



Annual Report

2016-2017

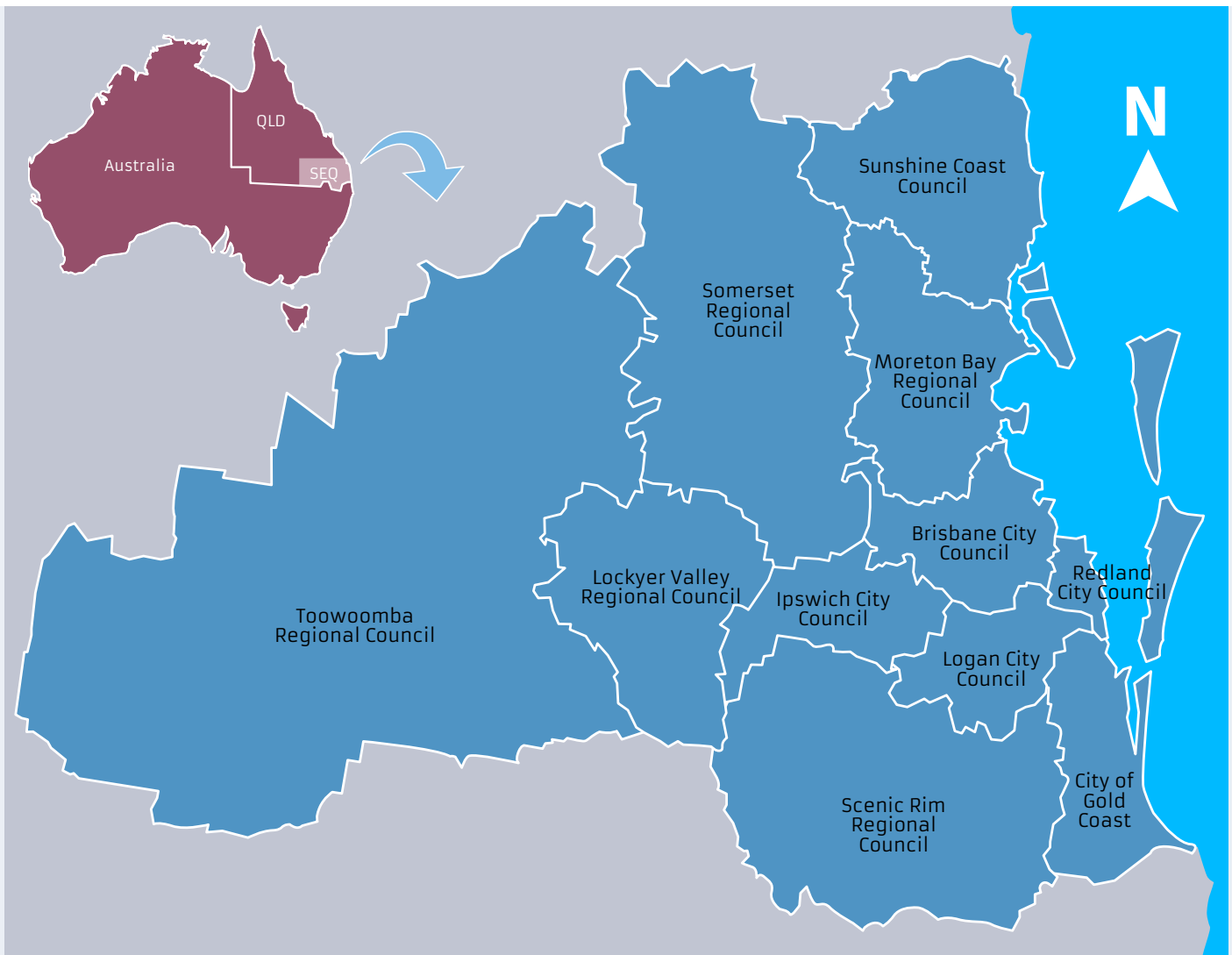


Council of Mayors

South East Queensland

One Region, One Voice

One Region, One Voice



Who we are

The Council of Mayors (SEQ) is Australia's largest regional local government advocacy organisation, representing the South East Queensland (SEQ) region and the one in seven Australians who call SEQ home.

The 2016/17 membership of the Council of Mayors (SEQ) consisted of the Mayors representing the local governments of SEQ: Brisbane, Gold Coast, Ipswich, Lockyer Valley, Logan, Moreton Bay, Redland, Scenic Rim, Somerset, Sunshine Coast and Toowoomba.

Our mission

Consistently deliver better regional funding, policy and collaborative outcomes for the Mayors, councils and communities of SEQ.

Our strategy

Advocate for a better resourced SEQ region with world standard infrastructure to support economic development.

Influence the other levels of government to ensure that their policy and legislative positions support SEQ regional growth.

Collaborate in effective and innovative cooperative programs across the SEQ region.

