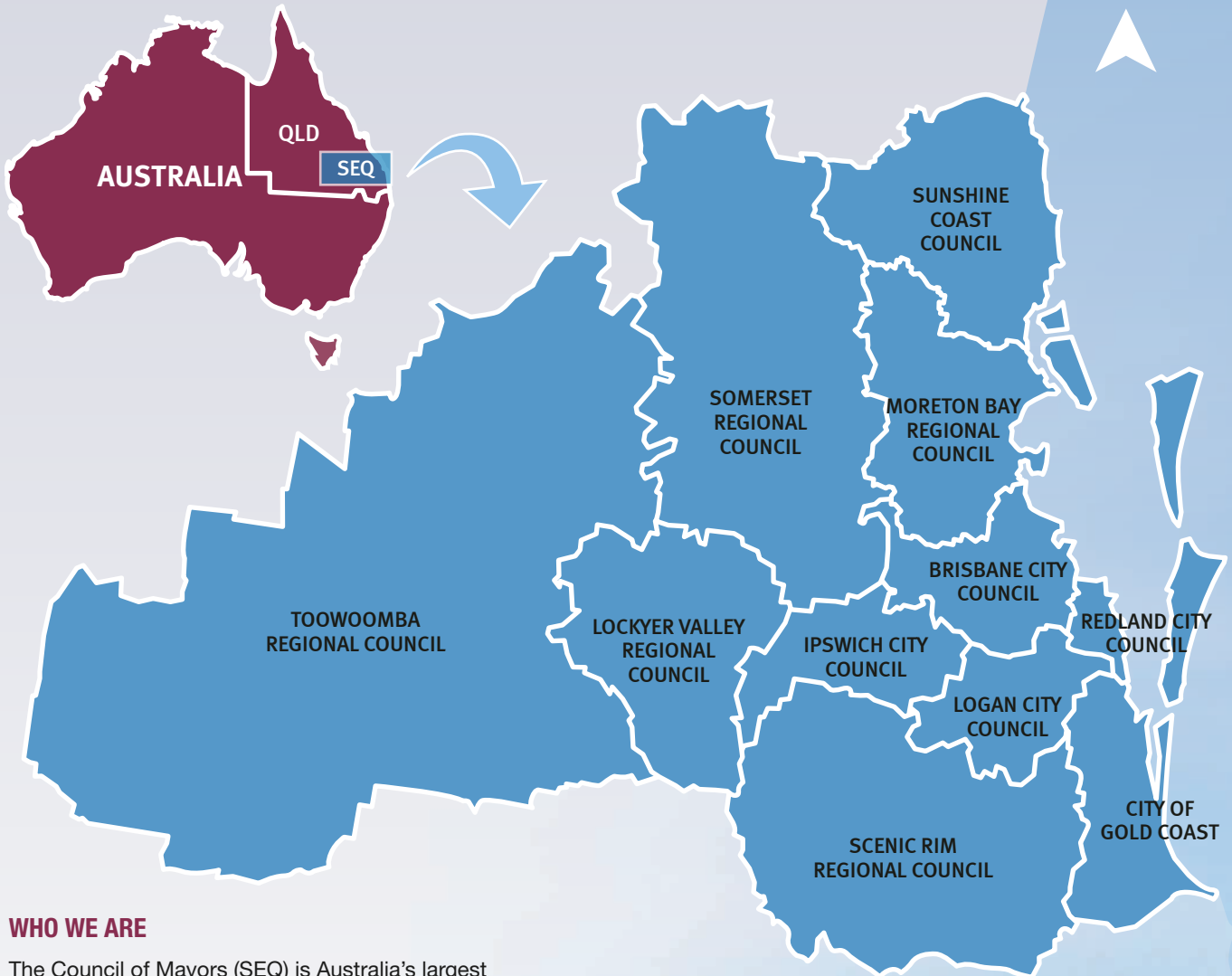




Council of Mayors
South East Queensland

ANNUAL REPORT
2017-2018

**COUNCIL
OF
MAYORS
(SEQ)**



WHO WE ARE

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

The 2017/18 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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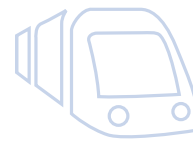


2017-18

2017-18 Key Achievements

'SEQ Economic Foundations Paper' and 'SEQ Benchmarking Study' released, an important step forward in the region's mission to secure an

SEQ City Deal.



The Council of Mayors (SEQ) partners with autonomous shuttle provider

EasyMile

to deliver public demonstrations in Mooloolaba, Springfield and Cleveland.

Delegation from Metro Vancouver visits the Council of Mayors (SEQ) to learn, share and build a strong relationship for future collaboration.



International consortium engaged to deliver the



Council of Mayors' (SEQ) People Mass Movement and Olympic Feasibility studies.

Albert-Logan Catchment Action Plan launched with a contribution of more than

\$1 million

from SEQ councils to kick start priority projects.





SUCCESSFUL SERIES OF EVENTS

HELD WITH KEY PARTNERS

SUCH AS
INFRASTRUCTURE ASSOCIATION OF QUEENSLAND, UDIA QLD, **AND THE** PROPERTY COUNCIL OF AUSTRALIA.



The Council of Mayors (SEQ)

LEADS AN EFFECTIVE QUEENSLAND STATE ELECTION CAMPAIGN, PUTTING INFRASTRUCTURE DELIVERY AS ITS TOP PRIORITY.



SEQ Waste Working Group formed

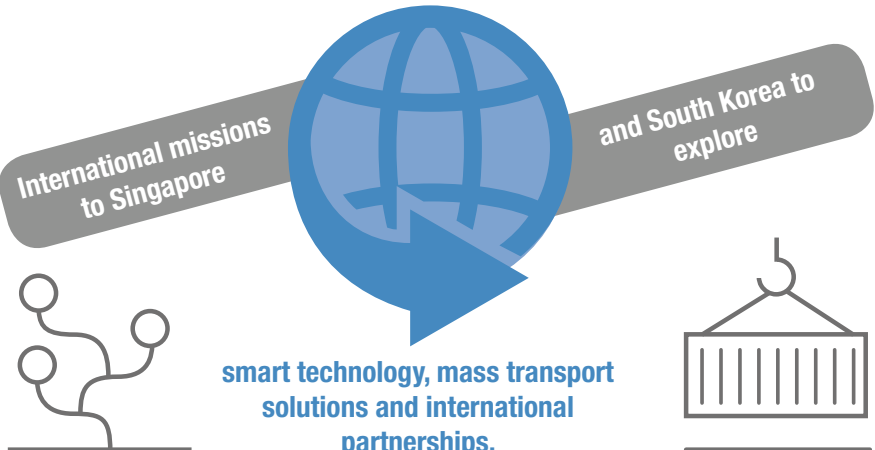
IN RESPONSE TO CHINA'S RESTRICTIONS

on imported recyclable materials.



Completion of the SEQ Food Trails site,

ALLOWING FOODIES TO CREATE, MAP AND SHARE THEIR OWN FOOD TRAIL FROM HUNDREDS OF OFFERINGS ACROSS SEQ.



Chairman's Message

One in seven Australians, or more than two thirds of Queenslanders, choose to live in South East Queensland (SEQ). And, as our population continues to grow, there is only one group working exclusively to protect and enhance the quality of life that makes our region a magnet for residents and visitors.

Driven and funded by the Mayors and Councils of SEQ, there is no other organisation quite like the Council of Mayors (SEQ). The region's councils working together, across local government boundaries, to build a better future for all South East Queensland residents.



This is most evident in our advocacy efforts with the Commonwealth and Queensland governments to secure the best possible outcomes for SEQ, shaping political decisions and pushing for the region's fair share of funding.

Close to \$3 billion in infrastructure investment was secured for SEQ in the latest Federal Budget, and more than \$2 billion from the State. This was alongside commitments for other regional priorities such as digital connectivity, environmental initiatives and waste management.

In the past 12 months, the Council of Mayors (SEQ) has also advanced its work on a number of future-focused initiatives – an SEQ City Deal, People Mass Movement Study, and a feasibility study into a regional 2032 Olympic Games.

The Council of Mayors (SEQ) has long advocated for a strategic and coordinated approach to investment in SEQ, ensuring that residents benefit from the greatest return on the use of public funds.

An innovative funding model, known as a City Deal, represents the ideal mechanism to bring the Commonwealth, State and the Council of Mayors (SEQ) together to plan and deliver for the future of SEQ.

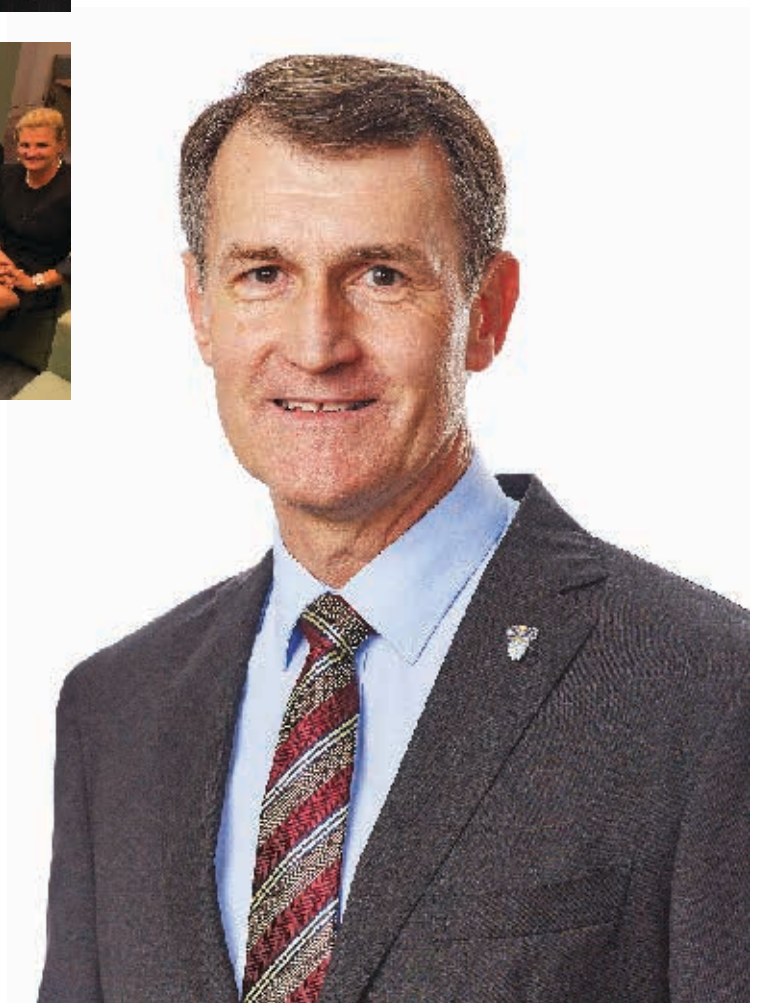
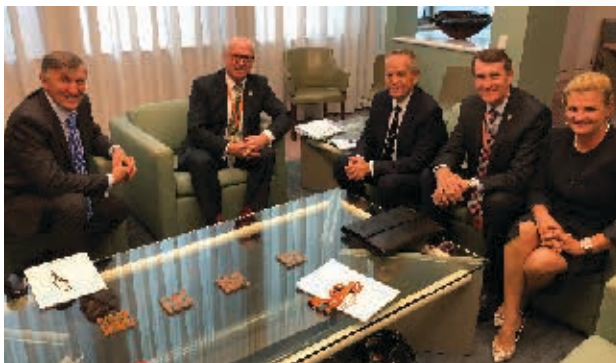
The Council of Mayors (SEQ) has been investigating the application of the City Deal funding model in SEQ since 2014, and is now working in partnership with the Queensland Government to secure the Commonwealth's commitment to a regional agreement.

This work dovetails with the Council of Mayors' (SEQ) People Mass Movement Study and investigations into a regional Olympic Games. An SEQ People Mass Movement Study will establish a roadmap for our region's future transport planning, with a 2032 Olympic Games to act as a potential trigger to ensure the timely delivery of these plans. This study has been jointly funded by the Council of Mayors (SEQ) and the Federal Government.

While these might sound like bold plans for local government, South East Queensland is home to some of the most mature, capable and forward-thinking councils in Australia.

Through the Council of Mayors (SEQ), we're able to use the collective influence and power of our individual councils to shape the future of our region. Through our long and established history of working collaboratively, there is no limit to what can be achieved in SEQ.

CR GRAHAM QUIRK
Chair



Chief Executive Officer's Message

It is with great pleasure that I present my first Annual Report as the Chief Executive Officer of the Council of Mayors (SEQ).

The past financial year has been a productive one for the Council of Mayors (SEQ) as we led the region's push for an SEQ City Deal, investigations into a regional Olympic Games and a successful advocacy campaign during the State Government election.

The Resilient Rivers Initiative continues to grow with more Catchment Action Plans developed for key catchments in SEQ, and our member councils contributing more than \$1 million to kickstart the delivery of priority projects across the region.

This year, our team also supported the Mayors in delivering a national first through the development of the SEQ Food Trails website – a site where users can dynamically build their own trail through hundreds of food and beverage experiences across SEQ.

Finding a way to capture the hidden gems that SEQ has to offer has been something we've been working on for some time, and I'm proud to see this project come to fruition and ready for use in the coming months.

The Council of Mayors (SEQ) also led two successful international missions in late 2017, one to Singapore to explore its smart technology and mass transit solutions and another to South Korea for the 2017 Asia Pacific Cities Summit.

Both trips led to tangible outcomes on our return to SEQ, most notably the exploration of cost effective autonomous transport solutions and subsequent public demonstrations in Mooloolaba, Springfield and Cleveland.

This has shaped the Council of Mayors (SEQ) regional strategy towards the introduction of autonomous transport in SEQ, leading to long term trials to be delivered across SEQ in 2019 and beyond.

I'd like to take this opportunity to thank the small but dedicated secretariat that continues to deliver on our Board's vision for SEQ. This year has been the start of what will be a new and transformational era for the Council of Mayors (SEQ).

SCOTT SMITH
Chief Executive Officer





Council of Mayors (SEQ) Board of Directors

The 2017/18 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 MARK JAMIESON

Mayor, Sunshine Coast Council



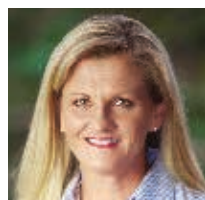
**CR PAUL ANTONIO
(DEPUTY CHAIR)**

Mayor, Toowoomba Regional Council



CR TOM TATE

Mayor, City of Gold Coast



**CR KAREN WILLIAMS
(TREASURER)**

Mayor, Redland City Council



CR WAYNE WENDT

Acting Mayor, Ipswich City Council

(From 3 May 2018)



CR TANYA MILLIGAN

Mayor, Lockyer Valley Regional Council



CR ANDREW ANTONIOLLI

Mayor, Ipswich City Council

(31 August 2017 to 2 May 2018)



CR ALLAN SUTHERLAND

Mayor, Moreton Bay Regional Council



CR PAUL TULLY

Acting Mayor, Ipswich City Council

(7 June 2017 to 31 August 2017)



CR GREG CHRISTENSEN

Mayor, Scenic Rim Regional Council



CR CHERIE DALLEY

Acting Mayor, Logan City Council

(From 22 May 2018)



CR GRAEME LEHMANN

Mayor, Somerset Regional Council



CR LUKE SMITH

Mayor, Logan City Council

(1 July 2017 to 21 May 2018)

Leadership and Advocacy

The Council of Mayors' (SEQ) exploration of a regional bid for the 2032 Olympic Games ramped up this year with the appointment of international consortium Event Knowledge Services, part of the Lagardere Australia group, to lead the SEQ People Mass Movement and Olympic Feasibility studies.

Following the delivery of a positive pre-feasibility study in mid 2016, the SEQ Mayors believed there was merit in exploring whether a regional Olympic Games bid could be a catalyst for infrastructure delivery, economic stimulus and raising SEQ's profile on the world stage.

While work on this significant project continues, there is no doubt that the outcomes will deliver a strategic roadmap to creating a better-connected region, and a valuable tool for future regional planning and decision making regardless of a Games bid.

The end of 2017 led into a Queensland state election where the Council of Mayors (SEQ) articulated its regional priorities - infrastructure planning and delivery, investment attraction and the Resilient Rivers Initiative - to the major parties.

The SEQ Mayors' advocacy efforts led to positive and ongoing outcomes for the region, particularly a stronger partnership with the Queensland Government towards an SEQ City Deal and collaboration on a statutory governance authority for regional catchment management.

March 2018 saw the Council of Mayors (SEQ) lead 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 international investment attraction.

The Canberra visit consisted of two days of meetings with key Government and Opposition representatives, with a significant focus on advancing discussions with the Commonwealth towards an SEQ City Deal.

As a result of its involvement in the 2017 Asia Pacific Cities Summit, the Council of Mayors (SEQ) also hosted a Metro Vancouver delegation in March 2018. The SEQ Mayors welcomed the delegation of Mayors and Councillors from the greater Vancouver region, and committed to an ongoing relationship of knowledge sharing and learning between the two regions.

To round out a productive year, the Council of Mayors (SEQ) put a particular focus on building its profile through strategic partnerships. This led to a successful calendar of events with partners such as the Infrastructure Association of Queensland, UDIA Qld, and the Property Council of Australia.

SEQ PEOPLE MASS MOVEMENT STUDY

Jointly funded by the Council of Mayors (SEQ) and the Federal Government, the SEQ People Mass Movement Study identifies the infrastructure needs of SEQ to accommodate expected population growth. It is also a key component of the Olympic feasibility project, and presents the missing link in the overall understanding, planning and provisioning of transport solutions for SEQ.

The purpose of the study is to synthesise the various transport studies in SEQ whilst identifying future trends, challenges and opportunities in the funding and delivery of region wide transport infrastructure.

This study will deliver a roadmap for the future of transport in SEQ, as well as analyse the regions ability to host major events, with the peak of those events being a potential Olympic Games.



Economic Development

Investment attraction remains a high priority for the Council of Mayors (SEQ), as the region works as one to position itself as a global destination for trade, tourism and investment.

In 2017, the Council of Mayors (SEQ) led two successful international missions for member councils. Both had the objective of building stronger relationships with like minded regions, promoting SEQ and exploring new solutions to address regional issues.

In July, Mayors and Councillors from seven SEQ councils participated in a mission to Singapore with the aim to explore three central themes - smart city leadership and innovation, infrastructure and logistics, and trade and investment.

This was followed by a delegation of eight SEQ councils to the 2017 Asia Pacific Cities Summit in Daejeon, South Korea. The Asia Pacific Cities Summit brings together civic and business leaders from across the globe, with a strong focus on global connections and knowledge sharing.

These missions led to a number of beneficial outcomes for the region, particularly the delegations' investigations into innovative transport solutions for SEQ. Specifically, the Council of Mayors (SEQ) attracted autonomous vehicle supplier Easy Mile to the region and partnered with councils to deliver a series of driverless bus demonstrations.

Demonstrations of the EasyMile EZ10 autonomous shuttle were held in Mooloolaba, Springfield and Cleveland. More than 1,000 participants experienced the vehicle firsthand and reported a safe and positive experience, particularly across the 60-plus demographic.

This has informed a longer term regional strategy with the purpose of exploring autonomous transport as a cost effective 'first mile, last mile' solution for SEQ. The Council of Mayors (SEQ) aims to deliver a series of public trials, commencing deployment in 2019.

The Council of Mayors (SEQ) completed its SEQ Food Trails online platform in December 2017. Participating members of the SEQ Food Trails project include Brisbane, Lockyer Valley, Logan, Moreton Bay, Redland City, Scenic Rim, Sunshine Coast and Toowoomba councils.

The SEQ Food Trails, seqfoodtrails.com.au, is scheduled to be launched publicly at the 2018 Regional Flavours event. It is anticipated that the platform will become a popular tool for food lovers, as well as local businesses across the region.

Finally, the Council of Mayors (SEQ) partnered with the Queensland Treasury Corporation to deliver an informative panel session at the 2018 Local Government Financial Sustainability Summit in May 2018. Mayors Antonio and Christensen represented the SEQ Mayors, discussing the strength of regional collaboration to secure international opportunities.

SEQ FOOD TRAILS

What started as an idea to get residents and visitors to spend more time exploring SEQ has led to the development of the SEQ Food Trails, an online platform that allows users to create and share their own foodie trail from hundreds of experiences throughout the region.

Seqfoodtrails.com.au showcases the best of SEQ's foodie experiences including farm gates, produce markets, restaurants and cafes, breweries and distilleries, events and street food.

The SEQ Food Trails site offers users a quick, easy and mobile friendly tool to create, map and share their unique food trail from the hundreds of food and beverage experiences listed on the site. It is free for both users and participating local businesses to use.

The site has been modelled on the Sunshine Coast Food Trails created by Visit Sunshine Coast and Tourism and Events Queensland. The Council of Mayors (SEQ) acknowledges the support and involvement of these organisations throughout the development of the SEQ Food Trails.





Infrastructure and Planning

The Council of Mayors' (SEQ) push to secure a City Deal for SEQ continued, as the region's Mayors and the Queensland Government worked in partnership to foster support from the Commonwealth towards an agreement.

The State's Cities Transformation Taskforce worked closely with SEQ councils to develop the 'SEQ Economic Foundations Paper' and 'SEQ Benchmarking Study'. These two pieces of work established the economic geography of the region and the sectors that will drive its growth, as well as how SEQ compares to similar regions across the globe.

Both are important steps in demonstrating the transformational effect of an SEQ City Deal, and its potential to deliver strong benefits to the community as well as the three tiers of government. Both State and local governments continue to use their strong collaboration to prioritise agreement on governance arrangements and actions to advance the SEQ City Deal.

In other areas, the Council of Mayors (SEQ) has been working closely with the State on the outcomes needed to deliver on the regional plan, ShapingSEQ, across the region. Two key areas of focus include dwelling supply monitoring and the identification of underutilised urban footprint.

Work in these key areas has been undertaken in collaboration with the Council of Mayors (SEQ) and member councils, as the SEQ Mayors remain a strong voice in regional planning matters and the implementation of *ShapingSEQ*.

The Council of Mayors (SEQ) also embarked on an investigation into freight movement in SEQ, specifically exploring where the blockages in the network exist, the reasons these occur, and what actions are needed to improve the system.

As part of this initiative, the Council of Mayors (SEQ) led an extensive survey across member councils to investigate road freight infrastructure pinch-points. This was supported by a government and industry forum to explore areas for infrastructure improvements.

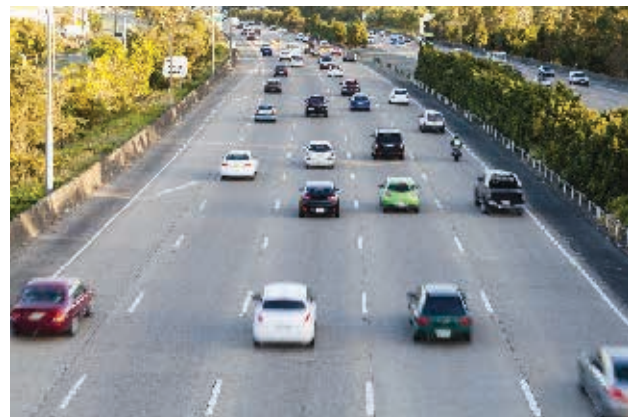
It is anticipated that the ongoing investigations into SEQ's freight network will complement the Council of Mayors' (SEQ) People Mass Movement Study and create an evidence-based foundation for future advocacy positions.

SEQ CITY DEAL

A City Deal is a rolling funding agreement between all tiers of government to deliver a pipeline of investment in a region to promote economic growth, typically spanning 15 – 20 years. As delivered projects reach maturity, the uplift created can be captured and reinvested back into the City Deal.

First trialled by the UK Government in 2012, the concept of applying the innovative funding model in Australia was first floated in a 2014 joint study by the Council of Mayors (SEQ), Property Council of Australia and the Department of State Development, Infrastructure and Planning. The City Deal funding model has since become a key pillar of the Federal Government’s Cities agenda.

While the region still awaits the Commonwealth’s confirmation as the next City Deal, extensive work towards an SEQ City Deal has been undertaken by the Council of Mayors (SEQ) and the Queensland Government.



Waterways and Environment

The 2017 / 18 financial year kicked off with the public launch of the Logan-Albert Catchment Action Plan, and an announcement of more than \$1 million from SEQ councils to commence delivery of priority on-ground works across the region.

As some areas of SEQ were still recovering from the devastating impacts of Cyclone Debbie, an injection of funding and a targeted plan to improve the condition and resilience of the Logan-Albert catchment was welcomed news for the communities of Logan and the Scenic Rim.

This was followed by the commencement of five catchment improvement projects in the areas most impacted by SEQ's recent severe weather and flooding events. Identified as part of the Resilient Rivers Initiative's Catchment Action Plans, these projects will provide much needed revegetation and bank stabilisation to ensure soil stays on the land and out of SEQ catchments and waterways.

The Council of Mayors (SEQ) also started investigations into a new governance arrangement for the Resilient Rivers Initiative, with the support of a funding grant from the Department of Environment and Science. This represents a positive step forward for the Initiative, adding weight and direction in achieving its long term goals.

Rounding out a busy year for the Resilient Rivers Initiative, the Bremer River and Lower Brisbane-Redlands Coastal plans were completed in mid 2018 and progressed to the relevant councils and stakeholders for final endorsement.

In early 2018, China began to strictly enforce limits on the importation of recycled materials under its National Sword policy which triggered a huge upheaval in the global market for recyclable material. This included waste collected across SEQ.

In response to these global impacts, SEQ councils formed a Waste Working Group to formulate a regional position on its preferred solution and to investigate potential commercial opportunities for the future.

With the introduction of the State's waste levy in 2019, this is an ongoing area of interest for the Council of Mayors (SEQ) which warrants further investigation and actions in the coming financial year.

One of the most significant challenges facing Queensland is the impact of weeds and pest animals to agricultural and other industries. Therefore, the Council of Mayors (SEQ) also continued to play a leadership role in the regional approach to pest control as the facilitator of the SEQ Regional Pest Management Committee in the 2017 / 18 financial year.

RESILIENT RIVERS INITIATIVE

The Resilient Rivers Initiative was launched in December 2014 with the aim of improving the health of SEQ's waterways by delivering a coordinated approach to catchment management.

Signatories include the Council of Mayors (SEQ), Queensland Government, Seqwater, Healthy Land and Water, Unitywater and Queensland Urban Utilities.

The Resilient Rivers Initiative was founded on the recognition that a coordinated approach to catchment management is vital to ensure the future economic, social and environmental health of SEQ.



FINANCIAL REPORT

For the year ended 30 June 2018

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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 2018.

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 2017 to present
Cr Karen Williams	1 July 2017 to present
Cr Paul Antonio	1 July 2017 to present
Cr Mark Jamieson	1 July 2017 to present
Cr Graeme Lehmann	1 July 2017 to present
Cr Allan Sutherland	1 July 2017 to present
Cr Tanya Milligan	1 July 2017 to present
Cr Greg Christensen	1 July 2017 to present
Cr Tom Tate	1 July 2017 to 30 June 2018
Cr Luke Smith	1 July 2017 to 21 May 2018
Cr Cherie Dalley	22 May 2018 to present
Cr Paul Tully	7 June 2017 to 31 August 2017
Cr Paul Antonioli	31 August 2017 to 2 May 2018
Cr Wayne Wendt	3 May 2018 to 22 August 2018

COMPANY SECRETARY

The name of the Company Secretary in office at any time during or since the end of the financial year is:

Scott Smith	1 July 2017 to present
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COMPANY DETAILS

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

The eleven shareholder members during the 2017/2018 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 2018 was \$406,829 [30 June 2017 - \$796,712]. Funds provided by government entities were directed to one project which commenced in the 2014/2015 financial year and has been finalised 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 completed in the 2017/2018 financial year. Another project was commenced in 2016/2017 financial year and will be completed in the 2018/2019 financial year. A further project commenced in 2016/2017 financial year and is ongoing.

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 2018/2019 will be influenced by the continuation of the Resilient Rivers Initiative and the on-going delivery to key objectives of the 2018/2021 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
9/11/2018


.....
Cr Karen Williams
Treasurer
9/11/2018

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 2018, 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; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



Sri Narasimhan
As Delegate of the Auditor-General of Queensland

Queensland Audit Office
Brisbane
9 October 2018

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
INCOME		
Administration and Project Levy Contributions	3,273,657	2,913,481
Federal and State Funding	15,000	15,000
Other Income	136	23
Other Funding	81,646	87,388
Insurance Recoveries	302	2,193
Interest Revenue	67,162	41,903
Total Income	3,437,903	3,059,988
EXPENSES		
Employee Expenses	1,284,115	1,534,629
General Office Expenses	173,503	164,915
IT Expenses	63,183	87,652
Travel Expenses	24,868	46,474
Other Operating Expenses	60,183	53,808
Other Professional Fees	1,380,684	347,927
Depreciation Expenses	34,313	18,871
Auditing Fees– Queensland Audit Office (note 3)	10,225	9,000
Total Expenses	3,031,074	2,263,276
Net surplus (deficit) attributable to members of the company	406,829	796,712
Other Comprehensive Income	-	-
Total Comprehensive Income attributable to members of the company	406,829	796,712

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

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
CURRENT ASSETS			
Cash and Cash Equivalents	4	2,747,728	2,243,562
Trade and Other Receivables	5	112,289	38,654
Total Current Assets		2,860,017	2,282,216
NON-CURRENT ASSETS			
Other Receivables	6	55,000	55,000
Office Furniture and Equipment	7	21,971	14,168
Intangible Assets	8	106,980	137,510
Total Non-Current Assets		183,951	206,678
Total Assets		3,043,968	2,488,894
CURRENT LIABILITIES			
Trade and other payables	9	331,317	198,819
Provisions	10	94,717	65,373
Total Current Liabilities		426,034	264,192
NON-CURRENT LIABILITIES			
Provisions	10	-	13,597
Total Non-Current Liabilities		-	13,597
Total Liabilities		426,034	277,789
Net Assets		2,617,934	2,211,105
EQUITY			
Share Capital	11	11	11
Retained Earnings	12	2,617,923	2,211,094
Total Equity		2,617,934	2,211,105

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 2018

2017/2018	Note	Retained Earnings	Share Capital	Total
		\$	\$	\$
Balance at beginning of year		2,211,094	11	2,211,105
Net surplus for the year	11/12	406,829	-	406,829
Balance at Year End		2,617,923	11	2,617,934

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	-	796,712
Balance at Year End		2,211,094	11	2,211,105

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 2018

	Note	2018	2017
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operations		3,322,467	3,004,989
Interest Received		67,162	41,903
Total receipts from operations		3,389,629	3,046,892
Payments to suppliers and employees		(2,873,875)	(2,192,284)
Net Cash Flows used in Operating Activities	13	515,753	854,608
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of assets at cost	7/8	(11,587)	(2,237)
Net Cash Flows used in Investing Activities		(11,587)	(2,237)
NET INCREASE / (DECREASE) IN CASH HELD		504,166	852,371
Cash at the Beginning of the Year		2,243,562	1,391,191
Cash at the End of the Year	4	2,747,728	2,243,562

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 2018

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. 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.

The Development Assessment Monitoring Tool (DAMT) was fully operational as at 1 January 2017 and amortised on a straight-line basis over the period of expected benefit to the company.

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.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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, Hesta Super, Wealth Smart 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.

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.

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

As at 30 June 2018, share capital comprised of eleven equal par value fully paid shares of \$1.00 held by each of the eleven members. From 1 July 2018, total share capital will reduce by one share as City of Gold Coast will forfeit their share.

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

Council of Mayors (SEQ) is one of three members of Healthy Land and Water Ltd 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 this entity.

p. Issuance of Financial Statements

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

q. Accounting standards issued and effective in the 2017/2018 financial year

At the date of authorisation of this report there are no standards issued in the 2017/2018 financial year that are expected to have a material impact on the financial statements. The relevant standards are listed below:

AASB 15 Revenue from contracts with customers

This Standard became 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. Sales of the company's goods and services are recognised when it has met its associated obligations in relation to its goods and services provided to the customer.

AASB 9 Financial Instruments

This Standard became effective on 1 January 2018 replacing AASB 139 Financial Instruments: Recognition and Measurement changing the classification, measurement and disclosure of financial assets. AASB 9 introduced different criteria for whether financial assets could be measured at amortised cost or fair value. The impact is immaterial as all financial assets have been determined at amortised cost.

r. 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:

AASB 1058 Income of Not-For-Profit Entities

This Standard will become effective for reporting periods beginning on or after 1 January 2019 and applies to transactions of not-for-profit entities where the consideration to acquire any assets (including cash) is significantly less than fair value principally to enable the entity to further its objectives. The impact of this Standard is likely to be minimal.

AASB 16 Leases

This Standard will become effective for reporting periods beginning on or after 1 January 2019 and 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 Operating Lease Commitments (refer to Note 15) provides the possible impact on the Statement of Financial Position.

3. AUDITORS REMUNERATION

Total audit fees quoted by the Queensland Audit Office relating to the 2017/2018 financial statements are \$9,225 [2016/2017 \$9,000].

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
4. CASH AND CASH EQUIVALENTS		
Cash at Bank and in hand	1,236,749	1,743,562
Short Fixed Term Bank Deposits	1,510,979	500,000
Total Cash and Cash Equivalents	2,747,728	2,243,562
5. TRADE AND OTHER RECEIVABLES		
Trade and Other Receivables	59,457	27,148
Prepayments	21,865	11,506
GST Receivables	30,967	-
Total Trade and Other Receivables	112,289	38,654
6. OTHER RECEIVABLES		
Receivables - Bank Guarantee	55,000	55,000
Total Other Receivables	55,000	55,000
7. OFFICE FURNITURE AND EQUIPMENT		
Office Furniture and Equipment at Cost	39,036	27,449
Less Accumulated Depreciation	(17,065)	(13,281)
Total Office Furniture and Equipment	21,971	14,168
BALANCE AT 1 JULY 2016		15,662
Additions		2,237
Disposals – written down value		-
Depreciation Expense		(3,731)
Carrying Amount as at 30 June 2017		14,168

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
BALANCE AT 1 JULY 2017		14,168
Additions		11,586
Disposals – written down value		-
Depreciation Expense		(3,783)
Carrying Amount as at 30 June 2018		21,971

8. INTANGIBLE ASSETS

Opening Balance	137,510	152,650
Amortisation Expense	(30,530)	(15,140)
Total Intangible Assets	106,980	137,510

9. TRADE AND OTHER PAYABLES

Trade Payables	176,793	12,739
Employee Benefits – Accrued Annual Leave	110,366	96,310
Employee Benefits – Accrued Salaries	44,158	21,675
GST Payables	-	68,095
Total Trade and Other Payables	331,317	198,819

10. PROVISIONS

Current Provisions

Provisions for Long Service Leave	94,717	65,373
Total Current Provisions	94,717	65,373

Non-Current Provisions

Provisions for Long Service Leave	-	13,597
Total Non-Current Provisions	-	13,597

Total Provisions	94,717	78,970
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
CURRENT LONG SERVICE LEAVE		
Opening Balance	65,373	22,207
Additional Provisions	29,344	43,166
Amounts Used	-	-
Balance At Year End	94,717	65,373

NON-CURRENT LONG SERVICE LEAVE		
Opening Balance	13,597	-
Additional Provisions	-	13,597
Amounts Used/Reallocated to Current	(13,597)	-
Balance At Year End	-	13,597

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. Four employees are currently eligible for long service leave benefits in the 2017/2018 financial year. Three employees were eligible for long service leave benefits in the 2016/2017 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.

	2018	2017
	\$	\$
11. SHARE CAPITAL		
Fully paid ordinary shares – each share \$1 par value	11	11
Beginning of reporting period	11	11
Additions	-	-
Disposals	-	-
At the end of the reporting period	11	11
Total Issued Capital	11	11

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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. No changes have occurred in the 2017/2018 financial year. For the 2018/2019 financial year, Council of Mayors (SEQ) disposed of one shareholding from City of Gold Coast Council effective 1 July 2018.

	2018	2017
	\$	\$

12. RETAINED EARNINGS

Opening Balance	2,211,094	1,414,382
Surplus/Deficit	406,829	796,712
Total Retained Earnings	2,617,923	2,211,094

13. RECONCILIATIONS OF CASH FLOWS USED IN OPERATING ACTIVITIES TO OPERATING RESULT FOR THE PERIOD

Net Surplus / (Deficit)	406,829	796,712
Non-cash flows in surplus from ordinary activities:		
Depreciation	34,313	18,871
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(48,275)	(13,096)
Increase/(decrease) in trade and other payables	107,138	(4,641)
Increase/(decrease) in Provisions	15,748	56,762
Total Cash Flow from Operating Activities	515,753	854,608

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

OPERATING LEASE COMMITMENTS	2018	2017
	\$	\$
Not later than 1 year	131,749	126,766
Later than 1 year but not greater than 5 years	82,218	213,967
Later than 5 years	-	-
Total Operating Leases	213,967	340,733

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

OPERATING CONTRACT COMMITMENTS	2018	2017
	\$	\$
Not later than 1 year	1,448,936	33,455
Later than 1 year but not greater than 5 years	-	-
Total Operating Contracts	1,448,936	33,455

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

CAPITAL COMMITMENTS	2018	2017
	\$	\$
Not later than 1 year	-	42,350
Later than 1 year but not greater than 5 years	-	-
Total Capital Commitments	-	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.

16. KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES

a. Details of Key Management Personnel

The company's Directors, Alternate Directors, Company Secretary and Chief Executive Officer are identified as KMPs, consistent with additional guidance included in the revised version of AASB 124 Related Party Disclosures.

Position	Position Responsibility
Directors and Alternate Directors	All directors have one equal vote each with all having authority and responsibility for planning, directing and controlling the activities of the entity.
Chief Executive Officer*	The position is responsible for the efficient, effective and economic administration of the company
Company Secretary	The position supports the effectiveness of the Board by monitoring that board policy and procedures are followed, and coordinating the timely completion and dispatch of board agenda and briefing material.

*Chief Executive Officer position previously known as Executive Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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	2018	2017
	\$	\$
Short-term employee benefits	276,671	280,392
Post-employment benefits	29,220	39,001
Long-term benefits	-	-
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.

17. ECONOMIC DEPENDENCY

Council of Mayors (SEQ) activities are dependent upon subscription funding from ten shareholder member councils. Subscriptions for 2018/2019 year have been approved by each of the ten 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 28 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 \$167,289 [30 June 2017 – \$93,654].

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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 28 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.

2018	Note	Floating Interest Bearing	Non-Interest Bearing < 1 year	Non-Interest Bearing > 1 year	Total
		\$	\$	\$	\$
Financial Liabilities					
Trade and Other Payables	9	-	331,317	-	331,317
Total Financial Liabilities		-	331,317	-	331,317

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

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

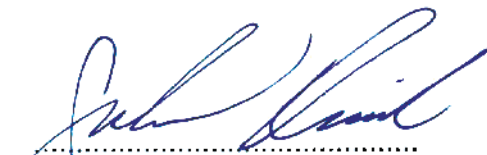
The Registered Office of the company is: Level 12, Suncorp Plaza Building, 143 Turbot Street Brisbane Qld 4000

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 2018 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

9/10/2018



.....

Cr Karen Williams
Treasurer

9/10/2018

Independent Auditor's Report

Members of Council of Mayors (SEQ) