

Tablelands Regional Council



Annual Report

2016-2017





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Introduction

This Annual Report is for the financial year 1 July 2016 to 30 June 2017.

The Annual Report is one way in which Council connects with the community and demonstrates its commitment to achieving our vision for the Tablelands. The report describes the achievements of Council in providing services to the Tablelands communities and shows our progress in delivering the actions in our Corporate and Operational Plan, along with other statutory reporting

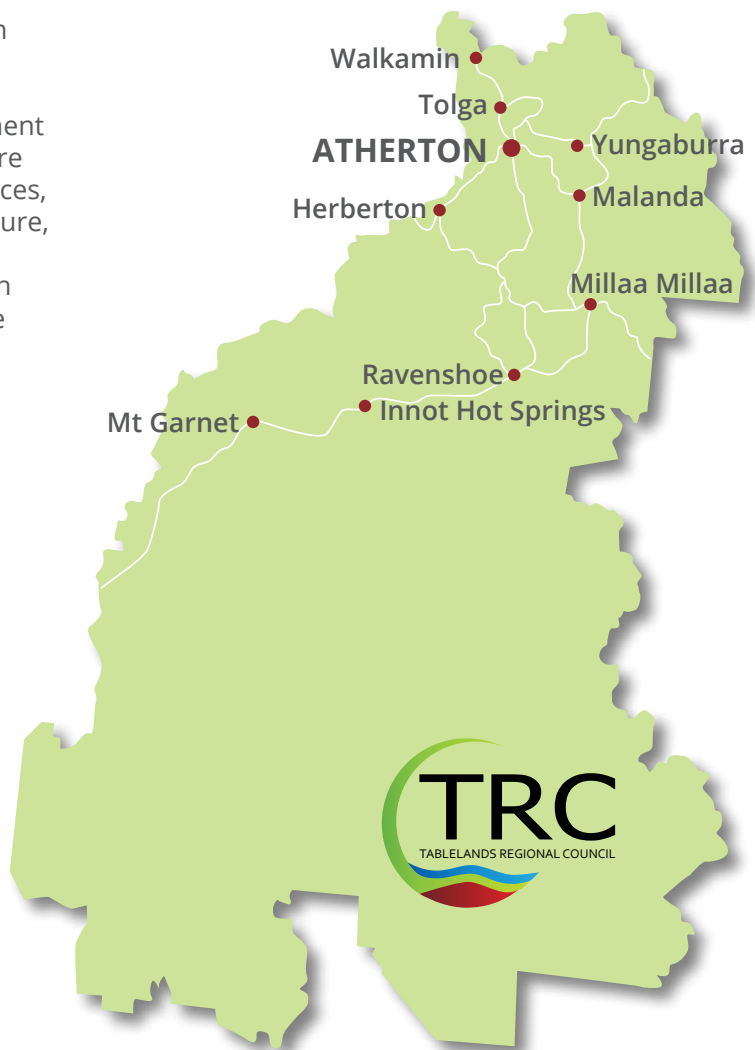
requirements. It is the culmination of regular reporting to the community and stakeholders and continues Council's efforts to be transparent and accountable.

Council's 2015–2019 Corporate Plan provided the focus and direction for Council over the 12 month period to 30 June 2017. Moving forward, a new Corporate Plan for the period 2017–2021 clearly articulates the key priorities for the 2017/18 financial year and beyond.

The Tablelands

The Tablelands region in Far North Queensland is diverse and beautiful. Perfectly positioned with an elevation that provides abundant water, a unique environment, proximity to Port of Cairns, a skilled workforce and road transport linkages. Development and investment opportunities abound in adventure and tourism, aged housing, care and related services, agriculture and processing, arts, heritage and culture, green energy, manufacturing and mining, retail services, training, research, innovation and growth of smart centres including tropical enterprise. The Tablelands region offers a relaxed lifestyle with the advantages of a major city and international airport one hour away by road. With strong signs of growth, opportunities abound for the innovative development of smart technologies.

Live, discover and invest in a Tablelands community.





Our Vision

Council's vision, stated in the 2015–2019 Corporate Plan was:

“Together we are building vibrant communities, embracing our natural, cultural and economic diversity.”

To achieve that vision during the 2016/17 financial year, Council worked towards achieving a number of goals and long-term strategies under five Key Result Areas:

1. Community
2. Economy
3. Environment
4. Governance
5. Public Infrastructure and Assets

With the introduction of the 2017–2021 Corporate Plan, Council's vision for the future is amended:

“The Tablelands is a region where we prosper and enjoy an enviable lifestyle within a pristine environment, realising our full potential in smart, connected rural communities.”



Our Values



We **LEAD** the way

- innovate and encourage new ideas and smart ways to operate
- provide solutions
- courage to think differently and learn from our mistakes



We **DO** the right thing

- put safety and wellbeing first
- act ethically, with honesty and integrity
- look for sustainability and value for money
- choose the right action



We **THINK** customer

- our citizens and customers are at the heart of everything
- passionate about excellent customer service
- deliver consistently high service – internally and externally
- provide value for all customers



We **DELIVER** for the community

- committed to excellence
- engage, participate and support
- responsive and accountable for what we do
- do what we say we are going to do



We **MAKE** the difference – together

- value and respect diversity and people
- value teamwork and collaboration
- make amazing discoveries
- sharing the vision
- protect our natural heritage

Mayor and CEO Messages

Mayor's Report

I am delighted to present the Annual Report for 2016/17, providing an overview of Tablelands Regional Council's achievements during the past financial year, and updates on progress in delivering on our commitments.

Over the financial year we have seen a great deal of progress in preparing Council and the region for future growth – we are a Council that is planning for the future. On 25 May 2017 Council adopted the 2017–2021 Corporate Plan, the blueprint for development across all of our communities, which is available online or from Customer Service Centres. This Annual Report highlights achievements under the previous 2015-2019 Corporate Plan which is what the 2016/17 Operational Plan is based upon.

Under the leadership of Chief Executive Officer Hurriyet Babacan, who commenced on 4 October 2016, significant reviews of Council operations and structure were undertaken. During the year, Council recognised the major contribution of several executive and senior managers as they vacated their roles. In particular, I acknowledge Matt Hyde, Deputy Chief Executive Officer and Dean Davidson, General Manager Community and Regional Planning who left Council during the last financial year. The commitment and achievements all of our managers have made for Council and for our Tablelands community is beyond doubt and highly appreciated.

We also welcomed General Manager Infrastructure Services Mark Vis, Chief Operating Officer Bob Owen, and new managers as part of a refreshed organisation structure to drive the new strategic direction outlined in the Corporate Plan with an emphasis on vibrant communities, strong economies, smart centres and planning towards Council 2050.

Our Economic Development Committee has worked cohesively throughout the year with a number of key projects progressed including planning for the development of Priors Creek, the adoption of a new planning scheme, advocacy for improved health services, delivery of small business week seminars and Business Excellence Awards and helping establish a new regional entity, Ignite FNQ to secure funding to deliver innovation support and a Tablelands based core location as part of the Advancing Regional Innovation Program.



We delivered the Capital Works program and an assortment of community programs including the club support program, Health and Wellbeing Expo, Get Ready events and community cabinets in Mt Garnet, Ravenshoe, Wondecla and Millaa Millaa.

Councillors and staff also identified a number of signature projects which will be given closer attention during the forthcoming financial year and beyond. They include the development of an economic development strategy and a strategy to attract a diverse range of population groups to the Tablelands. Community development and the support of an integrated health and wellbeing plan will also be given attention along with the ongoing improvement and development of Council's innovative approach to service delivery.

On behalf of all Councillors I thank our staff and volunteers for your support, service and contribution to the communities we serve. You are all an invaluable asset to Council.

Thank you also to my fellow Councillors. Together with managers and staff, we have made significant progress and we are now placed to look confidently towards the future.

Councillor Joe Paronella
Mayor

CEO Message

This 2016/17 Annual Report provides a comprehensive summary of Council's progress towards meeting annual objectives, activities and performance indicators articulated in the 2015–2019 Corporate Plan.

The Annual Report also provides comments relating to a number of statutory requirements, the financial management of Council and the results achieved for the year in review. TRC achieved an operating surplus of \$6.9M (previous year \$2.5M) and a net result surplus of \$15.0M (previous year \$15.2M). The surplus is above the expected result due to the early payment by the State Government of the financial assistance grant for 2017/18 and additional income from third party works carried out during the year. Council finances show strong liquidity reflecting Council's ongoing focus on the prudent management of community assets. The financial report and statements within this Annual Report provide the full detail.

There have been many successes during the past 12 months. The collaborative approach to improved governance, financial management, asset management, regional planning and engagement is a credit to Councillors and our workforce. We have commenced using technology to improve our services with significant improvements made particularly with asset maintenance. Implementing a new water charging system across the region has created equity and better planning for meeting future needs.

We have delivered capital works to a high standard and achieved financial savings in some areas, which enabled us to deliver more upgrades than initially expected. Works for Queensland funding has provided the opportunity to improve our town centres, playgrounds and community infrastructure.

Council is continually reviewing how we do things to ensure that the service and growth needs of the Tablelands community are met now and into the future.

The community's capacity to deal with and recover from natural disasters has been enhanced by updated Disaster Management Plans. We have tested our ability to respond to a disaster scenario through workforce training and exercises for staff that operate the Disaster Coordination Centre and worked with Atherton Live Weather to secure funding for local weather stations.

Adopting a region wide Planning Scheme is a significant milestone achievement. Pest management, weed and land protection action plans have been implemented. Minimising Navua sedge infestations has taken priority with a steam treatment trial undertaken and strong advocacy for funding support to manage.



Sustainability principles applied to asset management reviews, depreciation, project management systems, the annual budget, long-term financial plans and associated controls continue to be given a high priority.

I acknowledge the support, collaboration and leadership of outgoing management team members during the year and welcome new recruits as part of an in-depth organisational review and restructure. I am confident in the organisation's ability to deliver on the key priority areas of the recently adopted 2017–2021 Corporate Plan. We will continue to improve our workforce capabilities, collaborations and expertise to transition to an enterprising and innovative Council.

Whilst this Annual Report references achievements made towards the 2015–2019 Corporate Plan, I am particularly pleased with the professionalism of staff in adapting to the new 2017–2021 Corporate Plan and the restructuring of Council's operations. Our dedicated staff are to be congratulated for their sustained efforts in assisting Council to meet the needs and expectations of our community, throughout a year of significant change.

I would like to express my appreciation to the Mayor and Councillors for their support during the past 12 months.

Hurriyet Babacan
Chief Executive Officer

Our Councillors

Mayor
Joe Paronella



Representative Allocations

- FNQ Regional Organisation of Councils
- Senior Executive Appointments to the New Tablelands Regional Council
- Far North District Disaster Management Group
- TRC Local Disaster Management (LDMG)
- Relay for Life

Division 1 Councillor
Kate Eden



Representative Allocations

- Regional Art Development Fund (RADF)
- TRC Regional Art Gallery Advisory Committee
- Audit
- LDMG Public Health and Environment Sub Group
- LAWMAC
- Terrain NRM
- Herberton Visitor Information Centre
- Loder Park Management
- Tablelands Regional Gallery Gift Fund Advisory Committee
- Atherton Chinatown
- Tableland Outdoor Recreation Association
- Herberton Business & Traders Association
- Herberton Community Inter Action
- Taste of the Tablelands

Division 2 Councillor
Annette Haydon



Representative Allocations

- LDMG Built Environment and Infrastructure Sub Group
- FNQ Regional Roads Group
- Main Roads and Local Government Roads Alliance
- Ravenshoe Visitor Information Centre
- Ravenshoe Gift Fund Advisory Committee
- Herberton Museum Advisory Committee for the Deductible Gift Fund
- Herbert River Catchment Group Inc
- RAISE Ravenshoe
- Ravenshoe Rail
- Ravenshoe Chamber of Commerce
- Progress Ravenshoe
- Mt Garnet Progress Association
- Torimba Cultural and Festival Association Inc
- Mt Garnet Rodeo Association

Our Councillors

Division 3 Councillor
Anthony Ball



Representative Allocations

- LDMG Community Support Sub Group
- TRC Pest Management Advisory Committee
- Natural Asset Management Advisory Committee
- North Queensland Sports Foundation
- Local Traffic Advisory Committee
- Tablelands Fire Management Group - Atherton
- Malanda Falls Gift Fund Advisory Committee
- Johnstone River Catchment Management Association
- Malanda Small Farms Field Day
- Malanda Show Society

Division 4 Councillor
Samantha Banks



Representative Allocations

- Audit
- Deputy - TRC Local Disaster Management (LDMG)
- Atherton Tablelands Home Assist and Secure
- Yungaburra Triathlon
- Barron Catchment Care - Upper Zone Forum
- Sustainable Malanda
- Atherton Ambulance
- Principal Cycle Network Plan Working Group
- Malanda Chamber of Commerce
- Yungaburra Association Inc.
- Tablelands Folk Festival
- Afghanistan Avenue of Honour

Division 5 Councillor
Deputy Mayor **Katrina Spies**



Representative Allocations

- Disability Access & Inclusion Advisory Committee (DAIAC)
- Senior Executive Appointments to the New Tablelands Regional Council
- Building Safer Communities Regional Committee
- Community Hall (Atherton High School)
- Atherton Town Band Advisory Committee
- Carinya Home for the Aged
- Atherton Chamber of Commerce
- Atherton Tablelands Showgrounds User Group



Division 6 Councillor
Bronwyn Voyce

Representative Allocations

- Rail Trails Advisory
- Rocky Creek War Memorial Park Advisory Committee
- LDMG Economic Sub Group
- NQ Regional Planning Advisory Committee
- Tablelands Futures Corporation
- Tropical Tablelands Tourism
- Tolga Historical Society
- Atherton Maize Festival

Our Executive Leadership Team

As at 30 June 2017



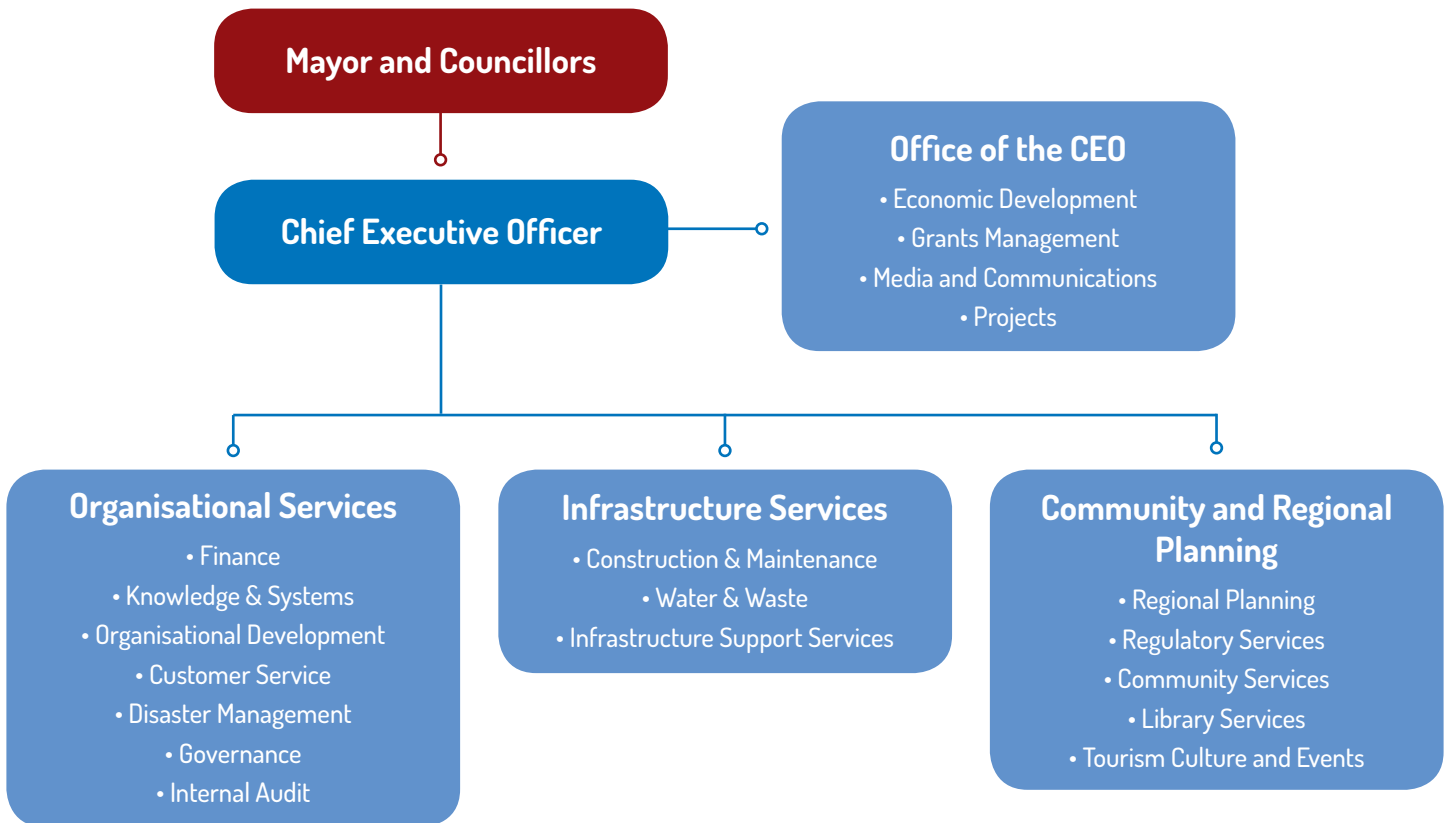
Chief Executive Officer
Hurriyet Babacan



Acting Deputy Chief Executive Officer,
General Manager
Community and
Regional Planning and
Organisational Services
Bob Owen



General Manager
Infrastructure Services
Mark Vis



Our Employees

STAFF NUMBERS AS AT 30/6/2017

	Full Time Equivalent	Number
Permanent Full Time	219.01	219
Permanent Part Time	27.73	46
Apprentices	6.00	6
Casuals	18.75	38
Temporary Full Time	20.00	26
Temporary Part Time	1.62	4
Total Employees	293.11	339

RECRUITMENT OVER THE YEAR

Excluding internal, casual and temporary appointments	Number
Office of CEO	2
Organisational Services	11
Infrastructure Services	22
Community and Regional Planning	11
Total Recruitment	46

GENDER BALANCE (Number - All Employees)

	Male	Female
Office of CEO	1	6
Organisational Services	21	51
Infrastructure Services	135	27
Community and Regional Planning	35	63
Total	192	147

REMUNERATION PACKAGES – SENIOR CONTRACT EMPLOYEES

Reportable items under Section 201.1 of the Local Government Act (2009)

Remuneration Range	Number
\$200,000 - \$300,000	3
Total	3
Total of all above remuneration packages	\$739,092.00

Note: The remuneration package consists of salary and superannuation. Compensation for use of personal vehicle for work purposes is included in the salary component of the package.

TERMINATIONS OVER THE YEAR

Number, excluding casual and temporary employees	Number
Office of CEO	2
Organisational Services	12
Infrastructure Services	18
Community and Regional Planning	12
Total Terminations	44

EMPLOYEE TURNOVER %

	Percentage
Total	12.79%



Max Turner being congratulated by Mayor Joe Paronella on achieving 28 years of service

Community Financial Report

S184 LGR

What is a Community Financial Report?

The Community Financial Report aims to simplify Council's official Financial Statements by providing a visual representation of our financial performance for the period 1 July 2016 to 30 June 2017. Each report in Council's Financial Statements provides information on a specific aspect of our performance. Collectively the statements provide a detailed profile on the financial performance and health of Council.

This Community Financial Report consists of five key statements or elements:

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flows
- Financial Sustainability Ratios

Significant achievements include:

- Achievement of an operating surplus;
- Completion of \$14 million capital works projects, including \$1.7 in contributed assets; and
- Increases in Council's financial reserves to fund future expenditures.

