



BLACKALL-TAMBO REGIONAL COUNCIL



ANNUAL REPORT

1 JULY 2014 - 30 JUNE 2015



For all enquiries please contact:

Blackall-Tambo Regional Council
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BLACKALL QLD 4472

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Administration Hours:

Monday to Friday - 8.22 am to 4:45pm

Customer Service Centres:

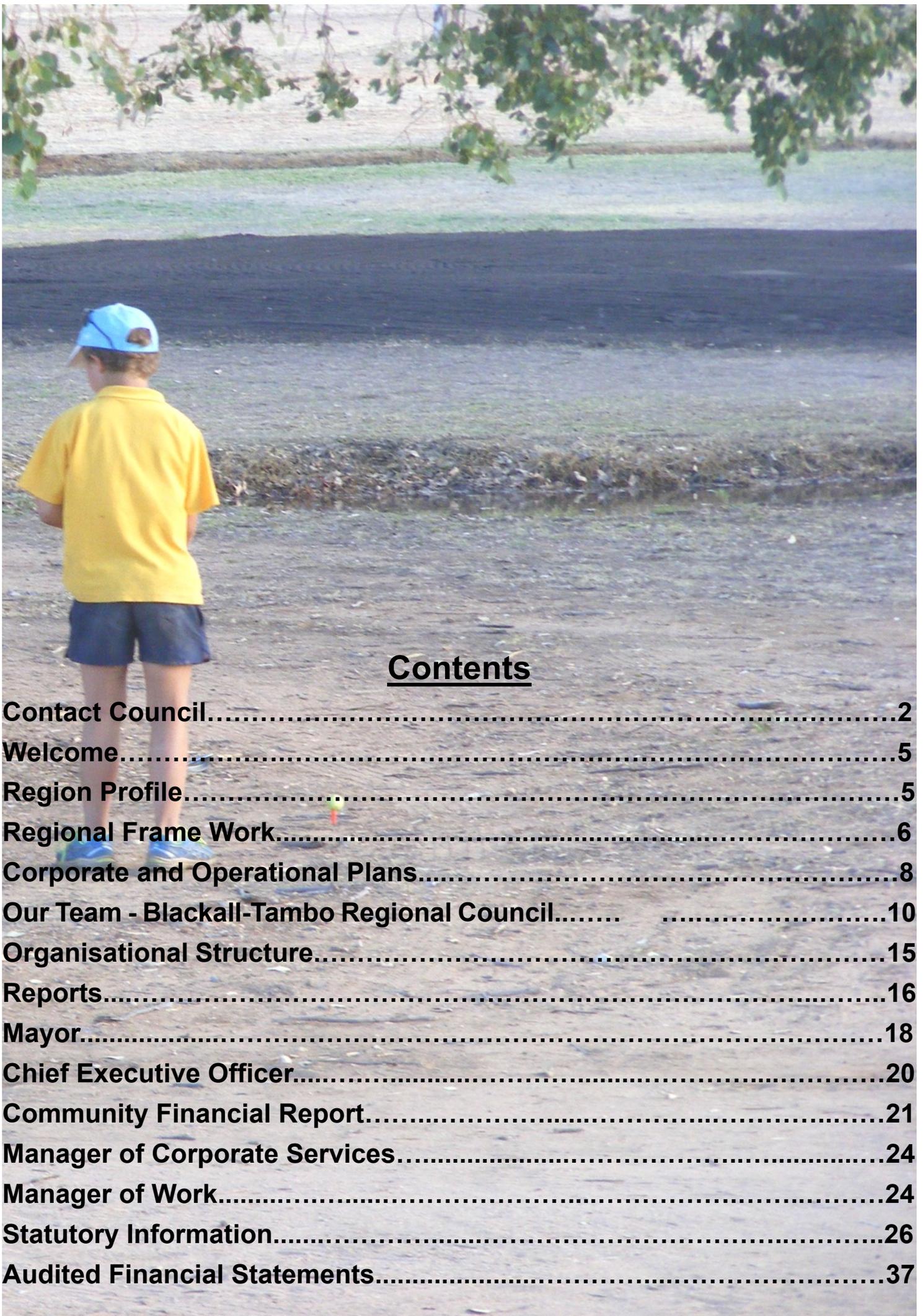
6 Coronation Drive
BLACKALL QLD 4472

21 Arthur Street
TAMBO QLD 4478

Council Depots:

60 Rose Street
BLACKALL QLD 4472

18 Albert Street
TAMBO QLD 4478



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Welcome

Welcome to the Annual Report for the 2014/2015 Financial Year. The Annual Report is a mandatory requirement of the Local Government Act 2009. It is an excellent opportunity to record the accomplishments of Council over the past year. Included in this report are the organisation's 2014/2015 financial statements for the year as certified by the Auditor General.

Although Blackall-Tambo Regional Council is conservatively resourced, and continues into the 4th year of drought, we have developed a dedicated team of employees and contractors who are committed and centred on providing exemplary service to our region. Innovation has transpired and doors have opened for development and opportunity because of the forward motion of our ever evolving Region.



Region Profile

The Blackall-Tambo Region is placed in the heart of Queensland's Outback approximately 900 kilometres north west of Brisbane. The Region is comprised of two towns, Blackall and Tambo both of which lie along the historic Barcoo River and are positioned on the Landsborough Highway (Matilda Highway). While they lie within the Mitchell Grasslands bio region, they are also close to the boundary of the Brigalow Belt Southern bio region.

Blackall is an attractive town and is classed as a remote community with a population of approximately 1660 people. Tambo is a rural and remote community with a population of around 659 people.

The Blackall-Tambo Regional Council has an extensive history of cattle, sheep and wool production, with having the world famous blade shearer Jackie Howe live and work in the area. Today the cattle production has overhauled sheep as the major industry. The Region's economy has also diversified including a major cattle selling centre, tourism, with a solid base of retail and general services.

The Blackall-Tambo Regional Council is dedicated to sustaining and enhancing the appealing rural lifestyle within the Region through the provision of high quality services and facilities, and through a collaborative and supportive community environment.

The Region provides a range of services and programs for the youth, aged, families, sport and recreation, and education up to year 12. High quality facilities are available to support the many community organisations to provide a variety of sport and recreation activities including horse racing, bowls, tennis, swimming and horse sports.

The Region's strong volunteer base has been and continues to play an important part in the life of the Blackall and Tambo communities and reflects the high level of community spirit that exists within the region.

Visiting the Region offers the opportunity to learn about the history of the Outback through the Blackall Wool Scour, Tambo's Heritage Precinct and other various historical sites. The Blackall Artesian Pool and Spa allows visitors to experience the therapeutic benefits of artesian water and is a great place to rest and relax. The Region is also well known for the famous Tambo Teddies, where you can visit the Teddies workshop and see these creatures come to life.

The Blackall-Tambo Region has a vast contrast in landform from flat, open, down plains to the vast cliff lines and dry gorges of the Great Dividing Range, this backdrop offers the opportunity to visit the many surrounding wonderful and scenic places of interest including Salvador Rosa National Park and Idailia National Park.



Regional Frame Work

Mayor:
Chief Executive Officer:
Manager of Corporate Services:
Manager of Works:
Manager of Finance:
Project Manager:

Cr Barry Muir
Mr Ken Timms
Mrs Susan Jarvis
Mr Les Edmestone
Vacant
Mr Dean Kneebone

Administration Office - Blackall:
Administration Office - Tambo:
Works Depot Blackall:
Works Depot Tambo:
Area of the Blackall-Tambo Region:
Length of Roads:
Rates Revenue:
Total Operating Revenue:
Total Capital Revenue:
Total Capital Expenditure:
Bank:

6 Coronation Drive
21 Arthur Street
60 Rose Street
18 Albert Street
30, 502 Square Kilometres
1850km
\$4,478,427
\$29,763,023
\$3,805,598
\$8,827,576
Westpac, Blackall
Bank of Queensland, Tambo
Pitcher Partners - Brisbane
Brandon and Associates - Chinchilla

Auditor:
Consulting Engineer:

Council Services

The Blackall-Tambo Regional Council covers approximately 30,502 sq km and provides a wide range of services including refuse collection, water supply, sewerage, drainage, roads, public health, libraries, community halls, recreation, public toilets, parks, street lighting, and the provision of environmental health and community services.

Economic Profile

Blackall-Tambo Regional Council's economy is predominantly agricultural production with service industries, tourism, Saleyards and retail business also contributing to the community wealth.

Demographics- As per the 2011 Census

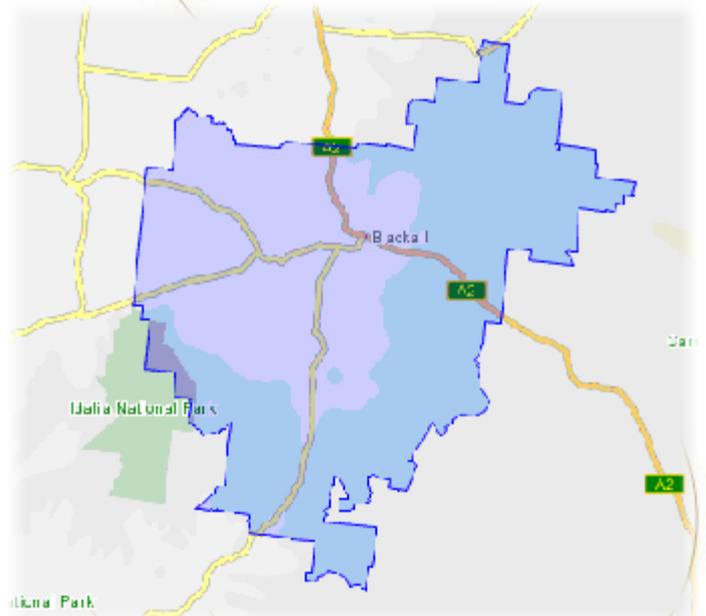
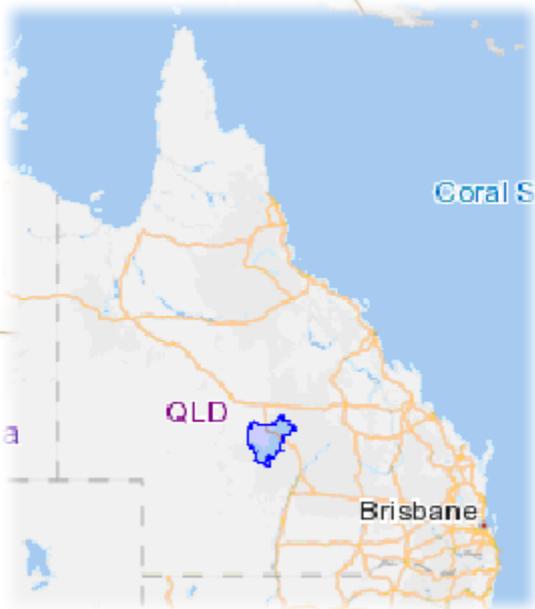
Population: 2319
Median Age: 41.5
Population Prediction: increase of 0.2% per annum (2006-2026)
Birthplace of respondents: 91.2% Australian Born



For more information about our Regional Council you can go to our website at www.btrc.qld.gov.au

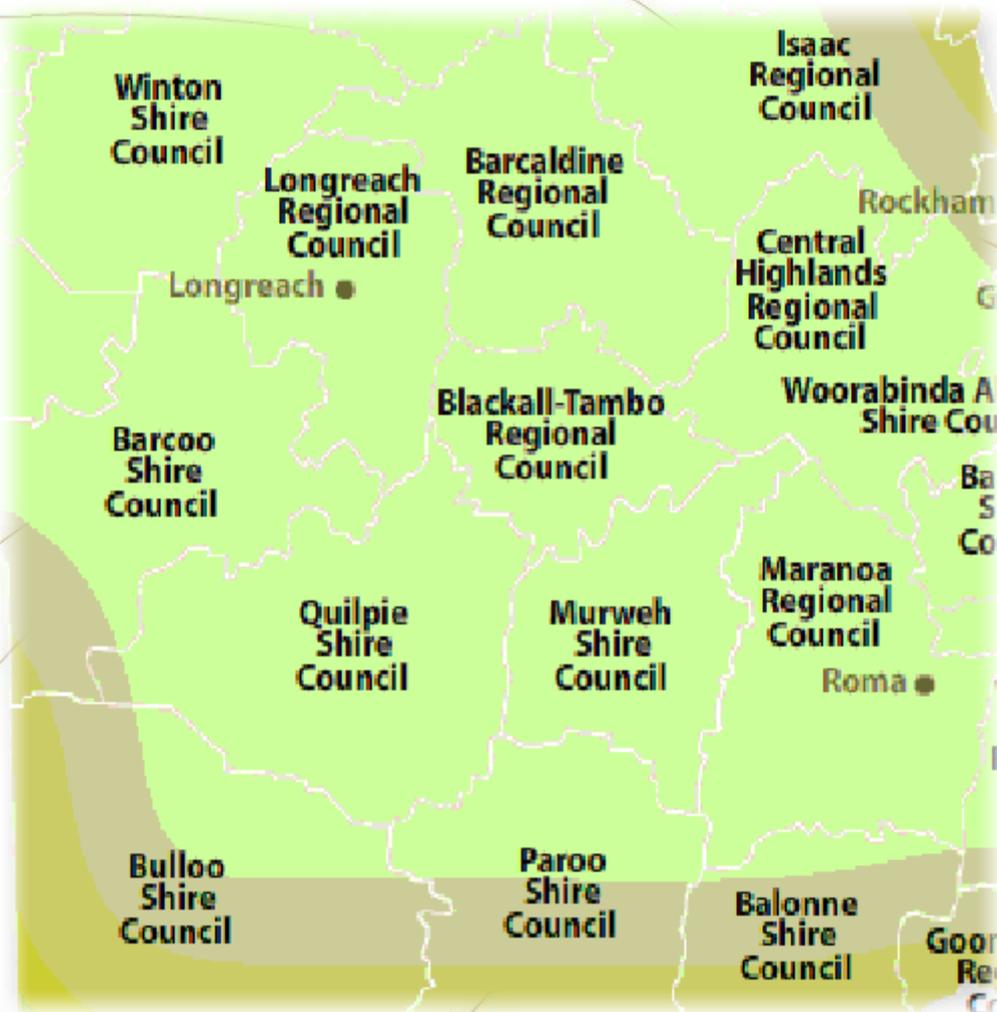
Map of Queensland

The blue area represents the Blackall-Tambo Region



The Blackall-Tambo Region

The Blackall-Tambo Regional Council is surrounded by The Central Highlands Regional Council to the East, Murweh Shire Council to the South and South East, Quilpie Shire Council to the South West, Longreach Regional Council to the West and Barcaldine Regional Council to the North.



Corporate and Operational Plans

The Blackall-Tambo Regional Council, by way of ensuring the community receives the most efficient and effective delivery of services, is committed to the implementation of Best Practice in all Local Government areas. The Council's strategic and operational plans are based on utilising and developing the existing primary resources and assets of the Amalgamated Shire's, to facilitate improved services, economic growth and stability. Within the limitations and restrictions imposed by the level of human, physical and financial resources at Councils' disposal, these plans reflect a genuine attempt to respond to the expressed needs and expectations of our Region's residents.

Corporate Plan

VISION STATEMENT

Blackall-Tambo Regional Council promoting progressive, liveable and sustainable communities.

MISSION

The Blackall-Tambo Regional Council supports practical innovation and a harmonious, active, healthy and sustainable community which is enriched by arts, culture and heritage.

