

Burke Shire Council Annual Report



BURKE SHIRE
Council

Year ended 30 June 2016

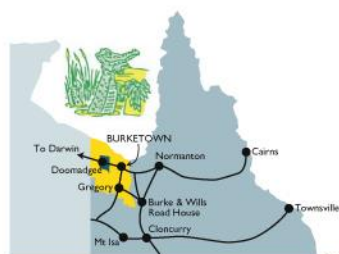


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BURKE SHIRE COUNCIL

Western Gulf Savannah



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Introduction

Purpose of the Annual Report

This Annual Report offers the public insight into the primary activities undertaken by, and the financial position of, the Burke Shire Council for the past financial year.

As legislated by the *Local Government Act 2009*, the report discloses the Audited Financial Statements for the 2015-2016 Financial Year. This disclosure, coupled with the provision of a Community Financial Report, demonstrates the Council's commitment to open and accountable governance and provides a medium by which constituents may understand the Shire's financial position and performance.

In addition to finance reporting, the annual report communicates how Burke Shire Council has achieved its goals as set out in the Corporate and operational plans, and highlights its major achievements as of 30th June 2016.

About Burke Shire

Burke Shire can boast of three great assets – great fishing, an abundance of sunshine and friendly people. With a population of around 550, the Shire covers an area of 41,802 square kilometres with two main communities in Burketown and Gregory. The balance of the Shire is primarily made up of pastoral properties.

The character of the Shire is predominantly rural in nature though the tourism industry continues to flourish as nomads seek warmer climes and greater adventure during the southern winter. Whether it's the Leichhardt Falls, the Savannah Way or the recently sealed Wills Developmental Road, drive tourists encounter incredible colours, amazing birdlife and absolutely no traffic signals!

The traditional custodians of the land as well as the many great explorers who traversed this country in years gone by have helped make the Shire what it is today. We are proud of the balance of its landscape and its history, and welcome all to experience this very special part of the world.

The Shire hosts many natural attractions, from the Albert, Leichhardt, Nicholson and Gregory Rivers to the impressive Leichhardt Falls, idyllic Adel's Grove and the beautiful Lawn Hill Gorge. Not forgetting the rugged country surrounding Hells Gate which boasts one of the world's oldest landscapes. Stunning rock formations tell their own tales of the land's evolution, and natural art galleries from early Indigenous peoples can be found in caves nearby. Come September/October, there is always a chance to catch the majesty of a Morning Glory cloud rolling across the skies of Sweers Island and Burketown



Image: Morning Glory Cloud just outside Burketown

Report from the Mayor

2015/16 has been a busy year for Burke Shire Council. Key projects commenced, for which groundwork was laid in the past year.

The Doomadgee- Burketown Fibre Optic Project received funding and the laying of the cable commenced. The project was made possible through Council's successful funding submissions to the Federal Government's National Stronger Regions Fund, the Queensland Government's Building our Regions Regional Infrastructure Fund and an investment contract with Telstra. This project is an excellent example of how the various levels of government and private enterprise can deliver ground-breaking outcomes when they work together.

Following on from the successful Gregory Mobile Black Spot funding application, Council has entered into a partnership with our neighbouring Shires of Cloncurry and Carpentaria to apply through the next funding round for a mobile tower at Burke and Wills Roadhouse. Whilst Council is pleased that a mobile tower will be located at Gregory it is disappointed that completion of the project is not planned until next year.

Discussions with various stakeholders – corporate, government, traditional owners and community - have begun in order to progress an ILUA (Indigenous Land Use Agreement) at Gregory. As was the case with the Burketown ILUA Council is seeking to develop residential and commercial opportunities, secure communal facilities such as the water treatment plant, and ensure that the tenure held over land parcels is fit for purpose.

An initial rollout of residential land made available through the Burketown ILUA is in the planning stages. Council is working with Economic Development Queensland (EDQ) to develop an affordable residential area known as Crimson Edge – potentially making home ownership a reality for the first time for many Burke Shire residents.



Image: Burketown Pontoon

Late last year the Burketown Pontoon was officially opened by Senator Ian MacDonald. Many have since taken advantage of the accessibility afforded by the pontoon to enjoy the Albert River. Applications for funding have now been made to upgrade the wharf precinct – parking, facilities and boat ramp. Council sees itself as the enabler of enterprise not the provider of any services that result from the upgrade to the wharf precinct. Our hope is that local

businesses will be able to capitalise on emerging opportunities enabled by this infrastructure and develop innovative, sustainable enterprises. Council eagerly awaits funding outcomes.

MMG Century Mine has commenced winddown activities, including remediation of the minesite. The village and processing plant have been mothballed pending prospective opportunities such as reprocessing the tailings dam, exploration etc. Council is conscious of the impact of the winddown on its ratebase going forward. This awareness has influenced (and will continue to influence) budgetary decisions causing an unavoidable constraint and restraint on projects, programmes and personnel. It also drives a need to identify external funding and partnership opportunities along with strategic thinking to maximise outcomes.

Roadworks continued as a focus of Council activities; though the direction of our focus has had to change. Council, reluctantly, make the decision to pull back on its sealing programme as to continue would have put Council in an unsustainable position. This is due to the combination of our declining ratebase, reduced State and Federal Government support for long term fiscal imposts associated with road infrastructure such as fully funding depreciation of road assets, and a more rigid interpretation of NDRRA (Natural Disaster Relief and Recovery Arrangements) guidelines. Council has consequently reprioritised from new sealing, to rebuilding existing roads. This will improve resilience in parts of its road network - for example the stabilisation and resealing of sections of Doomadgee East Road. This major road services a much larger community than any in the Burke Shire, and forms part of the Savannah Way that traverses northern Australia from Cairns to Broome. However, the Doomadgee East Road is designated a Council controlled road, not a state controlled road, and does not receive the level of funding that such a regionally significant road deserves. Upgrading of this road is handicapped by Council's limited funding.

Whilst we had a better Wet season this year, it still was not the "norm" and the Shire remains on the drought declared list. The ongoing Dry has an impact on Council activities as well as affecting many of the businesses in the Shire. Predictions are for a return to a wet Wet Season – fingers crossed the predictions become a reality.

Local Government elections were held on 19 March 2016. Cr Poole, Cr Murray and myself were returned and joined by Cr Yanner and Cr Clarke. Many thanks to the outgoing Councillors for their commitment to and investment in the Shire, its communities and residents for the past four years. Welcome to the incoming Councillors and to our new CEO Sharon Daishe. Sharon joined Council following Philip Keirle's departure from the CEO's chair and I also extend my thanks to him for all his hard work during the previous term.

Mayor Ernie Camp



Image: Burketown Hot Water Bore during a flood

Report from the Chief Executive Officer

Introduction

The Annual Report of a Local Government has various content requirements. Foremost among these are reporting on Council's financial position to the residents and ratepayers of the Burke Shire; commenting on Council's progress in delivering the goals outlined in the Corporate and Operational Plans; and providing information to stakeholders on the activities of Councillors throughout the year.

The successes achieved and challenges negotiated in the 2015-16 financial year, as reported within, can be attributed to the dedication and tireless energy of former CEO Philip Keirle, and his commitment to executing the functions of Burke Shire under the direction of the Mayor and Council. Philip was CEO for the Burke Shire Council until late June 2016. As incoming CEO, it is evident to me that the Burke Shire Council is well placed to navigate the tensions between excellence in service delivery and the rigorous governance and compliance framework of a local government in an environment of diminishing resources.

In this context, I am pleased to be able to present - as previously - an unqualified set of financial statements to the Burke Shire community. The financial statements provide an overview of Council's financial position. They also represent the quality of Council's financial data and internal processes. Meeting our governance and operational obligations with insufficient resources is a challenge that Council will continue to face, and we will continue to seek efficiencies and external support to deliver outcomes to our community and region.

Looking Backward

The 2014 flood damage works were in full swing at the beginning of 2015-2016, with a successful conclusion to all works in December 2015. As with most flood damage programs, discrepancies in timing around receipt and expenditure of money have the potential to impact significantly on key financial indicators for Shires as small as Burke. These include the balance sheet and other important sustainability ratios (the operating surplus ratio and the asset sustainability ratio). Most importantly for the 2014-15 and 2015-16 Financial Statements is that the flood damage-related surplus recorded in 2014-15 is off-set by the flood damage-related deficit in 2015-16 because money received in 2014-15 was not spent until 2015-16.

While December 2015 saw flood damage works concluded, it also ushered in some fantastic funding announcements related to the Doomadgee to Burketown Fibre Optic Project and, at long last, a break to the drought with some very late rain. Following the funding announcement in December 2015, Telstra crews commenced the installation of 100km of fibre optic cable between Doomadgee and Burketown. At the time of writing, the project nears completion, with 4G mobile, Wi-Fi services and high-speed ADSL2+ broadband all set to come online in Burketown before Christmas 2016.

The search for external funding sources

Like all regional and remote Shires, Burke is dependent on its ability to secure external funding through competitive application rounds. Without this funding, projects do not proceed. 2015-16 was another successful year for Burke, attracting ~\$4,000,000 for the Doomadgee to Burketown Fibre Link Project; \$20,000 for the Gregory Community Hall from the Stronger Communities Program; \$1,500,000 from the Drought Communities Program to be spent on gravel re-sheeting and landfill infrastructure; \$60,000 in events funding; \$15,000 from the Community Gambling Benefits Fund; \$30,000 from the Get Playing Grant for tennis court re-surfacing; and ~\$700,000 from the Department of Transport and Main Roads toward the Burketown Wharf Precinct Upgrade Project (3-lane, barge-capable ramp, all weather car-parking, BBQs and shelter).

Since 30 June 2016, Council has also secured an additional ~\$1,000,000 from the Australia Government to put toward the Burketown Wharf Precinct Upgrade Project. Live applications are currently under consideration for the Gregory Solar Power Project. Council was unable to secure funding for the second phased of the Visitor Information Centre restoration.

March 2016 Elections

Burke was one of two Shires in Queensland to adopt a hybrid post-ballot election for the Local Government elections in March 2016. Our returning officer conducted the elections in a highly professional manner. Thank you to all scrutineers and, most importantly, to those who nominated to represent the Burke Shire as Councillors. The new Council was sworn in on Monday 21st April 2016 and immediately commenced one of the most intensive education/information/planning schedules in recent memory, with a series of budget and governance workshops put on by Burke Shire, the Department of Local Government and the Local Government Association of Queensland. This heavy workload straight up augurs well for a successful administration.

Roads Program

Uncertainties in relation to Roads to Recovery funding (now resolved) and an elevation in ongoing Transport Infrastructure Development Scheme (TIDS) funding through to 2019-2020 will allow Council to expand and improve its road maintenance program over the coming years. This progress is already evident, with stabilisation works on Doomadgee East Road, Burketown street reseals, apron reseals at the Burketown Aerodrome and repairs of the Gregory runway scheduled for completion before Christmas 2016.

This program of restoration and renewal will continue in calendar year 2017, with 2015-16 Flood Damage works scheduled for completion along with work on Floraville Road and reseal or rehabilitation of the runway at the Gregory airport.

Looking Forward

With most major infrastructure projects either completed, nearing completion or funded through external grants, Council has now laid out a suite of 65 financial sustainability initiatives that it will progressively work toward implementing or advocating for with relevant stakeholders. These initiatives focus on all parts of the business and are designed to place downward pressure on operational expenditure to better navigate a declining revenue position.

At the same time, Council understands that it needs to explore opportunities to facilitate growth in revenue streams. On that basis, Council's partnership with Economic Development Queensland is an important one. This partnership, formed in 2015-16, will deliver the Crimson Edge sub-division development in 2017 as well as master-planning for the sale of rural-residential lots in Burketown South. On the basis that even small levels of sustained growth can make a real difference to the functioning of the kindergarten, school, clinic, community events and the profitability of local businesses, these developments are of the utmost importance to Council.

Long-term sustainability of Council and Community

To ensure and best promote the long-term sustainability of Council and the community it serves, Council will continue to develop a more scientific, more rigorous approach to managing its assets and services. With improved modelling and forecasting of asset and services costs and renewal requirements, Councillors and community will be best placed to shape an affordable and sustainable future.

On behalf of Philip Keirle, CEO for the 2015-16 financial year, I would like to thank all Councillors, managers, supervisors, staff and volunteers who continue to make such outstanding contributions to the Burke Shire and to the communities of Burketown and Gregory. It has been a busy year, a tough year, but ultimately, an incredibly successful year and a great launching pad for the delivery of quality services and quality infrastructure in 2016-17.

Chief Executive Officer Sharon Daishe

The Council

Elected Representatives

Burke Shire Council has an elected body of five Councillors, with specific powers, responsibilities, and duties set out in the Local Government Act 2009 (the Act). Under the Act elections for the Mayor and Councillors are undertaken every four years, with the last election held on Saturday 19 March 2016.

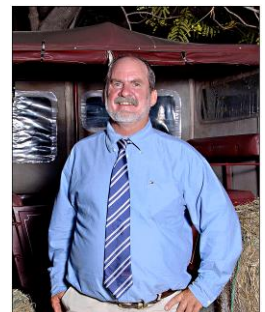


Councillor Profiles

Mayor

Councillor Ernie Camp

Cr Ernie Camp was re-elected Mayor at the 2016 elections having served as Mayor for the previous term, Deputy Mayor for the two terms before 2012 and before that as a Councillor. In all, Cr Camp has been involved in Local Government for 17 years. He is a Chair of an agri-political body - Australian Beef Association, a member of Agforce (a Qld based agri-political body), Gulf Cattleman's Association and NORTHBeef. He is a member of a committee looking to develop a new cattle board following on from recommendations by a senate committee into compulsory levies paid by the grassfed beef industry. Cr Camp is a member of the Gregory Downs Jockey Club and has been race starter for many years. He is also a member of the Burketown P&C, the Isolated Children's Parents Association (ICPA), Gregory Downs Sporting Association, Gregory Landcare and Southern Gulf NRM. Cr Camp represents Council as a board member on the Riversleigh Community Scientific Advisory committee (RCSAC), and is the chair of Gulf Savannah Development.



Deputy Mayor

Councillor Paul Poole

Cr Paul Poole was re-elected as a Councillor at the 2016 elections and elected as Deputy Mayor at the Statutory Meeting of Council, having also served the past term as Deputy Mayor. He has been a resident of Burke Shire for a period of 25 years.

Cr Poole's interest is to maintain a financially viable shire with economic growth and infrastructure expansion along with providing services to residents and employees. He has a great interest in marine safety.



Councillors

Councillor Tonya Murray

Cr Tonya Murray is a descendant of the Gangalidda people, one of the Traditional Owner groups in the Burke Shire. She has a keen interest in providing opportunities for young people, ensuring we minimise environmental impacts in our area and providing services & opportunities for locals. Cr Murray is also involved in various community organisations including the Burketown Rodeo & Sporting Association, Volunteer Marine Rescue, Burketown Fishing Club, Burketown Kindergarten Association and the Burketown State School P & C.



Councillor John Clarke

Cr Clarke was elected in the March 2016 elections. His interest in being a councillor was driven through his belief in the importance of contributing to community. Cr Clarke wants to keep council and governments connected to volunteers, the backbone of our communities. He has an interest in land management, as pest and weeds are becoming an increasingly big problem. Cr Clarke is President of the Gregory Downs Jockey Club, and member of the Gregory District Sporting Association and Planet Downs Fire Brigade



Councillor John Yanner

After spending 20 years employed by Burke Shire Council as rural foreman, Cr Yanner put his hat in the ring and was elected as councillor in the 2016 election. Along with his extensive knowledge and interest in the road network, Cr Yanner's interest in becoming a councillor was driven by his desire to improve relationships between council and community.



Community Financial Report

In accordance with Section 184 of the Local Government Regulation 2012, Council is required to include a Community Financial Report in its Annual Report. This report summarises the Council's financial performance and position for the reporting period 1 July 2015 to 30 June 2016.

The Community Financial Report is a summary of the information contained in Council's annual Financial Statements and is intended to provide the reader with an overview of Council's financial position of the year ended 30 June 2016. It aims to present this information in a less technical manner than in the Financial Statements to promote broader understanding of Council's financial position.

Income Statement

The Income Statement can be compared to the Profit and Loss Statement of a private business. The Statement shows how much revenue (income) has been received during the year and how much it costs (expenses) to provide quality services and facilities to the community. The table below provides an overall snapshot of Council's income, expenses, assets, liabilities and equity.

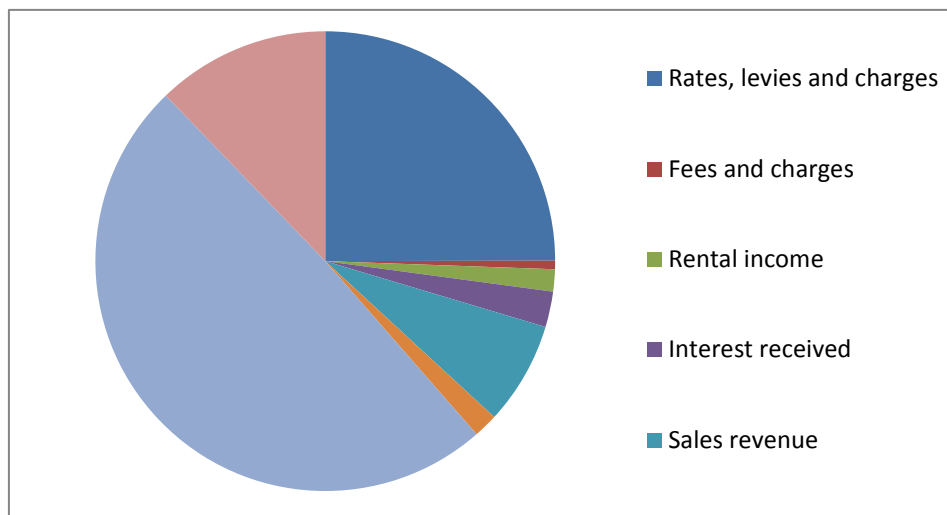
Income		Assets	
Operating Revenue	\$12,764,597	Current Assets	\$13,040,917
Capital Revenue	\$1,773,660	Non-Current Assets	\$133,383,655
Total Income	\$14,538,257	Total Assets	\$146,424,572
Expenses		Liabilities	
Total Expenses	\$18,264,163	Total Liabilities	\$1,817,015
		Equity	
		Reserves	NA
		Retained Surplus	\$68,568,898
		Asset Revaluation Surplus	\$76,038,657



Image: 2015 Morning Glory Photo Competition - Winning Image by Owen Ringrose

Revenue – where did the money come from?