Statement of Comprehensive Income

The Statement of Comprehensive Income measures how Council performed in relation to income and expenses during the financial year. This statement illustrates how money received from Council operations is spent.

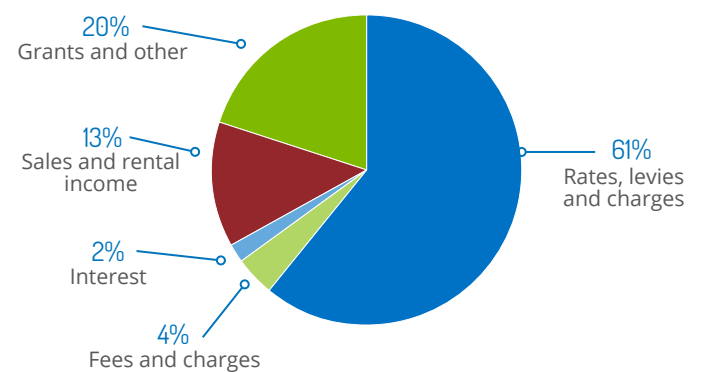
Revenue Sources – Where does the money come from?

In 2016/17 Council received \$63 million in operating revenue and \$9.2 million in capital revenue. The significant contributors to the revenue stream include:

Revenue Stream	\$Millions
Rates, levies and charges	38.1
Grants, subsidies, contributions and donations	12.6
Sales revenue	6.8
Fees and charges	2.4
Interest revenue	1.5
Rental income	1.4

In 2016/17 our total revenue increased by \$9.4 million, due mainly to the early payment of the financial assistance grant for 2017/18 and additional sales revenue from third party works.

Sources of Revenue



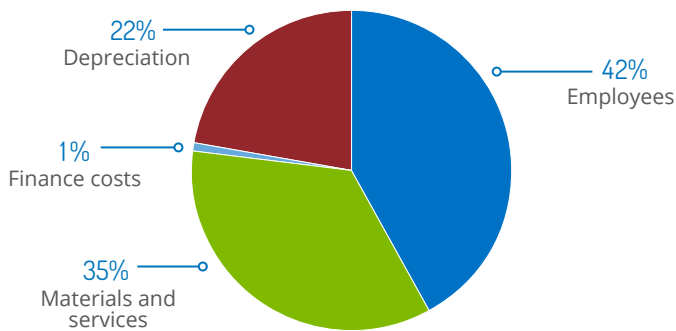
Rates, levies and charges continue to be the major source of income making up 61% of Council's income for the financial year. Council endeavours to maximise its revenue from sources other than rates by actively pursuing grants and subsidies from State and Federal Government, seeking contributions from developers and exploring other revenue opportunities.

Expenditure – Where does the money go?

Council incurs both operating and capital expenditure in the provision of services to our community. Significant expenditure items include:

Expenditure Items	\$Millions
Employee costs	23.2
Materials and services	19.8
Depreciation and amortisation	12.4
Capital expenditure	19.5

Day-to-day Expenditure



In 2016/17 our operational expenditure increased by \$5 million, primarily due to the additional expenditure associated with the additional third party works carried out.

Statement of Financial Position

The Statement of Financial Position measures what we own (our assets) and what we owe (our debts), resulting in our net worth at the end of the financial year.

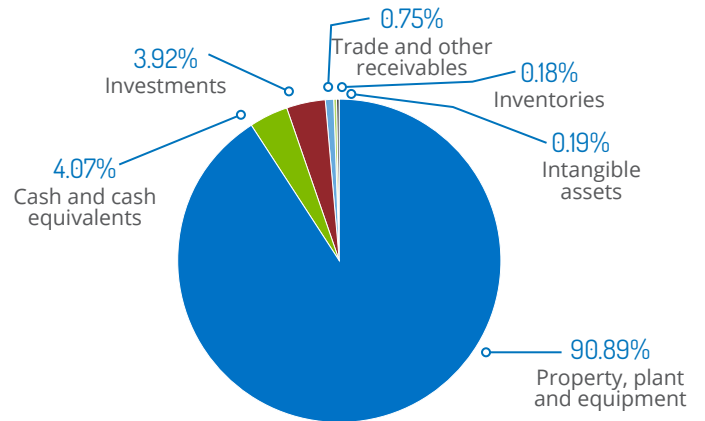
Our Assets

The major components of our assets include:

Assets	\$Millions
Property, plant and equipment	522.3
Cash and cash investments	23.4
Term deposits	22.5
Trade and other receivables	4.3

During the year, our assets increased in value by \$49.7 million or 9.5%.

Assets 2016/17



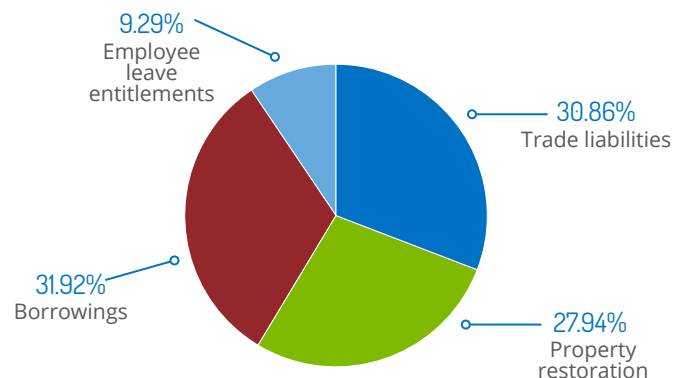
Our Liabilities

The major components of our liabilities include:

Liabilities	\$Millions
Trade and other payables	7.9
Loans	8.1
Employee leave liabilities	2.4
Provision to restore Council's quarries and landfills	7.1

During the year, our liabilities increased by \$2.4 million or 10.2%.

Liabilities 2016/17



Our Net Worth

Financial Year	2014/15 \$Millions	2015/16 \$Millions	2016/17 \$Millions
Assets	517.6	525.0	574.7
Liabilities	30.6	23.2	25.5
Community Equity (balance)	487.1	501.8	549.1

Our Debt

Like many other Local Government Authorities across Queensland, Tablelands Regional Council utilises loan borrowings to fund the construction of infrastructure to service the needs of our community. Our debt policy is based on sound financial management practices. We achieved a Net Financial Liabilities Ratio of -40.8% which indicates that Council has current assets that exceed total liabilities.

Statement of Changes in Equity

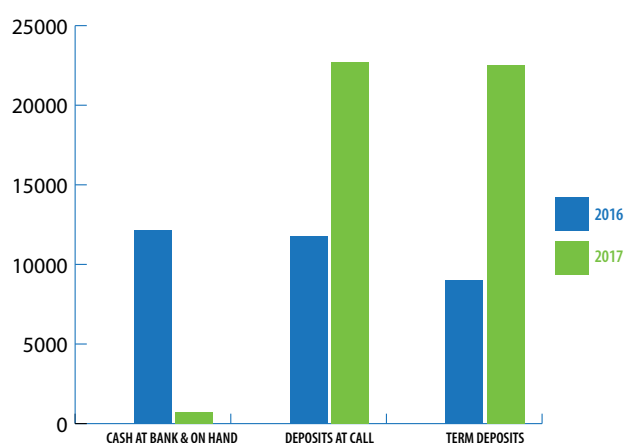
The Statement of Changes in Equity shows the overall change in Council's net wealth over the year. In the 2016/17 financial year, our net worth increased by \$47.3 million, mainly as a result of an increment in the revaluation of property, plant and equipment. The community equity consists of an asset revaluation reserve of \$125.7 million and retained surpluses of \$423.4 million.

The asset revaluation surplus comprises amounts representing the change in the value of Council's assets over time. Asset revaluations are completed on a cyclical basis per asset class.

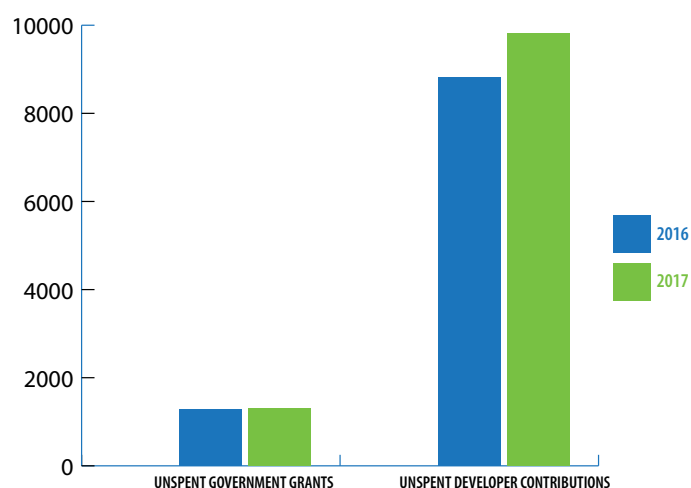
Statement of Cash Flows

The Statement of Cash Flows shows where Council's cash came from and how it was spent throughout the year. It differs from the earlier reports as non-cash items such as depreciation and donated assets are excluded. The closing balance reflects how much cash Council had at year end. Restrictions are held over cash that has been received for a specific purpose, for example developer contributions and grant funding received. Council has also imposed internal restrictions over cash.

Cash and Cash equivalents ('000)



Externally imposed Restrictions on Cash ('000)



Financial Sustainability Ratios

The Financial Sustainability Statement and the associated measures (ratios) provide evidence of Council's ability to continue operating and provide an acceptable level of service and infrastructure to the community into the future. Council's performance at 30 June 2017 against key financial ratios are listed below:

Ratio	Target	Result
Operating surplus ratio	Between 0 and 10%	10.91%
Asset sustainability ratio	Greater than 90%	114.42%
Net financial liabilities ratio	Less than 60%	-40.79%

The Asset Sustainability Ratio measures our ability to maintain infrastructure capital over the long-term, while the Operating Surplus and Net Financial Liabilities ratios measure our ability to maintain financial capital over the long-term. The results achieved in the current year are all within the targets as set by the State Government for financial sustainability. A negative net financial liabilities ratio (-40.79%) is within the target range for the year ending 30 June 2017. Council is able to maintain its financial capital over the long-term, providing the calculated ratio is below the target rate (60%). When the ratio drops below 0% (which is still below the target rate) it indicates that the value of Council's assets exceed the value of Council's liabilities. Page 77 of this Report also provides the forecast outcomes of the three key financial ratios, for each of the 10 years to 2027, of which the large majority are within target range.



Progress Report against Corporate Plan

S190.1a and b LGR

Council's Corporate Plan 2015–2019 provided the focus and direction for Council over the 12 month period to 30 June 2017. Operational Plans for the 2016/17 financial year focussed on the delivery of the long-term strategies in the 2015-2019 Corporate Plan.

Council continued to make strong progress towards the delivery of long-term strategies in the following five Key Result Areas:

1. The development and maintenance of community capacity

- Cultural Plan review completed. Updated plan being aligned with new 2017-2021 Corporate Plan.
- Four grant-writing workshops conducted over the year to assist with capacity building and self-reliance.
- Local Disaster Management Plans updated and approved.
- Community engagement sessions held in Mt Garnet, Millaa Millaa, Ravenshoe and Wondecla.
- All licenced premises inspected during the year - 244 inspections.
- Six Safer Communities meetings conducted throughout the year plus a Regional Round Table forum conducted in Atherton.
- Councils Grants Program delivered.
- Tablelands Health and Well-being Expo delivered.
- Provided resources and support to sporting clubs through the Club Support Program.

2. Economically healthy communities

- Council's Economic Development Committee worked cohesively, with quarterly meetings achieving outcomes which are reported to Council's Executive.
- Funding for strategic projects managed in accordance with funding agreements and liaison with project managers and external funding bodies.

- All Regional Arts Development funding expended during the year.
- Economic modelling tool "Economy Id" freely available for use on TRC's website and being used by potential business investors and developers to inform economic outcomes for projects.
- Ongoing liaison with Regional Local Government Economic Development group (FNQROC sub-committee), Tablelands Futures Corporation, Department of State Development and local business groups.
- Small Business Week seminar series and gala awards night for 2017 Business Excellence Awards delivered.
- Back to Work workshop delivered in partnership with the Department of State Development.
- Successful partnership as part of Advancing Regional Innovation Program. Core location in the region to be delivered as part of the successful Ignite FNQ collaboration for funding.
- Total of 436 building approvals issued over the financial year.

3. A healthy natural environment with sustainable management of resources and growth

- Draft Open Spaces Strategy prepared following an Open Spaces audit.
- TRC Planning Scheme adopted and a public awareness strategy implemented. An amended infrastructure charging framework adopted.
- A report on the Atherton Urban Growth Precinct Structural Plan developed for consideration.
- Commenced Waste Strategy review.
- Program of energy efficiency implemented across all Departments.
- Pest Management, Weed and Land Protection Action Plans implemented and monitored.
- An audit of vegetation management completed and a draft Landscape Vegetation Strategy is under preparation.



View from Millaa Millaa Lookout

4. Sound decision-making / Governance

- Sustainability principles applied to asset management reviews, depreciation and project management systems.
- Annual Budget, Long-term Financial Plans and associated controls continue to be given a high priority.
- Enterprise Risk Management Project underway to review assessment process, treatments adopted adequacy of controls and reporting of risk.
- Audit Plans approved by Audit Committee and followed through.
- Operational planning and reporting adopted as standard business processes.
- Departmental performance levels monitored and reported upon.
- Business Continuity Plans developed, approved and tested across Council.
- Additional lap-tops purchased to support disaster recovery operations as an enhancement to the dedicated server.
- Corporate Communications Strategy continues to be implemented with increased emphasis on community engagement across the TRC area.
- Social media workshop conducted for the community as part of Small Business Week.
- Customer service review implemented, including business process efficiency levels.
- A range of initiatives have commenced and will be continued into the next financial year, to address gaps in the previous year's Employee Opinion Survey.
- SafePlan Safety program achieved a Silver Award based on an audit of AS 4801 during the year, with Rectification Plans in place to address outstanding issues.

- Knowledge Management Systems maintained with upgrades to ECM, MapInfo and Asset Management interface, Business Continuity Plans, and Customer Service Strategies implemented.
- Adoption of 2017-2021 Corporate Plan.
- Review of organisational structure focussed on providing support for key priority areas.

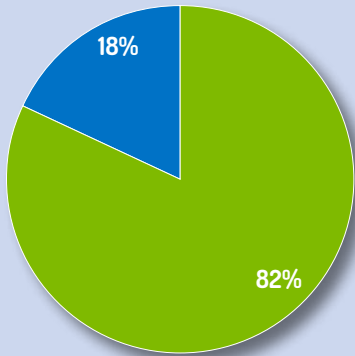
5. Public Infrastructure

- Asset Management Policy and Strategic Asset Management Plan endorsed with asset data capture being progressed.
- Capital Works Programs delivered.
- Cemetery Management Plan and upgrades implemented.
- Asset data for fleet fully identified and recorded.
- Management Plans for fleet and bridges prepared.
- MapInfo menu system has been updated to support the new road segments, footpaths, defects, facilities, bridges, gates, grids, culverts and stormwater.
- Implementation of new roads asset maintenance management framework.
- Quality Systems being applied to road and drainage maintenance services, landfill, water and sewerage reticulation services.
- Stage 4 Rail Trail bridge development completed.

Details of Council's progress towards implementing the long-term strategies in the 2015-2019 Corporate Plan for the financial year from July 2016 to June 2017 are attached as Appendix 1.

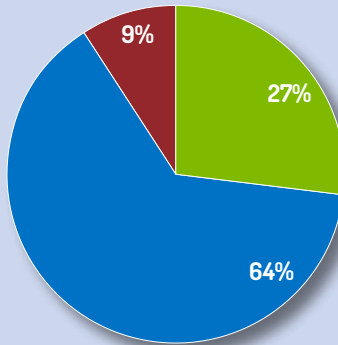
Community Capacity

FOCUS: The development and maintenance of community capacity



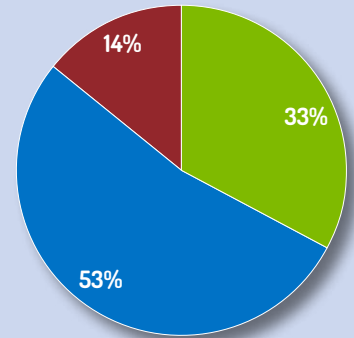
Economic Health

FOCUS: Economically healthy communities in our region



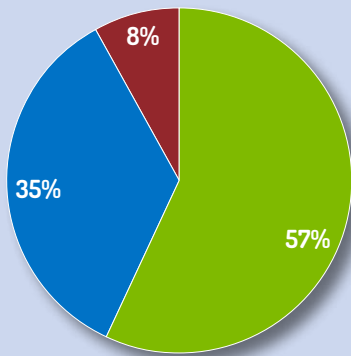
Natural Environment

FOCUS: A healthy natural environment with sustainable management of resources and growth



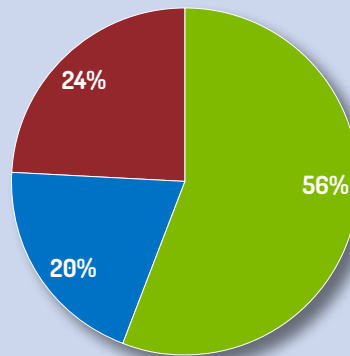
Governance / Decision-Making

FOCUS: Sound decisions and community confidence in Council's services and operations



Public Infrastructure

FOCUS: Fit for purpose, sustainable infrastructure



L-R: Manager Finance Susanne Andres, Financial Accountant Janice Barkworth, CEO Hurriyet Babacan, Mayor Jo Paronella



Malanda Falls

Other Statutory Disclosures

Under Sections of the *Local Government Act (2009)* and *Local Government Regulation (2012)*.

Beneficial Enterprises (S41 LGA)

Council did not have any partnership arrangements, or conduct any business with beneficial enterprises under section 41 during the reporting period.

Conduct of Business Activities (S45 LGA)

Reference to this item is made in Note 27 to the Financial Statements.

Particular Resolutions (S185 LGR)

Resolutions made during the financial year under section 206(2):

There were no resolutions adopted by Council under this section for the reporting period.

Resolutions made during the financial year under section 250(1):

Council adopted the "Councillor Remuneration, Expenses, Reimbursement and Resources Policy" on 8 September 2016.

Councillors (S186 LGR)

COUNCILLOR REMUNERATION 2016/17

Total remuneration, plus superannuation contributions during the financial year 1 July 2016 – 30 June 2017

Councillors	Remuneration	Superannuation	Total
Mayor Joe Paronella	\$122,631.08	\$13,890.37	\$136,521.45
Deputy Mayor Katrina Spies (Division 5)	\$76,644.10	\$8,983.51	\$85,627.61
Councillor Kate Eden (Division 1)	\$65,146.90	\$6,189.04	\$71,335.94
Councillor Annette Haydon (Division 2)	\$65,146.90	\$6,665.11	\$71,812.01
Councillor Anthony Ball (Division 3)	\$65,146.90	\$6,189.04	\$71,335.94
Councillor Samantha Banks (Division 4)	\$65,146.90	\$7,817.68	\$72,964.58
Councillor Bronwyn Voyce (Division 6)	\$65,146.90	\$6,189.04	\$71,335.94

Notes:

1. Mayor Paronella and Councillor Banks are entitled to a higher superannuation contribution to LG Super as they have elected to make additional personal contributions. All Councillors have the same entitlement to take up this option, if they so choose.
2. A system error was detected during July 2017 resulting in an over-payment of superannuation contributions to Cr Haydon during the 2016/17 financial year. The error will be corrected in the 2017/18 financial year.