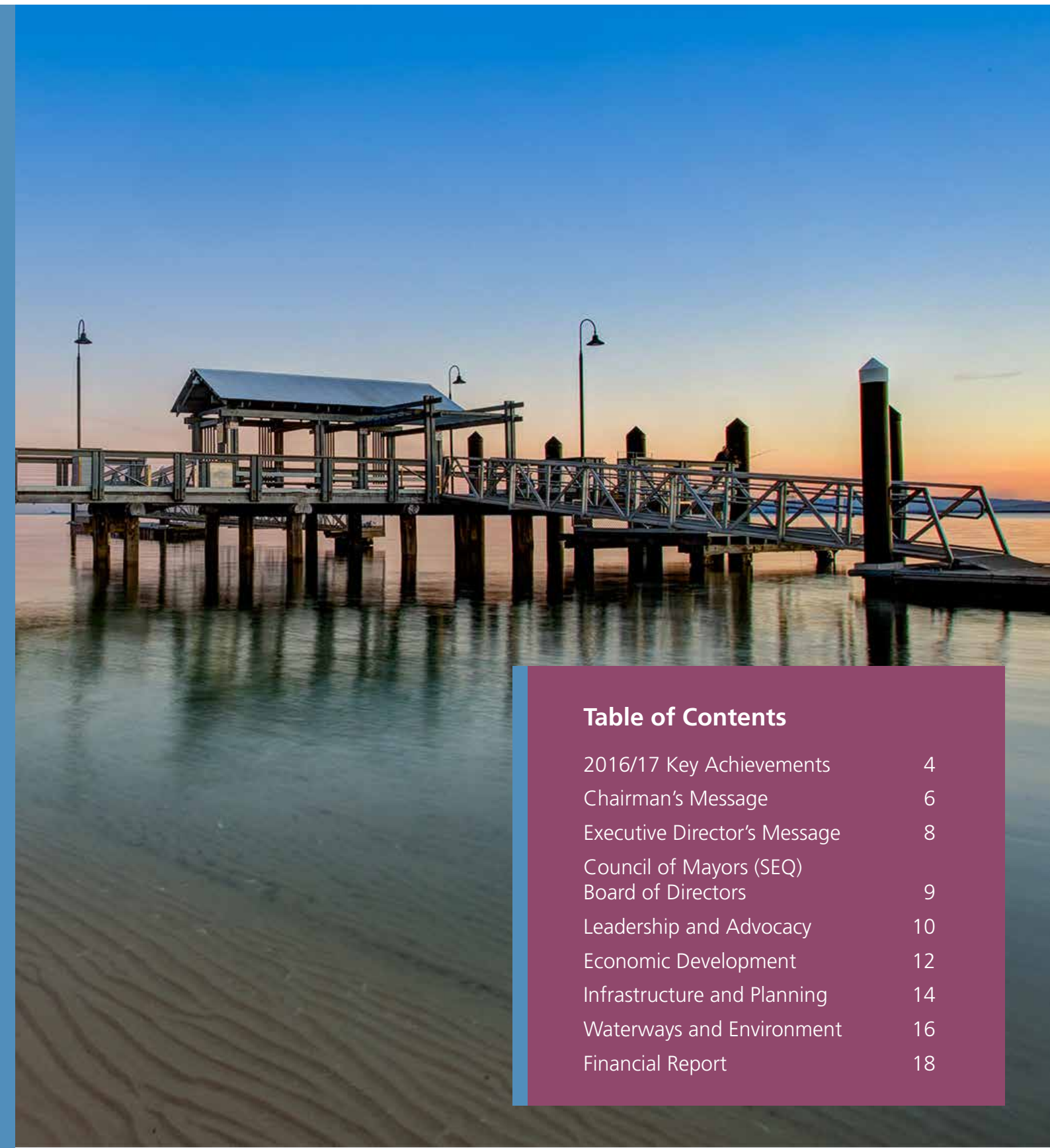


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2016 – 2017 Key Achievements



The Lockyer and Mid Brisbane Catchment Action Plans are launched, the first two completed under the **Resilient Rivers Initiative.**



Council of Mayors (SEQ) leads one of the **largest delegations of SEQ Mayors to Canberra** to advocate for regional priorities.

Council funding secured to develop **SEQ Food Trails online platform,** an interactive guide to SEQ's foodie experiences.



Council of Mayors (SEQ) publicly releases 'Pre-feasibility Analysis of a Potential **SEQ Bid for the 2028 Olympic Games'** study.



Independent Galaxy poll gauges support for a potential SEQ Olympic Games at **more than 60%**



Completion of the Gateway One report, an investigation into the scope and framework for an SEQ City Deal.



Joint agreement between Queensland Government and Council of Mayors (SEQ) confirming regional commitment to an SEQ City Deal.



Queensland Government allocates additional **\$12.8 million for the Cities Transformation Taskforce** to drive negotiations towards an SEQ City Deal.



Federal budget commitment to work with the Queensland Government and Council of Mayors (SEQ) on a strategy for City Deals in SEQ.



Secured Federal commitment of \$8.4 billion for **Melbourne to Brisbane Inland Rail,** with construction to commence within the next 12 months.

Chairman's Message

South East Queensland is a region facing an unprecedented period of transformation and growth. As its population and economy continues to grow, it takes bold leadership and a strategic vision to ensure our region continues to deliver a high quality of life for our residents and visitors.

While this growth opens the door to a plethora of possibilities, there are also a number of challenges associated with managing the region's growing population. At the heart of these challenges, is the need to ensure our region is connected, physically, digitally and globally.

This is why 2016/17 has been an important year for the Council of Mayors (SEQ) as we further our investigations and negotiations into innovative and effective ways to manage this growth. Most notably, through the exploration of an SEQ City Deal and a potential regional Olympic Games.



As a region, we ensured the Queensland Government's support for an SEQ City Deal and received a firm indication of the Commonwealth's interest in joining us as a partner in this innovative infrastructure funding model.

We also completed the first phase, a pre-feasibility study, in a thorough investigation of the value of an SEQ Olympic Games. While this journey has a long way to go, eight SEQ councils have committed to the delivery of an Olympic feasibility program to explore whether this could be an avenue for attracting investment and interest in our region.

As always, the regional unity and collaboration that exists in SEQ continues to strengthen our discussions with the Federal and State governments. After many years of lobbying, this year delivered an \$8.4 billion commitment to the Melbourne to Brisbane Inland Rail which will boost the region's freight capabilities unlike any other project we've seen.

As a group, we've also supported and advocated for a number of council projects which have the potential to deliver significant outcomes for the region including Redland's Toondah Harbour, Moreton Bay's University Precinct and the Sunshine Coast Broadband Submarine Cable.

Individually, SEQ is home to five of the ten largest councils in Australia. Together, we form a strong and powerful regional alliance with the ability to enact positive change for SEQ's businesses and communities.

I once again thank my fellow Mayors for having the regional vision and foresight to continue the important work of the Council of Mayors (SEQ), and as always, an unwavering commitment to building a better SEQ for all.

Cr Graham Quirk
Chairman



Executive Director's Message

The Council of Mayors (SEQ) experienced a period of transformation in the 2016/17 financial year, as the organisation undertook a change in leadership and a review into its existing committees to deliver a more productive and informative structure.

The public release of the 'Pre-feasibility Analysis of a Potential SEQ Bid for the 2028 Olympic Games' report in July 2016 also marked a proud moment for the team, delivering the first step in a brave new journey for SEQ.

Toowoomba Regional Council hosted the SEQ Mayors for the year's annual Strategy Workshop, where the group's focus remained firmly on advancing work in our priority areas of economic development, infrastructure and planning, and waterways and environment.

This prompted a stakeholder review of the structure and outcomes of our committees and meetings. After extensive consultation, it was decided that our traditional committee meetings would transition into a more flexible and informative arrangement.

With the exception of the economic development portfolio, committee meetings have now made way for a new working group structure and regular council roadshows. The benefit being greater exposure for all SEQ Councillors and allowing senior officers to contribute valuable input into the conversation.

Working groups can also be formed and disbanded on a needs basis, providing a structure that can easily adapt and move to ensure any emerging issues or areas of interest in SEQ can be covered. With a State election on the horizon, an Advocacy working group was the first formed to determine the region's key priorities.

The SEQ Mayors also thank previous Executive Director Peter Olah for his service as he departed the organisation in April 2017. An appointment to the position of Executive Director will be confirmed in coming financial year, bringing a fresh perspective to the leadership role.



As the Council of Mayors (SEQ) wraps up another successful year, I'd like to acknowledge our small but hardworking team that continues to advocate for the interests of SEQ. Our thanks also extends to the SEQ Mayors, Councillors and officers who make this work possible each year.

