

WUJAL WUJAL

ABORIGINAL SHIRE COUNCIL

ANNUAL REPORT 2015/2016

JANAY
JUNKURRJIKU
MURUKU



The 2015/16 annual report has been prepared in accordance with the Queensland Local Government Act 2009 and Local Government Regulation 2012 S182. It's objective is to offer councils constituents a transparent insight into the activities and achievements of Wujal Wujal Aboriginal Shire Council during the 2015-16 financial year. Under legislation Council is required to prepare an annual report each financial year for the shire with reference to the progress of Councils community, corporate and operational plans.

If you would like any further information about the Wujal Wujal Aboriginal Shire Council's Annual Report please contact our main office on 07 4083 9100 or via email at inquiries@wujalwujalcouncil.qld.gov.au.

Alternatively if you would like to provide feedback on this report it can be done by writing to the address below.

Wujal Wujal Aboriginal Shire Council

1 Hartwig Street

Wujal Wujal, QLD, 4895

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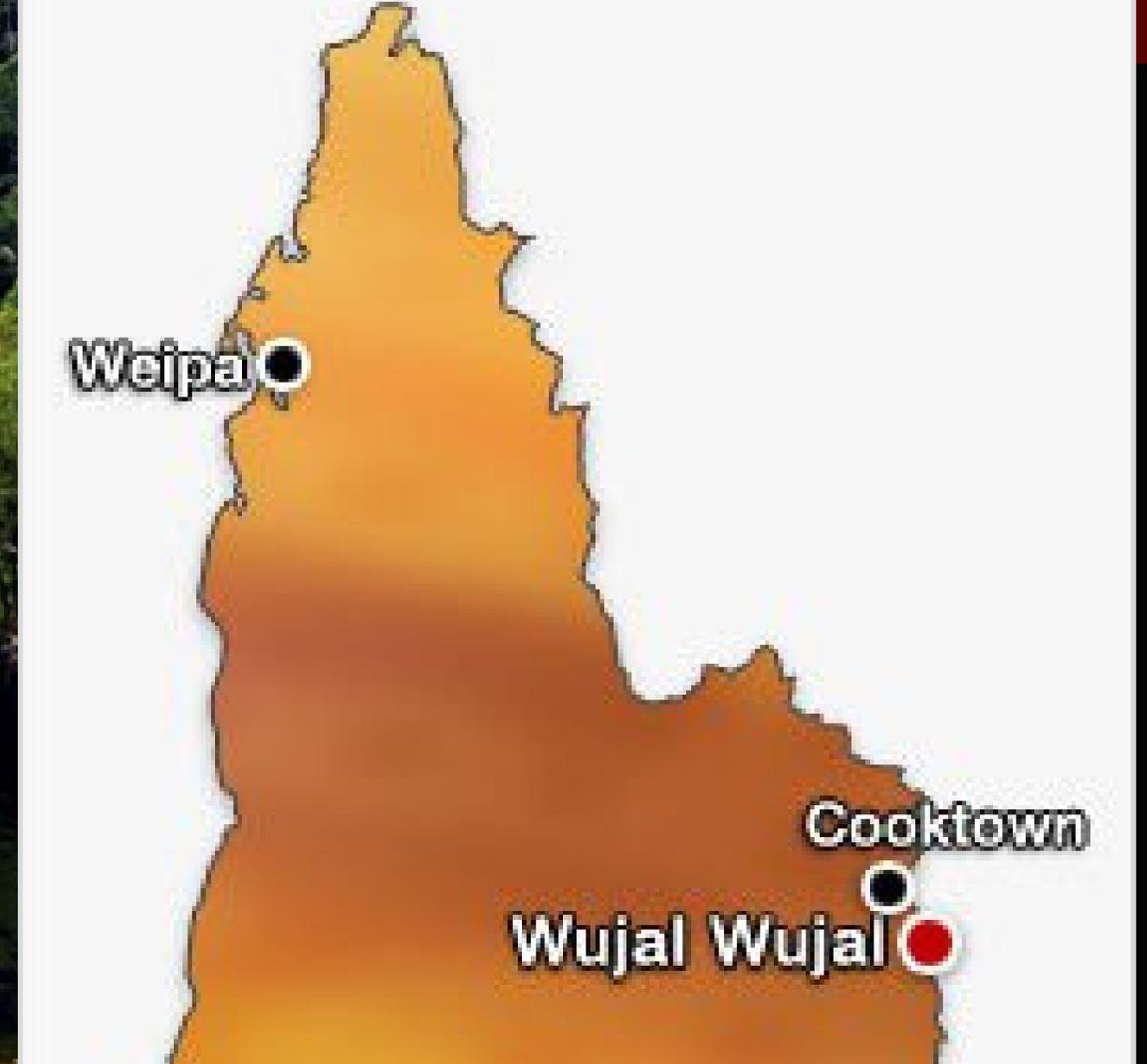
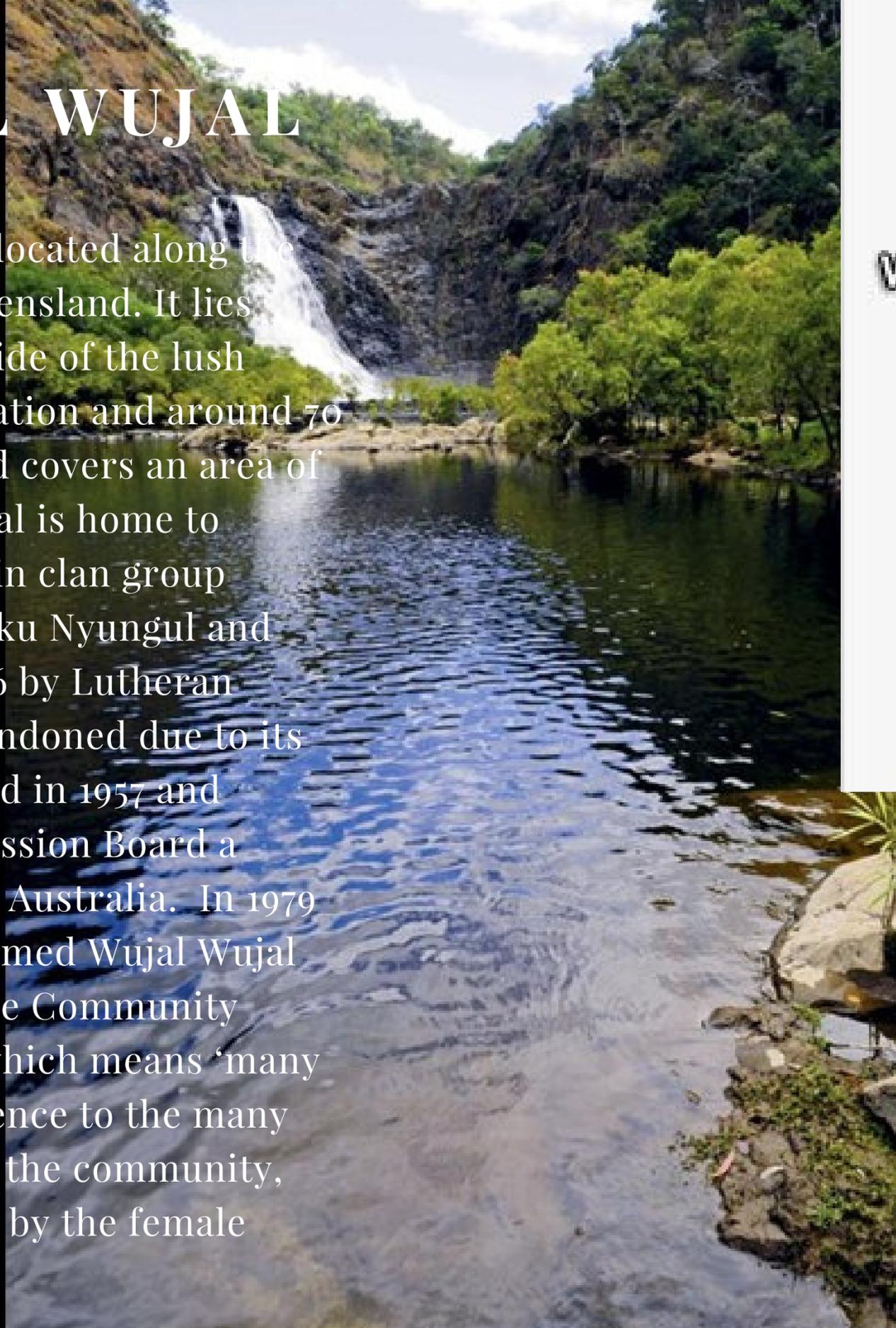
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ABOUT WUJAL WUJAL

The community of Wujal Wujal is located along the Bloomfield River in far north Queensland. It lies approximately 30 kilometres outside of the lush tropical rainforest of Cape Tribulation and around 70 kilometres south of Cooktown and covers an area of 64 hectares. At present Wujal Wujal is home to around 470 residents with the main clan group languages being Kuku Yalangi, Kuku Nyungul and Jalungi. Originally founded in 1886 by Lutheran Missionaries the area became abandoned due to its isolation. However it was reopened in 1957 and administered by the Hope Vale Mission Board a branch of the Lutheran Church of Australia. In 1979 the community was officially renamed Wujal Wujal following representations from the Community Council. The name Wujal Wujal which means 'many falls' in local language, is in reference to the many sacred waterfalls which surround the community, some of which are only to be seen by the female members of the community.



Bloomfield Falls



A MESSAGE FROM OUR MAYOR

With the conclusion of the 2015/16 financial year upon us I would like to take this opportunity in firstly congratulating the efforts and achievements of former Mayor Cr Cliff Harrigan and his team. Accustomed to the many challenges faced by Council, Cr Harrigan is to be commended for his efforts in helping to build Wujal Wujal into a socially and economically prosperous community.

Throughout the year the community has been witness to a number of positive changes and improvements. In particular the funding secured by council as part of the Cape York Package has resulted in a number of improvements to our local infrastructure including the Wujal Wujal boat ramp and China Camp Road.

In addition the success of our local arts programs through the Bana Yirriji Arts Centre continues to go from strength to strength providing new skills and potential income streams for our local artists.

Moving forward I intend to continue building on the achievements of the last year with determination and strong leadership supported by a team focused on achieving success by standing strong together. I am excited to welcome in the 2016/17 year and the new changes and challenges it brings with it.

Desmond Tayley
WUWSC Mayor



A MESSAGE FROM OUR CEO

I have the pleasure to report on the operations of the Council for the 2015/16 Financial Year.

It has been a challenging year with continued emphasis of aligning Council operational and strategic directions in Local Government.

Many challenges will face the Shire, but I am confident that with continual reviews into our expenditure and revenue raising, the Council will maintain its financial stability.

All areas of Council are being reviewed to ensure Council is spending wisely, but also delivering the services of local government.

I wish to extend my appreciation to elected members and all employees for their dedication and work over this past financial year.

Jeff Jenkins
Acting Chief Executive Officer

OUR VISION



A happy, educated, united and prosperous community that continues to enjoy the benefits of modernity and tradition simultaneously.

OUR MISSION STATEMENT



To serve the community through a coordinated, sustainable and equitable delivery of services which focus on local priorities and contribute to the improvement of the quality of life.

OUR CORE PRINCIPLES & VALUES



- Customer focus
- Accountable Management
- Respect for aboriginal culture & Tradition
- Continuous improvement
- Quality
- Outcome driven
- Positive image
- Value for money
- Environmentally Friendly
- Networking

Wujal Wujal Aboriginal Shire Council has an elected body of five Councillors, with specific powers, responsibilities and duties set out in the Local Government Act 2009 (the Act). Elections for the Mayor and Councillors are undertaken every four years, with the last election held on 19 March 2016. The next election is scheduled for March 2020.

THE PEOPLE

**ELECTED
COUNCILLORS**

**CORPORATE
MANAGEMENT**

MAYOR

CEO

COO & CFO

COUNCILLORS

DEPARTMENT HEADS

COUNCIL EMPLOYEES

OUR ELECTED REPRESENTATIVES



MAYOR DESMOND TAYLEY

Cr Tayley is serving his 4th term as Mayor after his successful reelection in 2016.



DEPUTY MAYOR CR ROBERT BLOOMFIELD

Cr Bloomfield is enjoying his first term as Deputy Mayor following the 2016 elections



CR VINCENT TAYLEY

This will be Cr Tayley's second term in council following his re-election in March 2016.



CR REAGAN KULKA

Cr Kulka continues in his second term as councillor with the WWASC.



CR BRADLEY CREEK

Cr Creek is undertaking his first term as councillor following on from the March poll.

PROGRESS AGAINST THE CORPORATE AND OPERATIONAL PLANS (S190)

In accordance with the Local Government Regulation 2012 Subordinate Legislation 2012 No. 236 made under the Local Government Act 2009, the Corporate Plan of Wujal Wujal Aboriginal Shire Council sets out the issues relevant to our Local Authority and states the endorsed strategic direction for the coming years. The Corporate Plan is a document designed to outline the major issues facing Wujal Wujal Aboriginal Shire both now and in the future. The following gives a brief overview of the Council's work during the 2015/16 financial period in helping to achieve a successful outcome.

TECHNICAL SERVICES

Department Head - Mark Buttersworth

I have much pleasure in reporting that, once again, we have achieved much within the resources we have available. The year 2015/2016 has been productive and progressive, with the following work and services being provided in our community:-

TOWN PARKS

Parks and Gardens are continuing to perform the cycle of maintenance of the town's parks and gardens throughout the year.

WORKSHOP

All routine maintenance of Council plant, equipment and vehicles has been carried out by the Council Mechanic as per the maintenance schedule.

CIVIL WORKS

The Heorlein St and Little Douglas St Subdivisions have been completed to the value of \$1,458,410.51 with variations to the value of \$13,500 for a total of \$1,471,910.51

ROADS

All routine maintenance of roads and drains have been carried out as per the road maintenance schedule

ENVIRONMENTAL HEALTH

- **WATER & SANITATION**

Provision of safe drinking water services to community was effected 365 days with nil supply stoppages to town connections

- **SEWERAGE**

Treatment of town sewerage to ERA licence was effected 365 days with no reportable breaches to the release requirements

- **VECTOR / PEST CONTROL**

45 Rat baiting stations have been set up around Councils buildings and community housing to reduce numbers of vermin.

ANIMAL MANAGEMENT

- 70 DOGS TREATED
- 30 STRAY, MANGY AND AGGRESSIVE ANIMALS EUTHANIZED
- 18 DOGS DESEXED
- 65 DOGS REGISTERED

Routine vet visits to Community have occurred throughout the year on a quarterly basis.



ESSENTIAL SERVICES

- **WATER & SEWERAGE**

Provision of safe drinking water services and treatment of town sewerage to ERA licence to community was effected 365 days with nil supply stoppages to town connections.

- **EMPLOYEES**

The team has had to learn many new aspects of daily operations. Along with formal training it has allowed better treatment understanding and practices. The teams have shown a willingness to learn new technology's and continue to build on their overall knowledge.

CAPITAL EXPENDITURE & ROUTINE MAINTENANCE WORKS

During this year Council spent a total of \$140,1260.37 in Parks and public places, routine maintenance of roads and drainage, plant management, water and sewerage system, environmental health, animal health, improving public amenities, road safety, environmental issues and addressing workplace health and safety requirements and Capital Works items.

BUILDING SERVICES

Department Head - Kevin Rahau

SOCIAL HOUSING

There was a total investment of \$1,660,517 made towards social housing during the financial year. The costs have been broken down into the following:

General Upgrades - \$492,109

Refurbishments - \$556,134

OT Modifications - \$138,398

Maintenance \$210,924

Repairs - \$262,952

COUNCIL CAPITAL WORKS

Significant capital works were carried out during the financial year. These include:

Carpeting and internal repainting of the chambers wing of the admin building.

Conversion of the old kitchen in the admin building to the new cleaners room.

Internal repainting of the staff duplex.

Repairs, vinyl flooring and repainting of the sports hall office.

Re-roofing of the garage roof.

Construction of the Anzac Memorial to the town centre

PROPOSED CONSTRUCTION FOR 2015/16

The following are the proposed social housing construction works for the 2015–16 financial year.

The construction of 1x3 bedroom & 3x2 bedroom dwellings is proposed for the 2015–16 year .

An indicative budget of \$1,340,909 has been proposed for the carrying out of Minor works, Upgrades, Repairs and Maintenance to social housing.



COMMUNITY SERVICES

Department Head - Gary Ashworth

It's been another exciting year in community services. Our community agencies have continued to provide support and service which has assisted, strengthened and supported both individuals and family.

COMMUNITY CARE CENTRE

Wujal Wujal Community Care provides support services to Home Care Package, HACCC funded by Commonwealth, and SHACCC/Community Care funded by State Government. Funding granted by these commonwealth packages provides Indigenous residents aged 50 years or older and non indigenous residents aged 65 or older with home help, personal care, preparation and delivery of meals, laundry service, social support and advocacy and respite.



BANA YIRRIJI ARTS AND CULTURAL CENTRE

THE ART CENTRE IS CURRENTLY RUN BY VIKI BURROWS WHILE THE CAFE IS RUN BY LOCAL BAMA WITH SOME OF THEM TRAINED IN CERT III IN HOSPITALITY.

THE 8 ARTISTS FROM BANA YIRRIJI ART AND CULTURAL CENTRE WILL HAVE COMPLETED THE FOUNDATION COURSE FOR CERT III IN ATSI. WE NOW NEED TO ENGAGE PROFESSIONAL ARTISTS FOR MORE IDEAS AND TECHNIQUES. THIS WILL THEN GET THE ARTISTS UP TO THE NEXT LEVEL INTO THINKING ABOUT ART AS CAREER AND A WAY OF WORKING THIS INTO THE ART CENTRE.

PROFESSIONAL DEVELOPMENT FOR THE ARTIST'S WORK.

