



HINCHINBROOK
SHIRE COUNCIL

HINCHINBROOK SHIRE COUNCIL

**Annual Report
2015/2016**





CONTENTS

8	Mayor's Message	32	Strategic Direction Three Responsive and Responsible Local Representation
10	Elected Representatives		
14	Council Community Events		
16	CEO's Message	38	Strategic Direction Four Council's Role in Creating an Enviably Lifestyle and Contribution to the Whole of Life Liveability of Our Shire
18	Executive Management Team		
21	Organisational Structure		
22	Reporting System		
23	Corporate and Operational Plan Outcomes	46	Strategic Direction Five Council's Role in Creating and Supporting the Economic Prosperity of Our Shire
24	Strategic Direction One Fiscally Responsive and Responsible Management of Public Infrastructure		
29	Strategic Direction Two Responsive and Responsible Management of Land	52	Legislative Information
		61	Community Financial Report
		68	Financial Statements

Attached Documents:

Annual Financial Statements

Council Banker: Commonwealth Bank of Australia

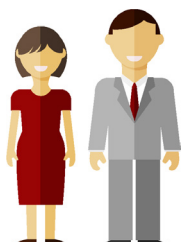
Auditor: CG Strickland as Delegate of the Auditor General of Queensland

Copies of this Annual Report can be obtained by telephoning Council on 4776 4600.

A fee of \$30 applies for printed copies or see Council's website www.hinchinbrook.qld.gov.au to download a pdf version.

HINCHINBROOK AT A GLANCE

A snapshot of the Hinchinbrook Local Government area in figures*.



Median Age
46



Population
11,541

Families
3,221



**Median Weekly
Household Income**
\$916

Average Household
2.4 persons

*Hinchinbrook Shire Council uses a range of sources to compile this information including the Australian Bureau of Statistics, Data by Region, 2014.



Local Government Area

2,810km²

Population Density

4.2 persons/km²

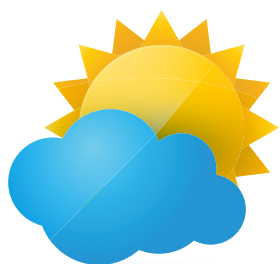
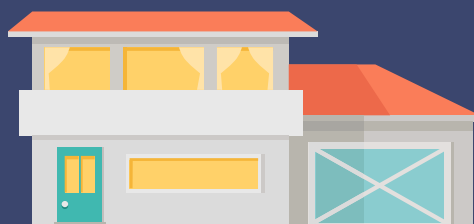


Public Parks
46

**Rates, Levies and
Charges Revenue**

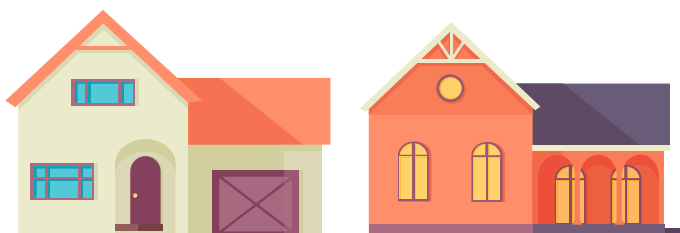
(2015/2016)

\$24.1m



Average Temperature Range

18.8°C - 27.8°C



Rateable Properties

6,643

OUR MISSION

Our Council mission is to shape a positive future for the Hinchinbrook community by understanding community needs and wants, building on our inherent strengths, recognising and maximising opportunities and facing our challenges head on.

To do this Council will wisely prioritise the use of our resources and deliver meaningful services. We will celebrate small town living and continue to be inspired by our natural environment. We will value our heritage and embrace the future as a can do, inclusive and resilient community.

Our Council will be an active participant in shaping a prosperous future for Hinchinbrook. Council will work together with our community groups, organisations, individuals and other levels of government to deliver a flourishing community that is an exemplar of modern Northern Australian tropical living.

OUR VISION

Hinchinbrook Shire – Small Town Northern Australia – Tropical Living at its Best

Our vision for Hinchinbrook Shire is to position our community as offering the best whole of life, birth to active aged living, small town, Northern Australian, tropical lifestyle experience. We want Hinchinbrook to be known for offering a wonderful lifestyle, in one convenient, culturally diverse, prosperous and incredibly beautiful location.



MAYOR'S MESSAGE



It is a pleasure, as the new Mayor to present my first Annual Report for the 2015/2016 Council operations in the Hinchinbrook Shire.

The new Council team came into place in April 2016 and one of its first tasks was to adopt the 2016/2017 Budget. The theme of the Budget was a commitment to the community to foster and support business growth and diversification. To assist in achieving this, Council allocated \$285,000 for a range of economic development activities.

By being able to hold operating costs across the organisation to the same level as the previous year General Rates were held to a 1% increase, one of the lowest increases in Queensland. This was a great outcome, in view of a number of operating cost pressures such as significant increases in electricity costs.

Although operational efficiencies did occur in the financial year the drive for better efficiencies and cost effectiveness will continue to have a major focus as standard practice. In addition, Council has approved the completion of a Financial Health Review and Next Term Outlook Report by an independent consultant.

Highlights for Council works completed within the 2015/2016 financial year are as follows:

- Abergowrie Road - cutting upgrade
- Burke Street improvements
- Mount Gardiner Road - seal extension
- Hawkins Creek - culvert
- Lannercost Extension Road - bridge
- Wallaman Falls Road - sealing
- Mt Fox Road - reconstruction and pavement
- Kerb and channel replacement and rehabilitation projects
- Footpath rehabilitation projects
- Drainage rehabilitation projects
- Water and sewerage rehabilitation projects

It is pleasing to note that there has been considerable progress in relation to the Economic Development Strategy.

A major infrastructure project, that was finalised, was the Forrest Beach Water Security Project at a total cost of \$2.352 million. This Project included the construction of an interconnecting water main between Ingham and Forrest Beach, including Bosworths Road to the Warrens Hill Transfer Station. This project, an initiative of the former Council, provides residents with a safe, reliable and affordable water supply. A State Government subsidy of \$1,100,000 was received for this project.

The Australian Government is improving mobile phone coverage in regional and remote Australia through the Mobile Black Spot Program. From Round 1 of the Program mobile base stations were implemented at Abergowrie / Long Pocket and Stone River.

Community shed meetings have continued to be held throughout the Shire, attended by Councillors, the Chief Executive Officer and Executive Managers. As a result of these meetings, issues of concern raised at meetings have reduced, which means that Council has adequately addressed matters to the satisfaction of residents. Councillors have also been active within their respective Progress Associations, actioning matters raised at those meetings.

Council is committed to fostering and supporting business growth and diversification. It is Council's aim to achieve this through tourism, recreational sporting programs and alternate agriculture complimentary to sugar. Significant time and effort is going in to exploring opportunities including:

- I. Discussions with Northern Australia Development concerning potential further research and development into complementary crops in rotation with cane, use of supplementary irrigation, and new agricultural opportunities.
- II. Alternate motor sport and other sporting groups regarding potential for inclusion of the district in established regional circuit for increased visitation.
- III. Environment and heritage and national parks concerning evaluation of permissible recreational and sporting activities allowable on parkland.
- IV. Renewable energy proposals.
- V. Investigation of requirements for reinstatement of Forrest Beach Caravan Park and facilities including immediate plans for RV stopovers.

To the Councillors, Chief Executive Officer, Executive Managers and all of Council staff, my thanks for the work you are doing for the betterment of the Shire.

Cr Ramon Jayo



Mayor

ELECTED REPRESENTATIVES



Councillor Ramon Jayo

Mayor

Office of the CEO Portfolio

0427 875 607

mayor@hinchinbrook.qld.gov.au

SERVICE TO COUNCIL: ELECTED 30 MARCH 2016

"I am pleased to inform that the three main Election priorities, transparency in decision making, marketing of the district as an economic stimulus, and Council buy local initiatives have been embraced and implemented within the first three months of our term.

Transparency has been achieved by ensuring that all officer and other reports, including financial information upon which all decisions are based are released publicly with all meeting minutes.

Promotion of the district and its attractions is occurring through the release and ongoing implementation of the Hinchinbrook Way.

Of particular benefit is the ability for all businesses to register their product on Council's Hinchinbrook Way website so as to ensure a complete register and directory of the capabilities of our district is electronically available to the world at large.

Council realises that every cent spent locally is an investment in our district and has changed its procurement practices to ensure reasonable preference and opportunity in all of its purchasing practices.

Many other projects are being vigorously pursued in keeping with Council's commitment towards attaining diversity in industry and economic activity, which are very much at the forefront of Council's every day dealings."



Councillor Mary Brown

Deputy Mayor

Development and Planning Portfolio

Office of the CEO (Deputy)

0409 356 252

mbrown@hinchinbrook.qld.gov.au

SERVICE TO COUNCIL: ELECTED 30 MARCH 2016

"I feel very honoured to have been elected for this term of Council and to also have the opportunity to work in the economic development and planning portfolio is an additional bonus.

Improving the economy of our Shire, retaining the enviable lifestyle we enjoy, yet increasing population growth for sustainability of our services will be a key driver for me during this Council term.

It has long been identified that the age demographic of this Shire presents some significant challenges for this community's future, therefore addressing these issues must be a priority for Council, during this term."



Councillor Maria Bosworth
Community Services Portfolio
Corporate Services Portfolio (Deputy)

0429 771 696

mbosworth@hinchinbrook.qld.gov.au

SERVICE TO COUNCIL: RE-ELECTED 30 MARCH 2016

PREVIOUS TERMS: 6 APRIL 2004 TO 9 MAY 2012

"Three months since the Election - how time flies!

As my individual Council Portfolio is the Community, I'm finding it challenging to know where my role begins and ends, where I'm allowed to go and where I am not. As I get to know my fellow Councillors better however, I am constantly impressed with their passion, wisdom, dedication and concern for our Shire and the residents.

Here's hoping the District manage to get their crop harvested without too much damage to paddocks."



Councillor Andrew Lancini
Environmental Health Services Portfolio
Development and Planning Portfolio (Deputy)

0409 342 209

alancini@hinchinbrook.qld.gov.au

SERVICE TO COUNCIL: RE-ELECTED 30 MARCH 2016

PREVIOUS TERMS: 6 APRIL 2004 TO 9 MAY 2012

"Becoming a Councillor at the end of March, I am looking to next years Report and a lot will be reported."



Councillor Kathrine (Kate) Milton

Engineering Services Portfolio (Deputy)

0428 180 412

kmilton@hinchinbrook.qld.gov.au

SERVICE TO COUNCIL: ELECTED 30 MARCH 2016

"I am truly enjoying my first term as Councillor. 'Learning the ropes' has been both exciting and rewarding. We have good leadership and hard working Councillors in this current Council and I believe we are listening to the community and addressing the issues presented in the best way possible for the benefit of the whole town.

The budget took up a lot of our time in the first 3 months and we all worked very hard to keep rates to a minimum without affecting the level of service that the community expects and Council must provide.

The completion and the launch of the previous Councils' initiative the Hinchinbrook Way has been a great success and is helping to bring much needed visitors to our town. The dredging at Taylors Beach is another success that residents, especially those who wish to catch the elusive fish, are making good use of."



Councillor Wally Skinner

Engineering Services Portfolio

Environmental Health Services Portfolio (Deputy)

0408 724 324

wskinner@hinchinbrook.qld.gov.au

SERVICE TO COUNCIL: 2012 TO PRESENT

"The extended dry and absence of floods and cyclones allowed us to complete our Works Programs on time and under budget. This was a credit to our staff given we had chosen to adopt a moderate rate rise thereby constraining revenue.

The long awaited launch of The Hinchinbrook Way Tourism and Economic Development Program has provided momentum to our efforts to create jobs. The initiative to employ a dozen apprentices and trainees, our biggest intake in the history of Council, shows what can be achieved when you get it right. We look forward to the coming year with much optimism."



Councillor Marc Tack
Corporate Services Portfolio
Community Services Portfolio (Deputy)
0437 015 884
mtack@hinchinbrook.qld.gov.au
SERVICE TO COUNCIL: 2012 TO PRESENT

"It is an honour and a privilege to have been re-elected to serve the community. In the past year Council has made large investment in new computer systems and technologies.

Increasingly Councils are asked to do more with less and this trend is only set to continue. Council needs to take leadership in this role to get the best possible outcome for residents. Innovation is the key."

THE FOLLOWING PEOPLE WERE ELECTED MEMBERS OF COUNCIL UNTIL THE 2016 ELECTION

Rodger Bow	Mayor from 10 May 2012 to 24 March 2016
Patrick Lynch	Member of Council from 1997 to 2000, 8 April 2008 to 9 May 2012 Deputy Mayor from 10 May 2012 to 24 March 2016
Sherry Kaurila	Member of Council from 5 April 2000 to 24 March 2016 – Retired
Lawrence Molachino	Member of Council from 6 April 2004 to 24 March 2016 – Retired
David Carr	Member of Council from 10 May 2012 to 24 March 2016

2015/2016 COUNCIL COMMUNITY EVENTS

JULY

- NAIDOC Week Silk Screen Printing Workshops (TRAG)
- Camerata of St John's – Qld Chamber Orchestra (TYTO Amphitheatre)
- Bazza the Barramundi
- Workshop 1 – Paper Mache (TRAG)
- Food Art Workshops (HSL)

AUGUST

- Seniors Week – Free Art (CEC)
- Workshops – Mastering (CEC)
- Watercolour and Acrylic Painting Techniques (CEC)
- Seniors Expo (TYTO)

SEPTEMBER

- 37th Hinchinbrook Art Awards (TRAG)
- Handmade in Hinchinbrook (TYTO)
- School Holiday Program (TYTO)

OCTOBER

- South Pacific Taekwondo (TYTO)
- Sunday Kids Craft (TYTO)
- Exhibition: Ingham Community Kindergarten – Walk on the Wildside (TRAG)

NOVEMBER

- Christmas in Hinchinbrook – Mayor's Light Up the Tree Event (Rotary Park)
- Our dreaming – Animated Country (HSL)
- The 'BIG' Picture – Art Workshop with Robyn Barrie (TYTO Inflight)

DECEMBER

- Summer Reading Club (HSL)
- Christmas in Hinchinbrook (Rotary Park)

JANUARY

- Freestyle Audio – Making Music (DDCS)
- Sugar Tracks – Heritage Display and Tour (TYTO)
- Exhibition: In Memory of our Heroes – 31st Battalion – The Kennedy Regiment Mini Museum (TRAG)

FEBRUARY

- Hinchinbrook Bird Count (TIWC)
- Exhibition: Beetroot by David Rowe (TRAG)
- First 5 Forever Launch (HSL)
- First 5 Forever – Storytime (HSL)

MARCH

- NQ Regional Volunteers Conference (CEC)
- Active Girls Only – Youth Fitness (TYTO)
- eSkills Classes (HSL)
- First 5 Forever – Baby Bop (HSL)

APRIL

- Hinchinbrook Regional Skateboarding Championships (TYTO Inflight)
- Tea and Trivia for Seniors (CEC)
- Australian Trivia Week
- Sunday Sessions (TYTO Amphitheatre)
- National Premier Leagues Game

MAY

- Forrest Beach Water Security Pipeline Official Commissioning Ceremony
- Tasman Turtles Picnic Day (TYTO Parklands)
- Digital Storytelling Club (DDCS)
- Nutritional Workshops for Women

JUNE

- Functional Fitness for over 40's (TYTO)
- Movie Magic (TYTO Inflight)
- Artist in Residence (TYTO Parklands)
- Traveller's Table (TYTO Parklands)
- Hinchinbrook Market Day (TYTO Parklands)

TRAG - TYTO Regional Art Gallery
HSL - Hinchinbrook Shire Library
DDCS - Double Daw Creative Studio

TIWC - TYTO Information and Wetlands Centre
CEC - Conference and Events Coordinator



Hinchinbrook Shire Council is committed to hosting community events throughout the Shire that engage, educate and inspire our community. The events listed are only a small summary of what was achieved in the 2015/2016 financial year with over 300 events taking place during this time. These included regular events such as Movie Magic, Handmade in Hinchinbrook Market, Sunday Session, craft activities and storytimes.

Image: Public artwork by Hinchinbrook artist Daniel Kornelieussen being installed, TYTO Precinct.

CEO'S MESSAGE



I am pleased to present my report for the 2015/2016 financial year. Infrastructure continues to have a major focus and Council delivered a significant \$11.6 million of capital expenditure.

In January this year, Council employed seven trainees and five apprentices. This was the first time that trainees and apprentices have been employed in Council for many years. It was also pleasing to note that Council was a regional finalist in the Queensland Training Awards in relation to this initiative.

Significant progress was made towards developing a new Town Planning Scheme subject to final adoption by Council and subject to State interest check and community consultation. Two very significant documents being the Freshwater Retention Basin Feasibility Study and the North South Solution Feasibility Study were also adopted by Council.

Again in 2015/2016 Council continued to participate with local service providers and regional neighbours in raising awareness of flood and cyclone preparedness. Only through constant vigilance in this space will we go some way to avoiding human tragedy and minimising property loss in future events.

Councillors have continued to pursue an active program of engagement including site specific shed meetings across the communities. Councillors have also been proactive in seeking input from our various Progress Associations, the Hinchinbrook Chamber of Commerce, Industry and Tourism and Canegrowers Herbert River.

Local Government is the closest form of Government to the community and together Councillors, staff and our volunteers through their dedication and commitment continue to provide many services and outcomes for the Hinchinbrook community. Our aim is to make the Hinchinbrook region a better place to live.

A handwritten signature in black ink, reading 'D. McKinlay'.