Scott Smith
Executive Director (Acting)

Council of Mayors (SEQ) Board of Directors

The 2016/17 membership of the Council of Mayors (SEQ) consisted of the eleven councils based in SEQ. Each council was represented by its Mayor on the Board of Directors:



Cr Graham Quirk (Chair)
Lord Mayor,
Brisbane City Council



**Cr Paul Antonio
(Deputy Chair)**
Mayor, Toowoomba
Regional Council



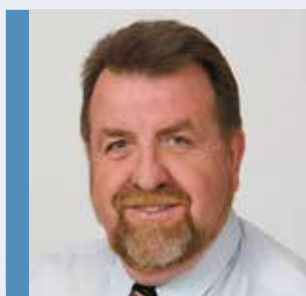
**Cr Karen Williams
(Treasurer)**
Mayor,
Redland City Council



Cr Tom Tate
Mayor,
City of Gold Coast



Cr Paul Pisasale
Mayor,
Ipswich City Council
(to 6/6/17)



Cr Paul Tully
Acting Mayor,
Ipswich City Council
(from 7/6/17 to 31/8/17)



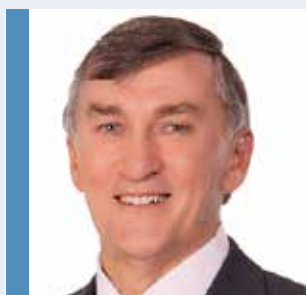
Cr Tanya Milligan
Mayor,
Lockyer Valley
Regional Council



Cr Luke Smith
Mayor,
Logan City Council



Cr Allan Sutherland
Mayor,
Moreton Bay
Regional Council



Cr Greg Christensen
Mayor,
Scenic Rim
Regional Council



Cr Graeme Lehmann
Mayor,
Somerset
Regional Council



Cr Mark Jamieson
Mayor,
Sunshine Coast
Council

Leadership and Advocacy



In the 2016/17 financial year, the Council of Mayors (SEQ) continued its commitment to advocate for the interests of SEQ, and the one in seven Australians who call the region home.

In the previous financial year, the lack of infrastructure funding to support the needs of a growing SEQ prompted the region's Mayors to explore new and innovative ways to attract Federal and State investment.

This led to the investigation of a potential Olympic Games bid as a catalyst for expedited infrastructure delivery, economic stimulus, and the positioning of SEQ as a global destination for tourism and investment.

In July 2016, the Council of Mayors (SEQ) released the 'Pre-feasibility Analysis of a Potential SEQ Bid for the 2028 Olympic Games' study. The pre-feasibility analysis confirmed the region had the capability to successfully bid for a Games, but further investigation was needed.

Eight of the SEQ Mayors are now leading an Olympic feasibility study, including a region-wide transport and people movement study. This work will deliver a strategic roadmap to creating a better-connected region, and a valuable tool for future regional planning and decision making.

March 2017 also saw the SEQ Mayors participate in a successful mission to Canberra to highlight the region's need for safe and efficient infrastructure, as well as regional priorities including the Resilient Rivers Initiative and an SEQ City Deal.

The Canberra visit consisted of two days of meetings with key Government and Opposition representatives, and a breakfast with Ambassadors and High Commissioners from SEQ's key trading and investment partners.

The Council of Mayors (SEQ) is continuing its discussions with the Commonwealth to further negotiations around an SEQ City Deal, an innovative funding arrangement the region's Mayors have been investigating for several years.

Advocacy activities throughout this year led to the signing of a joint letter acknowledging the commitment of the Queensland Government and the SEQ Mayors to an SEQ City Deal, with an official announcement from the Federal Government expected the following year.



Economic Development

The Economic Development Committee provides direction to the Council of Mayors (SEQ) on the identification and promotion of investment, trade and jobs creation opportunities for the communities of SEQ.

The Council of Mayors (SEQ) thanks the following members for their service throughout 2016/17 financial year:

Lord Mayor Graham Quirk (Chair),
Brisbane City Council

Mayor Paul Antonio (Deputy Chair),
Toowoomba Regional Council

Cr Hermann Vorster,
City of Gold Coast

Cr Wayne Wendt,
Ipswich City Council

Cr Chris Wilson,
Lockyer Valley Regional Council

Cr Trevina Schwarz,
Logan City Council

Cr Julie Greer,
Moreton Bay Regional Council

Cr Paul Bishop,
Redland City Council

Cr Duncan McInnes,
Scenic Rim Regional Council

Cr Cheryl Gaedtke,
Somerset Regional Council

Cr Stephen Robinson,
Sunshine Coast Council

Collaboration was a recurring theme in the Council of Mayors' (SEQ) economic development endeavours in the 2016/17 financial year.

The Council of Mayors (SEQ) collaborated with the Queensland Department of State Development, Port of Brisbane, and Brisbane, Ipswich and Logan councils to promote SEQ as an ideal destination for manufacturing business and investment at National Manufacturing Week in Melbourne.

More than 10,000 delegates and 230 exhibitors participated in the 2017 National Manufacturing Week Expo, where the delegation presented the capability of the region's advanced manufacturing industry and the potential business and lifestyle opportunities on offer in SEQ.

The Council of Mayors (SEQ) also served in an advisory capacity in the planning of the 400M AgInnovate Investment Forum held in Toowoomba in early 2017. Deputy Chair and Toowoomba Mayor Paul Antonio highlighted the strengths of SEQ as he presented to an audience of domestic and international investors.





This financial year also saw the official commencement of the SEQ Food Trails project. The Council of Mayors (SEQ) continue to work with a number of member councils to create a digital platform to capitalise on the current popularity of 'foodie' tourism and promote food and agriculture in SEQ.

A complementary piece of work is also underway, in conjunction with Moreton Bay Region Industry and Tourism, to develop the capacity of SEQ's food and agriculture sector to ensure the success of the SEQ Food Trails.

To round out a productive year of economic development activities, the Council of Mayors (SEQ) lodged a submission to the Commonwealth's Smart Cities and Suburbs fund to accelerate its Smart Region project.

Council of Mayors (SEQ) is leading the delivery of Australia's first large scale, regional long range low powered network for sensors, alongside two initial region-wide uses (flood mitigation and waste management).

The regional sensor network is designed to support the generation, collection, storage and processing of both local and regional data to solve challenges for individual councils, but more importantly, those that cross council boundaries.

Infrastructure and Planning



The Infrastructure and Planning Committee provides direction to the Council of Mayors (SEQ) on the promotion of leading practice planning policy by all levels of government, and identifying key infrastructure priorities needed to service the growing SEQ region.

