

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

A consumption assessment was undertaken based on four Austroads pavement health indices, each expressed as a percentage and incorporated into the World Bank's HDM deterioration model to provide an estimate of current health, the proportion of health remaining and the remaining of useful lives of the assets. The four health indices used were:

1) The Pavement Health Roughness Index (PHNI), which is a function of both the surface roughness and of lane average annual daily traffic (AADT). Perfect health (as indicated by roughness) is retained for all traffic levels up to a roughness of 40 NAASRA (National Association of Australian State Road Authorities) per roughness counts per kilometre.

2) The Pavement Health Rutting Index (PHRI), which is a function of mean rut depth, annual rainfall and lane AADT. Perfect health (as indicated by rutting) is retained for all levels of traffic and rainfall until mean rut depth is 2mm.

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15 Fair Value Measurements (continued)

Accumulated Depreciation (continued)

3) The Surface Health Cracking Index (SHCI), which is a function of the percentage area of cracking, the annual rainfall and the lane AADT. A larger percentage cracking and annual rainfall combined with high traffic levels causes a migration of base and sub base material resulting in damage to the underlying pavement from the ingress of water.

4) The Surface Health Texture Index (SHTI), which is a function of the percentage of road affected by texture distresses, rainfall and lane AADT. The index covers surface distresses caused by ravelling and stripping, leading to the loss of stone, which affects the waterproofing provided by the road surface.

Estimated useful lives and residual values are disclosed in Note 14.

Bridges

Current Replacement Cost

A full valuation of bridge assets was undertaken by independent valuers, George Bourne and Associates, effective 30 June 2013. Each bridge is assessed individually, with the valuation varying according to the material type used for construction, the deck area, condition and size. Construction estimates were determined on a similar basis to roads.

Accumulated Depreciation

In determining the level of accumulated depreciation, remaining useful lives were determined based on condition assessments according to the following table

Condition Rating	Assessment
0	Very high level of remaining service potential.
1	80% remaining of useful life and service potential.
2	60% remaining of useful life and service potential.
3	40% remaining of useful life and service potential.
4	20% remaining of useful life and service potential.
5	End of life

Estimated useful lives and residual values are disclosed in Note 14.

Drainage Infrastructure

Current Replacement Cost

A full valuation of drainage infrastructure was undertaken by independent valuers, George Bourne and Associates, effective 30 June 2013.

Consistent with roads, Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment and that a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials. Where drainage assets are located underground and physical inspection is not possible, the age, size and type of construction material, together with current and planned maintenance records are used to determine the fair value at reporting date. Construction estimates were determined on a similar basis to roads.

Accumulated Depreciation

In determining the level of accumulated depreciation, drainage assets were disaggregated into significant components which exhibit different useful lives.

Estimates of expired service potential and remaining useful lives were determined on a straight line basis based on industry standard practices and past experience, supported by maintenance programs.

Estimated useful lives and residual values are disclosed in Note 14.

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15 Fair Value Measurements (continued)

1(b) Road, drainage and bridge network - sensitivity of valuation to unobservable inputs

As detailed above Council's roads, drainage and bridge network has been valued using written down current replacement cost. This method utilises a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made with the greatest care, and based upon years of experience, different judgements could result in a different valuation. The table below summarises the effect that changes in the most significant unobservable inputs would have on the valuation.

Significant unobservable input	Range of inputs	Relationships of unobservable inputs to fair value
Number of labour hours	5-100hrs/linear metre or sqm	The higher the labour hours, the higher the fair value.
Standard material usage quantities	Varies depending upon the type of material	The higher the usage quantities, the higher the fair value.
Condition rating (useful life)	As above - 0 (lowest) to 5 (highest)	The higher the condition rating, the lower the fair value.
Remaining useful life	5-100 years	The longer the remaining useful life, the higher the fair value.
Residual value	\$0 - \$500,000 (by component)	The higher the residual value, the higher the fair value.

2(a) Water and Sewerage Infrastructure - Calculation of written down current replacement cost

Water and sewerage

Current Replacement Cost

Water and sewerage infrastructure fair values were determined by independent valuers, George Bourne and Associates effective 30 June 2013. CRC was calculated based on expected replacement costs. In all cases the assets were disaggregated to component level to ensure a reliable measure of cost and service capacity and deterioration of estimated remaining life.

CRC at 30 June 2014 was independently determined by Brandon & Associates using the Engineering Construction, Queensland, March qtr 1998 to June qtr 2014 which was 1.6%. Council considers that the increase is not material and has not applied the indexes. A full valuation of sealed water and sewerage infrastructure is planned in 2016.

The Council region is split into 4 distinct areas based on geographic (rural/mountainous) and environmental factors (sand, acid sulphate soil, soft rock and hard rock). Council assumes that these factors are consistent across each of these 4 regions and that costs of labour are consistent with each of these regions, depending on the materials used.