Dan McKinlay
Chief Executive Officer

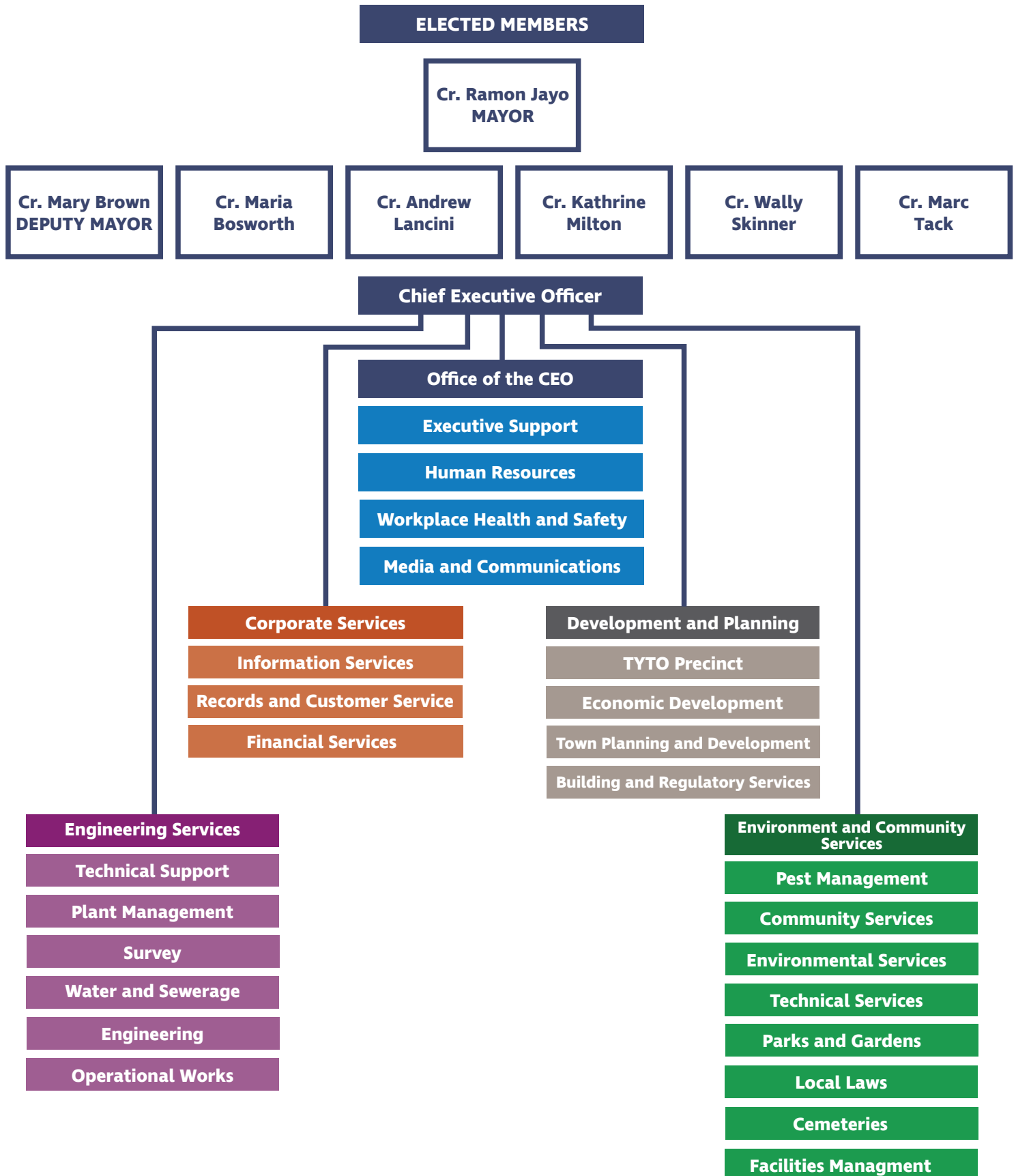


EXECUTIVE MANAGEMENT TEAM

	CORPORATE SERVICES	DEVELOPMENT AND PLANNING
RESPONSIBILITIES	<ul style="list-style-type: none"> • Strategic Financial Management • Information Technology and Communication Services • Customer Services • Records Management • Finance and Accounts • Governance 	<ul style="list-style-type: none"> • Economic Development • Town Planning • Building and Regulatory Services • TYTO Precinct
HIGHLIGHTS	<ul style="list-style-type: none"> • Successfully maintaining the financial resources of Council • Overseeing Council's operations to be within Budget for 2015/2016 • Successful completion of the year's statutory accounts, including an unqualified audit report • Successful completion of the financial management of the Natural Disaster Relief and Recovery Arrangements (NDRRA) Program • Continued successful delivery of the internal audit program • Continued successful management of Council's Governance activities • Oversight of the successful introduction of new financial system 	<ul style="list-style-type: none"> • Participation with the North Queensland Economic Development Practitioners Network • Commencement of a new town plan • Implementation of an events program at TYTO • Continuation of a trial RV parking site at TYTO • Employment of a Senior Economic Development and Tourism Officer • Employment of a Conference and Events Coordinator at TYTO
CHALLENGES	<ul style="list-style-type: none"> • Management of ever-changing IT environment • Managing cash flows that have significant external influences (ie NDRRA activity) • Ongoing management of budgetary pressures • Introduction of new finance system 	<ul style="list-style-type: none"> • Resourcing constraints for economic development initiatives and planning compliance • Attracting suitably skilled staff to fill positions

ENGINEERING SERVICES	ENVIRONMENT AND COMMUNITY SERVICES	OFFICE OF THE CEO
<ul style="list-style-type: none"> • Roads • Drainage • Water and Sewerage Services • Technical Support • Assets and Geospatial Information Services • Plant Management • Survey 	<ul style="list-style-type: none"> • Environmental Health • Business Licensing • Mosquito Control • Animal Management • Local Laws • Cemeteries • Waste Management • Public Amenities • Natural Resource Management • Parks and Gardens • Community Services • Facilities Management • Disaster Management 	<ul style="list-style-type: none"> • Human Resources • Workplace Health and Safety • Executive Support • Media and Communications
<ul style="list-style-type: none"> • Undertaking major seal extension works on identified roads within the Shire • Maintaining a good quality water supply with no drinking water quality issues • Successfully completing the Forrest Beach Pipeline Project on time and under budget with internal staff and local contractors • Completing the full replacement and upgrade of the Lannercost Extension Road Bridge on time and fully funded by the Roads to Recovery Program 	<ul style="list-style-type: none"> • Securing \$560,000 of external funding via Get Ready Plus for the construction of the Ingham Showgrounds Covered Multi Purpose Sports Arena • Introduction of the Hard Rubbish Support Program for eligible residents in conjunction with Council's project partner Hinchinbrook Community Support Centre • Introduction of virtual waste vouchers for Halifax Transfer Station • Review of waste management practices and adoption of new services for next financial year • Commissioning of a pilot solar power system at the Hinchinbrook Aquatic Centre • Commencement of the Pelorus Island Feral Goat Eradication Program 	<ul style="list-style-type: none"> • Hinchinbrook Shire Council and Hinchinbrook Disaster Information Facebook pages • Strengthening of recruitment practices • Community shed meetings • Reduced proposed general rate for 2016/2017 • Seven trainees and five apprentices employed • Drug and Alcohol Policy introduced • Performance Appraisal templates finalised for whole of organisation • Business Improvement Team implemented
<ul style="list-style-type: none"> • Completing the full implementation of Strategic Asset Management Software • Attracting suitably skilled staff to fill positions • Managing and completing annual maintenance and capital works programs with the additional burden of NDRRA • Managing community expectations regarding the unsealed road network and maintenance budget 	<ul style="list-style-type: none"> • Improving service levels of parks and reserves maintenance in the context of diminishing resources • Development of options for Flying Fox colony management for one of the very few sites in Australia home to four protected species • Reviewing cost of operation and identifying ways to increase financial efficiency 	<ul style="list-style-type: none"> • Media relations • Funding constraints, ability of community to pay • Devolution of responsibilities • Workplace Health and Safety

ORGANISATIONAL STRUCTURE



REPORTING SYSTEM



Council's 2015/2016 Annual Report demonstrates our desire to improve our commitment to accountability and transparency. The report provides an overview of our activities, actions and outcomes from the period of 1 July 2015 through to 30 June 2016.

This year we will again use the traffic light indicator system to give a visual representation to our performance in key areas. These areas link back to our 12 month Operational Plan and five year Corporate Plan. The Community Financial Report for this year commences on page 61.

As a resident, ratepayer, investor, business or community member you have an interest in understanding what Council is achieving. This report aims to give you that information in a user friendly format while fulfilling our legislative responsibilities to govern and deliver in an open and transparent manner.

Some of the information in this report is what Council is required to present, some is ancillary information that may be of interest and some is clearly provided for the feel good factor, to celebrate what we are and who we are as an organisation and as a community.

At a glance the following can be understood when referring to the traffic light system: being green is good, amber is ok and red is a situation requiring review.



More specifically a green marker indicates we are well on track to delivering our desired outcome, somewhere between 70% and 100% completion for this 12 month period.



An orange marker means progress has been made, somewhere between 30% and 70% of work has been done and there is more to come.

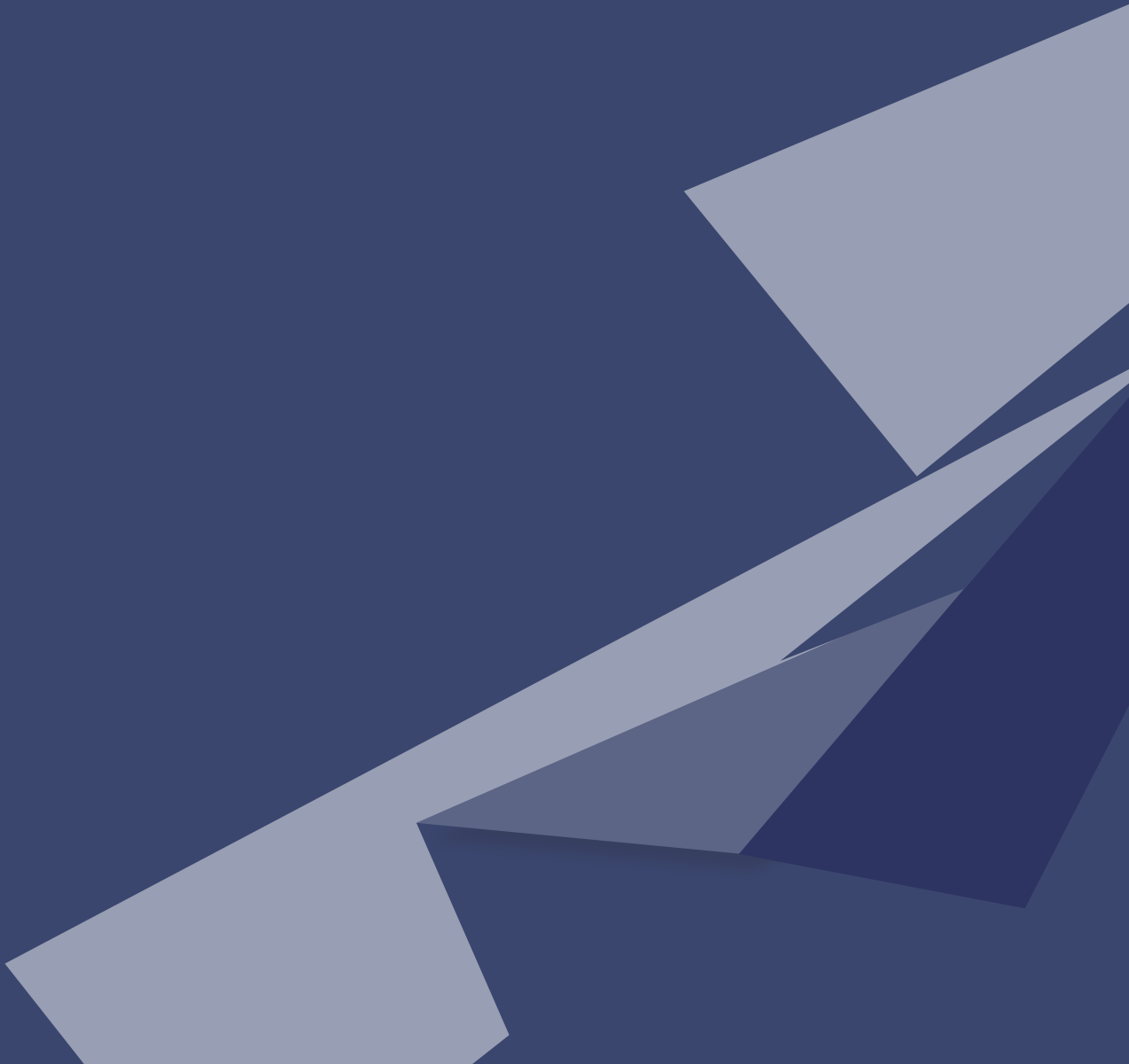


While a red marker means issues have arisen, less than 30% of the work or project has been completed and we need to pay attention to this matter moving forward and get things back on track, assuming that it is still a priority for Council.

Overall we are aiming for more greens than ambers and very few red.

The following pages detail Key Performance Indicators (KPI) that are taken from the 12 month Operational Plan.

Corporate and Operational Plan Outcomes



STRATEGIC DIRECTION ONE

FISCALLY RESPONSIVE AND RESPONSIBLE MANAGEMENT OF PUBLIC INFRASTRUCTURE AND ASSETS






Hinchinbrook Shire Council builds, owns and funds the maintenance of infrastructure that it sees as a benefit to the community. In some areas Council is the only entity that will perform the function of providing public infrastructure. Council provides public infrastructure on the basis that it is an asset to the community, that the community values the provision of this infrastructure and that the infrastructure provides a contribution to the community that is tangible, vital and essential.

Council is committed to supplying infrastructure in an efficient and coordinated manner that provides consistent delivery of services and is seen as value for money by the users of such infrastructure. Further, Council considers infrastructure provision with regard to the impacts on the natural environment, the value add of the amenity to existing infrastructure, and health and safety of the community.

Council will ensure a coordinated and integrated approach to infrastructure planning, implementation, maintenance and renewal. Public infrastructure and assets provided by Council can include:

- Road and drainage network
- Water and sewerage network
- Waste management and transfer station facilities
- Hinchinbrook Aquatic Centre
- TYTO Precinct
- Parks, gardens and reserves with pathways, structures, playgrounds, fitness equipment and picnic facilities
- Marine recreational infrastructure - boat ramps, jetties and fishing platforms
- Buildings, like the Shire Hall, smaller community halls and the Kelly Theatre

CORPORATE PLAN

PROGRESS	STRATEGIC DIRECTION
	1.1 Plan and execute timely preventative maintenance regimes that extend the useful life of roads, water and sewerage network infrastructure in a cost effective manner
	1.2 Plan and execute timely preventative maintenance regimes for building assets that extend the useful life in a cost effective manner
	1.3 Ensure that proposed extensions to road, water or sewerage networks have a demonstrated social and economic imperative
	1.4 Be open to innovative and alternate solutions for the provision of ongoing public infrastructure needs
	1.5 Ensure that public infrastructure contributes to lifestyle aspirations of current residents, underpins population attraction and acts as an enabler for economic growth in tourism in particular

CHALLENGES FACED DURING 2015/2016

- Council is constantly balancing public expectations regarding service levels and the available resources and budgets set aside to manage this infrastructure. This is compounded by a decreasing population and lack of growth which impacts Council's ability to increase revenue without rates increases. Effectively meaning Council is required to do more with less.
- With an economic downturn in the national and local economies our residents' ability to pay has been decreasing, while the operational costs faced by Council have not significantly changed. Increasing efficiency is the only way to continue to provide a constant level of service.
- Communities increasing expectations regarding unsealed roads which are typically low (daily average) traffic volumes other than during the cane harvesting session. These road conditions can deteriorate rapidly when higher than average traffic volume and rain events occur at the same time.
- Finalising Assets Management Plan.

KEY PROJECTS

1.1 PLAN AND EXECUTE TIMELY PREVENTATIVE MAINTENANCE REGIMES THAT EXTEND THE USEFUL LIFE OF ROADS, WATER AND SEWERAGE NETWORK INFRASTRUCTURE IN A COST EFFECTIVE MANNER

Asset Management Activities

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Continued refinement of long term asset management plans	1.1.1	Review and update asset management plans by June 2016	Engineering Services	Corporate Services

Following the review and data cleansing of the asset registers during 2015, commenced review and updating of the Asset Management Plans to reflect the current conditions of the assets and renewal programs required budget. As at June 2016 some outstanding work is required to be completed prior to finalising the plans for Council to adopt.

Sewerage and Water Assets

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Continued refinement of long term asset management plans	1.1.2	Complete development of sewerage and water asset maintenance manuals, including asset inspection regimes and intervention levels based on agreed levels of service by June 2016	Engineering Services	Corporate Services

Asset maintenance task schedules have been developed to manage and maintain the water and sewerage assets and maintain service performance in line with the levels of service defined in the customer service standard adopted by Council previously. Procedures for each task are aimed to be developed and compiled in the near future.

Roads Hierarchy

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Development of a roads hierarchy and associated service levels	1.1.3	Develop unsealed road maintenance management plan including procedures, resource register, program and cost benchmarking	Engineering Services	Corporate Services

Engineering Services have introduced a new and innovative inspection and monitoring regime for inspecting and maintaining the unsealed road network. Switching from reactive to more proactive road inspections and using a full time asset inspector and technology such as a rough-o-meter device fitted to a vehicle, with GPS enabled video cameras. A lot of information about the condition and performance of the unsealed road network can be captured quickly and accurately. Inspection Test Plans (ITP) for resheeting and grading of roads are planned to be finalised in the coming year to improve on duration periods before a road needs to be reworked.

Preventative Maintenance Regimes

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Planned preventative maintenance regimes are comprehensive in nature and costed for inclusion in ten year forward budgets	1.1.4	Sewerage and water 10 year preventative maintenance regimes are documented and included in ten year budgets by June 2016	Engineering Services	Corporate Services

Water and sewer main replacement programs have now been included in the 10 year capital works programs, along with sewer main relining programs, water meter replacement programs and value and hydrant testing and exercising programs and lastly a continuation of the manhole replacement program.

1.2 PLAN AND EXECUTE TIMELY PREVENTATIVE MAINTENANCE REGIMES FOR BUILDING ASSETS THAT EXTEND THE USEFUL LIFE IN A COST EFFECTIVE MANNER

Public Amenities

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Development of preventive maintenance plans for all building assets, including exit strategies for assets deemed surplus to needs	1.2.1	Preventative maintenance plan documented and included in ten year budgets 2015-2025 for the Lannercost Street building	Environment and Community Services	Corporate Services

Preventative maintenance has been prioritised according to the state of the asset and the importance of the maintenance work (e.g. public safety takes precedence over aesthetics). The amount of maintenance has been reduced to meet the existing budget.

1.3 ENSURE THAT PROPOSED EXTENSIONS TO ROAD, WATER OR SEWERAGE NETWORKS HAVE A DEMONSTRATED SOCIAL AND ECONOMIC IMPERATIVE

Reticulated Water to Forrest Beach

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Extension of the reticulated water supply to Forrest Beach	1.3.1	Complete Forrest Beach Water Security Project by 30 June 2016	Engineering Services	Corporate Services

This project was successfully delivered on time and under budget by internal staff and local subcontractors. The project was officially opened in June 2016 by Member for Townsville Scott Stewart MP on behalf of The Hon. Dr Anthony Lynham MP Minister for State Development and Minister for Natural Resources and Mines, under the, Royalties for the Regions Program.

Cane Expansion Areas

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Investigation of access to identified cane expansion areas in collaboration with industry stakeholders	1.3.2	Business case and funding models explored on a case by case basis	Development and Planning	Engineering Services

Council wrote to Wilmar asking whether they had plans to expand the cane network. They have no plans to expand the cane tramway network into the Allendale/Milton Road area.

1.4 BE OPEN TO INNOVATIVE AND ALTERNATE SOLUTIONS FOR THE PROVISION OF ONGOING PUBLIC INFRASTRUCTURE NEEDS

Ingham and Beaches Sewerage Upgrade Project

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Prior to the end of useful life of current assets review innovative and alternate solutions	1.4.1	Review and update priority infrastructure plan by June 2016	Engineering Services	Environment and Community Services

A request for an extension of time was submitted to the State Government due to the fact the current planning scheme is being updated and is yet to be approved by the State. Water and Sewerage hydraulic models have been developed to allow easy analysis of population forecast predictions.

1.5 ENSURE THAT PUBLIC INFRASTRUCTURE CONTRIBUTES TO LIFESTYLE ASPIRATIONS OF CURRENT RESIDENTS, UNDERPINS POPULATION ATTRACTION AND ACTS AS AN ENABLER FOR ECONOMIC GROWTH IN TOURISM IN PARTICULAR

Taylors Beach Boat Ramp

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Maintain access to and improve recreational boating and fishing facilities	1.5.1	Secure approvals and permits required to undertake first round of access management activities at Taylors Beach/Victoria Creek boat ramp completed by June 2016	Engineering Services	Development and Planning

This project was successfully completed in June on time and under budget. It is continuing to be monitored to determine the rate of sand infill, however to date this has been well below expectations and indicate that maintenance dredging every two years may be sustainable.