The Council of Mayors (SEQ) thanks the following members for their service throughout 2016/17 financial year:

Mayor Karen Williams (Chair),
Redland City Council

Cr Janice Holstein (Deputy Chair),
Lockyer Valley Regional Council

Cr Amanda Cooper,
Brisbane City Council

Cr Cameron Caldwell,
City of Gold Coast

Cr Andrew Antonioli,
Ipswich City Council

Cr Russell Lutton,
Logan City Council

Cr Mick Gillam,
Moreton Bay Regional Council

Cr Murray Elliot,
Redland City Council

Cr Rick Stanfield,
Scenic Rim Regional Council

Cr Dan Hall,
Somerset Regional Council

Cr Christian Dickson,
Sunshine Coast Council

Cr Carol Taylor,
Toowoomba Regional Council

In 2016/17, the Council of Mayors (SEQ) continued to protect the interests of local government throughout the development and delivery of ShapingSEQ, the new SEQ Regional Plan.

The Council of Mayors (SEQ) facilitated consultation and feedback between the SEQ Mayors and the Queensland Government in preparation for the adoption of the SEQ Regional Plan in mid 2017. This is a role the organisation will continue to play through ShapingSEQ's ongoing implementation.

This also included playing a coordination role in the development of a submission from the councils of SEQ regarding the inclusion of regional infrastructure priorities in the supporting State Infrastructure Plan.

Work on securing an SEQ City Deal progressed with the completion of the Gateway One report, an investigation into a framework to support the application of the innovative funding arrangement in SEQ.

This was followed by Deputy Premier Jackie Trad and Council of Mayors (SEQ) Chair Cr Graham Quirk signing a joint letter in March 2017 to confirm the region's readiness to commence negotiations with the Commonwealth around an SEQ City Deal.

In response, the Federal Government committed to the development of a City Deals strategy for SEQ in the latest budget announcement. The State also allocated in its latest budget an additional \$12.8 million for the Cities Transformation Taskforce to drive negotiations around an SEQ City Deal.

This financial year also saw the completion of the DA Monitoring project (Stage 1) and the delivery of a regional DA dashboard. The aim of Stage 1 was to establish a standardised reporting platform for development assessment data in Queensland.

The DA Monitoring project will continue into Stage 2 which will investigate if SEQ's strong performance in DA can be used to support advocacy for investment and infrastructure, and aid in DA process improvement across the region.

Finally, the Council of Mayors (SEQ) commenced discussions with the National Heavy Vehicle Regulator and the Local Government Association of Queensland around the use of data and technology to examine freight movements in SEQ.

As this project firms up for commencement in the following financial year, it is anticipated that the outcomes will be used to better inform council approval processes and bolster future Federal and State infrastructure advocacy.



Waterways and Environment

The Waterways and Environment Committee provides direction to the Council of Mayors (SEQ) on the delivery of a regional approach to the management of SEQ's waterways and catchments, and regionally consistent environment and sustainability priorities.

The Council of Mayors (SEQ) thanks the following members for their service throughout 2016/17 financial year:

Mayor Greg Christensen (Chair),
Scenic Rim Regional Council

Cr David McLachlan (Deputy Chair),
Brisbane City Council

Cr Paul Taylor,
City of Gold Coast

Cr David Morrison,
Ipswich City Council

Cr Jim McDonald,
Lockyer Valley Regional Council

Cr Lisa Bradley,
Logan City Council

Cr Peter Flannery,
Moreton Bay Regional Council

Cr Wendy Boglary,
Redland City Council

Cr Nadia O'Carroll,
Scenic Rim Regional Council

Cr Helen Brieschke,
Somerset Regional Council

Cr Jenny McKay,
Sunshine Coast Council

Cr Nancy Sommerfield,
Toowoomba Regional Council



Resilient Rivers Taskforce

The Resilient Rivers Taskforce has been established to provide a governance and decision-making forum for member councils, the Commonwealth Government and the Queensland Government to manage a coordinated waterways strategy across the SEQ region.

The Council of Mayors (SEQ) thanks the following taskforce members for their service throughout 2016/17 financial year:

Lord Mayor Graham Quirk (Chair),
Brisbane City Council

Mayor Tom Tate, City of Gold Coast

Mayor Paul Pisasale, Ipswich City Council

Mayor Tanya Milligan,
Lockyer Valley Regional Council

Mayor Luke Smith, Logan City Council

Mayor Allan Sutherland,
Moreton Bay Regional Council

Mayor Karen Williams, Redland City Council

Mayor Greg Christensen,
Scenic Rim Regional Council

Mayor Graeme Lehmann,
Somerset Regional Council

Mayor Mark Jamieson, Sunshine Coast Council

Mayor Paul Antonio,
Toowoomba Regional Council

Cr Paul Tully,
Ipswich City Council

Mr Jim Reeves,
Department of Environment and Heritage Protection

Mr James Purtill,
Department of Natural Resources and Mines



The Resilient Rivers Initiative continued to grow from strength to strength during this financial year, with the public launch of the Lockyer Valley and Mid Brisbane Catchment Action Plans in late 2016.

Council of Mayors (SEQ) Chair Cr Graham Quirk and Lockyer Valley Mayor Cr Tanya Milligan joined the Lockyer Valley community in celebrating the completion of the plans to drive the delivery of vital on-ground works following the damage caused by the 2011 and 2013 floods.

The Lockyer and Mid Brisbane Catchment Action Plans were the first two to be completed as part of the Resilient Rivers Initiative, as work continued on the Logan Albert, Bremer and Lower Brisbane / Redlands plans through the year.

The timing of the finalisation of the Logan Albert Catchment Action Plan coincided with the impact of Cyclone Debbie on the south east corner of Queensland. The devastation experienced by parts of the region only served to further highlight the importance of the Resilient Rivers Initiative.

The need for a regional focus on pest management also became clear as councils led the charge against plant and animal pests across SEQ.

In December 2016, the Council of Mayors (SEQ) established the Regional Pest Management Sub Committee to define regional priorities for the State's Land Protection Fund as part of the LGAQ's overall state-wide approach.

The Council of Mayors (SEQ) also hosted two forums in the 2016/17 financial year aimed at encouraging discussions between government and industry around the strategic management of waste in SEQ.

The forums focused on resource recovery as a means to save councils money and diversify the region's economy, specifically through the faster commercialisation of priority waste streams such as organics and aggregates.

Importantly, the year ended with a commitment of pooled funds from participating councils to drive the delivery of Resilient Rivers projects throughout the region. This commitment ensures the application of the Catchment Action Plans and enables the flow of funds across council boundaries for the benefit of the region.

Financial Report

For the year ended
30 June 2017

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Council of Mayors
South East Queensland

One Region, One Voice

Director's Report



The Directors present their report and the auditor's report thereon together with the financial report of Council of Mayors (SEQ) Pty Ltd for the financial year ended 30 June 2017.