CORE VALUES

The manner in which we accomplish our mission is as important as the mission itself. A united team approach by our elected representatives and our staff is required to achieve the best quality in services and facilities. These core values are fundamental to how Council carries out its activities and to the ultimate achievement of its long term goals.

QUALITY SERVICE

Council is committed to delivering quality service to its customers through:

- Staff and Councillors carrying out their responsibilities with honesty, integrity, impartiality and openness.
- A commitment to continual improvement through the encouragement of new ideas, the development of new skills and effective training and development.

COMMUNITY ENGAGEMENT

Council is committed to effective community engagement and leadership through:

- The provision of dynamic leadership that is positively engaged and committed to addressing the challenge of change in a responsible manner;
- The initiation and maintenance of open lines of communication with all stakeholders and through encouraging a partnership that truly values and recognises teamwork.

EQUITY

Council is committed to delivering equity to its staff and the community through:

The provision Of equal opportunities, fairness in decision making and the equitable distribution of resources.

Environment

Land Development

The town planning scheme creates modern towns and incorporates environmentally conscious solutions.

Parks, Gardens and Cemeteries

There are well established National Parks, botanical gardens and recreational areas.

Cemeteries provide a memorable setting with a range of suitable facilities.

Rural Lands

Council controlled lands are well managed.

Weeds, seeds and pests are effectively controlled.

Sustainability

There is an environmentally friendly focus for all activities and processes.

Utilities

Environmentally friendly and sustainable waste disposal and recycling processes.

Towns serviced via alternative energy sources and underground power.

Water and sewage systems with minimal impact on the environment

Social

Communication

A community with informed views gained through various networking and communicating opportunities.

Cultural Activities

A region recognised for its strong connection with cultural activities.

Customer Service

Council provides a range of information and customer service options to the community.

Employment

A community with strong social capital attracting and supporting full employment.

Families

Provision of a range of services that meets the needs of a family.

Government Services

A strong partnership between community, local, state and federal governments delivering quality services to the community

A range of education opportunities

Acceptable supply, provision and management of housing.

Communities with a zero tolerance for crime and an active response to all emergencies.

Quality, well resources medical facilities providing comprehensive health programs and aged care services.

Land Development

A community with a range of land and infrastructure options to accommodate a population of 5,000.

Public Transport

Multiple public transport options within and between towns and cities.

Recreation

A wide range of state of the art sporting and recreation facilities.

Youth

Council support youth being a valued partner in the community

Economic

Development

Council has developed opportunities for revitalisation.

Employment and Industry

Council is actively involved in nurturing all industries across the region.

Roads

All Main Roads are fully sealed.

Council Roads are all weather, town streets are bitumen with kerb, channelling and drainage.

Governance

Strong community leadership

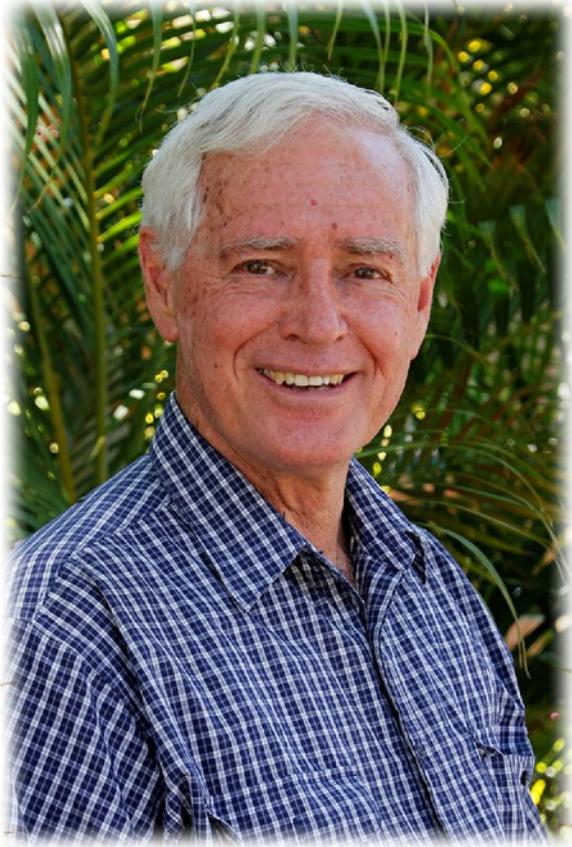
A sustainable and effective organisation



OUR TEAM



Blackall-Tambo Region Councillors



Mayor Barry Muir Portfolio

Central Western Queensland Remote Area Planning
and Development Board
Outback Regional Road Group
Central West Regional Planning Committee
Blackall-Tambo Local Disaster Management Group
Tambo Town Common Advisory Group
Blackall Work Camp Community Advisory Committee
Strategic Planning Committee



Councillor Richelle Johnson Portfolio

Blackall-Tambo Local Disaster Management Group
Tambo Town Common Advisory Group
Blackall-Tambo Tourism Advisory Group
Blackall-Tambo Home and Community Care Advisory
Committee
Strategic Planning Committee
Outback Queensland Tourism Authority



□ **Councillor Megan Prow**
Portfolio

Blackall Saleyards Advisory Committee
Friends of Ram Park Advisory Committee
Strategic Planning Committee



Councillor Neville Dolinski
Portfolio

Blackall-Tambo Tourism Advisory Group
Enterprise Bargaining Agreement Consultative
Committee
Workplace Health and Safety Committee
Strategic Planning Committee
Outback Queensland Tourism Authority
Woolscour Advisory Committee



Councillor D.T (Terry) Brennan
Portfolio

Central West Regional Pest Management Group
Blackall-Tambo Wild Dog Advisory Group
Regional Arts Development Fund Committee
Strategic Planning Committee
Blackall Local Health Advisory Group
Wdog Sub Committee



**Councillor Tom Johnstone
Portfolio**

Blackall-Tambo Sport and Recreation Support Officer
Advisory Committee

Enterprise Bargaining Agreement Consultative
Committee

Strategic Planning Committee



**Councillor Jeremy Barron
Portfolio**

Blackall-Tambo Wild Dog Advisory

Blackall Town Common Advisory Committee

Strategic Planning Committee

Woolscour Advisory Committee

Organisational Structure

Blackall-Tambo Regional Council

Chief Executive Officer

Manager of
Finance - Vacant

Manager of
Corporate
Services

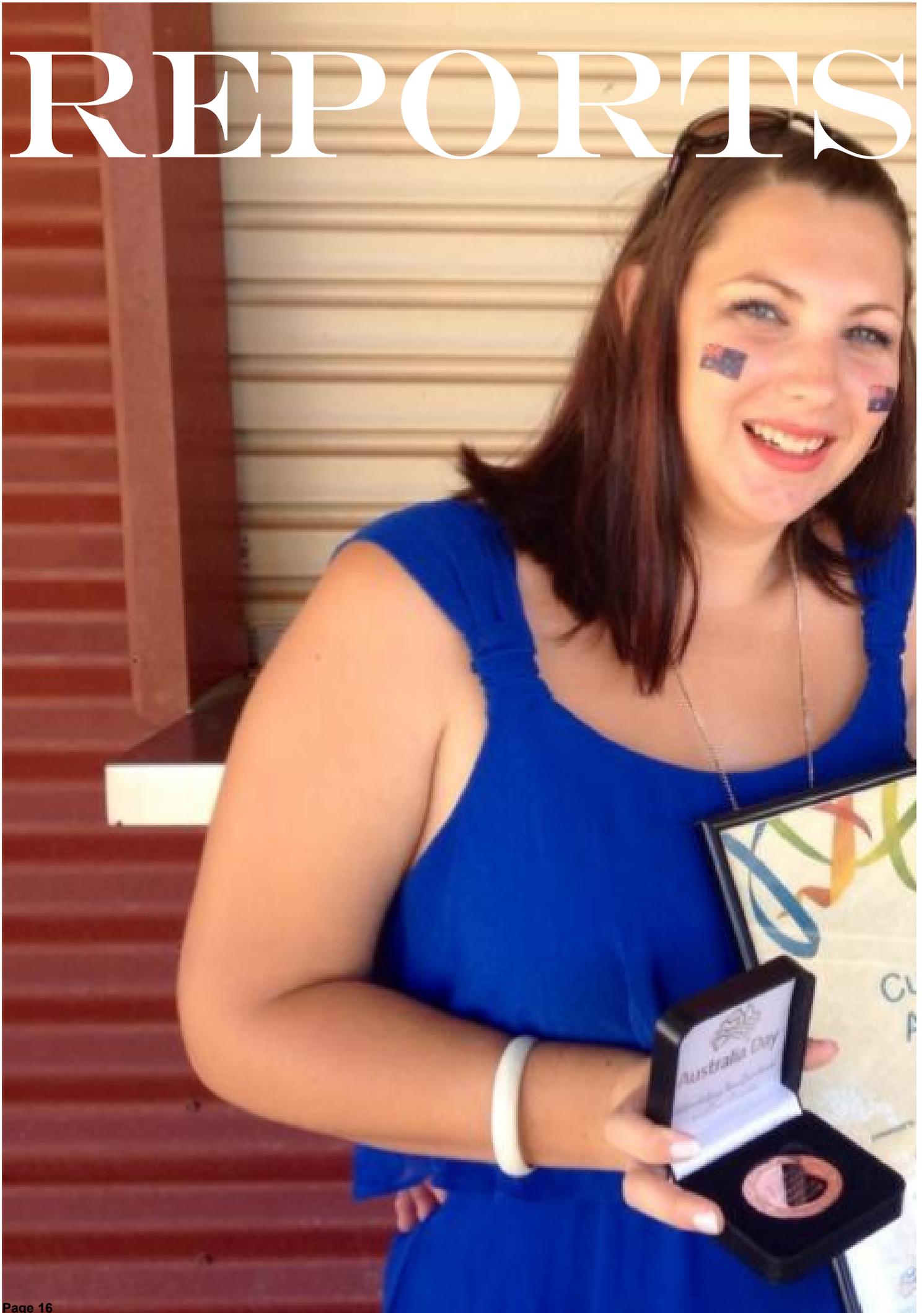
Manager of
Works

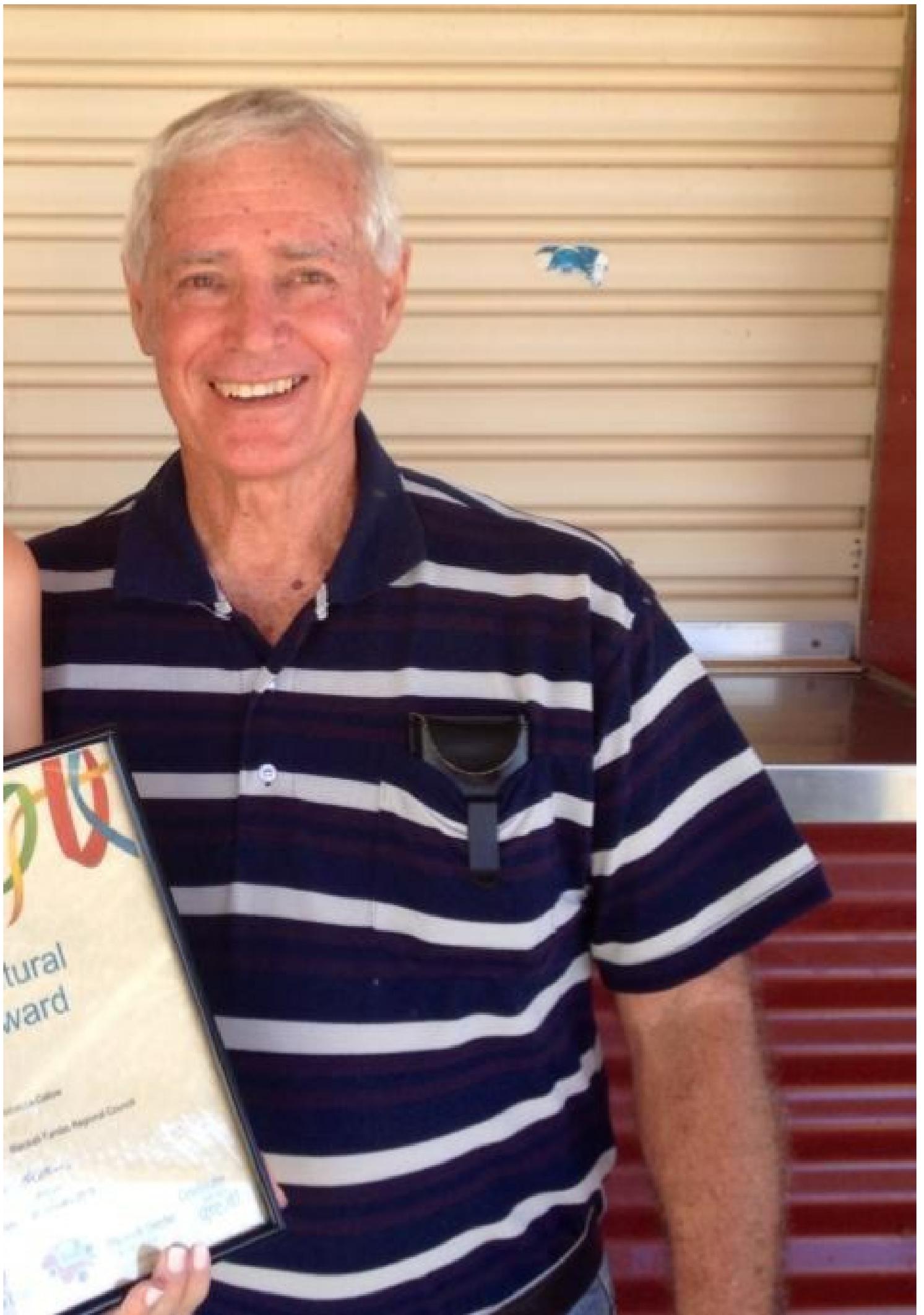
Blackall-Tambo Regional Council - Executive Management Team

Susan Jarvis - Manager of Corporate Services, Les Edmiston - Manager of Works, and Ken Timms - Chief Executive Officer



REPORTS





Mayor's Report

The 2014 - 2015 Financial Year has taken our Regional Council area further into drought along side our neighbouring Councils, with no sign of relief anywhere on the horizon. Over 80% of Queensland is drought stricken, testing our resilience to the limit.

The rural sectors of our Council area are really struggling, many are de stocked and effectively, have little or no income. This combined with the wild dog issue as well as hordes of kangaroos demolishing any fresh growth from the few isolated showers that did manage to fall, has contributed to the demise of our once lucrative wool industry. This has had a flow on effect causing our towns' businesses to really struggle as well. The wool industry was the very heart of the financial stability as well as the soul of most of the towns in the Central West.

Keeping permanent staff is proving to be a challenge for most businesses and many have reduced casuals just to get by. However, in all towns throughout the Central West, there are quite a few town businesses bordering on closure and unfortunately some rural properties may be casualties when the drought does break, because the banks generally don't take any prisoners.

The reduction of grant funding from State and Federal Governments has really stressed the viability of most lower populated Councils.

We have maintained our workforce through natural attrition, also by cutting out overtime on all but emergency situations and where time limitations apply on road contracts that we have won.

We boast a very competent, productive road construction team which brings much needed income into our Communities and we are doing everything possible to keep our workforce intact for the stability and well being of both Communities.