Dungeness Fishing Platform

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Maintain access to and improve recreational boating and fishing facilities	1.5.2	Extension to the Dungeness parking area completed by June 2016	Engineering Services	Development and Planning

Designs have been completed and Engineering Services have been progressing a Road Opening Application over the area to facilitate the commencement of construction. Construction will commence following negotiations with Indigenous representatives to identify if any areas of cultural significance exist and need to be preserved.

Parks and Reserves Hierarchy

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Development of a parks and reserves hierarchy and associated service levels	1.5.3	Complete development of a parks and reserves hierarchy by June 2016	Environment and Community Services	Corporate Services

The Parks and Reserves Hierarchy and Maintenance Schedule have been developed as planned. Further work is planned for 2016/2017 to better reflect the cost of operation in these works. First stage of constructing the car park hard stand is set to be completed in the 2016/2017 financial year.

Refurbishment of CBD toilets

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Refurbishment of CBD public toilets	1.5.4	Replacement toilet facility established on Townsville Road by 30 August 2015	Environment and Community Services	Corporate Services

Replacement toilet facility constructed and commissioned as planned.

STRATEGIC DIRECTION TWO

RESPONSIVE AND RESPONSIBLE MANAGEMENT OF LAND

Hinchinbrook Shire Council seeks to achieve a sustainable, well managed and enviable natural and built environment. That is a Shire that provides a balance between the development of built infrastructure, demonstrating sound land use principles, while valuing the conservation of our diverse natural resources for the enjoyment of all. This will be achieved by delivering an enabling Town Planning Scheme, by the development of natural resource management plans, and increasing community awareness of associated issues.

CORPORATE PLAN

PROGRESS	STRATEGIC DIRECTION
	2.1 Delivery of a robust and meaningful Town Planning Scheme
	2.2 Provision of reliable flood data and intelligence
	2.3 Riverine and riparian environment and management
	2.4 Natural Resource Management

CHALLENGES FACED DURING 2015/2016

- Hinchinbrook's location on a flood plain increases the cost and complexity for the built environment
- The Shire's proximity to our wonderful World Heritage Areas requires more careful consideration and management
- Steady reduction in amount of funding in State and Federal funding for Natural Resource Management projects

KEY PROJECTS

2.1 DELIVERY OF A ROBUST AND MEANINGFUL TOWN PLANNING SCHEME

Strategic Framework – Town Planning Scheme

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Consultation for and development of a new Town Planning Scheme that acts as an enabler for lifestyle aspirations, supports population growth and the realisation of opportunities	2.1.1	Commence draft planning scheme codes by December 2015	Development and Planning	Engineering Services

The draft plan was recommenced and the Strategic Framework was submitted to Department of Infrastructure Local Government and Planning (DILGP) for State agency approval which was received. The flooding code review was undertaken and was peer reviewed by Dr Mark Jempson. The Planning Scheme draft was then sent to the DILGP for further review. Recommendations were received back from the State.

Codes – Town Planning Scheme

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Consultation for and development of a new Town Planning Scheme that acts as an enabler for lifestyle aspirations, supports population growth and the realisation of opportunities	2.1.2	Commencement of drafting of planning scheme codes by June 2015	Development and Planning	Engineering Services

This was not achieved due to the need to undertake a full review of the Shire Flood Study. The draft plan was referred to the State for review.

Regularisation of Levies

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Regularisation of levies	2.1.3	Implementation of criteria developed to regulate levee construction by June 2016	Development and Planning	Engineering Services

Consideration was given to the Land, Water and Other Legislation Amendment Act 2013. The implementation of this legislation did not require the development of separate Council criteria.

2.2 PROVISION OF RELIABLE FLOOD DATA AND INTELLIGENCE

Revised Flood Study

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Revision of the existing flood study	2.2.1	Revised flood study developed by December 2015 to inform the development of the Town Planning Scheme	Development and Planning	Engineering Services

The revised flood study was undertaken and completed by December 2015.

2.3 RIVERINE AND RIPARIAN ENVIRONMENT AND MANAGEMENT

Funding of the Herbert River Improvement Trust

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Funding of the Herbert River Improvement Trust	2.3.1	Funds allocated and payment made by October 2015	Office of the CEO	Corporate Services

Council contribution for 2015/2016 was paid to the Herbert River Improvement Trust.

2.4 NATURAL RESOURCE MANAGEMENT

Pest and Weed Management – Vector Control and Public Education

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Pest and weed management activities	2.4.1	Continuous monitoring and improvement of vector control practices and public education delivered by June 2016	Environment and Community Services	Engineering Services

All planned vector control operations have been delivered as planned. Dengue education was carried out. No Dengue or other vector borne disease outbreak was notified in Hinchinbrook.

Hinchinbrook Pest Management Plan

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Pest and weed management activities	2.4.2	Implement the Hinchinbrook Pest Management Plan in co-operation with primary producers and other key stakeholders by June 2016	Environment and Community Services	Engineering Services

The objectives of the Hinchinbrook Pest Management Plan were implemented as planned and consistent with priorities and existing budgets and funding streams. The Plan was reviewed and updated.

Hinchinbrook Community Feral Pig Management

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Pest and weed management activities	2.4.3	Continue the Hinchinbrook Community Feral Pig Management Program – implement all activities by June 2016	Environment and Community Services	Engineering Services

The Hinchinbrook Community Feral Pig Management Program was continued and included the coastal areas funded through the Nest to Ocean Turtle Protection Program.

Revegetation Projects

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Involvement in catchment management activities	2.4.4	Flying Fox Roost Management Program implemented by 30 June 2016	Environment and Community Services	External agencies

Very limited success in flying fox management due to legal limitations. Management program partly developed and implemented, with Statement of Management Intent planned to be adopted 2016/2017.

Reef Guardian Action Plan

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Involvement in catchment management activities	2.4.5	Develop, assist with and carry out revegetation projects including promotion of National Tree Planting Day by June 2016	Environment and Community Services	External agencies

All planned activities carried out.

STRATEGIC DIRECTION THREE

RESPONSIVE AND RESPONSIBLE LOCAL REPRESENTATION

Councillors will provide strong local leadership, underpinned by responsible governance processes, demonstrating respect for the democratic process. Councillors will communicate openly, be accountable for decisions made and be willing to engage with the community.

Council will advocate to State and Federal Governments and agencies to deliver outcomes that address the needs of our community.

Council will create an organisation that is empowered to act and develops an internal capacity to respond and to change. Council will seek to be aware of external factors that impact on Local Government as a whole and on Hinchinbrook specifically.

CORPORATE PLAN

PROGRESS	STRATEGIC DIRECTION
	3.1 Councillor two way engagement with our community
	3.2 Communication with the community
	3.3 Influencing other levels of Government
	3.4 Policy and Procedure
	3.5 Organisational Capacity

CHALLENGES FACED DURING 2015/2016

- Building organisation capacity during a continuing year of lack of ratepayer growth, pressure on cost of doing business and increasing demand on services.

KEY PROJECTS

3.1 COUNCILLOR TWO WAY ENGAGEMENT WITH OUR COMMUNITY

Community Shed Meetings

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Community Shed Meetings	3.1.1	Hold annual community shed meetings	Office of the CEO	All

Community shed meetings were held across the Shire as programmed.

Councillor Representation

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Provide Councillor representation at recognised community group meetings	3.1.2	Facilitate an annual review of Councillor nominations for representational roles	Office of the CEO	All

Councillor nominations were received and representation continues throughout the community group meetings. Representations were reviewed and readopted as a result of the new Local Government elections.

3.2 COMMUNICATION WITH THE COMMUNITY

Annual Communication Plan

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Communications Plan developed and executed	3.2.1	Annual communication plan developed and presented to Council by September 2015	Office of the CEO	All

2015/2016 Communications Plan finalised with Council in August 2015, along with results from 2014/2015 Plan.

Communication Plan Activity Report

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Communications Plan developed and executed	3.2.2	Activity and outcome report presented twice a year to Councillors	Office of the CEO	All

Activity and outcome report presented to Councillors twice during the financial year.

Media Policy

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Communications Plan developed and executed	3.2.3	Media Policy reviewed by September 2015	Office of the CEO	All

2015/2016 Media Policy was adopted by Council on 24 November 2015.

Online Content

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Further development of online content	3.2.4	Facebook pages for Council, TYTO and Hinchinbrook Disaster Management further developed	Office of the CEO	All

Social media continues to be reviewed. Redeveloping Council website is a high priority for the Media and Communications Officer.

Ratepayers Newsletter

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Continued publication of rate payers newsletter	3.2.5	Three ratepayer newsletters published by June 2016	Office of the CEO	All

Three ratepayer's newsletters were published during the financial year.

3.3 INFLUENCING OTHER LEVELS OF GOVERNMENT

Rates Relief Policy

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Advocate for the provision of youth social services delivered locally	3.3.1	Support for local not for profit providers by way of the rates relief policy	Office of the CEO	Corporate Services

Rates Relief Policy was adopted in June 2016 as part of the 2016/2017 budget process.

Grant Funding

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Advocate for the provision of youth social services delivered locally	3.3.2	Review the grant funding service as provided by the Hinchinbrook Community Support Centre by June 2016	Office of the CEO	Corporate Services

Council continued to fund the Community Grants Officer position operated by the Hinchinbrook Community Support Centre, which applied for \$138,532 in funding for local community groups.

Advocacy Role - Youth Social Services

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Advocate for the provision of youth social services delivered locally	3.3.3	On an as identified basis an advocacy role with other levels of government and service providers of youth social services	Office of the CEO	Environment and Community Services

Advocacy role was applied as appropriate.

Advocacy Role - At Risk Community Members

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Support for community health service providers to address the needs of at risk community members	3.3.4	On an as identified basis an advocacy role with other levels of government and service providers of programs to address the needs of at risk community members	Office of the CEO	Environment and Community Services

Advocacy role applied as required.

Regional Agenda

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Support for community health service providers to address the needs of at risk community members	3.3.5	Implement TYTO activities focused on seniors	Office of the CEO	Development and Planning

A regular monthly event during the TYTO Event Season 'Tea and Trivia' was held. A health provider or social service representative was invited to display and/or provide specialist services within this event ie Tweak Fitness attended, discussing with the seniors a variety of mobility exercises that can be done at home on a daily basis, healthy diets and also additional local activities such as Function Fitness for over 40's for the more active seniors of the group.

Hinchinbrook Shire Library's eSkills classes have proven to be a great success with the Senior community. The Library has provided 171 contact hours operating these classes with the majority being provided by volunteer and facilitator Joyce Press. 1140 patrons attended these sessions in 2015. Originally commencing with one (1) class, demand has increased this to three (3) per Thursday.

LGAQ Conference

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Advocate for the delivery of the State's rationalisation agenda specifically as it relates to population growth and regional investment.	3.3.6	Participate in State government forums to influence the regional agenda	Office of the CEO	Development and Planning

Council participated in the Northern Queensland Economic Summit 2015 held in Cairns. Former Mayor Rodger Bow and Executive Manager Development and Planning met with the Minister for Tourism and Major Events Kate Jones MP regarding tourism matters.

LGAQ Conferences

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Membership of LGAQ and participation in relevant discussions and agendas	3.3.7	State and Regional LGAQ conferences and meetings attendance	Office of the CEO	Nil

Attended LGAQ events as appropriate. Also attended LGMA CEO Forums.

3.4 POLICY AND PROCEDURE

Procurement Policy

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Review of the organisational structure and resourcing in response to our strategic direction	3.4.1	Policy drafted in 2015/2016, amended and adopted early 2016/2017	Office of the CEO	All

Procurement Policy and Proceedure was significantly rewritten during the 2015/2016 financial year.

3.5 ORGANISATIONAL CAPACITY

Organisational Structure

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Review of the organisational structure and resourcing in response to our strategic direction	3.5.1	Present to Council a building organisation capacity adaptability report by 31 December 2015. This will reflect LGAQ's Better Councils Better Communities Productivity and Performance Project.	Office of the CEO	All

Report presented to previous Council in February 2016. Financial Health Review and New Term Outlook Report being undertaken by Orion Consulting.

Employee Induction Program

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Review of the organisational structure and resourcing in response to our strategic direction	3.5.2	Implement a program of introducing apprentices and trainees into Council for 2015/2016	Office of the CEO	All

Human Resources – Staff Attendance Ordinary Meeting

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Review of the organisational structure and resourcing in response to our strategic direction	3.5.3	Implement a corporate culture program into Council by 30 June 2016	Office of the CEO	All

Performance Appraisals across the organisation were largely completed by 30 June for rollout 2016/2017. Position Description Reviews occurring. Significant Drug and Alcohol Policy rolled out to all in Council with compulsory training sessions.

Business Improvement Team

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Review of the organisational structure and resourcing in response to our strategic direction	3.5.4	Implement a cross Council Business Improvement Team by 31 July 2016	Office of the CEO	All

Team implemented September 2015 with cross department representation. IT review one of the key priorities.

Staff Training

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Development of our human resources	3.5.5	Workplace specific training identified and delivered on an as needs basis	Office of the CEO	All

Scheduled training implemented.

Staff Attendance Ordinary Meeting

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Development of our human resources	3.5.6	Ensure all staff have an opportunity to attend an ordinary meeting of Council within their first 12 months of employment	Office of the CEO	All

Not implemented during the 2015/2016 financial year.

Code of Conduct

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Development of our human resources	3.5.7	Annual delivery of the Code of Conduct training to all employees	Office of the CEO	All

Ongoing as required.

Workplace Training

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Development of our human resources	3.5.8	Workplace training identified and delivered on an as needs basis	Office of the CEO	All

A number of specific workplace training activities occurred during the financial year eg. work at heights, confined spaces etc. All staff attended compulsory drug and alcohol training.

Performance Appraisals

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Development of our human resources	3.5.9	Review position descriptions and implement performance appraisals for all staff for 2015/2016	Office of the CEO	All

Performance Appraisals across the organisation were largely completed by 30 June for rollout 2016/2017. Position Description reviews occurring.

Drug and Alcohol Policy

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Development of our human resources	3.5.10	Implement a drug and alcohol policy by 31 August 2015	Office of the CEO	All

A significant Drug and Alcohol Policy was implemented and all staff attended compulsory drug and alcohol training as part of the rollout.



STRATEGIC DIRECTION FOUR

COUNCIL'S ROLE IN CREATING AN ENVIABLE LIFESTYLE AND CONTRIBUTION TO THE WHOLE OF LIFE LIVEABILITY OF OUR SHIRE

Notwithstanding the delivery of roads, water and sewerage networks, Council makes many other contributions to our community to endeavor to create a highly desirable environment, where lifestyle, liveability and prosperity are key outcomes. Our community values our relaxed lifestyle and seeks to preserve this in tandem with creating a healthy, vibrant and inclusive place to live.

Arts and culture are an integral part of life for our communities. Council recognise the importance arts and culture plays in our region and is committed to developing and expanding arts and cultural activities that have the capacity to enrich the lives of our residents. Council actively supports arts and cultural groups through its ongoing support for the Regional Arts Development Fund, together with its community donations program.

Community partnerships are about Council working with residents, community groups and other government agencies to improve the social well-being of the community, making our community a more desirable place to live. It is about partnerships, building capacity, listening to and learning from the community and building the future together.

Council acknowledges the issues of our ageing population and will work to identify strategies to support the needs of older people. We want to recognise the skills and experience of older people to ensure they feel valued and supported in our community. Council sees direct employment opportunities and support service provision for older people as a way to diversify our employment base and assist in the attraction of new residents to Hinchinbrook.

CORPORATE PLAN

PROGRESS	STRATEGIC DIRECTION
	4.1 Arts and Cultural Investment
	4.2 Provision of Recreation Opportunities
	4.3 Community Partnership Support
	4.4 Living well over 60 with a highly desirable lifestyle
	4.5 Regulatory Functions that underpin liveability
	4.6 Educational opportunities that support population attraction

CHALLENGES FACED DURING 2015/2016

- Being able to target providers that would attract a range of individuals, couples, families and businesses to the region, continuing to the creation of a new economy and better jobs.
- The rapidly ageing demographic requires more specialised approaches to addressing issues.

KEY PROJECTS

4.1 ARTS AND CULTURAL INVESTMENT

TYTO Signature Event

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Maximise the use of the TYTO Precinct for the delivery of arts and cultural programs	4.1.1	Annual signature event for TYTO	Development and Planning	Environment and Community Services

Tasman Turtle Picnic Day, the introduced signature event in 2014/2015 and grew in 2015/2016.

The event was developed to target families, initially in the local Shire and Regional Tourism Organisation. All objectives were achieved in 2015/2016 with an increase in attendance of 111.47%. An additional 142 workshop facilitators/entertainers participated and hence created employment within the region. 50 Army cadets also participated with a joint late entry exercise after a date change due to wet weather.

The event target audience was the family demographic, those with children primarily 5-13yrs from Hinchinbrook and surrounding areas with emphasis on the Townsville region for day trippers.

The concept revolved around creating a character, outside of birdlife, to add to TYTO's appeal for the aforementioned demographic. Tasman Turtle lives at TYTO and is a grand adventurer. He loves to explore and discover the world. He's arty, smarty, sporty and always smiley. He is alive with curiosity for art, culture, nature and knowledge. He's always having fun with his family and friends and he wants you to join in and come on an adventure too.

Events to attract tourists

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Maximise the use of the TYTO Precinct for the delivery of arts and cultural programs	4.1.2	Provide events and activities to attract visitors from the Townsville Region	Development and Planning	Environment and Community Services

The TYTO Event Programme was developed with generic yet appealing events that would attract a wide variety of patrons from our regional area with Townsville a core hub. With this in mind an increase in advertising in the Townsville market was done via DUO Magazine with distribution to over 400 locations including local outlets (5) and distribution of the TYTO Event Programme from Port Douglas to the Whitsundays to 61 outlets (this is excluding local distribution which is 219 outlets).

Based on the presented events including but not limited to Hinchinbrook Market Day, Sunday Sessions, Camerata, Tasman Turtle Picnic Day within the TYTO Event Programme, 57 in total for 2015/2016, this is an increase of events from 2014/2015 of 96.55% and an increase in attendance of 7,414 which is an increase of 134.79%.

Regional Arts Development Fund

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Continued funding of the Regional Arts Development Fund program	4.1.3	Implement and assess applications in accordance with the new RADF guidelines implemented by the State Government from July 2015	Development and Planning	Environment and Community Services

RADF has continued successfully to meet the needs of the Shire through funding of art and cultural programs. Hinchinbrook Shire Council was successful in securing extra funding with changes in the application guidelines and hence Councils now needing to apply via a grant system. TYTO Regional Art Gallery not only secured funding but garnered an extra \$3,667 in funding for projects outside of Council's mandatory percentage matching. This was due to introduced activities and workshops to address Council identified needs within the community as per the Corporate Plan 2014-2019.

4.2 PROVISION OF RECREATION OPPORTUNITIES

External Funding for Fresh Water Recreational Facility Feasibility Study

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Exploration of fresh water recreation facility	4.2.1	Commence communications phase of the study to give to the community, results of the Freshwater Retention Feasibility Report	Development and Planning	Environment and Community Services

Reports have now been released to the public for comment.