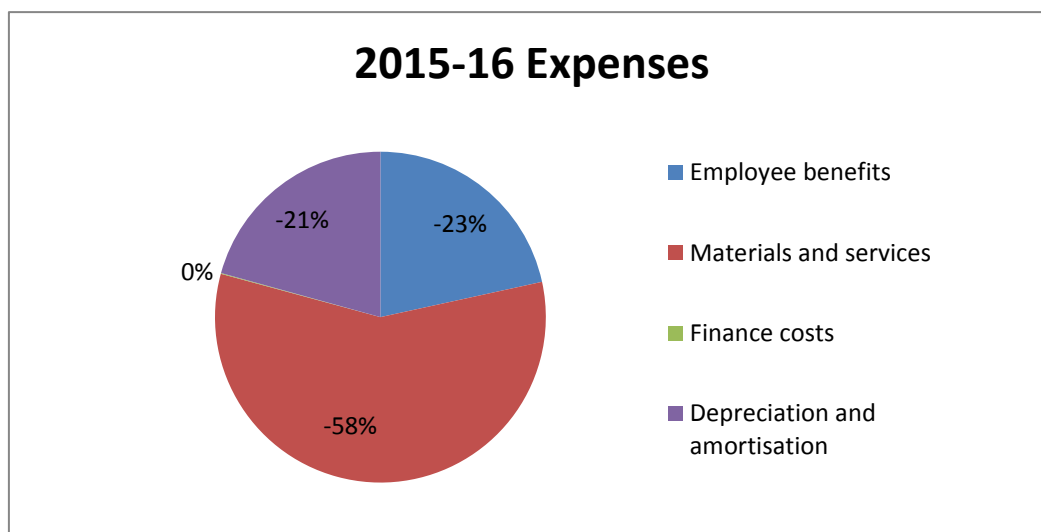
Council received a total of \$14,583,453 in revenue and other income. The largest contribution came through grants, subsidies, contributions and donations revenue and rates and utility charges revenue. Council received funding for several Road Programs including the Transport and Infrastructure Development Scheme (TIDS) (Main Roads) and our Road Maintenance Performance Contract (Main Roads) and Natural Disaster Relief and Recovery Arrangements (NDRRA)



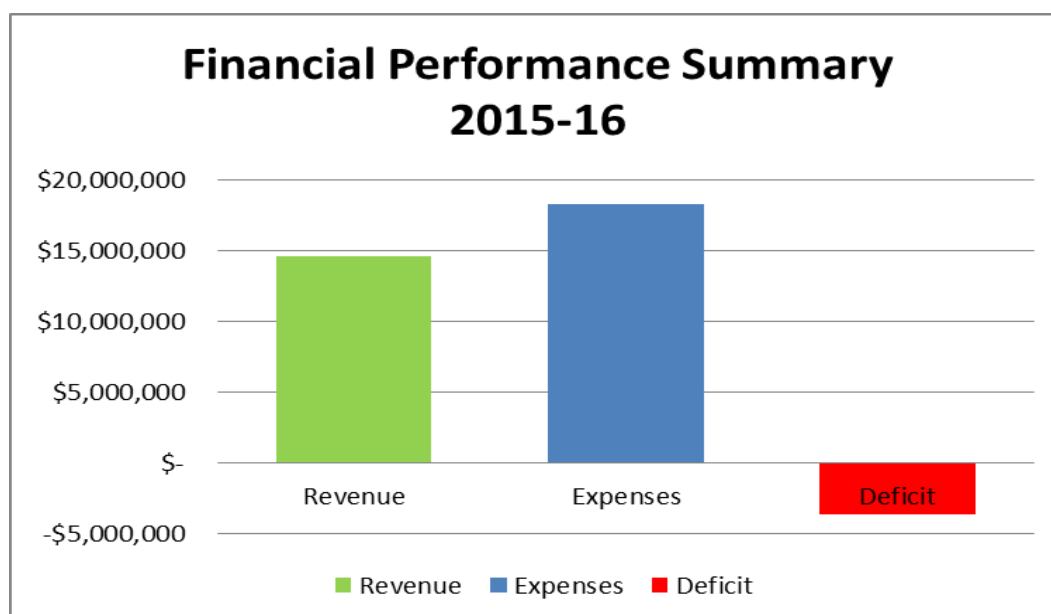
INCOME ITEM	DETAILS
NET RATES AND UTILITY CHARGES	Rates payable by ratepayers include the levy for general rates, as well as charges for provision of the following services as appropriate: water, sewer and refuse collection. Net rates and utility charges for 2015-2016 were \$3,629,309 from \$3,488,320 in the previous year. This represented an increase of \$140,989 (4%) over the net rates and utility charges for 2014-15.
FEES AND CHARGES	Fees and charges collected in 2015-2016 totalled \$87,113 from \$49,151 in the previous year. These fees and charges are for additional services requested from Council. The fees and charges are established to offset the costs of providing these services or to contribute to the cost of running and maintaining certain community facilities.
RECOVERABLE WORKS	From time to time Council is contracted to perform certain jobs. Some of these are minor jobs, which includes those items that the relatively small local-business base cannot feasibly undertake. It also includes more significant services for State departments including the Department of Transport and Main Roads. Council's revenue from recoverable works for 2015-2016 was \$1,052,031.
GRANTS AND SUBSIDIES	Government grants and subsidies represent a significant portion of Burke Shire Council's total income. Grants and subsidies flow to Council from various entities, including the State and Federal Governments. These include community, special project, and infrastructure-based funding. For the year ended 30 June 2016, revenue sourced from grants, subsidies, contributions and donations totalled \$7,157,722.
INTEREST INCOME	Burke Shire Council received \$363,592 in interest in the 2015-2016 financial year. This compared to \$459,096 in interest in the previous financial year.

Expenditure – where was the money spent?

Council's total expenditure for 2015-2016 was \$18,264,163 as compared with \$11,224,398 in 2014-2015. The primary expenses were:



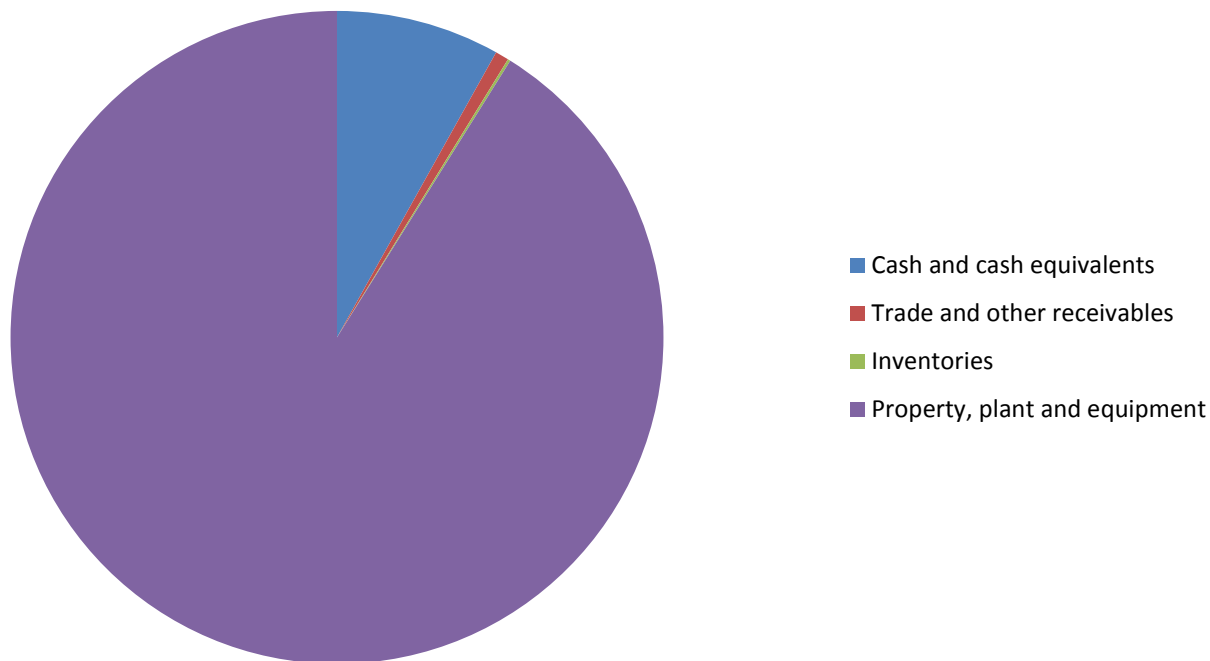
EXPENSE ITEM	DETAILS
EMPLOYEE BENEFITS	Totalled \$3,925,189, consisting of staff wages and salaries, Councillor's remuneration, leave entitlements and superannuation.
MATERIALS & SERVICES	Totalled \$10,485,695 consisting of advertising \$4,530; audits \$85,000; information & technology (IT) and communications \$262,255; consultants \$84,811; donations \$32,856; repairs and maintenance \$926,938 operating expenses \$1,359,008; recoverable works \$845,452; subscriptions and registrations \$6,197.
DEPRECIATION & AMORTISATION	\$3,765,813.
FINANCE COSTS	\$13,834.



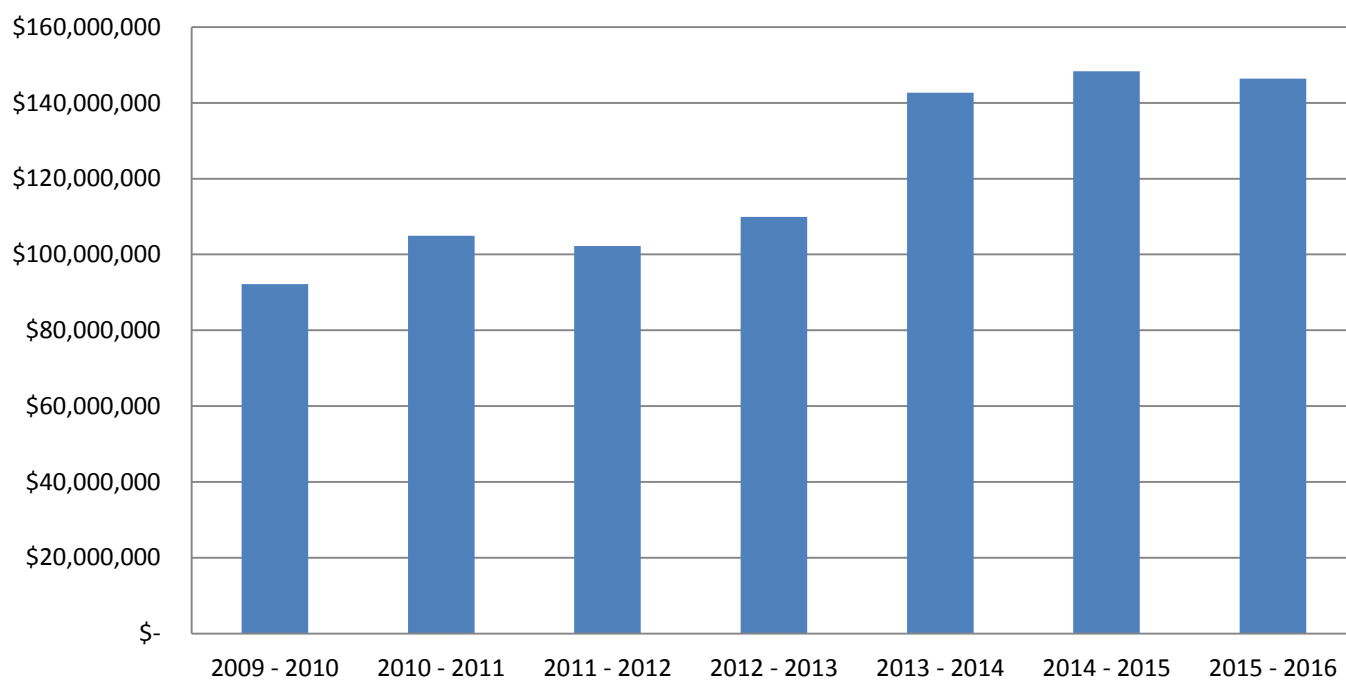
Assets – What do we own?

As at 30 June 2016, Council held \$146,424,572 in current and non current assets from \$148,326,181 in the previous year. Current assets decreased by \$3,712,991 from the previous financial year.

Current & Non Current Assets

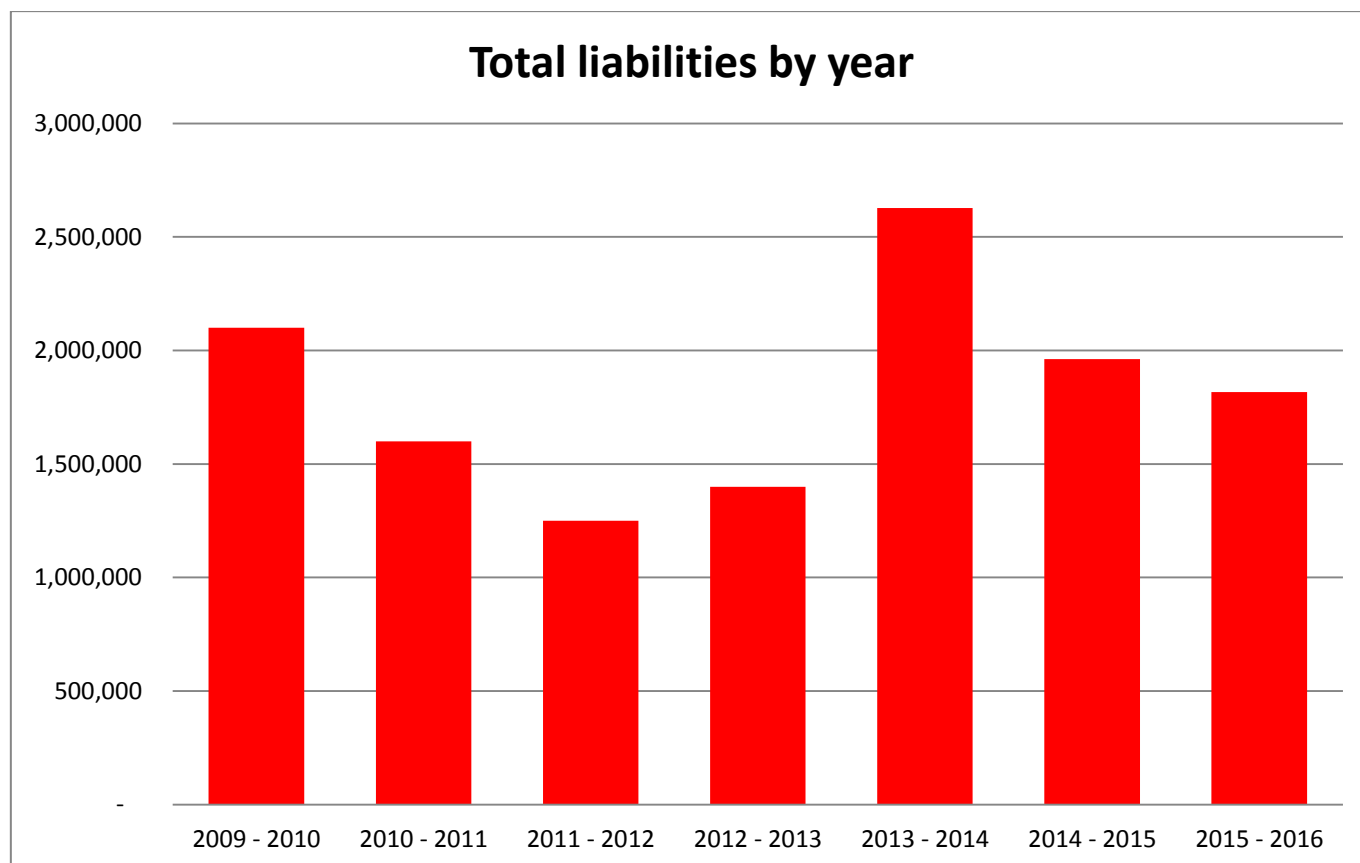
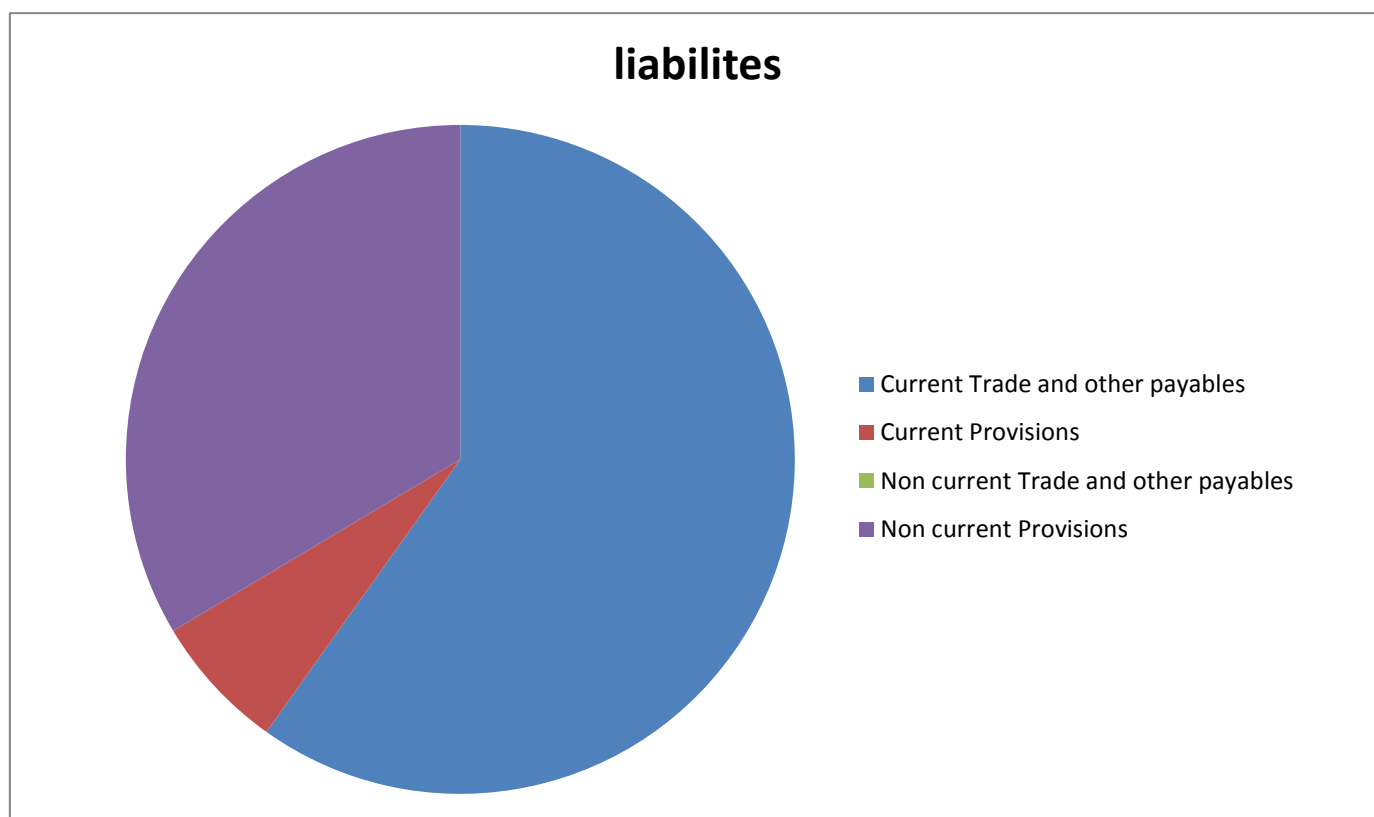


Council Assets



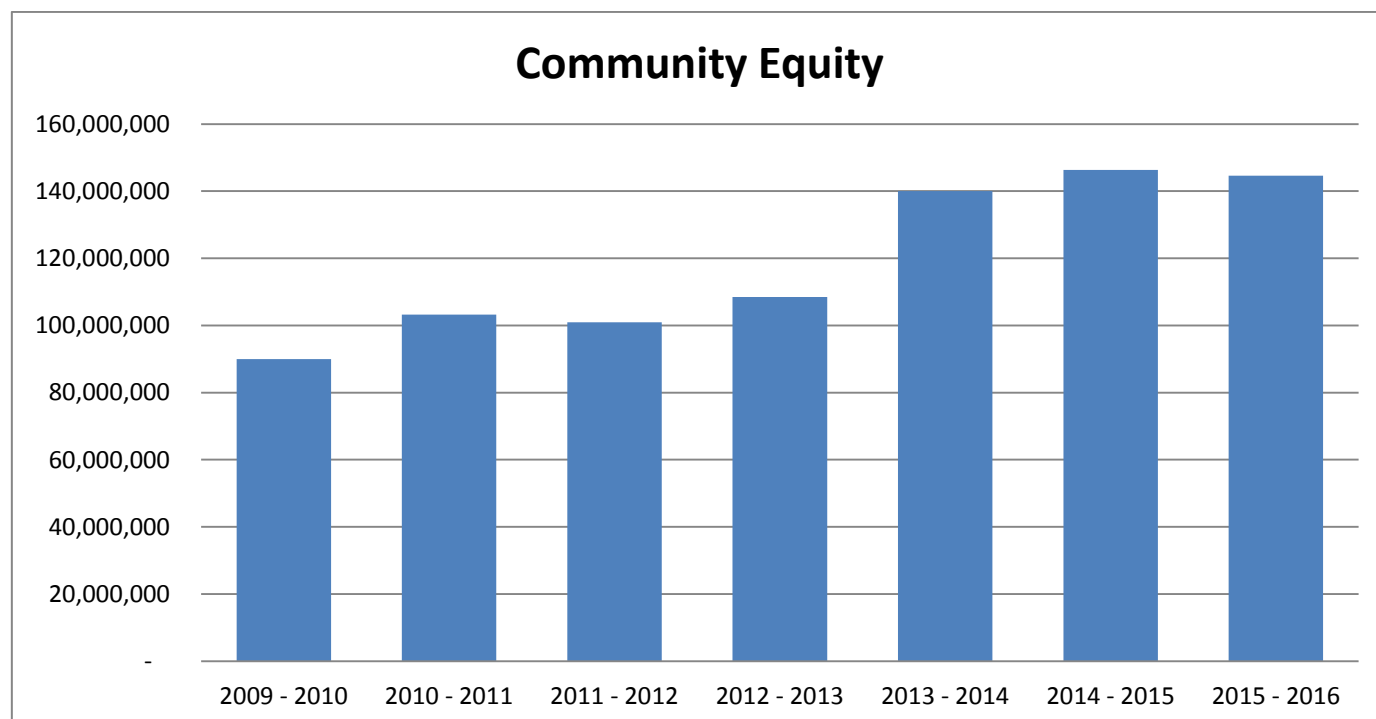
Liability – What do we owe?