Directors

The names of Directors in office at any time during or since the end of the financial year are:

Cr Graham Quirk	1 July 2016 to present
Cr Karen Williams	1 July 2016 to present
Cr Paul Antonio	1 July 2016 to present
Cr Mark Jamieson	1 July 2016 to present
Cr Graeme Lehmann	1 July 2016 to present
Cr Paul Pisasale	1 July 2016 to 6 June 2017
Cr Allan Sutherland	1 July 2016 to present
Cr Tom Tate	1 July 2016 to present
Cr Tanya Milligan	1 July 2016 to present
Cr Luke Smith	1 July 2016 to present
Cr Greg Christensen	1 July 2016 to present
Cr Paul Tully	7 June 2017 to 31 August 2017
Cr Andrew Antonioli	31 August 2017 to present

Company Details

The company is an Australian proprietary company limited by shares, incorporated and registered in Brisbane, Queensland.

The eleven shareholder members during the 2016/2017 financial year were:

- Brisbane City Council
- City of Gold Coast
- Ipswich City Council
- Lockyer Valley Regional Council
- Logan City Council
- Moreton Bay Regional Council
- Redland City Council
- Scenic Rim Regional Council
- Somerset Regional Council
- Sunshine Coast Council
- Toowoomba Regional Council

Operating Result

The surplus of the company for the financial year ended 30 June 2017 was \$796,712 [30 June 2016 - \$154,542]. Funds provided by government entities were directed to one project which commenced in the 2014/2015 financial year and has been extended to be completed in the 2017/2018 financial year.

Review of Operations

A review of the operations of the company during the financial year shows one project that commenced in the 2014/2015 financial year has been extended to be completed in the 2017/2018 financial year. Another project was commenced in the 2015/2016 financial year that was completed in the 2016/2017 financial year.

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

Principal Activities

The principal activities of the organisation are:

to be a political advocacy organisation that represents the interests of the residents of members of the company;

- to proactively influence Federal and State Governments to ensure the long-term viability, wellbeing and sustainability of the residents of the South East Queensland region;
- to act as an advocate to State and Federal Governments or Public Bodies on issues of concern to members;
- to collectively represent members on bodies that influence the operations of the State, regional and sub-regions and the communities of individual members;
- to speak with one voice to ensure appropriate funding and delivery of infrastructure and services for the residents of the members of the Company;
- to formulate policies and strategies that support coordinated regional growth and management of change;
- to foster co-operation amongst members on issues of mutual concern or to further joint interests; and
- to ensure relevance of the strategic priorities for the region through an annual review.

Events Subsequent to the End of the Reporting Period

No significant matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the company; the results of those operations or the state of affairs of the company in future financial years.

Likely Developments and Expected Results of Operations

The likely developments in the operations of the company and the expected results of 2017/2018 will be influenced by the finalisation of the project commenced in 2014 and the on-going delivery to key objectives of the 2016/2020 Strategic Plan.

Environmental Regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends

No dividends were paid or declared during or since the end of the financial year. The Directors may not authorise the payment to members of any dividends by the company.

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year.

Indemnification of Officers

Insurance premium has been paid in this financial year for Councillors and Officer Liability which covers any natural person who was, or is, or may, hereafter become a Councillor, Director, Secretary, Officer and/or Employee of the company.

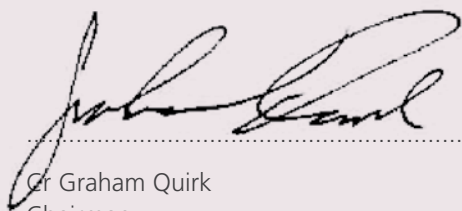
Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party to taking responsibility on behalf of the company for all or any part of these proceedings. The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

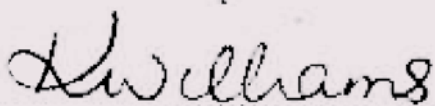
A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

Signed in accordance with a resolution of the Directors



Cr Graham Quirk
Chairman

26/10/2017



Cr Karen Williams
Treasurer

26/10/2017

Auditor's Independence Declaration

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Council of Mayors (SEQ) Pty Ltd

This auditor's independence declaration has been provided pursuant to s.307C of the *Corporations Act 2001*.

Independence Declaration

As lead auditor for the audit of Council of Mayors (SEQ) Pty Ltd for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been –

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- b) no contraventions of any applicable code of professional conduct in relation to the audit.




D A STOLZ
As delegate of the Auditor-General of Queensland

Queensland Audit Office
Brisbane

Financial Statements

Statement of Comprehensive Income for the Year Ended 30 June 2017

	2017 \$	2016 \$
Income		
Administration and Project Levy Contributions	2,913,481	1,536,950
Federal and State Funding	15,000	150,000
Other Income	23	30
Other Funding	87,388	95,000
Insurance Recoveries	2,193	14,132
Interest Revenue	41,903	43,571
Total Income	3,059,988	1,839,683
Expenses		
Employee Expenses	1,534,629	1,120,898
General Office Expenses	164,915	160,774
IT Expenses	87,652	110,704
Travel Expenses	46,474	27,567
Other Operating Expenses	53,808	126,082
Other Professional Fees	347,927	129,196
Depreciation Expenses	18,871	1,920
Auditing Fees—Auditor-General of Qld (note 3)	9,000	8,000
Total Expenses	2,263,276	1,685,141
Net surplus (deficit) attributable to members of the company	796,712	154,542
Other Comprehensive Income	0	0
Total Comprehensive Income attributable to members of the company	796,712	154,542

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes to the financial statements.

Statement of Financial Position as at 30 June 2017

	Note	2017 \$	2016 \$
Current Assets			
Cash and Cash Equivalents	4	2,243,562	1,391,191
Trade and Other Receivables	5	38,654	14,052
Total Current Assets		2,282,216	1,405,243
Non-current Assets			
Other Receivables	6	55,000	55,000
Office Furniture and Equipment	7	14,168	15,662
Intangible Assets	8	137,510	152,650
Total Non-Current Assets		206,678	223,312
Total Assets		2,488,894	1,628,555
Current Liabilities			
Trade and other payables	9	198,819	191,955
Provisions	10	65,373	22,207
Total Current Liabilities		264,192	214,162
Non-current Liabilities			
Provisions	10	13,597	0
Total Non-current Liabilities		13,597	0
Total Liabilities		277,789	214,162
Net Assets		2,211,105	1,414,393
Equity			
Share Capital	11	11	11
Retained Earnings	12	2,211,094	1,414,382
Total Equity		2,211,105	1,414,393

The Statement of Financial Position should be read in conjunction with the accompanying notes to the financial statements.

Statement of Changes in Equity for the Year Ended 30 June 2017

2016/2017	Note	Retained Earnings \$	Share Capital \$	Total \$
Balance at beginning of year		1,414,382	11	1,414,393
Net surplus for the year	11/12	796,712	0	796,712
Balance at Year End		2,211,094	11	2,211,105

2015/2016	Note	Retained Earnings \$	Share Capital \$	Total \$
Balance at beginning of year		1,259,839	12	1,259,851
One Share Retained	11/12	1	(1)	0
Net surplus for the year		154,542	0	154,542
Balance at Year End		1,414,382	11	1,414,393

The Statement of Changes in Equity should be read in conjunction with the accompanying notes to the financial statements.