Kelly Theatre Lease

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Continued community partnerships for the delivery of services at the Kelly Theatre and Hinchinbrook Aquatic Centre	4.2.2	Continue engagement with the lessees of the Kelly Theatre	Environment and Community Services	Development and Planning

Continued cooperation with Ingham Disability Support Group.

Hinchinbrook Aquatic Centre Lease

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Continued community partnerships for the delivery of services at the Kelly Theatre and Hinchinbrook Aquatic Centre	4.2.3	Continue engagement with the lessees of the Hinchinbrook Aquatic Centre	Environment and Community Services	Development and Planning / Engineering Services

Continued engagement with the lessees of the Hinchinbrook Aquatic Centre. A number of disability access improvements were implemented, along with significant maintenance works.

School Holidays Program

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
School holidays program featuring children/youth activities	4.2.4	Delivery of a TYTO based school holiday program during the September, January and April school holiday periods	Development and Planning	Environment and Community Services

TYTO delivered an extensive holiday programme in the following periods.

Jun/Jul 2015	June 27 to July 12	18 Events
Sept/Oct 2015	September 19 to October 4	25 Events
Dec/Jan 2016	December 12 to January 24	14 Events
Mar/Apr 2016	March 25 to April 10	25 Events

Festivals and Events

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Continued support for Hinchinbrook based events that provide both economic returns by way of visitation and opportunities for participation by the community	4.2.5	Budget provision made to support a mix of Hinchinbrook based events	Development and Planning	Environment and Community Services

Applications were called under Council's Festival and Events Policy. These were assessed and funding was distributed to various local festivals and events which provide an economic benefit to the Shire. A total of 20 organisations received funding totalling \$94,184.50. These events brought approximately 10,180 people to the Shire for a total number of 26 nights.

4.3 COMMUNITY PARTNERSHIP SUPPORT

Community Partnership Support

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Continue to provide funding for community groups to deliver on the wider social welfare agenda	4.3.1	Apply the policy and procedure for community grants and provide financial and non financial assistance to community groups	Environment and Community Services	Corporate Services

Through it's Community Grants funding stream, Council has provided a total of \$102,438 to 28 community programs run by 26 community groups and non for profit organisations. The majority of this funding (\$84,472) was budgeted funding (long term commitments) and the balance of \$17,966 was unallocated funding granted to new projects.

4.4 LIVING WELL OVER 60 WITH A HIGHLY DESIRABLE LIFESTYLE

Forrest Glen Retirement Village

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Advocate for adequate local facilities and services to support older residents, particularly those that allow them to live longer in their own homes	4.4.1	Progress the handover of ownership of Forrest Glen Retirement Village to the Hinchinbrook Community Support Centre	Environment and Community Services	Office of the CEO

Handover is dependant on finalisation of the Native Title Claim process for the land required for the Forrest Glen on site water treatment system.

Advocacy Role – Older Residents

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Advocate for adequate local facilities and services to support older residents, particularly those that allow them to live longer in their own homes	4.4.2	On an as identified basis an advocacy role with other levels of government and service providers of programs to address the needs of older residents	Office of the CEO	Environment and Community Services

Draft Hinchinbrook Ageing in Place Strategy well advanced by 30 June 2016.

Checklist of Essential Features of Age Friendly Cities

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Self-assess Hinchinbrook against the World Health Organisation Checklist of Essential Features of Age Friendly Cities	4.4.3	To be completed as part of the work done in support of the new planning scheme by June 2016	Development and Planning	Environment and Community Services

A contractor was engaged to undertake Ageing in Place Report study. A series of workshops were held with local residents as well as a survey being undertaken. A draft report has been prepared for Council consideration.

Plan to Address Shortcomings

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Plan to address shortcomings	4.4.4	Report prepared for Council with budget items for consideration in 2015/2016	Development and Planning	Environment and Community Services

This was not completed.

4.5 REGULATORY FUNCTIONS THAT UNDERPIN LIVEABILITY

Response to Animal Complaints

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Provide meaningful Animal Control Services	4.5.1	Respond to complaints in a timely manner and execute appropriate actions	Environment and Community Services	External Agencies

Council officers received and attended 29 dangerous/threatening animal complaints, 33 barking complaints and 129 roaming complaints. 106 animals were impounded, with the majority being returned to their owners or rehomed. Only seven animals out of 106 were euthanised.

Re-home Unwanted Animals – Welfare Organisation Partnership

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Provide meaningful Animal Control Services	4.5.2	Respond to complaints in a timely manner and execute appropriate actions	Environment and Community Services	External Agencies

In partnership with community organisations, officers were able to re-home 29 animals.

Response to Business Licensing Complaints

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Provide meaningful business licensing activities	4.5.3	Respond to complaints in a timely manner and execute appropriate actions	Environment and Community Services	External Agencies

32 Food related complaints were investigated in 2015/2016

Business Licensing

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Provide meaningful business licensing activities	4.5.4	Continue to provide opportunities for business owners to meet their compliance responsibilities	Environment and Community Services	External Agencies

Most business operators have continued to comply with their legal obligations concerning licensing and have provided a high level of food safety to their patrons.

Regulatory and Enforcement Action

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Provide timely building regulatory functions and enforcement action as necessary	4.5.5	Respond to complaints in a timely manner and execute appropriate actions that safe guard the public interest	Development and Planning	Engineering Services

Council continued to respond to complaints and undertook actions as necessary with regard to building enforcement.

4.6 EDUCATIONAL OPPORTUNITIES THAT SUPPORT POPULATION ATTRACTION

Ingham CBD Revitalisation Project

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Foster partnership opportunities with vocational and tertiary educational service providers	4.6.1	Continue to collaborate with James Cook University to establish course components within the Shire	Development and Planning	Environment and Community Services

Following the successful Ingham CBD revitalisation collaboration with James Cook University in March 2015; Associate Professor Lisa Law decided to deliver the subject EV5602, Urban Design Studio in Ingham in July 2015. 25 students attended the week long course in Ingham, injecting over \$10,000 into the local community, whilst collaborating with a diversity of local organisations and service providers to deliver a concept masterplan for Rotary Park. In August 2015 the concept masterplan was presented to Council. Council is yet to formally review the concept masterplan.

Ingham CBD Revitalisation Project

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Foster partnership opportunities with vocational and tertiary educational service providers	4.6.2	Continue to provide training and educational activities through the Hinchinbrook Shire Library	Development and Planning	Environment and Community Services

The Library has continued to provide learning opportunities for various age groups from story time with toddlers to computer upskilling for seniors.

Ingham CBD Revitalisation Project

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Foster partnership opportunities with vocational and tertiary educational service providers	4.6.3	Continue to participate in the Edu Tourism program	Development and Planning	Environment and Community Services

Council has continued to support James Cook University to develop and deliver edu-tourism content within the Hinchinbrook Shire. In 2015/2016 a total of sixty local and international students travelled to the Hinchinbrook Shire to undertake studies in Urban Design and Environmental Planning. The courses were delivered in Ingham and on Orpheus Island and directly contributed over \$15,000 into the local economy.

James Cook University has committed to continue delivering field based courses in 2016/2017 within the Hinchinbrook Shire.



Image: Local Ladies enjoying a morning of Tea and Trivia, TYTO Precinct.

STRATEGIC DIRECTION FIVE

COUNCIL'S ROLE IN CREATING AND SUPPORTING THE ECONOMIC PROSPERITY OF OUR SHIRE

The identification of opportunities to enhance the economic viability of our community is a key priority for Council. To this end we will implement strategies to achieve a strong and sustainable local economy that supports the growth of new and existing industry and business activities and provide long term employment opportunities for all age groups.

The focus of Council's Disaster Management Program is on minimising the effects of natural disasters on our community, both from an individual harm prevention minimisation perspective and more widely from an economic loss perspective. Council will continue to liaise with emergency service providers and will strive to build resilience and capacity in our communities to survive natural disaster events, to manage the immediate outcomes of such events and to thrive afterwards.

CORPORATE PLAN

PROGRESS	STRATEGIC DIRECTION
	5.1 Our Ingham CBD is attractive, alive and diverse
	5.2 Support for business diversity and employment growth
	5.3 Tourism development
	5.4 Natural disaster management
	5.5 Shire wide branding

CHALLENGES FACED DURING 2015/2016

- Continuing to fund these activities whilst limiting the financial burden on ratepayers
- Attracting sufficient local enrolments for economic development and tourism workshops

5.1 OUR INGHAM CBD IS ATTRACTIVE, ALIVE AND DIVERSE

Ingham CBD Revitalisation Project – Master Plan

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
CBD refresh and associated actions	5.1.1	Deliver the CBD Revitalisation work in line with the objective set out in the Economic Development Strategy by June 2016	Development and Planning	Engineering Services

The scope of works across Townsville Road, Lannercost Street and Tully Street has been substantially completed with only the Townsville Road/Lannercost Street entry statement and installation of three (3) new rubbish bins to be finalised. The scope of works associated with Rotary Park is currently being reviewed by Council.

Ingham CBD Revitalisation Project – On-Ground Works

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
CBD refresh and associated actions	5.1.2	Deliver the associated on-ground works by December 2015	Development and Planning	Engineering Services

Works on Townsville Road were completed prior to December 2015. Works in Lannercost Street were substantially completed by late March 2016, with only the entry statement to be finalised and constructed. Works in Tully Street are substantially completed, with only one rubbish bin to be installed.

Increase Public Safety through the installation of CCTV

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
CBD refresh and associated actions	5.1.3	Increase public safety through the installation of CCTV by 30 June 2016	Environment and Community Services	Engineering Services

The CCTV system was installed within the agreed time frame and within budget.

Increase and Expansion of the Christmas in Hinchinbrook

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
CBD refresh and associated actions	5.1.4	Continuation and expansion of the Christmas in Hinchinbrook Project by December 2015	Environment and Community Services	Development and Planning

Christmas in Hinchinbrook was well received, with two individual events being held in Rotary Park. These were the Mayor's Light Up the Tree and Christmas Carols events.

Lannercost Street Toilet Block Refurbishment

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Refurbishment of CBD public toilets	5.1.5	Replacement of the public toilet facility located on Townsville Road by 30 August 2016	Environment and Community Services	Engineering Services

Completed as planned and below budget.

5.2 SUPPORT FOR BUSINESS DIVERSITY AND EMPLOYMENT GROWTH

Procurement Policy – Local Preference Mechanism

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Local buy first preference policy development	5.2.1	Policy drafted in 2015/2016, amended and scheduled for adoption in early 2016/2017 and adopted early.	Office of the CEO	All

Procurement Policy being significantly reviewed to deliver greater potential for local businesses to provide goods and services to Council.

Economic Development and Tourism Officer

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Employment of a dedicated Economic Development and Tourism Officer	5.2.2	Implement Economic Development Strategy and focus on short term actions. Work with Tropical Coast Tourism to partner on projects of benefit to the Hinchinbrook Shire	Development and Planning	Office of the CEO

Council decided to become a member of the Tropical Coast Tourism organisation. Council continued to undertake actions outlined in the current Economic Development Strategy Hinchinbrook 2020 as defined below:

PROJECT	STATUS
DYNAMIC CENTRES	
The Ingham CBD Master Plan	COMPLETED - Ingham CBD Master Plan adopted in July 2015
Hinchinbrook Planning Scheme	SIGNIFICANTLY PROGRESSING - Amended planning scheme being submitted to State Government for approval to publicly notify
FIELDS OF SUCCESS	
Boutique Farms Project	PROGRESSING - Boutique Farms report being prepared by Milford Planning in conjunction with Planning Scheme
AN AUTHENTIC DESTINATION	
Shire Brand Book and Style Guide	COMPLETED - Shire Brand Book and Style Guide adopted in February 2016
Shire Marketing Strategy	PROGRESSING - First draft for Councillor review by late September 2016
Drive Tourism Product	PROGRESSING - Drive maps completed and drive brochure being printed 16 September 2016. Detailed design for Hinchinbrook Way Drive destination nodes completed and distributed for quotation. Summary of project costs and timeframes to be presented to Councillors in mid-September 2016
Wallaman Falls Master Plan Project	PROGRESSING - Preliminary stakeholder discussions held in early 2016. Pending direction from Councillors to proceed with scoping study for Wallaman Falls
Hinchinbrook Island Gateway Project	PROGRESSING - Successfully lobbied State Government to create new marine access permit for Georges Point. Continuing work to facilitate changes to Hinchinbrook Island Management Plan to create new eco-tourism opportunities.
Ambassador Program	SIGNIFICANTLY PROGRESSING - Second phase to be launched in late October 2016
LOCAL KNOWLEDGE	
Architectural Style Guide	NO SIGNIFICANT ACTIONS
Flood Manuals	NO SIGNIFICANT ACTIONS

KEY ACTIONS SUMMARY

25% (15 MONTHS) OF THE WAY THROUGH FIVE YEAR PLAN (80 ACTIONS)

COMPLETED ACTIONS	SIGNIFICANTLY PROGRESSED ACTIONS	PROGRESSING ACTIONS	NO SIGNIFICANT ACTIONS
2 3%	27 34%	28 35%	22 28%

Herbert Resource Information Centre

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Funding of the Herbert Resource Information Centre (HRIC)	5.2.3	HRIC is no longer to continue after the 30 June 2015	Development and Planning	Nil

The HRIC was wound up and all remaining funds disbursed to the joint partners.

Hinchinbrook Chamber of Commerce, Industry and Tourism

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Funding of the Hinchinbrook Chamber of Commerce, Industry and Tourism	5.2.4	Budget allocation made and funds transferred by December 2015	Development and Planning	External Agency

Council again provided financial support to the Hinchinbrook Chamber of Commerce, Industry and Tourism and continued to support the Chamber with a number of their initiatives.

5.3 TOURISM DEVELOPMENT

Employment of a Conference and Events Officer

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Employment of a Conference and Events Officer	5.3.1	Position was filled in November 2015.	Development and Planning	Office of the CEO

Position was filled in November 2015.

Events at TYTO Activity Plan

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Event activity at the TYTO Precinct	5.3.2	Yearly activity plan formulated prior to the commencement of 2016	Development and Planning	Environment and Community Services

TYTO presented an extensive event/tour programme representing its four core pillars of *Art, Culture, Nature and Knowledge*. These are presented at the Precinct and throughout the Shire via the *TYTO Inflight Programme*. Core event programme runs from April to September.

Daily tours/attractions are presented as a self guided format via Sugar Tracks, activities and games through the interpretive centre at TYTO Information and Wetlands Centre and the Mini Military Museum 31st Battalion, The Kennedy Regiment. More extensive Guided Tours can also be booked.

TOTAL EVENTS FOR THE YEAR 2015/2016 – **547**

January – 32 events	April – 51 events	July – 53 events	October – 41 events
February – 46 events	May – 55 events	August – 51 events	November – 43 events
March – 45 events	June – 55 events	September – 45 events	December – 30 events (with a shutdown period)

Events at TYTO Activity Plan Presentation

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Event funding support program	5.3.3	Budget provision made to support a mix of Hinchinbrook based events	Development and Planning	Corporate Services

TYTO Precinct Manager alongside the Economic Development and Planning Executive Manager did not provide a 2015 outcome report, in lieu of this all statistics and outcomes related to activity and operations was presented in detail via monthly reporting. TYTO was introduced to the newly elected 2016 Council, 6 April, via a tour of all outlets and an overview of operations with an emphasis on the Event Programme and marketing within the Shire/Region.

Support Community Events

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Event funding support program	5.3.4	Budget provision made to support a mix of Hinchinbrook based events	Development and Planning	Environment and Community Services

Budget provision made to support a mix of Hinchinbrook based events to which attract visitors to the Shire.

Membership with Townsville Enterprise Limited

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Ongoing membership of Townsville Enterprise Limited	5.3.5	Yearly activity plan formulated prior to the commencement of 2016	Development and Planning	Environment and Community Services

Council continued its membership with Townsville Enterprise Limited and entered into an agreement to move to a Silver Level membership.

5.4 NATURAL DISASTER MANAGEMENT

Local Disaster Management Plan

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Local Disaster Management coordination, awareness raising, planning, service provision and recovery activities	5.4.1	Local Disaster Management plan in place, reviewed annually and adopted by Council prior to December 2015	Office of the CEO	All

Revised Local Disaster Management Plan was reviewed annually and adopted by Council in January 2016.

Local Disaster Management Plan

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Local Disaster Management coordination, awareness raising, planning, service provision and recovery activities	5.4.2	Commence communications phase of the North South Solution investigation to give the community, results of the feasibility study	Engineering Services	All

Studies were readopted by Council in the public section of the meeting and are now available to the public for review and submissions.

5.5 SHIRE WIDE BRANDING

Shire Wide Branding Project

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Develop and finalise shire wide branding project	5.5.1	Implementation of the plan to commence by September 2015	Development and Planning	External Agencies

The Hinchinbrook Way brand was officially launched in early April 2016. From April 2016 through to October 2016 a suite of marketing collateral and destination development product has been created, with the objective to engage target markets and enhance the visitor experience. The media has been used to promote the Hinchinbrook Way:

- Hinchinbrook Way Film
- Townsville Bulletin Articles
- Promotional Brochure
- Hinchinbrook Way Website
- Retail and Nature Campaign
- Social Media
- Destination Brochure

Shire Flag

Proposed Actions Over 2014-2019	2015/2016 Action Measure		Lead	Associated
Development of the new shire flag based on the shire wide branding project	5.5.2	Flag design and implementation finalised by December 2015	Development and Planning	Nil

The Hinchinbrook Shire's brand – *The Hinchinbrook Way*, was adopted by Council in February 2016 and officially launched in April 2016. *The Hinchinbrook Way* brand book defines the logo for the brand and provides the design specifications for the new Shire flag.

Legislative Information



The Local Government Regulation 2012 formally requires Council to produce an Annual Report. Council must adopt the Annual Report within one month after the day the Auditor-General gives the Auditor-General's Audit Report about the local government's Financial Statements for the financial year to the local government.

In addition, Council is required to comply with specific requirements in numerous other pieces of legislation.

Council has complied with this section of the Local Government Regulation 2012 with the Annual Report being adopted by Council at its General Meeting held on 24 November 2015.

Significant Business Activities and Commercial Business

Council had the following business activities in 2015/2016, none of which are deemed "significant":

- Water supply
- Sewerage
- Waste management
- Building certification

These business activities operated under the Code of Competitive Conduct during 2015/2016.

Executive Remuneration

Section 201 of the Local Government Act 2009, requires Council to state the total remuneration packages, in bands, payable during the financial year to senior employment.

During 2015/2016, the following annual remuneration packages were payable to senior staff as follows:

ANNUAL REMUNERATION PACKAGE RANGE	NUMBER OF PACKAGES
\$200,000 to \$300,000	1
\$100,000 to \$200,000	4

Public Interest Disclosure

Council has not received any public interest disclosures for the financial year.

Elected Members' Remuneration and Councillor Expenses Reimbursement Policy

Council, pursuant to sections 247 and 250 of the Local Government Regulation 2012 adopted the following resolution on 26 April 2016 at its General Meeting. A copy of this Policy can be viewed on Council's website (Policies) or inspected at the Council Office.

2.5.7 Councillor Remuneration 2015/2016

Consideration of Report to Council from Chief Executive Officer dated 11 April 2016 regarding adoption of the Councillor Expenses Reimbursement Policy.