George Bourne and Associate's models were derived from the following sources:
- Council's database
- Unit cost rates for construction of asset or similar assets

Factors taken into account in determining replacement costs included:
- Development factors - The area in which development takes place (e.g. Rural areas would have little or no restoration requirements, whereas a high density area would have large amounts of high quality footpaths, road pavements and associated infrastructure that would require reinstatement, and would also require traffic control).
- Soil factors - The types of soil or other surface material (e.g. areas where soil is sandy are difficult to excavate and would require shoring while areas where the soil is generally free of rock would not present any great difficulty for excavation).

Accumulated Depreciation

In determining accumulated depreciation, assets were either subject to a site inspection or an assessment to determine remaining useful life. Where site inspections were conducted (i.e. for active assets), the assets were allocated a condition assessment, which was used to estimate remaining useful life as tabled below:

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15 Fair Value Measurements (continued)

Accumulated Depreciation (continued)

Condition Rating	Condition Description	Description explanation	Remaining useful life %
0	As new/excellent	Asset "as new"	100% of useful life.
1	Very good	Asset almost new and reliable, asset operates as intended and its appearance and structure integrity is up to the standard expected of an operating asset.	80% of useful life.
2	Good	Asset is reliable, asset operates as intended and its appearance and structure integrity is up to the standard expected of an operating asset.	60% of useful life.
3	Fair	Asset is reliable and operates as intended but its appearance and structural integrity are questionable.	40% of useful life.
4	Poor	Asset still operates, but does not meet intended duty or does not appear sound.	20% of useful life.
5	Unservicable	Asset is not functioning/ needs immediate attention.	0% of useful life.

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

2(b) Water and Sewerage Infrastructure - Sensitivity of valuation of unobservable inputs

The method used to value council's water and sewerage assets utilises a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made with the greatest care, and based upon years of experience, different judgements could result in a different valuation. The table below summarises the effect that changes in the most significant unobservable inputs would have on the valuation.

Significant unobservable input	Range of inputs	Relationships of unobservable inputs to fair value
Number of labour hours	5-100hrs/linear metre or sqm	The higher the labour hours, the higher the fair value.
Standard material usage quantities	Varies depending upon the type of material	The higher the usage quantities, the higher the fair value.
Condition rating (useful life)	As above - 0 (lowest) to 5	The higher the condition rating, the lower the fair value.
Remaining useful life	20-110 years	The longer the remaining useful life, the higher the fair value.
Residual value	\$0	The higher the residual value, the higher the fair value.

(iii) Changes in Fair Value Measurements using significant unobservable inputs (level 3)

The changes in level 3 assets with recurring fair value measurements are detailed in Note 14 (property, plant and equipment). There have been no transfers between level 1, 2 or 3 measurements during the year.

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15 Fair Value Measurements (continued)

(iv) Valuation processes

Council's current policy for the valuation of property, plant and equipment (recurring fair value measurements) is set out in note 1P. Non-recurring fair value measurements are made at the point of reclassification by a registered valuer.

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	Note	2014 \$	2013 \$
16 Trade and other payables			
Current			
Creditors and accruals		2,734,470	2,385,798
Annual leave		371,414	289,336
Other entitlements		16,274	8,369
		<u>3,122,158</u>	<u>2,683,503</u>
Non-current			
Annual leave		-	54,595
		<u>-</u>	<u>54,595</u>
17 Provisions			
Current			
Long service leave		336,702	354,732
		<u>336,702</u>	<u>354,732</u>
Non-current			
Long service leave		152,715	163,452
		<u>152,715</u>	<u>163,452</u>
Long service leave			
Balance at beginning of financial year		518,184	448,894
Long service leave entitlement arising		107,067	101,930
Long Service entitlement extinguished		(10,586)	(32,640)
Long Service entitlement paid		(125,248)	-
Balance at end of financial year		<u>489,417</u>	<u>518,184</u>
18 Asset revaluation surplus			
Movements in the asset revaluation surplus were as follows:			
Balance at beginning of financial year		63,187,493	33,644,936
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 infrastructure		-	166,629
Sewerage infrastructure		-	1,084,355
Balance at end of financial year		<u>63,187,493</u>	<u>63,187,493</u>
Asset revaluation surplus analysis			
The closing balance of the asset revaluation surplus comprises the following asset categories:			
Council Land		536,283	536,283
Buildings		9,028,110	9,028,110
Road, drainage and bridge network		51,102,658	51,102,658
Water infrastructure		1,436,087	1,436,087
Sewerage infrastructure		1,084,355	1,084,355
		<u>63,187,493</u>	<u>63,187,493</u>

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19 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.

	2014	2013
Movements in capital reserves:		
Plant Replacement Reserve		
Balance at beginning of financial year	-	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	-	-
Water & Sewerage Capital Works Reserve		
Balance at beginning of financial year	-	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	-	-
IT Upgrade Reserve		
Balance at beginning of financial year	-	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	-	-
Capital Grants Reserve		
Balance at beginning of financial year	-	37,364
Transfer from retained surplus for future expenditure	-	-
Transfer to the retained surplus/capital funds due to the closure of the reserve	-	(37,364)
Balance at end of financial year	-	-
Movements in recurrent reserves:		
Non-Capital Grants Reserve		
Balance at beginning of financial year	-	2,438,984
Transfer from retained surplus for future expenditure	-	-
Transfer to retained surplus	-	(2,438,984)
Balance at end of financial year	-	-

20 Commitments for expenditure

Council has no commitments for expenditure as at the reporting date.