As at 30 June 2016, Council had liabilities of \$1,817,016 comprised of provisions for employee entitlements as well as amounts owed to suppliers.



Community Equity

Council's community equity is defined as its net worth – what we own, less what we owe. The graph below provides a snapshot of Council's financial position at 30 June 2016. It shows a summary of our asset value (\$) – liabilities (\$) = Community Equity (\$). Burke Shire Council's equity as at 30 June 2016 was \$144,607,555



Capital Works Program

Capital works are a fundamental component of Councils operations. Council invests in essential infrastructure assets required for service delivery to the community. Expenditure of a capital nature is also incurred to renew and replace existing assets as they reach the end of their useful life. Major capital expenditure for 2015-2016 included the following: \$865,775 spent on road upgrade (Doomadgee East Road seal works) under the TIDS road programme, \$371,000 was spent on Council's Building programme; \$1,446,700 was spent on replacement of plant, \$12,337 was spent on replacement of water equipment and \$779,992 spent on the Burketown Wharf Pontoon Project.

Income, expenses and ratios over time

	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-16
	\$	\$	\$	\$	\$	\$	\$
Total Operating Income	8,986,429	30,538,188	16,695,311	16,318,134	6,960,980	9,669,907	12,764,597
Total Operating Expenses	8,972,834	15,250,702	23,404,077	9,204,478	10,650,745	10,856,958	18,190,531
Total Loan Value (Book)	-	-	-	-	-	-	-
Revenue Ratio*	32.65%	9.97%	21.13%	23%	55%	36.07%	28.43%
Council Assets	92,153,043	104,887,821	102,237,123	109,883,913	142,651,841	148,326,181	144,607,555
Council Liabilities	2,195,595	1,676,256	1,263,308	1,440,242	2,627,442	1,961,632	1,817,015
Council's Net Value	89,957,448	103,211,565	100,973,815	108,443,671	140,024,399	146,364,549	142,790,539

*Council's dependence on net rates and utility charges as a percentage of total operating income received.

Measures of Council's Financial Sustainability

Council's sustainability requires effective planning and financial management. Council monitors its financial performance by using financial ratios. Financial ratios give an indication of organisational performance. Ratio analysis assists managers to understand financial results and trends over time. The ratios also provide key indicators of the strengths and weaknesses of the business from which strategies and initiatives can be developed.

INDICATOR	RATIO	TARGET	DESCRIPTION
2015-16			
ASSET SUSTAINABILITY RATIO	-42.5%	Greater than 90%	This ratio measures the extent to which infrastructure assets are being renewed as they reach the end of their useful life.
OPERATING SURPLUS RATIO	-12%	Between 0 and 10%	This ratio indicates the extent to which revenues raised cover operational expenses. A positive ratio indicates that surplus revenue is available.
NET FINANCIAL LIABILITIES RATIO	-88%	Not greater than 60%	This ratio is an indicator of the extent to which the Net Financial Liabilities of a local Government can be serviced by its Operating Revenues. The Financial Management (Sustainability) Guideline 2013 states that a ratio less than zero (negative) indicates that current assets exceed total liabilities and therefore the local government appears to have significant financial capacity and the ability to increase its loan borrowings if necessary. 2015/16 results indicate that Council can fund its total liabilities from current assets and Council has capacity to increase its loan borrowings should it be required.



Image: Entry in the 2015 Morning Glory Photo Competition - Entry submitted by Doug Jones

Statutory Requirements

The following information includes the legislative disclosure requirements of the Local Government Act 2009 and related regulations for the reporting period of the Annual Report.

Local Government Act 2009

Section 201 requires the Annual Report to state the total of all remuneration packages that are payable to the senior management of the local government and the number of employees in senior management who are being paid each band of remuneration. A Senior Contract employee is the Chief Executive Officer; and any other local government employee who is employed on a contractual basis and in a position that reports directly to the Chief Executive Officer. At the Burke Shire Council during the 2015-16 financial year there was one senior contract employee with a total remuneration package in the range of \$200,000 and five senior contract employees with a total remuneration package in the range of \$100,000-\$150,000.

Local Government Regulation 2012

s183 Financial Statements

Section 183 of the Local Government Regulation 2012 requires Council's Annual Report to contain:

- (a) General purpose financial statements for the financial year, audited by the Auditor-General; and
- (b) The current-year financial sustainability statement for the financial year, audited by the Auditor-General; and
- (c) The long-term financial sustainability statement for the financial year; and
- (d) The Auditor-General's audit reports about the general purpose financial statement and the current-year financial sustainability statement.

Refer to Annexure A of this Annual Report for the Financial Statements.

s184 Community Financial Report

Section 184 of the Local Government Regulation 2012 requires Council to include a Community Financial Report as part of the Annual Report.

s185 Particular Resolutions

Section 185 of the Local Government Regulation 2012 requires Council's Annual report to contain a copy of the resolutions made during the financial year under (a) Section 250(1) Requirement to Adopt Expenses Reimbursement Policy or Amendment, and a list of any resolutions made during the financial year under (b) Section 206(2) Valuation of Non-current Physical Assets.

(a) Expenses Reimbursement Policy

The Reimbursement of Expenses Policy (GOV-POL-004) establishes the guidelines to ensure that Councillors receive reimbursement of reasonable expenses and are provided with the necessary facilities to assist them in performing their role. The policy can be found on the council's website and outlines the entitlements of Councillors in their role such as training, travel costs, meals and use of Council facilities.

(b) Valuation of non-current physical assets

Pursuant to section 185 of the Local Government Regulation 2012, it is reported that no resolutions were passed under section 206(2) of the Regulation. This provision deals with any resolutions passed that "sets an amount for each different type of non-current asset below which the value of an asset of the same type must be treated as an expense."

ss186-188 Councillors

s186 (a) Councillor Remuneration; (b), Expenses; and (c) Meetings Attended

Under Section 186 of the Local Government Regulation 2012, Council is required to report on details relating to the total remuneration, including superannuation contributions, paid to each Councillor during the financial year (section 186a); the expenses incurred by, and the facilities provided to, each Councillor during the financial year under Council's Expenses Reimbursement Policy (section 186b); and the number of local government meetings that each Councillor attended during the financial year (section 186c). This information is provided in the tables below for the period 1 July 2015 to 30 June 2016.

COUNCILLOR	ORDINARY MEETING	SPECIAL MEETING	EXPENSES	REMUNERATION (INCLUDING SUPERANNUATION)
CR CAMP	13	3	3,552	109,406
CR POOLE	13	3	2,335	63,119
CR FORSHAW	7	2	1,152	39,562
CR YANNER	3		2,335	8,656
CR CLARKE	4		2,335	12,984
CR LAUDER	8	1	1,222	34,624
CR MURRAY	13	2	2,335	51,935

Councillor remuneration is established each year by the Local Government Remuneration and Discipline Tribunal. Each year Council is invited to accept or review the remuneration recommendations of this Tribunal.

s186(b) Facilities provided to Councillors under the Expense Reimbursement Policy

Section 186(b) of the Local Government Regulation 2012, requires Council to provide particulars of the facilities provided to each of its Councillors under the Expense Reimbursement Policy during the year. These are detailed in the table below.

COUNCILLOR	LAPTOP/ IPAD	MOBILE PHONE	VEHICLE & FUEL	SECRETARIAL ASSISTANCE	EXPENSES CONFERENCE & WORKSHOPS	TRAVEL/ ACCOM
CR ERNIE CAMP	✓	✓	✓	✓	✓	✓
CR L LAUDER	✓			✓	✓	✓
CR TRACY FORSHAW	✓			✓	✓	✓
CR CLARKE	✓			✓	✓	✓
CR YANNER	✓			✓	✓	✓
CR TONYA MURRAY	✓			✓	✓	✓
CR PAUL POOLE	✓			✓	✓	✓

s186(d) Code of Conduct, Complaints and Breaches

In accordance with section 186(d) of the Local Government Regulation 2012, the following table details any disciplinary action for misconduct taken by a regional conduct review panel:

NUMBER	DESCRIPTION
NIL	The total number of orders and recommendations made under section 180(2) or (4) of the Act
NIL	The total number of orders made under section 181 of the Act
NIL	The name of each Councillor for whom an order or recommendation was made under section 180 of the Act or an order was made under section 181 of the Act
NIL	A description of the misconduct or inappropriate conduct engaged in by each of the Councillors
NIL	A summary of the order or recommendation made for each Councillor
NIL	The number of complaints about the conduct or performance of Councillors for which no further action was taken under section 176C(2) of the Act
NIL	The number of complaints referred to the department's Chief Executive Officer under section 176C(3)(a)(i) of the Act
NIL	The number of complaints referred to the mayor under section 176C(3)(a)(ii) or (b)(i) of the Act
NIL	The number of complaints referred to the department's Chief Executive Officer under the section 176C(4)(a) of the Act
NIL	The number of complaints assessed by the Chief Executive Officer as being about official misconduct
NIL	The number of complaints heard by a regional conduct review panel
NIL	The number of complaints heard by a tribunal
NIL	The number of complaints to which section 176C(6) of the Act applied

s187 Administration Action Complaints

In accordance with section 187 of the *Local Government Regulation 2012*, Council makes a genuine commitment to dealing fairly with administration action complaints. This is achieved through the adoption of policies and procedures designed to provide confidence in Council's ability to provide feedback and deal with complaints in a fair and equitable manner. The following particulars are provided:

NUMBER	DESCRIPTION
NIL	Total number of administrative action complaints made to the local government
NIL	Total number of administrative action complaints resolved by the local government under the complaints management process
NIL	Total number of administrative action complaints not resolved by the local government under the complaints and management process
NIL	Total number of administrative action complaints under paragraph (a)(iii) that were made in a previous financial year

s188 Overseas Travel undertaken by Councillors or Employees

In accordance with section 188 of the *Local Government Regulations 2012*, the following information is provided concerning **overseas travel**:

NUMBER	DESCRIPTION
NIL	The name of a councillor who undertook overseas travel
NIL	The name of, and position held by, a local government employee who undertook overseas travel
NIL	The destination of the overseas travel
NIL	The purpose of the overseas travel
NIL	The cost of the overseas travel



Image: Aussie Quick Quilt Workshop held at Gregory



Image: 2016 Gregory Camp Draft

s189 Grants to Community Organisations

The following table provides a summary of grants and contributions to community organisations during the period 1 July 2015 to 30 June 2016. Council provided grants and contributions to a total value of \$34,266.

ORGANISATION	PROJECT AND RATIONALE	IN-KIND - APPROVED BY COUNCIL RESOLUTION \$	TOTAL DONATION \$
BURKETOWN RODEO AND SPORTING ASSOCIATION	Upgrade Facilities	9,282.00	11,782.00
BURKETOWN STATE SCHOOL	School Christmas Party & Awards night	979.00	979.00
GREGORY COMMUNITY GROUPS	Fuel for Generator - up to 4000 litres per year	3,496.73	3,496.73
GREGORY DISTRICT SPORTING ASSOCIATION	Gregory Campdraft and Childrens' Horse Sports	105.20	2,605.20
GREGORY DOWNS JOCKEY CLUB INCORPORATED	Gregory Races	692.06	5,238.06
GREGORY RIVER LANDCARE GROUP	Burke Shire School Gardens Project		758.29
GREGORY RIVER LANDCARE GROUP	Assistance with Outback Packs		4,000.00
ICPA (ISOLATED CHILDREN'S PARENTS' ASSOCIATION) QLD INC.	State Council Meeting	651.75	651.75
NORTH WEST CANOE CLUB	Major Sponsorship for the 41st Gregory River Canoe Marathon	639.33	639.33
QCWA - GREGORY BRANCH	Horse Sports and Family Fun Day		1,500.00
QCWQ - GREGORY BRANCH	Waiving of hall fees and tea/coffee facilities, printing of event posters & email distribution of event notices	616.00	616.00
SAVANNAH GUIDES LIMITED	Savannah Guides School		2,000.00
		16,462.07	34,266.36

s190 Other Contents required in an Annual Report

s190(1)(a)&(b) Assessment of Corporate and Operational Plans

The Annual Report must contain the CEO's assessment of the local government's progress toward implementing its 5-year Corporate Plan and annual Operational Plan (available at <http://www.burke.qld.gov.au/corporate-publications>). Both documents contain a variety of milestones or targets that Council sets for itself each year. These are generally broken up by department or administrative area. The main achievements and challenges of each of these departments are outlined in the table below.

AREA	PROGRESS
GOVERNANCE	<p>One of Council's key aims for the period 2014-2019 is to develop, implement and sustain quality asset management practices. This is an organisation-wide initiative to ensure that Council and community can make well-informed decisions about the Shire's financial future and the sustainability of the services that Council assets deliver. To progress this objective, Council completed a full asset revaluation and condition assessment during 2015-2016.</p> <p>It is also crucial that Councillors and senior management play a strong advocacy role on behalf of the Shire. This is particularly true in relation to accessing external funding for capital projects – roads, water, sewer, tourism infrastructure – that Council seeks to deliver. Any opportunity to attract co-contributions toward new infrastructure or upgrades and renewals to existing infrastructure ensures that ratepayers receive better value for money. 2015-2016 has been a very successful year for Council, securing funding for the DMG-BKT Fibre Link Project, the re-sheeting of the Lawn Hill National Park Road, tennis court re-paving in Burketown, and, most recently, funding for further upgrades to the Burketown Wharf Precinct through DTMR and Australian Government's National Stronger Regions Fund (NSRF). With regards to the latter programme, Burke Shire is only one of two Shires (along with Greater Bendigo) to secure funding in all three rounds of the NSRF. This is not simply good news. It is, in fact, entirely necessary as Council moves into a period of declining own-source revenue and faces a degree of uncertainty in relation to levels of recurrent funding from the State and Federal governments over the next five years.</p>
ADMINISTRATION	<p>In Council's Corporate Plan for 2014-2019, Council committed to ensuring that the organisation's work health and safety (WHS) system meets all legislative requirements. Extensive work in this area was completed during 2015-16 and under the stewardship and guidance of Council's WHS coordinator, Council continues to make improvements and refine its systems. WHS legislation and regulation requires more stringent attention and reporting on all related matters and this is exactly what Council is delivering.</p> <p>In the Corporate Plan and in past Operational Plans, Council set itself the task of improving its records management processes. Much of this work was instituted under the guidance of the Shire's executive officer and it is extremely satisfying to see the systems and processes embraced by the organisation. These changes ensure Council is better placed to provide evidence of actions and decisions; to make good use of precedents and of organisational experience; and to support consistency, continuity, efficiency and productivity in program delivery, management and administration.</p> <p>On top of their systems maintenance (records keeping, information technology) and customer service responsibilities, the administration team is also required to meet broad compliance responsibilities including maintenance of website content, policy generation, data collation and submission, monitoring of building and development approvals and so on. In today's local government environment, these compliance responsibilities expand each year and require Council staff to continually seek ways to do more; with less. The admin team is meeting this requirement, with higher quality reporting across more fields than ever before.</p>

FINANCE	<p>2015-16 saw Council deliver another unqualified audit; a great credit to the finance manager and his team. The “unqualified” status of Council’s external audit indicates that the Queensland Audit Office is confident in Council’s financial processes and the integrity of financial data. The 2015-16 audit was completed earlier than in previous years, which is further indication that Council’s financial staff, and financial systems, are working effectively.</p> <p>Finance has played a crucial role in coordinating the activities of the audit committee and the internal audit function. The audit committee and internal audit function ensure a degree of external oversight of Council’s core activities and functions. Primary focus is given to items with the highest risk attributed, although nothing is off limits. Asset valuations, asset management systems, financial processes, legislative compliance, data security and retention, identification of operational savings, are all items on the watch list of the audit committee and the internal audit function.</p> <p>Finance and governance have worked together with the works & services department on a new Asset & Services Management Plan (delivered in September 2016), which will assist all departments to work more effectively in modelling future maintenance and renewal programs across all Council assets.</p>
COMMUNITY AND CULTURAL DEVELOPMENT	<p>Council measures progress and success in this function in terms of community satisfaction in relation to events, community facilities, infrastructure, parks and gardens. Council had originally planned to roll out its first independent community satisfaction survey in 2015-16 but has pushed this back to late 2016. At the time of writing (November 2016), the survey has been completed. Council will review the survey in 2016-17.</p> <p>Council and Shire organisations continue to punch above their weight in delivering a wide range of events to the community. Council provides financial and in-kind assistance to the many community groups that deliver events. Council and community groups have been extremely fortunate in 2015-16 to benefit from contributions provided through the Community Drought Support Program and, as always, through the Regional Arts Development Fund. Council and the Gregory community also benefitted through renovations performed on the Gregory Community Hall, which were partially funded by the Australian Government’s Stronger Communities Program.</p>
INTEGRATED PLANNING AND SUSTAINABLE DEVELOPMENT	<p>Faced with both a clear demand for land to develop and a complete shortage of available land, Council partnered with the State of Queensland and the Gangalidda and Garawa Peoples to address this situation through the Burketown ILUA (Indigenous Land Use Agreement). The Burketown ILUA was registered on 26 May 2015, following a Native Title determination in Burketown on 1 April 2015. The Burketown ILUA delivered 70 new residential lots for development; created 15 rural residential lots; provided 144ha of light industrial land; regularised tenure over the sewerage treatment plant, water treatment plant and Burketown landfill site; and various environmental reserves around town.</p> <p>Council is now working with Economic Development Queensland on a development package to assist in bringing this land to market. This will require installation of a range of infrastructure to make residential lots development ready; the survey and realignment of rural residential lots in Burketown South; and master planning for the new light industrial areas. Planning is currently underway with work scheduled to commence in 2017.</p>

ASSET MANAGEMENT

While finance and governance develop and monitor many of the asset management systems required by Council, the works and services department has the crucial task of implementing the majority of operational and maintenance work required to keep essential public assets including road, water treatment, sewer treatment and other Council facilities in good order. The works and services department is also crucial in delivering or assisting in the delivery of infrastructure upgrades and in monitoring the delivery of new assets.

To facilitate more effective future asset management, the works and services department has participated in a holistic revision of Council's asset and services management plan and has committed to a range of asset management principles and practices that will shape future procurement and maintenance activities.

Road projects

Major road projects included the continued sealing of the Wills Developmental Road, completion of RMPC (Road Performance Maintenance Contract) works on the Wills Developmental and Camooweal Roads, and, of course, the conclusion of the 2014 flood damage restoration works funded under the NDRRA (National Disaster Natural Disaster Relief and Recovery Arrangements). Following flood damage sustained in late 2015 and early 2016, council has also been working closely with the Queensland Reconstruction Authority to determine the scope of flood damage restoration works for completion in 2017.

Housing

Council has nearly completed an extensive backlog of restoration projects required on Council accommodation and facilities. This included a range of re-roofing projects on Council housing, re-roofing and internal renovations to the Burke Shire administration office, and renovations and extensions to the Gregory Community Hall.

New facilities

Council completed the installation of the Burketown Wharf pontoon project, with Senator the Hon Ian Macdonald, Captain Michael Barnett (Regional Harbour Master), Mayor Ernie Camp and Gangalidda elder Terrance Taylor opening the facility in October 2015.

Project planning

Development is also well advanced for the redesign of the Burketown Sewerage Treatment Plant and the installation of a solar array and energy storage system for the Gregory Water Treatment Plant. Both capital projects will deliver long-term operational savings to Council and if all goes to plan, both should be delivered by 2017-18. With recent funding announcements and considerable planning already completed, Council will also look to lock in project timeframes for delivering the Burketown wharf precinct upgrade project for construction of 3-lane, barge capable ramp, all weather parking, BBQ facilities and shelter.

ECONOMIC DEVELOPMENT

Council has partnered with Economic Development Queensland to help deliver a wide-range of economic development initiatives made possible by the Burketown ILUA. Among other items, this partnership has been formed to deliver 18 new residential lots for sale (Crimson Edge), generate plans for the development and sale of rural residential lots in Burketown South, and master plan for the development of light industrial lots to the west of Burketown.

As identified earlier, several of Council's infrastructure development projects are also geared to facilitate economic growth. The most notable of these is the Doomadgee to Burketown Fibre Link Project, which will provide the technological platform for driving a range of business efficiencies, new business opportunities and improving fundamentals such as education and health care which are foundational for community sustainability and growth.