Moved **Councillor Lancini**

Seconded **Councillor Brown**

That Council adopt the Remuneration, Expenses Reimbursement, Provision of Facilities Policy for Hinchinbrook Shire Councillors as presented. **Carried – 260416-30**

Councillor Conduct

In accordance with section 186 of the Local Government Regulation 2012, the following occurred in 2015/2016 relating to Councillor Conduct:

SECTION	LEGISLATION	COMMENT
186 (d)	Local Government Regulation 2012	Nil orders or recommendations made
186 (e)	Local Government Regulation 2012	Nil
186 (f)	Local Government Regulation 2012	Nil complaints referred

Administrative Action Complaints

Hinchinbrook Shire Council is committed to upholding excellent standards. Accordingly we have an Administrative Action Complaints Policy and related Procedures that ensures client complaints are managed in a fair, effective and efficient manner. Our Administrative Action Complaints Policy and Procedures are reviewed every year, during which time our performance in addressing these complaints is assessed. The assessment for 2015/2016 identified that the process is performing satisfactorily.

The following report for the 2015/2016 financial year is in accordance with the provisions of the general complaints process as outlined in the Local Government Act 2009:

ADMINISTRATIVE ACTION COMPLAINTS	
made to Council during 2015/2016	4
resolved under the complaints management process	5
not resolved under the complaints management process	0
included in the 'not resolved' category above which were made in a previous financial year	0

Overseas Travel

There was no overseas travel.

Supporting Our Community

Section 190(1)(g) of the Local Government Regulation 2012 states that Council must include a summary of all concessions for rates and charges granted.

RATE CONCESSIONS		
	2014/2015	2015/2016
Pensioner Remission	\$233,447	\$234,227
Not for Profit/Charitable Organisation Remission	\$75,099	\$70,953
Financial Hardship Remission	\$58,186	-

Elected Representatives

Remuneration Paid to Elected Members

REMUNERATION PAID TO COUNCILLORS JULY 2015/2016					
Councillor	Meetings and Other Representations			Councillor Allowance	Employer Super Contribution
	Council Meetings Special Meetings Deputations	Member Meetings	Conferences Professional Development Training		
Jayo	23	14	6	\$25,171.17	\$3,020.54
Brown	23	18	4	\$16,137.56	\$1,936.50
Bosworth	17	5	2	\$14,292.42	\$1,664.00
Lancini	23	11	2	\$14,419.76	\$1,684.12
Milton	23	11	2	\$15,043.53	\$1,710.26
Skinner	45	66	7	\$51,996.50	\$6,190.56
Tack	46	64	6	\$51,114.98	\$6,125.54
Bow	24	48	10	\$71,544.83	\$8,585.38
Carr	19	44	6	\$38,082.40	\$4,569.88
Kaurila	22	41	8	\$37,543.44	\$4,505.20
Lynch	26	43	3	\$45,854.51	\$5,502.40
Molachino	25	58	3	\$37,263.42	\$4,471.60

During the year expenses were booked to/paid to Councillors in accordance with the Expenses Reimbursement Policy as follows:

Councillor	Accommodation/ Travel	Meals	Conference/ Professional Development Registration	Communication Allowance	Location Allowance	Computer Consumables Allowance	Corporate Uniform Allowance
Mayor Ramon Jayo	\$643.28	\$0	\$510.93	Provided	N/A	Provided	\$225.00
Mary Brown	\$520.55	\$0	\$516.57	\$601.02	\$519.56	\$400.00	\$225.00
Maria Bosworth	\$368.82	\$0	\$450.00	\$601.02	\$593.30	\$400.00	\$225.00
Andrew Lancini	\$0	\$0	\$450.00	\$601.02	\$720.64	\$400.00	\$225.00
Kate Milton	\$0	\$0	\$450.00	\$601.02	\$1,344.41	\$400.00	\$225.00
Wally Skinner	\$551.56	\$75.45	\$731.65	\$2,063.41	\$1,852.86	\$600.00	\$345.00
Marc Tack	\$0	\$0	\$1,213.47	\$2,063.41	\$1,852.86	\$600.00	\$345.00
Rodger Bow	\$2,450.52	\$340.39	\$1,581.66	Provided	N/A	Provided	\$120.00
David Carr	\$791.78	\$11.64	\$1,931.65	\$1,462.39	\$1,637.88	\$200.00	\$120.00
Sherry Kaurila	\$944.46	\$20.00	\$2,013.47	\$1,462.39	\$1,098.92	\$200.00	\$120.00
Patrick Lynch	\$1,565.31	\$273.14	\$781.65	\$1,462.39	\$1,310.25	\$200.00	\$120.00
Lawrence Molachino	\$261.35	\$20.00	\$281.65	\$1,462.39	\$818.90	\$200.00	\$120.00

Grants to Community Organisations

Section 189 of the Local Government Regulation 2012 requires Council to report a summary of grants provided to community organisations.

DONATIONS/SPONSORSHIPS - SUPPORT FOR EVENTS AND GRANTS TO COMMUNITY ORGANISATIONS	2016
Australian Volunteer Coastguard QF14 - Ingham - Ingham Coast Guard Open Day 2015	\$300
Cancer Council Queensland - Relay for Life 2015	\$500
Environmental Health Australia (QLD) Inc - NQ Regional Group Conference 2015	\$1,818
Everglow Community Care Links Inc - Community Care 2015/2016	\$1,500
Forrest Beach Progress Association - Forrest Beach Markets 2015/2016	\$200
Halifax QCWA - Community Grant - Card Making	\$300
Herbert River Cricket Assoc - Over 40T20 Tournament	\$5,000
Herbert River Museum Gallery Inc - Annual Financial Assistance 2015/2016	\$4,000
Herbert River Museum Gallery Inc - Progressive Dinner Hinchinbrook Way	\$300
Herbert River Quilters - Quilting Workshops 2016	\$1,734
Hinchinbrook Beautiful Bodies - 2016 Calendar Sponsorship	\$1,160
Hinchinbrook Chamber of Commerce - Annual Financial Assistance 2015/2016	\$10,000
Hinchinbrook Chaplaincy Committee - Breakfast Club Program	\$400
Hinchinbrook Community Support Centre Inc - Annual Financial Assistance 2015/2016	\$34,920
Hinchinbrook Community Support Centre Inc - Out & About Community Transport 2015/2016	\$3,000
Hinchinbrook Sportsfishing Club - Community Grant Funding 2015	\$300
Hinchinbrook Community Support Centre Inc - Community Grants Officer 2015/16	\$20,000
Hitch-n- Ride Horse Sports Club Inc - 2015/2016 Horse Sports Events	\$1,200
Ingham Bowls Club Inc - 2015 Invitation 4's Competition	\$200
Ingham Community Kindergarten - Kindy Quiz Night	\$909
Ingham Gymnastics Club Inc - 2015 FNQ Cheerleading Competition	\$985
Ingham Kennel & Obedience Club Inc - Community Grant	\$4,838
Ingham Ladies Bowls Club Inc - Allamanda Fours Bowling Competition 2016	\$200
Ingham Meals on Wheels - Annual Financial Assistance 2015/2016	\$3,200
Ingham Parents Support Group T/as Ingham Disability Support Services - 2015 NQ Sports Ability Games	\$200
Ingham State High School - Awards Night 2015	\$40
Ingham Tennis Association - Ingham Open Tennis Championships	\$1,000
Ingham Toastmasters - Toastmasters Conference 2015	\$200
Lions Club of Forrest Beach Inc - Community Grant Funding 2015	\$5,000
Lucinda Progress Association - Carols by Candlelight 2015	\$400
Macknade Bowls Club Inc - Mixed Fours Carnival 2015	\$250
Queensland Blue Light Association - Events 2015	\$434

FESTIVAL CASH SPONSORSHIP	
Australian Italian Festival Association Inc - Sponsorship of the 2016 Australian Italian Festival	\$37,000
Herbert River Pastoral Association - Ingham Show July 2016	\$24,000
Bent Rods Car Club - Show and Shine Swap Meet 2016	\$1,500
Gilroy Santa Maria - Gruelling Games 2015/2016	\$1,200
Ingham Parents Support Group - International Food Night 2015	\$1,000
Ingham Sugar City Rodeo - Sponsorship 2015 Rodeo	\$1,000
Lions Club of Ingham - 2015 Family Fishing Classic	\$4,000
Rotary Ingham Maraka Festival - 2015	\$11,000
OTHER ORGANISATIONS	
Lower Herbert Water Management Authority - 2015/2016	\$39,699
Queensland Museum - Agreement for Community Pass Programme 2015/2016	\$7,800
Townsville Enterprise - North Queensland Ambassador Program	\$10,909
Townsville City Council - RAI Pathfinder Project Constriction	\$2,273
REGIONAL ARTS DEVELOPMENT FUND (RADF) GRANTS	
Ange Venardos - Tree Wrapping	\$3,410
Australian Skateboarding Community - Design A Deck	\$3,131
Elements Studio - Limited to your Imagination Developmental Workshops	\$4,520
HSC - Artist in Residence & Workshops	\$7,584
Jessica Blake - Children of Lourdes Music CD	\$5,109
Joanne Cassidy - 'Jarjums'	\$4,285
John Heard - Public Art Work, sculpture	\$3,300
JK's Deli - Westpac Wall Public Art Project	\$4,091
Public Art Committee - Tully Street Bird Sculpture	\$10,000
HSC - Screen Printing & Regional Art Workshops	\$3,951
Seniors Art Workshop - Helen Cook Acrylic Techniques	\$1,390
Seniors Art Workshop - Robyn Barrie Acrylic Techniques	\$1,390

Mayor's Discretionary Fund

The former Mayor spent \$536 out of his discretionary fund (budget was \$4,000). This expenditure was used to buy a gift for the Royal Military College Duntroon Plaque, Hire a PA System for screening the NRL Grand Final in Rotary Park and purchase lunch for Tablelands Regional Council and HRIT representatives.

Joint Local Government Activity

The Local Government Regulation 2012, requires Council to report details of action taken in relation to, and expenditure on, a service, facility or activity:

- (i) supplied by another Local Government under an agreement for conducting a joint government activity;
- (ii) for which the local government levied special rates or charges for the financial year.

Council had no details to report for the year under this section.

Internal Audit

Pacifica Chartered Accountants ("Pacifica") have provided internal audit services to Council since 2011.

During 2015/2016 Pacifica provided a Strategic Internal Audit Plan and completed internal audit reviews on the following areas:

- Grant Application Management and Coordination
- Water Pipeline Installation: Project Review

Audit Committee

Under section 105(2) of the Local Government Act 2009 a large Local Government is required to establish an Audit Committee. Subdivision 2 of the Local Government Regulation 2012 provides more legislation regarding the Audit Committee. Hinchinbrook Shire Council is within the definition of a large Local Government.

Audit Committee was established during 2011/2012 with Mr Keith Parsons, Townsville City Council appointed as the independent Chairperson. Mr Parsons continued in this role in 2012/2013, 2013/2014, 2014/2015 and 2015/2016. At the end of 2015/2016 Mr Parsons accepted an invitation to extend his appointment for a further 12 months.

Up until March/April 2016, Councillor Kaurila and Mayor Bow were Councillor representatives of the Audit Committee. Thereafter, Mayor Jayo and Councillor Tack were Councillor representatives of the Audit Committee. Council's Chief Executive Officer and Executive Manager Corporate Services are both also active in Audit Committee meetings. Each Audit Committee meeting includes an update from Council's internal auditor. Accordingly, the Audit Committee provides an effective and independent risk management structure that adds value to Council through the collaboration of Council representatives, independent specialists and management.

Commitment to Public Sector Ethics

Public Sector entities must adhere to the Public Sector Ethics Act 1994 and must implement a Code of Conduct and conduct training at least every 12 months. The Code details the ethics, principles and obligations require of government employees.

New employees continue to receive Code of Conduct training as part of their corporate orientation.

Competitive Neutrality

No Complaints were received in 2015/2016.

Land and Roads

Hinchinbrook Shire Council controls 434km of sealed roads and 256km of unsealed roads. 181km of roads (Transport and Main Roads) is not controlled by Council. Furthermore there is approximately 600km of additional gazetted road not maintained by Council some of which is formed and or paved.

Hinchinbrook Shire Council controls 2,654 ha of reserve land that is a reserve under the Land Act 1994.

Changes to Council Tenders

In accordance with section 190(e) of the Local Government Regulation 2012, Council is required to report the number of invitations to change tenders during the financial year.

Tenderers were invited to change the following tenders to take into account a change in tender specifications during 2015/2016:

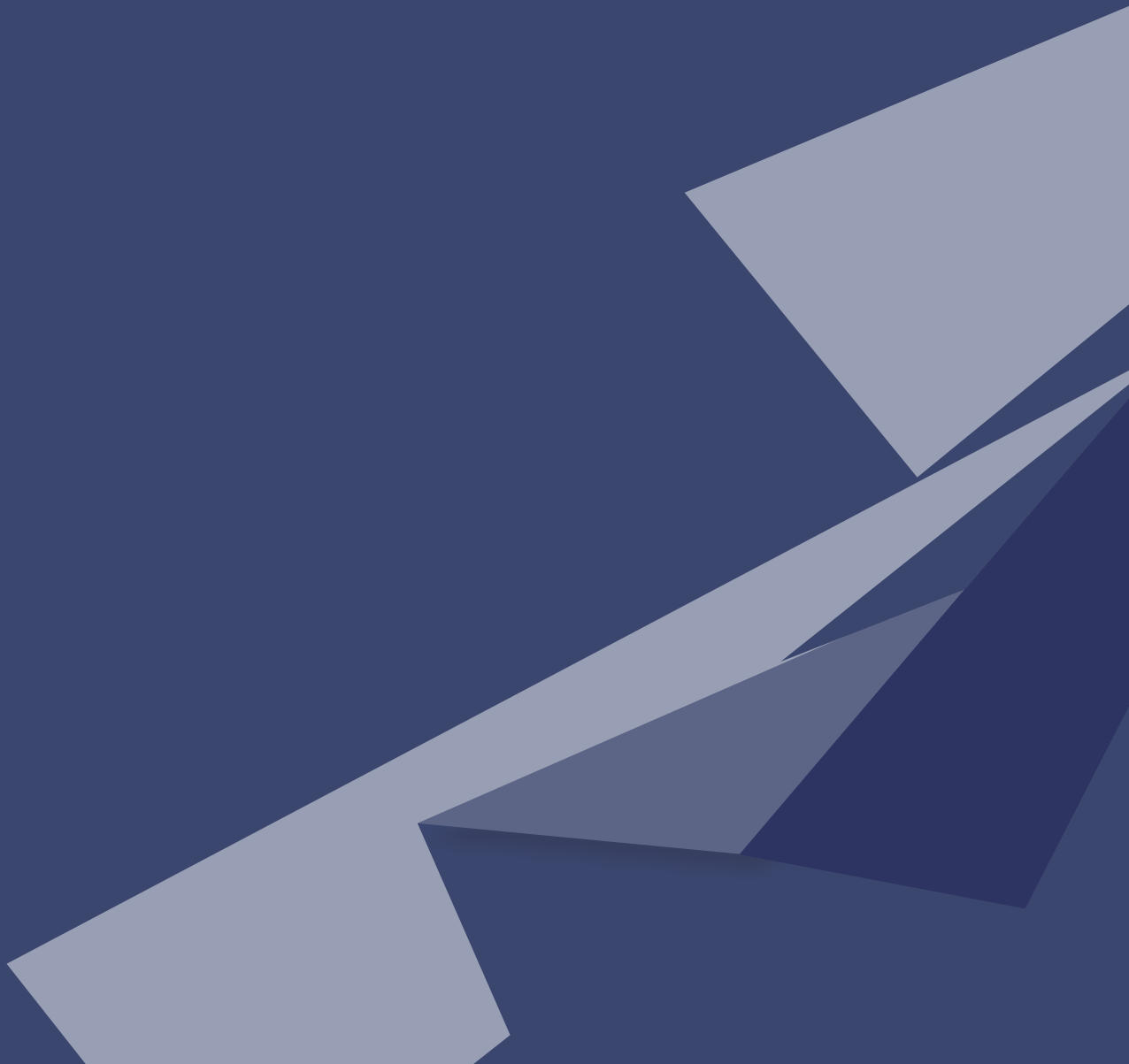
Nil for the 2015/2016 financial year.

Council Registers

Council is required to include in its Annual Report a list of Registers kept by Council and open to public inspection. Council's response to section 190(f) of the Local Government Regulation 2012, is detailed below.

- >> Register of Assets
- >> Register of Asbestos in Buildings
- >> Register of Burials
- >> Register of Complaints
- >> Register of Conflicts of Interest
- >> Register of Contracts
- >> Register of Corporate Risks
- >> Register of Councillor Electoral Gifts
- >> Register of Councillors' Gifts and Hospitality Benefits
- >> Register of Councillors' Interests
- >> Register of Councillors' Membership of Organisations
- >> Register of Delegations by Chief Executive Officer
- >> Register of Delegations by Local Government
- >> Register of Development Applications
- >> Register of Dogs
- >> Register of Fees and Charges
- >> Register of Impounded Animals
- >> Register of Local and Subordinate Local Laws
- >> Register of Material Personal Interests
- >> Register of Mobile Food Vans
- >> Register of Roads

Community Financial Report



Community Financial Report

The Community Financial Report is a brief summary of the information contained in Council's 2015/2016 Financial Statements and is intended to provide an overview of Council's financial position and performance for 2015/2016.

For more detail on Council's financial results and financial position please see the detailed Financial Statements in the next section of this Annual Report.

SIMPLIFIED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2015	NATURAL DISASTER RELIEF AND RECOVERY ARRANGEMENTS \$MILLION	OTHER \$000	TOTAL \$000
Operating Revenue	7,212	29,524	36,736
Less Operating Cash Expenses	(700)	(22,017)	(22,717)
Cash Surplus from Operations*	6,512	7,507	14,019
Less Non Cash Operating Expenses		(536)	(536)
Less Depreciation		(9,284)	(9,284)
Add Capital Grants and Subsidies	3,909	3,671	7,580
Less Asset Disposals and Other Capital Expenses			(2,746)
Net Result for the Period			9,569

* Cash surplus from operations is cash generated during the year that, combined with capital grants, is available for asset replacement and/or asset acquisition.

SIMPLIFIED BALANCE SHEET AS AT 30 JUNE 2015	\$MILLION
What we have in the bank (a)	24.7
Other Assets (b)	277.9
Our Total Assets (a) + (b)	302.6
What we owe our suppliers and employees	6.0
Other Liabilities	6.0
Our Total Liabilities	7.9
Net Community Assets (Wealth)	294.7

Rounding differences may apply.

How Council Earned our Core Operating Revenue

SOURCES	%
General Rates (after discounts and rate remissions)	53.8%
Water Rates (after discounts)	12.1%
Sewerage Rates (after discounts)	8.1%
Fees and Charges	2.8%
Interest	2.5%
Subsidies, Grants and Donations	8.5%
Recoverable Works and Other	4.6%

Operating Revenue

Council endeavours to maximise revenue from sources other than rates by actively pursuing grants and subsidies from the State and Federal Government.

Fees and charges are reviewed each year and are generally applied on a full cost recovery basis to ensure as much as possible the user pays.

A full cost pricing model is used to ensure Utility Charges are based on user pays.