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21 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 2014 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 \$90,241.

Community Housing

\$460,000 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 \$260,000 of this amount will be incurred in the next annual reporting period.

22 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*.

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."

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22 Superannuation (continued)

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	2014 \$	2013 \$
The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of employees was:	6	498,159	470,767

23 Trust funds

Trust funds held for outside parties

Road Alliance Program		31,640
Security deposits	2,585	14,770
Corner Country Tourism	1,520	1,520
Charity collections/donations		255
	4,105	48,185

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.

24 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities

Net result	(2,009,927)	130,597
Non-cash items:		
Depreciation & amortisation	2,532,624	1,913,613
	2,532,624	1,913,613
Investing and development activities:		
Net (profit)/loss on disposal of non-current	85,385	8,923
Capital grants and contributions	(1,257,858)	(967,905)
	(1,172,473)	(958,982)
Changes in operating assets and liabilities:		
(Increase)/ decrease in receivables	2,036,478	(2,953,389)
(Increase)/decrease in inventory	32,045	(150,500)
(Increase)/decrease in other financial assets	112,480	(141,493)
Increase/(decrease) in payables	400,765	1,092,547
Increase/(decrease) in other provisions	(45,472)	71,476
	2,536,296	(2,081,359)
Net cash inflow/(outflow) from operating activities	1,886,521	(996,131)

25 Events after the reporting period

There were no material adjusting events after the balance date.

Quilpie Shire Council
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26 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	2014 \$	2013 \$
Financial assets			
Cash and cash equivalents	10	9,738,238	11,106,871
Receivables - rates	11	287,347	169,089
Receivables - other	11	906,726	2,949,656
		<u>10,932,312</u>	<u>14,225,616</u>

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26 Financial instruments (continued)

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

	Fully performing		Past due		Total
		Less than 30 days	30-60 days	61-90 days	
		\$	\$	\$	\$
30-Jun-14					
Receivables		707,736	182,660	303,676	1,194,072
Less impairment		-	-	-	-
Net Receivables		707,736	182,660	303,676	1,194,072
30-Jun-13					
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

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

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
	\$	\$	\$	\$
2014				
Trade and other payables	3,122,158	-	-	3,122,158
	3,122,158	-	-	3,122,158
2013				
Trade and other payables	2,683,503	54,595	-	2,738,098
	2,683,503	54,595	-	2,738,098

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

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26 Financial instruments (continued)

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 or loss and equity 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.

	Net carrying amount		Profit		Equity	
	\$	\$	\$	\$	\$	\$
Financial assets	97,382	111,069	97,382	111,069	97,382	111,069
Financial liabilities	-	-	-	-	-	-
Net total	97,382	111,069	97,382	111,069	97,382	111,069

Fair value

The fair value of trade and other receivables and payables is assumed to approximate the value of the original transaction,

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Management Certificate
For the year ended 30 June 2014

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 36, 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: 5, 11, 14



Chief Executive Officer
David Burges

Date: 5, 11, 14

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 2014, 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 2013 to 30 June 2014 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

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




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

Queensland Audit Office
Brisbane

Quilpie Shire Council
Current-year Financial Sustainability
For the year ended 30 June 2014

Measures of Financial Sustainability	How the measure is calculated	Actual	Target
Council's performance at 30 June 2014 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-10%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	162%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-24%	not greater than 60%

Note 1 - Basis of Preparation

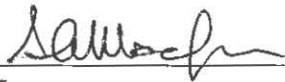
The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2014.

Quilpie Shire Council
Financial statements
For the year ended 30 June 2014

Certificate of Accuracy
For the year ended 30 June 2014


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: 5, 11, 14



Chief Executive Officer
David Burges

Date: 5, 11, 14

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 2014, comprising the statement and explanatory notes, and certificates given by the Mayor and Chief Executive Officer.

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

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

Auditor's Responsibility

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

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

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

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

Independence

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

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

Opinion

In accordance with s.212 of the *Local Government Regulation 2012*, in my opinion, in all material respects, the current-year financial sustainability statement of Quilpie Shire Council, for the year ended 30 June 2014, has been accurately calculated.

Emphasis of Matter – Basis of Accounting

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

Other Matters - Electronic Presentation of the Audited Statement

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


D A STOLZ (FCPA)
(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 2014

Projected for the years ended

Measures of Financial Sustainability	Measure	Target	Actuals at 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	30 June 2023
Operating surplus ratio	Net result divided by total operating revenue	Between 0% and 10%	-10%	33%	7%	5%	3%	3%	4%	4%	5%	5%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%		-46%	-21%	-8%	-5%	-1%	-2%	-9%	-17%	-21%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by	greater than 90%	162%	151%	291%	156%	90%	74%	83%	70%	67%	65%

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 2014

Certificate of Accuracy
For the long-term financial sustainability statement prepared as at 30 June 2014

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: 5, 11, 14



Chief Executive Officer
David Burges

Date: 5, 11, 14