Statement of Cash Flows for the Year Ended 30 June 2017

	Note	2017 \$	2016 \$
Cash Flows From Operating Activities			
Receipts from operations		3,004,989	1,810,858
Interest Received		41,903	43,571
Total receipts from operations		3,046,892	1,854,429
Payments to suppliers and employees		(2,192,284)	(1,639,596)
Net Cash Flows used in Operating Activities	13	854,608	214,833
Cash Flows From Investing Activities			
Acquisition of assets at cost	7/8	(2,237)	(33,375)
Proceeds from sale of assets		0	0
Net Cash Flows used in Investing Activities		(2,237)	(33,375)
Cash Flows From Financing Activities			
Proceeds from the issue of share capital	11	0	0
Net Cash Flows used in Financing Activities		0	0
Net Increase / (Decrease) In Cash Held		852,371	181,458
Cash at the Beginning of the Year		1,391,191	1,209,733
Cash at the End of the Year	4	2,243,562	1,391,191

The Statement of Cash Flows should be read in conjunction with the accompanying notes to the financial statements.

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2017

The financial statements cover Council of Mayors (SEQ) Pty Ltd as an individual entity. Council of Mayors (SEQ) Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

1. Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. This company is a Not for Profit organisation as it is not operating for the surplus or gain of its individual members.

The financial statements have been prepared on an accruals basis and are based on historical costs, except where stated. Amounts in the financial statements have been rounded to the nearest Australian dollar.

2. Statement of Significant Accounting Policies

a. Income Tax

Council of Mayors (SEQ) Pty Ltd is exempt from income tax under the provisions of Item 2.1 of the table in Section 50-10 of the Income Tax Assessment Act 1997 and has been advised that it would not be required to lodge income tax returns unless and until requested to do so by the Deputy Commissioner of Taxation.

b. Office Furniture and Equipment

Office Furniture and Equipment are carried at cost, less where applicable, any accumulated depreciation. Items of office furniture and equipment with a total cost of less than \$1,000 are treated as an expense in the year of acquisition. All other items of office furniture and equipment are capitalised and subject to impairment testing.

c. Depreciation

Depreciation of Office Furniture and Equipment has been calculated on a straight-line basis over their expected useful life. This method is considered to best correspond with the underlining pattern of consumption. The estimated useful lives are assessed annually. The useful lives used for each class are:

Office Furniture	Between 3 and 4 years with zero residual value
Office Equipment	Between 3 and 10 years with zero residual value

d. Intangible Assets

Intangible assets with a cost or other value exceeding \$1,000 are recognised in the financial statements. The Development Assessment Monitoring Tool (DAMT) was fully operational as at 1 January 2017 and is amortised on a straight-line basis over the period of expected benefit to the company. Amortisation methods, estimated useful lives and residual values are reviewed at the end of each reporting period and adjusted where appropriate.

The estimated useful lives are re-assessed annually and used for each class:

Development Assessment Monitoring Tool - 5 years with zero residual value.

e. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets this is equivalent to the date that the company commits itself to either purchase or sell the assets (ie. trade date accounting is adopted).

Classification and subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2017

Short-Term maturity investments

These investments have fixed maturities for a period of between two and seven months, and it is the company's intention to hold these investments to maturity. These short-term investments held by the company are stated at the amortised cost until interest is actually received into the accounts.

f. Employee Benefits

Employee benefits relate to amounts expected to be paid to or on behalf of employees for annual leave, long service leave, worker's compensation and superannuation. A liability is recognised for employee benefits arising from services rendered by employees to the end of the reporting period.

Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases.

Superannuation

Employer superannuation contributions are paid to LGIA Super, the default employer superannuation fund for the company at contribution rates determined by each employee's contract of employment. Employees are also entitled to choose their own superannuation fund whereby superannuation fund payments are paid to Q Super, Sun Super, Australian Super, Host Plus Super, Wealth Smart Super, Suncorp Super and Self-Management Superannuation Funds. Contributions are expensed in the period in which they are paid or payable.

g. Cash and Cash Equivalents

Cash and Cash Equivalents include cash on hand, deposits held at call with banks, and other short fixed term highly liquid investments with original maturities of seven months or less. The company does not have a bank overdraft; does not enter into transactions for speculative purposes, nor for hedging.

A new bank account was opened in the 2016/2017 financial year pertaining to the Resilient Rivers Catchment Investment Program. At 2016/2017 year's end, Total Revenue was \$588,500 with Cash at Bank balance \$588,521.

h. Income

Income is recognised when revenue has been earned and can be measured reliably with sufficient degree of certainty. Administration and Project levy contributions are recognised upon resolution of financial commitment of financial funding at General Meetings by members for the financial period (refer to Note 17).

Grant funding that is non-reciprocal in nature is recognised as revenue in the year in which the company obtains control of the funds. The company did not receive reciprocal grants. All revenue is stated net of the amount of goods and services tax (GST). Interest Revenue is brought to account when earned.

i. Trade and Other Receivables

Receivables are recognised at the amounts due at the time of sale or service delivery. The collectivity is assessed at period end and an allowance is made for impairment.

j. Trade and Other Payables

Payables are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price net of applicable discounts.

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2017

k. Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances, GST is recognised as part of the cost of acquisition of the asset or as part of the item of expense.

Receivables and Payables are stated with the amount of GST included. The net amount of GST recoverable from the ATO is included as a current asset in the statement of financial position. The net amount of GST payable to the ATO is included as a current liability in the statement of financial position.

l. Operating Lease

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred.

m. Share Capital

Share capital is comprised of eleven equal par value fully paid shares of \$1.00 held by each of the eleven members.

n. Accounting Estimates/Significant Management Judgments

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgments that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year and are outlined in the following statements notes:

- Property, Plant and Equipment – Note 7
- Intangible Assets – Note 8

Such estimates, judgments and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

o. Disclosure of Membership in Other Entities

The company was accepted as a shareholder member of SEQ Catchments Ltd on 5 August 2010 by the original shareholder member with 50% shareholder ownership and voting rights with a total contribution of \$nil.

On 28 June 2016 SEQ Catchments Ltd merged with Health Waterways Ltd and established the new entity Healthy Waterways and Catchments Ltd being a Not for Profit company limited by guarantee. A transition board of directors was elected on 28 June 2016 until the Annual General Meeting is held as scheduled in December 2017. In this past financial year, the company changed its business name to Healthy Land and Water Ltd. Council of Mayors (SEQ) is one of three members of this entity with voting rights of 25% with no risks or rewards associated with being a member of this entity.

Based on the number and composition of the directors of Healthy Land and Water Ltd, Council of Mayors (SEQ) Pty Ltd does not have significant influence over Healthy Land and Water Ltd.

p. Issuance of Financial Statements

The financial statements are authorised for issue by the Directors at the date of signing the Directors' Declaration.

q. Accounting standards issued but not yet effective and not been adopted early

At the date of authorisation of this report there are no standards issued but not yet effective that are expected to have a material impact on the financial statements. The relevant standards are listed below:

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2017

AASB 124 – Related Party Disclosures

From reporting periods beginning on or after 1 July 2016, the company is bound to comply with the requirements of AASB 124 Related Party Disclosures. This accounting standard requires a range of disclosures about the remuneration of key management personnel, transactions with related parties/entities, and relationships between parent and controlled entities.

The most significant implications of AASB 124 for the company's financial statements will be the disclosures to be made about transactions with related parties, including transactions with key management personnel or close members of their families (refer to Note 16).

AASB 15 Revenue from contacts with customers

This Standard will become effective from reporting periods beginning on or after 1 January 2018 and contains much more detailed requirements for the accounting for certain types of revenue from customers.

Depending on the specific contractual terms, the new requirements may potentially result in a change to the timing of revenue from sales of the company's goods and services, such that some revenue may need to be deferred to a later reporting period to the extent that the company has received cash but has not met its associated obligations (such amounts would be reported as a liability (unearned revenue) in the meantime). The company is yet to complete an analysis of current arrangements for sale of its goods and services.

AASB 9 Financial Instruments

This Standard will become effective from reporting periods beginning on or after 1 January 2018.

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and changes the classification, measurement and disclosure of financial assets. AASB 9 will introduce different criteria for whether financial assets can be measured at amortised cost or fair value. The impact is expected to be immaterial.

AASB 16 Leases

This Standard will become effective for reporting periods beginning on or after 1 January 2019.

AASB 16 will require the recognition of all leases on the balance sheet. A lease liability will be initially measured at the present value of the lease payments to be made over the lease term. The company has not yet quantified the impact on the Statement of Comprehensive Income or the Statement of Financial Position of applying AASB 16 to its current operating leases, including the extent of additional disclosure required.

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2017

3. Auditors Remuneration

Total audit fees quoted by the Queensland Audit Office relating to the 2016/2017 financial statements are \$9,000 [2015/2016 \$9,000].

4. Cash and Cash Equivalents

	2017	2016
	\$	\$
Cash at Bank and in hand	1,743,562	641,191
Short Fixed Term Bank Deposits	500,000	750,000
Total Cash and Cash Equivalents	2,243,562	1,391,191

5. Trade and Other Receivables

	2017	2016
	\$	\$
Trade and Other Receivables	27,148	5,658
Prepayments	11,506	0
GST Receivables	0	8,394
Total Trade and Other Receivables	38,654	14,052

6. Other Receivables

	2017	2016
	\$	\$
Receivables - Bank Guarantee	55,000	55,000
Total Other Receivables	55,000	55,000

7. Office Furniture and Equipment

	2017	2016
	\$	\$
Office Furniture and Equipment at Cost	27,449	25,212
Less Accumulated Depreciation	(13,281)	(9,550)
Total Office Furniture and Equipment	14,168	15,662

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2017

Balance at 1 July 2015	9,057
Additions	8,525
Disposals - written down value	0
Depreciation Expense	1,920
Carrying Amount as at 30 June 2016	15,662

Balance at 1 July 2016	15,662
Additions	2,237
Disposals - written down value	0
Depreciation Expense	3,731
Carrying Amount as at 30 June 2017	14,168

8. Intangible Assets	2017	2016
	\$	\$
Opening Balance	152,650	127,800
Work in Progress	0	24,850
Amortisation Expense	15,140	0
Total Intangible Assets	137,510	152,650

9. Trade and Other Payables	2017	2016
	\$	\$
Trade Payables	12,739	103,953
Employee Benefits – Accrued Annual Leave	96,310	70,200
Employee Benefits – Accrued Salaries	21,675	17,802
GST Payables	68,095	0
Total Trade and Other Payables	198,819	191,955

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2017

10. Provisions	2017	2016
	\$	\$
Current Provisions		
Provisions for Long Service Leave	65,373	22,207
Total Current Provisions	65,373	22,207
Non-Current Provisions		
Provisions for Long Service Leave	13,597	0
Total Non-Current Provisions	13,597	0
Total Provisions	78,970	22,207

Current Long Service Leave	2017	2016
	\$	\$
Opening Balance	22,207	19,554
Additional Provisions	43,166	2,653
Amounts Used	0	0
Balance At Year End	65,373	22,207

Non-Current Long Service Leave	2017	2016
	\$	\$
Opening Balance	0	0
Additional Provisions	13,597	0
Amounts Used	0	0
Balance At Year End	13,597	0

A provision has been recognised for current and non-current employee benefits relating to long service leave for employees. The provision for long service leave represented the present value of the estimated future cash outflows to be made by the company resulting from employees' services provided up to balance date. Three employees are currently eligible for long service leave benefits, and one employee is eligible for long service leave benefits in the 2017/2018 financial year.

The provision comprises amounts that the company has a present obligation to pay resulting from employees' services provided up to balance date and an estimate of future obligations taking into account future increases in wage and salary rates, periods of service and experience of employee departures. Related on-costs have also been included in the provision.

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2017

11. Share Capital	2017	2016
	\$	\$
Fully paid ordinary shares – each share \$1 par value	11	12
Beginning of reporting period	11	12
Additions	0	0
Disposals	0	(1)
At the end of the reporting period	11	11
Total Issued Capital	11	11

At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. For the 2015/2016 financial year, Council of Mayors (SEQ) disposed of one shareholding from Noosa Council as at 2 July 2015. No changes have occurred in the 2016/2017 financial year.

12. Retained Earnings	2017	2016
	\$	\$
Opening Balance	1,414,382	1,259,839
One Share Retained	0	1
Surplus/Deficit	796,712	154,542
Total Retained Earnings	2,211,094	1,414,382

13. Reconciliations of Cash Flows used in Operating Activities to Operating Result for the period	2017	2016
	\$	\$
Net Surplus / (Deficit)	796,712	154,542
Non-cash flows in surplus from ordinary activities:		
Depreciation	18,871	1,920
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(13,096)	14,746
Increase/(decrease) in trade and other payables	(4,641)	40,972
Increase/(decrease) in Provisions	56,762	2,654
Total Cash Flow from Operating Activities	854,608	214,833

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2017

14. Contingent Liabilities and Contingent Assets

There are no contingent liabilities that may become payable or any contingent assets that may become receivable.

15. Commitments for Expenditure

	2017	2016
	\$	\$
Operating Lease Commitments		
Not later than 1 year	126,766	119,796
Later than 1 year but not greater than 5 years	213,967	331,477
Later than 5 years	0	0
Total Operating Leases	340,733	451,273

The Operating Lease rentals of property, plant and equipment contracted for at balance date but not provided for in the financial statements are payable (inclusive GST) as listed above.