These strategies assist in minimising reliance on the General Rate to fund Council's operations.

Council Operating Expenses

SOURCES	%
Employee Costs	41.6%
Materials and Services	29.3%
Depreciation	29.1%

Operating Expenses

Council continues to actively work to reduce operating expenditure.

Depreciation expense is a major component of Council's operating expenses. The depreciation charge is determined by applying the requirements of an Accounting Standard to Council's asset base. As such, Council's ability to manage this figure is limited.

The Community Infrastructure Council Manages

Community Infrastructure as at 30 June 2016

Total \$275 Million

Council owns and manages \$275 Million worth of infrastructure provided benefits to the community. The accounting standards require Council to ensure that infrastructure assets are recorded at fair value.

INFRASTRUCTURE	\$ MILLIONS
Land and Land Improvements	9
Buildings and Structures	35
Fleet Assets	4
Road and Drainage Network	183
Water	23
Sewerage	14
Computer Network	3
Plant and Equipment	1
Work in Progress	4

How Council Funded Investment in Community Infrastructure

(\$11.6 Million total funds invested)

COMMUNITY INFRASTRUCTURE	%
Developer Contributions	0.05%
Government Grants and Subsidies	39.4%
Funded by Council	60.55%

Financial Sustainability Indicators

AS AT 30 JUNE 2016	TARGET RATIO AS DETERMINED BY THE STATE	ACTUAL 2015/2016	ORIGINAL BUD- GET 2015/2016
Asset Sustainability Ratio Capital expenditure on Replacement Assets/Depreciation The extent to which depreciation is matched by current year asset replacements (Budget was impacted by significant degree of NDRRA activity some of which was deemed 'operational activity')	>90%	59%	107%
Interest Coverage Ratio Net interest expense on debt service/ Total Operating Revenue Indicates the extent to which Council's operating revenues are committed to net interest expense	0%-5%	NA	NA
Net Financial Liabilities Ratio Total liabilities - current assets/ Operating Revenue Measures the extent to which the net financial liabilities of Council can be serviced by operating revenues	<60%	-53%	-55%
Operating Surplus Ratio Operating Surplus/ Total Operating Revenue Measures the operating surplus each year as a percentage of total operating revenue	0%-10%	13%	-4%
Working Capital Ratio Current Assets/ Current Liabilities Measures the extent to which Council has liquid assets available to meet short term financial obligations	1:1-4:1	7.4:1	8.1:1

Note - several of these ratios, and their respective budgets, are heavily influenced by the volume and the timing of income and expenditure streams associated with NDRRA activity.

Key Statistics - 12 Years at a Glance

	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
Total Number of Rateable Properties	6,329	6,423	6,363	6,444	6,521	6,533
Total Rate Revenue (net of discount and remission)	11.872M	12.830M	13.621M	14.510M	15.921M	17.952M
*General Rate Revenue (excluding pre-paid rates)	9.611M	10.031M	10.856M	11.564M	12.529M	13.706M
% Change in General Rate	0.04%	4.37%	8.22%	6.52%	8.34%	9.40%
*Water Base Charge for 20 mm Service	\$220.50	\$230.40	\$237.35	\$251.59	\$270.46	\$292.10
Water Consumption per kl Rate	44 cents	46 cents	48 cents	51 cents	55 cents	59 cents
*Sewerage Utility Charge for Dwelling	\$416.85	\$435.75	\$457.59	\$485.03	\$533.54	\$576.24
*Garbage Collection Utility Charge	\$91.00	\$113.75 Increase service	\$125.15	\$132.66	\$145.93	\$157.60
*Waste and Environment Levy	\$99.20	\$124.00	\$136.40	\$144.58	\$159.04	\$171.76
Rate Arrears Balance	0.207M	0.215M	0.204M	\$0.342M	\$0.983M**	\$0.838M
Fees and Charges Received	0.764M	0.849M	1.121M	1.285M	1.233M	1.403M
Operating Revenue	16.391M	17.056M	18.779M	21.060M	25.206M	34.458M
Operating Grants, Subsidies and Contributions	1.596M	1.611M	1.760M	2.243M	5.902M	13.058M
Recoverable Works	1.281M	0.807M	1.191M	1.776M	1.285M	1.108M
Total Property, Plant and Equipment WDV	133.743M	143.957M	172.997M	179.200M	191.085M	194.835M
Net Community Assets	144.736M	155.153M	183.315M	189.578M	203.44	209.936M
Capital Expenditure (Excluding debt repayment but including contributed assets)	4.084M	6.691M	6.556M	8.168M	14.122M	15.518M
Debt Repayment (Principal and Interest)	0.432M	0.369M	Nil	Nil	Nil	Nil
Loan Balance	0.357M	Nil	Nil	Nil	Nil	Nil (\$6M redraw facility QTC)
Remaining Term of Debt	0.18 years	Nil	Nil	Nil	Nil	Nil

* The reduction in various rates and charges in the table above are the result of Council electing for 2014/2015 to give the 15% early payment discount to all ratepayers and therefore automatically reduce invoiced amounts accordingly. Overall net rates and charges have increased from \$22.344 Million to \$22.929 Million in 2014/2015 equal to a \$552,000 increase (2.4%).

2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
6,580	6,608	6,634	6,661	6639	6643
19,180M	20.116M	21.171M	22.377M	22.929M	24.140M
14.789M	15.908M	16.559M	17.634M	15.526M*	16.154M
7.90%	7.57%	4.09%	5.17%	-11.95*	4.04%
\$335.92	\$346.00	\$356.40	\$374.20	\$334.00	\$354.10
68 cents	78 cents	84 cents	88 cents	92 cents	97 cents
\$662.69	\$695.80	\$730.80	\$767.20	\$684.60*	\$725.90
\$169.34	\$220.00	\$231.00	\$242.55	\$216.50*	\$229.50
\$184.56	\$140.00	\$147.00	\$154.35	\$137.75*	\$146.00
\$1.461M	\$0.580M	\$0.771M	\$0.945M	\$1.118M	1.375M
\$1.345M	\$1.882M	1.093M	1.120M	0.829M#	0.814M
51.341M	38.367M	60.660M	51.812M	45.306M	36.736M
26.703M	11.211M	34.111M	26.134M	19.455M	9.691M
2.700M	3.645M	3.459M	1.331M	1.117M	1.033M
249.061M	289.232M	242.353M	239.149M	275.067M	275.126M
266.938M	309.219M	254.650M	248.590M	284.616M	294.765M
9.929M	40.857M	17.867M	13.715M	13.330M	11.603M
Nil	Nil	Nil	Nil	Nil	Nil
Nil	Nil	Nil	Nil	Nil	Nil
Nil	Nil	Nil	Nil	Nil	Nil

** Adjusted to \$0.512M for levies in June not due until July 2009

Income reduction mainly due to various amounts being recorded within other income categories. Previously these were included under fees and charges.

Financial Statements



TABLE OF CONTENTS

Note

Statement of Comprehensive Income

Statement of Financial Position

Statement of Changes in Equity

Statement of Cash Flows

Notes to the Financial Statements

1 Significant Accounting Policies

2 Analysis of results by function

3 Revenue analysis

4 Grants, subsidies, contributions and donations

5 Employee benefits

6 Materials and services

7 Finance costs

8 Depreciation and Amortisation

9 Capital Expenses

10 Cash and cash equivalents

11 Trade and other receivables

12 Property, Plant and Equipment

13 Trade and other payables

14 Provisions

15 Asset Revaluation Surplus

16 Commitments for expenditure

17 Contingent liabilities

18 Superannuation

19 Joint venture

20 Trust funds

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

22 Financial instruments

Management Certificate

Independent Audit Report

HINCHINBROOK SHIRE COUNCIL
Statement Of Comprehensive Income
For the year ended 30 June 2016

	Note	2016 \$000	2015 \$000
Income			
Revenue			
Recurrent Revenue			
Rates, levies and charges	3	24,140	22,929
Fees and charges		814	829
Rental income		180	148
Interest received		748	588
Sales revenue		1,033	1,117
Other income		130	239
Grants, subsidies, contributions and donations	4(a)	9,691	19,455
		<u>36,736</u>	<u>45,306</u>
Capital Revenue			
Grants, subsidies, contributions and donations	4(b)	7,580	3,113
Total Income		<u>44,316</u>	<u>48,419</u>
Expenses			
Recurrent Expenses			
Employee benefits	5	(13,342)	(13,424)
Materials and services	6	(9,321)	(21,535)
Finance costs	7	(54)	(536)
Depreciation and amortisation	8	(9,284)	(8,644)
		<u>(32,001)</u>	<u>(44,138)</u>
Capital Expenses	9	(2,746)	(3,247)
Total Expenses		<u>(34,747)</u>	<u>(47,385)</u>
Net Result		<u>9,569</u>	<u>1,034</u>
Other Comprehensive Income			
Items That Will Not Be Reclassified To Net Result			
Increase/(decrease) in Asset Revaluation Surplus	15	1,248	35,002
Total Other Comprehensive Income For The Year		<u>1,248</u>	<u>35,002</u>
Total comprehensive income for the year		<u>10,816</u>	<u>36,036</u>

Rounding differences may apply.

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

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HINCHINBROOK SHIRE COUNCIL
Statement Of Financial Position
as at 30 June 2016

	Note	2016 \$000	2015 \$000
Current Assets			
Cash and cash equivalents	10	24,676	16,967
Trade and other receivables	11	2,415	2,684
Inventory		422	455
Total Current Assets		27,512	20,106
Non-current Assets			
Property, Plant and Equipment	12	275,126	275,067
Total Non-current Assets		275,126	275,067
Total Assets		302,638	295,174
Current Liabilities			
Trade and other payables	13	3,343	6,478
Provisions	14	376	364
Other - unearned revenue		3	39
Total Current Liabilities		3,722	6,881
Non-current Liabilities			
Trade and other payables	13	490	204
Provisions	14	3,662	3,473
Total Non-current Liabilities		4,151	3,677
Total Liabilities		7,873	10,558
Net Community Assets		294,765	284,616
Community Equity			
Asset Revaluation Surplus	15	135,159	133,911
Retained Surplus		159,606	150,705
Total Community Equity		294,765	284,616

Rounding differences may apply.

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

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HINCHINBROOK SHIRE COUNCIL
Statement Of Changes in Equity
For the year ended 30 June 2016

	Retained Surplus	Asset Revaluation Surplus Note 15	Total
	\$'000	\$'000	\$'000
Balance at 1 July 2015	150,705	133,911	284,616
Net result	9,569	-	9,569
Correction to Accum Depreciation Opening Balance	(667)	-	(667)
Other comprehensive income for the year			
Revaluations of Property, Plant & Equipment		1,200	1,200
Change in value of rehabilitation of land		48	48
Total Comprehensive Income For The Year	8,901	1,248	10,150
Balance at 30 June 2016	159,606	135,159	294,765
Balance at 1 July 2014	149,671	98,909	248,580
Net result	1,034	-	1,034
Other comprehensive income for the year			
Revaluations of Property, Plant & Equipment		34,944	34,944
Change in value of rehabilitation of land		58	58
Total Comprehensive Income For The Year	1,034	35,002	36,036
Balance at 30 June 2015	150,705	133,911	284,616

Rounding differences may apply.

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

HINCHINBROOK SHIRE COUNCIL
Statement Of Cash Flows
For the year ended 30 June 2016

	Note	2016 \$000	2015 \$000
Cash Flows From Operating Activities:			
Receipts from customers		43,525	47,827
Payments to suppliers and employees		(25,455)	(35,339)
Interest received		748	588
Net Cash Inflow (Outflow) From Operating Activities	21	18,819	13,076
Cash Flows From Investing Activities:			
Payments for property, plant and equipment		(11,291)	(13,330)
Proceeds from sale of property plant and equipment	9	181	523
Net Cash Inflow (Outflow) From Investing Activities		(11,110)	(12,807)
Net Increase (Decrease) In Cash And Cash Equivalent Held		7,708	269
Cash And Cash Equivalents At Beginning Of The Financial Year		16,967	16,699
Cash And Cash Equivalents At End Of The Financial Year	10	24,676	16,967

Rounding differences may apply.

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

1. Significant Accounting Policies

1(a) Basis of Preparation

These general purpose financial statements are for the period 1 July 2015 to 30 June 2016 and have been prepared in compliance with the requirements of the Local Government Act 2009 and the Local Government Regulation 2012. Consequently, these financial statements have been prepared in accordance with all applicable 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 any non-cash contributions (usually infrastructure assets) which may have been 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

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

1(d) Date of Authorisation

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

1(e) Currency

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

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1(f) Adoption of new and revised Accounting Standards

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

Council has applied the following Australian Accounting Standards and Interpretations that have been issued but are not yet effective; *AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities*. Generally Council applies standards and interpretations in accordance with their respective commencement dates. The retrospective application of AASB 2015-7 has exempted Council from the disclosure of quantitative information and sensitivity analysis for some valuations categorised within Level 3 of the fair value hierarchy. *AASB 2015-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 (AASB 7, AASB 101, AASB 134 & AASB 1049)*.

At the date of authorisation of the financial report, *AASB 9 Financial Instruments* and *AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for Profit Public Sector Entities* are the only new accounting standards with a future application date that are expected to have a material impact on Council's financial statements.

From 1 July 2016 *AASB 124 Related Party Disclosures* will apply to Council. This means that Council will disclose more information about related parties and transactions with its related parties.

Council is reviewing the way that revenue is measured and recognised to identify whether *AASB 15 Revenue from Contracts with Customers* will have a material impact. To date no impact has been identified.

AASB 15 is effective from 1 January 2018 and will replace *AASB 118 Revenue*, *AASB 111 Construction Contracts* and a number of Interpretations. It contains a comprehensive and robust framework for the recognition, measurement and disclosure of revenue from contracts with customers. Other amended Australian Accounting Standards and Interpretations which were issued at the date of authorisation of the financial report, but have future commencement dates, are not likely to have a material impact on the financial statements.

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

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

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

Valuation and depreciation of property, plant and equipment - Note 12

Provisions - Note 14

Contingent liabilities - Note 17

1(h) Capital and operating expenditure

Direct labour 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 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.

1(i) National Competition Policy

Council has reviewed its business activities and elected not to apply the Code of Competitive Conduct to those activities during the year ended 30 June 2016.

1(j) Comparative Figures and Rounding

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

Any minor differences between calculated balances in the financial statements and the related notes are due to rounding.

The financial statements have been rounded to the nearest \$1,000.

1(k) Taxation

Income of local authorities and public authorities is exempt from Commonwealth taxation except for Fringe Benefits Tax and Goods and Services Tax ('GST'). The net amount of GST recoverable from the ATO or payable to the ATO is shown as an asset or liability respectively.

Hinchinbrook Shire Council 2015/2016 Financial Statements
Notes to the Financial Statements for the year ended 30 June 2016

2. Analysis of results by function

(a) Income and expenses defined between recurring and capital, and assets at written down value are attributed to the following functions:

Functions	Gross Program Income			Elimination of Inter function transactions		Total Income		Gross Program Expenses		Elimination of Inter function transactions		Total Expenses		Net result from recurrent operations		Net result		Assets	
	Recurrent 2016 \$000	Capital 2016 \$000	Other	2016 \$000	2016 \$000	2016 \$000	2016 \$000	Recurring 2016 \$000	Capital 2016 \$000	2016 \$000	2016 \$000	2016 \$000	2016 \$000	2016 \$000	2016 \$000	2016 \$000	2016 \$000	2016 \$000	
Corporate Services	2,023	17,025	-	(14,583)	4,465	4,807	-	359	5,165	14,241	(701)	30,843							
Development & Planning Services	61	329	143	2,217	2,750	2,831	-	(323)	2,508	(2,442)	241	9,828							
Community Services	15	8	-	1,331	1,354	929	-	(60)	869	(906)	485	25,755							
Health & Environment Services	247	120	25	2,549	2,986	5,351	168	(520)	4,999	(4,983)	(2,012)	2,371							
Waste Management	-	2,511	-	-	2,511	1,809	134	(233)	1,710	702	801	2,041							
Engineering Services	7,317	854	5,922	8,486	22,846	12,233	2,375	827	15,435	(4,061)	7,411	194,987							
Building Certification	-	89	-	-	89	88	-	-	88	2	2	-							
Water	13	3,718	1,176	-	4,907	2,046	57	(50)	2,054	1,684	2,852	23,270							
Sewerage	15	2,391	1	1	2,408	1,909	11	-	1,920	497	488	13,543							
Total	9,691	27,045	7,267	-	44,316	32,002	2,746	-	34,748	4,734	9,569	302,638							

Functions	Gross Program Income			Elimination of Inter function transactions		Total Income		Gross Program Expenses		Elimination of Inter function transactions		Total Expenses		Net result from recurrent operations		Net result		Assets	
	Recurrent 2015 \$000	Capital 2015 \$000	Other	2015 \$000	2015 \$000	2015 \$000	2015 \$000	Recurring 2015 \$000	Capital 2015 \$000	2015 \$000	2015 \$000	2015 \$000	2015 \$000	2015 \$000	2015 \$000	2015 \$000	2015 \$000		
Corporate Services	2,023	16,232	-	(12,986)	5,269	(5,217)	-	63	(5,154)	115	115	17,438							
Development & Planning Services	46	618	4	982	1,650	(3,357)	-	39	(3,317)	(1,671)	(1,667)	5,970							
Community Services	7	(299)	-	2,430	2,138	(382)	-	10	(373)	1,765	1,765	26,865							
Health & Environment Services	286	305	152	1,172	1,915	(5,010)	-	542	(4,468)	(2,706)	(2,553)	2,985							
Waste Management	-	2,438	-	-	2,438	(1,945)	(58)	202	(1,802)	694	636	5,970							
Engineering Services	17,077	720	2,956	8,402	29,155	(24,466)	(3,189)	(1,183)	(28,837)	551	318	191,171							
Building Certification	-	83	-	-	83	(122)	-	4	(118)	(35)	(35)	-							
Water	2	3,500	2	-	3,503	(2,116)	-	199	(1,917)	1,584	1,586	26,865							
Sewerage	15	2,253	-	-	2,268	(1,524)	-	125	(1,399)	869	869	17,910							
Total	19,455	25,850	3,113	-	48,419	(44,138)	(3,247)	-	(47,385)	1,167	1,034	295,174							

(b)

Components of Council Functions

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

Corporate Services

The goal of this program is to facilitate the business of Council in a timely and professional manner and to ensure that the financial resources of Council are effectively and efficiently utilised. The program includes activities related to rating, financial control and reporting, information technology services and records management.

Development and Planning Services

The goal of this program is to encourage the development of a sound and diverse economic base for the Shire and to facilitate the creation of, and access to, business and tourism opportunities. The program includes activities related to economic development and tourism, library services, planning and development, support for festivals and events and art and cultural services.

Community Services

The goal of this program is to promote and market the utilisation of Council and community facilities which contribute to lifestyle choices and the fulfilment of community, social and cultural needs. The program includes activities related to community support, facility hire and cemeteries.

Health and Environment Services

The goal of this program is to enhance and maintain public health standards in the community and adopt sustainable environmental management practices. The program includes activities related to natural resource and environmental management, public amenities, public open space maintenance and management and public health.

Waste Management

The goal of this program is to develop, maintain and promote an environmentally sustainable waste management system. The program includes activities that relate to recycling and waste management.

Engineering Services

The goal of this program is to enhance and maintain the quality of life of people in the shire by the provision of engineering services and appropriate infrastructure maintenance and development. The program includes activities related to asset management, civil construction and maintenance and marine infrastructure management.

Building Certification Service

The goal of this program is to provide a Building Certification Service.

Water

The goal of this program is to ensure sustainable management of the Shire's water resources to provide safe and reliable water services. The program includes activities related to asset management, and to water connections, reticulation, storage and treatment.

Sewerage

The goal of this program is to provide and ensure safe and reliable environmentally sustainable sewerage systems. The program includes activities related to asset management, sewerage treatment.

	2016 \$000	2015 \$000
3. Revenue Analysis		
Rates, levies and charges		
General Rates	16,154	15,526
Rural Fire Brigade Special Charge	16	16
Forrest Beach Water Special Charge	76	*
Waste Management Levy - Separate Rate	982	922
Water Base Charge	2,155	2,023
Water Consumption Charge	1,407	1,364
Sewerage	2,385	2,250
Cleansing Charge	1,269	1,194
	24,445	23,296
Less: Concessions	(305)	(367)
Net Rates and Utility Charges	24,140	22,929

Revenue is recognised on an accrual basis on issue of invoice or notice. Rate revenue received in advance is recognised on receipt.

4. Grants, subsidies, contributions and donations

(a) Recurrent		
Contributions	136	215
Sundry Grants and Subsidies	370	209
NDRRA Subsidy	7,212	17,008
General Purpose Grants	1,973	2,023
	9,691	19,455
(b) Capital		
Contributions	318	6
NDRRA Subsidy	3,909	2,162
Other State Government Subsidy	1,414	633
Roads to Recovery Subsidy	1,434	50
TIDS Subsidy	504	261
	7,580	3,113

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

(c) Conditions over Contributions

Contributions and grants which were 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:

Grants & contributions for expenditure on infrastructure	*	15
Grants & contributions for operating purposes	30	43
	30	58

Contributions and grants which were recognised as income during a previous reporting period and were expended during the current reporting period in accordance with the Council's obligations.

Grants & contributions expended on infrastructure	15	59
Grants & contributions for operating purposes	43	74
	58	134

Net increase (decrease) in restricted asset (cash) at period end	(28)	(76)
---	-------------	-------------

	2016 \$000	2015 \$000
5 Employee Benefits		
Total wages and salaries	10,099	9,519
Councillors' remuneration	390	372
Annual, sick and long service leave entitlements	1,654	1,918
Superannuation	2,028	1,909
	14,170	13,718
Other employee related expenses	746	606
	14,916	14,324
Less : Capitalised employee costs	(1,574)	(900)
	13,342	13,424
Total Council Employees at the reporting date:	2016	2015
Elected members	7	7
Administration, Depot and outdoors staff	175	174
Total full time equivalent employees	182	181

The superannuation expense for the reporting period is the amount of the contribution the Council makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in Note 18.

6 Materials and services		
Audit Fees	95	97
Communications and IT	567	612
Consultancies & Professional Services	586	1,263
Contractors & Hire Expenses	4,320	13,613
Donations & Contributions	278	345
Electricity	1,081	1,106
Herbert River Improvement Trust Precept	264	231
Insurance	479	483
Memberships, Licenses, Subscriptions	221	175
Minor Equipment & Consumables	239	157
Other Materials & Services	223	454
Raw Materials	922	2,865
Testing	46	135
	9,321	21,535

Expenditure of \$0.7 million (\$13.6 million 2015) related to natural disaster events, is included in employee costs and materials and services costs. There was no natural disaster recovery work remaining to be completed in the 2016 - 2017 financial year.

7 Finance Costs		
Bank charges	32	40
Bad Debt expense	-	(1)
Refuse restoration unwinding of discount	22	25
Termination of prepaid lease	-	472
	54	536

8 Depreciation and amortisation		
Depreciation and amortisation was charged in respect of:		
Land & Land Improvements	210	185
Buildings & Structures	814	812
Fleet Assets	522	543
Road & Drainage Network	5,969	5,452
Water	832	769
Sewerage	492	459
Computer Network	277	283
Plant & Equipment	167	141
	9,284	8,644

	2016 \$000	2015 \$000
9 Capital Expenses		
Gain (loss) on the disposal of non-current assets		
Proceeds from the sale of property, plant and equipment	181	523
Less: Book value of property, plant and equipment sold	(779)	(3,712)
Less: Write off of prior year work in progress	(2,013)	
	<u>(2,611)</u>	<u>(3,189)</u>
Discount rate adjustment to refuse restoration provision	(134)	(58)
	<u>(2,746)</u>	<u>(3,247)</u>

10 Cash and cash equivalents

Cash at bank and on hand	188	164
Deposits at call	2,288	1,803
QTC - Cash Fund	22,200	15,000
Balance per cash flow statement	<u>24,676</u>	<u>16,967</u>

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

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

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

Unspent government grants and subsidies - Operating purposes	30	43
Unspent government grants and subsidies - Capital purposes	-	15
Amount held for SES funding purposes	29	82
Total unspent restricted funds	<u>59</u>	<u>140</u>

During 2015/16 Council reviewed its practice of disclosing an amount of its cash assets as being subject to "internally imposed expenditure restrictions". Council decided it is more appropriate not to disclose any of its cash as being subject to internally imposed expenditure restrictions. The comparative figure has been amended accordingly.

11 Trade and other receivables

Current

Rates and utility charges	1,375	1,118
Government grants and subsidies	156	194
GST	289	684
Other debtors	393	453
Prepayments	201	236
	<u>2,415</u>	<u>2,684</u>

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

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

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

Because Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's freehold property to recover outstanding rate debts, Council does not impair any rate receivables for freehold properties. Council does impair rate receivables where outstanding rates debts apply to leasehold land.

Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on other debtors. There is a geographical concentration of credit risk in the Council's area as well as a concentration in the sugar cane sector for rates and utility charges, fees and other debtors receivable.

12(a) Property, Plant and Equipment

Capitalisation Thresholds

Items of plant and equipment with a total value of less than \$5,000, and infrastructure assets and buildings with a total value of less than \$10,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

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, architect's fees, engineering design fees and all other establishment costs.

All asset acquisitions are accounted to work in progress and when completed are transferred from work in progress to the relevant asset class.

Valuation

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by comprehensively revaluing these assets at least once every five years with interim valuations using a suitable index, being otherwise performed on an annual basis where there has been a material variation in the index. Ongoing monitoring of asset conditions through work programs, maintenance schedules and onsite observations allows any material change in asset conditions to be recognised. In a year of formal revaluation the valuer physically sites a representative sample of the asset class being revalued and makes assessments of the condition of the assets at the date of inspection.

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

Depreciation

Land is not depreciated as it has an unlimited useful life. Depreciation on 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 for 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 roads acquired before 30 June 2008 is recognised as a non-current asset where Council holds title or a financial lease over the asset.

Land under the road network within 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.

Impairment of Non-current Assets

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

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

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

Hinchinbrook Shire Council 2015/2016 Financial Statements
Notes to the Financial Statements for the year ended 30 June 2016

Property, Plant and Equipment

12(b)

	Land & Land Improvements	Buildings & Structures	Fleet Assets	Road & Drainage Network	Water	Sewerage	Computer Network	Plant and Equipment	Work in Progress	Total
	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016
	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Cost	Cost	Cost	
Asset Values	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Opening gross value as at 1 July 2015	11,561	47,382	6,754	249,289	36,959	26,586	2,769	2,198	7,514	391,011
Work in Progress disposal	-	-	-	-	-	-	-	-	(2,013)	(2,013)
Additions	44	-	-	267	-	-	-	-	11,291	11,603
Completed Asset transferred from Work in Progress	-	526	1,288	4,896	3,015	451	2,720	9	(12,905)	-
Disposals	-	(230)	(655)	(592)	(133)	(83)	(317)	-	-	(2,009)
Revaluation adjustment to other comprehensive income (asset revaluation surplus)	-	1,983	-	-	-	-	-	-	-	1,983
Closing gross value as at 30 June 2016	11,605	49,661	7,387	253,860	39,841	26,954	5,173	2,206	3,886	400,574
Accumulated Depreciation										
Opening balance as at 1 July 2015	(2,665)	(13,459)	(2,952)	(65,199)	(15,934)	(13,020)	(1,755)	(960)	-	(115,944)
Correction to Accumulated Depreciation Opening Balance	-	-	-	(667)	-	-	-	-	-	(667)
Depreciation provided in period	(210)	(814)	(522)	(5,969)	(832)	(492)	(277)	(167)	-	(9,284)
Depreciation on disposals	-	61	450	261	75	72	310	-	-	1,230
Revaluation adjustment to asset revaluation surplus	-	(783)	-	-	-	-	-	-	-	(783)
Accumulated depreciation as at 30 June 2016	(2,876)	(14,996)	(3,023)	(71,574)	(16,691)	(13,440)	(1,722)	(1,127)	-	(125,448)
Total written down value as at 30 June 2016	8,730	34,665	4,364	182,286	23,150	13,514	3,451	1,080	3,886	275,126

Land: Not depreciated.
Improvements:

Range of estimated useful life in years

15 - 50 10 - 100 4 - 15 12 - 100 5 - 75 5 - 70 3 - 17 5 - 100

Additions by asset class comprise:

Renewals	18	373	974	3,378	674	320	679	346		6,823
Other Additions	84	121	297	2,003	1,486	81	-	718		4,781
Total Additions	103	493	1,261	5,381	2,160	461	679	1,065		11,603

Hinchinbrook Shire Council 2015/2016 Financial Statements
Notes to the Financial Statements for the year ended 30 June 2016

12(c)

	Land & Land Improvements	Buildings & Structures	Fleet Assets	Road & Drainage Network	Water	Sewerage	Computer Network	Plant and Equipment	Work in Progress	Total
	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015
Basis of measurement	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Cost	Cost	Cost	
Asset Values	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Opening gross value as at 1 July 2014	9,923	47,029	6,926	267,428	33,606	23,677	2,661	578	11,615	403,543
Transfer between asset classes	-	-	(986)	-	-	-	-	986	-	-
Additions	-	-	-	-	-	-	-	-	13,330	13,330
Completed Asset transferred from Work in Progress	478	358	1,410	12,889	865	759	128	544	(17,432)	-
Disposals	(253)	(5)	(597)	(4,766)	(227)	(48)	(20)	(9)	-	(5,925)
Revaluation adjustment to other comprehensive income (asset revaluation surplus)	1,414	-	-	(26,263)	2,715	2,198	-	-	-	(19,936)
Closing gross value as at 30 June 2015	11,561	47,382	6,754	249,289	36,959	26,586	2,769	2,198	7,514	391,011
Accumulated Depreciation										
Opening balance as at 1 July 2014	(1,805)	(12,648)	(3,266)	(117,912)	(15,284)	(11,609)	(1,492)	(378)	-	(164,394)
Transfer between asset classes	-	-	444	-	-	-	-	(444)	-	-
Depreciation provided in period	(185)	(812)	(543)	(5,452)	(769)	(459)	(283)	(141)	-	(8,644)
Depreciation on disposals	-	-	414	1,585	151	40	20	3	-	2,213
Revaluation adjustment to asset revaluation surplus	(675)	-	-	56,580	(32)	(993)	-	-	-	54,880
Accumulated depreciation as at 30 June 2015	(2,665)	(13,459)	(2,952)	(65,199)	(15,934)	(13,020)	(1,755)	(960)	-	(115,944)
Total written down value as at 30 June 2015	8,896	33,923	3,803	184,090	21,024	13,566	1,015	1,238	7,514	275,067
	Land: Not depreciated.									
Improvements:	15 - 50	10 - 100	4 - 15	12 - 100	5 - 75	5 - 70	3 - 17	5 - 100		
Range of estimated useful life in years										

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certified statements

12(d) Fair Value Measurements

(i) Recognised fair value measurements

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

- Property, plant and equipment
 - Land and land improvements
 - Buildings & structures
 - Road & drainage network
 - Water Infrastructure
 - Sewerage Infrastructure

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

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

The following table lists Council's assets with fair value measurements of 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 or level 2.

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, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

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

At 30 June 2016	Note	Level 1 (Directly observable inputs based on quoted prices for identical assets)	Level 2 (Significant other observable inputs)	Level 3 (Significant unobservable inputs)
Recurring fair value measurements				
Land and land improvements	12	\$000	\$000	\$000
Buildings & structures	12		3,603	5,127
Road and drainage network	12			34,665
Water Infrastructure	12			182,286
Sewerage Infrastructure	12			23,150
				13,514
			3,603	258,743

Hinchinbrook Shire Council 2015/2016 Financial Statements
Notes to the Financial Statements for the year ended 30 June 2016

At 30 June 2015	Note	Level 1 (Directly observable inputs based on quoted prices for identical assets)	Level 2 (Significant other observable inputs)	Level 3 (Significant unobservable inputs)
		\$'000	\$'000	\$'000
Recurring fair value measurements				
Land and land improvements				
Buildings & structures	12	-	3,603	5,293
Road and drainage network	12	-	-	33,923
Water infrastructure	12	-	-	184,090
Sewerage infrastructure	12	-	-	21,024
		-	-	13,566
		-	3,603	257,896

There were no transfers between levels 1 and 2 during the year, nor between levels 2 and 3. Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period.

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

Specific valuation techniques used to value Council assets comprise:

Land & land improvements (level 2 and 3)

Land and land improvements fair values were determined by independent valuer, APV Valuers and Asset Management effective 30 June 2015. Land held in freehold title has been assessed on the basis of the estimated amount which the interest in each property being valued might reasonably be expected to realise on the date of valuation in an exchange between market participants given highest and best use or highest and best alternative use. This was determined by comparison to recent sales of land with similar characteristics. This was then adjusted to reflect condition and comparability. As this was based on observable evidence land has been classified as Level 2. Land improvements were valued using the Cost (depreciated) methodology. The valuer determined a value based on the interrelationship between a range of factors. These include asset condition, legal and commercial obsolescence and the determination of key depreciation related assumptions and the pattern of consumption of the future economic benefit. This valuation methodology included a range of observable inputs, such as the design, construction and condition of the asset and unobservable inputs, such as professional judgments to derive estimates of the pattern of consumption of the asset and the relationship to the assessed level of remaining service potential of the depreciable amount. As unobservable inputs formed part of the valuation of the entire asset class of Land and Land improvements the appropriate valuation level is Level 3.

Buildings & structures (level 3)

The fair values of buildings were determined by independent valuer, APV Valuers and Asset Management (APV) effective 30 June 2014. At 30 June 2016 APV have completed a desktop update to the same assets valued during the 2014 comprehensive valuations. Where there is a market for Council building assets, fair value has been derived using a combination of sales direct comparison approach and capitalisation of income approach. Fair value has been derived from sales prices of comparable properties after adjusting for differences in key attributes such as property size. The most significant inputs into this valuation approach are rental yields and price per square metre. The level of evidence used to support the critical assumptions of some commercial buildings was considered to be highly variable due to high levels of variability in the market for rental yields and future demand. As such the level of valuation input for these properties was considered level 3.

Specialised buildings were valued using the cost approach using professionally qualified Registered Valuers. The approach estimated the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. These include the average cost of construction and consumption score for each component. As these are supported by observable market evidence they have been classified as Level 2 inputs. The unobservable inputs (such as estimates of useful life, pattern of consumption and asset condition and its relationship to the assessed level of remaining service potential of the depreciable amount) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

The quantitative disclosures of the remaining service potential relating to each corresponding condition score for each of the patterns of consumption utilised in this valuation were as follows:

Hinchinbrook Shire Council 2015/2016 Financial Statements
Notes to the Financial Statements for the year ended 30 June 2016

Consumption Score	Description	% Remaining service potential of depreciable amount				
		Straight-Line	Low	Mod	High	Extreme
0	New or very good condition - very high level of remaining service potential.	100%	100%	100%	100%	100%
1	Not new but in very good condition with no indicators of any future obsolescence and providing a high level of remaining service potential.	85%	92%	94%	98%	100%
2	Aged and in good condition, providing an adequate level of remaining service potential. No signs of immediate or short term obsolescence.	50%	65%	75%	85%	99%
3	Providing an adequate level of remaining service potential but there are some concerns over the asset's ability to continue to provide an adequate level of service in the short to medium term. May be signs of obsolescence in short to mid-term.	25%	40%	54%	70%	90%
4	Indicators showing the need to renew, upgrade or scrap in near future. Should be reflected by including in the Capital Works Plan to renew or replace in short-term. Very low level of remaining service potential.	10%	20%	34%	45%	70%
5	At intervention point. No longer providing an acceptable level of service. If remedial action is not taken immediately the asset will need to be closed or decommissioned.	0%	0%	0%	0%	0%
6	Theoretical end of life.	Fully written off				

Infrastructure assets (level 3)

All Council Infrastructure assets were fair valued using written down current replacement cost. This valuation comprises the asset's current replacement cost (CRC) less accumulated depreciation calculated on the basis of such cost to reflect the already consumed service potential of the asset.
CRC was measured by reference to the lowest cost at which the gross future economic benefits of the asset could currently be obtained in the normal course of business. Where existing assets were over designed, had excess capacity, or were redundant an adjustment was made so that the resulting valuation reflected the cost of replacing the existing economic benefits based on an efficient set of modern equivalent assets to achieve the required level of service output within the council's planning horizon.

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

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

Roads

Current replacement cost

Council engaged independent consulting engineers IMG Consultants Pty Ltd to physically review and report on the dimensions and condition of all council roads effective 01 July 2014. Council has restated the road asset register at 01 July 2014 where required to reflect the results of the IMG Consultants Pty Ltd report. Road segments are componentised into formation, pavement, footpaths, kerb and channel and seal (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard using quantities according to recently completed similar projects. Council categorises its road infrastructure into urban and rural roads and further sub-categorises these into sealed and unsealed roads. All roads are broken into segments based on manageable lengths and attribute similarities.

Following the IMG consultants Pty Ltd condition and dimensions review effective at 01 July 2014 Current Replacement Cost (CRC) was calculated by reference to the revised asset linear and area specifications, applying unit rates derived from Council's own costs of construction where sufficient representative samples have been available and adjusted by the Australian Bureau of Statistics Road and Bridge Construction Index in intervening years where the effect is material.

Accumulated depreciation

In determining the level of accumulated depreciation, remaining useful lives were calculated based on condition assessments. The condition profiles were provided by independent consultants Infrastructure Management Group Pty Ltd after onsite inspections of the Hinchinbrook Shire Council road network.

IMG consultants Pty Ltd used the following Pavement Condition indicators and Index calculations to calculate the average condition of the pavement and surface components of each road segment.

Pavement Condition Index Calculation – PCI

$\text{Pavement Defects Score} \times \text{Weighting} + \text{Crocodyle Cracking Score} \times \text{Weighting} + \text{Roughness Score} \times \text{Weighting} + \text{Rutting Score} \times \text{Weighting} / \text{Sum of Weightings}$

Surface Condition Index Calculation - SCI

$\text{Surface Texture Score} \times \text{Weighting} + \text{Linear Cracking Score} \times \text{Weighting} / \text{Sum of Weightings}$

Condition Defect	Weightings
Pavement Indicators	
Pavement Defects	6
Crocodyle Cracking	5
Roughness	4
Rutting	6
Surface Indicators	
Surface Texture	6
Linear Cracking (Includes both Longitudinal and Transverse Cracking)	1

Using the condition assessment provided by IMG Pty Ltd Council engineering staff derived the following matrix to provide estimated remaining useful lives for all road components.