Despite the ongoing drought there have been a good number of positives achieved by Council. The Long hours Daycare Centre in Blackall will be a reality early in 2016. This facility has been made possible by combined funding from the Council, State Government via Royalties for Regions funding and Federal funding. The present State Government has contributed extra funding for both the Blackall and Barcaldine Centres to overcome the unexpected shortfalls.

The new Air Terminal, also made possible by Royalties for Regions funding will be under way in the near future. This will put us on par with passengers who fly out of Barcaldine and Longreach, also handling security requirements unobtrusively and all of our future airport needs for the residents and visitors in our Council Region, now and into the future.

We will shortly start on our last section of the Yaraka road which will take the sealed road through to the Longreach Regional Council boundary. There will only be 8 km of unsealed road between Blackall and Yaraka in the Longreach Regional Council to be completed. Further sections on the Tambo - Alpha Road have been completed as well.

The Blackall rubbish dump upgrade is finished and looks great. We do have to ensure that people put their rubbish into the proper allocated areas for it to function correctly.

The old Power House in Blackall has become the Work Camp town depot. The guys have done a marvellous refurbishment of the building and yard. It also saves them operational costs and makes everything more efficient. Correctional Services are very happy with the CEO's initiative.

My first order on becoming Mayor was to stop the old building from being demolished, but finding a use for the old complex proved to be elusive. So there is a great result for everyone.

A new toilet block adjacent to the bar and kitchen facilities at the Blackall Showgrounds has been completed as well, which will make things much more comfortable for patrons attending various events at the Showgrounds.

The parking bays in Shamrock St. And Coronation Drive are working well and it is good that the majority of drivers are using the parking bays correctly.

The Blackall - Tambo Regional Council in partnership with the Longreach Regional Council and the Winton Shire Council are taking over Shockwave from Human who operate out of Brisbane. This is a great outcome for the youth of the Central West. The program offers so many opportunities and outcomes for the youth from these areas and I believe vitally important for the future well being of the Central West.

The new Fire Engine display shed in the Main Street of Tambo to house the old 1928 Dennis fire tender has been completed and is quite eye catching as well as looking very presentable.

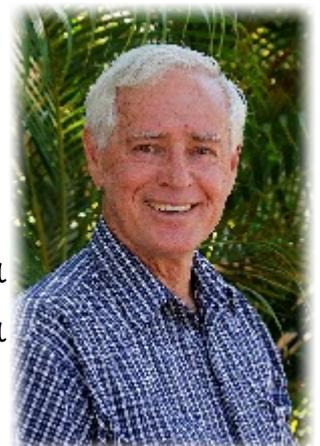
The Weighbridge at Tambo has been re commissioned and hopefully we are nearly on the cusp of re commissioning the the Cypress Timber Mill, which would be a great outcome for employment and the economy of our region.

Also in Tambo the walking track and outdoor exercise equipment adds a new dimension to this popular spot, all that is needed now is for Mother Nature to supply some water for the Dam.

Ironically, 2014 -2015 saw the completion of the extensive flood repair work in our Regional Council area. The diligence and and hard work put into our flood repair work submissions by our present Manager of Works when he worked for the Council previously meant Blackall - Tambo got an extra \$31 million of work which gave tremendous financial and employment outcomes for the Council and both towns over a three year period.

Despite all the trials and tribulations we have endured over the last financial year, we have had some very commendable outcomes. Hopefully this Financial Year, despite the long term weather predictions, there will be much needed rain, but hopefully, not as excessive as were the weather events that preceded the present drought. We are all in this together and to get to the other side we need to work together, without recriminations, to achieve the best possible outcome for both our Communities.

Barry Muir
Mayor



Chief Executive Officers Report

It is with great pleasure that I provide an overview of the 2014/15 year. The many achievements highlighted in this annual report demonstrates Council's ongoing commitment to implement the communities' long term vision for the region – promoting progressive, livable and sustainable communities.

Blackall-Tambo Regional Council staff have achieved significant results during the year. With over 140 staff delivering a wide range of services from roads, rates and rubbish to Qantas flights, funerals and child care; Council is involved in several activities in the community. Credit is given for a job well done, as each one of these activities is treated by Council staff as valuable and important part to the community they live in.

The 2014/15 financial year was a period of significant change with the unprecedented work relating to the flood recovery work coming to completion during the year. The works team have been working tirelessly over the last 12 months to ensure these works were completed on time and within budget.

Capital works were limited due financial restraints, however the organisation was successful in obtaining Transport and Main Roads (TMR) rehabilitation works on the National Highway to see us through the year and still be financially sustainable.

Council continues to run programs and activities that support all members of the community. The annual Heartland Festival is just one of those programs funded by Council which brings a majority of the community together.

2014/15 has been a year from which I believe we have learned a great deal about our rate payers and their expectations. Costs of living have continued to grow and the impacts of a prolonged drought are taking effects on local industry.

We will continue to keep Council on track with sound financial improvements by planning ahead with the team of Councillors and spending on key infrastructure and programs which will acutely meet the needs of our growing community.

The many significant achievements outlined in this report would not be possible without the assistance of the community, councillors, executive management team and staff and I thank them for their assistance and support. Great work.



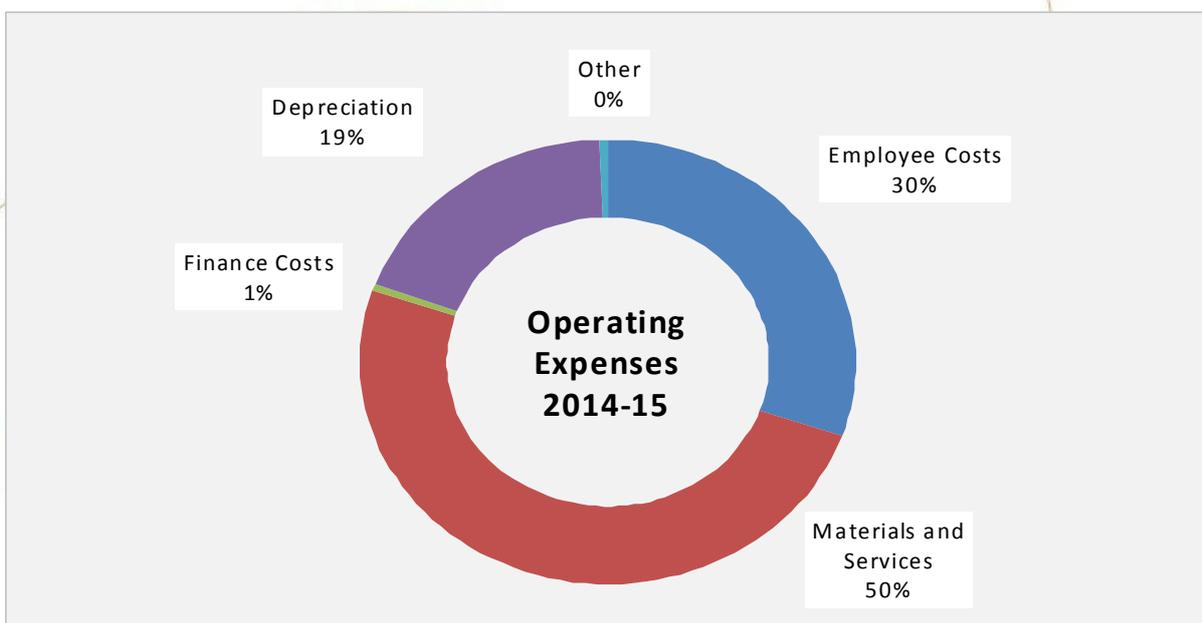
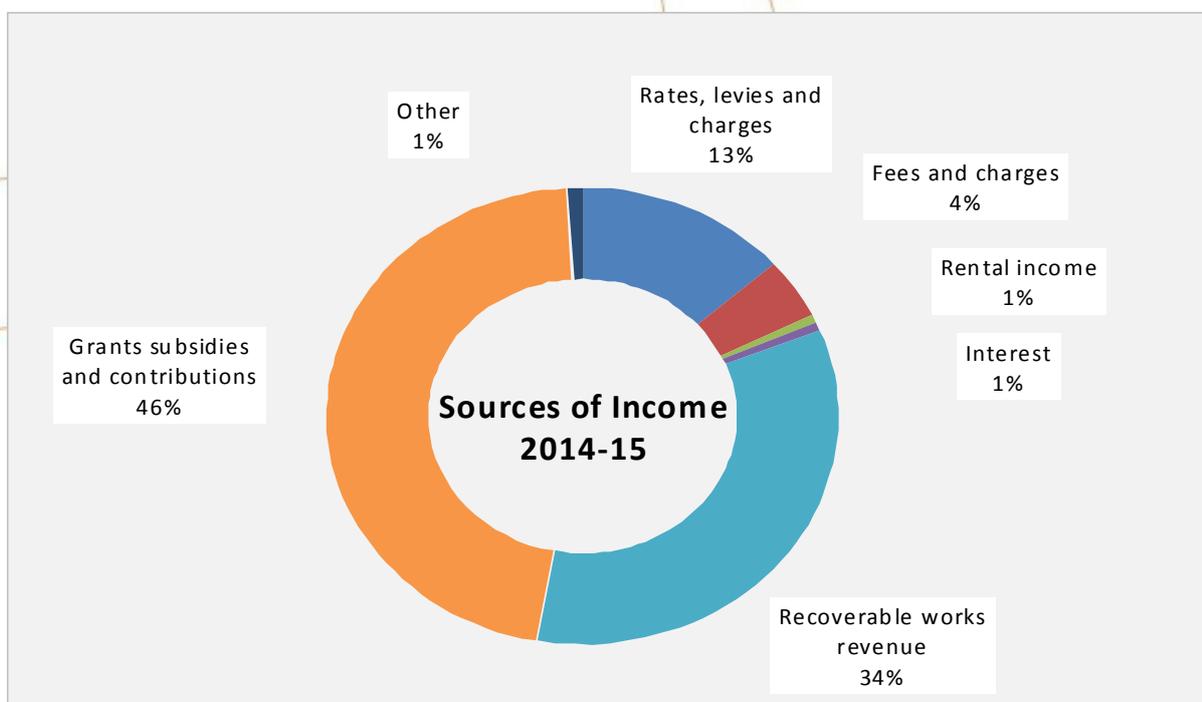
Ken Timms
Chief Executive Officer

Community Financial Report

The Community Financial Report is an overview of the key elements of Council's financial performance and position for the 2014-15 financial year.

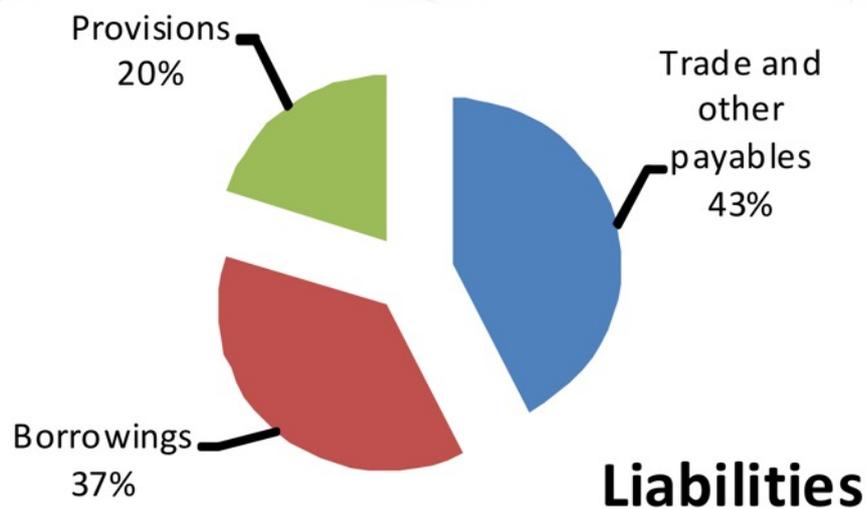
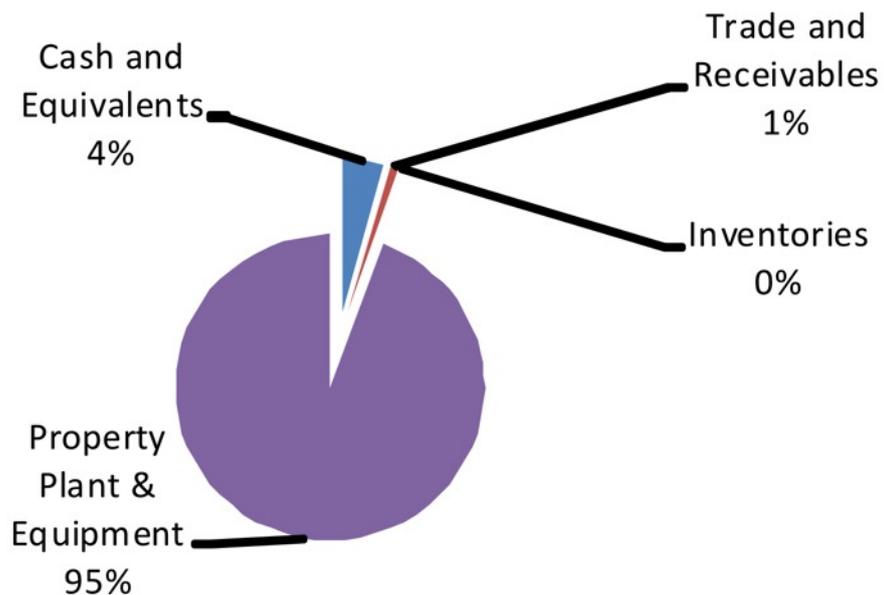
Statement of Financial Performance

Revenue (What we earned)	\$	Expenses (What we spent)	\$
Rates, levies and charges	4,478,427	Employee Costs	7,990,985
Fees and charges	1,463,534	Materials and Services	13,053,746
Rental income	182,578	Finance Costs	146,479
Interest	196,269	Depreciation	4,920,456
Recoverable works revenue	11,438,239	Other	139,501
Grants subsidies and contributions	15,470,728		
Other	338,846		
Total Revenue	33,568,621	Total Expenses	26,251,167



Statement of Financial Position as at 30 June 2015	
Assets (What Council owns)	\$
Cash and Equivalents	10,209,644
Trade and Receivables	2,278,539
Inventories	336,430
Property Plant & Equipment	220,680,405
Total Assets	233505018
Liabilities (What Council owes)	\$
Trade and other payables	2,104,896
Borrowings	1,848,263
Provisions	1,002,695
Total Liabilities	4,955,854

Assets



Property Plant and Equipment by Asset Class	
As at 30 June 2015	
	\$
Land and Improvements	3,449,500
Buildings	29337622
Plant and Equipment	8,538,595
Road, Drainage and Bridge Infrastructure	158,560,831
Water Infrastructure	7,628,337
Sewerage Infrastructure	10,704,617
Work In Progress	2,460,903
Total	220,680,405

Current Year Financial Sustainability Ratios			
Ratio	2015 Actual	Target	How is measure calculated
Operating Surplus	12%	Between 0% and 10%	Net result (excluding capital items) divided by total operating revenue (excluding capital items)
Asset Sustainability	84%	Greater than 90%	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.
Net Financial Liabilities	-26%	Less than 60%	Total liabilities less current assets divided by total operating revenue (excluding capital items)
<i>Operating Surplus Ratio</i>			
The Operating Surplus Ratio indicates the extent to which operational revenues raised cover operating expenses.			
Council has on average operated within target levels for the operating ratio. However, the ratios for recent years have been impacted by revenue timing issues associated with Flood Damage Restoration Works. A positive ratio indicates surplus revenue for Council.			
<i>Asset Sustainability Ratio</i>			
The Asset Sustainability Ratio indicates the extent to which assets are being replaced as they reach end of their useful lives.			
Council has not met the target in the current year as the capital expenditure budget included greater allocation to new assets rather than renewals.			
<i>Net Financial Liabilities Ratio</i>			
The Net Financial Liabilities Ratio indicates the extent to which operating revenues (including grants and subsidies) can cover financial liabilities (usually loans and leases).			
Council's debt level is low when compared to current assets and revenue streams. This equates to a healthy net financial liabilities ratio.			

