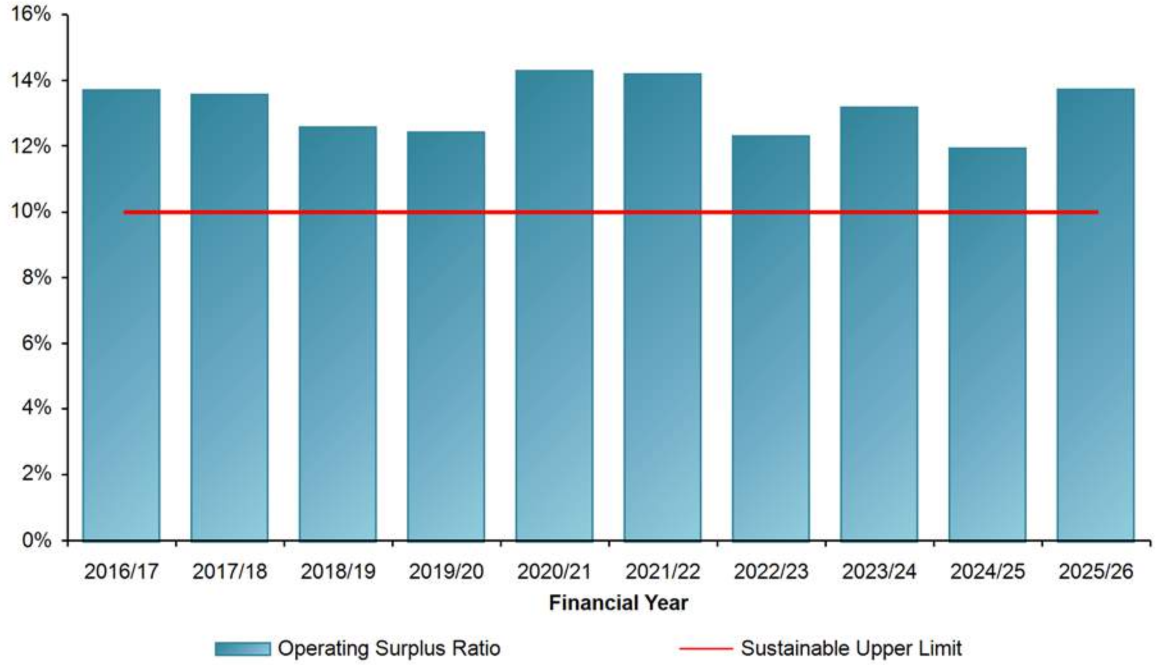
In accordance with section 169 of the Local Government Regulation 2012, the Council is required to disclose in the budget certain measures of financial sustainability.

The Queensland Government defines a sustainable local government as being 'able to maintain its financial capital and infrastructure capital over the long term' (Local Government Act 2009 (Act), section 104(2).

To ensure the Council continues along the path of financial sustainability into the future, key long term strategic plans are developed and integrated, demonstrating a strategy is in place to manage the financial implications of its long term planning.
The three financial sustainability measures cover the period of the annual budget plus the next nine financial years (10 years in total).

The targets indicated in each graph are sourced from the 'Financial management (sustainability) guideline 2013' which is available from the website of The Department of Infrastructure, Local Government and Planning.

Operating Surplus Ratio

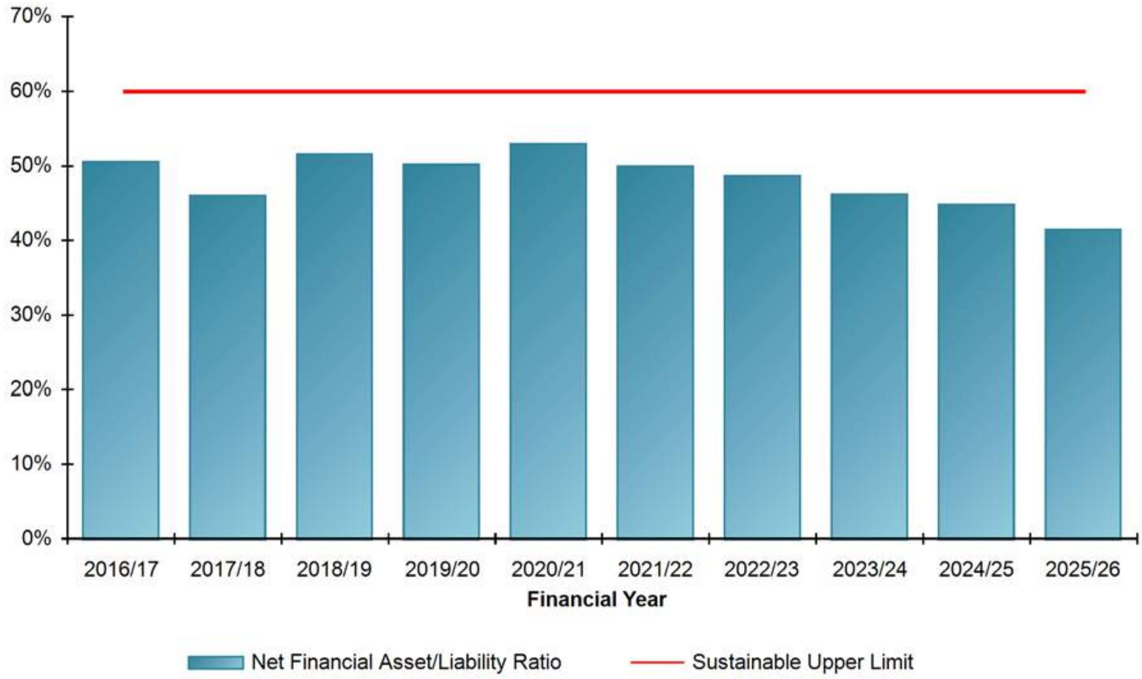


Description	Measure	Target
Demonstrates the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.	Net Operating Surplus/(Deficit) / Operating Revenue	Between 0% and 10% (on average over the long term)

Commentary

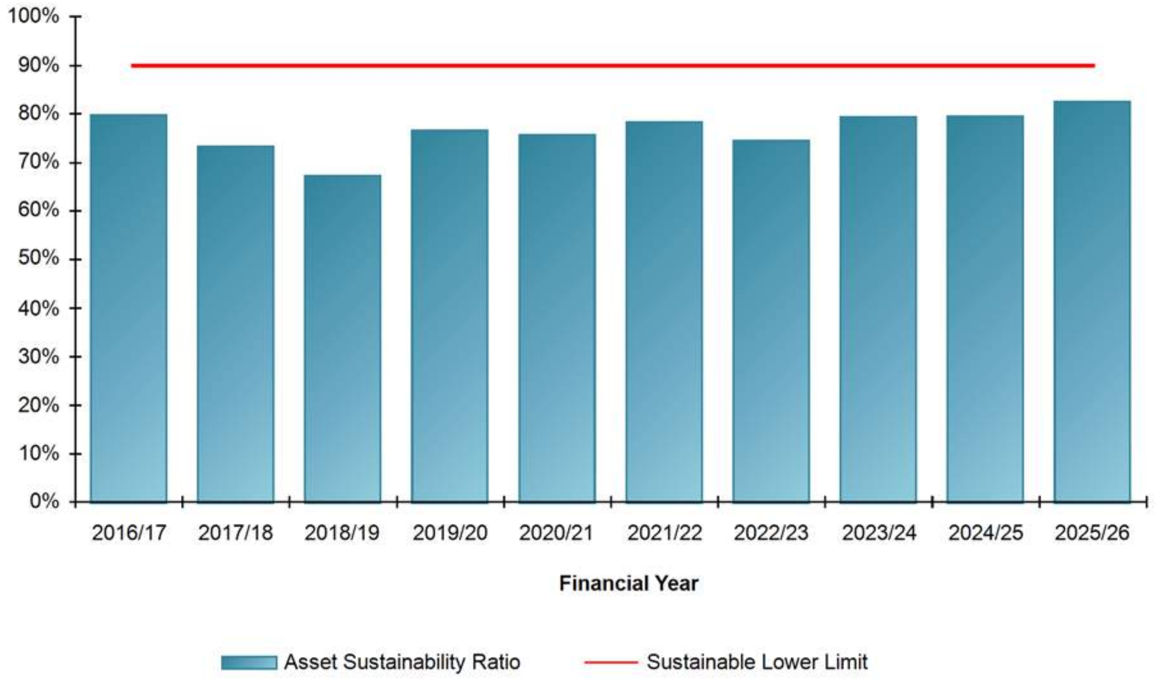
Council is forecasting a positive (greater than 0%) operating surplus ratio in each of the ten years. A positive ratio indicates that recurring operating revenue exceeds recurring operating expenses and this assists in funding capital expenditure. This can result in less reliance on borrowing money to fund capital expenditure and thus reduces Council debt. The positive operating surplus ratio of Council for the entire ten year period is a strong indicator of long term sustainability.

Net Financial Liabilities Ratio



Description	Measure	Target
Demonstrates the extent to which the net financial liabilities of Council can be serviced by its operating revenues.	Total Liabilities less Current Assets Operating Revenue	Not greater than 60% (on average over the long term)
Commentary		
This ratio indicates Council does not exceed the upper limit of 60% over the entire forecast period. This indicates an acceptable level of operating revenues are being used to meet the net financial liabilities of Council.		

Asset Sustainability Ratio



Description	Measure	Target
Demonstrates the extent to which the infrastructure assets management by Council are being replaced as they reach the end of their useful lives.	$\frac{\text{Capital Expenditure on Replacement Assets}}{\text{Depreciation Expense}}$	Greater than 90% (on average over the long term)

Commentary

Capital expenditure can broadly be classified as New (building something entirely new) or renewal (replacing an old asset with a new one). This ratio measures how much capital expenditure goes toward replacing existing assets each year when divided by depreciation expense. As the ten year forecast indicates Council's ratio is below the target of 90% or better but is an improvement on the previous year.

In accordance with section 169 of the Local Government Regulation 2012, the Council is required to report the total value of the change, expressed as a percentage in the rates and utility charges levied for the financial year (2016/17) compared with the rates and utility charges levied in the previous budget (2015/16). The calculation of this percentage for a financial year excludes rebates and discounts applicable on rates and utility charges.

	Adopted Budget 2015/16	Adopted Budget 2016/17	% Change from 2015/16 to 2016/17
Gross Rates and Utility Charges	$261,416,863	$277,173,898	6.03%

One point of note is that the percentage change is a combined increase across all types of differential general rating categories, special charges and waste utility charges as defined in the Council's revenue statement (included in this budget) with a further allowance made for rate growth. Council has in total 255 differential general rating categories (examples being residential properties, commercial properties, agricultural properties, hotels, shopping centres, retirement villages and many more) and a number of different special charges and waste utility charges which it levies.