	Council has also commenced discussions with the State of Queensland, Waanyi Traditional Owners, Paraway Pastoral and residents of Gregory to plan for land tenure reforms that will enable a range of economic development opportunities in Gregory.
ENVIRONMENTAL SERVICES	<p>Council's main objectives in this area of organisational focus are to ensure that biosecurity practices, sewerage treatment operations and landfill operations are compliant and continually improving.</p> <p>In 2015-16, Burke Shire along with all other Queensland Councils has begun preparing for the introduction of the new Biosecurity Act 2014, which consolidates and replaces a variety of related legislation. Training for Authorised Persons under the Act has taken place and Council is now working toward the development of a new Biosecurity Plan with key stakeholders.</p> <p>The Corporate and Operational Plans identify improvements to the Burketown and Gregory landfill sites as major priorities. To this end, Council commissioned the completion of a Waste Reduction and Recycling Plan and associated Site Based Management Plans for the Burketown and Gregory landfill sites. Council also commenced discussions with the Doomadgee Aboriginal Shire and the Department of Infrastructure and Local Government in relation to the establishment of a regional landfill facility in Doomadgee, which would see the Councils collaborate on a wide range of waste management operations and practices.</p> <p>Planning continues for the introduction of a 'passive lagoon system' of waste water treatment in Burketown, with the aim of introducing a low-cost, long-term solution to Burketown's sewerage treatment needs. The lagoon system will not require power nor the same level of daily, weekly and monthly maintenance of the packaged treatment plant that currently services Burketown</p>

s190(1c) Significant Business Activities and Commercial Business Units

During the reporting period Council had no significant business activities or beneficial enterprises.

s190(1d) Joint government activity and levying of special rates

During the reporting period Council did not engage in any joint government activity, nor levy special rates or charges.

s190(1e) The number of invitations to change tenders under s228(7)

During the reporting period there were no invitations to change tenders.

s190(1f) Registers Open to the Public

- Registers of Members Interests
- Register of Roads
- Register of General Charges and Regulatory Fees
- Register of Delegations by Council to Chief Executive Officer
- Register of Sub-Delegations from CEO to Council Officers and Authorised Officers
- Register of Policies
- Cemetery Register
- Impounding Register

s190 (1g) Summary of all concessions for rate and charges

The following resolution was passed by Council in relation to concessions for rates and charges:

09.04 Revenue Statement – Pensioner Discount on Rates 2015-16

- j) Pursuant to Section 120 and 122 of the Local Government Regulation 2012, [Council] determines that verified Pensioners will be entitled to a Pensioner Concession in accordance with section 9.2 of the Revenue Statement 2015-2016.

Moved:	Cr Camp
Seconded:	Cr Poole
Carried 22. 150722	5/0

s105 Internal Audit Function

Each Local Government must establish an effective and efficient internal audit function. Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. The 2015-16 internal audit focused on business continuity. Focus in 2016-17 will be on asset management and financial sustainability. Burke Shire Council has also established an audit committee in the interest of providing leadership and oversight of both internal and external audit functions.

s190(1i) Summary of investigation notices

Not applicable

s190(1j) Responses to QCA's recommendations on competitive neutrality

Not applicable

Finance Plans and Reporting

One of the driving forces behind local government reform in 2008 was the need for councils to ensure long term financial sustainability. Through Section 183 of the Local Government Regulation 2012, the State Government has legislated that Council must include in its Annual Report, a long-term financial sustainability statement inclusive of relevant measures of financial sustainability for the year the annual report has been prepared. In addition, Council is required to provide an explanation of how its financial management strategy is consistent with the long-term financial forecasts.

Council has developed a long-term financial forecast (the Forecast) to help monitor and guide its decision-making to ensure the financial sustainability of council and limit further future rate price shocks on the community. The Forecast provides for the anticipated growth in the Burke Shire region and funds renewal and new capital infrastructure to maintain service levels and support growth with millions of dollars invested in infrastructure in recent years. Cash balances are maintained at a level to provide sufficient liquidity to cover working capital requirements. Expenditure is forecast to grow in line with the increases to Council's asset base with an expectation for ongoing efficiency gains from Council's operations.

Council has in place various policies, some of which are legislated, to support the management of its finances and the achievement of the long-term financial forecast. These include but are not limited to –

- Revenue Policy
- Investment Policy
- Debt Policy
- Procurement Policy
- Asset & Services Management Plan

Please see Appendix A for Council's Financial Statements and Long-Term Financial Sustainability Statement for the reporting period.

APPENDIX A

Financial Statements 2015-2016 & Long-Term

Burke Shire Council
Financial Statements
for the year ended 30 June 2016

Burke Shire Council

Financial Statements

For the year ended 30 June 2016

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Burke Shire Council
Statement of Comprehensive Income
For the year ended 30 June 2016

	Note	Council	
		2016 \$	2015 \$
Income			
Revenue			
Recurrent Revenue			
Rates and Charges	3(a)	3,629,309	3,488,320
Fees and Charges		87,113	49,151
Rental Income		226,715	130,165
Interest Received		363,592	459,096
Sales Revenue	3(b)	1,052,031	1,245,828
Other Revenue		248,115	1,104,689
Grants, Subsidies and Contributions	4(a)	7,157,722	3,192,658
		<u>12,764,597</u>	<u>9,669,907</u>
Capital Revenue			
Grants, Subsidies and Contributions	4(b)	1,773,660	3,485,574
Total Revenue		<u>14,538,258</u>	<u>13,155,481</u>
Capital Income	5	45,195	-
Total Income		<u>14,583,453</u>	<u>13,155,481</u>
Expenses			
Recurrent Expenses			
Employee Benefits	6	(3,925,189)	(3,737,848)
Materials and Services	7	(10,485,695)	(3,777,666)
Finance Costs		(13,834)	(22,143)
Depreciation	11	(3,765,813)	(3,319,302)
		<u>(18,190,531)</u>	<u>(10,856,958)</u>
Capital Expenses	8	(73,632)	(367,440)
Total Expenses		<u>(18,264,163)</u>	<u>(11,224,398)</u>
NET RESULT		<u>(3,680,710)</u>	<u>1,931,083</u>
Other comprehensive income			
Items that will not be reclassified to net result			
Increase in Revaluation Surplus	15	1,923,706	4,409,068
Total other comprehensive income for the year		<u>1,923,706</u>	<u>4,409,068</u>
Total comprehensive income for the year		<u>(1,757,004)</u>	<u>6,340,151</u>

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

Burke Shire Council
Statement of Financial Position
as at 30 June 2016

		Council	
		2016	2015
	Note	\$	\$
Current Assets			
Cash and Equivalents	9	11,866,862	15,171,178
Trade and Other Receivables	10	980,112	1,392,660
Inventories		193,943	190,071
		<u>13,040,917</u>	<u>16,753,908</u>
Total Current Assets		<u>13,040,917</u>	<u>16,753,908</u>
Non-Current Assets			
Property, Plant and Equipment	11	133,383,655	131,572,273
Total Assets		<u>146,424,572</u>	<u>148,326,181</u>
Current Liabilities			
Trade and Other Payables	13	1,087,337	1,330,979
Provisions	14	119,794	120,105
Total Current Liabilities		<u>1,207,131</u>	<u>1,451,084</u>
Non-Current Liabilities			
Provisions	14	609,885	510,548
Total Non-Current Liabilities		<u>609,885</u>	<u>510,548</u>
Total Liabilities		<u>1,817,015</u>	<u>1,961,632</u>
Net Community Assets		<u>144,607,555</u>	<u>146,364,548</u>
Community Equity			
Revaluation Surplus	15	76,038,657	74,114,951
Retained Surplus		68,568,898	72,249,598
Total Community Equity		<u>144,607,555</u>	<u>146,364,548</u>

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

Burke Shire Council
Statement of Cash Flows
For the year ended 30 June 2016

	Note	Council	
		2016	2015
		\$	\$
Cash flows from operating activities			
Receipts from customers		5,426,719	5,805,912
Payments to suppliers and employees		(14,516,975)	(8,133,773)
		(9,090,256)	(2,327,861)
Finance Costs		(13,834)	(22,143)
Interest Received		363,592	459,096
Rental Income		226,715	130,165
Operating Grants and Contributions		7,157,722	3,192,658
	20	(1,356,060)	1,431,915
Cash flows from investing activities			
Payments for property, plant and equipment		(3,269,001)	(5,921,498)
Proceeds from sale of property plant and equipment		536,000	30,909
Grants, subsidies, and contributions		784,746	3,485,574
Net cash inflow (outflow) from investing activities		(1,948,255)	(2,405,015)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Net increase (decrease) in cash held		(3,304,315)	(973,100)
Cash and equivalents at the beginning of the financial year		15,171,178	16,144,278
Cash and equivalents at end of the financial year	9	11,866,862	15,171,178

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

Burke Shire Council
Statement of Changes in Equity
For the year ended 30 June 2016

	Revaluation Surplus	Retained Surplus	TOTAL
Note	15		
	\$	\$	\$
Balance as at 1 July 2015	74,114,951	72,249,597	146,364,548
Opening balance	74,114,951	72,249,597	146,364,548
Net operating surplus/deficiency	-	(3,680,710)	(3,680,710)
Increase / (decrease) in revaluation surplus	1,923,706	-	1,923,706
Balance as at 30 June 2016	76,038,657	68,568,898	144,607,555
Balance as at 1 July 2014	69,705,883	70,318,514	140,024,399
Net operating surplus	-	1,931,083	1,931,083
Other comprehensive income for the year			
Increase / (decrease) in revaluation surplus	4,409,068	-	4,409,068
Balance as at 30 June 2015	74,114,951	72,249,597	146,364,548

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

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

1 Significant Accounting Policies

1.A Basis of Preparation

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

These financial statements have been prepared under the historical cost convention except for the revaluation of certain classes of Property, Plant and Equipment at fair value, Long Service Leave and restoration provision at net present value.

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

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

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

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

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

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.

Burke 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.

Burke Shire Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective with the exception of AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities. Generally council applies standards and interpretations in accordance with their respective commencement dates. The retrospective application of AASB 2015-7 has exempted council from the disclosure of quantitative information and sensitivity analysis for some valuations categorised within Level 3 of the fair value hierarchy.

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

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

At the date of authorisation of the financial report, the new or amended Australian Accounting Standards with future commencement dates are not likely to have a material impact on the financial statements.

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.L and Note 11

Impairment of property, plant and equipment - Note 1.M

Provisions - Note 1.O and 1.P and Note 14

Contingent liabilities - Note 17

1.H Revenue

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

Rates and Charges

Where monies are received prior to the commencement of the levying period, the amount is recognised as revenue in the period in which they are received.

Grants and Subsidies

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

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. Burke Shire Council received a non-cash contribution from Queensland Government for blocks of land under the Indigenous Land Use Agreement. The fair value of the land is \$998,914.

Sales Revenue

Sale of goods and Recoverable works revenue 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.

Contract works include construction and maintenance works for locals and local businesses.

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

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.

Burke Shire Council has categorised and measured the financial assets and financial liabilities held at balance date as

Financial Assets

Cash and equivalents (Note 1.J)

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

Financial Liabilities

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

Financial assets and financial liabilities are presented separately from each other and offsetting has not been applied. All other disclosures relating to the measurement and financial risk management of financial instruments are included in Note 22.

1.J Cash and Equivalents

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

1.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.

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

1.L Property, Plant and Equipment

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. Items of plant and equipment and furniture and fixture with a total value of less than \$10,000, and infrastructure assets and buildings with a total value of less than \$20,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

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

- Land
- Buildings
- Furniture and Fittings
- Plant and Equipment
- Road Infrastructure
- Water
- Sewerage
- Other Structures
- Work in Progress

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

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

Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of assets are treated as capital expenditure. Assets under construction are not depreciated until they are completed and commissioned, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

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.

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

Valuation

Land, Buildings 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*. Plant and equipment and furniture and fixture and work in progress are measured at cost.

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

In the intervening years, Council uses internal engineers and asset managers 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, buildings in the intervening years, management engage independent, professionally qualified valuers to perform a "desktop" valuation. A desktop valuation involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

An analysis performed by management has indicated that, on average, the variance between an indexed asset value and the valuation by an independent valuer when performed is not significant and the indices used by Council are sound. Further details in relation to valuers, the methods of valuation and the key assumptions used are disclosed in Note 12.

Any revaluation increment arising on the revaluation of an asset is credited to the appropriate class of the 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.

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

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

Depreciation on property, plant and equipment is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, 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. Land is not depreciated.

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

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

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

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

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed 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 11.

Land Under Roads

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

1.M Impairment of Non-Current Assets

Each non-current physical 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.

1.N 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.O Liabilities - Employee Benefits

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 13 as a payable.

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

Annual Leave

A liability for annual leave is recognised. All amounts have been recognised as current due to the entitlement of staff to take their leave at any time, subject to operational requirements. This liability represents an accrued expense and is reported in Note 13 as a payable

Sick Leave

Sick leave taken in the future will be met by future entitlements and hence no recognition of sick leave has been made in these financial statements.

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 18.

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 14 as a provision.

1.P Restoration Provision

A provision is made for the cost of restoration in respect of refuse dumps and quarries where it is probable the Council will be liable, or required, to incur such a cost on the cessation of use of these facilities. The provision is measured at the expected cost of the work required, discounted to current day values using the interest rates attaching to Commonwealth Government guaranteed securities with a maturity date corresponding to the anticipated date of the restoration.

Refuse Dump Restoration

The provision represents the present value of the anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for dump sites is reviewed at least annually and updated based on the facts and circumstances available at the time. Management estimates that the site will close in 2029 and that the restoration will occur progressively over the subsequent four years.

As refuse dumps are on state reserves which the Council does not control, the provision for restoration is treated as an expense in the year the provision is first recognised. Changes in the provision are treated as an expense or income.

1.Q Revaluation Surplus

The 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 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 revaluation surplus in respect of that class. Any excess is treated as an expense.

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

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

1.R National Competition Policy

The Council has reviewed its activities and has identified the business activities to which the code of competitive conduct applies.

1.S 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.T 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.

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 :

Revenue Raising

Relates to the management of all cash obtained through rates and charges, secured grants and financial assistance grants. The primary objective of this program is to maintain a level of revenue sufficient for the delivery of local government services at an appropriate level and standard.

Governance

Includes oversight of key governance frameworks, ensuring Council has a strong voice in the region and with the State Government, ensures Council connects with the community and Council's disaster management responsibilities.

Planning and Building

Includes strategic (town) planning, building services and tourism. Facilitating sustainable infrastructure and economic development within the Shire is the primary objective of this program.

Engineering Services

Includes road construction and maintenance, airport operation, boat ramps, drainage and footpaths. Ensuring Council continues to deliver appropriate levels of service to the community through the maintenance and replacement of its asset base is the primary objective of this program.

Environmental Services

Includes animal control, pest control, environmental health and cemeteries. Promoting environmental and community health is the primary objective of this function.

Community and Cultural

Includes libraries, civic buildings, ablution facilities, housing, sport and recreation, and parks and gardens. The primary objective of this program is to promote well-being through the provision of a range of services, support, events and venues for community and volunteer activities / organisations.

Garbage Utility

Includes refuse collection, refuse disposal and recycling. Ensuring Council continues to deliver appropriate levels of service to the community through the maintenance and replacement of its asset base is the primary objective of this program.

Sewerage Utility

Includes sewerage services. Ensuring Council continues to deliver appropriate levels of service to the community through the maintenance and replacement of its asset base is the primary objective of this program.

Water Utility

Includes water services. Ensuring Council continues to deliver appropriate levels of service to the community through the maintenance and replacement of its asset base is the primary objective of this program.

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

2 Analysis of Results by Function

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

Year ended 30 June 2016

Functions	Gross Program Income				Total Income	Gross Program Expenses		Total expenses	Net result from recurring operations	Net Result	Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
	2016 \$	2016 \$	2016 \$	2016 \$							
Revenue Raising	2,510,508	3,027,581			5,538,089	(39,042)		(39,042)	5,499,046	5,499,046	12,846,416
Governance	-	-			-	(1,050,657)		(1,050,657)	(1,050,657)	(1,050,657)	-
Finance and Community Services	13,750	408,072	-		421,822	(1,607,937)	(73,632)	(1,681,569)	(1,186,116)	(1,259,748)	233,749
Planning and Building	-	13,952			13,952	(56,158)		(56,158)	(42,207)	(42,207)	-
Engineering Services	4,415,095	1,283,770	556,690	45,195	6,300,750	(12,399,707)		(12,399,707)	(6,700,842)	(6,098,957)	93,697,128
Environmental Services	-	555			555	(399,482)		(399,482)	(398,927)	(398,927)	-
Community and Cultural	218,369	253,746	228,056	988,914	1,689,085	(1,540,630)		(1,540,630)	(1,068,516)	148,455	26,713,710
Garbage Utility		91,845			91,845	(209,953)		(209,953)	(118,108)	(118,108)	-
Sewerage Utility		136,998			136,998	(154,871)		(154,871)	(17,873)	(17,873)	1,551,432
Water Utility		390,358			390,358	(732,093)		(732,093)	(341,735)	(341,735)	11,382,137
Total	7,157,722	5,606,876	784,746	1,034,109	14,583,453	(18,190,531)	(73,632)	(18,264,163)	(5,425,933)	(3,680,710)	146,424,572

Year ended 30 June 2015

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							
	2015	2015	2015	2015							
	\$	\$	\$	\$	2015	2015	2015	2015	2015	2015	2015
					\$	\$	\$	\$	\$	\$	\$
Revenue Raising	2,449,264	3,114,022	-	-	5,563,286	(28,568)	-	(28,568)	5,534,718	5,534,718	16,561,966
Governance	-	-	-	-	-	(531,364)	-	(531,364)	(531,364)	(531,364)	-
Finance and Community Services	12,500	1,502,903	-	-	1,515,403	(2,180,217)	-	(2,180,217)	(664,816)	(664,814)	11,830,300
Planning and Building	-	843	-	-	843	(59,722)	-	(59,722)	(58,879)	(58,879)	-
Engineering Services	515,972	1,308,631	2,896,601	-	4,721,204	(5,254,977)	(367,439)	(5,622,416)	(3,430,374)	(901,212)	93,548,200
Environmental Services	-	2,587	-	-	2,587	(343,661)	-	(343,661)	(341,074)	(341,074)	516,669
Community and Cultural	214,923	138,860	588,973	-	942,756	(1,362,089)	-	(1,362,089)	(1,008,306)	(419,333)	13,201,772
Garbage Utility	-	63,292	-	-	63,292	(199,336)	-	(199,336)	(136,044)	(136,044)	-
Sewerage Utility	-	107,070	-	-	107,070	(244,275)	-	(244,275)	(137,205)	(137,205)	1,512,246
Water Utility	-	239,040	-	-	239,040	(652,748)	-	(652,748)	(413,708)	(413,708)	11,155,028
Total	3,192,658	6,477,248	3,485,574	-	13,155,481	(10,856,959)	(367,439)	(11,224,397)	(1,187,052)	1,931,083	148,326,182

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

	2016	2015
Note	\$	\$
3 Revenue Analysis		
(a) Rates and Service Charges		
General Rates	3,333,270	3,244,319
Water	420,886	266,060
Sewerage	149,103	117,390
Garbage Charges	100,380	71,166
Total Rates and Charges Revenue	4,003,639	3,698,935
Less: EFMR Levy	-	(957)
Less: Pensioner Remissions	(958)	(680)
Less: Discounts	(373,371)	(208,977)
	<u>3,629,309</u>	<u>3,488,320</u>
(b) Sales Revenue		
Sale of Services		
Contract and recoverable works	1,052,031	1,245,828
	<u>1,052,031</u>	<u>1,245,828</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.

4 Grants, Subsidies, and Contributions

(a) Recurrent		
General Purpose Grants	2,910,907	2,842,777
NDRRA Funding	4,014,696	-
State Government Subsidies and Grants	232,119	349,881
	<u>7,157,722</u>	<u>3,192,658</u>
(b) Capital		
Commonwealth Government Subsidies and Grants	-	-
Commonwealth or State Government Grants	784,746	3,485,574
Non-Cash Contribution	988,914	-
	<u>1,773,660</u>	<u>3,485,574</u>

Conditions over Contributions

Contributions recognised as income during the reporting period and which were obtained on the condition that they be expended in a manner specified by the contributor but had not been expended at the reporting date:

Non-reciprocal grants	-	-
	<u>-</u>	<u>-</u>

5 Capital Income

Gain on Disposal of Non-Current Assets

Proceeds from the sale of property, plant and equipment	536,000	-
Less: Book value of property, plant and equipment disposed off	(490,805)	-
Profit on Sale N/C Assets	45,195	-
Total Capital Income	<u>45,195</u>	<u>-</u>

6 Employee Benefits

Total Staff Wages and Salaries	2,877,242	2,984,260
Councillors' Remuneration	304,550	307,430
Annual, Sick and Long Service Leave Entitlements	318,512	223,353
Superannuation	340,731	327,333
	<u>3,841,035</u>	<u>3,842,376</u>
Other Employee Related Expenses	221,417	109,175
	<u>4,062,452</u>	<u>3,951,551</u>
Less: Capitalised Employee Expenses	(137,263)	(213,703)
	<u>3,925,189</u>	<u>3,737,848</u>

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

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

	2016 \$	2015 \$
	2016	2015
Total Council employees at the reporting date:		
Elected members	5	5
Administration staff	12	12
Depot and outdoors staff	36	32
Total full time equivalent employees	<u>53</u>	<u>49</u>
7 Materials and Services		
Advertising and Marketing	4,530	23,622
Audit of annual financial statements by auditor general of Queensland	85,000	175,500
Communications and IT	262,255	224,658
Consultants	84,811	278,242
Donations	32,856	31,030
Operating Expenses	1,359,008	1,089,915
Repairs and Maintenance	926,398	1,118,857
Recoverable Works	845,452	828,865
Roads - Flood Damage	6,879,189	907
Subscriptions and Registrations	6,197	6,071
Other Materials and Services	-	-
	<u>10,485,695</u>	<u>3,777,666</u>
8 Capital Expenses		
Loss on Flood Damaged Roads Write-Off		
Gross value of roads written-off		(850,917)
Less: Accumulated depreciation on those roads		493,106
Total impairment losses	<u>-</u>	<u>(357,811)</u>
Loss on Disposal of Non-Current Assets		
Proceeds from the sale of property, plant and equipment		30,909
Less: Book value of property, plant and equipment disposed off	(73,632)	(40,538)
Total capital expenses	<u>(73,632)</u>	<u>(9,629)</u>
9 Cash and Equivalents		
Cash at Bank and on Hand	1,041,110	3,639,790
Deposits at Call	10,825,753	11,012,387
Term Deposits	-	519,000
Less: Bank Overdraft	-	-
Balance per Statement of Cash Flows	<u>11,866,862</u>	<u>15,171,178</u>
Council's cash and equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:		
Unspent government grants and subsidies	-	-
Total unspent restricted cash	<u>-</u>	<u>-</u>

Cash is held in the Westpac Bank in normal business cash reserve accounts and business cheque accounts. The bank currently has a short-term credit rating of A1+ and a long-term rating of AA-. Deposits at call are held with the Queensland Treasury Corporation.

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

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

	2016	2015
Note	\$	\$
10 Trade and Other Receivables		
Current		
Rateable revenue and utility charges	137,712	143,711
Trade Debtors	665,130	1,076,404
Accrued Interest	-	91,912
Less: Impairment	(27,234)	(34,710)
GST Recoverable	102,990	60,781
Prepayments	101,514	54,562
	<u>980,112</u>	<u>1,392,660</u>

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

Movement in accumulated impairment provisions is as follows:

Opening balance at 1 July	34,710	27,234
Additional impairments recognised		7,475
Impairments reversed	(7,476)	-
Closing Balance at 30 June	<u>27,234</u>	<u>34,710</u>

Trade and Other Receivables

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

By the nature of the Council's operations, there is a geographical concentration of risk in the Council's area. This is due to economic issues e.g. low employment and various cultural issues all of which have a general economic impact.

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

	2016	2015
	\$	\$
Not past due	108,832	1,142,157
Past due 31-60 days	601,089	102,967
Past due 61-90 days	0	0
More than 90 days	195,911	35,772
Impaired	(27,234)	(34,710)
Total	<u>878,598</u>	<u>1,246,185</u>

For impaired financial assets the factors the Council considered when impairing the asset included the ageing of receivables, historical collection rates and specific knowledge of the debtors financial position.

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

11 Property, Plant and Equipment

Council - 30 June 2016

Basis of Measurement

Asset Values

Opening gross value as at 1 July 2015

Additions

Disposals

Transfers between classes

Transferred to Operating Expenses

Revaluation adjustment to ARR

Closing Gross Value as at 30 June 2016

Accumulated Depreciation

Opening balance as at 1 July 2015

Depreciation provided in period

Disposals

Revaluation adjustment to ARR

Accumulated Depreciation as at 30 June 2016

Total Written Down Value as at 30 June 2016

Residual Value

Range of Estimated Useful Life in Years

Additions Comprise:

Renewals

Other Additions

Total Additions

Note

Buildings	Land	Furniture and Fittings	Plant and Equipment	Road Infrastructure	Water	Sewerage	Other Structures	Work in Progress	TOTAL
Fair Value	Fair Value	Cost	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
20,071,073	3,751,000	158,095	6,694,710	124,653,822	15,336,226	3,085,445	4,029,881	463,676	178,243,928
	988,914							3,269,001	4,257,915
	(156,000)		(1,387,114)	(73,632)					(1,616,746)
371,018	15,086		1,446,700	865,775	12,377		779,992	(3,490,947)	-
								(40,000)	(40,000)
632,975				4,335,895	279,270	62,985	100,747		5,411,872
21,075,066	4,599,000	158,095	6,754,296	129,781,860	15,627,873	3,148,430	4,910,620	201,730	186,256,969

2,185,392	-	110,254	3,236,635	34,474,419	4,185,648	1,573,198	906,107	-	46,671,653
329,318		8,592	620,823	2,476,698	171,290	44,528	114,564		3,765,813
			(1,052,311)						(1,052,311)
454,427				3,176,896	(96,802)	(15,314)	(31,048)		3,488,159
2,969,137	-	118,846	2,805,147	40,128,013	4,260,136	1,602,412	989,623	-	52,873,314

18,105,928	4,599,000	39,249	3,949,149	89,653,847	11,367,737	1,546,018	3,920,997	201,730	133,383,655
-	-	-	1,789,010	-	-	-	-	-	-
17 - 107	N / A	4 - 10	2 - 20	14-195	10-171	23-122	21 - 87		

\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
371,018	-	-	1,446,700		-	-	-	-	1,817,718
-	1,004,000			865,775	12,377	-	558,046		2,440,197
371,018	1,004,000	-	1,446,700	865,775	12,377	-	558,046	-	4,257,915

Council - 30 June 2015

Basis of Measurement

Asset Values

Opening gross value as at 1 July 2014

Additions

Disposals

Revaluation adjustment to ARR

Transfers between classes

Closing Gross Value as at 30 June 2015

Accumulated Depreciation

Opening balance as at 1 July 2014

Depreciation provided in period

Depreciation on disposals

Revaluation adjustment to revaluation surplus

Transfers between classes

Accumulated Depreciation as at 30 June 2015

Total Written Down Value as at 30 June 2015

Note

Buildings	Land	Furniture and Fittings	Plant and Equipment	Road Infrastructure	Water	Sewerage	Other Structures	Work in Progress	TOTAL
Fair Value	Fair Value	Cost	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
\$	\$	\$	\$	\$	\$	\$	\$		\$
15,465,102	3,751,000	150,506	6,353,683	121,387,853	15,043,976	3,015,333	3,950,863	2,075,325	171,193,641
-	-	-	11,715	850,917	-	-	-	4,932,962	5,795,594
-	-	-	(58,231)	(850,917)	-	-	-	-	(909,148)
120,513	-	-	-	1,740,448	196,346	27,515	79,018	-	2,163,840
4,485,458	-	7,589	387,543	1,525,521	95,904	42,596	-	(6,544,611)	-
20,071,073	3,751,000	158,095	6,694,710	124,653,822	15,336,226	3,085,445	4,029,881	463,676	178,243,927

15

2,434,537	-	101,577	2,949,216	34,096,823	4,105,038	1,532,847	888,340	-	46,108,378
261,370	-	8,677	305,112	2,429,554	167,368	43,595	103,626	-	3,319,302
-	-	-	(17,693)	(493,106)	-	-	-	-	(510,799)
(510,515)	-	-	-	(1,558,852)	(86,758)	(3,244)	(85,859)	-	(2,245,228)
-	-	-	-	-	-	-	-	-	-
2,185,392	-	110,254	3,236,635	34,474,419	4,185,648	1,573,198	906,107	-	46,671,654

15

17,885,681	3,751,000	47,841	3,458,075	90,179,403	11,150,578	1,512,246	3,123,774	463,676	131,572,273
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Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

12 Fair Value Measurements

(i) Recognised Fair Value Measurements

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

- Land and Improvements
- Buildings
- Road Infrastructure
- Water
- Sewerage
- Other Structures

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).

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

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

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

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

	Note	Level 2 (Significant observable inputs) \$	Level 3 (Significant unobservable inputs) \$
Recurring fair value measurements			
Buildings	11	-	18,105,928
Land	11	4,599,000	
Road Infrastructure	11	-	89,653,847
Water	11	-	11,367,737
Sewerage	11	-	1,546,018
Other Structures	11	-	3,920,997
		<u>4,599,000</u>	<u>124,594,527</u>

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

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

Land (level 2)

Land fair values were determined by independent valuer, APV Valuers and Asset Management using a desktop valuation approach effective 30 June 2016. The last comprehensive revaluation was performed by APV Valuers and Asset Management at 1 July 2014 for the purpose of determining restated opening balances. Level 2 valuation inputs were used to value land held 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. The most significant inputs into this valuation approach are price per square metre.

The desktop valuation approach involved research to determine any indication of changes in land value throughout the Burke Shire Council area. Research undertaken consisted of searching all land sales by town to determine whether any change has occurred since the previous comprehensive valuation. No changes were noted, as such no index has been applied.

Infrastructure Assets (Level 3)

The fair value of buildings were determined by independent valuer, APV Valuers and Asset Management effective 1 July 2014, with a desktop valuation undertaken at 30 June 2016. Due to the remote nature of Burketown, there is neither an active market for the assets, or the Council buildings are of a specialist nature. Therefore fair value has been determined on the basis of replacement with a new asset having similar service potential including allowances for preliminaries and professional fees.

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

The Gross Current Values have been derived from reference to market data for recent projects and costing guides issued by the Australian Institute of Quantity Surveyors, Rawlinson's (Australian Construction Handbook). Due to this limited market, the net current value of a building asset is the fair value using Depreciated Replacement Cost assessed with reference to the Gross Replacement Cost and the Remaining Life or potential service of the asset.

In determining the level of depreciation for the asset, consideration has been given to the typical life cycle and renewal treatments of each component, and at what point the asset is considered to be no longer available to meet its primary objective. Condition was assessed taking into consideration both physical characteristics as well as functionality, capability, utilisation and obsolescence.

Infrastructure Assets (Level 3)

The desktop valuation approach involved research to determine any indication of changes in land value within the Burke Shire Council area. Research undertaken consisted of searching all land sales by town to determine whether any change has occurred since the previous comprehensive valuation. No changes were noticed, as such no index has been applied at 30 June 2016.

There is no market for Council's roads, water and sewerage assets and other infrastructure assets as these are held to provide essential services to the community. For the purpose of assessing fair value for financial reporting purposes value has been determined by using Depreciated Replacement Cost (DRC). This valuation comprises the estimated current cost of replacement of the asset with a similar asset which is not necessarily an exact reproduction but which has similar service potential and function (plus where applicable an amount for installation), less an amount for depreciation in the form of accrued physical wear and tear, economic and functional obsolescence.

Fair value of assets was determined by independent valuer, APV Valuers and Asset Management effective 1 July 2014, with a desktop index applied at 30 June 2016. During the comprehensive valuation of 2014, condition was assessed by inspection from the valuers. This report detailed the Road's lengths and width that had been measured by GPS and also to provide an assessment of condition allowing the assessment of the change in condition within a six month span providing greater clarity to the useful life of road assets. All above ground assets were physically inspected.

The unit rates (labour and materials) and quantities applied to determine the Current Replacement Cost (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 DRC was determined using methods relevant to the asset class as described under individual asset categories below.

1(a) Road Network - calculation of current replacement cost

Road Infrastructure

Current Replacement Cost

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

Road network infrastructure fair values were determined by independent valuers, APV Valuers and Asset Management using a desktop valuation approach effective 30 June 2016. The last comprehensive revaluation was performed by APV Valuers and Asset Management at 1 July 2014. CRC was calculated based on expected replacement costs. All road network infrastructure assets were valued using level 3 valuation inputs using the cost approach.

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

APV's cost models are derived from the following sources:

- Actual construction or purchase prices for recent projects paid by the specific entity.
- APV database. Preference is provided to nearby locations.
- Rawlinson's Construction Guide or similar guides (such as Cordel's)
- Development of costs using first principles
- Benchmarking against other valuations

The desktop approach undertaken in the current year adjusts the figures from the previous valuation by reference to indexation to make them current as at 30 June 2016. The indexation percentage for the infrastructure valuations has been derived from reference to costing guides issued by the Australian Institute of Quantity Surveyors, Rawlinson's (Australian Construction Handbook), Construction data from the Australian Bureau of Statistics and APV internal market research and costings. The analysis of these construction cost guides and research has determined that the approximate increase in infrastructure costs is 1% for road assets and 2% for stormwater assets. This index has been applied at 30 June 2016.

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

Accumulated Depreciation

In determining the level of accumulated depreciation, roads were split into significant components which exhibited different useful lives. The valuer determined an asset consumption rating scale for each asset type based on the inter-relationship between a range of factors. These factors and their relationship to the fair value require professional judgment and include asset condition, legal and commercial obsolescence and the determination of key depreciation related assumptions such as residual value, useful life and pattern of consumption of the future economic benefit. The consumption rating scales were based initially on the past experience of the valuation firm and industry guides and were then updated to take into account the experience and understanding of Council's own engineers, asset management and finance staff. The results of the valuation were further evaluated by confirmation against council's own understanding of the assets and the level of remaining service potential. Asset condition for the purposes of a desktop valuation relied on the validation of the asset registers and physical inspections carried out by APV during the 14/15 year and asset condition data supplied by Council in 2015/16. A straight line consumption model has been utilised.

2(a) Water, Sewerage and Other Infrastructure – Calculation of written down current replacement cost

Water and Sewerage

Current Replacement Cost

Water and sewerage network Infrastructure fair values were determined by independent valuers. APV Valuers and Asset Management using a desktop valuation approach effective 30 June 2016. The last comprehensive revaluation was performed by APV Valuers and Asset Management at 1 July 2014. 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 useful life. All water and sewerage network infrastructure assets were valued using level 3 valuation inputs using the cost approach.

APV's cost models are derived from the following sources:

- Actual construction or purchase prices for recent projects paid by the specific entity.
- APV database. Preference is provided to nearby locations.
- Rawlinson's Construction Guide or similar guides (such as Cordells)
- Development of costs using first principles
- Benchmarking against other valuations

The desktop approach undertaken in the current year adjusts the figures from the previous valuation by reference to indexation to make them current as at 30 June 2016. The indexation percentage for the infrastructure valuations has been derived from reference to costing guides Issued by the Australian Institute of Quantity Surveyors. Rawlinson's (Australian Construction Handbook), Construction data from the Australian Bureau of Statistics and APV internal market research and castings. The analysis of these construction cost guides and research has determined the appropriate Indexation to apply at 30 June 2016 as follows: Water Civil and Mechanical Assets 1.8 %; Water civil, electrical and water pipe and associated assets 2%; and sewerage treatment assets 2%.

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 disclosed in this note.

Condition Rating Matrix

Condition Rating	Condition Definition	Description Explanation	Remaining Useful Life
0	As new condition / Excellent	Asset is as new	95% - 100%
1	Very Good	Asset is close to new	75% - 94%
2	Good	Asset is in good condition	55% - 74%
3	Fair	Asset is in fair condition	30% - 54%
4	Poor	Asset is in poor condition	5% - 29%
5	Unserviceable	Asset is in very poor condition and has failed or is in fear of failing	0% - 4%

Valuation Processes

Councils valuation policies and procedures are set by the executive management team which comprises the Chief Executive Officer and Finance Manager. They are reviewed annually taking into consideration an analysis of movements in fair value and other relevant information. Council's current policy for the valuation of property, plant and equipment (recurring fair value measurements) is set out in Note 1.L. Non-recurring fair value measurements are made at the point of reclassification by a registered valuer.

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

13 Trade and Other Payables

	2016	2015
Note	\$	\$
Current		
Creditors and Accruals	770,266	1,040,344
Annual Leave	290,563	262,972
Other Employee Entitlements	26,508	27,663
	<u>1,087,337</u>	<u>1,330,979</u>

14 Provisions

Current		
Long Service Leave	119,794	120,105
	<u>119,794</u>	<u>120,105</u>
Non-Current		
Long Service Leave	80,750	60,323
Refuse Restoration	529,135	450,225
	<u>609,885</u>	<u>510,548</u>

Details of movements in provisions:

Refuse Restoration

Balance at beginning of financial year	450,225	463,501
Change in provision due to change in cost assessment	78,910	(13,276)
Balance at end of financial year	<u>529,135</u>	<u>450,225</u>

This is the present value of the estimated cost of restoring the refuse disposal site to a useable state at the end of its useful life. The projected cost is \$529,135 and this cost is expected to be incurred in 2029.

Long Service Leave

Balance at beginning of financial year	180,429	141,291
Long service leave entitlement arising	80,025	46,520
Long Service entitlement paid	(59,910)	(7,382)
Balance at end of financial year	<u>200,544</u>	<u>180,429</u>

15 Revaluation Surplus

Movements in the revaluation surplus were as follows:

Balance at beginning of financial year	74,114,951	69,705,883
Net adjustment to non-current assets at end of period to reflect a change in current fair value:		
Land	-	-
Buildings	178,548	631,028
Road Infrastructure	1,158,995	3,299,300
Water	376,072	283,104
Sewerage	78,300	30,759
Other Structures	131,791	164,877
Balance at end of financial year	<u>76,038,657</u>	<u>74,114,951</u>

Revaluation Surplus Analysis

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

Land	3,821,357	3,821,357
Buildings	6,651,748	6,473,200
Road Infrastructure	52,854,818	51,695,823
Water	4,208,527	3,832,455
Sewerage	3,681,570	3,603,270
Other Structures	4,820,637	4,688,846
	<u>76,038,657</u>	<u>74,114,951</u>

16 Commitments for Expenditure

Contractual Commitments

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

Upgrade Gregory to Lawn Hill Road	1,406,020	155,356
	<u>1,406,020</u>	<u>155,356</u>

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

17 Contingent Liabilities

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

Local Government Mutual

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 2016 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare

Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and insufficient funds were 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. Council's maximum exposure to the bank guarantee is \$64,378.

18 Superannuation

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

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

The scheme has three elements referred to as:

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

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

The Accumulation Benefits Fund (ABF)

The ABF is a defined contribution scheme as defined in 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*.

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

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

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

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

The most recent actuarial assessment of the scheme was undertaken as at 1 July 2015. The actuary indicated that "at the valuation date 1 July 2015, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory position at the valuation date."

In the 2015 Actuarial report, the actuary recommended no change 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 conducted as at 1 July 2018.

	Note	2016 \$	2015 \$
Superannuation contributions paid by Council to the scheme for the benefit of employees was:	6	340,731	327,333

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

19 Trust Funds

Trust funds held for outside parties

Monies collected or held on behalf of other entities
yet to be paid out to or on behalf of those entities

	126,155	38,247
	<u>126,155</u>	<u>38,247</u>

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

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

	2016	2015
Note	\$	\$
Net Result	(3,680,710)	1,931,083
Non-Cash Items:		
Depreciation	3,765,813	3,319,302
	<u>3,765,813</u>	<u>3,319,302</u>
Investing and Development Activities:		
Net (profit)/loss on disposal of non-current assets	28,437	367,439
Capital Grants and Contributions	(1,773,660)	(3,485,574)
Impairment of Capital WIP Projects	-	125,904
	<u>(1,745,223)</u>	<u>(2,992,231)</u>
Changes in Operating Assets and Liabilities:		
(Increase)/ decrease in receivables	412,548	(207,980)
(Increase)/decrease in inventory	36,128	47,550
Increase/(decrease) in payables	(243,642)	(691,671)
Increase/(decrease) in other provisions	99,026	25,862
	<u>304,061</u>	<u>(826,239)</u>
Net cash inflow from operating activities	<u>(1,356,060)</u>	<u>1,431,915</u>

21 Events after the reporting period

There were no material adjusting events after the balance date.

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

22 Financial Instruments

Burke Shire Council has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

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

Credit Risk

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

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

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

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

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

	Note	2016	2015
		\$	\$
Financial Assets			
Cash and Equivalents	9	11,866,862	15,171,178
Receivables - Rates	10	137,712	143,711
Receivables - Other	10	740,886	1,102,475
Other Credit Exposures			
Guarantees	17	64,378	62,730
Total Financial Assets		<u>12,809,838</u>	<u>16,480,093</u>

Liquidity Risk

Liquidity risk is the risk that the Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Council manages its exposure to liquidity risk by maintaining sufficient cash deposits to cater for volatility in cash flows.

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

	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
2016					
Trade and Other Payables	796,774	-	-	796,774	796,774
	<u>796,774</u>	<u>-</u>	<u>-</u>	<u>796,774</u>	<u>796,774</u>
2015					
Trade and Other Payables	1,068,007	-	-	1,068,007	1,068,007
	<u>1,068,007</u>	<u>-</u>	<u>-</u>	<u>1,068,007</u>	<u>1,068,007</u>

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

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

Market Risk

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

Interest rate risk

Burke Shire Council is exposed to interest rate risk through investments with financial institutions.

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

23 National Competition Policy

Business activities to which the code of competitive conduct is applied

Burke Shire Council applies the competitive code of conduct to the following activities:

Roads
Water and sewerage

This requires the application of full cost pricing, identifying the cost of community service obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity.

The CSO value is determined by Council, and represents an activities cost(s) which would not be incurred in the primary objective of the activities was to make a profit. The Council provides funding from general revenue to the business activity to cover the cost of providing non-commercial community services or costs deemed to be CSO's by the Council.

The following activity statements are for activities subject to the competitive code of conduct:

	Roads	Water & Sewerage	Waste Management
Revenue for services provided to the Council	-	-	-
Revenue for services provided to external clients	816,175	527,356	91,845
Community service obligations	-	-	-
Less: expenditure	796,790	886,964	209,953
Surplus/(deficit)	19,385	(359,608)	(118,108)

Description of the CSO's provided to business activities:

Activity	SO Description	Net Cost
Water and sewerage	Providing free services in public areas	NIL

**Burke Shire Council
Financial Statements
For the year ended 30 June 2016**

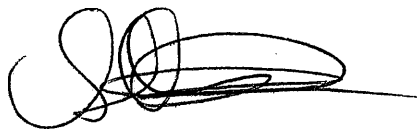
**Management Certificate
For the year ended 30 June 2016**

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

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

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 2 to 27, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



Mayor
Ernie Camp

Chief Executive Officer
Sharon Daishe

Date: 24/10/2016

Date: 24/10/2016

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Burke Shire Council

Report on the Financial Report

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

The Council's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

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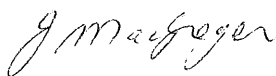
Opinion

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 Burke Shire Council for the financial year 1 July 2015 to 30 June 2016 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

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



J MacGregor CPA
as Delegate of the Auditor-General of Queensland



Queensland Audit Office
Brisbane

Burke Shire Council
Current-year Financial Sustainability Statement
For the year ended 30 June 2016

Measures of Financial Sustainability

How the measure is calculated

Actual

Target

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

Operating Surplus Ratio	Net result (excluding capital) divided by total operating revenue (excluding capital)	-42.5%	0% to 10%
Asset Sustainability Ratio	Capital expenditure on replacement of assets (renewals) divided by depreciation expense.	12%	> 90%
Net Financial Liabilities Ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-88%	≤ 60%

Note 1 - Basis of Preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2016.

Certificate of Accuracy

For the year ended 30 June 2016

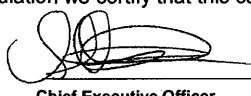
This current-year financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the

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



Mayor
Ernie Camp

Date: 24/10/2016



Chief Executive Officer
Sharon Daishe

Date: 24/10/2016

QAO
certified statements

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Burke 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 Burke Shire Council for the year ended 30 June 2016 comprising the statement and explanatory notes, and certificates given by the Mayor and Chief Executive Officer.

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

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

Auditor's Responsibility

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

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

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

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

Independence

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

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

Opinion

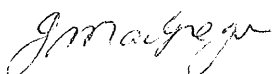
In accordance with s.212 of the *Local Government Regulation 2012*, in my opinion, in all material respects, the current-year financial sustainability statement of *[insert name of local government]*, for the year ended 30 June *[insert year]*, has been accurately calculated.

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.



J MacGregor CPA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane

Burke Shire Council
Long-Term Financial Sustainability Statement
Prepared as at 30 June 2016

Projected for the years ended

Measures of Financial Sustainability

Measures of Financial Sustainability	Measure	Target	Actuals	30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025
			30 June 2016									
Operating Surplus Ratio	Net result divided by total operating revenue	0% to 10%	-42.5%	-12.4%	-12.1%	-37.1%	-46.0%	-45.7%	-47.6%	-45.4%	-43.6%	-44.9%
Asset Sustainability Ratio	Capital expenditure on renewals divided by depreciation expense.	> 90%	12%	433%	182%	133%	130%	140%	135%	146%	145%	150%
Net Financial Liabilities Ratio	Total liabilities less current assets divided by total operating revenue	< 60%	-88%	-125%	-122%	-160%	-159%	-148%	-141%	-134%	-128%	-122%


Burke 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.


Certificate of Accuracy
For the year ended 30 June 2016

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

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



Mayor
Ernie Camp



Chief Executive Officer
Sharon Daishe

Date: 24/10/2016

Date: 24/10/2016

Burke Shire Council
Long-Term Financial Sustainability Statement
Prepared as at 30 June 2016

			Projected for the years ended									
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Opinion

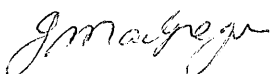
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J MacGregor CPA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Burke 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 Burke Shire Council for the year ended 30 June 2016 comprising the statement and explanatory notes, and certificates given by the Mayor and Chief Executive Officer.

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

Burke Shire Council
Current-year Financial Sustainability Statement
For the year ended 30 June 2016

Measures of Financial Sustainability

	How the measure is calculated	Actual	Target
Council's performance at 30 June 2016 against key financial ratios and targets:			
Operating Surplus Ratio	Net result (excluding capital) divided by total operating revenue (excluding capital)	-42.5%	0% to 10%
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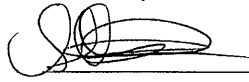
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Mayor
Ernie Camp



Chief Executive Officer
Sharon Daishe

Date: 24/10/2016

Date: 24/10/2016

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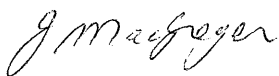
Opinion

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
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J MacGregor CPA
as Delegate of the Auditor-General of Queensland



Queensland Audit Office
Brisbane

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Burke Shire Council

Report on the Financial Report

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Burke Shire Council
Financial Statements
For the year ended 30 June 2016

Management Certificate
For the year ended 30 June 2016

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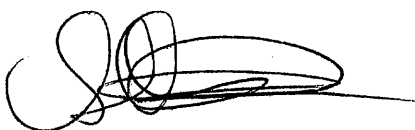
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Mayor
Ernie Camp

Date: 24/10/2016



Chief Executive Officer
Sharon Daishe

Date: 24/10/2016

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

Market Risk

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

Interest rate risk

Burke Shire Council is exposed to interest rate risk through investments with financial institutions.

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

23 National Competition Policy

Business activities to which the code of competitive conduct is applied

Burke Shire Council applies the competitive code of conduct to the following activities:

Roads
Water and sewerage

This requires the application of full cost pricing, identifying the cost of community service obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity.

The CSO value is determined by Council, and represents an activities cost(s) which would not be incurred in the primary objective of the activities was to make a profit. The Council provides funding from general revenue to the business activity to cover the cost of providing non-commercial community services or costs deemed to be CSO's by the Council.

The following activity statements are for activities subject to the competitive code of conduct:

	Roads	Water & Sewerage	Waste Management
Revenue for services provided to the Council	-	-	-
Revenue for services provided to external clients	816,175	527,356	91,845
Community service obligations	-	-	-
Less: expenditure	796,790	886,964	209,953
Surplus/(deficit)	19,385	(359,608)	(118,108)

Description of the CSO's provided to business activities:

Activity	SO Description	Net Cost
Water and sewerage	Providing free services in public areas	NIL

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

22 Financial Instruments

Burke Shire Council has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

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

Credit Risk

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

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

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

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

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

	Note	2016	2015
		\$	\$
Financial Assets			
Cash and Equivalents	9	11,866,862	15,171,178
Receivables - Rates	10	137,712	143,711
Receivables - Other	10	740,886	1,102,475
Other Credit Exposures			
Guarantees	17	64,378	62,730
Total Financial Assets		<u>12,809,838</u>	<u>16,480,093</u>

Liquidity Risk

Liquidity risk is the risk that the Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Council manages its exposure to liquidity risk by maintaining sufficient cash deposits to cater for volatility in cash flows.

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

	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
2016					
Trade and Other Payables	796,774	-	-	796,774	796,774
	<u>796,774</u>	<u>-</u>	<u>-</u>	<u>796,774</u>	<u>796,774</u>
2015					
Trade and Other Payables	1,068,007	-	-	1,068,007	1,068,007
	<u>1,068,007</u>	<u>-</u>	<u>-</u>	<u>1,068,007</u>	<u>1,068,007</u>

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

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

19 Trust Funds

Trust funds held for outside parties

Monies collected or held on behalf of other entities
yet to be paid out to or on behalf of those entities

126,155	38,247
<u>126,155</u>	<u>38,247</u>

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

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

	Note	2016 \$	2015 \$
Net Result		(3,680,710)	1,931,083
Non-Cash Items:			
Depreciation		3,765,813	3,319,302
		<u>3,765,813</u>	<u>3,319,302</u>
Investing and Development Activities:			
Net (profit)/loss on disposal of non-current assets		28,437	367,439
Capital Grants and Contributions		(1,773,660)	(3,485,574)
Impairment of Capital WIP Projects		-	125,904
		<u>(1,745,223)</u>	<u>(2,992,231)</u>
Changes in Operating Assets and Liabilities:			
(Increase)/ decrease in receivables		412,548	(207,980)
(Increase)/decrease in inventory		36,128	47,550
Increase/(decrease) in payables		(243,642)	(691,671)
Increase/(decrease) in other provisions		99,026	25,862
		<u>304,061</u>	<u>(826,239)</u>
Net cash inflow from operating activities		<u>(1,356,060)</u>	<u>1,431,915</u>

21 Events after the reporting period

There were no material adjusting events after the balance date.

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

17 Contingent Liabilities

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

Local Government Mutual

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 2016 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare

Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and insufficient funds were 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. Council's maximum exposure to the bank guarantee is \$64,378.

18 Superannuation

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

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

The scheme has three elements referred to as:

- The City Defined Benefits Fund (CDBF) which covers former members of the City Super Defined Benefits Fund
- The Regional Defined Benefits Fund (Regional DBF) which covers defined benefit fund members working for regional local governments; and
- The Accumulation Benefits Fund (ABF)

The ABF is a defined contribution scheme as defined in 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*.

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

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

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

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

The most recent actuarial assessment of the scheme was undertaken as at 1 July 2015. The actuary indicated that "at the valuation date 1 July 2015, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory position at the valuation date."

In the 2015 Actuarial report, the actuary recommended no change 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 conducted as at 1 July 2018.

	Note	2016 \$	2015 \$
Superannuation contributions paid by Council to the scheme for the benefit of employees was:	6	340,731	327,333

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

13 Trade and Other Payables

	2016	2015
Note	\$	\$
Current		
Creditors and Accruals	770,266	1,040,344
Annual Leave	290,563	262,972
Other Employee Entitlements	26,508	27,663
	<u>1,087,337</u>	<u>1,330,979</u>

14 Provisions

Current		
Long Service Leave	119,794	120,105
	<u>119,794</u>	<u>120,105</u>
Non-Current		
Long Service Leave	80,750	60,323
Refuse Restoration	529,135	450,225
	<u>609,885</u>	<u>510,548</u>

Details of movements in provisions:

Refuse Restoration

Balance at beginning of financial year	450,225	463,501
Change in provision due to change in cost assessment	78,910	(13,276)
Balance at end of financial year	<u>529,135</u>	<u>450,225</u>

This is the present value of the estimated cost of restoring the refuse disposal site to a useable state at the end of its useful life. The projected cost is \$529,135 and this cost is expected to be incurred in 2029.

Long Service Leave

Balance at beginning of financial year	180,429	141,291
Long service leave entitlement arising	80,025	46,520
Long Service entitlement paid	(59,910)	(7,382)
Balance at end of financial year	<u>200,544</u>	<u>180,429</u>

15 Revaluation Surplus

Movements in the revaluation surplus were as follows:

Balance at beginning of financial year	74,114,951	69,705,883
Net adjustment to non-current assets at end of period to reflect a change in current fair value:		
Land	-	-
Buildings	178,548	631,028
Road Infrastructure	1,158,995	3,299,300
Water	376,072	283,104
Sewerage	78,300	30,759
Other Structures	131,791	164,877
Balance at end of financial year	<u>76,038,657</u>	<u>74,114,951</u>

Revaluation Surplus Analysis

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

Land	3,821,357	3,821,357
Buildings	6,651,748	6,473,200
Road Infrastructure	52,854,818	51,695,823
Water	4,208,527	3,832,455
Sewerage	3,681,570	3,603,270
Other Structures	4,820,637	4,688,846
	<u>76,038,657</u>	<u>74,114,951</u>

16 Commitments for Expenditure

Contractual Commitments

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

Upgrade Gregory to Lawn Hill Road	1,406,020	155,356
	<u>1,406,020</u>	<u>155,356</u>

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

Accumulated Depreciation

In determining the level of accumulated depreciation, roads were split into significant components which exhibited different useful lives. The valuer determined an asset consumption rating scale for each asset type based on the inter-relationship between a range of factors. These factors and their relationship to the fair value require professional judgment and include asset condition, legal and commercial obsolescence and the determination of key depreciation related assumptions such as residual value, useful life and pattern of consumption of the future economic benefit. The consumption rating scales were based initially on the past experience of the valuation firm and industry guides and were then updated to take into account the experience and understanding of Council's own engineers, asset management and finance staff. The results of the valuation were further evaluated by confirmation against council's own understanding of the assets and the level of remaining service potential. Asset condition for the purposes of a desktop valuation relied on the validation of the asset registers and physical inspections carried out by APV during the 14/15 year and asset condition data supplied by Council in 2015/16. A straight line consumption model has been utilised.

2(a) Water, Sewerage and Other Infrastructure – Calculation of written down current replacement cost

Water and Sewerage

Current Replacement Cost

Water and sewerage network Infrastructure fair values were determined by independent valuers. APV Valuers and Asset Management using a desktop valuation approach effective 30 June 2016. The last comprehensive revaluation was performed by APV Valuers and Asset Management at 1 July 2014. 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 useful life. All water and sewerage network infrastructure assets were valued using level 3 valuation inputs using the cost approach.

APV's cost models are derived from the following sources:

- Actual construction or purchase prices for recent projects paid by the specific entity.
- APV database. Preference is provided to nearby locations.
- Rawlinson's Construction Guide or similar guides (such as Cordells)
- Development of costs using first principles
- Benchmarking against other valuations

The desktop approach undertaken in the current year adjusts the figures from the previous valuation by reference to indexation to make them current as at 30 June 2016. The indexation percentage for the infrastructure valuations has been derived from reference to costing guides Issued by the Australian Institute of Quantity Surveyors. Rawlinson's (Australian Construction Handbook), Construction data from the Australian Bureau of Statistics and APV internal market research and castings. The analysis of these construction cost guides and research has determined the appropriate Indexation to apply at 30 June 2016 as follows: Water Civil and Mechanical Assets 1.8 %; Water civil, electrical and water pipe and associated assets 2%; and sewerage treatment assets 2%.

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 disclosed in this note.

Condition Rating Matrix

Condition Rating	Condition Definition	Description Explanation	Remaining Useful Life
0	As new condition / Excellent	Asset is as new	95% - 100%
1	Very Good	Asset is close to new	75% - 94%
2	Good	Asset is in good condition	55% - 74%
3	Fair	Asset is in fair condition	30% - 54%
4	Poor	Asset is in poor condition	5% - 29%
5	Unserviceable	Asset is in very poor condition and has failed or is in fear of failing	0% - 4%

Valuation Processes

Councils valuation policies and procedures are set by the executive management team which comprises the Chief Executive Officer and Finance Manager. They are reviewed annually taking into consideration an analysis of movements in fair value and other relevant information. Council's current policy for the valuation of property, plant and equipment (recurring fair value measurements) is set out in Note 1.L. Non-recurring fair value measurements are made at the point of reclassification by a registered valuer.

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

The Gross Current Values have been derived from reference to market data for recent projects and costing guides issued by the Australian Institute of Quantity Surveyors, Rawlinson's (Australian Construction Handbook). Due to this limited market, the net current value of a building asset is the fair value using Depreciated Replacement Cost assessed with reference to the Gross Replacement Cost and the Remaining Life or potential service of the asset.

In determining the level of depreciation for the asset, consideration has been given to the typical life cycle and renewal treatments of each component, and at what point the asset is considered to be no longer available to meet its primary objective. Condition was assessed taking into consideration both physical characteristics as well as functionality, capability, utilisation and obsolescence.

Infrastructure Assets (Level 3)

The desktop valuation approach involved research to determine any indication of changes in land value within the Burke Shire Council area. Research undertaken consisted of searching all land sales by town to determine whether any change has occurred since the previous comprehensive valuation. No changes were noticed, as such no index has been applied at 30 June 2016.

There is no market for Council's roads, water and sewerage assets and other infrastructure assets as these are held to provide essential services to the community. For the purpose of assessing fair value for financial reporting purposes value has been determined by using Depreciated Replacement Cost (DRC). This valuation comprises the estimated current cost of replacement of the asset with a similar asset which is not necessarily an exact reproduction but which has similar service potential and function (plus where applicable an amount for installation), less an amount for depreciation in the form of accrued physical wear and tear, economic and functional obsolescence.

Fair value of assets was determined by independent valuer, APV Valuers and Asset Management effective 1 July 2014, with a desktop index applied at 30 June 2016. During the comprehensive valuation of 2014, condition was assessed by inspection from the valuers. This report detailed the Road's lengths and width that had been measured by GPS and also to provide an assessment of condition allowing the assessment of the change in condition within a six month span providing greater clarity to the useful life of road assets. All above ground assets were physically inspected.

The unit rates (labour and materials) and quantities applied to determine the Current Replacement Cost (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 DRC was determined using methods relevant to the asset class as described under individual asset categories below.

1(a) Road Network - calculation of current replacement cost

Road Infrastructure

Current Replacement Cost

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

Road network infrastructure fair values were determined by independent valuers, APV Valuers and Asset Management using a desktop valuation approach effective 30 June 2016. The last comprehensive revaluation was performed by APV Valuers and Asset Management at 1 July 2014. CRC was calculated based on expected replacement costs. All road network infrastructure assets were valued using level 3 valuation inputs using the cost approach.

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

APV's cost models are derived from the following sources:

- Actual construction or purchase prices for recent projects paid by the specific entity.
- APV database. Preference is provided to nearby locations.
- Rawlinson's Construction Guide or similar guides (such as Cordel's)
- Development of costs using first principles
- Benchmarking against other valuations

The desktop approach undertaken in the current year adjusts the figures from the previous valuation by reference to indexation to make them current as at 30 June 2016. The indexation percentage for the infrastructure valuations has been derived from reference to costing guides issued by the Australian Institute of Quantity Surveyors, Rawlinson's (Australian Construction Handbook), Construction data from the Australian Bureau of Statistics and APV internal market research and costings. The analysis of these construction cost guides and research has determined that the approximate increase in infrastructure costs is 1% for road assets and 2% for stormwater assets. This index has been applied at 30 June 2016.

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

12 Fair Value Measurements

(i) Recognised Fair Value Measurements

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

- Land and Improvements
- Buildings
- Road Infrastructure
- Water
- Sewerage
- Other Structures

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).

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

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

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

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

	Note	Level 2 (Significant observable inputs) \$	Level 3 (Significant unobservable inputs) \$
Recurring fair value measurements			
Buildings	11	-	18,105,928
Land	11	4,599,000	
Road Infrastructure	11	-	89,653,847
Water	11	-	11,367,737
Sewerage	11	-	1,546,018
Other Structures	11	-	3,920,997
		<u>4,599,000</u>	<u>124,594,527</u>

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

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

Land (level 2)

Land fair values were determined by independent valuer, APV Valuers and Asset Management using a desktop valuation approach effective 30 June 2016. The last comprehensive revaluation was performed by APV Valuers and Asset Management at 1 July 2014 for the purpose of determining restated opening balances. Level 2 valuation inputs were used to value land held 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. The most significant inputs into this valuation approach are price per square metre.

The desktop valuation approach involved research to determine any indication of changes in land value throughout the Burke Shire Council area. Research undertaken consisted of searching all land sales by town to determine whether any change has occurred since the previous comprehensive valuation. No changes were noted, as such no index has been applied.

Infrastructure Assets (Level 3)

The fair value of buildings were determined by independent valuer, APV Valuers and Asset Management effective 1 July 2014, with a desktop valuation undertaken at 30 June 2016. Due to the remote nature of Burketown, there is neither an active market for the assets, or the Council buildings are of a specialist nature. Therefore fair value has been determined on the basis of replacement with a new asset having similar service potential including allowances for preliminaries and professional fees.

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

11 Property, Plant and Equipment

Note

Council - 30 June 2016

Basis of Measurement

Asset Values

Opening gross value as at 1 July 2015

Additions

Disposals

Transfers between classes

Transferred to Operating Expenses

Revaluation adjustment to ARR

Closing Gross Value as at 30 June 2016

Buildings	Land	Furniture and Fittings	Plant and Equipment	Road Infrastructure	Water	Sewerage	Other Structures	Work in Progress	TOTAL
Fair Value	Fair Value	Cost	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
20,071,073	3,751,000	158,095	6,694,710	124,653,822	15,336,226	3,085,445	4,029,881	463,676	178,243,928
	988,914							3,269,001	4,257,915
	(156,000)		(1,387,114)	(73,632)					(1,616,746)
371,018	15,086		1,446,700	865,775	12,377		779,992	(3,490,947)	-
								(40,000)	(40,000)
632,975				4,335,895	279,270	62,985	100,747		5,411,872
21,075,066	4,599,000	158,095	6,754,296	129,781,860	15,627,873	3,148,430	4,910,620	201,730	186,256,969

Accumulated Depreciation

Opening balance as at 1 July 2015

Depreciation provided in period

Disposals

Revaluation adjustment to ARR

Accumulated Depreciation as at 30 June 2016

2,185,392	-	110,254	3,236,635	34,474,419	4,185,648	1,573,198	906,107	-	46,671,653
329,318		8,592	620,823	2,476,698	171,290	44,528	114,564		3,765,813
			(1,052,311)						(1,052,311)
454,427				3,176,896	(96,802)	(15,314)	(31,048)		3,488,159
2,969,137	-	118,846	2,805,147	40,128,013	4,260,136	1,602,412	989,623	-	52,873,314

Total Written Down Value as at 30 June 2016

Residual Value

Range of Estimated Useful Life in Years

18,105,928	4,599,000	39,249	3,949,149	89,653,847	11,367,737	1,546,018	3,920,997	201,730	133,383,655
-	-	-	1,789,010	-	-	-	-	-	-
17 - 107	N / A	4 - 10	2 - 20	14-195	10-171	23-122	21 - 87		

Additions Comprise:

Renewals

Other Additions

Total Additions

\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
371,018	-	-	1,446,700				-	-	1,817,718
-	1,004,000			865,775	12,377	-	558,046		2,440,197
371,018	1,004,000	-	1,446,700	865,775	12,377	-	558,046	-	4,257,915

Council - 30 June 2015

Note

Basis of Measurement

Asset Values

Opening gross value as at 1 July 2014

Additions

Disposals

Revaluation adjustment to ARR

Transfers between classes

Closing Gross Value as at 30 June 2015

15

Buildings	Land	Furniture and Fittings	Plant and Equipment	Road Infrastructure	Water	Sewerage	Other Structures	Work in Progress	TOTAL
Fair Value	Fair Value	Cost	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
\$	\$	\$	\$	\$	\$	\$	\$		\$
15,465,102	3,751,000	150,506	6,353,683	121,387,853	15,043,976	3,015,333	3,950,863	2,075,325	171,193,641
-	-	-	11,715	850,917	-	-	-	4,932,962	5,795,594
-	-	-	(58,231)	(850,917)	-	-	-	-	(909,148)
120,513	-	-	-	1,740,448	196,346	27,515	79,018	-	2,163,840
4,485,458	-	7,589	387,543	1,525,521	95,904	42,596	-	(6,544,611)	-
20,071,073	3,751,000	158,095	6,694,710	124,653,822	15,336,226	3,085,445	4,029,881	463,676	178,243,927

Accumulated Depreciation

Opening balance as at 1 July 2014

Depreciation provided in period

Depreciation on disposals

Revaluation adjustment to revaluation surplus

Transfers between classes

Accumulated Depreciation as at 30 June 2015

15

2,434,537	-	101,577	2,949,216	34,096,823	4,105,038	1,532,847	888,340	-	46,108,378
261,370	-	8,677	305,112	2,429,554	167,368	43,595	103,626	-	3,319,302
-	-	-	(17,693)	(493,106)	-	-	-	-	(510,799)
(510,515)	-	-	-	(1,558,852)	(86,758)	(3,244)	(85,859)	-	(2,245,228)
-	-	-	-	-	-	-	-	-	-
2,185,392	-	110,254	3,236,635	34,474,419	4,185,648	1,573,198	906,107	-	46,671,654

Total Written Down Value as at 30 June 2015

17,885,681	3,751,000	47,841	3,458,075	90,179,403	11,150,578	1,512,246	3,123,774	463,676	131,572,273
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Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

	2016	2015
Note	\$	\$
10 Trade and Other Receivables		
Current		
Rateable revenue and utility charges	137,712	143,711
Trade Debtors	665,130	1,076,404
Accrued Interest	-	91,912
Less: Impairment	(27,234)	(34,710)
GST Recoverable	102,990	60,781
Prepayments	101,514	54,562
	<u>980,112</u>	<u>1,392,660</u>

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

Movement in accumulated impairment provisions is as follows:

Opening balance at 1 July	34,710	27,234
Additional impairments recognised		7,475
Impairments reversed	(7,476)	-
Closing Balance at 30 June	<u>27,234</u>	<u>34,710</u>

Trade and Other Receivables

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

By the nature of the Council's operations, there is a geographical concentration of risk in the Council's area. This is due to economic issues e.g. low employment and various cultural issues all of which have a general economic impact.

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

	2016	2015
	\$	\$
Not past due	108,832	1,142,157
Past due 31-60 days	601,089	102,967
Past due 61-90 days	0	0
More than 90 days	195,911	35,772
Impaired	(27,234)	(34,710)
Total	<u>878,598</u>	<u>1,246,185</u>

For impaired financial assets the factors the Council considered when impairing the asset included the ageing of receivables, historical collection rates and and specific knowledge of the debtors financial position.

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

	2016 \$	2015 \$
Note		
Total Council employees at the reporting date:	2016	2015
Elected members	5	5
Administration staff	12	12
Depot and outdoors staff	36	32
Total full time equivalent employees	<u>53</u>	<u>49</u>
7 Materials and Services		
Advertising and Marketing	4,530	23,622
Audit of annual financial statements by auditor general of Queensland	85,000	175,500
Communications and IT	262,255	224,658
Consultants	84,811	278,242
Donations	32,856	31,030
Operating Expenses	1,359,008	1,089,915
Repairs and Maintenance	926,398	1,118,857
Recoverable Works	845,452	828,865
Roads - Flood Damage	6,879,189	907
Subscriptions and Registrations	6,197	6,071
Other Materials and Services	-	-
	<u>10,485,695</u>	<u>3,777,666</u>
8 Capital Expenses		
Loss on Flood Damaged Roads Write-Off		
Gross value of roads written-off		(850,917)
Less: Accumulated depreciation on those roads		493,106
Total impairment losses	<u>-</u>	<u>(357,811)</u>
Loss on Disposal of Non-Current Assets		
Proceeds from the sale of property, plant and equipment		30,909
Less: Book value of property, plant and equipment disposed off	(73,632)	(40,538)
Total capital expenses	<u>(73,632)</u>	<u>(9,629)</u>
9 Cash and Equivalents		
Cash at Bank and on Hand	1,041,110	3,639,790
Deposits at Call	10,825,753	11,012,387
Term Deposits	-	519,000
Less: Bank Overdraft	-	-
Balance per Statement of Cash Flows	<u>11,866,862</u>	<u>15,171,178</u>
Council's cash and equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:		
Unspent government grants and subsidies	-	-
Total unspent restricted cash	<u>-</u>	<u>-</u>

Cash is held in the Westpac Bank in normal business cash reserve accounts and business cheque accounts. The bank currently has a short-term credit rating of A1+ and a long-term rating of AA-. Deposits at call are held with the Queensland Treasury Corporation.

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

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
3 Revenue Analysis			
(a) Rates and Service Charges			
General Rates		3,333,270	3,244,319
Water		420,886	266,060
Sewerage		149,103	117,390
Garbage Charges		100,380	71,166
Total Rates and Charges Revenue		4,003,639	3,698,935
Less: EFMR Levy		-	(957)
Less: Pensioner Remissions		(958)	(680)
Less: Discounts		(373,371)	(208,977)
		<u>3,629,309</u>	<u>3,488,320</u>
(b) Sales Revenue			
Sale of Services			
Contract and recoverable works		1,052,031	1,245,828
		<u>1,052,031</u>	<u>1,245,828</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.

4 Grants, Subsidies, and Contributions

(a) Recurrent			
General Purpose Grants		2,910,907	2,842,777
NDRRA Funding		4,014,696	-
State Government Subsidies and Grants		232,119	349,881
		<u>7,157,722</u>	<u>3,192,658</u>
(b) Capital			
Commonwealth Government Subsidies and Grants		-	-
Commonwealth or State Government Grants		784,746	3,485,574
Non-Cash Contribution		988,914	-
		<u>1,773,660</u>	<u>3,485,574</u>

Conditions over Contributions

Contributions recognised as income during the reporting period and which were obtained on the condition that they be expended in a manner specified by the contributor but had not been expended at the reporting date:

Non-reciprocal grants	-	-
	<u>-</u>	<u>-</u>

5 Capital Income

Gain on Disposal of Non-Current Assets

Proceeds from the sale of property, plant and equipment	536,000	-
Less: Book value of property, plant and equipment disposed off	(490,805)	-
Profit on Sale N/C Assets	45,195	-
Total Capital Income	<u>45,195</u>	<u>-</u>

6 Employee Benefits

Total Staff Wages and Salaries	2,877,242	2,984,260
Councillors' Remuneration	304,550	307,430
Annual, Sick and Long Service Leave Entitlements	318,512	223,353
Superannuation	340,731	327,333
	<u>3,841,035</u>	<u>3,842,376</u>
Other Employee Related Expenses	221,417	109,175
	<u>4,062,452</u>	<u>3,951,551</u>
Less: Capitalised Employee Expenses	(137,263)	(213,703)
	<u>3,925,189</u>	<u>3,737,848</u>

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

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

2 Analysis of Results by Function

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

Year ended 30 June 2016

Functions	Gross Program Income				Total Income	Gross Program Expenses		Total expenses	Net result from recurring operations	Net Result	Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
	2016 \$	2016 \$	2016 \$	2016 \$	2016 \$	2016 \$	2016 \$	2016 \$	2016 \$	2016 \$	2016 \$
Revenue Raising	2,510,508	3,027,581			5,538,089	(39,042)		(39,042)	5,499,046	5,499,046	12,846,416
Governance	-	-			-	(1,050,657)		(1,050,657)	(1,050,657)	(1,050,657)	-
Finance and Community Services	13,750	408,072	-		421,822	(1,607,937)	(73,632)	(1,681,569)	(1,186,116)	(1,259,748)	233,749
Planning and Building	-	13,952			13,952	(56,158)		(56,158)	(42,207)	(42,207)	-
Engineering Services	4,415,095	1,283,770	556,690	45,195	6,300,750	(12,399,707)		(12,399,707)	(6,700,842)	(6,098,957)	93,697,128
Environmental Services	-	555			555	(399,482)		(399,482)	(398,927)	(398,927)	-
Community and Cultural	218,369	253,746	228,056	988,914	1,689,085	(1,540,630)		(1,540,630)	(1,068,516)	148,455	26,713,710
Garbage Utility		91,845			91,845	(209,953)		(209,953)	(118,108)	(118,108)	-
Sewerage Utility		136,998			136,998	(154,871)		(154,871)	(17,873)	(17,873)	1,551,432
Water Utility		390,358			390,358	(732,093)		(732,093)	(341,735)	(341,735)	11,382,137
Total	7,157,722	5,606,876	784,746	1,034,109	14,583,453	(18,190,531)	(73,632)	(18,264,163)	(5,425,933)	(3,680,710)	146,424,572

Year ended 30 June 2015

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							
	2015 \$	2015 \$	2015 \$	2015 \$							
Revenue Raising	2,449,264	3,114,022	-	-	5,563,286	(28,568)	-	(28,568)	5,534,718	5,534,718	16,561,966
Governance	-	-	-	-	-	(531,364)	-	(531,364)	(531,364)	(531,364)	-
Finance and Community Services	12,500	1,502,903	-	-	1,515,403	(2,180,217)	-	(2,180,217)	(664,816)	(664,814)	11,830,300
Planning and Building	-	843	-	-	843	(59,722)	-	(59,722)	(58,879)	(58,879)	-
Engineering Services	515,972	1,308,631	2,896,601	-	4,721,204	(5,254,977)	(367,439)	(5,622,416)	(3,430,374)	(901,212)	93,548,200
Environmental Services	-	2,587	-	-	2,587	(343,661)	-	(343,661)	(341,074)	(341,074)	516,669
Community and Cultural	214,923	138,860	588,973	-	942,756	(1,362,089)	-	(1,362,089)	(1,008,306)	(419,333)	13,201,772
Garbage Utility	-	63,292	-	-	63,292	(199,336)	-	(199,336)	(136,044)	(136,044)	-
Sewerage Utility	-	107,070	-	-	107,070	(244,275)	-	(244,275)	(137,205)	(137,205)	1,512,246
Water Utility	-	239,040	-	-	239,040	(652,748)	-	(652,748)	(413,708)	(413,708)	11,155,028
Total	3,192,658	6,477,248	3,485,574	-	13,155,481	(10,856,959)	(367,439)	(11,224,397)	(1,187,052)	1,931,083	148,326,182

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 :

Revenue Raising

Relates to the management of all cash obtained through rates and charges, secured grants and financial assistance grants. The primary objective of this program is to maintain a level of revenue sufficient for the delivery of local government services at an appropriate level and standard.

Governance

Includes oversight of key governance frameworks, ensuring Council has a strong voice in the region and with the State Government, ensures Council connects with the community and Council's disaster management responsibilities.

Planning and Building

Includes strategic (town) planning, building services and tourism. Facilitating sustainable infrastructure and economic development within the Shire is the primary objective of this program.

Engineering Services

Includes road construction and maintenance, airport operation, boat ramps, drainage and footpaths. Ensuring Council continues to deliver appropriate levels of service to the community through the maintenance and replacement of its asset base is the primary objective of this program.

Environmental Services

Includes animal control, pest control, environmental health and cemeteries. Promoting environmental and community health is the primary objective of this function.

Community and Cultural

Includes libraries, civic buildings, ablution facilities, housing, sport and recreation, and parks and gardens. The primary objective of this program is to promote well-being through the provision of a range of services, support, events and venues for community and volunteer activities / organisations.

Garbage Utility

Includes refuse collection, refuse disposal and recycling. Ensuring Council continues to deliver appropriate levels of service to the community through the maintenance and replacement of its asset base is the primary objective of this program.

Sewerage Utility

Includes sewerage services. Ensuring Council continues to deliver appropriate levels of service to the community through the maintenance and replacement of its asset base is the primary objective of this program.

Water Utility

Includes water services. Ensuring Council continues to deliver appropriate levels of service to the community through the maintenance and replacement of its asset base is the primary objective of this program.

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

1.R National Competition Policy

The Council has reviewed its activities and has identified the business activities to which the code of competitive conduct applies.

1.S 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.T 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.

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

Annual Leave

A liability for annual leave is recognised. All amounts have been recognised as current due to the entitlement of staff to take their leave at any time, subject to operational requirements. This liability represents an accrued expense and is reported in Note 13 as a payable

Sick Leave

Sick leave taken in the future will be met by future entitlements and hence no recognition of sick leave has been made in these financial statements.

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 18.

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 14 as a provision.

1.P Restoration Provision

A provision is made for the cost of restoration in respect of refuse dumps and quarries where it is probable the Council will be liable, or required, to incur such a cost on the cessation of use of these facilities. The provision is measured at the expected cost of the work required, discounted to current day values using the interest rates attaching to Commonwealth Government guaranteed securities with a maturity date corresponding to the anticipated date of the restoration.

Refuse Dump Restoration

The provision represents the present value of the anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for dump sites is reviewed at least annually and updated based on the facts and circumstances available at the time. Management estimates that the site will close in 2029 and that the restoration will occur progressively over the subsequent four years.

As refuse dumps are on state reserves which the Council does not control, the provision for restoration is treated as an expense in the year the provision is first recognised. Changes in the provision are treated as an expense or income.

1.Q Revaluation Surplus

The 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 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 revaluation surplus in respect of that class. Any excess is treated as an expense.

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

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

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

Depreciation on property, plant and equipment is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, 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. Land is not depreciated.

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

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

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

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

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed 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 11.

Land Under Roads

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

1.M Impairment of Non-Current Assets

Each non-current physical 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.

1.N 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.O Liabilities - Employee Benefits

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 13 as a payable.

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

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

Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of assets are treated as capital expenditure. Assets under construction are not depreciated until they are completed and commissioned, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

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.

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

Valuation

Land, Buildings 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*. Plant and equipment and furniture and fixture and work in progress are measured at cost.

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

In the intervening years, Council uses internal engineers and asset managers 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, buildings in the intervening years, management engage independent, professionally qualified valuers to perform a "desktop" valuation. A desktop valuation involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

An analysis performed by management has indicated that, on average, the variance between an indexed asset value and the valuation by an independent valuer when performed is not significant and the indices used by Council are sound. Further details in relation to valuers, the methods of valuation and the key assumptions used are disclosed in Note 12.

Any revaluation increment arising on the revaluation of an asset is credited to the appropriate class of the 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.

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

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.

Burke Shire Council has categorised and measured the financial assets and financial liabilities held at balance date as

Financial Assets

Cash and equivalents (Note 1.J)

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

Financial Liabilities

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

Financial assets and financial liabilities are presented separately from each other and offsetting has not been applied. All other disclosures relating to the measurement and financial risk management of financial instruments are included in Note 22.

1.J Cash and Equivalents

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

1.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.

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

1.L Property, Plant and Equipment

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. Items of plant and equipment and furniture and fixture with a total value of less than \$10,000, and infrastructure assets and buildings with a total value of less than \$20,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

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

- Land
- Buildings
- Furniture and Fittings
- Plant and Equipment
- Road Infrastructure
- Water
- Sewerage
- Other Structures
- Work in Progress

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

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

At the date of authorisation of the financial report, the new or amended Australian Accounting Standards with future commencement dates are not likely to have a material impact on the financial statements.

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.L and Note 11

Impairment of property, plant and equipment - Note 1.M

Provisions - Note 1.O and 1.P and Note 14

Contingent liabilities - Note 17

1.H Revenue

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

Rates and Charges

Where monies are received prior to the commencement of the levying period, the amount is recognised as revenue in the period in which they are received.

Grants and Subsidies

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

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. Burke Shire Council received a non-cash contribution from Queensland Government for blocks of land under the Indigenous Land Use Agreement. The fair value of the land is \$998,914.

Sales Revenue

Sale of goods and Recoverable works revenue 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.

Contract works include construction and maintenance works for locals and local businesses.

Burke Shire Council
Notes to the Financial Statements
For the year ended 30 June 2016

1 Significant Accounting Policies

1.A Basis of Preparation

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

These financial statements have been prepared under the historical cost convention except for the revaluation of certain classes of Property, Plant and Equipment at fair value, Long Service Leave and restoration provision at net present value.

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

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

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

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

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

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.

Burke 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.

Burke Shire Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective with the exception of AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities. Generally council applies standards and interpretations in accordance with their respective commencement dates. The retrospective application of AASB 2015-7 has exempted council from the disclosure of quantitative information and sensitivity analysis for some valuations categorised within Level 3 of the fair value hierarchy.

Burke Shire Council
Statement of Changes in Equity
For the year ended 30 June 2016

	Revaluation Surplus	Retained Surplus	TOTAL
Note	15		
	\$	\$	\$
Balance as at 1 July 2015	74,114,951	72,249,597	146,364,548
Opening balance	74,114,951	72,249,597	146,364,548
Net operating surplus/deficiency	-	(3,680,710)	(3,680,710)
Increase / (decrease) in revaluation surplus	1,923,706	-	1,923,706
Balance as at 30 June 2016	76,038,657	68,568,898	144,607,555
Balance as at 1 July 2014	69,705,883	70,318,514	140,024,399
Net operating surplus	-	1,931,083	1,931,083
Other comprehensive income for the year			
Increase / (decrease) in revaluation surplus	4,409,068	-	4,409,068
Balance as at 30 June 2015	74,114,951	72,249,597	146,364,548

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

Burke Shire Council
Statement of Cash Flows
For the year ended 30 June 2016

		Council	
	Note	2016	2015
		\$	\$
Cash flows from operating activities			
Receipts from customers		5,426,719	5,805,912
Payments to suppliers and employees		(14,516,975)	(8,133,773)
		(9,090,256)	(2,327,861)
Finance Costs		(13,834)	(22,143)
Interest Received		363,592	459,096
Rental Income		226,715	130,165
Operating Grants and Contributions		7,157,722	3,192,658
	20	(1,356,060)	1,431,915
Cash flows from investing activities			
Payments for property, plant and equipment		(3,269,001)	(5,921,498)
Proceeds from sale of property plant and equipment		536,000	30,909
Grants, subsidies, and contributions		784,746	3,485,574
Net cash inflow (outflow) from investing activities		(1,948,255)	(2,405,015)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Net increase (decrease) in cash held		(3,304,315)	(973,100)
Cash and equivalents at the beginning of the financial year		15,171,178	16,144,278
Cash and equivalents at end of the financial year	9	11,866,862	15,171,178

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

Burke Shire Council
Statement of Financial Position
as at 30 June 2016

		Council	
	Note	2016	2015
		\$	\$
Current Assets			
Cash and Equivalents	9	11,866,862	15,171,178
Trade and Other Receivables	10	980,112	1,392,660
Inventories		193,943	190,071
		<u>13,040,917</u>	<u>16,753,908</u>
Total Current Assets		<u>13,040,917</u>	<u>16,753,908</u>
Non-Current Assets			
Property, Plant and Equipment	11	133,383,655	131,572,273
Total Assets		<u>146,424,572</u>	<u>148,326,181</u>
Current Liabilities			
Trade and Other Payables	13	1,087,337	1,330,979
Provisions	14	119,794	120,105
Total Current Liabilities		<u>1,207,131</u>	<u>1,451,084</u>
Non-Current Liabilities			
Provisions	14	609,885	510,548
Total Non-Current Liabilities		<u>609,885</u>	<u>510,548</u>
Total Liabilities		<u>1,817,015</u>	<u>1,961,632</u>
Net Community Assets		<u>144,607,555</u>	<u>146,364,548</u>
Community Equity			
Revaluation Surplus	15	76,038,657	74,114,951
Retained Surplus		68,568,898	72,249,598
Total Community Equity		<u>144,607,555</u>	<u>146,364,548</u>

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

Burke Shire Council
Statement of Comprehensive Income
For the year ended 30 June 2016

	Note	Council	
		2016 \$	2015 \$
Income			
Revenue			
Recurrent Revenue			
Rates and Charges	3(a)	3,629,309	3,488,320
Fees and Charges		87,113	49,151
Rental Income		226,715	130,165
Interest Received		363,592	459,096
Sales Revenue	3(b)	1,052,031	1,245,828
Other Revenue		248,115	1,104,689
Grants, Subsidies and Contributions	4(a)	7,157,722	3,192,658
		<u>12,764,597</u>	<u>9,669,907</u>
Capital Revenue			
Grants, Subsidies and Contributions	4(b)	1,773,660	3,485,574
Total Revenue		<u>14,538,258</u>	<u>13,155,481</u>
Capital Income	5	45,195	-
Total Income		<u>14,583,453</u>	<u>13,155,481</u>
Expenses			
Recurrent Expenses			
Employee Benefits	6	(3,925,189)	(3,737,848)
Materials and Services	7	(10,485,695)	(3,777,666)
Finance Costs		(13,834)	(22,143)
Depreciation	11	(3,765,813)	(3,319,302)
		<u>(18,190,531)</u>	<u>(10,856,958)</u>
Capital Expenses	8	(73,632)	(367,440)
Total Expenses		<u>(18,264,163)</u>	<u>(11,224,398)</u>
NET RESULT		<u>(3,680,710)</u>	<u>1,931,083</u>
Other comprehensive income			
Items that will not be reclassified to net result			
Increase in Revaluation Surplus	15	1,923,706	4,409,068
Total other comprehensive income for the year		<u>1,923,706</u>	<u>4,409,068</u>
Total comprehensive income for the year		<u>(1,757,004)</u>	<u>6,340,151</u>

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

Burke Shire Council

Financial Statements

For the year ended 30 June 2016

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Burke Shire Council
Financial Statements
for the year ended 30 June 2016



NATIONAL LAND TRANSPORT ACT 2014, PART 8

**PART 1 - CHIEF EXECUTIVE OFFICER'S FINANCIAL STATEMENT AND
AUDITOR'S REPORT**

Chief Executive Officer's financial statement
(see subclause 6.2(a) of the funding conditions)

The following financial statement is a true statement of the receipts and expenditure of the Roads to Recovery payments received by Burke Shire Council under Part 8 of the *National Land Transport ACT 2014* in the financial year 2015-16.

[1]	[2]	[3]	[4]	[5]
Amount brought forward from previous financial year \$	Amount received in report year \$	Total amount available for expenditure in report year \$	Amount expended in report year \$	Amount carried forward to next financial year \$
		[1]+[2]		[3]-[4]
0	0	0	0	0

The own source expenditure on roads for Burke Shire Council in 2015-16 was: \$123,663

(signature of Chief Executive Officer/General Manager)

20/10/2016

Sharon Daishe

(name of Chief Executive Officer/General Manager)

Auditor's report

(Conditions cl.6.2(b))

In my opinion:

- (i) the financial statement above is based on proper accounts and records;
and



Australian Government
Department of Infrastructure
and Regional Development

- (ii) the financial statement above is in agreement with proper accounts and records; and
- (iii) the amount reported as expended during the year was used solely for expenditure on the maintenance and/or construction of roads; and
- (iv) the amount certified by the Chief Executive Officer in the Chief Executive Officer's financial statement above as the funding recipient's own source expenditure on roads during the year is based on, and in agreement with proper accounts and records.

I am an “appropriate auditor” as defined in section 4 of the *National Land Transport ACT 2014*.

.....
(signature of auditor)

.....
/ / 2016

.....
(name of auditor)

.....
(name of auditor's company)

Note: Under s.4 of the Act, “appropriate auditor” means:

- (a) in relation to a funding recipient whose accounts are required by law to be audited by the Auditor-General of a State — the Auditor-General of the State; or
- (b) in relation to a person or body whose accounts are required by law to be audited by the Auditor-General of the Commonwealth — the Auditor-General of the Commonwealth; or
- (c) in relation to any other funding recipient — a person (other than an officer or employee of the person or body) who is:
 - (i) registered as a company auditor or a public accountant under a law in force in a State; or
 - (ii) a member of the Institute of Chartered Accountants in Australia or of the Australian Society of Accountants.



PART 2 - STATEMENT OF ACCOUNTABILITY BY CHIEF EXECUTIVE OFFICER

(see subclauses 6.3(a), (c) and (d) of the funding conditions)

I, Sharon Daishe, Chief Executive Officer or General Manager, of
Burke Shire Council, hereby certify, in accordance with the conditions
determined under section 90 of the *National Land Transport ACT 2014* (the Funding Conditions),
that:

- ☒ (a) Roads to Recovery funds received by Burke Shire Council during the year 2015-16 which have been spent on the construction and/or maintenance of roads;
- ☒ (b) Burke Shire Council has fulfilled the signage and other public information conditions in Part 3 of the Funding Conditions; and
- ☒ (c) during the financial year Burke Shire Council has otherwise fulfilled all of the Funding Conditions.

(signature of Chief Executive Officer/General Manager)

20 /10/ 2016



PART 3 – STATEMENT ON EXPENDITURE MAINTENANCE BY CHIEF EXECUTIVE OFFICER

(see subclause 6.3(b) of the funding conditions)

I, Sharon Daishe, Chief Executive Officer/General Manager, of
Burke Shire Council, state that, in accordance with the funding
conditions determined under section 90 of the *National Land Transport ACT 2014* :

- 1(a) expenditure on the construction and/or maintenance of roads by Burke Shire Council using its own sources funds in the year to which this report refers was \$123,663.
- 1(b) the reference amount for Burke Shire Council is \$250,077.

The following information need only be provided if the expenditure shown in 1(a) is less than the reference amount as shown in 1(b) above:

- 2(a) expenditure on the construction and/or maintenance of roads by Burke Shire Council using its own sources funds for the year prior to the year to which this report refers was \$630,231.
- 2(b) the average of expenditure on the construction and/or maintenance of roads by Burke Shire Council using its own source funds for the year to which this report refers and the previous year was \$376,947.

The following information need only be provided if the expenditure shown in 1(a) is less than the reference amount as shown in 1(b) above:

- 3(a) expenditure on the construction and/or maintenance of roads by Burke Shire Council using its own sources funds in the year two years before the year to which this report refers was \$316,391.
- 3(b) the average of expenditure on the construction and/or maintenance of roads by Burke Shire Council using its own source funds for the year to which this report refers and the previous two years was \$356,762.

(signature of Chief Executive Officer/General Manager)

20 / 10 / 2016



PART 4 - STATEMENT OF OUTCOMES BY CHIEF EXECUTIVE OFFICER

(see subclause 6.3(e) of the funding conditions)

Burke Shire Council has achieved the following outcomes under the Roads to Recovery Program in 2015-16:

Council claims no expenditure for report year.

Key outcomes

Outcome	Estimated % of Roads to Recovery Expenditure (all projects)
1. Road Safety	0
2. Regional economic development	0
3. Achievement of asset maintenance strategy	0
4. Improved access for heavy vehicles	0
5. Promotion of tourism	0
6. Improvements of school bus routes	0
7. Access to remote communities	0
8. Access to intermodal facilities	0
9. Traffic management	0
10. Improved recreational opportunities	0
11. Amenity of nearby residents	0
12. Equity of access (remote areas)	0
13. Other	0
TOTAL	0

(signature of Chief Executive Officer/General Manager)

20/ 10 /2016

INDEPENDENT AUDITOR'S REPORT

To the Chief Executive Officer of Burke Shire Council

Report on the Financial Report

I have audited the accompanying Chief Executive Officer's Financial Statement, being a special purpose financial report, of Burke Shire Council for the delivery of the Roads to Recovery Program within the requirements of the *National Land Transport Act 2014* (the Act) and the *Roads To Recovery Funding Conditions 2014* (the Funding Conditions). This financial report comprises the financial statement of receipts and expenditure of the Roads to Recovery payments received under the Funding Conditions of the Act, own source expenditure on roads for the Council for the year ended 30 June 2016 and the certificate given by the Chief Executive Officer of the Burke Shire Council in relation to this financial statement. The financial report has been prepared using the accrual basis of accounting as prescribed within sub-clause 6.2(a) of the Funding Conditions.

The Chief Executive Officer's Responsibility for the Financial Report

The Chief Executive Officer of the Burke Shire Council is responsible for the preparation and fair presentation of the financial report in accordance with the basis of preparation described in the Funding Conditions and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation and fair presentation of the financial report that 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. These auditing 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 risks of material misstatement in 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 and fair presentation of the financial report 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. An audit also includes evaluating the application of accounting policies and the reasonableness of accounting estimates made by the Chief Executive Officer, as well as evaluating the overall presentation of the financial report.

My opinion does not provide assurance in relation to any of the following elements:

- Part 2 - Statement of Accountability by the Chief Executive Officer
- Part 3 - Statement on Expenditure Maintenance by Chief Executive Officer
- Part 4 - Statement of Outcomes by Chief Executive Officer

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.

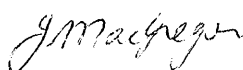
Opinion

In accordance with sub-clause 6.2(b) of the Funding Conditions which identifies the requirements of *[insert name of local government]* in relation to Roads to Recovery Program funding received under Part 8 of the National Land Transport Act 2014, in my opinion, in all material respects:

- (a) the financial report for the year ended 30 June 2016 is based on proper accounts and records;
- (b) the financial report for the year ended 30 June 2016 is in agreement with proper accounts and records;
- (c) the amount reported as expended during the year ended 30 June 2016 was used solely for expenditure on the maintenance and/or construction of roads; and
- (d) the amount certified by the Chief Executive Officer in the financial report as the funding recipient's own source expenditure on roads during the year ended 30 June 2016 is based on, and in agreement with, proper accounts and records.

Emphasis of Matter – Basis of Accounting

Without modifying my opinion, attention is drawn to the reference to sub-clause 6.2(a) of the Funding Conditions, in the financial statement which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Chief Executive Officer's financial reporting responsibilities to the Commonwealth Department of Infrastructure and Regional Development under the Act. As a result, the financial report may not be suitable for another purpose.



J MacGregor CPA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane

My opinion does not provide assurance in relation to any of the following elements:

- Part 2 - Statement of Accountability by the Chief Executive Officer
- Part 3 - Statement on Expenditure Maintenance by Chief Executive Officer
- Part 4 - Statement of Outcomes by Chief Executive Officer

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.

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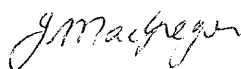
Opinion

In accordance with sub-clause 6.2(b) of the Funding Conditions which identifies the requirements of *[insert name of local government]* in relation to Roads to Recovery Program funding received under Part 8 of the National Land Transport Act 2014, in my opinion, in all material respects:

- (a) the financial report for the year ended 30 June 2016 is based on proper accounts and records;
- (b) the financial report for the year ended 30 June 2016 is in agreement with proper accounts and records;
- (c) the amount reported as expended during the year ended 30 June 2016 was used solely for expenditure on the maintenance and/or construction of roads; and
- (d) the amount certified by the Chief Executive Officer in the financial report as the funding recipient's own source expenditure on roads during the year ended 30 June 2016 is based on, and in agreement with, proper accounts and records.

Emphasis of Matter – Basis of Accounting

Without modifying my opinion, attention is drawn to the reference to sub-clause 6.2(a) of the Funding Conditions, in the financial statement which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Chief Executive Officer's financial reporting responsibilities to the Commonwealth Department of Infrastructure and Regional Development under the Act. As a result, the financial report may not be suitable for another purpose.



J MacGregor CPA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane

INDEPENDENT AUDITOR'S REPORT

To the Chief Executive Officer of Burke Shire Council

Report on the Financial Report

I have audited the accompanying Chief Executive Officer's Financial Statement, being a special purpose financial report, of Burke Shire Council for the delivery of the Roads to Recovery Program within the requirements of the *National Land Transport Act 2014* (the Act) and the *Roads To Recovery Funding Conditions 2014* (the Funding Conditions). This financial report comprises the financial statement of receipts and expenditure of the Roads to Recovery payments received under the Funding Conditions of the Act, own source expenditure on roads for the Council for the year ended 30 June 2016 and the certificate given by the Chief Executive Officer of the Burke Shire Council in relation to this financial statement. The financial report has been prepared using the accrual basis of accounting as prescribed within sub-clause 6.2(a) of the Funding Conditions.

The Chief Executive Officer's Responsibility for the Financial Report

The Chief Executive Officer of the Burke Shire Council is responsible for the preparation and fair presentation of the financial report in accordance with the basis of preparation described in the Funding Conditions and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation and fair presentation of the financial report that 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. These auditing 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 risks of material misstatement in 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 and fair presentation of the financial report 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. An audit also includes evaluating the application of accounting policies and the reasonableness of accounting estimates made by the Chief Executive Officer, as well as evaluating the overall presentation of the financial report.



PART 4 - STATEMENT OF OUTCOMES BY CHIEF EXECUTIVE OFFICER

(see subclause 6.3(e) of the funding conditions)

Burke Shire Council has achieved the following outcomes under the Roads to Recovery Program in 2015-16:

Council claims no expenditure for report year.

Key outcomes

Outcome	Estimated % of Roads to Recovery Expenditure (all projects)
1. Road Safety	0
2. Regional economic development	0
3. Achievement of asset maintenance strategy	0
4. Improved access for heavy vehicles	0
5. Promotion of tourism	0
6. Improvements of school bus routes	0
7. Access to remote communities	0
8. Access to intermodal facilities	0
9. Traffic management	0
10. Improved recreational opportunities	0
11. Amenity of nearby residents	0
12. Equity of access (remote areas)	0
13. Other	0
TOTAL	0

(signature of Chief Executive Officer/General Manager)

20/ 10 /2016



PART 3 – STATEMENT ON EXPENDITURE MAINTENANCE BY CHIEF EXECUTIVE OFFICER

(see subclause 6.3(b) of the funding conditions)

I, Sharon Daishe, Chief Executive Officer/General Manager, of
Burke Shire Council, state that, in accordance with the funding
conditions determined under section 90 of the *National Land Transport ACT 2014* :

- 1(a) expenditure on the construction and/or maintenance of roads by Burke Shire Council using its own sources funds in the year to which this report refers was \$123,663.
- 1(b) the reference amount for Burke Shire Council is \$250,077.

The following information need only be provided if the expenditure shown in 1(a) is less than the reference amount as shown in 1(b) above:

- 2(a) expenditure on the construction and/or maintenance of roads by Burke Shire Council using its own sources funds for the year prior to the year to which this report refers was \$630,231.
- 2(b) the average of expenditure on the construction and/or maintenance of roads by Burke Shire Council using its own source funds for the year to which this report refers and the previous year was \$376,947.

The following information need only be provided if the expenditure shown in 1(a) is less than the reference amount as shown in 1(b) above:

- 3(a) expenditure on the construction and/or maintenance of roads by Burke Shire Council using its own sources funds in the year two years before the year to which this report refers was \$316,391.
- 3(b) the average of expenditure on the construction and/or maintenance of roads by Burke Shire Council using its own source funds for the year to which this report refers and the previous two years was \$356,762.

(signature of Chief Executive Officer/General Manager)

20 / 10 / 2016



PART 2 - STATEMENT OF ACCOUNTABILITY BY CHIEF EXECUTIVE OFFICER

(see subclauses 6.3(a), (c) and (d) of the funding conditions)

I, Sharon Daishe, Chief Executive Officer or General Manager, of
Burke Shire Council, hereby certify, in accordance with the conditions
determined under section 90 of the *National Land Transport ACT 2014* (the Funding Conditions),
that:

- ☒ (a) Roads to Recovery funds received by Burke Shire Council during the year 2015-16 which have been spent on the construction and/or maintenance of roads;
- ☒ (b) Burke Shire Council has fulfilled the signage and other public information conditions in Part 3 of the Funding Conditions; and
- ☒ (c) during the financial year Burke Shire Council has otherwise fulfilled all of the Funding Conditions.

(signature of Chief Executive Officer/General Manager)

20 /10/ 2016



Australian Government
Department of Infrastructure
and Regional Development

- (ii) the financial statement above is in agreement with proper accounts and records; and
- (iii) the amount reported as expended during the year was used solely for expenditure on the maintenance and/or construction of roads; and
- (iv) the amount certified by the Chief Executive Officer in the Chief Executive Officer's financial statement above as the funding recipient's own source expenditure on roads during the year is based on, and in agreement with proper accounts and records.

I am an “appropriate auditor” as defined in section 4 of the *National Land Transport ACT 2014*.

(signature of auditor)

/ / 2016

(name of auditor)

(name of auditor's company)

Note: Under s.4 of the Act, “appropriate auditor” means:

- (a) in relation to a funding recipient whose accounts are required by law to be audited by the Auditor-General of a State — the Auditor-General of the State; or
- (b) in relation to a person or body whose accounts are required by law to be audited by the Auditor-General of the Commonwealth — the Auditor-General of the Commonwealth; or
- (c) in relation to any other funding recipient — a person (other than an officer or employee of the person or body) who is:
 - (i) registered as a company auditor or a public accountant under a law in force in a State; or
 - (ii) a member of the Institute of Chartered Accountants in Australia or of the Australian Society of Accountants.



NATIONAL LAND TRANSPORT ACT 2014, PART 8

**PART 1 - CHIEF EXECUTIVE OFFICER'S FINANCIAL STATEMENT AND
AUDITOR'S REPORT**

Chief Executive Officer's financial statement
(see subclause 6.2(a) of the funding conditions)

The following financial statement is a true statement of the receipts and expenditure of the Roads to Recovery payments received by Burke Shire Council under Part 8 of the *National Land Transport ACT 2014* in the financial year 2015-16.

[1]	[2]	[3]	[4]	[5]
Amount brought forward from previous financial year \$	Amount received in report year \$	Total amount available for expenditure in report year \$	Amount expended in report year \$	Amount carried forward to next financial year \$
		[1]+[2]		[3]-[4]
0	0	0	0	0

The own source expenditure on roads for Burke Shire Council in 2015-16 was: \$123,663

(signature of Chief Executive Officer/General Manager)

20/10/2016

Sharon Daishe

(name of Chief Executive Officer/General Manager)

Auditor's report

(Conditions cl.6.2(b))

In my opinion:

- (i) the financial statement above is based on proper accounts and records;
and