Manager of Corporate Services Report

This financial year again saw the Corporate Services Department go through changes and challenges, but it also brought tremendous camaraderie and showed a resilient workforce determined to deliver exceptional services to our community.

The community benefited with outstanding customer service and programs from our highly regarded Libraries, Tambo Multi Purpose Centre, Blackall Neighbourhood Centre, 60's and Better, Visitor Information Centres, Tambo Child Care Centre and Barcoo Family Day Care.

Communication is a key challenge and in the interests of ongoing improvement, Council has continued to upgrade its website. It has gone through a major review and refresh with the aim of being attractive and inviting for users.

The Regional Roundup has continued to attract an increase in readership participation and is a popular forum to promote initiatives, programs and strategies of Council including the Taxi Service, Funeral Director, Qantas and miscellaneous externally funded health services.

Difficult decisions were made and real discipline was required to deliver the adopted budget. Annual sponsored events were delivered within budget with the highlight of the year being the Anzac Day Centenary commemorations.

I extend my sincere thanks to my enthusiastic and community driven dedicated staff and volunteers for another year of outstanding achievements, as we look forward to a fresh era of stability and continued success in the delivery of community events including the annual Garden Competitions, Halloween, Christmas Lights Competition and Australia Day.

Susan Jarvis
Manager of Corporate Services



Manager of Works Report

The 2014/15 year has provided significant financial and logistical challenges which the works directorate has strategically addressed during the course of the year. Another significant year for Council delivering a transitional budget and works program after the successful completion of the NDRRA program of flood damage restoration of essential public assets across all facets of the works directorate.

Several multimillion dollar Major Projects delivered by council for the Department of Transport and Main Road on the Landsborough Highway and Alpha-Tambo road as part of the recoverable works program. Council also delivered 10.8 kilometres of pave and seal construction on the Emmet road in the Longreach Regional Council area under contract which demonstrates councils capacity to deliver value for money outcomes competitively in the open market and is testimony to the skills and dedication of council staff and the vision of council with the inception of the commercial road rehabilitation/ recycling division of the works department which creates another revenue stream for council. This clearly demonstrates what can be achieved when all three spheres of Government, Commonwealth, State and Local work together with regional communities to ensure connectivity between regional communities and is truly a credit to all stakeholders involved.

Finalisation of the ten year Jericho – Windorah Rail Link project is a significant achievement with only twelve kilometres remaining unsealed on the Blackall – Yaraka link and only four kilometres within the Blackall-Tambo Regional Council boundaries. Council has actively sought funding to complete this link and has successfully secured external funding for the 2015/16 financial year to progress the sealing of this significant regional transport corridor.

Essential Services have achieved the completion of new main water trunk infrastructure to the Blackall airport and completion of a priority mains replacement program based on reducing the reactive maintenance and increasing service standards to the community.

Parks and Gardens in both community have been maintained to a high standard which is reflective of the comments from the community and tourists with respect to the cleanliness and presentation of the townships of Blackall and Tambo within our region.

The Fleet Services Division continues to work towards improving the efficiency of its operations and increasing plant availability through reduced downtime. NHVR and federal compliance has been maintained this year by our workshop staff as they continue to implement improved safety measures and rigorous specification for compliance with federal workplace health and safety plant accreditation standards.

Capital improvements to the Blackall airport saw the completion of the new airport refuelling facility, new MOS 139 compliant airport lighting project, installation of airport weather information system, car parking and landscaping increasing the quality of the airport services to the community and users. 2015/16 financial year will see the construction of the new airport terminal completing the airport upgrade project.

Compliance remains a key priority with respect to reporting to the regulators under the legislative framework that governs Queensland Local Governments. Moving forward into the 2015/16 year our focus will remain on staff competency based training and professional development, system implementation such as structured asset management, Standard Operating Procedures (SOP's) for all activities conducted by the works department, policy review and development, building revenue earning capacity through fit for purpose plant and equipment and focus on recoverable works and core business.

I would like to take this opportunity to thank my staff for their tireless achievements and outstanding performance throughout the year especially with respect to the delivery of the capital and recoverable works program. I would also like to sincerely thank the community, business houses and stakeholders for their patience during the year and look forward to working with you over the coming year.



Les Edmestone
Manager of Works



STATUTORY INFORMATION

A group of people in various costumes, including nurses, a soldier, and children, walking in a parade on a street. The scene is outdoors on a sunny day with trees and a building in the background. The text is overlaid at the bottom of the image.

1 JULY 2014
30 JUNE 2015

The following information includes the legislative disclosure requirements of the Local Government Act 2009 (as at Dec 2012) and related regulations for the 2013/2014 Annual Report.

Local Government Act 2009

201 Disclosure of remuneration paid to senior contract employees

Two senior contract employees between \$100 000 and \$200 000 and Two senior contract employees between \$0 and \$100 000

Local Government Regulation 2012

185 Particular Resolutions

(a) Expenses Reimbursement Policy

The Expenses Reimbursement Policy establishes the guidelines to ensure that Councillors receive reimbursement of reasonable expenses and are provided with the necessary facilities to assist in the performance of their role. Amendments have been made to the Policy to Section 7 to include the vehicle available for use by the Mayor as an expense category and to Section 11 to include the iPads provided to Councillors as a facility category.

General Council Meeting on the 12 June 2012.

MOTION: Moved: Cr M Prow

Seconded: Cr DT Brennan

"That Council adopt the amended Expenses Reimbursement Policy, subject to the changes discussed at the Meeting."

Minute No. 11/06A/12-Carried

(b) Resolution Number - 05/02B/12

Asset Classes can be found on Page 5. Clause 1.2 of the Asset and Services Management Plan

The Asset Management Policy and Asset and Services Management Plan is available for viewing on the Council Website- www.btrc.qld.gov.au Note on controlled reserves and roads (s206 LGA 2009)

Land that is a reserve under the Land Act

- Reserve - 2071.97 ha
- Town Common - 5220.44ha
- Primary Stock Route - 120km
- Secondary Stock Route - 180km

Roads that Blackall-Tambo Regional Council controls but does not own

- Augathella – Tambo Road - 59.03 km
- Blackall – Tambo Road - 57.081 km
- Tambo - Blackall Road - 44.73 km
- Blackall – Barcaldine Road - 38.11 km
- Blackall – Jericho Road - 87.727 km
- Alpha – Tambo Road - 120.4 km
- Isisford – Blackall Road - 93.705 km
- Blackall – Adavale Road - 113.5 km
- Springsure – Tambo Road - 73.56 km

186 Councillors

The annual report for a financial year must contain particulars of—

(a) for each councillor, the total remuneration, including superannuation contributions, paid to the councillor during the financial year; page 29

(b) the expenses incurred by, and the facilities provided to, each councillor during the financial year under the local government's expenses reimbursement policy; page 29

(c) a copy of the local government's expenses reimbursement policy; page 27

(d) the total number of the following during the financial year—

(i) orders and recommendations made under section 180(2) or (4) of the Act; One.

(ii) orders made under section 181 of the Act; and

(e) each of the following during the financial year—

(i) 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; Councillor Terry (D.T.) Brennan.

(ii) a description of the misconduct or inappropriate conduct engaged in by each of the councillors;

1. Failure to declare a material personal interest under Section 172(5) of the Act and leave Council's Wild Dog Sub Committee Meeting on the 8 August 2014, when recommending the approval of funding under Council's Wild Dog Gratuity Model to the Goonadee Syndicate, of which it is alleged Councillor Brennan could receive a benefit as a landowner associated with the Syndicate.
2. Failure to declare a material personal interest under Section 172(5) of the Act and leave Council's General Meeting on the 12 August 2014, when funding under Council's Wild Dog Gratuity Model was awarded to the Goonadee Syndicate, of which it is alleged Councillor Brennan could receive a benefit as a landowner associated with the Syndicate.
3. Failure to inform Council's Chief Executive Officer in the approved form of the particulars of the Councillor's membership in the Goonadee Syndicate and record these particulars in a register of interests within thirty days of the interest arising.

(iii) a summary of the order or recommendation made for each councillor;

1. Allegation of misconduct as defined under Section 176(3)(b)(ii) of the Act was established and an order was made that Councillor Brennan make an admission of error.

2. Allegation of misconduct as defined under Section 176(3)(b)(ii) of the Act was established and an order was made that Councillor Brennan make an admission of error and pay to Council the amount of \$250.00.

3. Allegation of misconduct as defined under Section 176(3)(b)(ii) of the Act was established and an order was made that Councillor Brennan make an admission of error and pay to Council the amount of \$100.00.

(f) the number of each of the following during the financial year—

(i) complaints about the conduct or performance of councillors for which no further action was taken under section 176C(2) of the Act;

(ii) complaints referred to the department's chief executive under section 176C(3)(a)(i) of the Act; Zero.

(iii) complaints referred to the mayor under section 176C(3)(a)(ii) or (b)(i) of the Act;

(iv) complaints referred to the department's chief executive under section 176C(4)(a) of the Act;

(v) complaints assessed by the chief executive officer as being about corrupt conduct under the Crime and Corruption Act; Zero.

(vi) complaints heard by a regional conduct review panel; One.

(vii) complaints heard by the tribunal; Zero.

(viii) complaints to which section 176C(6) of the Act applied.

(g) the number of each of the following during the financial year—

(i) complaints about the conduct or performance of councillors for which no further action was taken under section 176C(2) of the Act; N/A

(ii) complaints referred to the department's chief executive under section 176C(3)(a)(i) of the Act; N/A

(iii) complaints referred to the mayor under section 176C(3)(a)(ii) or (b)(i) of the Act; N/A

(iv) complaints referred to the department's chief executive under section 176C(4)(a) of the Act; N/A

(v) complaints assessed by the chief executive officer as being about official misconduct; N/A

(vi) complaints heard by a regional conduct review panel; N/A

(vii) complaints heard by the tribunal; N/A

(viii) complaints to which section 176C(6) of the Act applied; N/A

Expenses Reimbursement Policy - 12 June 2012

Background

It is a requirement under Section 45 of the *Local Government (Operations) Regulation 2010* to adopt an Expenses Reimbursement Policy or **amendment**.

Purpose

The purpose of the policy is to ensure that Councillors (including Mayors) can receive reimbursement of reasonable expenses and be provided with necessary facilities in performance of their role.

Scope

The Expenses Reimbursement Policy has been adopted by the local government as the ongoing policy of the Blackall-Tambo Regional Council.

Statement of Principles

The policy complies with the Statement of Principles, set out in the guidelines:

- Reasonable expenses reimbursement to Councillors
- Public accountability and transparency
- Public perceptions and community expectations
- No private benefit to be derived
- Equity and participation

Payment of Expenses

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

- the limits outlined in this policy, and
- Council endorsement by resolution.

Expense Categories

Professional development

A local government will reimburse expenses incurred for:

- mandatory professional development, and
- discretionary professional development deemed essential for the Councillor's role.

Travel as required to represent Council

A local government may reimburse local and in some cases interstate and overseas travel expenses (e.g. flights, car, accommodation, meals and associated registration fees) deemed necessary to achieve the business of Council where:

- a Councillor is an official representative of Council, and
- the activity/event and travel have been endorsed by resolution of Council.

Councillors are to travel via the most direct route, using the most economical and efficient mode of transport.

Council will pay for reasonable expenses incurred for overnight accommodation when a Councillor is required to stay outside the local government's region.

NOTE: Any fines incurred while travelling in Council-owned vehicles or privately owned vehicles when attending to Council business, will be the responsibility of the Councillor incurring the fine

Travel bookings

All Councillor travel approved by Council will be booked and paid for by Council.

Economy class is to be used where possible although Council may approve business class in certain circumstances.

Airline tickets are not transferable and can only be procured for the Councillor's travel on Council business. They cannot be used to offset other unapproved expenses (e.g. cost of partner or spouse accompanying the Councillor).

Travel transfer costs

Any travel transfer expenses associated with Councillors travelling for Council approved business will be reimbursed.

Example: Trains, taxis, buses and ferry fares.

Cab charge vouchers may also be used if approved by Council where Councillors are required to undertake duties relating to the business of Council.

Private vehicle usage

Councillors' private vehicle usage may be reimbursed by Council if the:

- travel has been endorsed by Council resolution,
- claim for mileage is substantiated with log book details, and

total travel claim does not exceed the cost of the same travel using economy flights plus the cost of taxi transfers.

Vehicle - Available for use by the Mayor

A fully maintained Council fleet vehicle is available for use by the Mayor for all official Council related business.

Accommodation

All Councillor accommodation for Council business will be booked and paid for by Council. Council will pay for the most economical deal available. Where possible, the minimum standards for Councillors' accommodation should be three or four star rating.

Where particular accommodation is recommended by conference organisers, Council will take advantage of the package deal that is the most economical and convenient to the event.

Meals

A local government will reimburse costs of meals for a Councillor when:

- the Councillor incurs the cost personally, and
- the meal was not provided:
- within the registration costs of the approved activity/event
- during an approved flight.

The following limits apply to the amount Council will reimburse for meals:

Breakfast \$19.60

Lunch \$20.05

Dinner \$34.55

No alcohol will be paid for by Council.

Incidental allowance

Up to \$20 per day may be paid by a local government to cover any incidental costs incurred by Councillors required to travel, and who are away from home overnight, for official Council business.

Additional Expenses for Mayor

Hospitality

The Blackall-Tambo Regional Council will reimburse the Mayor up to \$1,000 per annum for hospitality expenses deemed necessary in the conduct of Council business on the production of appropriate tax invoices and completion of a reimbursement form.

Provision of Facilities

All facilities provided to Councillors remain the property of Council and must be returned to Council when a Councillor's term expires.

Private use of Council owned facilities

Based on the principle that *no private benefit is to be gained* the facilities provided to Councillors by local governments are to be used only for Council business unless prior approval has been granted by resolution of Council.

The Council resolution authorising private use of Council owned facilities will set out the terms under which the Councillor will reimburse Council for the percentage of private use. This would apply when Councillors have private use of Council owned motor vehicles and / or mobile telecommunication devices.

Facilities Categories

Administrative tools

Administrative tools should be provided to Councillors as required to assist Councillors in their role.

Administrative tools include:

- office space and meeting rooms
- computers
- Stationery
- access to photocopiers
- Printers
- facsimile machines
- Publications
- use of Council land line telephones and internet access in Council offices
- secretarial support may also be provided for Mayors and Councillors.
- council may provide a Councillor with home office equipment including computer, internet access if necessary.

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

Use of Council vehicles on Council business

Councillors may have access to a Council vehicle for official business.

Private use of vehicles

Private use of Council owned vehicles is permitted if prior approval has been granted by resolution of Council. Council will, in its resolution authorise private use, set out the terms for the Councillor to reimburse Council for the private use.

Telecommunication needs - mobile devices and iPads

Mobile telecommunication devices previously owned by a local government may be used by Councillors for official Council business use during the transitional period iPads are supplied to Councillors for official use. The BTRC iPad Policy outlines the conditions of use. Additionally, where Council deems it necessary to acquire new mobile devices due to the new local government structure, extra facilities may be approved by Council resolution.

Example: Mobile telephones or hand-held personal digital assistants (i.e. 'Blackberry').

Insurance Cover

A local government will indemnify or insure Councillors in the event of injury sustained while discharging their civic duties. The local government will pay the excess for injury claims made by a Councillor resulting from conducting official Council business.

Fuel costs

Fuel for a Council-owned vehicle used for official Council business, will be provided or paid for by Council.

Car parking amenities

Councils are to provide Councillors with:

- car parking at the local government office premises, and/or
- reimbursement of parking costs paid by Councillors while attending to official Council business.

Changes since last revision

New Policy as of 12.06.2012 to reflect current procedures.

Meetings Attended and Remuneration for Blackall-Tambo Regional Councillors in 2014/2015

	Mayor	Deputy Mayor	Councillor	Councillor	Councillor	Councillor	Councillor
	<i>Barry Muir</i>	<i>Richelle Johnson</i>	<i>Jeremy Barron</i>	<i>Megan Prow</i>	<i>D.T (Terry) Brennan</i>	<i>Neville Dolinski</i>	<i>Tom Johnstone</i>
<i>General Council Meetings Attended</i>	12	12	12	12	12	12	12
<i>Special Council Meetings Attended</i>	4	4	4	4	4	4	3
<i>Strategic Planning Committee Meetings Attended</i>	10	10	9	9	10	9	8
<i>Base Amount</i>	\$79,824.00	\$34,209.00	\$24,326.40	\$24,326.40	\$24,326.40	\$24,326.40	\$24,326.40
<i>Superannuation</i>	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<i>Extras</i>	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<i>Reimbursements (PAID) Travel, conferences, training, accommodation, meals, phone, computers</i>	NIL	\$500.17	NIL	NIL	\$1,029.27	NIL	NIL
<i>Remuneration total for individual Councillors</i>	\$79,824.00	\$34,709.17	\$24,326.40	\$24,326.40	\$25,355.67	\$24,326.40	\$24,326.40
<i>Remuneration total</i>	\$237,194.44						

187 Administrative action complaints

(1) The annual report for a financial year must contain—

- (a) a statement about the local government's commitment to dealing fairly with administrative action complaints;
- (b) a statement about how the local government has implemented its complaints management process, including an assessment of the local government's performance in resolving complaints under the process.

Blackall-Tambo Regional Council's commitment to dealing fairly with administrative action complaints

The complaints process has been established for resolving complaints by affected persons about administrative action of the council or an alleged minor breach by a councillor of the council's *Code of Conduct for Councillors*.

However, the complaints process does not apply to a complaint-

- that could be made under Section 48 of the Act about competitive neutrality issues;
- about official misconduct that should be directed to the Crime and Misconduct Commission;
- made under *Public Interest Disclosure Act 2010*;
- about a meeting breach, a repeat breach or a statutory breach under the *Code of Conduct for Councillors*.
- Complaints not about an administrative action of Council or by a person who is not an affected person
- A request for service or information, or provision of feedback in negative terms
- A request for a waiver or review of a penalty infringement notice
- Complaints about Councillors including the Mayor
- Complaints about Council decisions which should be directed to the local Councillor
- A complaint about official misconduct or a criminal matter
- Disputes about legal liability

Objectives

The complaints process is established with the following objectives;

- The fair, efficient and consistent treatment of complaints about decisions and other administrative actions of the council and complaints about minor breaches.
- A complaints process that is easy to understand and is readily accessible to all.
- Detection and rectification, where appropriate, of administrative errors.
- Identification of areas for improvement in the council's administrative practices.
- Increase in awareness of the complaints process for the council's staff and the community.
- Enhancement of the community's confidence in the complaints process and of the reputation of the council as being accountable and transparent.
- Building the capacity of staff to effectively manage complaints in an environment of continuous improvement.

Policy commitment

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

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

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

To this end, the council will endeavour to ensure that;

- Anyone who is dissatisfied about a decision or other action of the council, a council officer or a councillor can easily and simply lodge a complaint.
- Complainants are provided with information on the complaints process and, if necessary, assistance to make their complaint.
- Each complaint is initially assessed in terms of its seriousness, safety implications, complexity and degree of urgency.
- Council officers will receive complaints in a professional manner and welcome valid feedback as an opportunity for improvement of the council's administrative practices.
- Complaints are responded to as quickly as possible and in accordance with the timeframes set out in the complaints process.
- Complainants will not suffer any reprisal from council or its officers for making a complaint.
- Complaints are properly monitored with a view to continuous improvement of the council's business processes.
- If a complainant is not satisfied that a complaint has been satisfactorily resolved, he/she will be informed of any statutory right of review and, if they request, be provided with details of any further review mechanism that is available.

Statement about how Council has implemented its complaints management process and assessment

The following framework describes the model adopted by the council for handling complaints;

For further information about the stages and sections you will find the General Complaints Policy at www.btrc.qld.gov.au

Stage 1

Preliminary Procedures
Review of complaint in council service area where administrative action occurred, or contact relevant councillor for an alleged minor breach) – see Sections 9 and 10 of the complaints process.

Stage 2

Complaint Process

- Internal review by a council officer;
- External review by a person who is not a council officer – see Section 11. Further review by council, if deemed necessary – see Section 21.

Stage 3

Complainant informed of other review options if not satisfied with council decision on complaint *eg* complaints agency such as the Queensland Ombudsman, other avenues of appeal or review or alternative dispute resolution – see Section 22.

(2) The annual report must also contain particulars of—

(a) the number of the following during the financial year; There were no complaints in the 13/14 Year.

(i) administrative action complaints made to the local government; N/A

(ii) administrative action complaints resolved by the local government under the complaints management process; N/A

(iii) administrative action complaints not resolved by the local government under the complaints management process; N/A

(b) the number of administrative action complaints under paragraph (a)(iii) that were made in a previous financial year; There was no complaints made in the 12/13 financial year.

188 Overseas travel

(1) The annual report for a financial year must contain the following information about any overseas travel made by a councillor or local government employee in an official capacity during the financial year—

(a) for a councillor—the name of the councillor; N/A

(b) for a local government employee—the name of, and position held by, the local government employee; N/A

(c) the destination of the overseas travel; N/A

(d) the purpose of the overseas travel; N/A

(e) the cost of the overseas travel; N/A

(2) The annual report may also contain any other information about the overseas travel the local government considers relevant; N/A

189 Expenditure on grants to community organisations

The annual report for a financial year must contain a summary of—

(a) the local government's expenditure for the financial year on grants to community organisations;

In-kind - \$18,053

Sponsorship - \$24,531

Grants - \$85,793

(b) expenditure from each councillor's discretionary fund, including—

(i) the name of each community organisation to which an amount was allocated from the fund; N/A

(ii) the amount and purpose of the allocation; N/A

190 Other contents

(1) The annual report for a financial year must contain the following information—

- (a) the chief executive officer's assessment of the local government's progress towards implementing its 5-year corporate plan and annual operational plan; Pg 6/7/8/9, Chief Executive Officer Report pg 20/21, Community Financial Statement pg 24/25, Manager of Works Report pg 23 and Manager of Corporate Services Report pg 22
- (b) particulars of other issues relevant to making an informed assessment of the local government's operations and performance in the financial year; Pg 6/7/8/9, Chief Executive Officer Report pg 20/21, Community Financial Statement pg 24/25, Manager of Works Report pg 23 and Manager of Corporate Services Report pg 22
- (c) an annual operations report for each commercial business unit; N/A
- (d) details of any action taken for, and expenditure on, a service, facility or activity—
 - (i) supplied by another local government under an agreement for conducting a joint government activity; N/A
 - (ii) for which the local government levied special rates or charges for the financial year; N/A
- (e) the number of invitations to change tenders under section 228(7) during the financial year; N/A
- (f) a list of the registers kept by the local government;

Blackall-Tambo Regional Council maintains the following Registers that are open for inspection upon request to the Chief Executive Officer:

- Register of Interests-Councillors
- Register of Interest-Senior Staff
- Register of Roads
- Register of Charges
- Minutes of Council Meetings
- Register of Delegations by Council
- Register of Delegation by Chief Executive Officer
- Register of Local Laws
- Corporate Plan
- Operational Plan
- Annual Report
- Register of Fees and Charges
- Code of Conduct
- Rates Recovery Policy
- Revenue Policy
- Revenue Statement
- Entertainment Policy
- Town Common Management Plan
- Sport and Recreation Plan
- Asbestos Register
- Council Policy Register
- Development Applications Register
- Queensland Government 'Pool Safety' Register

(g) a summary of all concessions for rates and charges granted by the local government;

The Revenue Policy is available for viewing on the Council Website - www.btrc.qld.gov.au

Pensioner Rebate

MOTION:

Moved: Cr M Prow

Seconded: Cr RC Johnson

“That Council provide a rebate of part rates and charges to prescribed pensioners for the 2014/2015 financial year, if the owner of the parcel of rateable land:

- Is a prescribed pensioner,
- Has submitted an application in the prescribed form by the required date,
- Has fully paid all rates and charges owing to Council,
- Has made payment of the amount due and payable for the current period,
- The property is not zoned Rural, and
- The property is the principal place of residence.

The rebate is calculated as follows:

General Rate	40%
Maximum Remission	\$250.00 per year.”

Minute No. 09/07B/14 ; Carried

(h) the report on the internal audit for the financial year;

Three internal audits were completed during the 2014/2015 financial year. The areas reviewed included:

- Financial management policies and procedures,
- Records and information management, and
- Human resources and succession planning.

At the conclusion of each audit, Council's Internal Audit Committee reviewed the findings and made recommendations for consideration by Council. Council accepted the recommendations at subsequent Council Meetings, with Management to determine pathways for implementation. The realisation of these recommendations will assist Council to manage its most significant operational risks and ensure that the principles of good governance are applied to all facets of Council operations. Full copies of all audit reports are available from the Chief Executive Officer.

(i) a statement about the local government's activities during the financial year to implement its plan for equal opportunity in employment;

The Blackall-Tambo Regional Council is an Equal Employment Opportunity Employer and is committed to promoting equity in employment opportunity. During the year Council continued to implement the Equal Employment Opportunity (EEO) Management Plan, which was developed in consultation with Council and employees. All employees and potential employees will receive fair and equitable treatment in all matters relating to recruitment, training and promotion without regard to factors such as sex, age, race, religion or marital status.

(j) a summary of investigation notices given in the financial year under section 49 for competitive neutrality complaints; N/A

(k) the local government's responses in the financial year on the QCA's recommendations on any competitive neutrality complaints under section 52(3); N/A

(2) In this section— *annual operations report*, for a commercial business unit, means a document that contains the following information for the previous financial year—

(a) information that allows an informed assessment of the unit's operations, including a comparison with the unit's annual performance plan; N/A

(b) particulars of any changes made to the unit's annual performance plan for the previous financial year; N/A

(c) particulars of the impact the changes had on the unit's—

(i) financial position; N/A

(ii) operating surplus or deficit; N/A

(iii) prospects; N/A

(d) particulars of any directions the local government gave the unit; N/A



AUDITED FINANCIAL STATEMENTS



S183 LG R 2012

Blackall-Tambo Regional Council Financial Statements

For the year ended 30 June 2015

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Blackall-Tambo Regional Council
Statement of Comprehensive Income
For the year ended 30 June 2015

	2015	2014
Note	\$	\$
Revenue		
Recurrent revenue		
Rates, levies and charges	3(a) 4,478,427	4,349,668
Fees and charges	3(b) 1,463,534	1,297,782
Rental income	3(c) 182,578	219,882
Interest received	3(d) 196,269	87,879
Sales revenue	3(e) 11,438,239	29,863,518
Other income	338,846	308,957
Grants, subsidies, contributions and donations	4(a) 11,665,130	15,656,561
	<u>29,763,023</u>	<u>51,784,247</u>
Capital revenue		
Grants, subsidies, contributions and donations	4(b) 3,805,598	4,251,092
Total revenue	<u>33,568,621</u>	<u>56,035,339</u>
Expenses		
Recurrent expenses		
Employee benefits	6 (7,990,965)	(8,756,389)
Materials and services	7 (13,053,746)	(30,743,279)
Finance costs	8 (146,479)	(171,610)
Depreciation	(4,920,456)	(5,546,889)
	<u>(26,111,646)</u>	<u>(45,218,167)</u>
Capital expenses		
	5 (139,501)	(1,239,394)
Total expenses	<u>(26,251,167)</u>	<u>(46,457,561)</u>
Net operating surplus	<u>7,317,454</u>	<u>9,577,778</u>
Other comprehensive income		
Increase / (decrease) in asset revaluation surplus	16 (11,873,390)	23,047,311
Total other comprehensive income for the year	<u>(11,873,390)</u>	<u>23,047,311</u>
Total comprehensive income for the year	<u>(4,555,936)</u>	<u>32,625,089</u>

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

**Blackall-Tambo Regional Council
Statement of Financial Position
As at 30 June 2015**

		2015	2014
	Note	\$	\$
Current assets			
Cash and cash equivalents	9	10,209,644	6,811,068
Trade and other receivables	10	2,274,034	4,278,711
Inventories		336,430	329,056
Total current assets		<u>12,820,108</u>	<u>11,418,835</u>
Non-current assets			
Trade and other receivables	10	4,505	7,505
Property, plant and equipment	11	220,680,405	229,509,696
Total non-current assets		<u>220,684,910</u>	<u>229,517,201</u>
Total assets		<u>233,505,018</u>	<u>240,936,036</u>
Current liabilities			
Trade and other payables	13	2,104,896	4,618,004
Borrowings	14	412,503	400,500
Provisions	15	812,668	777,208
Total current liabilities		<u>3,330,067</u>	<u>5,795,712</u>
Non-current liabilities			
Borrowings	14	1,435,760	1,845,197
Provisions	15	190,027	190,027
Total non-current liabilities		<u>1,625,787</u>	<u>2,035,224</u>
Total liabilities		<u>4,955,854</u>	<u>7,830,936</u>
Net community assets		<u>228,549,164</u>	<u>233,105,100</u>
Community equity			
Asset revaluation surplus	16	113,496,188	125,369,578
Retained surplus		115,052,976	107,735,522
Total community equity		<u>228,549,164</u>	<u>233,105,100</u>

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

**Blackall-Tambo Regional Council
Statement of Changes in Equity
For the year ended 30 June 2015**

Note	Asset revaluation surplus 16	Retained surplus	Total
	\$	\$	\$
Balance as at 1 July 2014	125,369,578	107,735,522	233,105,100
Net operating surplus	-	7,317,454	7,317,454
Other comprehensive income for the year			
Increase / (decrease) in asset revaluation surplus	(11,873,390)	-	(11,873,390)
Total comprehensive income for the year	<u>(11,873,390)</u>	<u>7,317,454</u>	<u>(4,555,936)</u>
Balance as at 30 June 2015	<u>113,496,188</u>	<u>115,052,976</u>	<u>228,549,164</u>
Balance as at 1 July 2013	102,322,267	98,157,744	200,480,011
Net operating surplus	-	9,577,778	9,577,778
Other comprehensive income for the year			
Increase / (decrease) in asset revaluation surplus	23,047,311	-	23,047,311
Total comprehensive income for the year	<u>23,047,311</u>	<u>9,577,778</u>	<u>32,625,089</u>
Balance as at 30 June 2014	<u>125,369,578</u>	<u>107,735,522</u>	<u>233,105,100</u>

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

**Blackall-Tambo Regional Council
Statement of Cash Flows
For the year ended 30 June 2015**

	Note	2015 \$	2014 \$
Cash flows from operating activities			
Receipts from customers		21,314,234	40,173,050
Payments to suppliers and employees		<u>(25,120,264)</u>	<u>(45,263,670)</u>
		(3,806,030)	(5,090,620)
Interest received		196,269	87,879
Rental income		182,578	219,882
Non capital grants and contributions		11,665,130	15,656,561
Borrowing costs		<u>(146,479)</u>	<u>(171,610)</u>
Net cash inflow (outflow) from operating activities	20	<u>8,091,468</u>	<u>10,702,092</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(8,827,576)	(8,395,734)
Net movement in loans and advances		3,000	7,000
Proceeds from sale of property plant and equipment		723,520	316,980
Grants, subsidies, contributions and donations		<u>3,805,598</u>	<u>4,251,092</u>
Net cash inflow (outflow) from investing activities		<u>(4,295,458)</u>	<u>(3,820,662)</u>
Cash flows from financing activities			
Proceeds from borrowings		-	1,000,000
Repayment of borrowings		<u>(397,434)</u>	<u>(3,398,511)</u>
Net cash inflow (outflow) from financing activities		<u>(397,434)</u>	<u>(2,398,511)</u>
Net increase (decrease) in cash held		<u>3,398,576</u>	<u>4,482,919</u>
Cash at beginning of the financial year		6,811,068	2,328,149
Cash at end of the financial year	9	<u>10,209,644</u>	<u>6,811,068</u>

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

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2015

1 Significant accounting policies

1.A Basis of preparation

These general purpose financial statements for the period 1 July 2014 to 30 June 2015 have been prepared in accordance with all Australian Accounting Standards, Australian Accounting Interpretations and other pronouncements issued by the Australian Accounting Standards Board. They also comply with the requirements of the Local Government Act 2009 and the Local Government Regulation 2012.

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

Statement of compliance

Because 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.

Constitution

Blackall-Tambo Regional Council is constituted under the Queensland Local Government Act 2009 and is domiciled in Australia.

1.B Date of authorisation

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

1.C Currency

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

1.D Adoption of new and revised Accounting Standards

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

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

	Effective for annual report periods beginning on or after:
AASB 9 <i>Financial Instruments</i> (December 2009)	1 January 2018
AASB 15 <i>Revenue from Contracts with Customers</i>	1 January 2017
AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i>	1 January 2018
AASB 2014-1 <i>Amendments to Australian Accounting Standards - Part D</i>	1 January 2018
AASB 2014-1 <i>Amendments to Australian Accounting Standards - Part E</i>	1 January 2018
AASB 2014-4 <i>Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
AASB 2014-5 <i>Amendments to Australian Accounting Standards - arising from AASB 15</i>	
AASB 2014-7 <i>Amendments to Australian Accounting Standards - arising from AASB 9 (December 2014)</i>	1 January 2018
AASB 2015-1 <i>Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle. AASB 1, AASB 2, AASB 3, AASB 5, AASB 7, AASB 11, AASB 110, AASB 119, AASB 121, AASB 133, AASB 134, AASB 137 & AASB 140</i>	1 January 2016
AASB 2015-2 <i>Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101[AASB 7, AASB 101, AASB 134 & AASB 1049]</i>	1 January 2016
AASB 2015-3 <i>Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality</i>	1 July 2015
AASB 2015-6 <i>Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]</i>	1 July 2016

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2015

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

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

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

Valuation of property, plant and equipment - Note 12
Provisions - Note 15 and Note 1.N
Contingencies - Note 17

1.F Revenue

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

Rates and levies

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

Grants and subsidies

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

Where grants are received that are reciprocal in nature, revenue is recognised over the term of the funding arrangements. Council does not currently have any reciprocal grants.

Rental income

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

Interest

Interest received from term deposits is accrued over the term of the investment.

Sales revenue

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

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

Fees and charges

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

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2015

1.G Financial assets and financial liabilities

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

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

Financial assets

Cash and cash equivalents

Receivables - measured at amortised cost

Financial liabilities

Payables - measured at amortised cost

Borrowings - measured at amortised cost

1.H Cash and cash equivalents

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

1.I Receivables

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

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

Because Council has the power to sell an owner's property to recover outstanding rate debts, Council does not impair any rate receivables.

1.J Inventories

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

1.K Property, plant and equipment

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

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

Land and improvements

Buildings

Plant and equipment

Infrastructure

Road, drainage and bridge network

Water

Sewerage

Work in progress

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2015

Note 1.K Property plant and equipment (continued)

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 an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Capital and operating expenditure

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

Valuation

Land and improvements, buildings, major plant and all infrastructure assets are measured on the revaluation basis, at fair value, in accordance with AASB 116 Property, Plant & Equipment and AASB 13 Fair Value Measurement. Other plant and equipment and work in progress are measured at cost.

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

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

An analysis performed by management has indicated that, on average, the variance between an indexed asset value and the valuation by an independent valuer when performed is not significant and the indices used by Council are sound.

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

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

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

Capital work in progress

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

Depreciation

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

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

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2015

Note 1.K Property plant and equipment (continued)

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 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.

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.

1.L Impairment of non-current assets

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

An impairment loss is recognised immediately in profit and loss, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

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

1.M 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.N Liabilities - employee benefits

Salaries and wages

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

Annual leave

A liability for annual leave is recognised. The portion expected to be paid within twelve months is calculated on current wage and salary levels and includes related employee on-costs. The portion not expected to be paid out within the next twelve months is calculated on projected future wage and salary levels and related employee on-costs, discounted to present values. This liability represents an accrued expense. As council does not have an unconditional right to defer settlement of the obligation beyond twelve months, all annual leave liabilities are classified as current.

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.

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2015

Note 1.N Liabilities - employee benefits (continued)

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 Council's employment or other associated employment which would result in 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 attached to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value. Where Council has an unconditional right to defer settlement beyond twelve months of balance date, the liability is classified as non-current. Otherwise, the liability is classified as current.

1.O Borrowing and borrowing costs

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

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

All borrowing costs are expensed in the period in which they are incurred. No borrowing costs are capitalised on qualifying assets.

1.P Asset revaluation surplus

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

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

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

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

1.Q National competition policy

Council has reviewed its activities to identify its business activities. Council has resolved that none of its activities fall within the National Competition Policy guidelines and has therefore chosen not to apply the Code of Competitive Conduct.

1.R 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.S Trust funds held for outside parties

Funds held in the trust account on behalf of outside parties include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies (e.g. wages) paid into the trust account by Council. Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements. The monies are disclosed in the notes to the financial statements for information purposes only in Note 19.

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.

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2015

2(a) Components of council functions

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

Corporate governance

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

Finance and information

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

Community services

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

This function includes:

Libraries

Entertainment venues

Public health services

Environmental licences and approvals.

Planning and development

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

Transport infrastructure

Providing and maintaining roads and drainage.

Waste management

Providing refuse collection and disposal services.

Water infrastructure

Providing water supply services.

Sewerage infrastructure

Providing sewerage services.

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2015

- 2 Analysis of results by function
(b) Income and expenses defined between recurring and capital are attributed to the following functions:

Functions	Year Ended 30 June 2015							
	Gross program income		Gross program expenses		Total income	Total expenses		
	Recurring	Capital	Recurring	Capital				
Grants 2015 \$	Other 2015 \$	Grants 2015 \$	Other 2015 \$	2015 \$	2015 \$	Net result from recurring operations 2015 \$	Net operating surplus 2015 \$	Assets 2015 \$
Corporate governance	1,477,627	692,060	1,852,087	24,245	4,046,019	(7,196,571)	(4,887,363)	36,362,153
Finance and information	2,919,666	5,691,263	-	-	8,610,929	(830,164)	7,780,765	12,809,093
Community services	649,417	83,111	37,273	-	769,801	(1,541,446)	(808,918)	4,959,086
Planning & development	7,600	14,880	10,545	-	33,025	(123,220)	(100,740)	-
Transport infrastructure	6,610,820	10,472,526	1,881,448	-	18,964,794	(15,648,508)	1,434,838	161,021,733
Waste management	-	325,852	-	-	325,852	(319,815)	6,037	-
Water infrastructure	-	371,001	-	-	371,001	(315,301)	55,700	7,628,336
Sewerage infrastructure	-	447,200	-	-	447,200	(276,142)	171,058	10,704,617
Total Council	11,665,130	18,097,893	3,781,353	24,245	33,568,621	(26,111,666)	3,651,357	233,505,018

Functions	Year Ended 30 June 2014							
	Gross program income		Gross program expenses		Total income	Total expenses		
	Recurring	Capital	Recurring	Capital				
Grants 2014 \$	Other 2014 \$	Grants 2014 \$	Other 2014 \$	2014 \$	2014 \$	Net result from recurring operations 2014 \$	Net operating surplus 2014 \$	Assets 2014 \$
Corporate governance	489,362	205,902	73,288	-	768,552	(4,495,488)	(3,800,224)	43,206,649
Finance and information	1,970,228	3,107,496	-	-	5,077,724	(801,331)	4,276,393	14,639,114
Community services	791,675	1,256,844	346,523	-	2,397,042	(4,047,465)	(1,998,946)	5,765,817
Planning & development	-	22,516	-	-	22,516	(172,206)	(149,690)	-
Transport infrastructure	12,405,296	29,895,920	3,829,281	-	46,130,497	(33,827,561)	8,473,655	158,443,368
Waste management	-	318,012	-	-	318,012	(284,914)	33,098	-
Water infrastructure	-	698,107	-	-	698,107	(858,573)	(160,466)	9,486,762
Sewerage infrastructure	-	622,889	-	-	622,889	(730,629)	(107,740)	9,394,286
Total Council	15,656,561	36,127,896	4,251,092	-	56,035,339	(45,218,167)	6,566,080	240,936,036

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2015

	2015	2014
Note	\$	\$
3 Revenue analysis		
(a) Rates, levies and charges		
General rates	3,247,264	3,197,573
Water	738,346	698,107
Sewerage	645,902	622,889
Waste management	79,398	78,205
Garbage charges	246,456	239,807
Total rates and utility charge revenue	<u>4,957,366</u>	<u>4,836,581</u>
Less: Discounts	(442,435)	(452,066)
Less: Pensioner remissions	(36,504)	(34,847)
	<u><u>4,478,427</u></u>	<u><u>4,349,668</u></u>
(b) Fees and charges		
Saleyard Fees	770,249	565,916
Building and development fees	14,807	22,516
Agistment/Town Common Fees	118,583	275,424
Childcare Fees	38,913	40,542
Cemetery/Funeral Fees	59,460	87,541
Licences and registrations	3,200	2,340
Commissions	184,984	138,696
Hire of Community Facilities	28,161	31,704
Airport landing fees	111,157	68,237
Other fees and charges	134,020	64,866
	<u>1,463,534</u>	<u>1,297,782</u>
(c) Rental income		
Commercial property rental	43,026	49,570
Accommodation rental income	139,552	170,312
	<u>182,578</u>	<u>219,882</u>
(d) Interest received		
Interest received from term deposits	185,607	79,718
Interest from overdue rates and utility charges	10,662	8,161
	<u>196,269</u>	<u>87,879</u>
(e) Sales revenue		
Sale of services		
Contract and recoverable works	10,694,289	29,130,832
Private Works	713,786	696,851
	<u>11,408,075</u>	<u>29,827,683</u>
Sale of goods		
Visitor Information Centre	30,164	35,835
	<u>30,164</u>	<u>35,835</u>
Total sales revenue	<u><u>11,438,239</u></u>	<u><u>29,863,518</u></u>
4 Grants, subsidies, contributions and donations		
(a) Recurrent		
General purpose grants	3,808,560	1,826,356
State government subsidies and grants	869,332	730,945
Flood restoration funding	6,610,818	12,405,296
Commonwealth government subsidies and grants	374,889	672,894
Donations	1,531	21,070
	<u>11,665,130</u>	<u>15,656,561</u>
(b) Capital		
State government subsidies and grants	3,264,911	2,901,781
Commonwealth government subsidies and grants	463,260	1,349,311
Other capital revenue	77,427	-
	<u>3,805,598</u>	<u>4,251,092</u>

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2015

Note	2015 \$	2014 \$
5 Capital Gain /Loss on disposals		
Gain / loss on disposal of non-current assets		
Proceeds from the sale of property, plant and equipment	619,526	45,548
Less: Book value of property, plant and equipment disposed of	(743,021)	(1,210,974)
	<u>(123,495)</u>	<u>(1,165,426)</u>
Proceeds from sale of land and improvements	103,994	271,432
Less: Book value of land sold	(120,000)	(345,400)
	<u>(16,006)</u>	<u>(73,968)</u>
Total capital income	<u>(139,501)</u>	<u>(1,239,394)</u>
6 Employee benefits		
Total staff wages and salaries	6,269,070	7,164,576
Councillors' remuneration	239,221	217,892
Annual, sick and long service leave entitlements	979,845	940,046
Superannuation	716,788	712,009
	<u>8,204,924</u>	<u>9,034,523</u>
Other employee related expenses	335,559	360,184
	<u>8,540,483</u>	<u>9,394,707</u>
Less: Capitalised employee expenses	(549,496)	(638,318)
	<u>7,990,985</u>	<u>8,756,389</u>
Total Council employees at the reporting date:		
Elected members	<u>7</u>	<u>7</u>
Administration staff	50	60
Depot and outdoors staff	80	105
Total full time equivalent employees	<u>137</u>	<u>172</u>
7 Materials and services		
Advertising and marketing	24,514	43,383
Administration supplies and consumables	732,510	745,709
Audit services	91,901	105,619
Communications and IT	337,554	449,435
Community Health Programs	362,134	606,457
Consultants	1,143,200	1,711,963
Contractors	4,234,685	20,476,381
Donations paid	113,323	246,423
Insurances	525,665	535,591
Parks, Gardens & Reserves	398,864	262,010
Pest Management	552,712	510,435
Power	287,153	247,736
Repairs and maintenance	668,943	1,969,331
Subscriptions and registrations	145,710	146,725
Town Plan	-	15,336
Other materials and services	3,434,878	2,670,745
	<u>13,053,746</u>	<u>30,743,279</u>
8 Finance costs		
Finance costs charged by the Queensland Treasury Corporation	130,900	157,974
Bank charges	15,297	13,636
Impairment of debts	282	-
	<u>146,479</u>	<u>171,610</u>

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2015

<u>Note</u>	<u>2015</u>	<u>2014</u>
	\$	\$
9 Cash and cash equivalents		
Cash at bank and on hand	94,830	2,648,380
Deposits at call	10,114,814	4,162,688
Balance per Statement of Cash Flows	<u>10,209,644</u>	<u>6,811,068</u>
10 Trade and other receivables		
Current		
Rateable revenue and utility charges	50,579	4,464
Other debtors	2,066,258	4,015,228
Less impairment	(1,691)	(1,760)
GST recoverable	1,374	94,738
Prepayments	157,514	166,041
	<u>2,274,034</u>	<u>4,278,711</u>
Non-current		
Loans and advances to community organisations	4,505	7,505
	<u>4,505</u>	<u>7,505</u>