	2017	2016
	\$	\$
Operating Contract Commitments		
Not later than 1 year	33,455	248,600
Later than 1 year but not greater than 5 years	0	0
Total Operating Contacts	33,455	248,600

The Operating Contract Agreements contracted for at balance date but not provided for in the financial statements are payable (inclusive GST) as listed above.

	2017	2016
	\$	\$
Capital Commitments		
Not later than 1 year	42,350	42,350
Later than 1 year but not greater than 5 years	0	0
Total Capital Commitments	42,350	42,350

The Capital Commitment contracted for at balance date but not provided for in the financial statements is payable (inclusive GST) as listed above.

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2017

16. Key Management Personnel (KMP) Disclosures

a. Details of Key Management Personnel

As from the financial year 2016/2017, the company's Directors, Alternate Directors, Executive Director and Acting Executive Director are identified as KMPs, consistent with additional guidance included in the revised version of AASB 124 Related Party Disclosures.

Position

Directors and Alternate Directors

Position Responsibility

All directors have one equal vote each with all having authority and responsibility for planning, directing and controlling the activities of the entity.

Executive Director and Acting Executive Director

The position is responsible for the efficient, effective and economic administration of the company

b. KMP Remuneration Policies

Key Management Personnel who hold the position of a director or alternate director do not receive any remuneration or employee benefits from the company. Under the company's constitution, a director of this company must also hold the position of Mayor in their respective council.

Remuneration policy for the company's key executive management personnel is set by the Executive Committee of the company. The remuneration and other terms of employment for the key executive management personnel is specified in the employment contract. The contract provides for the provision of performance-related cash bonuses and other benefits including motor vehicles.

c. KMP Remuneration Compensation

	2017
	\$
Short-term employee benefits	280,392
Post-employment benefits	39,001
Long-term benefits	0
Termination benefits	116,829

d. Related Party Transactions

Transactions between shareholders councils and the company are considered and voted on at regular Directors' meetings. No individual council has influence or control over the activities of the company.

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2017

17. Economic Dependency

Council of Mayors (SEQ) activities are dependent upon subscription funding from eleven shareholder member councils. Subscriptions for 2017/2018 year have been approved by each of the eleven shareholder member councils. The company also receives project funding from participating councils to cover funding requirements for the delivery of projects.

18. Financial Instruments Disclosure

a. Financial Risk Management

The Board of Directors has the authority to control and manage the company's financial affairs, with development and adherence to the company budget, bank authorisations and day to day management.

Investments are subject to market fluctuations with this exposure limited due to all investments deposited with Australian banks. The company's principal financial instruments comprise cash and short-term deposits, with other financial assets and liabilities such as trade receivables and payables, which arise directly from its operations.

b. Credit Risk

Credit Risk exposure refers to a situation where the company may incur financial loss as a result of another party to a financial instrument failing to discharge their obligations. All receivables other than the non-current bank guarantee of \$55,000 are considered current and receivable within 30 days. The non-current bank guarantee is not due until 31 January 2020. No receivables are considered impaired.

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount of those assets as disclosed in the statement of financial position and notes to the financial statements. As at year end, Trade and Other Receivables have a balance of \$93,654 [30 June 2016 – \$69,052].

c. Liquidity Risk

Liquidity risk refers to the ability of an entity to meet its obligations associated with financial liabilities. The company manages this risk through the following mechanisms:

- subscriptions for the financial period are invoiced at the beginning of the period and paid within 30 days of invoice date;
- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities (credit card balances);
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2017

		Floating Interest Bearing	Non-Interest Bearing <1 year	Non-Interest Bearing >1 year	Total
2017	Note	\$	\$	\$	\$
Financial Liabilities					
Trade and Other Payables	9	0	198,819	0	198,819
Total Financial Liabilities		0	198,819	0	198,819

		Floating Interest Bearing	Non-Interest Bearing <1 year	Non-Interest Bearing >1 year	Total
2016	Note	\$	\$	\$	\$
Financial Liabilities					
Trade and Other Payables	9	0	191,955	0	191,955
Total Financial Liabilities		0	191,955	0	191,955

d. Interest Rate Risk

Interest Rate Risk refers to possible fluctuations in the values of financial instruments as a result of changes in market rates. Exposure to interest rate risk arises predominantly from assets and liabilities bearing variable interest rates as the company intends to hold financial assets and liabilities to maturity.

e. Fair Values

The fair value of the financial assets and liabilities is assumed to approximate their value of the original transaction, less allowance for impairment.

19. Events subsequent to the end of the Reporting Period

There are no significant events subsequent to the reporting date which require disclosure.

20. Company details

The Registered Office of the company is:

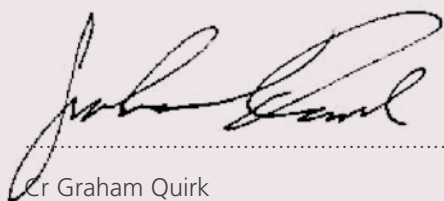
Level 12, Suncorp Plaza Building,
143 Turbot Street
Brisbane Qld 4000

Director's Declaration

In the opinion of the directors of Council of Mayors (SEQ) Pty Ltd:

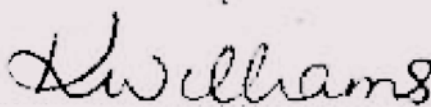
1. The financial statements and notes of Council of Mayors (SEQ) Pty Ltd are in accordance with the Corporations Act 2001, including:
 - (a) complying with the Australian Accounting Standards (including the Australian Accounting interpretations) and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the company's financial position as at 30 June 2017 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that Council of Mayors (SEQ) Pty Ltd will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Cr Graham Quirk
Chairman

26/10/2017



Cr Karen Williams
Treasurer

26/10/2017

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Members of Council of Mayors (SEQ) Pty Ltd

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Council of Mayors (SEQ) Pty Ltd.

In my opinion, the financial report:

- a) gives a true and fair view of the company's financial position as at 30 June 2017, and its financial performance and cash flows for the year then ended
- b) complies with the *Corporations Act 2001*, the Corporations Regulations 2001 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the directors' declaration.

Basis for opinion

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

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

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

Other information

Other information comprises the information included in the Directors' Report for the year ended 30 June 2017, but does not include the financial report and my auditor's report thereon.

The directors are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the company for the financial report

The company's directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Corporations Act 2001*, the Corporations Regulations 2001 and Australian Accounting Standards, and for such internal control as the company's directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The company's directors are also responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

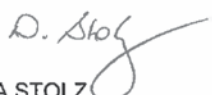
Auditor's responsibilities for the audit of the financial report

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

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

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

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



D A STOLZ
as delegate of the Auditor-General



Queensland Audit Office
Brisbane

One Region, One Voice



Council of Mayors
South East Queensland

Council of Mayors (SEQ)
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www.seqmayors.qld.gov.au