PROJECT 1 – SCREEN PRINTING WITH BOBBIE RUBEN – MAKING OUR OWN DESIGNS, LEARNING SCREEN PRINTING TECHNIQUES AND BEING ABLE TO PRINT T-SHIRTS, TEA TOWELS AND NAPKINS TO SELL IN OUR GALLERY – \$8,500

PROJECT 2 – LINO CUTTING WITH GLEN MACKIE – WE HAVE COMPLETED THE BEGINNERS COURSE IN SOME PRINTING AND NOW NEED TO MOVE ON TO A MORE PROFESSIONAL LEVEL – \$5,200

PROJECT 3 – PAINTING WITH LYNELLE FLINDERS – PLAN A PAINTING, WORK THROUGH AN EXPLORATION OF IDEAS AND TECHNIQUES TO ACHIEVE DIFFERENT EFFECTS IN PAINTING AND PRODUCE NEW WORKS. PRODUCE WORKS FOR EXHIBITIONS – \$6,500

PROJECT 4 – GRAFFITI ARTIST WITH DANIEL WALLWORK – TO DO A MURAL ON THE SHIPPING CONTAINER WHICH IS PART OF THE NEW OUTDOOR ART SPACE AT ART CENTRE WITH THE ARTISTS – \$4,500

PROJECT 5 – ETCHING WITH HANNAH PARKER – MAKING ETCHINGS, AND THEN TAKING THEM DOWN TO CAIRNS FOR A WORKSHOP TO MAKE SMALL EDITIONS FROM THE LINO PRINT AND ETCHINGS – \$8,500

PROJECT 6 – INTRODUCTION TO PHOTOSHOP AND COMPUTER GRAPHICS WITH LAINIE JOY – \$2,500

PROJECT 7 – MATERIALS FOR WORKSHOPS, PROFESSIONAL DEVELOPMENT AND UPCOMING EXHIBITIONS – \$18,500



Bana Yirriji

Art & Cultural Centre
Café • Wajal Wajal

INDIGENOUS KNOWLEDGE CENTRE

Internet facilities are available in the Indigenous Knowledge Centre at a small fee. The people have found this service to be a great attribute for their online bank and Centrelink access.

After school programs are available if children need extra attention and these programs are supervised by staff.



KINDERGARTEN

Director of the Wujal Wujal Kindergarten is Coraleen Shipton.

New office furniture has been updated along with extra storage containers and a cupboard for the activity storage room to enable better access to items required for daily services.

The Kindergarten is open from Mon – Thur / 9.00am to 2.30pm and on Friday 9.00am to 12.00pm.

The Kindy bus runs a daily service at 8.30am. On Thursday and Friday the kindergarten offers its services to families with 3 year olds to help them transition into full time care when they reach 4 years of age.

RADIO INDIGENOUS BROADCASTING SERVICES

Our local radio station which is supported by Radio Indigenous Broadcasting continues to thrive.

Apart from great music regular community announcements form a large part of the stations on air content. It is through these announcements that the community is able to stay up to date with community events and news.

Another unique inclusion in the stations on air content is a regular segment involving story telling from elders which is also archived at the State Library of Queensland.

Throughout the 2015/16 year the team have been working on Cultural DVDs and short stories.



STATE EMERGENCY SERVICES

The State Government and Local Government has continued to maintain an important partnership in assisting our SES volunteers with first aid, rope, ladder and communication training throughout the year.

Our SES team was involved in one serious emergency throughout 2015/16.

Wujal Wujal welcomed 2 new members to the service.

CORPORATE SERVICES

There has been a slight change to the makeup of the Corporate Services team, with the addition of a second Finance Officer to assist in completing financial matters, and a new Trainee who handles the front counter reception and some administrative duties, as well as assisting in the operation of the Post Office.

Councils Annual Financial Statements have been completed. Although the Statements show that Council made a small profit of \$392,172 this is mainly due to an increase in the value of the 40 year leases (\$1,878,732), and Council is actually receiving less funding from grants and operating income than it is spending on maintaining its services to the community. This is reflected in the \$847,022 drop in cash held by Council over the 12 month period, and more than \$50,000 in debts owed to the Council was written off as noncollectable. Council cannot sustain the current levels of monetary outflow and will need to reign in spending in some quarters, and the community is going to have to prepare for alterations in the levels of service Council is currently providing. Few of the 10 year Sustainability Ratios reported in the Statements meet the required levels to indicate Council can continue, in the long term, to provide the services it does.

There was a drop in income from fees and charges, from rents, interest earned on deposits and grants received remained almost the same, however there was a \$2 million increase in sales revenue, mainly due to the funding received for the construction of the new houses around town and the development of the subdivision in Little Douglas Street. The increase in sales revenue was offset by a similar \$2.2 million increase in outlays for materials and services to do these works, and there was also a \$540,000 increase in depreciation costs due to the revaluation of Councils assets during the financial year.

Corporate Services staff are working with Jardine Lloyd Thomson on developing and maintaining a Risk Register, and working with LGIS on developing and maintaining various Asset Management Plans for Councils facilities.

The Risk Register and the Asset Management Plans are requirements of the Local Government Act and Regulations, and therefore Council is required to have them in order to comply with the legislation.

The CEO has been busy on trying to ensure that further developments can be made on roadworks and housing availability to improve the quality of services to the community.

ECONOMIC DEVELOPMENT SERVICES

Council seek to improve the economic well-being and quality of life for the community by creating and/or retaining jobs and supporting new developments that assist the functioning of our economy and society.

Establishing camping grounds with cabins as a source of revenue and upgrading the Petrol Station to better service the region is being considered as an alternative source of revenue. These initiatives, which are dependent on funding grants, can play a critical role in the community increasing small business opportunities.

The Council will continue to support artists in the sale of their work under a commission agreement at the Bana Yirriji Centre.



ADMINISTRATIVE ACTION COMPLAINTS

Section 187 (1) and (2) Queensland Local Government Regulation 2012

The council has a commitment to dealing fairly with administrative action complaints. Council has a complaints management process. All complaints are recorded in a data base. There were 3 administrative action complaints in the year 2015/2016 and all were resolved using the complaints management process. There were no unresolved complaints.

REMUNERATION

Section 201 Queensland Local Government Regulation 2012

The senior contract employees of the council have total annual remuneration packages that were fixed in the financial year 2015/2016. There were two (2) senior contract employees with a total remuneration package in the range of \$100,000 – \$200,000

COUNCIL REGISTERS

Section 190 (1) (f) Queensland Local Government Regulation 2012

The Wujal Wujal Aboriginal Shire Council keeps the following registers which are open for inspection

- DELEGATION REGISTER
- GENERAL COMPLAINTS REGISTER
- PROCUREMENT REGISTER
- LOCAL LAW REGISTER
- ROADS REGISTER
- COST RECOVERY FEES REGISTER
- COMMUNITY GRANTS REGISTER
- ASSET REGISTER
- COUNCILLOR PERSONAL INTEREST REGISTER
- PERSONAL INTEREST OF COUNCILLOR RELATIONS REGISTER

VALUATION OF NON CURRENT PHYSICAL ASSETS

Council resolved on 21 September 2010 that the following amounts would apply as minimum amounts for the undermentioned to be recorded as physical assets, and below these figures, the asset is to be regarded as an expense:-

- A. Land - \$1
- B. Plant & Equipment - \$5000
- C. Any Other Asset - \$10,000

TENDERS

Section 190 Queensland Local Government Regulation 2012

Council is required to provide details of all resolutions made during the 2015/2016 Financial Year regarding the invitation to call tenders.

Under Section 228(7) of the Local Government Regulation 2012, there were no instances during the 2015/2016 financial year where persons who had submitted a tender to Council were invited to change their tenders.

GRANTS

Section 189 Queensland Local Government Regulation 2012

Recipient -QPS Police Liaison Officer

Amount - \$500

Purpose - To support the compilation of a calendar aimed at raising awareness of underage drinking and juvenile crime.

REIMBURSEMENTS TO COUNCILLORS

Section 185 Queensland Local Government Regulation 2012

Council adopted a resolution regarding reimbursement of expenses for councillors effective from 1 January 2013.

A copy of the policy is appended to this report.

COUNCILLOR REMUNERATION

| COUNCILLOR | GROSS SALARY | SUPERANNUATION | TOTAL REMUNERATION | TRAVEL/EXPENSES REIMBURSEMENT | COUNCIL MEETINGS ATTENDED |
|-------------------|--------------|----------------|--------------------|-------------------------------|---------------------------|
| DESMOND TAYLEY | \$22,443.69 | \$1,432.55 | \$23,876.24 | \$11,418.58 | 2 |
| ROBERT BLOOMFIELD | \$12,436.10 | \$1,308.62 | \$13,744.72 | \$953.90 | 2 |
| VINCENT TAYLEY | \$46,480.14 | \$2,967.05 | \$49,447.19 | \$254.10 | 11 |
| REAGAN KULKA | \$44,610.48 | \$2,847.71 | \$47,458.19 | \$1,354.75 | 8 |
| BRADLEY CREEK | \$10,887.82 | \$1,142.91 | \$12,030.73 | \$762.60 | 2 |
| CLIFF HARRIGAN | \$63,654.22 | \$6,681.96 | \$70,336.18 | \$25,597 | 9 |
| ALISTAIR GIBSON | \$39,022.00 | \$2,464.72 | \$41,486.72 | \$852.80 | 9 |
| NATASHA DUNCAN | \$33,295.31 | \$3,495.03 | \$36,790.34 | \$350.35 | 6 |

ARTS CENTRE CAFE

Section 19B 1(c) Queensland Local Government Regulation 2012

The Arts Centre Cafe has operated on a sporadic basis over the 2015/16 financial year due to staffing issues. Despite a funding grant of just over over \$2,000 dollars, provided by the National Jobs Creation Package for In Training Subsidy for Wages for Work for The Dole participants , the cafe failed to generate any profits. It was allocated a budget of \$68,500 for revenue but only managed to achieve \$56,071. A budget of \$123,000 was allocated for expenditure, this blew out to a figure of \$177,798. Taking in subsidised wages and grants a total loss of \$121,726 was recorded.

EXCLUSIONS

The following requirements under the Queensland Local Government Act 2009 and the Local Government Regulations 2012 have not been included in the 2015-16 Annual Report.

Local Government Act 2009

Section 41 Identifying beneficial enterprises

Section 46 Assessing public benefit

Division 6 Conduct and performance of Councillors

Local Government Regulation 2012

Section 188 Overseas travel

Section 190 Other contents

(d) Jointly provided services and facilities

(g) concessions for rates and charges

(i) and (j) Competitive neutrality complaints section 49

REPORT ON INDEPENDENT AUDIT

COUNCIL'S INTERNAL AUDIT ACTIVITIES FOR THE 2015-16 FINANCIAL YEAR HAVE BEEN WHOLLY OUTSOURCED TO THE LOCAL GOVERNMENT ASSOCIATION OF QUEENSLAND (LGAQ), AN APPROPRIATELY QUALIFIED, INDEPENDENT, OBJECTIVE INTERNAL AUDIT CONSULTANT APPROVED BY THE QUEENSLAND AUDITORS OFFICE.

THE OVERALL OBJECTIVE OF COUNCIL'S ANNUAL INTERNAL AUDIT IS TO ASSIST THE COUNCIL, ITS EXECUTIVE DIRECTORS AND ALL LEVELS OF MANAGEMENT TO DISCHARGE THEIR RESPONSIBILITIES IN MAINTAINING COUNCIL OPERATIONS AS A WELL CONTROLLED, ECONOMIC, EFFICIENT AND EFFECTIVE LOCAL GOVERNMENT WHICH COMPLIES WITH STATUTORY OBLIGATIONS. TO THIS END, THE INTERNAL AUDIT PROCESS REVIEWS ALL OF COUNCIL'S ACTIVITIES, REPORTS TO THE WUJAL WUJAL SHIRE COUNCIL AUDIT COMMITTEE, AND SUPPLIES THE COUNCIL AND COUNCIL'S EXECUTIVE DIRECTORS WITH A REPORT CONTAINING ANALYSES, APPRAISALS, RECOMMENDATIONS, COMMENTS AND OBSERVATIONS GENERALLY.

RECOMMENDATIONS HAVE BEEN DISSEMINATED, BUILT INTO THE RELEVANT POSITIONS, AND THE 2016-17 OPERATIONAL PLAN HAS BEEN ADOPTED WITH A STRONG FOCUS ON IMPLEMENTATION OF THE INTERNAL AUDITORS RECOMMENDATIONS.

REPORT FINDINGS

- With reference to reconciliation of asset register and general ledger, Council is in the process of identifying discrepancies between the asset register held by LGIS and the Practical Financial system. Once these have been identified balancing the registers with the General Ledger will occur and opening balances for the 2016–2017 FY will be accurate.
- With reference to untimely cancellation of credit cards, Council has identified anomalies with our within processes. Proposal – Council prepare a termination checklist to be completed by the terminated officer and signed/verified by 2 staff – 1 must be executive level.
- With reference to Audit Committee function, Council is in the process of actively engaging an Audit Committee and propose to have at least 2 meetings per year commencing in April 2017.
- With reference to Minutes of Council meetings not available, Council has sourced LGAQ –IT arm to commence uploading Council related regulatory compliance documents as previous staff who were trained and or had administrator access have since left the organisation.
- With refernce to Lack of internal audit function, Internal Auditors have completed their first visit 13th March – 24th of March 2017 for 2 weeks and are scheduled for May/June 2017.
- With reference to Lack of continuity of staff and lack of replacement of key positions , there has been structured and concerted effort in having a functioning workforce. It is being carried out in a four stage process.

- With reference to lack of an up to date, complete Risk Register, Council has been working with both internal auditors and also LGIS on having one risk register that can capture all risk across the organisation. And thereby having one area that staff and senior managers can go to assess risk and also identify appropriate controls.
- With reference to Lack of a formal Asset Management Plan, Management is taking corrective action.
- With reference to Lack of timely, reliable financial information supplied at Council meetings, Management is taking corrective action.
- With reference to Procurement policy not applied consistently, since new CEO commencement in August there has been a new procurement endorsed by Council in September a component of the delegations were revised.
- With reference to lack of evidence of review of batch payments, Council has identified anomalies as they relate to separation of duties whereby the creditors' officer shall be unable to raise Purchase orders etc. This has been implemented as of March 2017.
- With reference to Audit Management Letters not presented at Council Meetings, an Audit Management Letter was presented in September 2016 Council meeting.
- With reference to Adoption of the budget, Council is currently preparing the 2017-2018 budget. Revision and testing is underway. In May WWASC Council members will review budget proposals during the workshop facilitated by the Director of Finance and Senior Management Team.
- With reference to Preparation of financial statements –Statutory reporting date obligation (repeated from 2012-13, 2013-14 and 2014-15), Council is currently working toward meeting requirement dates for 2016-2017 Financial reporting.

- With reference to Incorrect accounting treatment, recommendations taken on board. Adjustments in GL and Financial reporting currently in process of modification with testing processes included.
- With reference to Initial Recognition of Leased Assets, Leases inclusive of commercial leases with entities have been reviewed by SMT led by Director of Economic and Community Development and Director of Finance. Review has included renegotiation of current leases, negotiation for new leases and also the proposal for fees which will be provided to Council for April meeting.
- With reference to Inaccurate and Late Invoicing, Since the Workforce skills Audit and subsequent Org structure review. It was identified several officers did not have the necessary skill sets for particular areas. In this case the previous officer was moved to Records management and no longer has access to Finance related activities. A new officer was identified who had commercial experience. As of last week, revenue in that area has increased and number of outstanding invoices has decreased from 260 to now to 3.
- With reference to Reserves Transferred to Retained Surplus, Follow up works to be undertaken and preparations for briefing to WWASC Councillors will also be included as part of May meeting.
- With reference to Provision for Bad Debts, Stage 1 review is currently underway.
- With reference to Capital Asset Expensed, revision and Capitalisation will be made prior to 30 June where possible. Draft Capitalisation procedure has been completed with a view to have full council endorsement by 18 April 2017 Council meeting.
- With reference to Unrecorded Liabilities, this will be actioned at Financial Year end by key senior staff and accruals will be made for such expenses.

- With reference to System Licence, Support & Maintenance for 2016/17 recognised during the year, it will be reviewed prior to June 30.
- **Other Matters - Opportunity 1** - With reference to a new accounting standard -AASB 2015-16 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-profit Public Sector Entities requires that Council must comply with the disclosure requirements of AASB 124 Related Parties. The new standard is applicable for financial periods beginning 1 July 2016. Response - Staff will work on implementing a policy and related parties transaction recordings. As part of the policy development there will be training that is also aligned to Fraud Management Systems. Councillors had received Related parties training from DILGP -however, it also needed to be linked to operations. Therefore, LGAQ training arm will be providing training across the whole operations and specific training to Senior Management Team and Councillors. In April's Council meeting - Councillors' will be reviewing related parties policy before the May meeting they will undergo training prior as will other members of Staff, a component of the training will be policy and reporting tools development. In May there will be adoption of new policy and associated reporting tools.
- **Other Matters - Opportunity 2** - As required by the Local Government Regulation 2012 (s307A), the chief executive officer of the Council must keep a written record of material loss and reportable loss of asset of the Council. Response - Council are in the process of implementing a portable and attractive items register. Included in this register will be lost items. Discussions have commenced with LGIS to review current register. The proposed training from LGAQ below:Day 1: 3-4 sessions - 90 minutes each - Fraud Awareness for local government staff Day 2: 1 x half day session Fraud Awareness for Supervisors and Managers Day 3: 1 x 1 day Fraud Management Systems (for CEO, Executives and Councillors).

COMMUNITY FINANCIAL REPORT

The Community Financial Report is a summary of the information contained in Council's financial statements for the period July 1, 2015 to June 30, 2016 and provides an overview of Council's financial management and performance in accordance with S179 of the Local Government Regulation 2012. The report is consistent with the 2015-16 audited financial statements and uses plain language and pictorial aids such as tables and graphs to give members of the community, customers, business partners and employees an easy to follow summary of Council's financial performance and financial position for the 2015-16 financial year.

ABOUT FINANCIAL STATEMENTS

What you will find in the Financial Statements: The Audited Financial Statements of Wujal Wujal Aboriginal Shire Council set out the financial performance, financial position, cash flows and the new wealth of Council for the financial year ended 30 June 2016.