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2015

<u>Note</u>	<u>2015</u> <u>\$</u>	<u>2014</u> <u>\$</u>
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	<u>4,505</u>	<u>7,505</u>

**Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2015**

11 Property, plant and equipment

30 June 2015

Basis of measurement	Land and improvements		Buildings		Plant and equipment		Road, drainage and bridge network		Water		Sewerage		Work in progress		Total
	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	
Asset values	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening gross value as at 1 July 2014	3,312,325	13,043,498	49,973,126	184,464,299	15,279,364	5,765,817	15,436,126	287,274,555							
Additions	-	2,529,064	-	-	-	6,298,512	-	-	-	-	-	-	-	-	-
Assets capitalised from WIP	79,316	3,842	1,446,055	7,029,307	883,818	(9,603,426)	161,088	8,827,576							
Disposals	(120,000)	(1,786,758)	-	-	-	-	-	-	-	-	-	-	-	-	(1,906,758)
Revaluation adjustment to asset revaluation surplus	177,859	-	812,073	(2,671,016)	(4,583,512)	-	350,798	(5,913,798)							
Closing gross value as at 30 June 2015	3,449,500	13,789,646	52,231,254	186,822,590	11,578,670	2,460,903	15,948,012	288,281,575							

Accumulated depreciation and impairment

Opening gross value as at 1 July 2014	-	10,679,085	-	30,035,900	5,792,582	6,041,840	-	57,764,859
Depreciation provided in period	-	825,539	-	2,278,421	441,356	295,804	-	4,920,456
Depreciation on disposals	-	-	-	-	-	-	-	(1,043,737)
Revaluation adjustment to asset revaluation surplus	-	11,389,008	-	(2,052,562)	(2,282,605)	(1,094,249)	-	5,959,592
Accumulated depreciation as at 30 June 2015	-	22,893,632	-	30,261,759	3,951,333	5,243,395	-	67,501,170

Book value as at 30 June 2015

Land: Not depreciated, Improvements: 7 - 40	3,449,500	29,337,622	8,538,595	156,560,831	7,628,337	10,704,617	2,460,903	220,680,405
Range of estimated useful life in years		40 - 100	2 - 20	6 - 120	10 - 60	20 - 60	-	-

ADDITIONS COMPRISE

Renewals	-	-	1,945,032	-	-	-	2,202,317	4,147,349
Other Additions	-	-	584,032	-	-	-	4,096,195	4,680,227
Total Additions	-	-	2,529,064	-	-	-	6,298,512	8,827,576

Blackall-Tambo Regional Council
Notes to the Financial Statements
For the year ended 30 June 2014

30 June 2014

Basis of measurement

Asset values

Opening gross value as at 1 July 2013
Additions
Disposals
Revaluation adjustment to asset revaluation
Assets capitalised from works in progress
Closing gross value as at 30 June 2014

Land and improvements	Buildings	Other plant and equipment	Road, drainage and bridge network	Water		Sewerage		Work in progress	Total
				Revaluation	Cost	Revaluation	Cost		
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
3,590,000	47,865,148	12,990,546	141,114,213	14,635,957	15,102,925	10,155,129	245,453,918		
67,725	-	52,952	-	-	-	8,275,057	8,395,734		
(345,400)	(838,941)	-	-	-	(715,118)	-	(1,899,459)		
-	795,818	-	33,896,787	314,267	317,490	-	35,324,362		
-	2,151,101	-	9,453,299	329,140	730,829	-			
3,312,325	49,973,126	13,043,498	184,464,299	15,279,364	15,436,126	5,765,817	287,274,555		

Accumulated depreciation and impairment

Opening balance as at 1 July 2013
Depreciation provided in period
Depreciation on disposals
Revaluation adjustment to asset revaluation
Accumulated depreciation as at 30 June 2014

-	9,910,271	4,083,740	15,315,699	5,232,836	5,741,458	-	40,284,004		
-	770,292	1,131,712	2,910,230	440,668	293,987	-	5,546,889		
-	(224,396)	-	-	-	(118,689)	-	(343,085)		
-	222,918	-	11,809,971	119,078	125,084	-	12,277,051		
-	10,679,085	5,215,452	30,035,900	5,792,582	6,041,840	-	57,764,859		

Consolidated book value as at 30 June 2014

Range of estimated useful life in years

3,312,325	39,294,041	7,828,046	154,428,399	9,486,782	9,394,286	5,765,817	229,509,696		
Land: Not depreciated.	40 - 100	2 - 20	5 - 100	10 - 60	20 - 60	-	-		
Improvements: 7 - 40									

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2015

12 Fair value measurements

(i) Recognised fair value measurements

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

- Property, plant and equipment
 - Land and improvements
 - Buildings
 - Road, drainage and bridge infrastructure
 - Water Infrastructure
 - Sewerage Infrastructure

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

Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in other notes. Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in note 14 is provided by the Queensland Treasury Corporation and represents the contractual undiscounted cash flows at balance date (level 2).

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

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

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

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

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

The table presents Council's assets and liabilities measured and recognised at fair value at 30 June 2015.

2015	Note	Level 2	Level 3	Total
		\$	\$	\$
Recurring fair value measurements				
Land and improvements		3,449,500	-	3,449,500
Buildings				
- Commercial Buildings		-	15,728,916	15,728,916
- Residential Buildings		5,555,001	-	5,555,001
- Other Buildings		-	8,053,705	8,053,705
Road, drainage and bridge network		-	158,560,831	158,560,831
Water		-	7,628,337	7,628,337
Sewerage		-	10,704,617	10,704,617
		<u>9,004,501</u>	<u>200,676,406</u>	<u>209,680,907</u>

Note 12 Fair value measurements (continued)

2014	Note	Level 2	Level 3	Total
		\$	\$	\$
Recurring fair value measurements				
Land and improvements		3,312,325	-	3,312,325
Buildings				
- Commercial Buildings		-	28,345,957	28,345,957
- Residential Buildings		2,746,457	-	2,746,457
- Other Buildings		-	8,201,627	8,201,627
Road, drainage and bridge network		-	154,428,399	154,428,399
Water		-	9,486,782	9,486,782
Sewerage		-	9,394,286	9,394,286
		<u>6,058,782</u>	<u>209,857,051</u>	<u>215,915,833</u>

The table below summarises the level of detail applied in determining the value of Council's assets as at 30 June 2015:

Asset Category	Valuation Effective 30 June 2015	Performed By	Effective Date of Last Comprehensive Valuation	Performed By
Land	Comprehensive	Shepherd Services Pty Ltd	30/06/2015	Shepherd Services Pty Ltd
Buildings	Comprehensive	Shepherd Services Pty Ltd	30/06/2015	Shepherd Services Pty Ltd
Road and Drainage Network	Desktop	Shepherd Services Pty Ltd	30/06/2014	Shepherd Services Pty Ltd
Water Infrastructure Network	Comprehensive	Shepherd Services Pty Ltd	30/06/2015	Shepherd Services Pty Ltd
Sewerage Infrastructure Network	Comprehensive	Shepherd Services Pty Ltd	30/06/2015	Shepherd Services Pty Ltd

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

Council utilises AASB13 *Fair Value Measurement* and has reviewed each valuation to ensure compliance with the requirements of the the standard. There have been no changes in valuation techniques as a result of this review.

Specific valuation techniques used to value Council assets comprise:

Land (level 2)

Level 2 valuation inputs are used to value land in freehold title as well as land used for special purposes, which is restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre. All land values are based on the assumption that contaminants such as asbestos, chemicals, toxic wastes or other hazardous materials do not exist on these land parcels.

Note 12 Fair value measurements (continued)

Residential Buildings (level 2)

Council's rental properties are all residential properties within the town boundaries, in areas with regular sales of comparable properties. They are valued using the sales comparison approach. Sales prices of comparable residential properties in close proximity are adjusted for differences in key attributes such as property size (level 2).

Commercial and Other Buildings (level 3)

With the exception of residential buildings described above, it is considered that Council buildings are of a specialist nature and there is no active market for these assets. As such, fair value is determined on the basis of replacement with a new asset having similar service potential including allowances for preliminaries and professional fees. The gross current values are derived from reference to market data for recent projects and indices for building & construction in Queensland issued by the Australian Bureau of Statistics.

The net current value of a building asset is the gross current value less accumulated depreciation to reflect the consumed or expired service potential of the asset. In determining the level of accumulated depreciation, building assets are disaggregated into significant components which exhibit different useful lives. Allowance is made for the typical asset life cycle and renewal treatments of each component and the condition of the asset. Condition is assessed taking into account both physical characteristics as well as holistic factors such as functionality, capability, utilisation and obsolescence.

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

Significant unobservable input	Range of inputs (2015)	Range of inputs (2014)	Relationship of unobservable input to fair value
Useful life	20 - 80 years	10 - 100 years	The higher the useful life, the higher the fair value.
Residual value (% GRC)	0%	0% - 70%	The higher the residual value percentage, the higher the fair value.

Infrastructure assets (level 3)

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

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

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

Note 12 Fair value measurements (continued)

1(a) Road and drainage network - calculation of written down current replacement cost

Current replacement cost

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

CRC is calculated by reference to asset linear and area specifications, estimated labour and material inputs, services costs, and overhead allocations. Council assumes that pavements are constructed to depths of 4-6 cms for high traffic areas and 4 cms for lower traffic locations. Council also assumes that all raw materials can be sourced from various local quarries with haulage rates of between \$2 and \$2.50 per cubic meter depending on the location of the segment being valued. For internal construction estimates, material and services prices are based on existing supplier contract rates or supplier price lists and labour wage rates are based on Council's Enterprise Bargaining Agreement (EBA). All direct costs are allocated to assets at standard usage quantities according to recently completed similar projects. Where construction is outsourced, CRC is based on the average of completed similar projects over the last few years.

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

The last comprehensive revaluation of council's road and drainage infrastructure was undertaken as at 30 June 2014.

In undertaking the 2015 desktop valuation regard was held to movement in the ABS Producer Price Index "Road and Bridge Construction - Queensland" which exhibited a movement of -0.65% from 30 June 2014 to 30 June 2015. As the movement in the relevant index since the last comprehensive valuation was negative and not considered to be material, no indexation factor was applied to the opening value of road infrastructure assets in deriving the valuation as at 30 June 2015.

The next full valuation of roads and drainage infrastructure is planned to occur in 2019.

Accumulated depreciation

In determining the written down value of an asset, accumulated depreciation, representing the service potential consumed, is subtracted from the asset's current replacement cost. An asset's service potential has a linear relationship to its useful life.

Useful lives are determined via the following process:

1. Inspection of the oldest assets within each category to estimate the remaining life (based on the delivery of future economic benefits) and estimated useful life.
2. Making comparisons with other regional council's useful lives.
3. Making comparisons with the national databases of useful lives to ensure useful lives adopted are in consistent ranges with national standards (e.g. International Infrastructure Management Manual).
4. Consideration of other aspects, including:
 - Council's internal knowledge of the performance of assets based on historical experience.
 - Australian standards, pavement design manuals and product guidelines.
 - Current engineering practice.
5. Technical and commercial obsolescence is also considered.

Where an asset is young in age and shows no significant signs of wear and tear its remaining useful life is calculated by subtracting its age from its useful life as determined above.

Note 12 Fair value measurements (continued)

Where Council does not have accurate records of year of construction, and for older assets where an aged based approach for determining remaining life is not considered appropriate, remaining lives of assets are estimated utilising the following condition scoring system:

Rating	Description	% Asset Remaining
1	Excellent (only normal maintenance required)	100
2	Good (minor defects only/minor maintenance required up to 25%)	75
3	Average (significant maintenance required 50%)	50
4	Poor (requires replacement within next 1-2 years)	30
5	Asset failure (requires immediate replacement)	15

1(b) Road and drainage network – Sensitivity of valuation to unobservable inputs

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

Significant unobservable input	Range of inputs (2015)	Range of inputs (2014)	Relationship of unobservable inputs to fair value
Standard material usage quantities	Varies depending upon the type of material	Varies depending upon the type of material	The higher the usage quantities, the higher the fair value.
Condition rating (where applicable)	As specified above – 0 (lowest) to 6 (highest)	As specified above – 0 (lowest) to 6 (highest)	The higher the condition rating, the lower the fair value.
Useful life	6 - 120 years	6 - 120 years	The longer the useful life, the higher the fair value.
Residual value percentage (by component)	0% - 100%	0% - 100%	The higher the residual value percentage, the higher the fair value.

Water and Sewerage

Current replacement cost

Water and sewerage mains are segmented and componentised into standard and rising mains. Each segment is valued on the same basis as described for roads above. Due to these assets being located underground, the age based approach for determining remaining useful life is adopted, with condition assessment undertaken by exception.

The most significant inputs into the valuation approach are construction cost unit rates (per linear or square metre), estimated residual values, estimated useful lives, pattern of consumption and asset condition.

Water and sewerage infrastructure fair values were determined by independent valuers, Shepherd Services Pty Ltd effective 30 June 2015.

Note 12 Fair value measurements (continued)

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

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

Significant unobservable input	Range of inputs (2015)	Range of inputs (2014)	Relationship of unobservable inputs to fair value
Standard material usage quantities	Varies depending upon the type of material	Varies depending upon the type of material	The higher the usage quantities, the higher the fair value.
Condition rating (where applicable)	0 – 5 as specified above where 0 is lowest and 5 is highest	0 – 6 as specified above where 0 is lowest and 6 is highest	The higher the condition rating, the lower the fair value.
Useful life	15 - 80 years	15 - 50 years	The longer the remaining useful life, the higher the fair value.
Residual value percentage (by component)	0%	0% - 60%	The higher the residual value the higher the fair value.

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

The changes in level 3 assets with recurring fair value measurements are detailed in Note 11 (property, plant and equipment). However, since the residential buildings disclosed in those notes comprise both level 2 and level 3 assets, the movement in level 3 buildings are detailed below. There have been transfers between level 2 and 3 measurements during the year as a result of discussion between Chief Executive Officer and the building valuer. The discussion was in regard to buildings that Council would not replace or would replace with a lower value structure.