COUNCILLOR EXPENSES 2016/17

Telephone, vehicle and travel expenses during the financial year 1 July 2016 – 30 June 2017

Councillor	Expenses
Mayor Joe Paronella	\$26,736.23
Deputy Mayor Katrina Spies (Division 5)	\$2,694.75
Councillor Kate Eden (Division 1)	\$4,983.71
Councillor Annette Haydon (Division 2)	\$11,905.47
Councillor Anthony Ball (Division 3)	\$10,984.34
Councillor Samantha Banks (Division 4)	\$8,866.92
Councillor Bronwyn Voyce (Division 6)	\$3,363.72

COUNCILLOR MEETING ATTENDANCE 2016/17

Number of local government meetings attended by each Councillor 1 July 2016 – 30 June 2017

Councillor	Number of Meetings
Total number of meetings held	18
Mayor Joe Paronella	18
Deputy Mayor Katrina Spies (Division 5)	18
Councillor Kate Eden (Division 1)	18
Councillor Annette Haydon (Division 2)	18
Councillor Anthony Ball (Division 3)	17
Councillor Samantha Banks (Division 4)	18
Councillor Bronwyn Voyce (Division 6)	17

Administrative Action Complaints

Council is committed to dealing fairly with administrative action complaints by receiving, enabling, responding and reviewing customer complaints in a professional and cost effective manner. By reviewing, reflecting and learning from the complaints, Council is able to improve services to the community.

Council's performance in resolving complaints is satisfactory, with most complaints resolved in less

than service standard time of 30 days. Systemic analysis of complaints is combined with findings from internal audits to create a matrix of high risk issues and recurrent problems. Progress on completing improvements based on this matrix is monitored by the Internal Audit Committee as well as the Executive Leadership Team.

ADMINISTRATIVE ACTION COMPLAINTS 2016/17

Reportable items under Section 187 of the *Local Government Regulation 2012*

Reportable Item	Number
Number of administrative action complaints received	70
Number of administrative action complaints resolved	66
Number of administrative action complaints sustained	5
Number of administrative action complaints not sustained	52
Number of complaints still in progress/unresolved	4
Number of administrative action complaints that were made in the previous financial year (2015/16)	54
Number of administrative action complaints that were made two years ago (2014/15)	37
Number of administrative action complaints that were made three years ago (2013/14)	90

Other Reportable Items (S186 various LGR)

There were no reportable items applicable to the following sections of the *Local Government Act 2009* or associated Regulations, dealing with complaints made concerning the misconduct of a Councillor.

- *Local Government Regulation 2012* Section 186 (d) (i) applies to reporting against Section 180(2) or (4) of the Act
- *Local Government Regulation 2012* Section 186 (d) (ii) applying to reporting against Section 181 of the *Local Government Act 2009*
- *Local Government Regulation 2012* Section 186(f) (i) applying to reporting against Section 176C(2) of the *Local Government Act 2009*

- *Local Government Regulation 2012* Section 186(f)(ii) applies to reporting against Section 176C(3)(a)(i) of the Act
- *Local Government Regulation 2012* Section 186(f)(ii) applies to reporting against Section 176C(3)(a)(ii) of the Act
- *Local Government Regulation 2012* Section 186(f)(iv) applies to reporting against Section 176C(4)(a) of the Act

Overseas Travel (S188 LGR)

No Councillors or Council employees travelled overseas in an official capacity during the 2016/17 financial year.

Grants to Community Organisations (S189 LGR)

	Grants	Events	Economic Development Fund	Total Amount
Community Events	\$15,436.00			\$15,436.00
Community Organisations	\$21,234.31			\$21,234.31
Major Events (Refer following table)		\$62,590.00		\$62,590.00
School Events	\$2,101.00			\$2,101.00
School Bursaries	\$2,500.00			\$2,500.00
Annual School Ceremonies		\$1,600.00		\$1,600.00
Sport Events	\$4,428.00			\$4,428.00
Youth Achievement	\$6,800.00			\$6,800.00
Regional Arts Development Fund	\$41,818.00			\$41,818.00
Rates Remission				\$16,400.00
Charge Remission				\$5,821.90
Trade and Business Events		\$5,000.00	\$9,130.00	\$14,130.00
Total	\$94,317.31	\$69,190.00	\$9,130.00	\$194,859.21



Tablelands Folk Festival

Major Events	Amount
Atherton Christmas Markets	\$2,354.00
Tastes of the Tablelands	\$4,000.00
Torimba Cultural and Festival Association	\$2,700.00
Atherton Maize Festival	\$999.00
Tablelands Folk Festival	\$3,500.00
Atherton Show	\$12,492.00
Malanda Show	\$10,590.00
Yungaburra Triathlon	\$1,522.00
Australia Day	\$6,633.00
Anzac Day	\$6,268.00
Victory in the Pacific Day	\$6,244.00
Seniors Week	\$1,684.00
Tablelands Garden Competition	\$1,467.00
Christmas Lights Competition	\$1,658.00
Mayors Christmas Appeal	\$228.00
NAIDOC Week	\$251.00
Total	\$62,590.00

Commercial Business Units (S190.1c LGR)

Council did not maintain any Commercial Business Units during the reporting period.

Action taken involving special arrangements (S190.1d LGR)

Council was not supplied with any services, facilities or activities by another local government under any agreements or joint activities and for which any special rates or charges were levied, during the financial year.

Changes to Tenders (S190.1e LGR)

Reportable items under the *Local Government Regulation 2012* Section 228(7).

There were no changes to tenders to be reported under this section for the reporting period.

Registers Maintained (S190.1f LGR)

Registers maintained by Council:

- Register of Members Interests
- Register of Delegations by Council
- Register of Delegations by the Chief Executive Officer
- Register of Roads
- Register of General Charges and Regulatory Fees
- Register of Local Laws and Subordinate Local Laws
- Register of Gifts and Benefits
- Register of Policies

Internal Audit (S190.1h LGR)

The Internal Audit activities are performed by a qualified internal audit consultant on a wholly outsourced basis. For the 2016/17 financial year, Council's outsourced internal audit consultant was Pacifica Chartered Accountants.

An Internal Audit Plan was adopted by the Audit Committee at its December 2016 meeting and Internal Audit Progress Reports were presented to the Audit Committee in December 2016, March 2017 and June 2017. Internal audit projects for the financial year included: Fraud Risk and Ethical Conduct Review.

The Internal Auditor and the Executive Leadership Team agreed on business rules for the implementation of improvements identified in the audit matrices. Significant progress was made by Council officers in implementing improvements required by the Internal Auditor in order to close matrix items.

The Internal Audit Progress Report provided to the Audit Committee in June 2017 presented an overview of the work performed by the Internal Auditor from July 2016 - June 2017 in accordance with s.207(3), *Local Government Regulation 2012* (Qld).

Equal Employment Opportunity (S190.1i LGR)

Council is committed to fostering a work environment where diversity, fairness and equal opportunity is embraced.

Progress towards meeting this commitment during the 2017/18 financial year, included:

- Commencement of staff involvement in the Reconciliation Action Plan
- Diverse representation in Council signature Project groups
- Continued recruitment of EEO target groups via the Queensland Government Skilling Queenslanders for Work Initiative – First Start Program
- Implementation of Beyond Blue – Heads up Mental Health Policy and Action Plan
- Implementation of Transition to Retirement Work programs aimed at employee's retiring with dignity and support
- Opportunity for all staff to participate in the development of Councils organisation review and Employee Opinion Survey Action Plan
- Successful implementation of on-boarding initiatives specifically targeting trainees and returning parents in the workplace
- Review of recruitment processes to ensure elimination of invisible barriers for job seekers
- Implementation and education of an external, independent Employee Assistance Program
- Continued promotion of flexible work arrangements for all employees
- Continued promotion of career and training opportunities for all staff

Competitive Neutrality Complaints (S 190.1 - j and k)

One investigation notice was received in the financial year under section 49 of the *Local Government Regulation 2012* for a competitive neutrality complaint alleging unethical business practices within Council's Building Certification section. The complaint, received in October 2016 was accepted for investigation by Tablelands Regional Council with a preliminary finding that Council had charged correct fees for building certification. As a result of the investigation, Council undertook a review of all fees and charges in preparation for the commencement of the 2017/18 financial year, and has simplified building fees and charges.

Public Sector Ethics

Reportable under the *Public Sector Ethics Act 1994*.

Council adopted a Code of Conduct in 2014 which reflects and incorporates the four public service ethics principles:

- integrity and impartiality – recognising that public office and employment in local government involves a public trust, requiring community confidence in the integrity of local government
- promoting the public good – through the delivery of programs and services that benefit the Tablelands communities
- commitment to the system of government – applying Council's duty to uphold and administer our Local Laws, as well as the laws of the State and Commonwealth
- accountability and transparency – exercising proper diligence in managing resources, and information effectively, upholding high standards of administration, innovation and performance.

Education and training with respect to the ethics principles and the Code of Conduct has been provided progressively to Council staff during the year, both in targeted sessions and as part of the induction process for all new employees. In addition, toolbox talks also reinforce Code of Conduct principles on a regular basis.

As part of Council's governance processes, all policies, procedures and practices have regard to the ethics obligations of public officials and Council's Code of Conduct. All employees are encouraged to act in ways which give commitment to a high standard of ethics and which ensures the highest standards of public administration. The same principles have been applied by Council in the review and preparation of Corporate and Operational Plans, and compliance with the Code of Conduct is assessed through the performance management process, with reasonable management action taken where there is a suspected breach.



Halloran's Hill



Financial Report

S 176 and S 177 LGR

Tablelands Regional Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2017

**Live, discover and invest in a
Tablelands community**



Tablelands Regional Council

General Purpose Financial Statements for the year ended 30 June 2017

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Tablelands Regional Council

Statement of Comprehensive Income

for the year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
Income			
Revenue			
Recurrent Revenue			
Rates, Levies and Charges	3	38,146	36,876
Fees and Charges		2,420	2,369
Rental Income		1,417	1,453
Interest and Investment Revenue		1,527	693
Sales Revenue		6,828	2,478
Other Income		147	291
Grants, Subsidies, Contributions and Donations	4a	12,554	9,513
Total Recurrent Revenue		63,039	53,673
Capital Revenue			
Grants, Subsidies, Contributions and Donations	4b	9,205	13,223
Total Revenue		72,244	66,896
Total Income		72,244	66,896
Expenses			
Recurrent Expenses			
Employee Benefits	5	23,230	21,714
Materials and Services	6	19,759	17,441
Finance Costs	7	729	612
Depreciation and Amortisation	12 & 14	12,441	11,429
Total Recurrent Expenses		56,159	51,196
Capital Expenses	8	1,119	473
Total Expenses		57,278	51,669
Net Result		14,966	15,227
Other Comprehensive Income			
Amounts which will not be reclassified subsequently to the Net Result			
Gain/(Loss) on Revaluation and Impairment of Property, Plant and Equipment	18	32,236	(519)
Change of future rehabilitation - Land and Improvements		99	48
Total Other Comprehensive Income		32,335	(471)
Total Comprehensive Income		47,301	14,756

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

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Tablelands Regional Council

Statement of Financial Position

as at 30 June 2017

	Notes	2017 \$'000	2016 \$'000
ASSETS			
Current Assets			
Cash and Cash Equivalents	9	23,407	23,955
Investments	9	22,500	9,000
Trade and Other Receivables	10	4,301	6,370
Inventories	11	1,034	1,063
Total Current Assets		51,242	40,388
Non-Current Assets			
Trade and Other Receivables	10	5	9
Property, Plant and Equipment	12	522,329	483,408
Intangible Assets	14	1,078	1,189
Total Non-Current Assets		523,412	484,606
TOTAL ASSETS		574,654	524,994
LIABILITIES			
Current Liabilities			
Trade and Other Payables	15	7,875	5,159
Borrowings	16	713	729
Provisions	17	1,820	5,040
Total Current Liabilities		10,408	10,928
Non-Current Liabilities			
Borrowings	16	7,435	5,654
Provisions	17	7,684	6,586
Total Non-Current Liabilities		15,119	12,240
TOTAL LIABILITIES		25,527	23,168
Net Community Assets		549,127	501,826
COMMUNITY EQUITY			
Asset Revaluation Reserve	18	125,682	93,347
Retained Surplus/(Deficiency)	19	423,445	408,479
Total Community Equity		549,127	501,826

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

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Tablelands Regional Council

Statement of Changes in Equity for the year ended 30 June 2017

	Notes	Asset Revaluation Reserve \$'000	Retained Surplus \$'000	Total Equity \$'000
2017				
Opening Balance		93,347	408,479	501,826
a. Net Operating Surplus for the Year		-	14,966	14,966
b. Other Comprehensive Income				
- Revaluations : Property, Plant and Equip. Asset Revaluation Rsve	18	32,236	-	32,236
- Change of future rehabilitation - Land and Improvements		99	-	99
Other Comprehensive Income		32,335	-	32,335
Total Comprehensive Income		32,335	14,966	47,301
Equity Balance as at 30 June, 2017		125,682	423,445	549,127
2016				
Opening Balance		93,818	393,252	487,070
a. Net Operating Surplus for the Year		-	15,227	15,227
b. Other Comprehensive Income				
- Revaluations : Property, Plant and Equip. Asset Revaluation Rsve	18	(519)	-	(519)
- Change of future rehabilitation - Land and Improvements		48	-	48
Other Comprehensive Income		(471)	-	(471)
Total Comprehensive Income		(471)	15,227	14,756
Equity Balance as at 30 June, 2016		93,347	408,479	501,826

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

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Tablelands Regional Council

Statement of Cash Flows

for the year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
Cash Flows from Operating Activities			
Receipts from Customers		52,955	42,910
Payments to Suppliers and Employees		<u>(47,067)</u>	<u>(43,664)</u>
		5,888	(754)
Receipts:			
Investment and Interest Revenue Received		1,527	693
Rental Income		1,503	2,185
Non Capital Grants and Contributions		12,821	10,214
Payments:			
Borrowing Costs		(735)	(617)
Net Cash - Operating Activities	25	<u>21,004</u>	<u>11,721</u>
Cash Flows from Investing Activities			
Receipts:			
Sale of Property, Plant and Equipment		367	654
Grants, Subsidies, Contributions and Donations		9,205	9,253
Payments:			
Purchase of Investment Securities		(13,500)	2,000
Purchase of Property, Plant and Equipment		(19,500)	(19,063)
Payments for Intangible Assets		111	106
Transfer on restructure of local government		-	(5,605)
Net Cash - Investing Activities		<u>(23,317)</u>	<u>(12,655)</u>
Cash Flows from Financing Activities			
Payments:			
Repayment of Borrowings and Advances		1,765	(779)
Net Cash Flow - Financing Activities		<u>1,765</u>	<u>(779)</u>
Net Increase/(Decrease) for the year		<u>(548)</u>	<u>(1,713)</u>
plus: Cash and Cash Equivalents - beginning		23,955	25,668
Cash and Cash Equivalents - closing	9	<u>23,407</u>	<u>23,955</u>

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

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Tablelands Regional Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies

(1.a) Basis of preparation

These general purpose financial statements are for the period 1 July 2016 to 30 June 2017 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*. Consequently, these financial statements have been prepared in accordance with all Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board.

These financial statements have been prepared under the historical cost convention except for certain classes of property, plant and equipment which are measured at fair value.

Recurrent/Capital Classification

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

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

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

- Disposal of non-current assets
- Discount rate adjustments to restoration provisions
- Revaluations of property, plant and equipment.

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

(1.b) Statement of Compliance

These general purpose financial statements comply with all accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to Council's operations and effective for the current reporting period. Because the Council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are

inconsistent with International Financial Reporting Standards (IFRS), to the extent these inconsistencies are applied, these financial statements do not comply with IFRS. The main impacts are the offsetting of revaluation and impairment gains and losses within a class of assets, and the timing of the recognition of non-reciprocal grant revenue.

(1.c) Constitution

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

(1.d) Currency

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

(1.e) 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.

Tablelands Regional Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

This year Council has applied AASB 124 Related Party Disclosures for the first time. As a result, Council has disclosed more information about related parties and transactions with those related parties. This information is presented in note 28.

As 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 reporting periods beginning on or after 1 January 2017

- AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*

Tablelands Regional Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

- AASB 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15*
- AASB 2016-4 *Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities*
- AASB 2016-7 *Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities*

Effective for annual reporting periods beginning on or after 1 January 2018

- AASB 9 *Financial Instruments (December 2009)*
- AASB 15 *Revenue from Contracts with Customers*

Effective for annual reporting periods beginning on or after 1 January 2019

- AASB 16 *Leases*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 2016-8 *Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities*

Other amended Australian Accounting Standards and Interpretations which were issued at the date of authorisation of the financial report. Council is still reviewing the way that income is measured and recognised to identify whether there will be any material impact arising from these standards.

(1.f) Critical accounting judgements and key sources of estimation uncertainty

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

estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

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

- Valuation and depreciation of Property, Plant & Equipment - Note 1.n and Note 12
- Impairment of Property, Plant and Equipment and Receivables - Note 1.q and Note 10
- Provisions - Note 1.u and 1.w and Note 17
- Contingencies - Note 21.

(1.g) 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 a liability, otherwise rates are recognised at the commencement of rating period.

Grants and subsidies

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them. Internal restrictions that have been placed on council's cash and cash equivalents are now disclosed in Note 9.

Non-cash contributions

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

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

Tablelands Regional Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

All non-cash contributions are recognised at the fair value of the contribution received on the date of acquisition

Cash contributions

Developers also pay infrastructure charges for trunk infrastructure to construct assets such as roads and footpaths and to connect new property developments to water and sewerage networks in the local government area. Where agreements between Council and the developers relating to these contributions are determined to fall within the scope of AASB Interpretation 18 Transfers of Assets from Customers these contributions are recognised as revenue when the related service obligations are fulfilled.

Developers may also make cash contributions towards the cost of constructing existing and proposed infrastructure like water supply and sewerage headworks in accordance with Council's planning scheme policies. (Headworks include pumping stations, treatment works, mains and sewers). Cash contributions in relation to water supply and sewerage headworks are not within the scope of AASB Interpretation 18 because there is no performance obligation associated with these contributions. Consequently, these cash contributions are recognised as income when received.

Rental income

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

Interest and dividends

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

Sales revenue

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

The council generates revenues from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees.

Contract revenue and associated costs are recognised by reference to the stage of completion of the contract activity at the reporting date. Revenue is measured at the fair value of consideration received or receivable in relation to that activity. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed.

Fees and charges

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

Other revenue

Other revenue is recognised as receivable when it is probable that it will be received and the amount is known, otherwise the amount is recognised upon receipt.

(1.h) 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 (Note 1.i)
- Receivables - measured at amortised cost (Note 1.j)
- Term Deposits - (Note 1.m)

Financial liabilities

- Payables - measured at amortised cost (Note 1.t)
- Borrowings - measured at amortised cost (Note 1.v)

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

Tablelands Regional Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

(1.i) 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 term deposits 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.

(1.j) Receivables

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

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

All known bad debts were written-off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue.

The value for loans and advances to community organisations is disclosed in Note 10. Loans and advances are recognised in the same way as other receivables. Terms are usually a maximum of five years with no interest charged. Security is not normally obtained.

(1.k) Inventories

Stores and raw materials 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.

Land acquired by Council with the intention of reselling it (with or without further development) is classified as inventory. This land is valued at the lower of cost or net realisable value. As an inventory item, this land held for resale is treated as a current

asset. Proceeds from the sale of this land will be recognised as sales revenue on the signing of a valid unconditional contract of sale.

(1.l) Non-Current Assets held for Sale

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

(1.m) Investments

Term deposits in excess of three months are reported as investments.

(1.n) Property, Plant & 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. Land is capitalised above \$1. All items of property, plant and equipment with a total value of less than \$5,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

Acquisition of assets

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

Property, plant and equipment received in the form of contributions, are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.

Tablelands Regional Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

Capital and operating expenditure

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

Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity and useful life of the non-current asset is expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

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

Valuation

Land 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. 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 internally using the expertise of Council officers or by engaging independent, professionally qualified valuers to determine the fair value for each class of property, plant and equipment assets at least once every 5 years. This process involves 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 officers to assess the condition and cost assumptions associated with all asset classes carried at fair value, the results of which are considered in combination with an appropriate Producers' Price Index published by the Australian Bureau of Statistics. Together these are used to form the basis of a management valuation for asset classes in each of the intervening years.

An analysis performed by management has indicated that, on average, the variance between an indexed asset value and the valuation by an independent valuer when performed is not significant and the indices used by Council are sound. Further details in relation to valuers, the methods of valuation and the key assumptions used are disclosed in Note 13.

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

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

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

Both water and sewerage asset classes are classified for valuation purposes into above ground and below ground asset groups. Above ground assets have a different methodology for valuations to below ground assets. A comprehensive revaluation will be completed for both these groups at least once every five years but not necessarily in the same reporting period.

Details of valuers and methods of valuations are disclosed in Note 13.

Capital work in progress

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

Tablelands Regional Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

Depreciation

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

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

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

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

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

Land under roads

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

(1.o) Intangible Assets

Intangible assets with a cost or other value exceeding \$5,000 are recognised as intangible assets in the financial statements, items with a lesser value being expensed.

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

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

Amortisation methods, estimated useful lives and residual values are reviewed at the end of each reporting period and adjusted where appropriate.

(1.p) Biological Assets

The Council operates a nursery to produce plants and trees. In view of the immaterial nature of this operation the accounting procedures related to biological assets have not been applied. The costs incurred in this operation are included in Council's general operations as they are incurred.

(1.q) Impairment of Non-Current Assets

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

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

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset

Tablelands Regional Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

in prior years. A reversal of an impairment loss is recognised as income unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation surplus increase.

(1.r) Leases

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

Operating leases

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

(1.s) Non-Current Assets Groups “Held for Sale” and Discontinued Operations

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of either (i) their carrying amount and (ii) fair value less costs to sell, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The exception to this is plant and motor vehicles which are turned over on a regular basis. Plant and motor vehicles are retained in Non Current Assets under the classification of Property, Plant and Equipment - unless the assets are to be traded in after 30 June and the replacement assets were already purchased and accounted for as at 30 June.

For any assets or disposal groups classified as Non-Current Assets “held for sale”, an impairment loss is recognised at any time when the assets carrying value is greater than its fair value less costs to sell.

Non-current assets “held for sale” are not depreciated or amortised while they are classified as “held for sale”.

Non-current assets classified as “held for sale” are presented separately from the other assets in the balance sheet.

A Discontinued Operation is a component of the entity that has been disposed of or is classified as “held for sale” and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations are presented separately on the face of the income statement.

(1.t) 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.u) Liabilities - Employee Benefits

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

Salaries and wages

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

Annual leave

A liability for annual leave is recognised. Amounts expected to be settled within 12 months are calculated on current wage and salary levels and includes related employee on-costs. Amounts not expected to be settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values. This liability represents an accrued

Tablelands Regional Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

expense and is reported in Note 15 as a payable. As council does not have an unconditional right to defer this liability beyond 12 months annual leave is classified as a current liability.

Superannuation

The superannuation expense for the reporting period is the amount of the contribution the Council makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in Note 22.

Long service leave

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value. This liability is reported in Note 17 as a provision.

Where employees have met the prerequisite length of service and council does not have an unconditional right to defer this liability beyond 12 months long service leave is classified as a current liability. Otherwise it is classified as non-current.

(1.v) Borrowings and Borrowing Costs

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

In accordance with the *Local Government Regulation 2012* council adopts an annual debt policy that sets out council's planned borrowings for the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council

also aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

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

(1.w) Restoration Provisions

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

Refuse dump restoration

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

Quarry Rehabilitation

The provision represents the present value of the anticipated future costs associated with the closure of the quarries, refilling the basin, and reclamation and rehabilitation of these sites. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision

Tablelands Regional Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

recognised for quarry rehabilitation is reviewed at least annually and updated based on the facts and circumstances available at the time. Management estimates that the restoration will occur in 2039.

Quarries are situated on Council controlled land and are classified as land and improvement assets. The provision for restoration is, therefore, included in the cost of the land and amortised over the expected useful life of the quarry. Changes in the provision not arising from the passing of time are added to or deducted from the asset revaluation surplus for land. If there is no available revaluation surplus, increases in the provision are treated as an expense and recovered out of future decreases (if any). Changes to the provision resulting from the passing of time (the unwinding of the discount) are treated as a finance cost.

(1.x) Asset Revaluation Reserve

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 reserve.

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 reserve in respect of that class. Any excess is treated as an expense.

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

(1.y) Retained Surplus

In reference to the comparative figures for the year ended 30 June 2017, this represents the amount of Council's net funds not set aside in reserves to meet specific future needs.

(1.z) National Competition Policy

The Council has reviewed its activities to identify its business activities. Details of these activities are disclosed in Note 27.

(1.aa) Rounding and Comparatives

Amounts included in the financial statements have been rounded to the nearest \$1,000 unless otherwise indicated.

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

(1.ab) 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, security deposits lodged to guarantee performance and external funds held for specific purposes. The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements.

The monies are disclosed in the notes to the financial statements for information purposes only in Note 24.

(1.ac) Taxation

Local authorities are 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.

The Council pays payroll tax to the Queensland Government on certain activities.

Tablelands Regional Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 2(a). Council Functions - Component Descriptions

Details relating to the Council's functions / activities as reported in Note 2(b) are as follows:

OFFICE OF THE CEO

The Office of the CEO is responsible for ensuring effective governance of Council's operations including provision of advice, assistance and support to elected Council representatives. The department is responsible for public relations, communications and marketing, economic development and grants.

ORGANISATIONAL SERVICES

The Organisational Services department is responsible for ensuring an integrated approach to internal organisational services across the organisation. The department is responsible for the corporate planning and performance, human resources, financial management, information management, customer service, governance and internal audit functions and operations of Council.

COMMUNITY AND REGIONAL PLANNING

The Community and Regional Planning department is responsible for ensuring an integrated approach to the provision of external services of Council to the community. The department is responsible for strategic land use planning, development assessment, regulatory services, health and environmental protection and the delivery of a range of community services including libraries and tourist information and the management of community and corporate facilities.

INFRASTRUCTURE SERVICES

The Infrastructure Services department is responsible for ensuring an integrated approach to the delivery of services across the Council region. The department is responsible for the planning, construction and maintenance of all Council's infrastructure including roads and drainage, parks and gardens and associated technical services.

WASTE MANAGEMENT

The Waste Management department is responsible for the delivery of waste construction and maintenance services across the region. The department responsibilities include the day-to-day operations at landfill and transfer station sites.

WATER

The Water department is responsible for the delivery of water construction and maintenance services across the region, including management of reticulation services.

SEWERAGE

The Sewerage department is responsible for the delivery of wastewater construction and maintenance across the region. The department responsibilities include managing treatment plants and reticulation services.

Tablelands Regional Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 2(b). Analysis of Results by Function

Functions	Gross Program Income						Total Income	Gross Program Expenses		Elimination of Inter-Function Activities	Total Expenses	Net Result from Recurring Operations	Net Result	Total Assets
	Recurrent		Capital		Other			Recurrent	Capital					
	Grants	Other	Grants	Other	Grants	Other								
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Office of the CEO	-	288	-	-	-	-	288	(1,982)	-	24	(1,958)	(1,694)	(1,670)	-
Organisational Services	6,865	22,937	-	-	-	-	29,802	(5,304)	(1)	(752)	(6,057)	24,498	23,745	27,530
Community & Regional Planning	1,062	2,831	305	-	-	-	4,198	(13,738)	(63)	622	(13,179)	(9,845)	(8,981)	81,231
Infrastructure Services	4,254	6,769	5,344	2,242	-	-	18,609	(18,343)	(25)	(1,693)	(20,061)	(7,320)	(1,452)	302,275
Waste Management	43	6,344	-	-	-	-	6,387	(7,177)	(1,014)	1,417	(6,774)	(790)	(387)	4,400
Water	3	6,558	106	380	-	-	7,047	(5,323)	(2)	50	(5,275)	1,238	1,772	86,898
Sewerage	-	5,086	253	574	-	-	5,913	(4,292)	(14)	332	(3,974)	794	1,939	72,322
Total	12,227	50,813	6,008	3,196	-	-	72,244	(56,159)	(1,119)	-	(57,278)	6,881	14,966	574,656

Functions	Gross Program Income						Total Income	Gross Program Expenses		Elimination of Inter-Function Activities	Total Expenses	Net Result from Recurring Operations	Net Result	Total Assets
	Recurrent		Capital		Other			Recurrent	Capital					
	Grants	Other	Grants	Other	Grants	Other								
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Office of the CEO	-	10	-	-	-	-	10	(2,429)	-	-	(2,429)	(2,419)	(2,419)	-
Organisational Services	4,637	21,805	-	-	-	-	26,442	(3,569)	(43)	(2,516)	(6,128)	22,873	20,314	17,910
Community & Regional Planning	82	3,061	301	-	-	-	3,444	(12,293)	(79)	299	(12,073)	(9,150)	(8,629)	84,908
Infrastructure Services	4,520	2,552	5,428	2,710	-	-	15,210	(18,133)	(21)	1,368	(16,786)	(11,061)	(1,576)	281,624
Waste Management	-	5,801	-	-	-	-	5,801	(6,391)	(330)	681	(6,040)	(590)	(239)	6,374
Water	-	6,229	464	811	-	-	7,504	(4,852)	-	(54)	(4,906)	1,377	2,598	79,554
Sewerage	-	4,976	1,889	1,620	-	-	8,485	(3,529)	-	222	(3,307)	1,447	5,178	54,624
Total	9,239	44,434	8,082	5,141	-	-	66,896	(51,196)	(473)	-	(51,669)	2,477	15,227	524,994

Tablelands Regional Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 3. Revenue Analysis

	Notes	2017 \$'000	2016 \$'000
Rates, Levies and Charges			
General Rates		22,745	21,972
Separate Rates		-	1,246
Water		6,152	5,939
Sewerage		4,882	4,740
Waste Collection		5,926	2,792
Special Rates - Rural Fire		80	78
Special Rates - Other		41	41
Special Rates - Waste Management Levy		-	2,683
Total rates and utility charge revenue		<u>39,826</u>	<u>39,491</u>
Less: Discounts		(1,015)	(1,936)
Less: Pensioner remissions		(632)	(610)
Less: Other remissions		(33)	(69)
TOTAL RATES, LEVIES AND CHARGES		<u><u>38,146</u></u>	<u><u>36,876</u></u>

Note 4. Grants, Subsidies, Contributions and Donations

(a) Recurrent

General Purpose Grants	8,364	5,390
State Government Subsidies and Grants	3,863	3,850
Donations	6	1
Contributions	321	272
TOTAL RECURRENT GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS	<u>12,554</u>	<u>9,513</u>

(b) Capital

State Government Subsidies and Grants	3,071	5,908
Commonwealth Government Subsidies and Grants	2,938	2,173
Contributions	1,464	1,172
Donated Assets	1,732	3,970
TOTAL CAPITAL GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS	<u>9,205</u>	<u>13,223</u>

Tablelands Regional Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 4. Grants, Subsidies, Contributions and Donations (continued)

	Notes	2017 \$'000	2016 \$'000
Conditions over Contributions			
Contributions recognised as income during the reporting period and which were obtained on the condition that they be expended in a manner specified by the contributor but had not been expended at the reporting date:			
Non-Reciprocal Grants for Expenditure on Services		1,786	348
Non-Reciprocal Grants for Expenditure on Infrastructure		2,235	1,991
		<u>4,021</u>	<u>2,339</u>
Contributions recognised as income during a previous reporting period that were obtained in respect of the current reporting period:			
Non-Reciprocal Grants for Expenditure on Services		366	763
Non-Reciprocal Grants for Expenditure on Infrastructure		932	736
		<u>1,298</u>	<u>1,499</u>

Note 5. Employee Benefits

Wages and Salaries		17,550	16,206
Councillors Remuneration		527	471
Annual, Sick and Long Service Leave Entitlements		3,099	3,179
Superannuation	22	2,187	2,079
Workers Compensation Insurance		239	219
		<u>23,602</u>	<u>22,154</u>
Other Employee Related Expenses		499	504
		<u>24,101</u>	<u>22,658</u>
Less: Capitalised Employee Expenses		(871)	(944)
<u>TOTAL EMPLOYEE BENEFITS</u>		<u><u>23,230</u></u>	<u><u>21,714</u></u>

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

Additional information:

Total Employees at year end:

Administration Staff	138	122
Depot and Outdoors Staff	137	139
Elected Members	7	7
Total full time equivalent employees	<u><u>282</u></u>	<u><u>268</u></u>

Tablelands Regional Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 6. Materials and Services

	Notes	2017 \$'000	2016 \$'000
Advertising and Marketing		182	181
Audit Fees		120	164
Cleaning		170	203
Contractors		7,590	6,708
Electricity		1,647	1,339
Fuels and Oils		707	684
Goods, Materials and Services		3,597	2,378
Grants, Sponsorships and Donations		163	136
Hire of Plant and Equipment		317	220
Insurance		1,225	1,364
Legal/Professional/Consultancy Services		384	1,582
Licences, Fees, Subscriptions and Memberships		983	1,035
Repairs and Maintenance		871	779
Road Materials		1,274	221
Stationery, Printing and Copying		118	120
Telephone and Internet		411	327
<u>TOTAL MATERIALS AND SERVICES</u>		<u>19,759</u>	<u>17,441</u>

Note 7. Finance Costs

Finance costs - Queensland Treasury Corporation		340	358
Unwinding of Discount on Provision for Restoration		121	131
Bank Charges		106	85
Impairment of Debts		162	38
<u>TOTAL FINANCE COSTS</u>		<u>729</u>	<u>612</u>

Note 8. Capital Expenses

(a) Loss on disposal of non-current assets			
Book Value of Property, Plant and Equipment Disposed		473	796
Less: Proceeds from the Disposal of Property, Plant and Equipment	12	(367)	(654)
Loss on disposal of non-current assets		<u>106</u>	<u>142</u>
(b) Provision for restoration of land			
Increase in Refuse Restoration Provision Estimates	17	1,013	331
		<u>1,013</u>	<u>331</u>
<u>TOTAL CAPITAL EXPENSES</u>		<u>1,119</u>	<u>473</u>

Tablelands Regional Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 9. Cash, Cash Equivalents and Investments

	Notes	2017 \$'000	2016 \$'000
Cash and Cash Equivalents			
Cash at Bank and on Hand		708	12,160
Deposits at Call		22,699	11,795
Total Cash and Cash Equivalents		23,407	23,955
Current Investments			
Term Deposits		22,500	9,000
Total Current Investments		22,500	9,000
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS		45,907	32,955

Restricted Cash, Cash Equivalents and Investments

Council's Cash and Cash Equivalents are subject to a number of Internal and External Restrictions that limit amounts available for discretionary of future use.

These include:

Externally imposed Expenditure Restrictions at the reporting date relate to the following cash assets:

Unspent Recurrent Government Grants and Subsidies	366	348
Unspent Capital Government Grants and Subsidies	932	932
Unspent Developer Contributions	9,826	8,826
Total External Restrictions	11,124	10,106

Internally imposed Expenditure Restrictions at the reporting date:

Future Capital Works	16,567	16,567
Future Non - Capital Works	28	28
Total Internal Restrictions	16,595	16,595
Total Unspent Restricted Cash, Cash Equivalents and Investments	27,719	26,701

Note: These Restrictions were previously allocated to Reserves

Cash and deposits at call are held with various financial institutions in normal term deposits and business cheque accounts. These financial institutions have a short term credit rating of between A1+ to A2.

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

Term deposits are held with financial institutions, which are rated A1+ to A2 based on rating agency Standard & Poor's ratings, and whilst not capital guaranteed, the likelihood of a credit failure is assessed as remote.

Tablelands Regional Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 10. Trade and Other Receivables

	Notes	2017 \$'000	2016 \$'000
Current			
Rateable Revenue and Utility Charges		1,464	1,650
Prepayments		354	341
Sundry Debtors		2,782	4,688
Loans and Advances to Community Organisations		1	1
Total		<u>4,601</u>	<u>6,680</u>
less: Provision for Impairment			
Rateable Revenue and Utility Charges		(172)	(180)
Sundry Debtors		(128)	(130)
Total Provision for Impairment - Receivables		<u>(300)</u>	<u>(310)</u>
<u>TOTAL CURRENT TRADE AND OTHER RECEIVABLES</u>		<u><u>4,301</u></u>	<u><u>6,370</u></u>

Movement in Provision for Impairment of Receivables

Opening balance at 1 July	310	275
Movement impairments recognised - Rateable Revenue	(8)	33
Movement impairments recognised - Other Debtors	(2)	2
Balance at the end of the year	<u><u>300</u></u>	<u><u>310</u></u>

Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on other debtors. In the case of rate receivables, 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 defaults. In the case of other receivables, the Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk. By the nature of Council's operations, there is a geographical concentration of risk in the Council's area. Because the area is largely agricultural, there is also a concentration in the agricultural sector.

Note 11. Inventories

Current Inventories

(a) Inventories held for distribution

Quarry and Road Materials	380	436
Plant and Equipment Stores	416	389
	<u>796</u>	<u>825</u>
(b) Land purchased for development and sale	<u>238</u>	<u>238</u>
<u>TOTAL CURRENT INVENTORIES</u>	<u><u>1,034</u></u>	<u><u>1,063</u></u>

Tablelands Regional Council

Notes to the Financial Statements
for the year ended 30 June 2017

Note 12. Property, Plant and Equipment

30 June 2017	Measurement Basis	Note	Land	Buildings	Plant and Equipment	Road, Drainage and Bridge Network	Water	Sewerage	Other Infrastructure Assets	Work in Progress	Total
			\$'000 Fair Value	\$'000 Fair Value	\$'000 Cost	\$'000 Fair Value	\$'000 Fair Value	\$'000 Fair Value	\$'000 Fair Value	\$'000 Cost	\$'000
	Opening Gross Balance		25,213	122,959	17,840	372,184	116,678	63,839	3,080	5,401	727,194
	Additions*	8	-	-	-	-	-	-	-	19,488	19,488
	Disposals	18	(210)	(104)	(600)	(906)	(3)	(25)	-	-	(1,848)
	Revaluation Decrements to Equity (ARR)	18	(1,958)	(6,740)	-	(7,084)	-	-	-	-	(15,782)
	Revaluation Increments to Equity (ARR)	18	-	-	-	-	3,246	16,602	-	-	19,848
	Work in Progress Transfers		9	573	2,364	9,660	582	637	15	(13,840)	-
	Tfrs from/(to) Intangible Assets and Inventories		-	-	-	-	-	-	-	(154)	(154)
	Transfers between Asset Classes		-	11	25	566	(11)	(25)	(566)	-	-
	Total Gross Value of Property, Plant and Equipment		23,054	116,699	19,629	374,420	120,492	81,028	2,529	10,895	748,746
	Opening Accumulated Depreciation		-	59,935	7,363	108,092	48,742	19,006	648	-	243,786
	Depreciation Expense		-	2,423	2,028	4,844	1,540	1,270	70	-	12,175
	Disposals	8	-	(100)	(421)	(841)	(1)	(12)	-	-	(1,375)
	Revaluation Decrements to Equity (ARR)	18	-	(4,620)	-	(22,420)	(2,289)	-	-	-	(29,329)
	Revaluation Increments to Equity (ARR)	18	-	-	-	-	-	1,159	-	-	1,159
	Transfers between Asset Classes		-	1	3	248	(1)	(3)	(247)	-	1
	Total Accumulated Depreciation and Impairment Property, Plant and Equipment		-	57,639	8,973	89,923	47,991	21,420	471	-	226,417
	Total Net Book Value of Property, Plant and Equipment		23,054	59,060	10,656	284,497	72,501	59,608	2,058	10,895	522,329
	Other Information										
	Residual Value		-	-	1,636	-	-	-	-	-	1,636
	Range of Estimated Useful Life (years)		Unlimited Life	10 - 150	3 - 100	20 - unlimited	15 - 300	5 - 150	20 - 80	-	-
	*Asset Additions Comprise										
	Asset Renewals		9	584	1,782	8,327	484	2,193	13	-	13,392
	Other Additions		-	370	370	3,301	365	1,582	14	94	6,096
	Total Asset Additions		9	954	2,152	11,628	849	3,775	27	94	19,488

Tablelands Regional Council

Notes to the Financial Statements
for the year ended 30 June 2017

Note 12. Property, Plant and Equipment

Measurement Basis	Note	Land		Buildings		Plant and Equipment		Road, Drainage and Bridge Network		Water		Sewerage		Other Infrastructure Assets		Work in Progress		Total	
		\$'000	Fair Value	\$'000	Fair Value	\$'000	Cost	\$'000	Fair Value	\$'000	Fair Value	\$'000	Fair Value	\$'000	Fair Value	\$'000	Cost		\$'000
30 June 2016		25,245	118,871	17,563	358,971	111,924	57,887	2,863	3,875	22,928	697,199								
Opening Gross Balance		(32)	(88)	(3,851)	(477)	-	-	-	-	-	22,928							22,928	
Additions*	8	-	-	-	-	-	-	-	-	-									
Disposals	18	-	-	-	-	-	-	-	-	-								(4,448)	
Revaluation Decrements to Equity (ARR)	18	-	-	-	163	-	-	-	-	-								(201)	
Revaluation Increments to Equity (ARR)		-	-	-	13,527	-	-	-	-	-									
Work in Progress Transfers		-	950	4,118	13,527	805	1,430	428										11,860	
Transfers from/(to) Intangible Assets and Inventories		-	-	-	-	-	-	-	-	-									
Transfers between Asset Classes		-	3,226	10	-	(514)	-	-	-	-								(144)	
Total Gross Value of Property, Plant and Equipment		25,213	122,959	17,840	372,184	116,678	63,839	3,080	5,401	224,080								727,194	
Opening Accumulated Depreciation		-	56,752	8,862	99,512	43,237	15,436	281											
Depreciation Expense	26	-	2,405	1,692	4,668	1,469	885	60											
Disposals	8	-	(57)	(3,192)	(402)	-	-	-											
Revaluation Increments to Equity (ARR)	18	-	-	-	4,314	4,122	3,434	308											
Transfers between Asset Classes		-	835	1	-	(86)	(749)	(1)											
Total Accumulated Depreciation and Impairment Property, Plant and Equipment		-	59,935	7,363	108,092	48,742	19,006	648	243,786									243,786	
Total Net Book Value of Property, Plant and Equipment		25,213	63,024	10,477	264,092	67,936	44,833	2,432	5,401	483,408								483,408	
*Asset Additions Comprise																			
Asset Renewals		-	468	3,243	6,403	201	95	103											10,513
Other Additions		-	546	847	6,228	723	3,437	466											12,415
Total Asset Additions		-	1,014	4,090	12,631	924	3,532	569	168	22,928								22,928	

Tablelands Regional Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 13. Fair Value Measurements

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

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

- Land
- Buildings
- Road, Drainage and Bridge Network
- Water Infrastructure
- Sewerage Infrastructure
- Other Infrastructure Assets

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 16 is provided by 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)

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities,

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly,

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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.

Tablelands Regional Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 13. Fair Value Measurements (continued)

The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2017.

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values:

	Fair Value Measurement using:		
	Level 2 Significant observable inputs \$'000	Level 3 Significant unobservable inputs \$'000	Total \$'000
2017			
Property, Plant and Equipment			
Land	10,540	12,514	23,054
Buildings			
- Non-Specialised Buildings	2,638	-	2,638
- Specialised Buildings	-	56,422	56,422
Road, Drainage & Bridge Network	-	284,497	284,497
Water Infrastructure	-	72,501	72,501
Sewerage Infrastructure	-	59,608	59,608
Other Infrastructure Assets	-	2,058	2,058
Total Property, Plant and Equipment	13,178	487,601	500,779
2016			
Property, Plant and Equipment			
Land	25,213	-	25,213
Buildings			
- Non-Specialised Buildings	30,391	-	30,391
- Specialised Buildings	-	32,633	32,633
Road, Drainage & Bridge Network	-	264,092	264,092
Water Infrastructure	-	67,936	67,936
Sewerage Infrastructure	-	44,832	44,832
Other Infrastructure Assets	-	2,432	2,432
Total Property, Plant and Equipment	55,604	411,925	467,529

Council's policy for determining transfers between Fair Value hierarchies is at the end of the reporting period.

Tablelands Regional Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 13. Fair Value Measurements (continued)

(2) Valuation techniques used to derive Level 2 and Level 3 Fair Values

Council adopted AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures for Not-For-Profit Public Sector Entities early in 2014-2015 financial year.

Specific valuation techniques used to value Council assets:

Condition ratings are a significant unobservable input of most Council assets. The condition rating scale that Council has used in determining fair value of all relevant assets (unless stated otherwise) is outlined in the following table.

Condition Rating	Condition Description	Description Explanation	Unused Life Consumed
1	Very Good	All components free of defects and structure well maintained. Only planned maintenance required.	0-20%
2	Good	Minor maintenance required plus planned maintenance. Free of defects affecting performance, integrity and durability.	20-40%
3	Fair / Satisfactory	Defects affecting durability which require monitoring and/or maintenance. Significant maintenance required to return to accepted level of service.	40-60%
4	Poor	Defects affecting performance and structural integrity. Renewal or upgrade required.	60-80%
5	Very Poor	Unserviceable. Requires urgent attention, life and property at risk.	80-100%

Infrastructure, Property, Plant and Equipment

Land (Level 2)

A comprehensive revaluation has been undertaken as at 30 June 2017 by Australis Asset Advisory Group. Land was last comprehensively valued at current market value as at 30 June 2012 by AssetVal Pty Ltd.,

Level 2 and 3 market approach inputs were utilised to establish the fair value of land. These inputs include; analysis of price movements in local property market, registered sales, discussions with agents and current property listings.

Where a lack of directly comparable sales evidence was available, or a significant level of adjustment was required between sales evidence and the asset, a level 3 has been assigned to the asset. Where there was an active and liquid sales evidence available and significant adjustments have not been applied, a level 2 has been assigned to the asset.

Tablelands Regional Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 13. Fair Value Measurements (continued)

Buildings (Level 2 and 3)

A comprehensive revaluation has been undertaken as at 30 June 2017 by Australis Asset Advisory Group. Building assets were last comprehensively valued as at 30 June 2012 by AssetVal Pty Ltd, Registered Valuers.

Current replacement cost

In determining the fair value of Council's building assets, Australis Asset Advisory Group measured fair value by way of either market approach when an observable market for Council's buildings could be identified. Otherwise the fair value was measured on the basis of a cost approach. Under this methodology the gross replacement cost was assessed on the basis that it reflected a modern equivalent asset with similar service potential.

Level 2 valuation inputs - Market approach

Inputs utilised were: registered sale transactions, agent advised sale transactions, agent advised lease agreements or registered lease transactions and property listings.

Level 3 valuation inputs - Cost approach

Inputs utilised were: construction cost guides, available market data for current construction projects, discussions with builders and suppliers working within the locality, database of costs created by Australis, construction data from Council for new projects, data relating to potential future trends in the area that may affect the usage, capacity, functionality or obsolescence of an asset or asset category, historic data about the age of the asset, physical condition grade, Council's asset management policy and observations of consumption patterns of similar assets.

Accumulated depreciation

In determining the level of accumulated depreciation for the specialist nature assets, the asset has been disaggregated into five significant components which exhibit different useful lives. The condition score of the asset has a direct influence on the remaining useful life. The remaining useful life takes into consideration the assets physical characteristics, age, recent repairs or capital works, functionality, capability, utilisation and obsolescence. There are no residuals on the Council's building assets.

The remaining service potential score system is on a 0-10 rating scale.

<u>RSP Score</u>	<u>Percentage of Useful Remaining Life</u>
0	91% - 100%
1	81% - 90%
2	71% - 80%
3	61% - 70%
4	51% - 60%
5	41% - 50%
6	31% - 40%
7	21% - 30%
8	11% - 20%
9	1% - 10%
10	0%

Tablelands Regional Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 13. Fair Value Measurements (continued)

Infrastructure assets (Road, drainage and bridge network, water and sewerage and other infrastructure)

All Council infrastructure assets are valued using written down current replacement cost. This valuation comprises the asset's current replacement cost (CRC) less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

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

Road and bridge network (Level 3)

Current replacement cost

Council categorises its road infrastructure into urban and rural roads and then further sub-categorises these into sealed and unsealed roads. The road network is managed in segments of varying lengths. All road segments are then componentised into formation, pavement and surface (where applicable). Council categorises its bridge network into four components; superstructure, substructure, railings and wearing surface.

CRC was calculated by reference to asset linear and area specifications, estimated labour and material inputs, service costs, and overhead allocations. For internal construction estimates, material and services prices are based on existing supplier contract rates or supplier price lists and labour wage rates were based on Council's Enterprise Bargaining Agreement (EBA). All direct costs were allocated to assets at standard usage quantities according to recently completed similar projects. Inputs used include; historical construction price and renewal records, construction cost guides, feedback from Council staff, Australis in-house databases and local contractor information.

CRC is calculated as the cost per unit of service potential of the most appropriate modern replacement facility, adjusted for any differences in future service potential of the asset being valued. The bridge network were valued using the modern day equivalent being concrete structures. The concrete component unit rates were used to calculate the CRC for Councils entire bridge network including timber and composite bridges.

Tablelands Regional Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 13. Fair Value Measurements (continued)

Road and bridge network (Level 3) (continued)

Accumulated depreciation

In determining the level of depreciation, remaining useful lives were calculated based on condition assessments.

Bridges

The condition assessments were made using a five point scale. A 1 condition assessment indicates an asset with a very high level of remaining service potential whereas a 5 represents an asset at the end of its useful life.

A comprehensive valuation of the bridge infrastructure assets was undertaken effective 30 June 2015 by Councils internal asset management officers and qualified engineers. A review was undertaken as at 30 June 2017 based upon the ABS Producers' Price Index "Road and Bridge Construction - Queensland". The index increased by 2.96084% since June 2016. This movement is considered immaterial although an indexation was performed as a result of a Council decision to decommission a bridge in the 2019/20 financial year.

Roads and other transport assets

Australis has utilised a 0 to 10 point scoring system for the physical condition assessment where 10 relates to a new asset and 0 to a asset at the end of its useful life. This condition score table can be sourced in further below.

A comprehensive revaluation has been undertaken as at 30 June 2017 by Australis Asset Advisory Group.

The last comprehensive valuation of road infrastructure was undertaken effective 30 June 2012 by AssetVal Pty Ltd, Registered Valuers.

Drainage infrastructure (Level 3)

A comprehensive revaluation of the drainage network was undertaken as at 30 June 2016 by Australis Asset Advisory Group. A review was undertaken as at 30 June 2017 based on the ABS Producers' Price Index "Road and Bridge Construction - Queensland". The index increased by 2.96084% since June 2016. As this movement is considered immaterial and no adjustments have been provided for as at 30 June 2017.

Current replacement cost

Drainage infrastructure assets are componentised into pits and pipes. CRC has been calculated with reference to unit rates. Council construction data has been utilised where possible when developing the unit rates in addition to a combination of other resources; cost guides, historical costs, contractor rates, future works, regional information and the Qld Road Alliance project data. The primary factors used in assumptions on unit rates are below:

- source of raw material (concrete), is able to be locally (<1hr) with precast components further afield.
- source of water available at low to moderate cost for rural works (<10km).

Accumulated depreciation

In determining the level of depreciation, remaining useful lives were calculated based primarily upon physical condition data for visible assets and chronological construction dates for underground or inaccessible assets. The condition data was verified through a sample condition survey that consisted of a physical inspection of a sample of aboveground pits within each each town, the age and condition was inferred from this inspection for each asset based town area.

The physical condition score was then combined with any relevant obsolescence factors to arrive at an adopted remaining life.

Tablelands Regional Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 13. Fair Value Measurements (continued)

The condition scale that Australis Advisory Asset Group has used in determining fair value is outlined below:

Score	Description
0	Failed asset. Inhabitable, inoperable.
1	Extremely poor condition with almost failed
2	Very poor condition with sever deterioration.
3	Poor Condition, clear deterioration, high maintenance requirements, renewal required.
4	Poor to Fair Condition with clear deterioration. Moderate mainteance requirements.
5	Fair to Good condition, clear signs of deterioration evident
6	Good condition, some signs of deterioration
7	Very good condition with early stages of deterioration
8	Excellent condition, minimal deterioration noted
9	Near new or refurbished asset
10	New asset

Water and sewerage infrastructure (Level 3)

Current replacement cost

The water and sewerage assets were segregated into active (above ground) and passive (below ground) assets. Passive assets consist of water and sewer reticulation. Passive assets have been valued independently by Australis Asset Advisory Group as at 30 June 2017 through the use of unit rates calculated from reference to cost guides, historical costs, contractor rates, future works and regional information.

Active assets have been further segregated into water reticulation, water storager, water supply, water treatment, sewer reticulation and sewer treatment. These categories were further refined with the adoption of sub-systems based on functional asset breakdown. Active assets CRC has been calculated with reference to lump sum figures for complex assets. A combination of sources have been relied upon: cost guides, historical costs, contractor rates, future works and regional information.

Accumulated depreciation

In determining the level of depreciation for the passive assets, remaining useful lives were calculated based on pattern of consumption and condition score.

The last comprehensive valuation of below ground water and sewerage was undertaken effective 30 June 2012 by AssetVal Pty Ltd, Registered Valuers. A comprehensive revaluation has been undertaken as at 30 June 2017 by Australis Asset Advisory Group.

A comprehensive revaluation was conducted as at 30 June 2016 for above ground water and sewerage by Australis Asset Advisory Group. A review was undertaken as at 30 June 2017 based on the ABS Producers' Price Index "Road and Bridge Construction - Queensland". The index increased by 2.96084% since June 2016. As this movement is considered immaterial, no adjustments have been provided for as at 30 June 2017.

Tablelands Regional Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 13. Fair Value Measurements (continued)

Accumulated depreciation (continued)

In determining the level of depreciation for the active assets, remaining useful lives were measured based primarily on recent physical condition data for visible assets and chronological construction dates for inaccessible assets. The physical condition score was then combined with any relevant obsolescence factors to arrive at an adopted remaining life.

Other infrastructure assets (Level 3)

Other infrastructure assets were last valued as at 30 June 2016 by Australis Asset Advisory Group. A review was undertaken as at 30 June 2017 based on the ABS Producers' Price Index "Non-Residential Building Construction - Queensland". The index increased by 4.06872% since June 2016. As this movement is considered immaterial, no adjustments have been provided for as at 30 June 2017.

Current replacement cost

Other infrastructure assets have been segregated into the following categories; park assets, waste assets, pedestrian bridges and ecological works. The CRC has been calculated with reference to unit rates and component unit rates for complex structures. A combination of sources has been relied upon such as; cost guides, historical costs, contractor rates, future works and regional information. The primary factors used in assumptions on unit rates are below;

- location factor 0-15% (site remoteness factor)
- project intangibles of 10-20% (inc design, planning, project management, preliminaries, overheads)
- ready supply of labour and materials.

Accumulated depreciation

In determining the level of depreciation, the remaining useful lives was measured based primarily on physical condition data. The physical condition score was then combined with any relevant obsolescence factors to arrive at an adopted remaining life.

Tablelands Regional Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 13. Fair Value Measurements (continued)

(3). Fair value measurements using significant unobservable inputs (Level 3)

a. The following tables present the changes in Level 3 Fair Value Asset Classes.

	Buildings
	\$'000
Opening Balance - 1/7/15	31,081
Additions	514
Transfers from/(to) another asset class	2,391
Depreciation	(1,350)
Disposals (WDV)	(3)
Closing Balance - 30/6/16	<u>32,633</u>
Transfers from/(to) Level 2 FV hierarchy (b)	28,764
Transfers from/(to) another asset class	11
Additions	348
Disposals (WDV)	(4)
Depreciation	(1,364)
Revaluation Adj to OCI (Asset Reval Surplus)	(3,965)
Closing Balance - 30/6/17	<u>56,422</u>

b. Information relating to the transfers into and out of the Level 3 Fair Valuation hierarchy (as disclosed in the Table above) includes:

The changes in level 3 assets with recurring fair value measurements are detailed in Note 12 (Property, Plant and Equipment). However, since the buildings and land asset classes disclosed in those notes comprise both level 2 and level 3 assets the movement in level 3 buildings and land is detailed above.

(4). Valuation process

Council's valuation policies and procedures are set by the Executive Leadership Team which comprises the Chief Executive Officer, Deputy Chief Executive Officer and General Managers. They are reviewed annually taking into consideration an analysis of movements in fair value and other relevant information. Council's current policy for the valuation of property, plant and equipment is set out in Note 1.n.

Tablelands Regional Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 14. Intangible Assets

Notes	2017 \$'000	2016 \$'000
Intangible Assets are as follows;		
Software		
Opening Gross Carrying Value	2,624	2,480
Additions	155	144
Closing Gross Carrying Value	<u>2,779</u>	<u>2,624</u>
Opening Accumulated Amortisation and Impairment	(1,435)	(1,185)
Amortisation charges	(266)	(250)
Closing Accumulated Amortisation and Impairment	<u>(1,701)</u>	<u>(1,435)</u>
<u>TOTAL INTANGIBLE ASSETS - NET BOOK VALUE</u>	<u>1,078</u>	<u>1,189</u>

Software assets have a finite life estimated at 10 years.
Straight line amortisation has been used with no residual value.

Note 15. Trade and Other Payables

Current

Creditors and Accruals	5,786	3,030
Annual Leave	1,910	1,987
Other Entitlements	179	142
<u>TOTAL CURRENT TRADE AND OTHER PAYABLES</u>	<u>7,875</u>	<u>5,159</u>

Note 16. Borrowings

Current

Loans - Queensland Treasury Corporation	652	668
Loans - Other	61	61
<u>TOTAL CURRENT BORROWINGS</u>	<u>713</u>	<u>729</u>

Non-current

Loans - Queensland Treasury Corporation	7,435	5,593
Loans - Other	-	61
<u>TOTAL NON-CURRENT BORROWINGS</u>	<u>7,435</u>	<u>5,654</u>

Tablelands Regional Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 16. Borrowings (continued)

	2017	2016
Notes	\$'000	\$'000
Reconciliation of Loan Movements for the year		
Loans - Queensland Treasury Corporation		
Opening Balance at Beginning of Financial Year	6,261	6,979
Loans Raised	2,500	-
Principal Repayments	(673)	(718)
Book value at end of financial year	8,088	6,261
Loans - Queensland Treasury Corporation Contractual Cash Flows		
Years to Payment		
0 to 1 Year	1,044	987
1 to 5 Years	3,442	3,113
Over 5 Years	6,802	4,740
Total Contractual Cash Flows	11,288	8,840
Carrying Amount	8,088	6,261

The QTC loan market value at the reporting date was \$8,972,476. This represents the value of the debt if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts.

The QTC generic debt pool products approximate a fixed rate loan. There is a negligible impact on interest sensitivity from changes in interest rates for generic debt pool borrowings.

Loans - other

Opening balance at Beginning of Financial Year	122	183
Repayments	(61)	(61)
Book value at end of financial year	61	122

Loan Disclosures

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

All borrowings are in \$A denominated amounts and carried at amortised cost, interest being expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 15 December 2016 to 15 March 2037 (Available from QTC Maturity Analysis).

Principal and interest repayments are made quarterly/semi annually/annually in arrears.

Tablelands Regional Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 17. Provisions

	Notes	2017 \$'000	2016 \$'000
Current			
Long Service Leave		1,820	2,143
Other		-	2,897
<u>TOTAL CURRENT PROVISIONS</u>		<u>1,820</u>	<u>5,040</u>
Non-current			
Long Service Leave		552	476
Quarry Rehabilitation		79	89
Refuse Restoration		7,053	6,021
<u>TOTAL NON-CURRENT PROVISIONS</u>		<u>7,684</u>	<u>6,586</u>

Details of movements:

Long Service Leave

Balance at Beginning of Financial Year	2,619	2,513
Long Service Leave Entitlement raised/extinguished during the year	262	460
Long Service Entitlement paid	(509)	(354)
Balance at End of Financial Year	<u>2,372</u>	<u>2,619</u>

Refuse Restoration

Balance at Beginning of Financial Year	6,021	6,415
Increase/(Decrease) in Provision - Council controlled Land	(55)	(171)
Increase/(Decrease) in Provision - Other Land not Council controlled	1,087	(223)
Balance at End of Financial Year	<u>7,053</u>	<u>6,021</u>

Refuse restoration

This is the present value of the estimated cost of restoring the refuse disposal site to a useable state at the end of the landfill sites useful lives.

Tablelands Regional Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 18. Asset Revaluation Reserve

Notes	2017 \$'000	2016 \$'000
Movements in the asset revaluation reserve:		
Balance at beginning of financial year	93,347	93,818
Net adjustment to non-current assets at end of period to reflect a change in current fair value:		
Land	(1,958)	-
Buildings	(2,120)	-
Road, Drainage and Bridge Network	15,336	(4,151)
Water	5,535	341
Sewerage	15,443	3,800
Other Infrastructure Assets	-	(509)
	<u>32,236</u>	<u>(519)</u>
Change in value of Future Rehabilitation Cost:		
Land and Improvements	99	48
Balance at end of financial year	<u>125,682</u>	<u>93,347</u>

As at 30 June 2017, Council undertook comprehensive revaluations which gave rise to a total revaluation increment of \$32.3m in this period. In conjunction with the revaluation, Council as part of its Asset Management Project to continuously improve, cleanse, update and enhance the quality of its asset management data, has developed revised segmented and componentised asset registers. As part of the project and in the compilation of the revised registers a number of additional assets have been identified. Council has been unable to reliably estimate the portion of the total revaluation increment that relates to these assets which have not been accounted for historically, however this amount would be judged by management to be immaterial to the presentation of the financial statements.

Asset revaluation reserve analysis

The closing balance of the Asset Revaluation Reserve comprises the following asset categories:

Land	6,599	8,458
Buildings	12,445	14,565
Road, Drainage and Bridge Network	47,163	31,829
Water	31,916	26,380
Sewerage	27,440	11,996
Other Infrastructure Assets	119	119
Balance at end of financial year	<u>125,682</u>	<u>93,347</u>

Note 19. Retained Surplus/(Deficiency)

Movements in the retained surplus:

Retained Surplus/(Deficit) at Beginning of Financial Year	408,479	393,252
Net Result Attributable to Council	14,966	15,227
Retained surplus at end of financial year	<u>423,445</u>	<u>408,479</u>

Tablelands Regional Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 20. Commitments for Expenditure

	2017	2016
Notes	\$'000	\$'000
Contractual commitments		
Contractual commitments at end of financial year but not recognised in the financial statements are as follows:		
Garbage Collection Contract	206	205
Cleaning Contractors	21	256
Courier Contract	53	75
Facility Management	49	309
Chemical Contract	637	480
Capital Asset	6,943	1,294
	<u>7,909</u>	<u>2,619</u>

Note 21. Contingent Liabilities

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

Local Government Mutual

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

As at 30 June 2016 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 \$399,388 (2016: \$463,791).

Tablelands Regional Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 22. Superannuation

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

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

The Scheme has three elements referred to as:

- The City Defined Benefits Fund (CDBF) which covers former members of the City Super Defined Benefits Fund
- The Regional Defined Benefits Fund (Regional DBF) which covers defined benefit fund members working for regional local governments; and
- The 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 either fund is over or under funded would only affect future benefits and contributions to the Regional DBF, and is not an asset or liability of the Council. Accordingly there is no recognition in the financial statements of any over or under funding of the scheme.

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

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

Tablelands Regional Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 22. Superannuation (continued)

In the 2015 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 65 entities contributing to the Regional DBF plan and any changes in contribution rates would apply equally to all 65 entities. Tablelands Regional Council made less than 4% of the total contributions to the plan in the 2016-17 financial year.

The next actuarial investigation will be made as at 1 July 2018.

	Notes	2017 \$'000	2016 \$'000
The amount of Superannuation Contributions paid by Council to the Scheme in this Period for the benefit of employees was:	5	<u>2,187</u>	<u>2,079</u>

Note 23. Operating Lease Income

The Council has leased several facilities to independent operators.

The minimum lease receipts are as follows:

Not later than one year	277	220
One to five years	606	672
Later than five years	2,040	1,621
	<u>2,923</u>	<u>2,513</u>

Tablelands Regional Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 24. Trust Funds

Notes	2017 \$'000	2016 \$'000
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	705	889
	<u>705</u>	<u>889</u>

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

Note 25. Reconciliation of Net Result for the year to Net Cash Inflow/(Outflow) from Operating Activities

Net operating result from Income Statement	14,966	15,227
Non-cash items		
Depreciation and Amortisation	12,441	11,429
	<u>12,441</u>	<u>11,429</u>
Investing and development activities		
Net Losses/(Gains) on Disposal of Assets	106	142
Non Cash Capital Grants, Contributions and Donations	(9,205)	(13,223)
	<u>(9,099)</u>	<u>(13,081)</u>
Changes in operating assets and liabilities:		
(Increase)/Decrease in Receivables	2,083	(959)
Increase/(Decrease) in Provisions	(2,132)	2,693
(Increase)/Decrease in Inventories	29	33
Increase/(Decrease) in Payables and Accruals	2,716	(3,621)
	<u>2,696</u>	<u>(1,854)</u>
Net cash provided from/(used in) Operating Activities from the Statement of Cash Flows	<u><u>21,004</u></u>	<u><u>11,721</u></u>

Tablelands Regional Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 26. Financial Instruments

Council has exposure to the following risks arising from financial instruments; **(i)** interest rate risk, **(ii)** credit risk, and **(iii)** liquidity risk.

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

Financial Risk Management

Council is responsible for the establishment and oversight of the risk management framework, together with developing and monitoring risk management policies.

Council's risk committee / management (as appropriate) approves policies for overall risk management, as well as specifically for managing credit, liquidity and market risk.

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

Council does not enter into derivatives.

Credit Risk Exposure

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

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

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

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

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

	Notes	2017 \$'000	2016 \$'000
Financial Assets			
Cash and Cash Equivalents	9	23,407	23,955
Current Investments	9	22,500	9,000
Receivables - Rates	10	1,292	1,470
Receivables - Other	10	2,654	4,558
Total		49,853	38,983

Tablelands Regional Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 26. Financial Instruments (continued)

	Notes	2017 \$'000	2016 \$'000
Ageing of past due sundry receivables and the amount of any impairment is disclosed in the following table:			
Receivables - Other			
Fully Performing		2,543	3,795
Past due:			
- 31 to 60 days overdue		3	719
- 61 to 90 days overdue		60	15
- Greater than 90 days overdue		176	159
- Impaired		(128)	(130)
Total	10	<u>2,654</u>	<u>4,558</u>

Tablelands Regional Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 27. National Competition Policy

Business activities to which the code of competitive conduct is applied

Tablelands Regional Council applies the competitive code of conduct to the following activities:

Water Services, Sewerage Services, Waste Management, Building Certification and Caravan Parks

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

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

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

	Water Services \$'000	Sewerage Services \$'000	Waste Management \$'000	Building Certification \$'000
2017				
Revenue for services provided to the Council	660	173	70	31
Revenue for services provided to external clients	6,345	4,985	6,387	201
	<u>7,005</u>	<u>5,158</u>	<u>6,457</u>	<u>232</u>
Less : Expenditure	(5,894)	(3,960)	(6,691)	(187)
Surplus/(Deficit)	<u><u>1,111</u></u>	<u><u>1,198</u></u>	<u><u>(234)</u></u>	<u><u>45</u></u>

	Caravan Parks \$'000
2017	
Revenue for services provided to the Council	-
Revenue for services provided to external clients	587
	<u>587</u>
Less : Expenditure	(723)
Surplus/(Deficit)	<u><u>(136)</u></u>

Tablelands Regional Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 28. Transactions with Related Parties

(a) Subsidiaries (ie. Entities and Operations controlled by Council)

Council has no interest in any Subsidiaries.

(b) Associates

Council has no interest in any Associates.

(c) Joint Ventures

Council has no interest in any Joint Ventures.

(d) Other Related Parties

Transactions with Other Related Parties

	Details	Amount of transactions during year \$'000	Outstanding Balance (incl. Commitments) \$'000
2017			
<i>Purchase of materials and services from entities controlled by family members of key management personnel:</i>			
- TMC Transport & Machinery Contractors	28a	813	-
- George Fitzgerald	28a	55	-
- Erroll Fitzgerald	28a	623	-
- Other, not individually material	28b	31	5
Employee expenses of close family members of key management personnel	28c	92	-
Fees & charges charged to KMPs	28d	1	-
<i>Transactions with other related entities:</i>			
- Tropical Tablelands Tourism	28e	38	-
		<u>1,653</u>	<u>5</u>

28a Construction and civil works awarded through regular tender process

28b Council grants and civil works awarded through regular Council procurement and grants processes

28c Employment at normal conditions governed by Council EBA

28d Building Certification, fees & charges are consistent with Council fees&charges schedule

28e Monetary support for regional marketing activities where Councillors from TRC & another Council are members of the governing body

Tablelands Regional Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 28. Transactions with Related Parties (continued)

(e) Key Management Personnel

Transactions with Key Management Personnel

Key Management Personnel include the Mayor, Councillors, Executive Officer and some executive management and included are a number of officers who acted in executive roles during the year.

The compensation paid to Key Management Personnel for comprises:

	2017
	\$000
Short-Term Employee Benefits	1,881
Post-Employment Benefits	318
Long-Term Benefits	24
Termination Benefits	316
Expense Reimbursements	35
Total	2,574

(f) Outstanding Balances

There were no outstanding receivable balances at the end of the financial year 2016/2017

(g) Loans and Guarantees to/from Related Parties

Council has no loans and guarantees to/from Related Parties

(h) Commitments to/from Other Related Parties

Council has no commitments to/from other Related Parties

(i) Transactions with Related Parties that have not been disclosed

Most of the entities and people that are related parties of Council live and operate within the Tablelands Regional Council area. Therefore, on a regular basis, ordinary citizen transactions occur between Council and its related parties. Some examples include: Payment of rates, use of council facilities such as swimming pools and parks, borrowing books from Council libraries, visiting Council art galleries, dog registration etc.

Council has not included these types of transactions in its disclosure where they are made on the same terms and conditions available to the general public

Tablelands Regional Council

General Purpose Financial Statements

for the year ended 30 June 2017

Management Certificate

for the year ended 30 June 2017

These General Purpose Financial Statements have been prepared pursuant to sections 176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.

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

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the General Purpose Financial Statements, as set out on pages 2 to 45, 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.



Joe Paronella

MAYOR

19 September 2017



Hurriyet Babacan

CHIEF EXECUTIVE OFFICER

19 September 2017

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Tablelands Regional Council

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Tablelands Regional Council.

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2017, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and Chief Executive Officer.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

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

Other information in the council's annual report

The council is responsible for the other information. The other information comprises the information included in the council's annual report for the year ended 30 June 2017, but does not include the financial report and my auditor's report thereon. At the date of this auditor's report, the other information prepared and approved by the councillors was the Current Year Financial Sustainability Statement and the Long-Term Financial Sustainability Statement.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have expressed a separate audit opinion on the Current Year Financial Sustainability Statement.

In connection with my audit of the financial report, my responsibility is to read the other information approved by the councillors and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have

performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the council 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 the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards, and for such internal control as the council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The council is also responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the council or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.
- Conclude on the appropriateness of the council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2017:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.




Charles Strickland
as Delegate of the Auditor-General

Queensland Audit Office
Brisbane

Tablelands Regional Council

Current Year Financial Sustainability Statement

for the year ended 30 June 2017

	Actual 2017	Target 2017
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Measures of Financial Sustainability

Council's performance at 30 June 2017 against key financial ratios and targets.

Performance Indicators

1. Operating Surplus Ratio

<u>Net Result (excluding capital items)</u>	10.91%	0 - 10%
Total Operating Revenue (excluding capital items)		

An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.

2. Asset Sustainability Ratio

<u>Capital Expenditure on the Replacement of Assets (renewals)</u>	114.42%	more than 90%
Depreciation Expense		

An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.

3. Net Financial Liabilities Ratio

<u>Total Liabilities less Current Assets</u>	-40.79%	less than 60%
Total Operating Revenue (excluding capital items)		

An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.

Note 1 - Basis of Preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2017.


Tablelands Regional Council

Current Year Financial Sustainability Statement for the year ended 30 June 2017

Certificate of Accuracy for the year ended 30 June 2017

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.



Joe Paronella

MAYOR

19 September 2017



Hurriyet Babacan

CHIEF EXECUTIVE OFFICER

19 September 2017

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Tablelands Regional Council

Opinion

I have audited the accompanying current year financial sustainability statement of Tablelands Regional Council for the year ended 30 June 2017, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with section 212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Tablelands Regional Council for the year ended 30 June 2017 has been accurately calculated.

Basis of opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the current year financial sustainability statement* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the statement in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

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

Emphasis of matter – basis of accounting

I draw attention 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. My opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the council's annual report for the year ended 30 June 2017, but does not include the Current Year Financial Sustainability Statement and my auditor's report thereon. At the date of this auditor's report, the other information prepared and approved by the Councillors was the general purpose financial statements and the Long-Term Financial Sustainability Statement.

My opinion on the Current Year Financial Sustainability Statement does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have expressed a separate audit opinion on the general purpose financial report.

In connection with my audit of the financial report, my responsibility is to read the other information approved by the Councillors and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the council 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 responsibilities for the audit of the current year financial sustainability statement

My objectives are to obtain reasonable assurance about whether the current year financial sustainability statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement.

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.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.


Charles Strickland
as Delegate of the Auditor-General



Queensland Audit Office
Brisbane

Tablelands Regional Council

Long-Term Financial Sustainability Statement

prepared as at 30 June 2017

	Target 2017	Actual 2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Measures of Financial Sustainability												
Council's performance at 30 June 2017 against key financial ratios and targets.												
Performance Indicators												
1. Operating Surplus Ratio	0 - 10%	10.91%	-0.80%	0.40%	1.20%	1.10%	1.00%	1.00%	1.30%	0.50%	0.80%	0.90%
Net Result (excluding capital items) Total Operating Revenue (excluding capital items)												
An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.												
2. Asset Sustainability Ratio	> 90%	114.42%	151.10%	118.00%	76.80%	95.30%	104.40%	107.90%	100.20%	119.70%	104.00%	93.00%
Capital Expenditure on the Replacement of Assets (renewals) Depreciation Expense												
An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.												
3. Net Financial Liabilities Ratio	< 60%	-40.79%	-10.70%	-3.10%	-11.30%	-7.40%	-8.50%	-9.30%	-10.00%	-10.80%	-13.60%	-12.50%
Total Liabilities less Current Assets Total Operating Revenue (excluding capital items)												
An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.												

Tablelands Regional Council 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.

Tablelands Regional Council

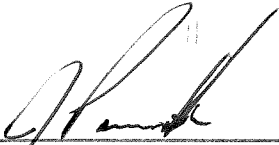
Long-Term Financial Sustainability Statement

Certificate of Accuracy

for the long-term financial sustainability statement prepared as at 30 June 2017

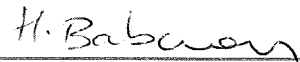
This long-term financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

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



Joe Paronella
MAYOR

19 September 2017



Hurriyet Babacan
CHIEF EXECUTIVE OFFICER

19 September 2017



Conclusion

Glossary of Terms

Administrative action

A local government administrative practice, product, action or service, including a decision-making process.

Audit

An examination of the records, statements, systems and procedures of an organisation, together with its stated claims for performance.

Corporate Plan

A strategic document which outlines Council's vision and translates it into medium and long-term priorities and strategies for a minimum five-year period.

External audit

A formal, independent review of an organisation's financial statements, records, transactions or operations. External audits are usually performed by professional accountants to provide credibility to financial statements, ensuring external accountability and to identify key internal weaknesses in an organisation.

Financial year

For the purpose of this Annual Report, it is the period from 1 July 2016 to 30 June 2017.

Governance

The process by which decisions are taken and implemented, organisations are controlled and managed to achieve their objectives, and the process by which organisations are directed, reviewed and held to account.

LGA

Local Government Act (2009).

LGR

Local Government Regulation (2012).

Long term strategies

The organisation's priorities as outlined in its Corporate Plan, or as approved through its annual strategic planning, resource allocation and budgeting cycle.

Operational Plan

A detailed document showing how it is intended to give effect to one financial year's portion of the Corporate Plan. It is a statement of specific works to be undertaken and services to be provided in order to progress the priorities and strategies set out in the Corporate Plan.

Program

An endeavour to deliver a particular strategic outcome and related benefits, and in doing so, coordinate a group of related projects, activities and work streams. Programs of services are natural groupings of services e.g. Waste Management Program includes waste collection, waste disposal, and cleaning services.

Vision

A statement articulating the desired long-term future towards which the organisation is working.

Feedback and Contact

If you have a comment or question about this Annual Report, you may:

Phone - 1300 362 242

Fax - (07) 4091 4300

Write -

Chief Executive Officer
Tablelands Regional Council
PO Box 573
ATHERTON QLD 4883

Email - info@trc.qld.gov.au

Search - www.trc.qld.gov.au

Appendices

Appendix 1 – Progress against Corporate Plan

Appendix 2 – Rate Concession Policy

Appendix 3 – Revenue Policy

Appendix 4 – Debt (Borrowing) Policy

Appendix 1 – Progress against Corporate Plan

The following table provides an assessment of Council's performance in implementing the long-term strategies in the 2015–2019 Corporate Plan for the financial year from July 2016 to June 2017.

Over the financial year, 94% of the Performance Indicators for the Operational Services and Strategic Initiatives detailed in the annual Operational Plan were addressed or are on track to be addressed.

Extract from January 2015 – 2019 Corporate Plan

Key Result Area One	Community
Goal	1.1 Effective Community Partnerships
Long-term Strategy	Assessment of Performance 2016/17 Financial Year
1.1.1 Understand, define and document roles and responsibilities of Council and of the community	<ul style="list-style-type: none"> • Cultural Plan review completed. Updated plan being aligned with new 2017-2021 Corporate Plan. • The framework for Council's Reconciliation Action Plan was developed and endorsed by Council in December 2016. • Prior's Creek Master plan consultation has identified Prior's Creek as a suitable location for a new Atherton Visitor Information Centre. Stage One detailed design of Prior's Creek development may include the Visitor Information Centre. • Improved management of leases as per Community Land Tenure Policy. <ul style="list-style-type: none"> • Achieved 50% reduction in expired leases as at 30 June 2017. • A 50% reduction in expired LMPs as at 30 December 2017 achieved. • Compliance with Indigenous Land Use Agreements across Council was achieved. Capital works forums conducted in November 2016 and May 2017. Seven consultative committee forums conducted through the year.

1.1.2 Review community aspirations and affordability of delivering on those aspirations

- Community groups and key stakeholders now included in Local Matters electronic newsletter which includes Council updates, together with funding opportunities.
- Reduction or reallocation of Council facilities proposal in progress – will be evidence-based referring to the asset management data for facilities and the economic obsolescence process scheduled for 2017/18 financial year.
- Visitor Information Centre (VIC) activities:
 - Total visitor numbers for the year 98,652.
 - 185 brochure members with Tropical Tablelands Tourism increasing their membership numbers to 191.
 - National Volunteer Week celebrations held for each VIC in May.
 - Malanda Falls VIC hosted four schools and 61 tour groups, and 20th birthday event in June.
 - Herberton Mining Centre – 16 genealogy research requests and one school group.
 - Atherton VIC successfully renewed the Queensland Parks and Wildlife Service National Parks booking agency contract.
 - Atherton VIC sent out 37 tourism packs and distributed 40 boxes of Discover magazine.
 - Food Safaris held monthly from April at the Atherton VIC.
- All five VICs passed their Tourism and Events Queensland accreditation audit for another year.
- Workshops conducted at Gallery, museums and through Tableland Heritage Network, including:
 - Staff attended Tourism Events Queensland storytelling workshop in Cairns.
 - Presentation on indigenous protocols in museums by National Museum of Australia.
 - Opening of new exhibition at the Ravenshoe Visitor Centre heritage gallery researched and curated by volunteers.
 - Antiques Roadshow at the Regional Gallery with Friends of the Gallery.
 - Atherton VIC completed a Regional Arts Development Fund funded oral history project, with 12 stories recorded.
 - William Cooper exhibition funding confirmed with grants from Arts Qld and Tim Fairfax Family Foundation.
 - Commenced service level review.

1.1.3 Review and develop Council's policy position on community support and development

- A Community Development Policy and Framework is being formulated and will be carried over to the 2017/18 financial year.

Key Result Area One	Community
Goal	1.2 Community Resilience
Long-term Strategy	Assessment of Performance 2016/17 Financial Year
1.2.1 Develop the capability of the community to become self-reliant	<ul style="list-style-type: none"> • Disaster Management Early Warning Network subscriptions totalled 1219 for the year – an increase of 57.5% for the year. • Facebook and Twitter followers totalled 2380 and 426 respectively for the year. • Disaster management web-site updated. • Grant writing workshops delivered in: <ul style="list-style-type: none"> • July 2016 • March 2017 • May 2017 • June 2017
1.2.2 Review and maintain effective Disaster Management planning, mitigation, response and recovery capability	<ul style="list-style-type: none"> • All Disaster Management Plans have been updated and approved by Local Disaster Management Group (LDMG). • LDMG meetings held: <ul style="list-style-type: none"> • 19 July 2016 • 16 November 2016 • 14 December 2016 • 24 February 2017 • 28 April 2017 • An extraordinary meeting was held on 24 March 2017 relating to Tropical Cyclone Debbie. • Queensland Disaster Management Arrangements (QDMA) and Recovery training sessions from the Queensland Disaster Management Training Framework held on 15 August 2016. • Warnings & Alerts training held on 28 April 2017. • Queensland Disaster Management Arrangements (QDMA) training held on 12 May 2017. • Exercise Tropical Cyclone Nora was held on 15 and 16 November 2016. The post-exercise evaluation reports were adopted by LDMG and Council in January 2017. • Fire burns were conducted in cooperation with Department of Natural Resources and Mines and National Parks.



Charmillan Creek Waterfall



Atherton War Cemetery

Key Result Area One	Community
Goal	1.3 Healthy, safe and socially cohesive communities
Long-term Strategy	Assessment of Performance 2016/17 Financial Year
<p>1.3.1 Promote and encourage community health and wellbeing through programs addressing environmental health, community safety issues, social cohesion and inclusiveness</p>	<ul style="list-style-type: none"> • 244 inspections of licensed premises conducted over the 2016/17 financial year with 100% of relevant businesses inspected. • 3220 dogs were registered with Council by 30 June 2017. • Community engagement sessions held in Mt Garnet, Millaa Millaa, Ravenshoe and Wondecla. • Hosted six Disability Access and Inclusion meetings. • Six Safer Communities meetings conducted throughout the year. • Regional Round Table forum conducted in Atherton. • Library reading, literacy, lifelong learning services and programs, e-services collections, local family history and genealogical collection services delivered at seven library locations. • Grants program delivered and fully expended. • Exhibitions conducted: <ul style="list-style-type: none"> • Regional Gallery – 10 • Old Post Office Gallery – 8 • Foyer Gallery – 6 • Events Management Plan delivered for the year. Civic events included: <ul style="list-style-type: none"> • NAIDOC Flag raising ceremony • Victory in the Pacific Day • Seniors Week • Christmas Lights competition • Mayor’s Christmas Appeal - raised over \$4000 and Council provided 97 \$40 food vouchers to emergency relief agencies. • Australia Day – 26 entries received for eight awards, with more than 400 people attending the event and 21 new Australian Citizens welcomed • Yungaburra Triathlon with 494 registrations and approximately 2,600 people attending • Anzac Day Services

Key Result Area Two	Economy
Goal	2.1 An effective framework for the planning and promotion of economic growth in the region
Long-term Strategy	Assessment of Performance 2016/17 Financial Year
2.1.1 Understand, define and document respective roles and responsibilities of Council and stakeholders	<ul style="list-style-type: none"> • Council Economic Development Committee working cohesively, with Quarterly meetings achieving outcomes which are reported to Council's Executive • Funding for strategic projects managed in accordance with funding agreements and liaison with project managers and external funding bodies. • All Regional Arts Development funding expended during the year. • Commenced Stakeholder Engagement Plan for Tablelands Irrigation Project . • Sport and Recreation Framework endorsed by Council on 8 September 2016, with a successful grant application to support the development of the plan. An expression of interest was published for community to join the reference group to develop and deliver the plan.
2.1.2 Continuously review and develop data and information to inform investors and community partnerships	<ul style="list-style-type: none"> • Economic modelling tool Economy.id linked from www.trc.qld.gov.au and available at http://economy.id.com.au/tablelands.
2.1.3 Develop and support regional partnerships to further enhance economic diversification and growth in line with Council's adopted role	<ul style="list-style-type: none"> • Ongoing liaison with Regional Local Government Economic Development group (FNQROC sub-committee), Tablelands Futures Corporation, Department of State Development and local business groups. • Small Business Week seminar series and gala awards night for 2017 Business Excellence Awards delivered. • Back to Work workshop delivered in partnership with the Department of State Development. • Successful partnership as part of Advancing Regional Innovation Program. Core location in the region to be delivered as part of the successful Ignite FNQ collaboration for funding. • Successful funding outcome through the National Water Infrastructure Fund for Tablelands Irrigation Project. Stakeholder Engagement Plan completed. • Management of current external grants continuing in accordance with funding agreements, maintenance of grant register to track current grants, liaison with project managers across departments and with external funding bodies.

Key Result Area Two	Economy
Goal	2.2 Opportunities to increase investment and diversity, and promote economic development and growth in the region
Long-term Strategy	Assessment of Performance 2016/17 Financial Year
2.2.1 Identify the region's competitive advantage and encourage investment and development	<ul style="list-style-type: none"> • A detailed regional prospectus to be created following consultation and adoption of Economic Development Plan, during the 2017/18 year. • Caravan Park Review (Malanda and Tinaburra) completed for discussion in July 2017. • Funded delivery of Future Agro challenge in the region, showcasing agricultural expertise. • On-going advocacy to attract investment. • Adopted new Planning Scheme for improved development outcomes.

Key Result Area Three	Environment
Goal	3.1 The protection of identified natural assets
Long-term Strategy	Assessment of Performance 2016/17 Financial Year
3.1.1 Maintain and protect a balance between development and the natural environment	<ul style="list-style-type: none"> • Following an Open Spaces audit, a draft Open Spaces Strategy has been prepared for consideration in the 2017/18 financial year. • Annual re-vegetation program delivered to standard and on budget. A review of relevant associated plans and documents has been completed and a draft Landscape Vegetation Strategy is being prepared. • The 'Work for Queensland' (W4Q) project in Council's plant nursery was completed (total project value \$21,000).
3.1.2. Apply effective Planning Scheme policies	<ul style="list-style-type: none"> • TRC Planning Scheme adopted and a public awareness strategy completed. • An amended Infrastructure Charging Framework adopted. • A report on the Atherton Urban Growth Precinct Structural Plan developed for consideration. • The Structural Plan - Atherton Urban Growth Precinct (Atherton Local Plan) was completed with a report to the November 2016 Ordinary Council meeting. It is expected to form part of the first scheduled major amendment to the planning scheme early 2018.
3.1.3. Maintain and demonstrate a high standard of environmental compliance across all Council Works	<ul style="list-style-type: none"> • Further development of Council's Environmental Performance System has progressed with a subsequent review planned for 2017/18 year. • All landfill sites are in compliance with Department of Environment and Heritage Protection requirements.

Key Result Area Three	Environment
Goal	3.2 Reduction in waste and resource consumption and increase recycling
Long-term Strategy	Assessment of Performance 2016/17 Financial Year
3.2.1. Apply effective waste management and pollution controls to minimise impact on natural environment	<ul style="list-style-type: none"> • Waste Strategy continues to be implemented at the Atherton facility. All recycling operations and waste disposal activities will be subject to a review in the 2017/18 year.
3.2.2 Improve energy efficiency of Council facilities	<ul style="list-style-type: none"> • Program of energy efficiency implemented across all Departments, by implementing initiatives that are: <ul style="list-style-type: none"> • No cost – can be done now such as turning off lights and computers • Low cost – installation of signage and changing light bulbs • Medium cost – retrofitting light fittings, replacing fridges, installing sensor lights • High-cost - installing solar panels etc - subject to a business case.

Goal

3.3 Managed impact of weeds and feral animals

Long-term Strategy

Assessment of Performance 2016/17 Financial Year

3.3.1. Implement a cost effective Pest Management Plan

- Pest Management, Weed and Land Protection Action Plans continue to be applied.
- An audit of vegetation management completed and a draft Landscape Vegetation Strategy is under preparation.
- Wild dog baiting program continues to be delivered in response to customer requests.
- Advocated for improved funding to manage outbreaks and minimise risks associated with Navua Sedge infestations.
- Two strategic locations for the construction of Navua Sedge wash down bays were identified:
 - Evelyn Hall - however land has been put out for tender for sale, with a new location needing to be identified and secured
 - Millaa Millaa Depot Wash down bay has been constructed. Planning for the installation of a tank and/or pump to improve water pressure is planned for the 2017/18 financial year.



Malanda Falls Visitors Centre



Preserving Aboriginal cultural heritage at Barney Springs Environmental Reserve. L-R: Mayor Joe Paronella with Ron Turpin, Evan Rohde, Viola Davis, Shaun Joseph, Greg Joseph and Jai Joseph



Road Maintenance



Main Office

Key Result Area Four	Governance
Goal	4.1 Transparent, accountable, sound decision making, achieving sustainable outcomes
Long-term Strategy	Assessment of Performance 2016/17 Financial Year
4.1.1 Apply a framework to guide Council's decision making reflecting good Governance principles	<ul style="list-style-type: none"> • Enterprise Risk Management Project underway to review assessment process, treatments adopted adequacy of controls and reporting of risk. • New Strategic Internal Audit Plan 2017–2019 developed and approved. Newly identified projects for Internal Audit are: <ul style="list-style-type: none"> • Fraud Risk and Ethical Conduct Review (2017) • Procurement – contractors, materials and services (2017/18) • Capital Works Program Development and Reporting (2018/19) • Annual Audit Plans approved by Audit Committee and followed through. • Redevelopment of Internal and External Audit Issues Register completed with a significant number of legacy internal audit issues resolved / closed off. • Complaints Management System and Policy continues to be implemented. • Risk Framework adopted in June 2016, with a subsequent revised framework under development. Councillor workshop conducted January 2017 regarding scope of revised framework and Council's risk tolerance. A draft Risk Appetite Statement developed. • All compliance matters regarding conditions of approval were investigated and complaints regarding unlawful development activity were actioned accordingly.
4.1.2 Facilitate high standards of professional advice and service delivery	<ul style="list-style-type: none"> • Corporate and operational planning and reporting adopted as standard business processes. • Financial business and system improvement plan implemented in areas of rates, accounts receivable, procurement, accounts payable and financial accounting. • External Audit Management Report received December 2016, three actions have been finalised and accepted by auditors. • Information, Communications Technology and Records Group Business Continuity Plans (BCP) fully completed. • Operational components of the Customer Service Review were implemented. • Improvements in management of electronic service requests implemented. • Additional lap-tops purchased to support disaster recovery operations as an enhancement to the dedicated server. • 90% of Development Applications received satisfied the legislative standards and statutory timeframes. Where appropriate, decision periods were extended with the consent of the applicant. • Land Protection data management system developed using existing software. • Additional smartphones and i-wearable devices (Smart Watch) purchased. Bench testing and in field testing completed.

Long-term Strategy	Assessment of Performance 2016/17 Financial Year
<p>4.1.3 Pursue financial sustainability through effective use of the Council's resources and assets and prudent management of risk</p>	<ul style="list-style-type: none"> • Sustainability principles applied to asset management reviews, depreciation and project management systems. • Annual Budget, Long-term Financial Plans and associated controls continue to be given a high priority. • Water and waste revenue models have been completed and adopted. A recommended sewerage pricing methodology was approved and implemented with the approved sewerage charges to be included in the 2018/19 financial year rating period. • Risk Registers are under review. Review also includes consideration of risk assessment process, treatments adopted, whether controls are adequate / appropriate, review of controls and reporting of risk. • Financial Reports prepared and submitted to Council and Executive on time. • Departmental Operational and Capital Budget Performance levels all monitored and reported throughout the year. • Completed Gravel Pit audit and report received, along with a report of the material stockpiles in the various pits. • Aged Housing Rental review completed and tenants notified. • A report on Council's plan for aged housing under the National Regulatory System for Community Housing and implications under Queensland's State Regulatory System for Community Housing tabled and endorsed at Council meeting of 22 September 2016. • A report and strategy for utilisation of the Mt Garnet Pool was approved by Council on the 24 November 2016. Installation of token entry system completed. Internal Safety Audit complete.

Key Result Area Four	Governance
<p>Goal</p>	<p>4.2 Effective community engagement to inform decision-making</p>
Long-term Strategy	Assessment of Performance 2016/17 Financial Year
<p>4.2.1 Inform, consult and empower the community through on-going engagement and communication</p>	<ul style="list-style-type: none"> • Corporate Communications Strategy continues to be implemented with increased emphasis on community engagement across the TRC area. • Social media workshop conducted for the community as part of Small Business Week. • Councillor-led community engagement sessions held in Mt Garnet, Millaa Millaa, Ravenshoe and Wondecla. • Ongoing growth and engagement using social media channels.

Key Result Area Four	Governance
Goal	4.3 Effective Service Delivery
Long-term Strategy	Assessment of Performance 2016/17 Financial Year
<p>4.3.1 Conduct whole of Council service reviews to determine agreed levels of service according to cost effectiveness and Council's capacity to deliver</p>	<ul style="list-style-type: none"> Developed a Service Review Framework and objectives with initial collection of service delivery data obtained. Further consultation regarding costs of service delivery with key managers is expected by end of first Quarter 2017/18 year. A Sewerage pricing methodology approved on 17 May 2017, with the approved sewerage charges to be included in the 2018/19 financial year rating period.
<p>4.3.2 Regularly review service levels and methods of delivery to maintain relevance and continually improve proficiency</p>	<ul style="list-style-type: none"> Planning Department review completed. A review and development of on-line services commenced with an increase in use of on-line services evident. Internal user of management databases and tools such as Website, Facebook, Knowledge Base surveyed and gaps in customer service standards (Voice of the Customer or VOC) highlighted for improvement.
<p>4.3.3 Create and maintain a culture of service orientation and customer focus consistent with Corporate Values and quality assured management processes</p>	<ul style="list-style-type: none"> Departmental Performance levels all monitored and reported within Quarterly Reports. Business Continuity Plans developed, approved and tested across Council. Customer service review implemented, including business process efficiency levels. Succession Planning commenced with plans being developed as part of the Workforce Strategy. Customer service standards (Voice of the Customer) implemented throughout the year. Customer Request Management (CRM) system response rates and development requirements have been provided for business improvement initiatives. Customer Services provided at Herberton, Malanda and Ravenshoe Library and Customer Service Centres.



Active Lifestyles



Atherton Centre

Key Result Area Four	Governance
Goal	4.4 Productive, effective organisational culture and practice
Long-term Strategy	Assessment of Performance 2016/17 Financial Year
4.4.1 Apply values-driven leadership through a Workforce Plan and staff engagement practices	<ul style="list-style-type: none"> • Organisational re-structure plan prepared for implementation in the new financial year. • Draft Workforce Strategy developed with further development to occur in the new financial year. • A range of initiatives commenced to address gaps in the previous Employee Opinion Survey. • Staff policies and procedures have been reviewed or are being developed. • High rates of attendance at internal and external staff training. • Achievement and Development Plans for managers and indoor staff to be reviewed and further developed. • Well-being Program implemented for all staff.
4.4.2 Maintain Workplace Health and Safety programs that effectively apply hazard identification, risk and incident management principles	<ul style="list-style-type: none"> • Full data sets reported in Quarterly reports – excerpts include: <ul style="list-style-type: none"> • SafePlan Safety program achieved a Silver Award based on an audit of AS 4801 during the year, with Rectification Plans in place to address outstanding issues • Monthly Action Plan average completion rate for the year was 99% • Lost Time Injury Frequency rate below Group D and Local Government Workforce Scheme trends • Job Safety Analysis (JSA) documents were completed within Water and Waste Group.
4.4.3 Apply a sustainable Information and Business Systems Strategy that maximises return on investment, service delivery and productivity	<ul style="list-style-type: none"> • Approved Cloud Strategy implemented. • Knowledge Management Systems maintained with upgrades to ECM, MapInfo and Asset Management interface. • Business Continuity Plans and Customer Service Strategies implemented. • Upgrade to Property and Rating System completed. • Enterprise Content Management system (ECM) and Confirm upgrade is on schedule and within budget. • Commenced implementation of Record Keeping Strategy to retain and dispose of physical records. • ICT Help Desk Strategy implemented with improved tools to manage requests under investigation. • MapInfo menu system has been updated to support the new road segments, footpaths, defects (RMPC), facilities, bridges, gates, grids, culverts and storm water. • ECM and Technology One Integration Phase 2 - recommendations for Customer Service were provided via the Help Us Help You program – Customer Service improvements implemented. • All office locations are now utilising Skype for Business phone system. • Development Application Module reflecting the new Planning Act has been supplied by IT provider and is operational.



Australia Day Awards 2017

Key Result Area Five	Public Infrastructure and Assets
Goal	5.1 A framework to develop and manage fit for purpose, affordable assets and facilities to meet community needs
Long-term Strategy	Assessment of Performance 2016/17 Financial Year
<p>5.1.1 Create and continually improve innovative Asset Management Plans and systems to manage and maintain all classes of Council assets in a sustainable manner</p>	<ul style="list-style-type: none"> • Asset Management Policy and Strategic Asset Management Plan endorsed with asset data capture being progressed. • Asset Management progress over the year has included: <ul style="list-style-type: none"> • Budget and long-term forecast reviewed with steadily improving asset data. • Capital Works program delivered. • Cemetery Management Plan and upgrades implemented. • Asset data for fleet fully identified and recorded. • Management Plans for fleet and bridges prepared. Average vehicle utilisation at end of financial year is at 107% of budgeted target. • 90% of fleet assets have been serviced in accordance with the manufacturer's maintenance schedule. • MapInfo menu system has been updated to support the new road segments, footpaths, defects, facilities, bridges, gates, grids, culverts and storm water. • Implementation of the new roads asset maintenance management framework achieved. • Completed a record of Water and Wastewater above and below ground asset data. • CONFIRM software program framework developed with full asset condition data collected during the year.

5.1.2 Plan and execute timely preventative maintenance and renewal regimes that extend the useful life of all Council assets and networked infrastructure in a cost effective manner

- Cemetery maintenance and upgrades complete.
- Implementation of the new roads asset maintenance management framework occurred in January 2017.
- Road related defects have been collected during inspections conducted during the year, with jobs being created, works undertaken and jobs completed within the CONFIRM system.
- A defect backlog for local roads transport network has been established.
- Records of completed works from the inspections and backlog are being recorded within CONFIRM.
- Maintenance of fire equipment in all Council facilities is up to date and compliant with Fire Management Plans.
- Quality systems being applied to road and drainage maintenance services, landfill, water and sewerage reticulation services.
- On-going provision of mowing, slashing and gardening services to the region.
- Road Maintenance Performance Contract (RMPC) work activities completed.
- Australian drinking water standards achieved - Free residual chlorine in mg/L – 96.7% of all readings within the range of 0.2 – 5.0 mg/L. NIL reports of E-coli in the water reticulation network over the financial year.
- Phosphorous, Nitrate, Ammonia and suspended solids in effluents from Waste Water Treatment Plant results for the year indicate TRC’s compliance under its Environmental Authority EPPR00584813.

5.1.3 Ensure that proposed extensions to Council’s infrastructure networks have a demonstrated social and economic imperative

- Priors Creek Precinct Master Plan was endorsed for public consultation in July 2016, with Council approval in January 2017. Public notification has been completed and reported to Council.
- Stage 4 Rail Trail Bridge Development completed.
- A Scope of Works for an upgrade to Atherton Pool has been endorsed.
- A Scope of Works for an upgrade to Tolga Lions Playground equipment has been developed.



Windy Hill Wind Farm



Tablelands Dairy Industry



RATE CONCESSION POLICY 2016/2017

CCS 1.2.2

1. POLICY INTENT

This document sets out Council policy, as per annual budget resolution, in relation to the granting of concessions on rates and charges.

2. SCOPE

This policy applies to:

- Pensioners who own and reside on their property within the Tablelands Regional Council area and who meet the requirements set out in the Pensioner Remission Policy Statement in this document.
- Not-for-Profit community, cultural, recreation and sporting organisations who meet the requirements set out in the Rate Concession - Not-for-Profit Policy Statement in this document.
- Property owners where water usage is required to operate a home renal dialysis machine in their principal place of residence set out in the Water Usage Charge Concession Policy Statement in this document.
- Property owners impacted by increased water usage due to unapparent plumbing failures who meet the requirements set out in the Water Usage Dispute Resolution Policy.
- Property owners who have been approved for a Tablelands Regional Council Grant Program

3. BACKGROUND/SUPPORTING INFORMATION

The *Local Government Regulation 2012* - Chapter 4, Part 10 Concessions, gives local government the power to grant concessions for rates and charges.

A concession may only be of the following types:

- (a) a rebate of all or part of the rates or charges;
- (b) an agreement to defer payment of the rates or charges;
- (c) an agreement to accept a transfer of unencumbered land in full or part payment of the rates or charges.

A concession may only be granted by resolution of the Council and for the Tablelands Regional Council this is done as part of the annual budget adoption process and also noted in the adopted Revenue Statement.

4. POLICY STATEMENT

4.1 PENSIONER REMISSION

Applicants for the remission of rates from the Tablelands Regional Council and the State Government Pensioner Subsidy (20% to maximum \$200) must satisfy the following conditions:

- If an application is mailed in, it must be completed in detail and accompanied by a copy of both sides of the current Pensioner Concession Card (PCC) or a DVA Gold Card.

- An applicant must truthfully and correctly supply all information requested.
- The Council Pensioner Remission is allowable on only one property at a time.
- A new application must be lodged if a pensioner changes principle place of residence.
- Should all owners not be in receipt of a pension or allowance, a proportionate amount of remission may be payable based upon State Government Guidelines.
- If a co-owner is in a spousal or recognised de-facto relationship and is an approved pensioner and is wholly responsible for payment of all rates and charges, the subsidy will be granted in full.

4.1.1 Council Pensioner Remission

Council grants a remission of thirty percent (30%) of the general rates up to a maximum of \$240 per year to pensioners within the Tablelands Regional Council area, providing they qualify for a remission in accordance with the conditions, as set out below.

This excludes water usage charges, special rates or special charges, interest and other charges on land.

To be eligible the applicant must be:

- A holder of a Pensioner Concession Card (PCC) or a DVA Gold Card.
- The owner or life tenant of the property which is the applicant's principal place of residence. A life tenancy can be created only by a valid Will and is effective only after the death of the property owner, or by a Supreme or Family Court Order.
- Legally responsible for the payment of local council rates and charges levied on that property.

The Council Pensioner Remission is allowable on only one property at a time and a new application must be lodged if an applicant changes their principle place of residence.

The Council Pensioner Remissions can only be granted from the date on the pension card or 1 July 2016 (whichever is the later), provided the application qualifies with Council's conditions.

Where the Council Pensioner Remission applies, Council will remit the appropriate amount off the rates notice.

4.2 RATE CONCESSIONS – NOT FOR PROFIT

4.2.1 Types of Concessions

Council grants a concession of the following to Council approved not-for-profit community, recreation and sporting organisations:

- *Rate Concession* - is fifty percent (50%) of the general rates up to a maximum of \$400 per year; and/or
- *Charge Concession* - is twenty percent (20%) up to a maximum of \$100 per year on Utility Charges (Sewerage, Waste Management Utility and Water Access Charges).

4.2.2 Definition of not-for-profit community, recreation and sporting organisation

- *A not-for-profit organisation which exists primarily to undertake community service activities and relies mainly on volunteer labour; or*
- *A not-for-profit organisation which has a high level of paid labour and a low level of volunteer labour however a substantial community benefit is provided; or*
- *A not-for-profit organisation which undertakes sporting or recreational activities and relies on player and/or fees and community fundraising only; or*

- *An owner of a cultural icon which is a tourist attraction and to which the public is given access for no fee or charge; or*
- *A not-for-profit community organisation which exists primarily to undertake community service activities and receives on-going Federal or State Government funding support for the organisation's operations.*

4.2.3 Application and Continuation of the Concession

An initial application using the approved form must be lodged and an approved applicant is required to apply for continuance of the concession on the approved form on an annual basis or as requested by Council. The application should state that the information provided in the initial application is still current and that the applicant would like to continue in claiming the approved concession/s.

The concession/s, if approved, will apply from the start of the rating period in which the application was successful and will be shown on the rates notice.

Applications for Rate and/or Charge Concession will only be considered for not-for-profit organisations as defined above and which comply with all the eligibility criteria.

To be eligible an applicant must:

- Operate within the boundaries of the Tablelands Regional Council;
- Own or lease and occupy the land on which the general rates are being levied and the rates notice issued in the organisation's name;
- The property must not be used for residential purposes unless utilised for short-term accommodation for homeless and at risk persons or classified as an Aged Care Home;
- Not utilise gaming machines to raise revenue;
- In its constitution clearly prohibit any member of the organisation making private profit or gain either from the ongoing operations of the organisation or as a result of the distribution of assets if the organisation was wound up (this condition does not apply to the owner of a cultural icon);
- Meet the definition of a not-for-profit community, recreation and sporting organisation;
- Not have outstanding rates on the property;
- Lodge an application on the approved form. The application must also include any two of the following supporting documentation:
 - a copy of the organisation's constitution or certificate of incorporation;
 - minutes of its most recent Annual General Meeting;
 - incorporated groups are to provide a copy of their most recent audited financial statement (no greater than 12 months old), unincorporated groups are to provide a copy of their most recent reconciled financial statement (no greater than 12 months old);
 - details of the organisation's not-for-profit status from the Australian Taxation office or similar.

If in circumstances where an organisation does not fulfil its lease obligations, the concession can be cancelled by the Deputy Chief Executive Officer.

The concession is not available on vacant land.

If an organisation receives a Tablelands Regional Council grant and a not for profit rate concession, the sum of both of these cannot exceed \$1,000.00.

There is a responsibility upon the not-for-profit organisation to contact the Council when there is a change that could affect the status of the concession so as to avoid the necessity for the organisation to reimburse the concession so obtained.

In some cases, the Council may have sufficient information on its records to make an assessment of the application. In other instances, Council may need to conduct a site inspection and/or request further information.

Where the Rate and Charge Concession applies, Council will remit the appropriate amount off the rates notice.

4.3 WATER USAGE CHARGE CONCESSION – HOME RENAL DIALYSIS

Tablelands Regional Council provides financial assistance to the property owner to offset water usage costs for use of Home Renal Dialysis Equipment.

A non-chargeable water allowance of up to 190kl per year will be granted to those patients on a home renal dialysis machine. A concession to eligible applicants will be applied on a pro-rata basis only for the period the dialysis occurred, up to a maximum of 95 kilolitres per 6-monthly levy period.

4.3.1 Eligibility

To be eligible, the following must occur:

- An application form from Council must be completed by the applicant.
- Written confirmation from the doctor or hospital advising that treatment is being undertaken by a resident of the property including the commencement date of the treatment and if applicable the date the renal dialysis ended.
- The application form must be received by Council prior to the end of the discount period of the first concession being applied.

4.3.2 Application for Concession Approved

If the application for concession is approved, the water consumption and consequent charges will be adjusted accordingly and an amended rate notice issued to the owner of the property, subject to the eligibility conditions above.

It is the responsibility of the applicant to advise Council if home renal dialysis is no longer undertaken on the premises.

4.3.3 Application for Concession Denied

If the application for concession is denied the Water Department will contact the applicant explaining the reasons for the denial.

4.3.4 Calculation of Concession

Consultation with Cairns Base Hospital Haemodialysis Unit requesting guidance as to the likely water consumption directly attributable to the operation of a home renal dialysis unit. This report is based upon that advice as outlined in Table 1 and 2 below:

4.3.4.1. Table 1

ASSUMPTIONS	
1	<u>Frequency of treatment</u> <u>5-6 treatments per week</u>
2	<u>Length of each treatment</u> <u>5 hours per treatment</u>
	assuming:
-	30 minutes hot rinse before treatment
-	4 hours treatment
-	30 minutes disinfection post treatment
3	<u>Total water usage per treatment</u> <u>600 litres</u>
	assuming:
-	water consumption of +/-1500mls/minutes reject water from the reverse osmosis
-	water consumption of +/-500mls/minute dialysate flow rate

4.3.4.2. Table 2

<u>Estimated Usage Calculation:</u>	
2	Litres per minute
300	Minutes per session
600	Litres per session
3,600	Litres per week
3.6	Kilolitres per week
187	Kilolitres per year
190 kls	Proposed Rebate per year
	(95 kls credit per billing period)

4.4 WATER USAGE CHARGE CONCESSION – UNAPPARENT PLUMBING FAILURE

Council may grant a concession relating to excessive water usage charges due to an unapparent plumbing failure.

Refer to Council policy Water Usage Dispute Resolution Policy for further details.

4.5 GRANT PROGRAM

Assistance is provided through the Tablelands Regional Council Grant Program, while funds are available, to provide a range of in-kind and financial grants to not-for-profit, community organisations and individuals that align with the key result areas, goals and strategies of the Corporate Plan 2015-2019.

TRC provides two grant streams through its grant program:

- Community Grants of up to \$1000 for community groups during each financial year either as cash, in-kind or remittance of fees.
- Youth Achievement Grants for teams or individuals aged 18 years or under, for a contribution to costs incurred in representing the Tablelands region in sporting, academic, cultural or recreational achievement. Grants of up to \$300 per applicant per year are available.

Property 36796 Ravenshoe Tennis Club has ongoing approval for an amount of \$701.20 and Property 23683 Carinya Home for the Aged has approval for an amount of \$10,000 per annum until 30 June 2017.

4.4.1 In-Kind Assistance

In Kind Support is for not-for-profit or community organisations, which require support for community events and initiatives only. The request can be all one type of assistance such as a cash grant or a mix of cash, in-kind assistance and remittance of fees.

4.4.2 Terms and Conditions

The following conditions apply to requests for Council assistance under this grant program:

- The use of any part of the grant for purposes other than specified in the letter of approval is not permitted without prior approval in writing by Council.
- All successful applicants must ensure that Council is appropriately recognised as a supporter or sponsor including advertising or media release.
- Tablelands Regional Council takes no responsibility for financial losses or physical injury incurred as a result of involvement in the supported event or activity.
- Council donations to community organisations do not include GST.

5. REVIEW

It is the responsibility of the Deputy Chief Executive Officer to monitor the adequacy of this policy and recommend appropriate changes. This policy will be formally reviewed annually or as required by Council.

This policy is to remain in force until otherwise determined by Council.



REVENUE POLICY 2016/2017

CCS 1.2.1

1. POLICY INTENT

The Revenue Policy provides the parameters under which Council develops its annual budget. In 2016/2017 the Council will levy rates and charges in compliance with this policy.

2. SCOPE

This policy applies to all aspects of making, levying, recovering and granting concessions for rates and utility charges, and setting of cost-recovery fees and infrastructure charges for Tablelands Regional Council.

3. BACKGROUND/SUPPORTING INFORMATION

This Revenue Policy complies with Section 193 of The *Local Government Regulation 2012*.

4. POLICY STATEMENT

4.1 THE LEVYING OF RATES AND UTILITY CHARGES

- (a) In general it is Council's policy that a *user pays principle* applies to all specific services provided to ratepayers and other users in Tablelands Regional Council.
- (b) Exceptions to the *user pays principle* include general services to the community as a whole when it is in the community interest to do so.
- (c) When formulating rates and charges, Council will have regard to the principles of:
 - Transparency in the formulation of rates and charges;
 - Having in place a rating regime that is as simple and efficient as possible;
 - Fairness by taking into account the different levels of capacity to pay within the local community; and
 - Flexibility to take account of any material changes in the local economic circumstances.
- (d) In pursuing the abovementioned principles Council may avail itself of the following:
 - A system of differential general rating;
 - Minimum general rates;
 - Utility charges (either fixed price or consumption based or both);
 - Special rates and charges;
 - Separate charges;
 - Limitation of rate increases (rate capping).
- (e) In levying rates Council will apply the principles of:
 - Maintaining financial sustainability while minimising the impact of council rates and charges upon the community;
 - Distributing the burden of payment equitably across the community where possible;
 - Clearly articulating what is the Council's and each ratepayers' responsibility to the rating system;
 - Making the levy system as simple as possible to administer;

- Timing the levy of rates, where possible, to take into account the financial cycle of local economic activity in order to assist smooth functioning of the local economy; and
- Maintaining equity through flexible payment arrangements for ratepayers with a lower capacity to pay.

4.2 CONCESSIONS FOR RATES AND CHARGES

In considering the application of concessions, Council will be guided by the principles of:

- fairness by having regard to the different levels of capacity to pay within the local community;
- equity through the uniform treatment of ratepayers with similar circumstances;
- transparency by clearly articulating the requirements necessary to receive concessions; and
- flexibility to allow Council to respond to local economic issues.

The purpose of the concessions granted by council is to:

- reduce the financial burden of rates and charges payable by pensioners;
- support not-for-profit organisations where the land is considered to contribute to the social, cultural, economic or sporting welfare of the community;
- encourage the preservation, restoration or maintenance of land that is of cultural significance;
- provide relief to ratepayers by partially remitting water consumption charges in cases of financial hardship resulting from an undetectable water leak which has occurred on a ratepayers property;
- provide relief to ratepayers by partially remitting water consumption where the water consumption is required to operate a home renal dialysis machine in their principal place of residence.

4.3 THE RECOVERY OF RATES AND CHARGES

(a) Council will exercise its rate recovery powers in order to reduce the overall rate burden on ratepayers.

(b) It will be guided by the principles of:

- transparency by clearly articulating the obligations of ratepayers and the processes used by Council in assisting them meet their financial obligations;
- making the processes used to recover outstanding rates and charges clear, unambiguous and simple to administer and cost effective (refer to Council's Debt Recovery Policy);
- capacity to pay in determining appropriate arrangements for different sectors of the community;
- equity by having regard to providing uniform treatment for ratepayers with similar circumstances; and
- flexibility by responding, where necessary, to changes in the local economy.

4.4 THE FORMULATION OF MISCELLANEOUS FEES AND CHARGES

Council will be guided by the following principles in the formulating miscellaneous fees and charges:

- Fees associated with regulatory services will be set at the full cost to Council of providing the service or taking the action for which the fee is charged. Council may

choose to subsidise the fee from other sources if it is in the community interest to do so.

- Commercial services charges will be set to recover the full cost to Council of providing the service and may include a component for return on Council's investment.

4.5 FUNDING OF NEW TRUNK INFRASTRUCTURE FOR DEVELOPMENT

Council's policy is to recognise the total cost of development including the cost of upgrading trunk infrastructure when formulating infrastructure charges for trunk infrastructure (water supply, sewerage, storm water, transport and public parks and land for community facilities) for new development. Council will have regard to the provisions of any relevant Priority Infrastructure Plan, Local Government Infrastructure Plan, adopted infrastructure charges resolution and any statutory requirements including regulated maximum infrastructure charges. However, the council may choose to subsidise trunk infrastructure upgrades from other sources, including general rate revenue. when the Council believes that it is in the community interest to do so.

Council will be guided by the following principles:

- clearly articulating the obligations of new development and the processes used by council in the formulation of infrastructure charges;
- making the processes used in setting an infrastructure charging regime simple to administer and cost effective;
- flexibility by responding where necessary to changes in the local economy and forecasted population growth.

5. REVIEW

It is the responsibility of the Deputy Chief Executive Officer to monitor the adequacy of this policy and recommend appropriate changes. This policy will be formally reviewed annually in sufficient time to allow an annual budget that is consistent with the policy adopted for the next financial year.

This policy is to remain in force until otherwise determined by Council.



BORROWING POLICY 2016/2017

CCS 1.1.1

1. POLICY INTENT

The intent of this policy is to detail the principles upon which Council bases its decisions when considering the type of expenditure to be funded by borrowing for the financial years 2016/17 to 2025/26, the total current and projected borrowings and the ranges of periods over which they will be repaid.

2. SCOPE

This policy applies to all borrowing of the Council.

3. BACKGROUND/SUPPORTING INFORMATION

Pursuant to Section 192 *Local Government Regulation 2012*, Council's adopted Policy on Borrowings for the period 2016/17 to 2025/26 is set out below.

4. POLICY STATEMENT

Council will not use long-term debt to finance current operations.

Long term debt should only be used for income producing assets or those assets that can be matched to a revenue stream. Consequently repayments for the borrowings will be funded from the revenue streams generated by the asset acquisition in question. Consideration must also be given to the long-term financial forecast before planning new borrowings.

Council will utilise long-term borrowing only for capital improvement projects that cannot be financed from existing sources.

Capital projects are to only be undertaken after a thorough process of evaluation (including whole of life costing, sustainability and risk assessment), prioritisation and review.

When Council finances capital projects through borrowings it will generally pay back the loans in a term not exceeding 20 years. However in certain circumstances particularly for assets with long useful lives borrowings may be for a longer period whereby repayments would match the income stream of the asset in question. Existing loans will be paid back within the fixed term provided for in the loan agreement.

Council will continue to ensure repayment schedules are well within Council's operating capability so as to ensure the Community is not burdened with unnecessary risk.

Projected Future Borrowing Predictions:

Year	Project	Term	Borrowings
2016/17	Sewerage Treatment Plant Ravenshoe	20 years	\$2,500,000
2017/18	Water – Herberton Reservoir	20 years	\$1,800,000
2017/18	Water – Scrubby Creek Reservoir	20 years	\$2,500,000
2018/19	-		-
2019/20	-		-
2020/21	-		-
2021/22	-		-
2022/23	-		-
2023/24	-		-
2024/25	-		-
2025/26	-		-

Level of Existing Debt - As at 30 June 2016 Tablelands Regional Council's outstanding loan balance is estimated to be \$6.34M with repayment terms between 2017 and 2031.

Anticipated loan principal repayments for the year ended 30 June 2017 is \$713,417.

5. REVIEW

It is the responsibility of the Deputy Chief Executive Officer to monitor the adequacy of this policy and recommend appropriate changes. This policy will be formally reviewed every year or as required by Council.

This policy is to remain in force until otherwise determined by Council.



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