About the Management Certificate: The Financial Statements must be certified by both the Mayor and the Chief Executive Officer as presenting fairly Wujal Wujal Council's financial results for the year and are required to be adopted by the Council within one month after being certified by the Auditor - General.

Financial Sustainability Statements provide current and long term sustainability ratios and Council's management strategy in meeting the community's current and future needs. The Mayor and Chief Executive Officer certify the accuracy of both current and long term certificates.

Independent Audit Report and Council's Financial Statements are required to be audited by the QAO. The audit report gives an opinion on whether the Financial Statements present fairly the Council's financial performance and position.

The Financial Statements incorporate four primary financial statements

Statement of Comprehensive Income

The Statement of Comprehensive Income provides a breakdown of Council's operational revenue and expenses and capital income and some capital costs, it also records changes in the fair values of Council's assets and investments.

Balance Sheet

A snapshot as at June 30, 2016, the Council Financial Position includes assets, liabilities and community equity. Council's cash balance at June 30, 2016 was \$2,726,792 .

Statement of Changes in Equity

Show the overall change in the value of the Council assets and the movements in reserves for the financial year.

Statement of Cash Flows

A summary of Council's cash movements for the financial year, it excludes non-cash transactions such as the depreciation expense and accruals.

2015/16 SNAPSHOT

REVENUE

The overall increase in revenue is a combination of an increased share in the profit of the joint venture investment from \$197K in 2015 to \$758K during the current year and increase in the fees and charges of properties from \$216K in 2015 to \$360K in the current year.

EXPENSES

The total expenses increased by 2.5% which is mainly attributable to the loss on disposal of non-current asset subject to 40 year lease. The majority of the expenses decreased compared to prior year except for the depreciation which increased by 10% due to an adjustment on the depreciation of roads. The decrease of 14% in material and services was due to the Cyclone Ita expenditure recorded in 2015 of \$420K.

OTHER COMPREHENSIVE INCOME

Decrease in the revaluation was due to the change in assumptions the valuer adopted particularly the depreciation method that incorporated componentisation. This resulted in a 10-15% decrease in the values of building, housing & other infrastructure.

2015/16 SNAPSHOT

ASSETS

Overall decrease in assets was mainly attributable to the disposal of assets leased for 40 years and the revaluation of building and other infrastructures of 10-15%. Also, cash balances decreased due to a reduction in grants received during the year. Increase in other financial assets was due to 12 new properties leased by DHPW under the 40 year leases.

LIABILITIES

Decrease in liabilities was due to more annual leave being paid out than the amount accrued which resulted to a decrease of \$88K. Also, there is has been a slight reduction of various expenses accrued during the year compared to prior year. Provision for long service leave decreased as there was a high level of terminations during the year.

Summary of Key Financial Performance and Financial Sustainability Indicators

Financial sustainability of councils is now a cornerstone of the Local Government Act and a core responsibility of councils across Queensland. Financial sustainability is defined as when a “Local Government is able to maintain its financial capital and infrastructure capital over the long term” (Local Government Act 2009, S102). The table to the right shows Wujal Wujal Council’s indicators.

| Financial Health Indicator | Indicator Description | Target | Performance Target Reached | Auditors Comments |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Operating Surplus Ratio | <p>Indicates the extent to which operating revenues raised cover operating expenses.</p> <p>Calculated as: <i>Net operating result/Total operating revenue (excluding capital items)</i></p> | 0% - 10% | No | <p>Council’s operating surplus ration improved during the year but still below the target range at average range for the indigenous sector.</p> <p>It is expected that the Council will achieve the target range in 2017.</p> |
| Asset Sustainability Ratio | <p>Indicates the extent to which assets are being replaced as they reach the end of their useful lives.</p> <p>Calculated as <i>Capital Expenditure on replacement of assets (renewals)/Depreciation Expense</i></p> | Greater than 90% | NO | <p>Council’s asset sustainability ratio is below the target range as well as the average range of the indigenous sector.</p> <p>Based on the Council’s projection until 2024, asset sustainability target range will not be achieved.</p> |
| Net Financial Liabilities Ratio | <p>Indicates the extent to which operating revenues (including grants and subsidies) can cover net financial liabilities (usually loans and leases).</p> <p>Calculated as: <i>(Total Liabilities – current assets)/Total operating revenue</i></p> | Not greater than 60% | Yes | <p>Councils that have net financial liabilities that are greater than 60 per cent of operating revenue have limited capacity to increase loan borrowings and may experience stress in servicing current debt.</p> <p>Council’s net financial liabilities ratio is within the targeted range and within the indigenous sector average.</p> |

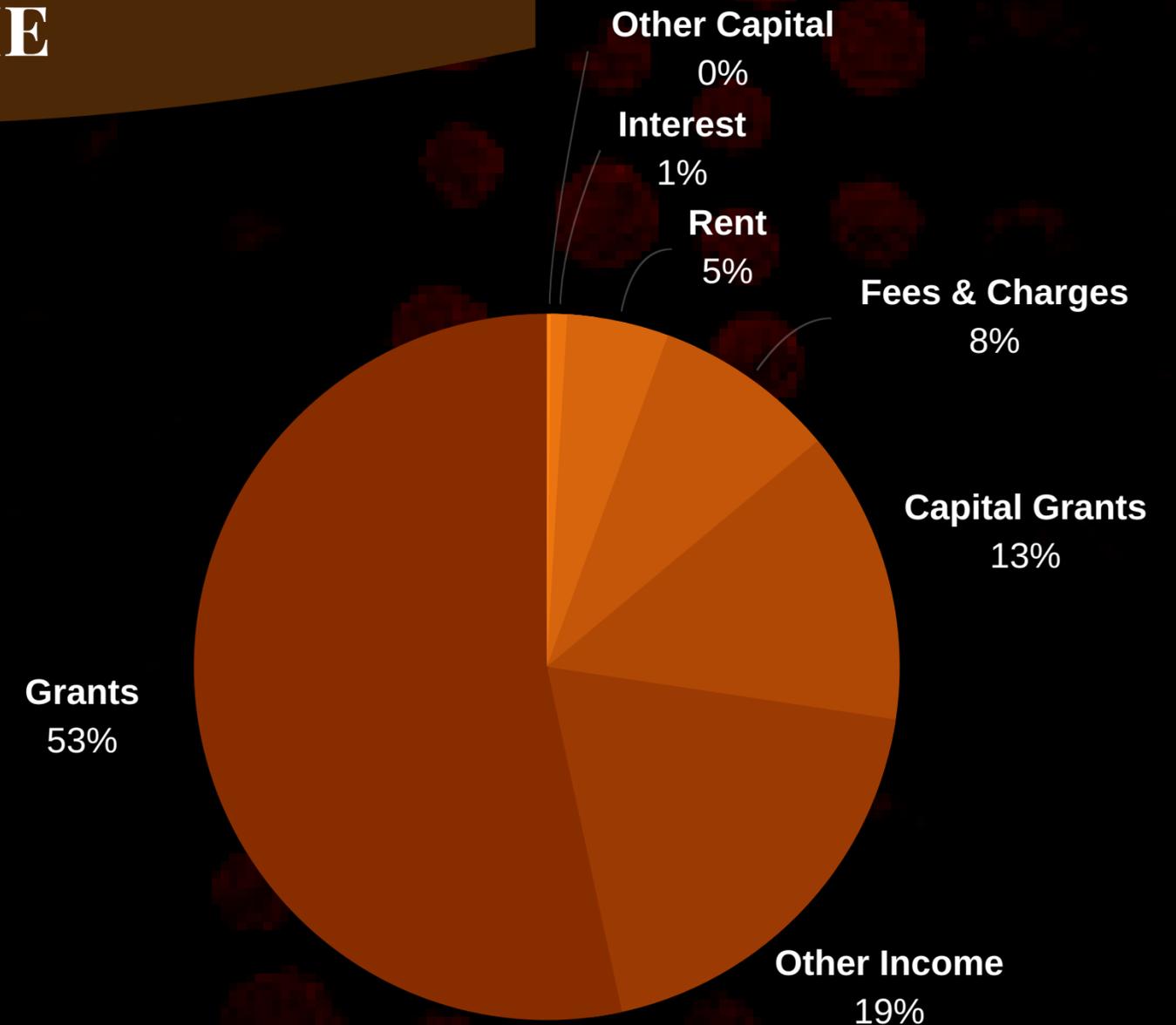
STATEMENT OF COMPREHENSIVE INCOME

| LINE ITEM | CURRENT YEAR (\$,000) | PRIOR YEAR (\$,000) | MOVEMENT (\$,000) |
|---------------------------------------------------------|-----------------------------|------------------------|----------------------|
| Fees & Charges | 453 | 324 | 129 |
| Rental Income | 252 | 206 | 46 |
| Interest Received | 40 | 72 | (32) |
| Sales Revenue | 3,269 | 3,225 | 44 |
| Other Income | 1,039 | 283 | 756 |
| Grants, Subsidies, Contributions & Donations | 2,890 | 3,441 | (551) |
| Capital Grants, Subsidies, Contributions & Donations | 727 | 587 | 140 |
| TOTAL REVENUE | 8,620 | 8,138 | 482 |
| Capital Income | 10 | 308 | (298) |
| TOTAL INCOME | 8,680 | 8,445 | 235 |
| Employee Expenses | (2,994) | (2,949) | (45) |
| Materials & Services | (4,586) | (5,352) | 766 |
| Depreciation & Amortisation | (1,525) | (1,390) | (135) |
| Finance Costs | (30) | (53) | 23 |
| Expenses | (9,135) | (9,744) | 609 |
| Capital Expenses | (863) | (5) | (858) |
| TOTAL EXPENSES | (9,997) | (9,749) | (249) |
| NET RESULTS | (1,317) | (1,303) | (14) |
| OTHER COMPREHENSIVE INCOME | | | |
| Revaluation of PPE | (1,428) | 1,187 | (2,615) |
| TOTAL COMPREHENSIVE INCOME | (2,745) | (117) | (2,628) |

MAJOR SOURCES OF COUNCIL'S INCOME

| | |
|--------------------------------------|-------------|
| 1. FEES & CHARGES | \$452,844 |
| 2. RENTAL INCOME | \$251,956 |
| 3. INTEREST RECEIVED | \$39,996 |
| 4. SALES REVENUE | \$3,269,170 |
| 5. OTHER INCOME | \$1,039,098 |
| 6. GRANTS, SUBSIDIES & CONTRIBUTIONS | \$2,890,462 |
| 7. CAPITAL GRANTS | \$726,640 |
| 8. OTHER CAPITAL INCOME | \$10,063 |

TOTAL INCOME - \$8,680,228



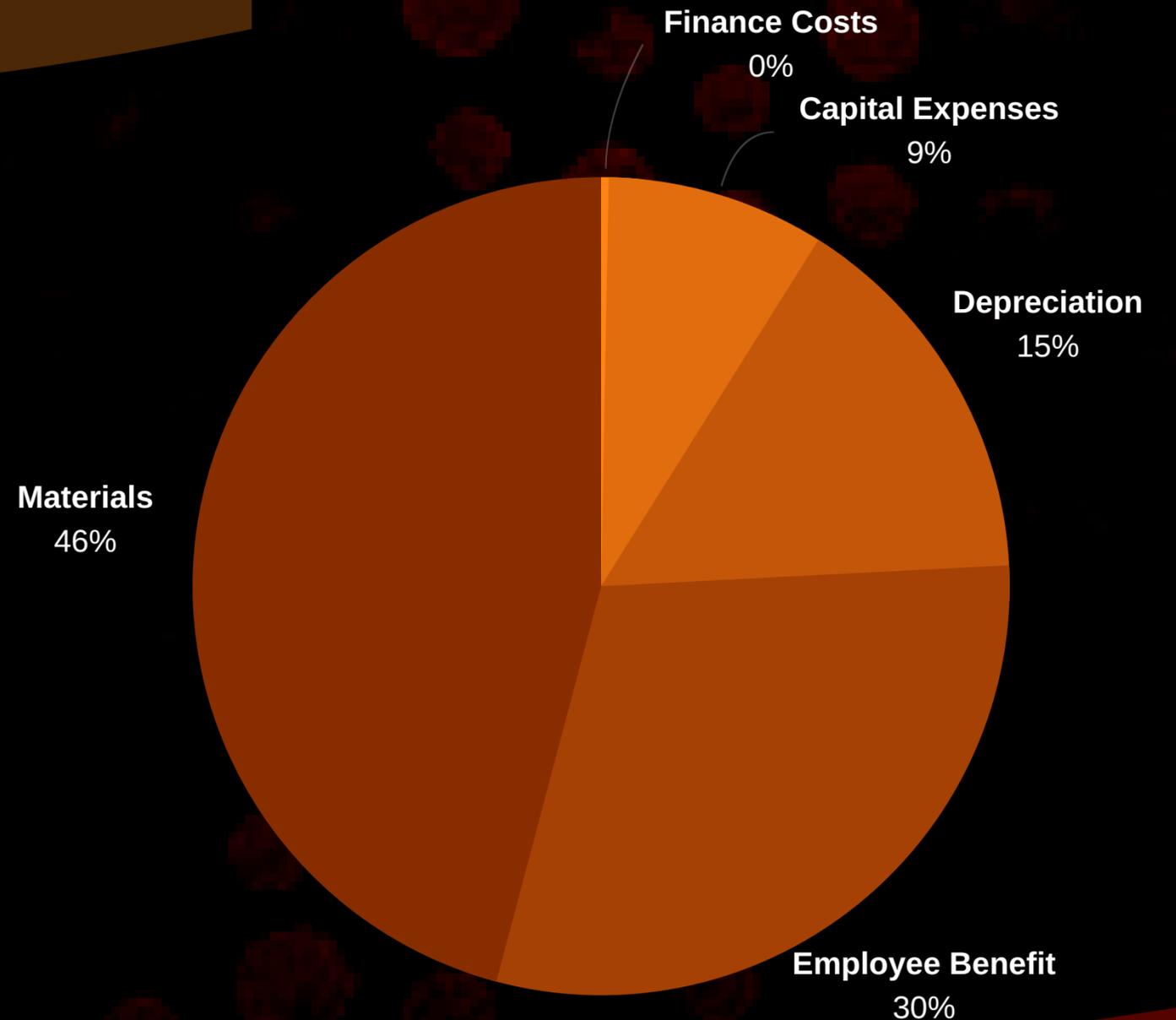
Council received \$8.6 million in revenue in 2015/16, which primarily came from Sales Revenue either for work performed under contract to other government agencies, sale of Indigenous Art or sale of fuel & lubricants through the Council operated service station (37% of income earned) and Government Grants to fund the services provided to the community (33% of income earned)

COUNCIL EXPENDITURE

| | |
|--------------------------------|-------------|
| 1. EMPLOYEE BENEFITS | \$2,993,502 |
| 2. MATERIALS & SERVICES | \$4,585,870 |
| 3. FINANCE COSTS | \$30,184 |
| 4. DEPRECIATION & AMORTISATION | \$1,525,222 |
| 6. CAPITAL EXPENSES | \$862,703 |

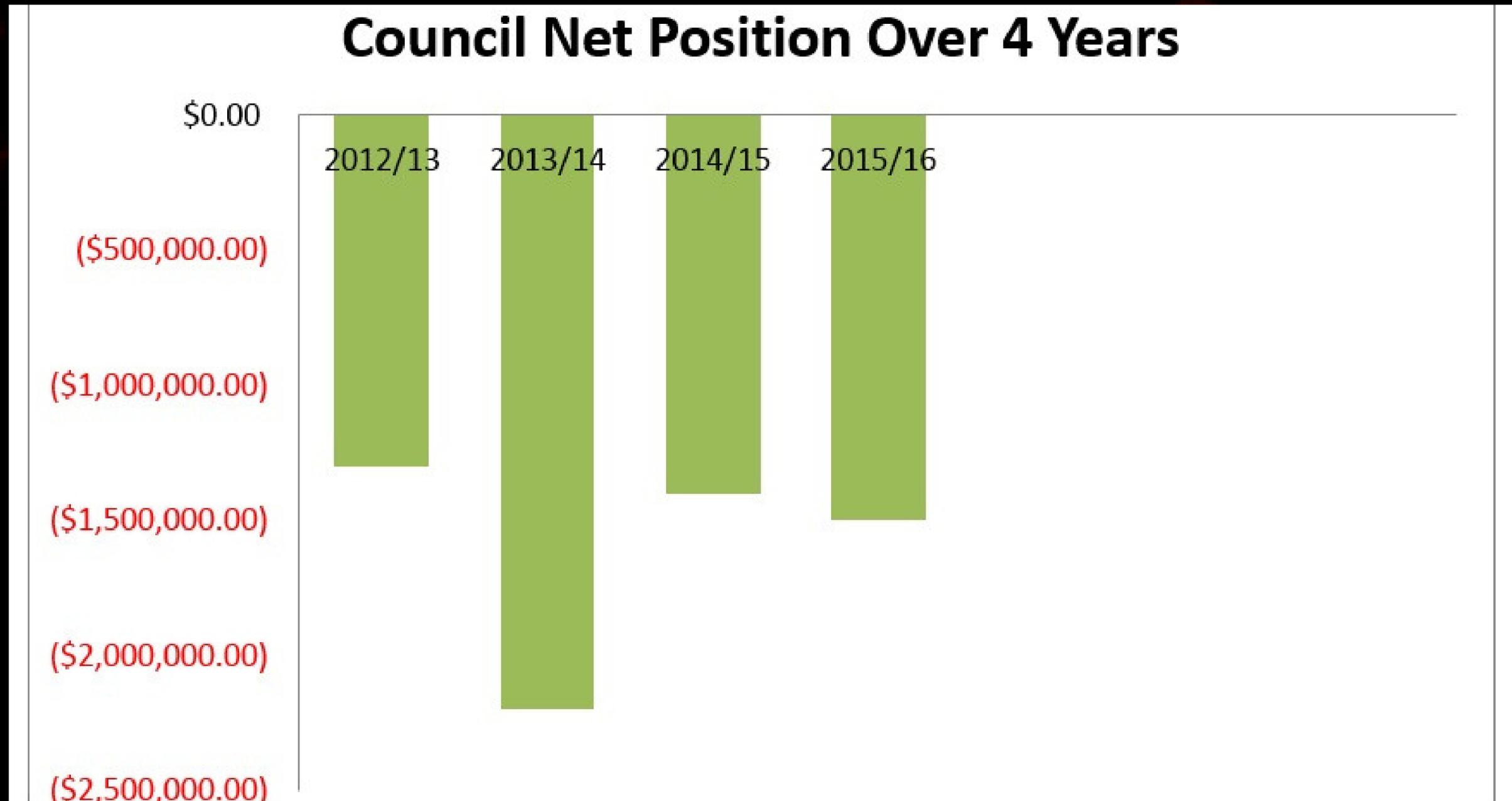
TOTAL EXPENDITURE - \$9,997,481

Council incurred a total Expenditure of \$9.9 million, of which \$2.9 million was for the costs of employing its workforce, \$4.5 million was for the purchase of goods and services and \$1.5 million was for depreciation, with the remainder being for Capital Expenses and Finance costs such as Bank Charges and the write off of bad debts.



NET POSITION

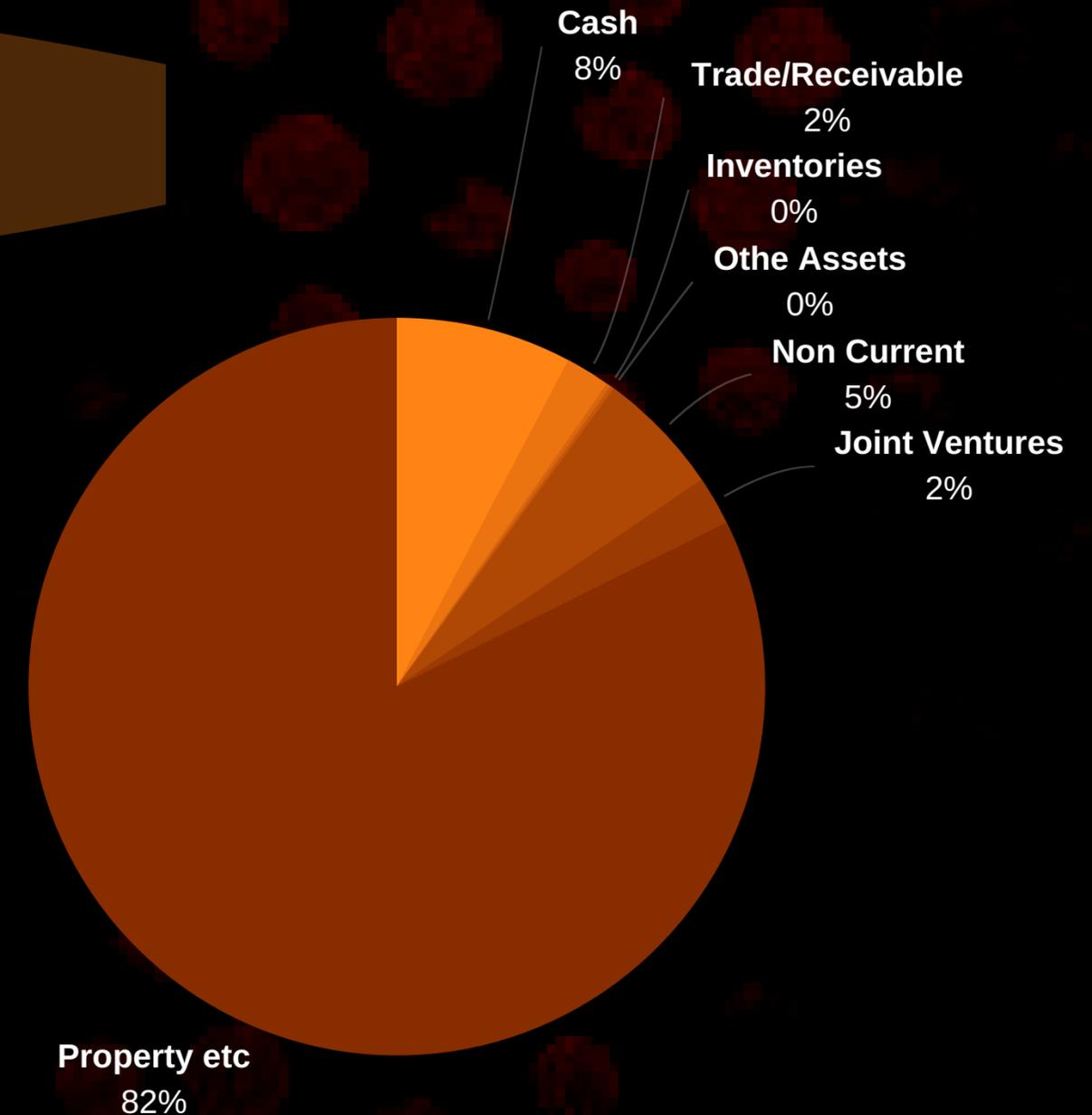
The Net Result is the difference between the income Council has received for the financial year less the expenses it has incurred throughout the financial year, and is calculated on an accrual basis. In the financial year ended 30th June 2015, the Net Result for Council was a loss of \$1.3 million. It should be noted that Depreciation Expense of almost \$1.5 million is included in this figure.



COUNCIL ASSETS

| | |
|--------------------------------|--------------|
| 1. CASH & CASH EQUIVALENTS | \$2,726,792 |
| 2. TRADE & OTHER RECEIVABLES | \$690,713 |
| 3. INVENTORIES | \$70,305 |
| 4. OTHER FINANCIAL ASSETS | \$60,890 |
| 5. NON CURRENT OTHER ASSETS | \$1,941,369 |
| 6. JOINT VENTURE INVESTMENTS | \$759,303 |
| 7. PROPERTY, PLANT & EQUIPMENT | \$29,145,608 |

TOTAL ASSETS - \$35,394,981

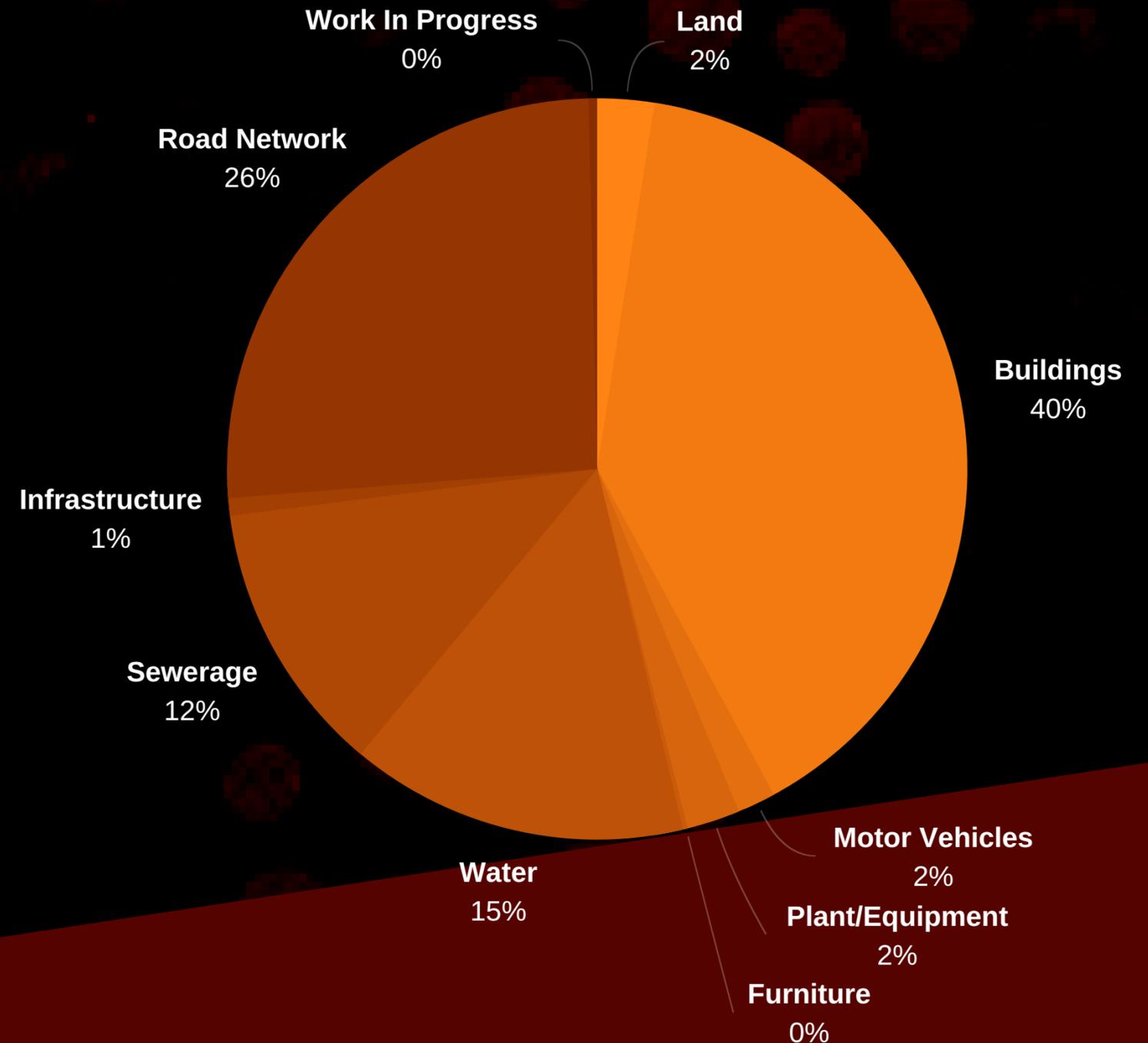


The major assets that Council owns are the buildings, including the furniture and fittings, from which it provides services to the community, the network of roads and streets within the township of Wujal Wujal, and the infrastructure for providing treated fresh water and the treatment of waste water (sewerage) for the community.

COUNCIL ASSETS -BREAKDOWN OF PROPERTY, PLANT & EQUIPMENT

| | |
|-------------------------|--------------|
| 1. LAND | \$1,189,000 |
| 2. BUILDINGS | \$18,930,250 |
| 3. MOTOR VEHICLES | \$799,600 |
| 4. PLANT & EQUIPMENT | \$1,106,174 |
| 5. FURNITURE & FITTINGS | \$99,468 |
| 6. WATER | \$7,061,138 |
| 7. SEWERAGE | \$5,706,773 |
| 8. OTHER INFRASTRUCTURE | \$363,969 |
| 9. ROAD NETWORK | \$12,374,827 |
| 10. WORK IN PROGRESS | \$177,685 |

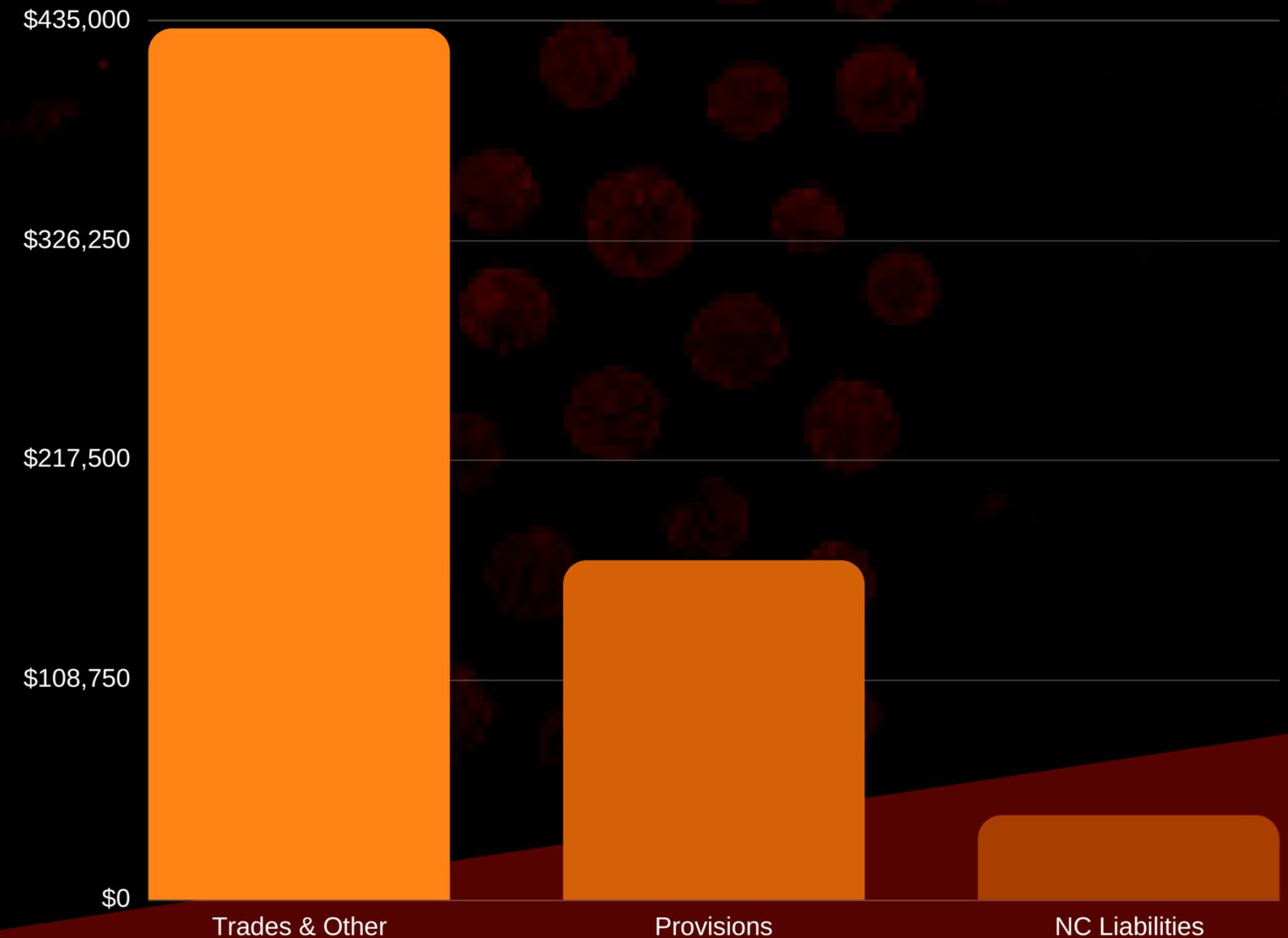
TOTAL - \$47,808,884



COUNCIL LIABILITIES

| | |
|----------------------------|------------------|
| 1. TRADE & OTHER PAYABLES | \$430,849 |
| 2. PROVISIONS | \$167,874 |
| 3. NON CURRENT LIABILITIES | \$41,837 |
| TOTAL LIABILITIES | \$640,561 |

The majority of Council's liabilities are amounts owing to contractors and suppliers of goods and services to Council. The remaining amounts are the Provisions for leave entitlements owing to employees.





**AUDITED FINANCIAL
STATEMENTS**

**Wujal Wujal Aboriginal Shire Council
Annual Financial Statements**

for the year ended 30 June 2016

Wujal Wujal Aboriginal Shire Council

Financial statements

For the year ended 30 June 2016

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Management Certificate

Independent Auditor's Report (General Purpose Financial Statements)

Current Year Financial Sustainability Statement

Certificate of Accuracy

Independent Auditor's Report (Current Year Financial Sustainability Statement)

Long Term Financial Sustainability Statement

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

| | 2016 | 2015 |
|----------------------------------------------------------|--------------------|--------------------|
| Note | \$ | \$ |
| Revenue | | |
| Recurrent revenue | | |
| Fees and charges | 3(a) 452,844 | 323,749 |
| Rental income | 251,956 | 205,756 |
| Interest received | 39,996 | 72,282 |
| Sales revenue | 3(b) 3,269,170 | 3,224,415 |
| Other income | 3(c) 1,039,098 | 283,279 |
| Grants, subsidies and contributions | 4(a) 2,890,462 | 3,440,962 |
| Total recurrent revenue | <u>7,943,525</u> | <u>7,550,443</u> |
| Capital revenue | | |
| Grants, subsidies and contributions | 4(b) 726,640 | 587,203 |
| Capital income | 5 10,063 | 307,736 |
| Total capital revenue | <u>736,703</u> | <u>894,939</u> |
| Total revenue | <u>8,680,228</u> | <u>8,445,382</u> |
| Expenses | | |
| Recurrent expenses | | |
| Employee benefits | 6 (2,993,502) | (2,948,585) |
| Materials and services | 7 (4,585,870) | (5,351,972) |
| Finance costs | (30,184) | (53,334) |
| Depreciation and amortisation | (1,525,222) | (1,389,998) |
| Total recurrent expenses | <u>(9,134,778)</u> | <u>(9,743,888)</u> |
| Capital expenses | 8 (862,703) | (4,961) |
| Total expenses | <u>(9,997,481)</u> | <u>(9,748,849)</u> |
| Net result | <u>(1,317,253)</u> | <u>(1,303,468)</u> |
| Other comprehensive income | | |
| Items that will not be reclassified to net result | | |
| Increase / (decrease) in asset revaluation surplus | 16 (1,427,530) | 1,186,929 |
| Total other comprehensive income | <u>(1,427,530)</u> | <u>1,186,929</u> |
| Total comprehensive income for the year | <u>(2,744,783)</u> | <u>(116,539)</u> |

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

Wujal Wujal Aboriginal Shire Council
Statement of Financial Position
as at 30 June 2016

| | 2016 | 2015 |
|--------------------------------------|-------------------|-------------------|
| Note | \$ | \$ |
| Current assets | | |
| Cash and cash equivalents | 9 2,726,792 | 3,067,514 |
| Trade and other receivables | 10 690,713 | 1,334,321 |
| Inventories | 70,305 | 54,221 |
| Other financial assets | 11 60,890 | 50,041 |
| Total current assets | 3,548,701 | 4,506,097 |
| Non-current assets | | |
| Other financial assets | 11 1,941,369 | 1,514,509 |
| Investment in joint venture | 20 759,303 | 1,445 |
| Property, plant and equipment | 12 29,145,608 | 32,282,231 |
| Total non-current assets | 31,846,280 | 33,798,185 |
| Total assets | 35,394,981 | 38,304,282 |
| Current liabilities | | |
| Trade and other payables | 14 430,849 | 575,198 |
| Provisions | 15 167,874 | 128,118 |
| Total current liabilities | 598,723 | 703,316 |
| Non-current liabilities | | |
| Provisions | 15 41,837 | 101,762 |
| Total non-current liabilities | 41,837 | 101,762 |
| Total liabilities | 640,561 | 805,078 |
| Net community assets | 34,754,420 | 37,499,200 |
| Community equity | | |
| Asset revaluation surplus | 16 14,345,743 | 15,773,273 |
| Retained surplus/(deficiency) | 20,408,677 | 20,696,699 |
| Reserves | 17 - | 1,029,228 |
| Total community equity | 34,754,420 | 37,499,200 |

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

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

| | Asset revaluation surplus | Retained Surplus | Reserves | Total |
|----------------------------------------------------|---------------------------------|---------------------|-------------|-------------|
| Note | 16 | | 17 | |
| | \$ | \$ | \$ | \$ |
| Balances as at 1 July 2015 | 15,773,273 | 20,696,699 | 1,029,228 | 37,499,200 |
| Net operating surplus (deficiency) | - | (1,317,253) | - | (1,317,253) |
| Other comprehensive income for the year | | | | |
| Increase / (decrease) in asset revaluation surplus | (1,427,530) | - | - | (1,427,530) |
| Total comprehensive income for the year | (1,427,530) | (1,317,253) | - | (2,744,783) |
| Transfers to and from reserves | | | | |
| Transfers to and from reserves | - | 1,029,228 | (1,029,228) | - |
| Total transfers to and from reserves | - | 1,029,228 | (1,029,228) | - |
| Balance as at 30 June 2016 | 14,345,743 | 20,408,677 | - | 34,754,420 |
| Balance as at 1 July 2014 | 14,586,344 | 22,745,684 | 2,201,493 | 39,533,521 |
| Effect of correction of error | - | (250,000) | - | (250,000) |
| Restated balances as at 1 July 2014 | 14,586,344 | 22,495,684 | 2,201,493 | 39,283,521 |
| Net operating surplus (deficiency) | - | (1,303,468) | - | (1,303,468) |
| Other comprehensive income for the year | | | | |
| Increase / (decrease) in asset revaluation surplus | (480,853) | - | - | (480,853) |
| Transfer to asset revaluation surplus | 1,667,782 | (1,667,782) | - | - |
| Total comprehensive income for the year | 1,186,929 | (2,971,250) | - | (1,784,321) |
| Transfers to and from reserves | | | | |
| Transfers from reserves | - | 1,172,265 | (1,172,265) | - |
| Total transfers from reserves | - | 1,172,265 | (1,172,265) | - |
| Balances as at 30 June 2015 | 15,773,273 | 20,696,699 | 1,029,228 | 37,499,200 |

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

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

| | Note | 2016 \$ | 2015 \$ |
|-------------------------------------------------------------------------|------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Receipts from customers | | 4,394,558 | 3,338,434 |
| Payments to suppliers and employees | | (7,761,047) | (8,102,107) |
| | | <u>(3,366,489)</u> | <u>(4,763,673)</u> |
| Joint Venture distribution received | 20 | - | 187,487 |
| Interest received | | 39,996 | 72,282 |
| Rental income | | 251,956 | 205,756 |
| Non capital grants, subsidies and contributions | | 2,890,462 | 3,440,962 |
| Net cash inflow (outflow) from operating activities | 21 | <u>(184,075)</u> | <u>(857,186)</u> |
| Cash flows from investing activities | | | |
| Payments for property, plant and equipment | | (995,594) | (650,206) |
| Proceeds from sale of property plant and equipment | 5, 8 | 50,909 | 15,155 |
| Finance lease receipts | 11 | 61,397 | 58,013 |
| Capital grants, subsidies and contributions | | 726,640 | 587,203 |
| Net cash inflow (outflow) from investing activities | | <u>(156,648)</u> | <u>10,165</u> |
| Net increase (decrease) in cash and cash equivalents held | | <u>(340,724)</u> | <u>(847,021)</u> |
| Cash and cash equivalents at the beginning of the financial year | | 3,067,514 | 3,914,536 |
| Cash and cash equivalents at end of the financial year | 9 | <u>2,726,792</u> | <u>3,067,514</u> |

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

Wujal Wujal Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2016

1 Significant accounting policies

1.A Basis of preparation

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

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.

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

The Council uses the Australian dollar as its functional currency and its presentation currency and rounds to the nearest dollar. Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

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.

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
- revaluations of property, plant and equipment.

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

1.B Constitution

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

1.C 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.D Adoption of new and revised Accounting Standards

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

The Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective with the exception of AASB 2015-7 *Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-For-Profit Public Sector Entities*. 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.

At the date of authorisation of the financial report, AASB 9 *Financial Instruments*, AASB 15 *Revenue from Contracts with Customers* and AASB 2015-6 *Amendments to Australian Accounting Standards - Extending Related party Disclosures for Not-For-Profit Public Sector Entities* are the only new accounting standards with a future application date that may have a material impact on council's financial statements.

Wujal Wujal Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2016

1.D Adoption of new and revised Accounting Standards continued

AASB 9, which replaces AASB 139 *Financial Instruments: Recognition and Measurement*, is effective for reporting periods beginning on or after 1 January 2018 and must be applied retrospectively. The main impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories: fair value and amortised cost and financial assets will only be able to be measured at amortised cost where very specific conditions are met. To date no impact has been identified.

Council is still reviewing the way that revenue is measured and recognised to identify whether AASB 15 *Revenue from Contracts with Customers* will have a material impact.

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.

From 1 July 2016 AASB 124 *Related Party Disclosures* will apply to Council. This means that council will disclose more information about related parties and transactions with those related parties. Related parties will include the Mayor, councillors, some council senior management and the close family members of those people. Also any organisations that they control or are associated with will be classified as related parties.

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.E Critical accounting judgements and key sources of estimation uncertainty

In the application of Council's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and ongoing assumptions are reviewed annually. 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 and Note 13
Provisions - Note 15
Valuation of finance leases - Note 11 and Note 13
Contingent liabilities - Note 18.

1.F Financial assets and financial liabilities

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

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

Financial assets

Cash and cash equivalents
Trade and other receivables - measured at amortised cost
Finance lease receivables - measured at fair value
Investment in joint venture

Financial liabilities

Trade and other payables - measured at amortised cost

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

Wujal Wujal Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2016

1.G Taxation

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

2. Analysis of Results by Function

2(a) Components of council functions

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

Corporate Governance

The objective of corporate governance is for Council to be open, accountable, transparent and deliver value for money community outcomes. This function includes strategic and operational planning, risk management, legal and administrative support. The Mayor, Councillors and Chief Executive Officer are included in corporate governance.

Corporate Services

Corporate Services provides professional administration, finance and information services across all of council. This function includes human resource management, internal audit, budget support, financial accounting, marketing and communication and information technology services. The goal of this function is to provide accurate, timely and appropriate information to support sound decision making and meet statutory requirements and to provide appropriate services to all of the activities of Council.

Community Services

The goal of community services is to ensure Wujal Wujal is a healthy, vibrant, contemporary and connected community. Community services provides well managed and maintained community facilities, and ensures the effective delivery of cultural, health, welfare, environmental and recreational services.

This function includes:

Libraries and Kindergarten

Entertainment venues, Art Gallery and Café

Public health services including aged care facilities

Environmental licences and approvals.

Building Services

This function facilitates the Shire's growth and prosperity through well planned and quality development. The objective of building services is to ensure the Wujal Wujal Aboriginal Shire is well designed, efficient and facilitates growth yet also preserves the character and natural environment of the Shire. This function includes activities and services related to town and regional planning, and management of development approval processes.

Technical Services

This function is responsible for the road transport network, parks and gardens, waste management and the Water & Sewerage networks. The objectives are to ensure the community is serviced by a high quality and effective road network, to protect and support the community and natural environment by sustainably managing refuse through provision of rubbish collection and disposal services, mosquito and other pest management programs and to support a healthy, safe community by sustainably managing the water and sewerage network infrastructure.

Wujal Wujal Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2016

2 Analysis of results by function

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

Year ended 30 June 2016

| Functions | Gross program income | | | | Total income | Gross program expenses | | Total expenses | Net result from recurrent operations | Net Result | Assets |
|----------------------|----------------------|------------------|----------------|---------------|------------------|------------------------|------------------|--------------------|--------------------------------------|--------------------|-------------------|
| | Recurrent | | Capital | | | Recurrent | Capital | | | | |
| | Grants | Other | Grants | Other | | | | | | | |
| | 2016 | 2016 | 2016 | 2016 | | | | | | | |
| \$ | \$ | \$ | \$ | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | |
| Corporate governance | - | 757,850 | - | - | 757,850 | (469,500) | - | (469,500) | 288,350 | 288,350 | - |
| Corporate Services | 1,620,159 | 336,660 | - | 10,063 | 1,966,882 | (1,395,879) | (862,703) | (2,258,582) | 560,940 | (291,700) | 7,293,594 |
| Technical Services | 162,945 | 722,554 | 726,640 | - | 1,612,139 | (2,539,737) | - | (2,539,737) | (1,654,238) | (927,598) | 24,619,592 |
| Community Services | 1,098,258 | 136,268 | - | - | 1,234,526 | (1,764,585) | - | (1,764,585) | (530,059) | (530,059) | - |
| Building Services | 9,100 | 3,099,731 | - | - | 3,108,831 | (2,965,077) | - | (2,965,077) | 143,754 | 143,754 | 3,491,795 |
| Total | 2,890,462 | 5,053,063 | 726,640 | 10,063 | 8,680,228 | (9,134,778) | (862,703) | (9,997,481) | (1,191,253) | (1,317,253) | 35,394,981 |

Year ended 30 June 2015

| Functions | Gross program income | | | | Total income | Gross program expenses | | Total expenses | Net result from recurrent operations | Net Result | Assets |
|----------------------|----------------------|------------------|----------------|----------------|------------------|------------------------|----------------|--------------------|--------------------------------------|--------------------|-------------------|
| | Recurrent | | Capital | | | Recurrent | Capital | | | | |
| | Grants | Other | Grants | Other | | | | | | | |
| | 2015 | 2015 | 2015 | 2015 | | | | | | | |
| \$ | \$ | \$ | \$ | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | |
| Corporate governance | - | 188,932 | - | - | 188,932 | (432,209) | - | (432,209) | (243,277) | (243,277) | - |
| Corporate Services | 1,606,793 | 254,672 | - | - | 1,871,465 | (1,022,035) | (4,961) | (1,026,996) | 848,429 | 844,468 | 14,952,901 |
| Technical Services | 665,768 | 762,984 | 553,100 | 307,735 | 2,289,587 | (3,387,314) | - | (3,387,314) | (1,958,562) | (1,097,727) | 15,338,790 |
| Community Services | 1,163,920 | 110,114 | 34,103 | - | 1,308,137 | (1,870,394) | - | (1,870,394) | (596,360) | (562,257) | 2,916,785 |
| Building Services | 4,481 | 2,782,779 | - | - | 2,787,260 | (3,031,935) | - | (3,031,935) | (244,675) | (244,675) | 5,095,806 |
| Total | 3,440,962 | 4,109,480 | 587,203 | 307,735 | 8,445,380 | (9,743,888) | (4,961) | (9,748,849) | (2,193,445) | (1,303,468) | 39,304,282 |

Wujal Wujal Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2016

| | Note | 2016 \$ | 2015 \$ |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------------------|------------------|
| 3 Revenue analysis | | | |
| Fees and charges, sales revenue, grants and other income is recognised as revenue on receipt of funds or earlier upon unconditional entitlement to the funds. | | | |
| (a) Fees and charges | | | |
| Administration and utility charges | | 411,721 | 290,050 |
| Bank and Post Office agency commissions | | 9,577 | 9,911 |
| Centrelink commissions | | 21,694 | 20,998 |
| Other fees and charges | | 9,852 | 2,791 |
| Total fees and charges | | 452,844 | 323,749 |
| (b) Sales revenue | | | |
| Contracts and recoverable works | | | |
| Private works revenue | | 139,370 | 1,680 |
| Q Build and BAS contract and recoverable works | | 838,657 | 1,122,650 |
| Housing construction contract | | 1,869,349 | 1,275,031 |
| Total contracts and recoverable works | | 2,847,376 | 2,399,361 |
| Sale of goods | | | |
| Fuel | | 287,851 | 288,653 |
| Works Department | | 24,699 | 452,760 |
| Art Centre | | 109,244 | 83,640 |
| Total sale of goods | | 421,794 | 825,054 |
| Total sales revenue | | 3,269,170 | 3,224,415 |
| The council generates revenues from a number of services including an arts centre, service station sales and contracts for recoverable works relating to roads and social housing construction. Revenue from these contracts generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. Contract revenue and associated costs are recognised by reference to the stage of completion of the contract activity at the reporting date. Revenue is measured at the fair value of consideration received or receivable in relation to that activity. | | | |
| The amount recognised as revenue for contract works during the financial year is the amount receivable in respect of invoices issued during the period and in respect of works carried out during the period. The contract work carried out is not subject to retentions. | | | |
| (c) Other income | | | |
| Share of joint venture profit | 20 | 757,858 | 188,932 |
| Gain on revaluation of finance leases | 11 | 223,189 | 63,494 |
| Other | | 58,051 | 30,853 |
| Total other income | | 1,039,098 | 283,279 |

Wujal Wujal Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2016

| | Note | 2016 \$ | 2015 \$ |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------------------|------------------|
| 4 Grants, subsidies and contributions | | | |
| (a) Recurrent | | | |
| General purpose grants | | 1,498,024 | 1,598,322 |
| State government subsidies and grants | | 661,287 | 1,095,017 |
| Commonwealth government subsidies and grants | | 731,151 | 747,623 |
| Total recurrent | | <u>2,890,462</u> | <u>3,440,962</u> |
| (b) Capital | | | |
| State government subsidies and grants | | 726,640 | 587,203 |
| Commonwealth government subsidies and grants | | - | - |
| Total capital | | <u>726,640</u> | <u>587,203</u> |
| All grants, subsidies and contributions are non-reciprocal in nature and are recognised as revenue in the year in which Council obtains control over them. | | | |
| Conditions over contributions | | | |
| Contributions recognised as income during the reporting period and which were obtained on the condition that they be expended in a manner specified by the contributor but had not been expended at the reporting date: | | | |
| Grants for expenditure on services | | <u>320,518</u> | <u>139,758</u> |
| | | 320,518 | 139,758 |
| 5 Capital income | | | |
| Revaluations | | | |
| Revaluation increment recognised as income | 12 | | 307,736 |
| Gain / Loss on disposal of non current assets | | | |
| Proceeds from sale | | 50,909 | |
| less book value of disposed assets | 12 | (40,846) | |
| Total profit on sale of assets | | <u>10,063</u> | |
| Total capital income | | <u>10,063</u> | <u>307,736</u> |

Wujal Wujal Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2016

| | 2016 | 2015 |
|--------------------------------------------------|------------------|------------------|
| Note | \$ | \$ |
| 6 Employee benefits | | |
| Total staff wages and salaries | 1,983,791 | 2,005,202 |
| Councillors' remuneration | 304,871 | 279,873 |
| Annual, sick and long service leave entitlements | 424,509 | 430,475 |
| Superannuation | 298,989 | 305,240 |
| | <u>3,012,160</u> | <u>3,020,791</u> |
| Less: Capitalised employee expenses | (18,658) | (72,206) |
| Total employee benefits | <u>2,993,502</u> | <u>2,948,585</u> |

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.

Councillors' remuneration represents salary paid in respect of carrying out their duties.

| | 2016 | 2015 |
|------------------------------------------------|-----------|-----------|
| Total Council employees at the reporting date: | | |
| Elected members | 5 | 5 |
| Administration staff | 35 | 35 |
| Depot and outdoors staff | 41 | 41 |
| Total full time equivalent employees | <u>81</u> | <u>81</u> |

7 Materials and services

| | | |
|-------------------------------------------------|------------------|------------------|
| Buildings and Houses-repairs | 696,502 | 626,621 |
| Agency operations | 23,537 | 23,428 |
| Audit of annual financial statements by the QAO | 156,800 | 29,900 |
| Communications and IT | 230,210 | 151,109 |
| Insurances | 150,468 | 156,107 |
| Recoverable Works costs | 466,462 | 1,042,410 |
| Housing Construction Contract | 1,257,191 | 1,143,995 |
| Works & Services | 10,362 | 927,350 |
| NDRRA and cyclone costs | - | 393,844 |
| Security & Emergency services | 14,363 | 11,786 |
| Cultural activities | 380,894 | 363,481 |
| Community Care services | 202,438 | 468,144 |
| Community Welfare services | 519,350 | 271,649 |
| Consultants | 95,501 | 52,140 |
| Councillors Non-Wages Expenses | 16,334 | 82,069 |
| Supplies and Services and Other Recoveries | 343,023 | (430,065) |
| Other materials and services | 22,435 | 38,005 |
| Total materials and services | <u>4,585,870</u> | <u>5,351,972</u> |

8 Capital expenses

| | | |
|------------------------------------------------------------|----------------|--------------|
| Loss on disposal of non-current assets | | |
| Proceeds from the sale of property, plant and equipment | - | (15,155) |
| Less: Book value of disposed property, plant and equipment | 12 | 20,116 |
| Total loss on disposal of non-current assets | <u>-</u> | <u>4,961</u> |
| Revaluations | | |
| Revaluation decrement recognised as expense | 12 | 91,000 |
| Loss on transfer of assets via finance lease | | |
| Book value of property, plant and equipment transferred | 12 | 1,047,622 |
| Less: initial recognition of finance leases | 11 | (275,919) |
| Total loss on transfer of assets via finance lease | <u>771,703</u> | <u>-</u> |
| Total capital expenses | <u>862,703</u> | <u>4,961</u> |

Wujal Wujal Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2016

| Note | 2016 \$ | 2015 \$ |
|-------------------------------------|------------------|------------------|
| 9 Cash and cash equivalents | | |
| Cash at bank and on hand | 2,726,792 | 3,067,514 |
| Balance per Statement of Cash Flows | <u>2,726,792</u> | <u>3,067,514</u> |

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

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

| | | |
|-----------------------------------------|-------------------|------------------|
| Unspent government grants and subsidies | 320,518 | 1,168,986 |
| Total unspent restricted cash | 23 <u>320,518</u> | <u>1,168,986</u> |

Cash and deposits at call are held in the Westpac Banking Corporation in normal term deposits and business cheque accounts. The bank currently has a short term credit rating of A1+ and long term rating of AA-.

Cash and cash equivalents includes cash on hand, all cash and cheques received 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.

10 Trade and other receivables

| | | |
|-------------------------------------------|----------------|------------------|
| Current | | |
| Trade Debtors | 523,481 | 743,860 |
| Accrued Revenue | 198,039 | 629,867 |
| Other debtors | 20,571 | 188 |
| Less impairment | (51,377) | (39,593) |
| Total current trade and other receivables | <u>690,713</u> | <u>1,334,321</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 asset's carrying amount less any amount expected to be recovered.

For impaired receivables the factors the Council considered when impairing the asset were: what was the debt originally for, how long it has been outstanding, the success of attempts to recover the debt and how successful any further attempts were likely to be.

All known bad debts were written-off at 30 June.

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

| | | |
|---------------------|----------------|------------------|
| Not past due | 35,769 | 746,142 |
| Past due 31-60 days | 334,031 | 563,022 |
| Past due 61-90 days | (25) | 7,374 |
| More than 90 days | 153,705 | 57,376 |
| Impaired | (51,377) | (39,593) |
| Total | <u>472,103</u> | <u>1,334,321</u> |

Wujal Wujal Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2016

| Note | 2016 \$ | 2015 \$ |
|----------------------------------------------------------------------------------------------------------------|------------------|------------------|
| 11 Other financial assets | | |
| Current | | |
| Finance leases | 60,890 | 50,041 |
| | <u>60,890</u> | <u>50,041</u> |
| Non-current | | |
| Finance leases | 1,941,369 | 1,514,509 |
| | <u>1,941,369</u> | <u>1,514,509</u> |
| A reconciliation between the gross investment in the lease and the fair value of lease payments is as follows: | | |
| Gross minimum lease payments receivable: | | |
| Not later than one year | 60,891 | 50,041 |
| Later than one year but not later than five years | 243,566 | 200,162 |
| Later than five years | 1,957,919 | 1,639,655 |
| | <u>2,262,376</u> | <u>1,889,857</u> |
| Add: Estimated contingent rent | 1,400,199 | 1,195,171 |
| Less: Present value adjustment | (1,660,316) | (1,520,479) |
| Fair value of lease payments | <u>2,002,259</u> | <u>1,564,549</u> |
| The fair value of lease payments are receivable as follows: | | |
| Not later than one year | 60,891 | 50,041 |
| Later than one year but not later than five years | 239,406 | 194,952 |
| Later than five years | 1,701,962 | 1,319,556 |
| | <u>2,002,259</u> | <u>1,564,549</u> |
| Movements in finance leases were as follows: | | |
| Opening balance | 1,564,549 | 1,585,209 |
| Add: Initial recognition of new leases | 275,919 | - |
| Less: Lease surrendered | - | (26,141) |
| Less: Lease receipts | (61,397) | (58,013) |
| Add: Gain on revaluation | 223,189 | 63,494 |
| Closing balance | <u>2,002,259</u> | <u>1,564,549</u> |

The calculation of fair value has included an estimate of average annual CPI increases of 2.5% for 2015/16 (2015: 2.5%) and a discount rate of 3.21% for 2015/16 (2015: 3.59%).

Council has leased 72 dwellings as lessor to the Queensland Government for 40 years. The average lease payment per dwelling in the current year was \$852, in addition, there was also approximately \$4,900 in service charges applied per property. The lease payments are required to be adjusted each year by the change in the Consumer Price Index (All Groups) for Brisbane in accordance with the terms of the 40 year lease, whereas, the service charge component is adjusted each year as part of Council's annual passing of its Budget and Revenue Policy. The discount rate implicit in the leases for 2015/16 is 3.21%, which is the higher of CPI and Council's present cost of capital, as advised by Queensland Treasury Corporation (QTC). The leases are recognised at the present value of the expected future lease payments receivable, excluding service charges (i.e. NPV method is used). Gains on revaluation of finance lease assets are recognised as "other income" when the cashflows diminish and the discount rate declines year on year. Conversely, in the future, when the discount rate increases and the cashflows diminish, losses on finance lease asset revaluations will be recognised as "other expenses".

There is nil unearned finance income, unguaranteed residual values accruing to the benefit of Council, accumulated allowance for uncollectible minimum lease payments receivable recognised as income applicable to the leases. There is, however, a contingent rent recognised of \$1.4 million which is the difference between nominal rents and consumer price indexation of rents.

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

12 Property, plant and equipment

30-Jun-16

| Note | Land | Buildings | Motor Vehicles | Plant and Equipment | Furniture & Fittings | Water | Sewerage | Other Infrastructure | Roads Network | Work in progress | Total |
|-----------------------------------------------------|------------------------|--------------------|------------------|---------------------|----------------------|--------------------|--------------------|----------------------|--------------------|------------------|---------------------|
| | Valuation | Valuation | Cost | Cost | Cost | Valuation | Valuation | Valuation | Valuation | Cost | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | | | \$ |
| Asset values | | | | | | | | | | | |
| Opening gross value as at 1 July 2015 | 1,700,000 | 21,696,124 | 749,632 | 1,077,149 | 94,786 | 7,061,138 | 5,706,673 | 1,760,900 | 10,371,421 | 22,553 | 50,240,376 |
| Additions | - | - | 193,151 | 29,024 | 4,681 | - | 100 | - | 613,506 | 155,132 | 995,594 |
| Disposals | - | (2,020,230) | (143,184) | - | - | - | - | - | - | - | (2,163,414) |
| Revaluation adjustment to asset revaluation surplus | (420,000) | (745,646) | - | - | - | - | - | (7,031) | - | - | (1,172,677) |
| Revaluation adjustment to expenses | (91,000) | | | | | | | | | | (91,000) |
| Transfers between classes | - | - | - | - | - | - | - | (1,389,900) | 1,389,900 | - | - |
| Closing gross value as at 30 June 2016 | 1,189,000 | 18,930,250 | 799,600 | 1,106,174 | 99,468 | 7,061,138 | 5,706,773 | 363,969 | 12,374,827 | 177,685 | 47,808,884 |
| Accumulated depreciation and impairment | | | | | | | | | | | |
| Opening balance as at 1 July 2015 | - | 7,213,047 | 385,419 | 718,111 | 80,225 | 1,694,638 | 2,143,098 | 1,020,776 | 4,702,830 | - | 17,958,145 |
| Depreciation provided in period | - | 470,301 | 69,412 | 67,497 | 4,248 | 254,103 | 224,878 | 26,562 | 408,222 | - | 1,525,224 |
| Depreciation on disposals | - | (972,608) | (102,338) | - | - | - | - | - | - | - | (1,074,946) |
| Revaluation adjustment to asset revaluation surplus | - | 361,136 | - | - | - | - | - | (106,283) | - | - | 254,853 |
| Transfers between classes | - | - | - | - | - | - | - | (677,340) | 677,340 | - | - |
| Accumulated depreciation as at 30 June 2016 | - | (7,071,876) | (352,494) | (785,609) | (84,473) | (1,948,741) | (2,367,977) | (263,714) | (5,788,392) | - | (18,663,276) |
| Total written down value as at 30 June 2016 | 1,189,000 | 11,858,374 | 447,106 | 320,565 | 14,995 | 5,112,397 | 3,338,797 | 100,254 | 6,586,435 | 177,685 | 29,145,608 |
| Range of estimated useful life in years | Land: Not depreciated. | 15-60 | 2-8 | 3 - 20 | 3 - 20 | 3 - 60 | 5 - 80 | 15-75 | 15-25 | - | |
| Additions comprise: | | | | | | | | | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Renewals | - | - | - | - | - | - | - | - | 613,506 | 33,027 | 646,533 |
| Other additions | - | - | 193,151 | 29,024 | 4,681 | - | 100 | - | - | 122,105 | 349,061 |
| Total additions | - | - | 193,151 | 29,024 | 4,681 | - | 100 | - | 613,506 | 155,132 | 995,594 |

Wujal Wujal Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2016

12 Property, plant and equipment

30-Jun-15

Basis of measurement

Asset values

Opening gross value as at 1 July 2014

Additions

Operating expense removed from Work in Progress

Disposals

Revaluation adjustment to asset revaluation surplus

Revaluation adjustment to income

Transfers between classes

Closing gross value as at 30 June 2015

| Note | Land | Buildings | Motor Vehicles | Plant and Equipment | Furniture & Fittings | Water | Sewerage | Other Infrastructure | Road Network | Work In progress | Total |
|------|------------------|-------------------|----------------|---------------------|----------------------|------------------|------------------|----------------------|-------------------|------------------|-------------------|
| | Valuation | Valuation | Cost | Cost | Cost | Valuation | Valuation | Valuation | Valuation | Cost | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 24 | 1,700,000 | 21,493,000 | 766,701 | 1,044,225 | 94,786 | 7,008,625 | 5,151,534 | 2,629,900 | 9,796,000 | 591,944 | 50,276,715 |
| | - | 650,124 | 74,293 | 42,924 | - | 145,205 | - | - | 333,191 | 574,464 | 1,820,202 |
| | | | | | | | | | | (1,143,855) | (1,143,855) |
| 8 | - | - | (91,362) | (10,000) | - | - | - | - | - | - | (101,362) |
| 16 | - | - | - | - | - | (1,178,429) | 461,139 | (3,600) | (198,170) | - | (919,060) |
| 5 | - | - | - | - | - | 307,736 | - | - | - | - | 307,736 |
| a | - | (447,000) | - | - | - | 778,000 | 94,000 | (865,400) | 440,400 | - | - |
| | 1,700,000 | 21,696,124 | 749,632 | 1,077,149 | 94,786 | 7,061,138 | 5,706,673 | 1,760,900 | 10,371,421 | 22,553 | 50,240,376 |

Accumulated depreciation and impairment

Opening balance as at 1 July 2014

Depreciation provided in period

Depreciation on disposals

Revaluation adjustment to asset revaluation surplus

Transfers between classes

Accumulated depreciation as at 30 June 2015

| | | | | | | | | | | | |
|----|---|------------------|----------------|----------------|---------------|------------------|------------------|------------------|------------------|---|-------------------|
| | - | 6,864,000 | 389,212 | 659,408 | 76,302 | 2,470,813 | 1,204,303 | 1,246,562 | 4,177,000 | - | 17,087,600 |
| | - | 472,048 | 67,453 | 68,703 | 3,923 | 310,590 | 175,574 | 29,877 | 261,830 | - | 1,389,998 |
| | - | - | (71,246) | (10,000) | - | - | - | - | - | - | (81,246) |
| 16 | - | - | - | - | - | (1,178,428) | 740,222 | - | - | - | (438,207) |
| a | - | (123,001) | - | - | - | 91,664 | 23,000 | (255,663) | 264,000 | - | - |
| | - | 7,213,047 | 385,419 | 718,111 | 80,225 | 1,694,638 | 2,143,098 | 1,020,776 | 4,702,830 | - | 17,958,145 |

Total written down value as at 30 June 2015

Range of estimated total useful life in years

| | | | | | | | | | | | |
|------------------------|------------------|-------------------|----------------|----------------|---------------|------------------|------------------|----------------|------------------|---------------|-------------------|
| | 1,700,000 | 14,483,077 | 364,213 | 359,038 | 14,561 | 5,368,500 | 3,563,575 | 740,124 | 5,668,591 | 22,553 | 32,282,231 |
| Land: Not depreciated. | 15-75 | 2-8 | 3 - 20 | 3 - 20 | 3 - 60 | 5 - 60 | 18 - 80 | 18 - 80 | - | - | - |

Additions comprise:

Renewals

Other additions

Total additions

| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
|-----------------|----|----------------|---------------|---------------|----|----------------|----|----|----------------|----------------|------------------|
| Renewals | - | - | 74,293 | - | - | - | - | - | 333,191 | - | 407,484 |
| Other additions | - | 650,124 | - | 42,924 | - | 145,205 | - | - | - | 574,464 | 1,412,718 |
| | - | - | - | - | - | - | - | - | - | - | - |
| Total additions | - | 650,124 | 74,293 | 42,924 | - | 145,205 | - | - | 333,191 | 574,464 | 1,820,202 |

(a) Transfers between roads and other infrastructure classes grossed up. Only net amounts reported in 2015.

Wujal Wujal Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2016

Property, plant and equipment accounting policies

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

Capital and operating expenditure

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

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

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

Valuation Process

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers to determine the fair value for each class of property, plant and equipment assets at least once every 5 years. This process involves the valuer physically sighting a representative sample of Council assets across all asset classes and making their own assessments of the condition of the assets at the date of inspection.

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

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

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

Capital work in progress

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

Depreciation

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

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

Wujal Wujal Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2016

Property, plant and equipment accounting policies

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

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

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

Land under roads

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

DOGIT and other land

The Council is located on land assigned to it under a Deed of Grant in Trust (DOGIT) under Section 341 of the Land Act 1994.

The land is administered by the Department of Natural Resources and Mines and the Council has restricted use of this land for the benefit of shire inhabitants. The DOGIT land has not been taken up in the Council's assets as its value cannot be reliably measured.

Council also holds additional freehold land outside its DOGIT and Local Government area, in the township of Ayton and the area of Degarra. This land is measured at fair value.

Impairment

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

Wujal Wujal Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2016

13 Fair value measurements

13(a) Recognised fair value measurements

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

Finance Leases

Property, plant and equipment

- Land
- Buildings
- Road network
- Water Infrastructure
- Sewerage Infrastructure
- Other Infrastructure assets

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

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

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

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

Council does not have any assets or liabilities measured at fair value which meet the criteria for categorisation as level 1.

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

The table presents the Council's assets measured at fair value as at 30 June.

| As at 30 June | Note | Level 3 | | Total | |
|------------------------------------------|------|-----------------------------------|-------------------|-------------------|-------------------|
| | | (Significant unobservable inputs) | | | |
| | | \$ | | \$ | |
| | | 2016 | 2015 | 2016 | 2015 |
| Recurring fair value measurements | | | | | |
| Finance Leases | 11 | 2,002,259 | 1,564,549 | 2,002,259 | 1,564,549 |
| Land | 12 | 1,189,000 | 1,700,000 | 1,189,000 | 1,700,000 |
| Buildings | 12 | 11,858,374 | 14,483,077 | 11,858,374 | 14,483,077 |
| Road network | 12 | 6,586,435 | 5,668,591 | 6,586,435 | 5,668,591 |
| Water | 12 | 5,112,397 | 5,366,500 | 5,112,397 | 5,366,500 |
| Sewerage | 12 | 3,338,797 | 3,563,575 | 3,338,797 | 3,563,575 |
| Other Infrastructure assets | 12 | 100,254 | 740,124 | 100,254 | 740,124 |
| | | 30,187,516 | 33,086,415 | 30,187,516 | 33,086,415 |

13(b) Valuation techniques used to derive fair values for level 3 valuations

Finance Leases

Council has residential properties which are leased out to the Department of Housing and Public Works for a period of up to 40 years. They are valued using the Net Present Value (NPV) approach. Refer further information in note 11.

Wujal Wujal Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2016

13 Fair value measurements

Land

All council owned land is located in the Douglas and Cook local government areas. Land fair values were determined by an independent valuer, Australis Asset Advisory Group effective 30 June 2016. The valuer utilised market transactions over vacant land properties within the Douglas and Cook Shire Councils areas. Where sales volumes were low, the valuer sought market transaction data from nearby or comparable localities. Due to the remote location and paucity of market evidence, a level 3 was assigned to these assets.

Buildings

The fair value of buildings were determined by, Australis Asset Advisory Group effective 30 June 2016.

All Council buildings are of a specialist nature and there is no active market for the assets. Fair value has been determined on the basis of replacement with a new asset having similar service potential including allowances for preliminaries and professional fees. The gross current values have been derived from reference to market data such as recent projects and published costing guides such as Rawlinson's Australian Construction Cost Handbook. The valuer has also had regard to the latest construction costs information for recent projects undertaken by the council as well as an internal database collated as a result of undertaking projects of a similar nature. The net current value of a building asset is the gross current value less accumulated depreciation to reflect the consumed or expired service potential of the asset.

The most significant inputs into the valuation approach is a rate per square metre to arrive at the gross replacement cost, the useful life of the asset and a condition score reflecting the remaining useful life of the asset.

In determining the level of accumulated depreciation the building assets have been disaggregated into significant components which exhibit varying useful lives. Allowance has been made for the typical asset life cycle and renewal treatments of each component noting that no residual values have been applied. Condition was assessed taking into account physical characteristics as well as factors such as functionality, capability, utilisation and obsolescence. Council has componentised its assets so that the assets can be more easily assessed as to which parts have short useful lives and which have longer useful lives, and which components Council may expect to receive consideration at the end of that components useful life.

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

Infrastructure assets (level 3)

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

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

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

Roads

Current replacement cost

Council categorises its road network into sealed and unsealed roads.

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13 Fair value measurements

CRC was calculated by reference to asset linear and area specifications, estimated labour and material inputs, services costs, and overhead allocations. Material and services prices were based on existing supplier contract rates or supplier price lists and labour wage rates were based on Council's actual rates paid. All direct costs were allocated to assets at standard usage quantities according to recently completed similar projects. Where construction is outsourced, CRC was based on the average of completed similar projects over the last few years.

The last full valuation of road infrastructure was undertaken by an independent valuer, Propell Valuers effective 30 June 2014. In subsequent years, CRC has been determined by reference to indexation provided by Australis Asset Advisory Group. The indexation methodology was based on production/wage/construction indices and on consultation with local contractors and suppliers. Where the indexation is considered immaterial fair values have not been adjusted. A full valuation of the road network is planned in 2016-17.

Accumulated depreciation

In determining the level of accumulated depreciation, roads were categorised into sealed and unsealed which exhibited different useful lives.

Water and Sewerage

Current replacement cost

CRC was calculated based on expected replacement costs. Cost models were derived from scheduled rates for construction of assets, recent contact and tender data, Rawlinson's rates for building and construction and supplier's quotations. In all cases the assets were disaggregated to component level to ensure a reliable measure of cost and service capacity and deterioration of estimated remaining life.

| |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Factors taken into account in determining replacement costs included: |
| · Development factors - the area in which development takes place (e.g. rural areas would have little or no restoration requirements, whereas a high density area would have large amounts of high quality footpaths, road pavements and associated infrastructure that would require reinstatement, and would also require traffic control). |
| · Soil factors - The types of soil or other surface material (e.g. areas where soil is sandy are difficult to excavate and would require shoring while areas where the soil is generally free of rock would not present any great difficulty for excavation). |
| · Depth factors - The depth of the trench (e.g. trenching above 1.5m requires shoring/ trench cage which increases costs and slows production). |

Water and Sewerage infrastructure fair values were determined by Australis Asset Advisory Group effective 30 June 2015. In 2016, an indexation was provided by Australis Asset Advisory Group. As this was immaterial, fair values were not adjusted.

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Notes to the financial statements
For the year ended 30 June 2016

13 Fair value measurements

Accumulated depreciation

In determining accumulated depreciation, assets were generally subject to an inspection or an assessment to determine remaining useful life. Where site inspections were conducted (i.e. for active assets), the assets were allocated a condition assessment rating. The lower the condition rating, the lower the fair value.

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.

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

The changes in level 3 assets with recurring fair value measurements are detailed in Note 12.

13(d) Valuation processes

Council's valuation policies and procedures are set by an executive management team which comprises the Chief Executive Officer and the Chief Operations Officer.

Wujal Wujal Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2016

| Note | 2016 | 2015 |
|------------------------------------|----------------|----------------|
| | \$ | \$ |
| 14 Trade and other payables | | |
| Current | | |
| Creditors and accruals | 258,282 | 314,513 |
| Annual leave | 172,568 | 260,685 |
| | <u>430,849</u> | <u>575,198</u> |

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. Where it is expected that the leave will be paid in the next twelve months, or Council does not have the unconditional right to defer the liability beyond 12 months, the liability is treated as a current liability. Otherwise the liability is treated as non-current.

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

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

As council does not have an unconditional right to defer this liability beyond 12 months annual leave is classified as a current liability.

15 Provisions

| | | |
|--------------------|----------------|----------------|
| Current | | |
| Long service leave | 167,874 | 128,118 |
| | <u>167,874</u> | <u>128,118</u> |
| Non-current | | |
| Long service leave | 41,837 | 101,762 |
| | <u>41,837</u> | <u>101,762</u> |

Details of movements in provisions:

| | | |
|----------------------------------------|----------------|----------------|
| Long service leave | | |
| Balance at beginning of financial year | 229,881 | 200,572 |
| Long service leave entitlement arising | 54,636 | 46,041 |
| Long Service entitlement extinguished | (15,175) | (7,122) |
| Long Service entitlement paid | (59,630) | (9,610) |
| Balance at end of financial year | <u>209,712</u> | <u>229,881</u> |

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

Wujal Wujal Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2016

| | Note | 2016 \$ | 2015 \$ |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-------------------|-------------------|
| 15 Provisions continued | | | |
| <p>Where employees have met the prerequisite length of service and council does not have an unconditional right to defer this liability beyond 12 months long service leave is classified as a current liability. Otherwise it is classified as non-current.</p> | | | |
| 16 Asset revaluation surplus | | | |
| Movements in the asset revaluation surplus were as follows: | | | |
| Balance at beginning of financial year | | 15,773,273 | 14,586,344 |
| Net adjustment to non-current assets at end of period to reflect a change in current fair value: | | | |
| Land | | (420,000) | |
| Buildings | | (1,106,782) | |
| Infrastructure | | 99,252 | 1,186,929 |
| Balance at end of financial year | | <u>14,345,743</u> | <u>15,773,273</u> |

Asset revaluation surplus analysis

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

| | | |
|----------------|-------------------|-------------------|
| Land | | 420,000 |
| Buildings | 6,597,106 | 7,703,888 |
| Infrastructure | 7,748,637 | 7,649,385 |
| | <u>14,345,743</u> | <u>15,773,273</u> |

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 reported in surplus in respect of that asset is retained in the asset revaluation surplus and not transferred to retained surplus.

Wujal Wujal Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2016

| | Note | 2016 \$ | 2015 \$ |
|-----------------------------------------------------------------------------------------------------------|------|------------|------------------|
| 17 Reserves | | | |
| Council closed their reserves during the financial year and transferred the balances to retained surplus. | | | |
| Capital Constrained Works Reserve | | - | 320,490 |
| Future recurrent expenditure reserve | | - | 708,738 |
| Total reserves | | - | 1,029,228 |

18 Contingent liabilities

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

Local Government Mutual

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

As at 30 June 2016 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare

The Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there are insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$41,912.

Wujal Wujal Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2016

| | Note | 2016 \$ | 2015 \$ |
|--|------|------------|------------|
|--|------|------------|------------|

19 Superannuation

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

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

The scheme has three elements referred to as:

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

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

The Accumulation Benefits Fund (ABF)

The ABF is a defined contribution scheme as defined in AASB 119. Council has no liability to or interest in the ABF other than the payment of the statutory contributions as required by the *Local Government Act 2009*.

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

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.

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

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.

| | Note | 2016 \$ | 2015 \$ |
|---------------------------------------------------------------------------------------------------------------------------|------|------------|------------|
| The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of employees was: | 6 | 298,989 | 305,240 |

20 Joint venture

The Council has a 25% (2015 - 25%) joint venture interest in Cook RJCP Joint Venture, the principal activity of which is to provide delivery of services under the Remote Jobs and Communities Program in the Cooktown region. Cook RJCP Joint Venture's principal place of business is C/- My Pathways, 84-88 Cook St, Cairns, Queensland. In accordance with ownership interests Council holds 25% voting rights in the joint venture.

Wujal Wujal Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2016

| Note | 2016 | 2015 |
|------|------|------|
| | \$ | \$ |

Council has determined that this joint arrangement is a joint venture under AASB 11 *Joint Arrangements* and accounts for this investment using the equity method. Under the equity method the investment is initially recognised at cost and is adjusted each year to recognise Council's share of profit or loss. Council's share of movements in other comprehensive income of the venture are recognised in other comprehensive income. Distributions received are recognised as a reduction in the carrying amount of the investment.

Cook RJCP Joint Venture is a consortium of 4 organisations whose aim is to provide employment opportunities for indigenous people. There is no contractual or other arrangement, or circumstances which indicate that council, or any of the joint venturers, have rights to the assets or obligations for the liabilities of the joint venture.

The following information has been extracted from Cook RJCP Joint Venture financial statements. Council has only been provided with a profit and loss statement, and does not know what the Balance Sheet items of the Joint Venture are.

| | | |
|------------------------------------------------------|-------------------------|-----------------------|
| Revenue | 6,898,458 | 2,807,308 |
| Expenses | (3,867,025) | (2,015,528) |
| Profit or loss from continuing operations | <u>3,031,433</u> | <u>791,780</u> |
| Post-tax profit or loss from discontinued operations | - | - |
| Profit (loss) for the year | <u>3,031,433</u> | <u>791,780</u> |
| Other comprehensive income for the year | - | - |
| Total comprehensive income for the year | <u><u>3,031,433</u></u> | <u><u>791,780</u></u> |

The above profit (loss) for the year includes:

| | | |
|---------------------------------|------------------|------------------|
| Promotions and Marketing | 2,013 | 5,505 |
| Corporate Service Fee | 827,981 | 551,203 |
| Vehicle exp's, rego & insurance | 52,083 | 52,283 |
| Payroll expenses | 1,391,685 | 1,118,382 |
| Rent & Lease of premises | 153,176 | 65,020 |
| Travel Costs | 34,115 | 98,575 |
| Administration Costs | 1,405,972 | 124,560 |
| | <u>3,867,025</u> | <u>2,015,528</u> |

The movement in the carrying amount of the Council's investment in the joint venture is as follows:

| | | | |
|--------------------------------------------------------|------|----------------|--------------|
| Carrying amount at the beginning of the financial year | | 1,445 | - |
| Share of profit (loss) | 3(c) | 757,858 | 188,932 |
| Distribution received | | - | (187,487) |
| Carrying amount at the end of financial year | | <u>759,303</u> | <u>1,445</u> |

Wujal Wujal Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2016

| | Note | 2016 \$ | 2015 \$ |
|------------------------------------------------------------------------------------------------------------|------|------------------|------------------|
| 21 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities | | | |
| Net result | | (1,317,253) | (1,303,468) |
| Non-cash items: | | | |
| Depreciation and amortisation | 12 | 1,525,222 | 1,389,998 |
| Revaluation adjustments | 5,8 | 91,000 | (307,736) |
| Impairment of receivables | | 29,113 | 27,594 |
| Gain on revaluation of finance | 11 | (223,189) | (63,494) |
| | | <u>1,422,146</u> | <u>1,046,362</u> |
| Investing and development activities: | | | |
| Gain / (Loss) on disposal of non-current assets | 5, 8 | (10,063) | 4,961 |
| Loss on transferring assets under lease | 8 | 771,703 | |
| Capital grants and contributions | | (726,640) | (587,203) |
| Profit retained in joint venture | 20 | (757,858) | (1,445) |
| | | <u>(722,858)</u> | <u>(583,687)</u> |
| Changes in operating assets and liabilities: | | | |
| (Increase)/ decrease in receivables | | 614,495 | (240,582) |
| (Increase)/decrease in inventory | | (16,084) | (1,363) |
| Increase/(decrease) in payables | | (144,349) | 196,380 |
| Increase/(decrease) in liabilities | | - | (136) |
| Increase/(decrease) in other provisions | | (20,173) | 29,308 |
| | | <u>433,889</u> | <u>(16,393)</u> |
| Net cash inflow from operating activities | | <u>(184,075)</u> | <u>(857,186)</u> |

22 Events after the reporting period

There were no material adjusting events after the balance date.

Wujal Wujal Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2016

| | Balance 01-07-15 | Revenue | Expense | Balance 30-06-16 |
|--------------------------------------------------------------------|---------------------|------------------|------------------|---------------------|
| | \$ | \$ | \$ | \$ |
| 23 Tied grants by project | | | | |
| Commonwealth government grants | | | | |
| Department of Prime Minister and Cabinet | | | | |
| <i>Indigenous Advancement Strategy</i> | - | 107,000 | 107,000 | - |
| <i>Itterra Emergency Satellite Communications</i> | - | 106,000 | 101,777 | 4,223 |
| <i>Remote Indigenous Broadcasting Service</i> | 15 | - | 15 | - |
| <i>Training Subsidy</i> | 3,300 | 11,550 | 7,625 | 7,225 |
| <i>Radio Training Grant</i> | - | 1,650 | 1,650 | - |
| <i>NJP Radio Grant</i> | 8,174 | 66,430 | 69,375 | 5,229 |
| Total | 11,489 | 292,630 | 287,442 | 16,677 |
| Department of Aboriginal and Torres Strait Islander | | | | |
| <i>NAIDOC</i> | - | 2,045 | 2,045 | - |
| Total | - | 2,045 | 2,045 | - |
| Department of Social Services | | | | |
| <i>NJCP Program</i> | - | 70,795 | 70,795 | - |
| <i>NJCP Radio, Arts and Culture</i> | 21,779 | 99,645 | 64,546 | 56,878 |
| <i>Emergency Relief Grant</i> | 566 | 0 | 0 | 566 |
| <i>DSS Transitional Activity</i> | - | 2,466 | 0 | 2,466 |
| <i>Home Care CACPS</i> | 30,286 | 5,909 | 38,195 | - |
| <i>Home and Community Care</i> | - | 15,000 | 15,000 | - |
| <i>HACC Business Improvement</i> | - | 243,461 | 243,461 | - |
| Total | 52,631 | 437,275 | 429,996 | 59,910 |
| Total - Commonwealth government | 64,120 | 731,950 | 719,483 | 76,587 |
| State government grants | | | | |
| Department of Infrastructure, Local Government and Planning | | | | |
| <i>SGFA Grant</i> | - | 1,058,093 | 1,058,093 | - |
| <i>SDF Grant</i> | - | 17,000 | 17,000 | - |
| <i>FAGS Grant</i> | - | 439,931 | 439,931 | - |
| <i>Come and Try fitness program</i> | - | 19,800 | 9,630 | 10,170 |
| <i>Get Ready QLD Grant</i> | - | 4,430 | 4,430 | - |
| <i>IEDG Grant</i> | - | 80,000 | 80,000 | - |
| Total | - | 1,619,254 | 1,609,084 | 10,170 |
| Department of Education and Training | | | | |
| <i>Kindergarten Parents Learning</i> | - | 26,882 | 26,882 | - |
| Total | - | 26,882 | 26,882 | - |
| Queensland Reconstruction Authority | | | | |
| <i>NDRRA Tropical Cyclone ITA</i> | - | 600,407 | 600,407 | - |
| Total | - | 600,407 | 600,407 | - |
| Department of Transport and Main Roads | | | | |
| <i>ATSI TIDS Road Grant</i> | - | 26,233 | 5,232 | 21,001 |
| <i>DTMR Boat Ramp Grant</i> | - | 100,000 | 33,027 | 66,973 |
| Total | - | 126,233 | 38,259 | 87,974 |

Wujal Wujal Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2016

| | Balance 01-07-15 | Revenue | Expense | Balance 30-06-16 |
|--------------------------------------------------------------------------|---------------------|------------------|------------------|---------------------|
| | \$ | \$ | \$ | \$ |
| Department of Health | | | | |
| <i>ATSI Public Health Grant</i> | - | 154,630 | 154,630 | - |
| Total | - | 154,630 | 154,630 | - |
| Department of Community Safety | | | | |
| <i>SES Operating Subsidy</i> | 8,099 | 14,662 | 7,578 | 15,183 |
| Total | 8,099 | 14,662 | 7,578 | 15,183 |
| Queensland State Library | | | | |
| <i>State Library Subsidy</i> | - | 15,263 | 15,263 | - |
| <i>State Library Robotics Grant</i> | - | 9,982 | 0 | 9,982 |
| <i>Tech Savvy Seniors Grant</i> | - | 20,460 | 3,393 | 17,067 |
| Total | - | 45,705 | 18,656 | 27,049 |
| Department of Communities, Child Safety & Disability Services | | | | |
| <i>State Younger Persons Grant-ROPE</i> | - | 63,307 | 63,307 | - |
| <i>ALSP-ACCRESP Grant</i> | 1,001 | 0 | 1,001 | - |
| Total | 1,001 | 63,307 | 64,308 | - |
| Arts QLD | | | | |
| <i>2014/15 IRADF Grant</i> | 5,556 | - | 5,556 | - |
| <i>2015/16 IRADF Grant</i> | - | 10,000 | 8,074 | 1,926 |
| <i>Cairns Indigenous Art Fair</i> | 1,609 | 10,000 | 11,609 | - |
| <i>Backing Indigenous Arts Grant</i> | - | 40,000 | 26,976 | 13,024 |
| <i>IAC Operational Grant 2014/15</i> | 18,777 | - | 18,777 | - |
| <i>Jewellery & Art Print Workshop Grant 2014/15</i> | 425 | - | 425 | - |
| <i>Indigenous Visual Arts Support Grant</i> | 2,564 | 32,500 | 35,064 | - |
| Total | 28,931 | 92,500 | 106,481 | 14,950 |
| Total - State government | 38,031 | 2,743,580 | 2,626,285 | 155,326 |
| Other grant providers | | | | |
| Creche & Kindergarten Assoc Ltd | | | | |
| <i>QKFS Funding</i> | 37,600 | 127,504 | 76,499 | 88,605 |
| <i>SRA Funding</i> | - | 6,913 | 6,913 | - |
| Total | 37,600 | 134,417 | 83,412 | 88,605 |
| Community Apprenticeships Australia | | | | |
| <i>Training Subsidies</i> | - | 7,154 | 7,154 | - |
| Total | - | 7,154 | 7,154 | - |
| Total - Other grant providers | 37,600 | 141,571 | 90,566 | 88,605 |
| Total - all grants | 139,751 | 3,617,101 | 3,436,334 | 320,518 |

Wujal Wujal Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2016

24 Correction of prior period error

A portion of DOGIT land valued at \$250,000 was previously recognised in the financial statements as being owned by the Council. DOGIT land is administered by the Department of Natural Resources and Mines and the Council has restricted use of this land for the benefit of shire inhabitants. This land is not usually taken up in the Council's assets as its value cannot be reliably measured. The value of land assets as at 1 July 2014 has been reduced from \$1,950,000 to \$1,700,000. This had the effect of reducing the previously reported value of total property, plant and equipment and retained surplus as at 30 June 2015 by \$250,000.

Wujal Wujal Aboriginal Shire Council
Financial statements
For the year ended 30 June 2016

Management Certificate
For the year ended 30 June 2016

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

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

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



Mayor
Desmond Tayley

Date: 23 / 3 / 2017



Chief Executive Officer
Eileen - Deemal Hall

Date: 23, 03, 17

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Wujal Wujal Aboriginal Shire Council

Report on the Financial Report

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

The Council's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

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 Wujal Wujal Aboriginal 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.



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

Queensland Audit Office
Brisbane

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Wujal Wujal Aboriginal 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 Wujal Wujal Aboriginal 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

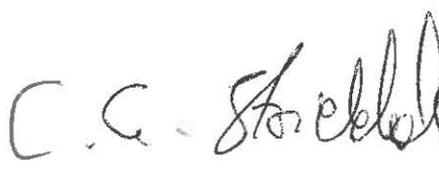
In accordance with s.212 of the *Local Government Regulation 2012*, in my opinion, in all material respects, the current-year financial sustainability statement of Wujal Wujal Aboriginal Shire Council, for the year ended 30 June 2016, has been accurately calculated.

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

Queensland Audit Office
Brisbane

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

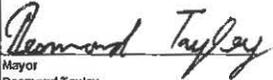
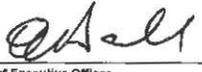
Measures of Financial Sustainability

Council

| Measure | Target | 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 |
|---------------------------------|----------------------------------------------------------------------------------------------|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Operating surplus ratio | Net result divided by total operating revenue | Between 0% and 10% | -15% | -28% | -17% | -15% | -21% | -20% | -19% | -19% |
| Asset sustainability ratio | Capital expenditure on the replacement of assets (renewals) divided by depreciation expense. | greater than 90% | 42% | 93% | 77% | 39% | 39% | 23% | 46% | 23% |
| Net financial liabilities ratio | Total liabilities less current assets divided by total operating revenue | not greater than 80% | -37% | -23% | -22% | -25% | -26% | -28% | -28% | -31% |

Wujal Wujal Aboriginal Shire Council's Financial Management Strategy

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

| Certificate of Accuracy | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| For the long-term financial sustainability statement prepared as at 30 June 2016 | |
| This long-term financial sustainability statement has been prepared pursuant to Section 17B of the <i>Local Government Regulation 2012</i> (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 Desmond Tayley Date: 23.03.2017 |  Chief Executive Officer Eileen Hall Date: 23.03.17 |

APPENDICES

APPENDIX A

Expenses Reimbursement Policy WUJAL WUJAL ABORIGINAL SHIRE COUNCIL POLICY STATEMENT

| | |
|----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SUBJECT: | Expenses Reimbursement for Councillors |
| AUTHORITY: | Council of the Whole. |
| PURPOSE: | The purpose of the policy is to ensure that councillors can receive reimbursement reasonable expenses and be provided with necessary facilities in performance of their role. |
| STATEMENT OF PRINCIPLES: | <p>The policy complies with the following principles:</p> <ul style="list-style-type: none"> • Reasonable expenses reimbursement to councillors • Public accountability and transparency • Public perceptions and community expectations • No private benefit to be derived. • Equity and participation |
| PAYMENT OF EXPENSES: | <p>Expenses will be paid to a councillor through administrative processes approved by the Chief Executive Officer subject to:</p> <ul style="list-style-type: none"> • the limits outlined in this policy and • council endorsement by resolution. |
| EXPENSE CATEGORIES: PROFESSIONAL DEVELOPMENT | <p>Council will reimburse expenses incurred for:</p> <ul style="list-style-type: none"> • mandatory professional development and • discretionary professional development deemed essential for the councillor's role. <p>A councillor may be reimburse local and in some cases interstate and overseas travel expenses (e.g. flights, car, accommodation, meals and associated registration fees) deemed necessary to achieve the business of council where:</p> <ul style="list-style-type: none"> • a councillor is an official representative of council and • the activity/event and travel have been endorsed by resolution of council. <p>Councillors are to travel via the most direct route, using the most economical and efficient mode of transport.</p> <p>Council will pay for reasonable expenses incurred for overnight accommodation when a councillor is required to stay outside the local government's region.</p> <p>NOTE: Any fines incurred while travelling in council-owned vehicles or privately</p> |

COUNCIL RESOLUTIONS

| TRAVEL AS REQUIRED REPRESENT COUNCIL | <p>owned vehicles when attending to council business, will be the responsibility of the councillor incurring the fine.</p> <p>Travel bookings All councillors travel approved by council will be booked and paid for by council. Economy class is to be used where possible although council may approve business class in certain circumstances. Airline tickets are not transferable and can only be procured for the councillors travel on council business. They cannot be used to offset other unapproved expenses. (e.g. cost of partner or spouse accompanying the councillor.)</p> <p>Travel transfer costs Any travel transfer expenses associated with councillors travelling for council approved business will be reimbursed. Example: Trains, taxis, buses and ferry fares Cab charge vouchers may also be used if approved by council where councillors are required to undertake duties relating to the business of council.</p> <p>Private vehicle usage Councillors private vehicle usage may be reimbursed by council if the:</p> <ul style="list-style-type: none"> • travel has been endorsed by council resolution • claim for mileage is substantiated with log book details and • total travel claim does not exceed the cost of the same travel using economy flights plus the cost of taxi transfers. • evidence of comprehensive insurance cover • reimbursement at \$0.80c per km <p>Accommodation All councillor accommodation for council business will be booked and paid for by council. Council will pay for the most economical deal available. Where possible, the minimum standards for councillors' accommodation should be three or four star rating. Where particular accommodation is recommended by conference organisers, council will take advantage of the package deal that is the most economical and convenient to the event.</p> <p>Meals Council will reimburse costs of meals for a councillor when:</p> <ul style="list-style-type: none"> • the councillor incurs the cost personally and • the meal was not provided: <ul style="list-style-type: none"> - within the registration costs of the approved activity/event - during an approved flight. - absence from home is at least 12 hours <p>The following limits apply to the amount council will reimburse for meals:</p> <table border="1"> <thead> <tr> <th></th> <th>Brisbane or other capital cities</th> <th>all other</th> </tr> </thead> <tbody> <tr> <td>+ Breakfast</td> <td>\$23.65</td> <td>\$21.15</td> </tr> <tr> <td>+ Lunch</td> <td>\$26.55</td> <td>\$24.20</td> </tr> <tr> <td>+ Dinner</td> <td>\$45.60</td> <td>\$41.65</td> </tr> </tbody> </table> | | Brisbane or other capital cities | all other | + Breakfast | \$23.65 | \$21.15 | + Lunch | \$26.55 | \$24.20 | + Dinner | \$45.60 | \$41.65 |
|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------------------------|-----------|-------------|---------|---------|---------|---------|---------|----------|---------|---------|
| | Brisbane or other capital cities | all other | | | | | | | | | | | |
| + Breakfast | \$23.65 | \$21.15 | | | | | | | | | | | |
| + Lunch | \$26.55 | \$24.20 | | | | | | | | | | | |
| + Dinner | \$45.60 | \$41.65 | | | | | | | | | | | |

| | |
|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>No alcohol will be paid for by council.</p> <ul style="list-style-type: none"> • Incidental allowance \$17.30 per day will be paid by Council to cover any incidental costs incurred by councillors required to travel, and who are away from home overnight, for official council business. <p>Council may reimburse the Mayor up to \$1,000 per annum for hospitality expenses deemed necessary in the conduct of council business.</p> <p>Provision of Facilities</p> <p>All facilities provided to councillors remain the property of council and must be returned to council when a councillors term expires.</p> <p>Private use of council owned facilities</p> <p>Based on the principle that no private benefit is to be gained the facilities provided to councillors by Council are to be used only for council business unless prior approval has been granted by resolution of council.</p> <p>The council resolution authorising private use of council owned facilities will set out the terms under which the councillor will reimburse council for the percentage of private use. This would apply when councillors have private use of council owned motor vehicles and /or mobile telecommunication devices.</p> <p>Facilities Categories</p> <p>Administrative tools</p> <p>Administrative tools may be provide to councillors as required to assist councillors in their role.</p> <p>Administrative tools include:</p> <ul style="list-style-type: none"> • office space and meeting rooms • computers • stationery • access to photocopiers • printers • facsimile machines • publications • use of council landline telephones and internet access in council offices <p>Secretarial support may also be proved for the mayor and councillors. Council may provide a councillor with home office equipment including computer, internet access if necessary.</p> |
| MAINTENANCE COSTS OF COUNCIL OWNED EQUIPMENT | <p>Council will be responsible for the ongoing maintenance and reasonable wear and tear costs of council-owned equipment that is supplied to councillors for official business use</p> |

| | |
|-------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>This includes the replacement of any facilities which fall under council's asset replacement program.</p> |
| NAME BADGE | <p>Council may provide councillors with:</p> <ul style="list-style-type: none"> • a name badge |
| SAFETY EQUIPMENT FOR COUNCILLORS | <ul style="list-style-type: none"> • the necessary safety equipment for use on official business, e.g. safety helmet/boots |
| UNIFORMS | <ul style="list-style-type: none"> • uniforms as decided from time to time |
| TELECOMMUNICATION NEEDS – MOBILE DEVICES | <p>Councillors may have access to a council owned vehicles is permitted if prior approval has been granted by resolution of council 0.80c per km. Council will, in its resolution, authorise private use and set out the terms for the councillor to reimburse council for the private use</p> <p>Council calls made on private mobile phones of councillors will be reimbursed on production of a receipt to the CEO.</p> <p>The Mayor will be provided with a council mobile phone for business use.</p> |
| INSURANCE COVER | <p>Council will indemnify or insure councillors in the event of injury sustained while discharging their civic duties.</p> <p>Council will pay the excess for injury claims made by a councillor resulting from conducting official council business.</p> |
| FUEL COSTS | <p>Fuel for a council-owned vehicle used for official council business, will be provide or paid for by council</p> |
| CAR PARKING AMENITIES | <p>Councils are to provide councillors with:</p> <ul style="list-style-type: none"> • car parking at the local government office premises and / or • attending to official council business |

Expenses Reimbursement Policy & Resolution

On 21 October 2014 Council passed the following resolution:-

ORD/0 CEO's Report
ORD/0.0 Expenses Reimbursement Policy – Councillors
Summary/ Purpose

COUNCIL RESOLUTION 2174

MOVED: Cr. Gibson

SECONDED: Cr. Nandy

That the Expenses Reimbursement Policy – Councillors be adopted

CARRIED

APPENDIX B

COUNCIL COMPLAINTS MANAGEMENT PROCESS

WUJAL WUJAL ABORIGINAL SHIRE COUNCIL

POLICY STATEMENT

SUBJECT: Complaints Management Process

AUTHORITY: Council of the Whole.

PURPOSE: This is council's CMP and supporting policy and procedures for resolving administrative action complaints as required by Section 268 Local Government Act 2009 and the Local Government Regulation 2012 Chapter 9, Part 4
The CMP covers all administrative actions complaints and their management from receipt to resolution.

POLICY: The CMP and related policy and procedures were adopted by council resolution and apply from the date of resolution. Any amendment of the CMP including this policy and procedures must be approved by council resolution.

Commitments

Council acknowledges the right of people to make complaints about its administrative actions. The CMP has been implemented to ensure that complaints are managed fairly, promptly and professionally. Council is committed to ensuring:

- Anyone who is dissatisfied about an administrative action of council can easily lodge a complaint.
- Complainants will be provided with reasonable assistance to make their complaint, if necessary.
- Complainants will not suffer any reprisal from council or its staff for making a complaint.
- Complaints will be responded to quickly and in an objective and fair way.
- Complainants will be advised of the complaints decision and reasons.
- If a complainant is not satisfied that a complaint has been satisfactorily resolved, council will inform the complainant of any further internal or external right of review/appeal.
- Complaints will be recorded, monitored and reported on to identify improvements in council's systems, practices and service delivery.

Objectives

The objectives of the CMP are to:

- provide an easy to understand and readily accessible CMP to customers, staff and the community
- efficiently, fairly and promptly resolve complaints about the administrative actions of council
- identify and rectify poor administrative actions
- identify improvements in the council's administrative practices and

- build the capacity of staff to effectively manage complaints
- enhance the community's confidence in council's accountability and openness.

CMP availability

The CMP and this related policy and procedures are available on council's website and for inspection at council's office.

All staff will be informed of the existence and operation of the CMP

Scope

The CMP applies to all administrative action complaints about council or its staff.

An administrative action complaint is a complaint made by an affected person about an administrative action of council, e.g.

- a decision or failure to make a decision, including a failure to provide a written statement of reasons
- an act or failure to do an act
- the formulation of a proposal or intention
- the making of a recommendation.

An administrative action complaint includes a complaint that is

- resolved quickly
- made to any area of the council
- made verbally or in writing
- made anonymously.

An affected person is a person who is apparently directly affected by an administrative action of a council.

The CMP doesn't apply to –

- complaints about competitive neutrality issues
- complaints about the conduct or performance of councillors
- complaints or information raising a suspicion of official misconduct
- public interest disclosures
- other matters covered by separate statutory review/appeal processes.

Complaints Model

- Council's CMP is a staged way of receiving, recording, assessing, reviewing, responding and reporting on complaints. It recognises that generally, complaints are made verbally to the CEO or to council office.

- Stage 1 – Complaints are initially managed and resolved by the CEO. However, the CEO may refer a complaint to the relevant head of department (HOD) for review and response.
- Stage 2 - Unresolved complaints (stage 1) are referred to council for review and response.
- Stage 3 - Dissatisfied complainants may refer their complaint to the Queensland Ombudsman for external review.

Receiving Complaints Making a complaint - A person may make a complaint in any of the following ways:

- orally, either by telephone or in person to a council officer
- by email
- or on-line via council's website
- in writing (by letter, fax, or complaint form) addressed to the CEO
- anonymously.

Complaints by agents

- If a complaint is lodged by a person acting as an agent for the complainant, council will respond directly to the complainant (not the agent), unless a letter of authority is provided indicating the agent is acting on behalf of the complainant and council is satisfied the appointment as agent is valid.

Reasonable assistance to make complaint

- If necessary, reasonable assistance may be provided by a council officer to a complainant on how to make a complaint, including how it should be documented.
- If a complainant requires interpreter services, or has special needs, the complainant will be referred to the appropriate council officer who will provide advice or arrange for the giving of assistance, to the extent practicable.

Acknowledgement of complaints

- The receipt of complaints will be acknowledged.
- Acknowledgements can be made verbally or in writing and should be in the way preferred by the complainant.
- Acknowledgements should include the issues raised, the process, expected timeframe and contact officer details.
- Acknowledgements will be provided promptly and within 2 days of the complaint being received.

Recording complaints

- All administrative action complaints will be recorded. Council will keep and maintain a complaints register. The complaints register should include the following details for all administrative actions complaints made to council:

- complaint reference number
- complainant's name
- date received
- complaint subject/topic
- complaint outcome
- date finalised action required and implementation date.

All written complaints will be referred to the CEO. The CEO will arrange for the complaint details to be recorded in the complaints register.

All oral complaints will be recorded by the receiving officer and referred to the CEO. Details of the complaint will be entered in the complaints register. If an oral complaint is complex, the CEO may request the complainant to put the complaint in writing.

A full and accurate record of the management of each complaint should be created and maintained. The complaint recordfile should include the following details:

- complaint reference
- complainant's name and contact details
- date complaints received (and how)
- complaint issue/s
- information collected and considered
- review/investigation actions taken to resolve complaint
- complaint decision and reasons
- final response communicated to complainant
- date complaint finalised

Assessing Complaints

Each complaint should be assessed to determine:

- the nature of the complaint
- how it should be managed, including priority
- what information is required.

The criteria for assessing whether to investigate/review a complaint are:

- whether the complaint involves an administrative action of council or its staff
- whether the complainant has a sufficient direct interest in the administration action
- whether the complainant has a statutory right of review/appeal and it is reasonable in the circumstances to require the complainant to exercise that right
- whether the complaint involves a serious or minor matter or is vexatious
- the time that has passed since the administrative action occurred
- the outcome/s the complainant is seeking and what remedies may be available

- the resources required to investigate/review the complaint compared to the complaint's seriousness and likely outcome
- whether the complaint indicates maladministration.

Anonymous complaints will be accepted and assessed against the same criteria as any other complaint. Important considerations include:

- the nature and seriousness of the complaint
- the quantity and quality of information provided
- the capability of productive investigation.

Reviewing complaints

Complaints will be quickly and efficiently responded to in a fair and objective way.

The review of complaints should include:

- clarifying details of the complaint with the complainant
- gathering and considering all relevant information to the complaint
- identifying and considering relevant laws, policies and procedures
- giving any affected person to the complaint natural justice i.e. a fair hearing before the complaint is decided
- determining the complaint outcome and any appropriate remedy
- recording the decision and the reasons.

One or more of the following remedy options may be considered to resolve complaints:

- apology
- refund or financial compensation
- change of decision
- change of policy, practice, procedure correction of misleading or inaccurate records
- replacement, repair or re-work assistance, information, referral
- assistance, information, referral
- any other appropriate remedy

Responding to complaints

Complainants will be advised of the final response (complaint decision) promptly and with 15 working days. The final response can be provided verbally but should be confirmed in writing.

If the final response cannot be provided within this timeframe, the complainant should be advised of the progress and expected time for a response.

The final response will inform the complainant of:

- the complaint decision and the reasons
- the relevant contact officer details for further information or enquiry; and

- any available internal or external review rights.

Internal reporting on CMP operation

An internal report on the operation of the CMP will be prepared and provided to senior management annually.

The operation of the CMP refers to collecting and analysing individual or aggregate complaints data to identify improvements and monitoring effectiveness of the CMP

Complaints data

- The internal report will identify, analyse and respond to complaint trends, significant and systemic issues based on all administrative action complaints made to council as recorded in the complaints register and include any recommendations for improvements.
- Accepted recommendations will be monitored for implementation.

CMP effectiveness

- The CMP will be reviewed to assess whether it is operating effectively.
- The review of the CMP should include reviewing visibility and accessibility, policy and procedures, complaints capture and recording, timeliness of complaint resolution. Staff, complainants and customers should be consulted as part of the review.
- The internal report will include the review findings and recommendations. Accepted recommendations will be monitored for implementation.

External reporting

Council's annual report will contain the following information about the CMP for resolving administrative action complaints as required by the Local Government (Finance, Plans and Reporting) Regulation 2010(s115).

Annual report information about CMP will include:

- a statement about council's commitment to dealing fairly with administrative action complaints
- a statement about how council has implemented the CMP including an assessment of council's performance in resolving complaints under the CMP
- the number of all complaints made, resolved and unresolved during the year
- number of complaints unresolved from the previous year

DELEGATION: Authority in respect of this Policy is hereby delegated to the Chief Executive Officer.

RESOLUTION DATED: 22 January 2013