Changes in residential buildings (Level 3)	2015	2014
	\$	\$
Opening gross value as at 1 July	43,355,988	41,435,228
Transfers between Levels	(8,238,645)	-
Additions	1,300,525	2,118,972
Disposals	(65,333)	(838,941)
Revaluation adjustment to other comprehensive income(asset revaluation surplus)	2,022,909	640,729
Closing gross value as at 30 June	38,375,444	43,355,988
Accumulated depreciation and impairment		
Opening balance as at 1 July	6,808,404	6,270,851
Transfers between levels	(1,251,364)	-
Depreciation provided in period	571,049	630,484
Depreciation on disposals	(40,828)	(224,396)
Revaluation adjustment to asset revaluation surplus	8,505,562	131,465
Accumulated depreciation as at 30 June	14,592,823	6,808,404
Book value as at 30 June	23,782,621	36,547,584

Blackall-Tambo Regional Council

Notes to the financial statements

For the year ended 30 June 2015

Note	2015 \$	2014 \$
13 Trade and other payables		
Current		
Creditors and accruals	1,026,368	3,540,713
Annual leave	1,000,735	1,003,629
Other entitlements	77,793	73,662
	<u>2,104,896</u>	<u>4,618,004</u>
14 Borrowings		
Current		
Loans - Queensland Treasury Corporation	412,503	400,500
	<u>412,503</u>	<u>400,500</u>
Non-current		
Loans - Queensland Treasury Corporation	1,435,760	1,845,197
	<u>1,435,760</u>	<u>1,845,197</u>
Loans - Queensland Treasury Corporation		
Opening balance at beginning of financial year	2,245,697	2,644,208
Loans raised	-	-
Principal repayments	(397,434)	(398,511)
Book value at end of financial year	<u>1,848,263</u>	<u>2,245,697</u>
Movements - Overdraft Facility		
Opening balance at beginning of financial year	-	2,000,000
Loans raised	-	1,000,000
Repayments	-	(3,000,000)
Book value at end of financial year	<u>-</u>	<u>-</u>
15 Provisions		
Current		
Long service leave	812,668	777,208
	<u>812,668</u>	<u>777,208</u>
Non-current		
Long service leave	190,027	190,027
	<u>190,027</u>	<u>190,027</u>
Details of Movements in provisions		
Balance at the beginning of financial year	967,235	1,023,258
Long Service Leave entitlement arising	115,212	20,886
Long Service Leave entitlement paid	(79,752)	(76,909)
Balance at end of financial year	<u>1,002,695</u>	<u>967,235</u>

Blackall-Tambo Regional Council

Notes to the financial statements

For the year ended 30 June 2015

Note	2015 \$	2014 \$
16 Asset revaluation surplus		
Movements in the asset revaluation surplus were as follows:		
Balance at beginning of financial year	125,369,578	102,322,267
Net adjustment to non-current assets at end of period to reflect a change in current fair value:		
Land and improvements	177,859	-
Buildings	(10,576,935)	572,900
Road, drainage and bridge network	(618,454)	22,086,816
Water	(2,300,907)	195,189
Sewerage	1,445,047	192,406
Balance at end of financial year	<u>113,496,188</u>	<u>125,369,578</u>
Net increase/(decrease) in Asset Revaluation Surplus	<u>(11,873,390)</u>	<u>23,047,311</u>
 Asset revaluation surplus analysis		
The closing balance of the asset revaluation surplus comprises the following asset categories:		
Land and improvements	3,315,884	3,138,025
Buildings	4,043,691	14,620,626
Road, drainage and bridge network	96,340,649	96,959,103
Water	4,820,731	7,121,638
Sewerage	<u>4,975,233</u>	<u>3,530,186</u>
	<u>113,496,188</u>	<u>125,369,578</u>

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

Local Government Workcare

The Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$348,668.

Blackall-Tambo Regional Council

Notes to the financial statements

For the year ended 30 June 2015

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.

Council does not have any employees who are members of the CDBF and, therefore, is not exposed to the obligations, assets or costs associated with this fund.

The Regional DBF is a defined benefit plan as defined in AASB119. The Council is not able to account for the Regional DBF as a defined benefit plan in accordance with AASB119 because the scheme is unable to account to the Council for its proportionate share of the defined benefit obligation, plan assets and costs. The funding policy adopted in respect of the Regional DBF is directed at ensuring that the benefits accruing to members and beneficiaries are fully funded as they fall due.

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

Any amount by which 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 2012. The actuary indicated that "the Regional DBF is currently in a satisfactory but modest financial position and remains vulnerable to adverse short and medium term experience."

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

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

There are currently 72 councils contributing to the Regional DBF plan and any changes in contribution rates would apply equally to all 72 councils. Blackall-Tambo Regional Council made less than 4% of the total contributions to the plan in the 2014-15 financial year.

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

Blackall-Tambo Regional Council

Notes to the financial statements

For the year ended 30 June 2015

	2015	2014
Note	\$	\$
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	42,988	43,980
Security deposits	<u>22,088</u>	<u>24,280</u>
	<u>65,076</u>	<u>68,260</u>
<p>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.</p>		
20 Reconciliation of net operating surplus for the year to net cash inflow (outflow) from operating activities		
Net operating result	<u>7,317,454</u>	<u>9,577,778</u>
Non-cash operating items:		
Depreciation and amortisation	<u>4,920,456</u>	<u>5,546,889</u>
	<u>4,920,456</u>	<u>5,546,889</u>
Investing and development activities:		
Net (profit)/loss on disposal of non-current assets	139,501	1,239,394
Capital grants and contributions	<u>(3,805,598)</u>	<u>(4,251,092)</u>
	<u>(3,666,097)</u>	<u>(3,011,698)</u>
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	2,004,677	(266,119)
(Increase)/decrease in inventory	(7,374)	(174,835)
Increase/(decrease) in payables	(2,513,108)	(913,900)
Increase/(decrease) in other provisions	<u>35,460</u>	<u>(56,023)</u>
	<u>(480,345)</u>	<u>(1,410,877)</u>
Net cash inflow from operating activities	<u>8,091,468</u>	<u>10,702,092</u>

Blackall-Tambo Regional Council
Notes to the financial statements
For the year ended 30 June 2015

21 Financial instruments

Blackall-Tambo Regional Council's activities expose it to a variety of financial risks including interest rate risk, credit risk, and liquidity risk.

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

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

When Council borrows, it borrows from the Queensland Treasury Corporation unless another financial institution can offer a more beneficial rate, taking into account any risk. Borrowing by Council is constrained by the provisions of the *Statutory Bodies Financial Arrangements Act 1982*.

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

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

Credit risk exposure

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

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

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

Council is also exposed to credit risk through its deposits held at call with financial institutions.

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

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

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

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

	Note	2015 \$	2014 \$
Financial assets			
Cash and cash equivalents	9	10,209,644	6,811,068
Receivables - rates	10	50,579	4,464
Receivables - other	10	2,065,941	4,117,471
		<u>12,326,164</u>	<u>10,933,003</u>

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amounts as indicated.

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

Note 21 Financial Instruments continued.

	2015	2014
	\$	\$
Less than 30 days	2,001,522	4,002,197
Past due 31-60 days NCI*	59,971	64,642
Past due 61-90 days NCI*	7,502	771
More than 90 days NCI*	45,834	52,565
More than 90 days CI*	1,691	1,760
Total	<u>2,116,520</u>	<u>4,121,935</u>

*NCI - Not considered impaired

*CI - Considered impaired

Liquidity risk

Liquidity risk refers to the situation where Council may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Council is exposed to liquidity risk through its trading in the normal course of business and borrowings from the Queensland Treasury Corporation for capital works.

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

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

	0 to 1 year	1 to 5 years	Over 5 years	Total
	\$	\$	\$	\$
2015				
Trade and other payables	1,026,368	-	-	1,026,368
Loans - QTC	528,334	1,593,874	-	2,122,208
	<u>1,554,702</u>	<u>1,593,874</u>	<u>-</u>	<u>3,148,576</u>
2014				
Trade and other payables	3,540,713	-	-	3,540,713
Loans - QTC	528,334	2,087,733	-	2,616,067
	<u>4,069,047</u>	<u>2,087,733</u>	<u>-</u>	<u>6,156,780</u>

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

Interest rate risk

Council is exposed to interest rate risk through its finance lease borrowings, borrowings from the Queensland Treasury Corporation and investments held 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.

Council does not undertake any hedging of interest rate risk.

Sensitivity

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

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

Note 21 Financial Instruments continued.

	Net Carrying	Effect on Net Result		Effect on Equity	
	Amount	1% increase	1% decrease	1% increase	1% decrease
2015	\$	\$	\$	\$	\$
Cash on Deposit	10,114,814	101,148	(101,148)	101,148	(101,148)
Loans QTC	(1,848,263)	(18,482)	18,482	(18,482)	18,482
Net Total	<u>8,266,551</u>	<u>82,666</u>	<u>(82,666)</u>	<u>82,666</u>	<u>(82,666)</u>
2014					
Cash on Deposit	4,162,688	41,627	(41,627)	41,627	(41,627)
Loans QTC	(2,245,697)	(22,457)	22,457	(22,457)	22,457
Net Total	<u>1,916,991</u>	<u>19,170</u>	<u>(19,170)</u>	<u>19,170</u>	<u>(19,170)</u>

Fair value

The fair value of trade and other receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

The fair value of borrowings with QTC is based on the market value of debt outstanding. The market value of a debt obligation is the discounted value of future cash flows based on prevailing market rates and represents the amount required to be repaid if this was to occur at balance date. The market value of debt is provided by QTC and is discussed below.

QTC applies a book rate approach in the management of debt and interest rate risk, to limit the impact of market value movements to clients' cost of funding. The book value represents the carrying value based on amortised cost using the effective interest method.

Blackall-Tambo Regional Council

Financial Statements

For the year ended 30 June 2015

Management Certificate

For the year ended 30 June 2015

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, 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
Barry Muir

Date: 30 / 10 / 15



Chief Executive Officer
Ken Timms

Date: 30 / 10 / 15

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Blackall-Tambo Regional Council

Report on the Financial Report

I have audited the accompanying financial report of Blackall-Tambo Regional Council, which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Mayor and Chief Executive Officer.

The Council's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

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

Opinion

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

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of Blackall-Tambo Regional Council for the financial year 1 July 2014 to 30 June 2015 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

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



D. Stolz

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

Queensland Audit Office
Brisbane

Blackall-Tambo Regional Council

**Current-year Financial Sustainability Statement
For the year ended 30 June 2015**

Measures of Financial Sustainability	How the measure is calculated	Actual	Target
Council's performance at 30 June 2015 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	12%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	84%	> 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-26%	< 60%

Certificate of Accuracy

For the year ended 30 June 2015

This current-year financial sustainability statement has been prepared pursuant to Section 178 of the Local Government Regulation 2012 (the regulation). In accordance with Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.



Mayor

Barry Muir

Date: 30/10/2015



Chief Executive Officer

Ken Timms

Date: 30/10/15

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Blackall-Tambo Regional Council

Report on the Current-Year Financial Sustainability Statement

I have audited the accompanying current-year financial sustainability statement, which is a special purpose financial report of Blackall-Tambo Regional Council for the year ended 30 June 2015, 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

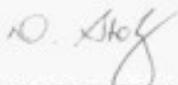
In accordance with s.212 of the *Local Government Regulation 2012*, in my opinion, in all material respects, the current-year financial sustainability statement of Blackall-Tambo Regional Council, for the year ended 30 June 2015, has been accurately calculated.

Emphasis of Matter – Basis of Accounting

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

Other Matters - Electronic Presentation of the Audited Statement

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



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



Queensland Audit Office
Brisbane

**Blackall-Tambo Regional Council
Unaudited Long-Term Financial Sustainability Statement
Prepared as at 30 June 2015**

Projected for the years ended

Measures of Financial Sustainability	Measure	Target	Projected for the years ended												
			Actuals at 30 June 2015	30 June 2016	31 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024			
Operating Surplus Ratio	Net result divided by total operating revenue	Between 0% and 10%	12%	-8%	-8%	-8%	-8%	-8%	-8%	-8%	-8%	-8%	-8%	-8%	-8%
Asset Sustainability Ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	> 90%	84%	68%	79%	76%	78%	69%	69%	65%	65%	65%	65%	69%	69%
Net Financial Liabilities Ratio	Total liabilities less current assets divided by total operating revenue	< 60%	-26%	-23%	-20%	-20%	-14%	-15%	-15%	-16%	-17%	-17%	-18%	-16%	-16%

Blackall-Tambo Regional Council's Financial Management Strategy

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

Certificate of Accuracy

For the unaudited long-term financial sustainability statement prepared as at 30 June 2015

This unaudited 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 unaudited long-term financial sustainability statement has been accurately calculated.



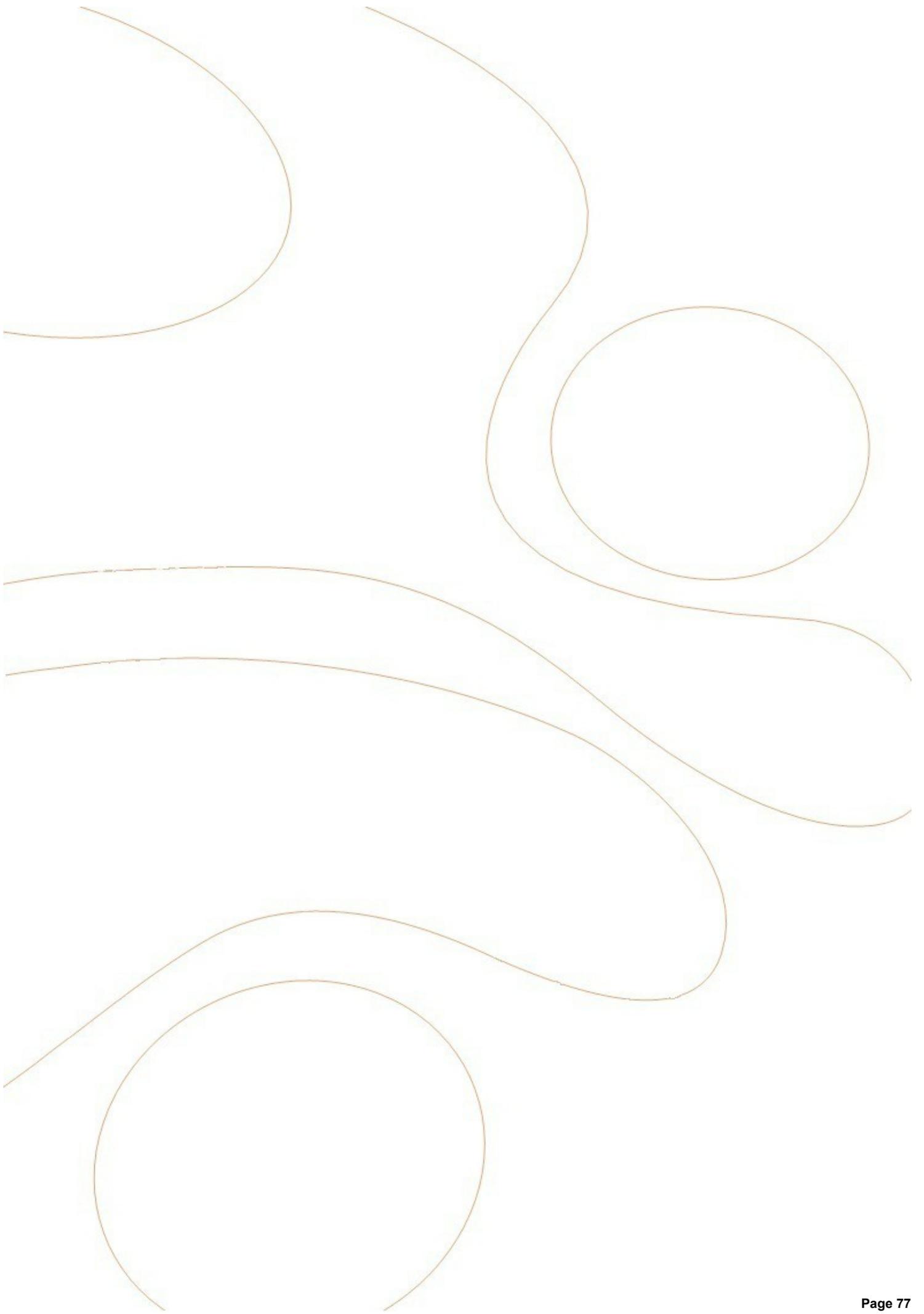
Mayor
Barry Muir



Chief Executive Officer
Ken Timms

Date: 28 / 10 / 2015

Date: 28 / 10 / 15





Exploring the Past. Innovating the Future.