Hinchinbrook Shire Council 2015/2016 Financial Statements
Notes to the Financial Statements for the year ended 30 June 2016

Council road assets Useful Life matrix

Calculated condition indicator	Extrapolated remaining useful life percent of expected total useful life	Seal Useful Life	Sealed Pavement Useful Life	Unsealed Pavement Useful Life	Concrete Useful Life	Kerb and Channel Useful life	Footpath Useful Life
		15 Years	40 Years	12 Years	100 Years	70 Years	50 Years
1	95%	14	38	11	95	67	48
1.5	85%	13	34	10	85	60	43
2	75%	11	30	9	75	53	38
2.5	62%	9	25	7	62	43	31
3	50%	8	20	6	50	35	25
3.5	38%	6	15	5	38	27	19
4	25%	4	10	3	25	18	13
4.5	15%	2	6	2	15	11	8
5	5%	1	2	1	5	4	3

Bridges

An internal review of Council's bridge assets is undertaken by Council's qualified engineering staff annually with the calculation and application, in the event of a material change in value, of unit rates obtained from the average unit rate for bridgeworks completed during the year and after consideration of the road and bridge construction index.

Consistent with roads, Council assumes that environmental factors such as soil type, climate and topography are consistent across each bridge and that a bridge is designed and constructed to the same standard and uses a consistent amount of labour and materials. Construction estimates were determined on a similar basis to roads.

Accumulated depreciation

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

Condition rating	Assessment
0H/ 0M	Very high level of remaining service potential
1H/ 1M	High level of remaining service potential
2H/ 2M	Adequate level of remaining service potential
3H/ 3M	Adequate level of remaining service potential, but with some issues indicating the need for action in the short to medium term
4H/ 4M	Barely adequate level of remaining service potential requiring action to be taken in the short term
5H/ 5M	Asset is now unacceptable and must be closed or renewed
6H/ 6M	End of life

Estimated useful lives are disclosed in note 12.

Hinchinbrook Shire Council 2015/2016 Financial Statements Notes to the Financial Statements for the year ended 30 June 2016

Drainage infrastructure **Current replacement cost**

An internal review of Council's drainage infrastructure is undertaken by Council's qualified engineering staff annually with the calculation and application, in the event of a material change in value, of unit rates obtained from the average unit rate for drainage works completed during the year and after consideration of the road and bridge construction index. The unit rate methodology was reviewed and found to meet fair value requirements by an independent valuer Shepherd Services Pty Ltd at 30 June 2013.

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

Accumulated depreciation

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

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

Estimated useful lives are disclosed in note 12.

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

Water and Sewerage

Current replacement cost

An internal review of Council's Water and sewerage infrastructure fair values is undertaken by Council's qualified engineering staff annually. Where a material change in cost driver values is assessed the assets are revalued using unit rates obtained from the average unit rate for water and sewerage construction works completed during the year and after consideration of the non-residential building construction index. The assets are disaggregated to component level to ensure a reliable measure of cost and service capacity and deterioration of estimated life. Where water and sewerage infrastructure assets are located underground and physical inspection is not possible, the age, size and type of construction material, together with current and planned maintenance records are used to determine the fair value at reporting date.

Council engineering cost models were derived from the following sources:

• Schedule rates for construction of asset or similar assets
• Building Price Index tables
• Recent contract and tender data
• Rawlinson's Rates for building and construction, and
• Suppliers' quotations

Factors taken into account in determining replacement costs included:

- Soil factors - The types of soil or other surface material (e.g. areas where soil is sandy are difficult to excavate and would require shoring while areas where the soil is generally free of rock would not present any great difficulty for excavation)

Hinchinbrook Shire Council 2015/2016 Financial Statements
Notes to the Financial Statements for the year ended 30 June 2016

Accumulated depreciation

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

Condition rating	Condition description	Description explanation	Remaining useful life %
1	As new/ excellent	Asset "as new"	95% of useful life
2	Good	Asset is reliable, asset operates as intended and its appearance and structural integrity is up to the standard expected of an operating asset.	75% of useful life
3	Fair	Asset is reliable and operates as intended, but its appearance and structural integrity are questionable.	50% of useful life
4	Poor	Asset still operates, but does not meet intended duty or does not appear sound.	25% of useful life
5	Unserviceable	Asset is not functioning/ needs immediate attention.	5% of useful life

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

For wastewater gravity mains the assumption that the pipes will be relined was adopted. The fair value for sewer gravity mains was determined as follows:

- For all pipes, replacement cost was determined based on replacement by trench excavation, useful life was determined as the pipe useful life plus the relined useful life, and the pipe fair value was based on age.
- Where pipes have been relined, the total pipe useful life was determined as the pipe age when the relining occurred plus the relined life.
- The relining of pipes was valued at relined rates and depreciated over the relined life. The relined fair value was based on age.

	2016 \$000	2015 \$000
13. Trade and other payables		
Current		
Trade creditors and accruals	2,233	4,922
Annual leave	1,006	1,450
Rostered days off	46	64
Time in lieu	58	43
	3,343	6,478
Non-current		
Annual leave	490	204

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.

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. For annual leave where it is expected that the leave will be paid in the next twelve months the liability is treated as a current liability calculated on current wage and salary levels and includes related employee on-costs. Otherwise the liability is treated as non-current calculated on projected future wage and salary levels and related employee on-costs discounted to present values.

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

14. Provisions		
Current		
Long Service Leave	376	364
	376	364
Non-Current		
Ingham Landfill Site Restoration	708	694
Taylors Beach Landfill Site Restoration	229	225
Forrest Beach Landfill Site Restoration	146	144
Lucinda Landfill Site Restoration	109	107
Warrens Hill Landfill Site Restoration	714	606
Long Service Leave	1,755	1,696
	3,662	3,473
Ingham Landfill Site Restoration		
Balance at beginning of financial year	694	680
Increase in provision due to revised estimate of works	13	15
Balance at end of financial year	708	694

This is based on an estimate to undertake remediation works at this closed landfill site. Council is continuing monitoring and testing of the site. The remediation works are not planned to be commenced within the next 10 years and Council is continuing to investigate options for remediation works.

Taylors Beach Landfill Site Restoration		
Balance at beginning of financial year	225	220
Increase in provision due to revised estimate of works	4	5
Balance at end of financial year	229	225

This is based on an estimate to undertake remediation works at this closed landfill site. Council is continuing monitoring and testing of the site. The remediation works are not planned to be commenced within the next 10 years.

	2016 \$000	2015 \$000
Forrest Beach Landfill Site Restoration		
Balance at beginning of financial year	144	141
Increase in provision due to revised estimate of works	3	3
Balance at end of financial year	146	144

This is based on an estimate to undertake remediation works at this closed landfill site. Council is continuing monitoring and testing of the site. The remediation works are not planned to be commenced within the next 10 years.

Lucinda Landfill Site Restoration

Balance at beginning of financial year	107	105
Increase in provision due to revised estimate of works	2	2
Balance at end of financial year	109	107

This is based on an estimate to undertake remediation works at this closed landfill site. Council is continuing monitoring and testing of the site. The remediation works are not planned to be commenced within the next 10 years.

Warrens Hill Landfill Site Restoration

Balance at beginning of financial year	606	580
Increase in provision due to unwinding of discount	22	25
Increase (decrease) in provision due to change in discount rate	134	58
Increase (decrease) in provision adjusted to Asset Revaluation Surplus	(48)	(58)
Balance at end of financial year	714	606

This is the present value of the estimated cost of restoring the landfill site to a useable state at the end of its useful life. The projected cost is \$1.37m and this cost is expected to be incurred in 2037 after closing the site that year.

Long service leave

Balance at beginning of financial year	2,060	2,086
Long service leave entitlement arising	319	333
Long Service entitlement extinguished	(39)	(56)
Long Service entitlement paid	(209)	(302)
Balance at end of financial year	2,131	2,060

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

A provision is made for the cost of restoration of assets and other future restoration costs where it is probable Council will be liable, or required, to incur such a cost on the cessation of use of the facility. This liability is provided in respect of landfill sites.

The provision is measured at the expected cost of the work required discounted to current day values using an appropriate rate. The current Queensland Treasury Corporation (QTC) lending rate is considered an appropriate rate. The calculation of the provision requires assumptions such as the 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 landfill sites is reviewed at least annually and updated based on the facts and circumstances available at the time.

	2016 \$000	2015 \$000
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Landfill sites may be located on State reserves which the council does not control. The cost of the provisions for restoration of these is therefore treated as an expense in the year the provision is first recognised. Changes in the provision not arising from the passing of time are treated as an expense or income.

Changes to the provision resulting from the passing of time (the unwinding of the discount) are treated as a finance cost.

15. Asset Revaluation Surplus

Movements in the asset revaluation surplus were as follows:

Balance at beginning of financial year	133,911	98,909
Net adjustment to capital non-current assets at end of period to reflect a change in fair value:		
Buildings and structures	1,200	-
Road and drainage network	-	30,317
Water	-	2,683
Sewerage	-	1,205
Land and Land Improvements	-	739
Change in value of rehabilitation of land	48	58
Balance at end of financial year	135,159	133,911

Asset revaluation surplus analysis

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

Land and improvements	4,388	4,340
Buildings	12,594	11,395
Road, drainage and bridge network	103,951	103,951
Water	8,072	8,072
Sewerage	6,153	6,153
	135,159	133,911

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

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

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

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

16. Commitments for Expenditure

Contractual commitments at balance date but not recognised in the financial statements are payable as follows:

Contract for refuse disposal in place until 30 June 2020. Payment per annum subject to various indices. Value of contract presented is based on payment for 2016/17.	2,842	695
One Council Implementation Project - Time & Materials	7	740
NDRRA Works 14/06 - Road Rehabilitation	-	493
NDRRA Works 14/48 - Restoration of Gravel Roads - West	-	133
NDRRA Works 13/53 - Soil Testing Services	-	3
NDRRA Works 15/08 - Area 1 Mt Fox & Area 10 Stone River	-	93
NDRRA Works 15/09 - Area 2 Wallaman Falls, Area 4 Long pocket & Area 5 Hawkins Creek	-	277
NDRRA Works 15/10 - Area 8 Hamleigh, Area 9 Bambaroo, Area 11 Blackrock, Area 13 Lower Herbert & Area 17 Bemerside.	-	24
	2,849	2,458

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2016	2015
\$000	\$000

17. Contingent Liabilities

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

Local Government Workcare

The Hinchinbrook Shire 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 circumstance arise.

The Council's maximum exposure to the bank guarantee is:

194	188
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Local Government Mutual

The Hinchinbrook Shire 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 being 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 of any year that a deficit arises.

As at 30 June 2015 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

18. Superannuation

The Hinchinbrook Shire 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 amount of superannuation contributions paid by the Council to the scheme in this period for the benefit of employees and Councillors was:

2,028	1,872
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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 that 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.

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	2016 \$000	2015 \$000
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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.'

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 69 entities contributing to the Regional DBF plan and any changes in contribution rates would apply equally to all 69 entities. Hinchinbrook Shire Council made less than 4% of the total contributions to the plan in the 2015-16 financial year.

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

19. Joint Venture

Hinchinbrook Community Wetlands

The Council has a 50% share joint venture interest in the Hinchinbrook Community Wetland, the principal activity of which is to develop and maintain a wetland to treat waste water.

Ordinary revenues	15	15
Ordinary expenses	(39)	(40)
Net result	(24)	(25)
Sewerage Infrastructure Assets 50% only	593	607

20. Trust Funds

Trust funds held for outside parties

Monies collected or held on behalf of another entity yet to be paid out to or on behalf of that entity

187	234
187	234

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

	2016 \$000	2015 \$000
21. Reconciliation of net result for the year to Net Cash Inflow (Outflow) from Operating Activities		
Net Result	9,569	1,034
Non-cash operating items :		
Depreciation and amortisation	9,284	8,644
Contributed Assets	(311)	-
Termination of prepaid lease	-	472
Increase (decrease) in provision to Asset Revaluation Surplus	48	58
Landfill remediation provisions discount rate adjustment	-	59
	18,590	10,266
Investing and development activities :		
Net (profit) loss on disposal of non current assets	2,746	3,189
Less Discount rate adjustment to refuse restoration provision reflected in provisions	(134)	-
	2,611	3,189
Changes in operating assets and liabilities :		
(Increase) decrease in receivables	269	(4)
(Increase) decrease in inventories	33	(50)
Increase (decrease) in creditors and accruals	(2,849)	(136)
Increase (decrease) in provisions	202	(159)
Increase (decrease) in other liabilities	(36)	(30)
	(2,382)	(379)
Net cash inflow from operating activities	18,819	13,076

22. Financial Instruments

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.

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

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

Council does not recognise financial assets or financial liabilities at fair value in the Statement of Financial Position.

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

- credit risk
- liquidity risk
- market risk

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

Financial risk management

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

Council's management 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.

Hinchinbrook Shire Council does not enter into derivatives.

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Credit Risk

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

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

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

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

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

Financial Asset	30/06/2016 \$000	30/06/2015 \$000
Cash and Cash equivalents - QTC	22,200	15,000
Cash and Cash equivalents - Bank	2,476	1,966
Cash and Cash equivalents - Other	0	1
Receivables - Rates	1,375	1,118
Receivables - Other	838	1,330
Total	26,888	19,415
Other Credit Exposures		
Guarantee	194	188

Cash and cash equivalents

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.

Other Financial Assets

Other investments are held with the Commonwealth Bank which is rated AA- based on Standard and Poors rating agency ratings and whilst not capital guaranteed the likelihood of credit failure is assessed as remote.

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

	2016 \$000	2015 \$000
Not past due	820	1,454
Past due 31-60 days	165	16
Past due 61-90 days	26	-
More than 90 days	1,251	1,028
Impaired	(49)	(49)
Total	2,212	2,448

Liquidity Risk

Liquidity risk is the risk that the Council will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Hinchinbrook Shire Council is exposed to liquidity risk through its normal course of business.

The Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities to cater for unexpected volatility in cash flows. Unrestricted access was available at balance date to the lines of credit listed below:-

	2016 \$000	2015 \$000
Bank overdraft facility	150	150
QTC working capital facility	-	1,500



The following table sets out the liquidity risk of financial liabilities held by the Council. It represents the remaining contractual cashflows of financial liabilities at the end of the reporting period:

Financial Liabilities	0-1 Year \$000	1-5 Years \$000	Over 5 years \$000	Total \$000
2016				-
Trade and Other Payables	2,096			2,096
2015				-
Trade and Other Payables	4,922			4,922

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

Market risk

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

Interest rate risk

Hinchinbrook Shire Council is exposed to interest rate risk through investments with QTC and other financial institutions.

Sensitivity

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

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

	Net Carrying Amount \$000	Profit \$000	Equity \$000
2016			
Financial Assets	24,676	247	247
Financial Liabilities			
2015			
Financial Assets	16,967	170	170
Financial Liabilities	-		

Fair value

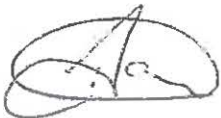
The fair value of trade and other receivables and payables is assumed to approximate the value of the original transaction less any allowance for impairment.

HINCHINBROOK SHIRE COUNCIL
Management Certificate
For the year ended 30 June 2016

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

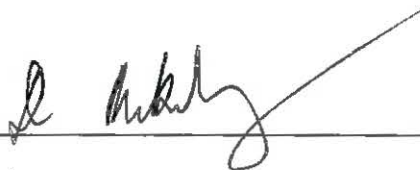
In accordance with section 212(5) of the Regulation we certify that:

- (i) the prescribed requirements of the Local Government Act 2009 and Local Government Regulation 2012 for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 1 to 34, 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.



R Jayo
Mayor

Date: 13/07/2016



D McKinlay
Chief Executive Officer

Date: 13/07/2016

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INDEPENDENT AUDITOR'S REPORT

To the Mayor of Hinchinbrook Shire Council

Report on the Financial Report

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

The Council's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

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

Opinion

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

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of Hinchinbrook Shire Council for the financial year 1 July 2015 to 30 June 2016 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

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

CG STRICKLAND CA
(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
Brisbane

HINCHINBROOK SHIRE COUNCIL

Current Year Financial Sustainability Statement

For the year ended 30 June 2016

Measures of Financial Sustainability	How the measure is calculated	Actual	Target
Council's performance at 30 June 2016 against key financial ratios and targets:			
Operating surplus ratio	Net operating result divided by total operating revenue	13%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	59%	Greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	-53%	Not greater than 60%

Note 1 - Basis of

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

HINCHINBROOK SHIRE COUNCIL
Current-year Financial Sustainability Statement
For the year ended 30 June 2016

Certificate of Accuracy
For the year ended 30 June 2016

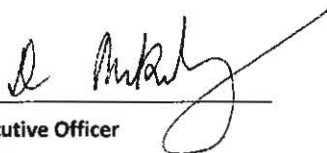
This current-year financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the regulation).

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



Mayor
R Jayo

Date: 13/10/2016



Chief Executive Officer
D McKinlay

Date: 13/10/2016

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Hinchinbrook Shire Council

Report on the Current-Year Financial Sustainability Statement

I have audited the accompanying current-year financial sustainability statement, which is a special purpose financial report of Hinchinbrook Shire Council for the year ended 30 June 2016, comprising the statement and explanatory notes, and certificates given by the Mayor and Chief Executive Officer.

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

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

Auditor's Responsibility

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

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

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

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

Independence

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

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

Opinion

In accordance with s.212 of the *Local Government Regulation 2012*, in my opinion, in all material respects, the current-year financial sustainability statement of Hinchinbrook Shire Council, for the year ended 30 June 2016, has been accurately calculated.

Emphasis of Matter – Basis of Accounting

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

Other Matters - Electronic Presentation of the Audited Statement

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

C.G. Strickland



CG STRICKLAND CA
(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
Brisbane

HINCHINBROOK SHIRE COUNCIL
Long-Term Financial Sustainability Statement
For the year ended 30 June 2016

Measures of Financial Sustainability		Actuals at 30 June 2016	30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024
Measure	Target									
Operating surplus ratio	Between 0% and 10%	13%	-10%	-9%	-7%	-7%	-3%	-2%	-2%	-1%
Asset sustainability ratio	Greater than 90% divided by depreciation expense.	59%	137%	74%	99%	108%	80%	81%	80%	86%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	-53%	-51%	-47%	-39%	-32%	-31%	-31%	-31%	-32%

Hinchinbrook Shire Council's Financial Management Strategy

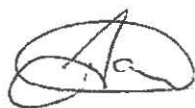
Council measures revenue and expenditure trends over time as a guide to future requirements and to make decisions about the efficient allocation of resources to ensure the most effective provision of services. Council ensures that its financial management strategy is prudent and that its long-term financial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

HINCHINBROOK SHIRE COUNCIL
Long-Term Financial Sustainability Statement
For the year ended 30 June 2016

Certificate of Accuracy
For the long-term financial sustainability statement prepared as at 30 June 2016

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

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



Mayor
R Jayo

Date: 13/10/2016



Chief Executive Officer
D McKinlay

Date: 13/10/2016



HINCHINBROOK
SHIRE COUNCIL

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📘 HinchinbrookShireCouncil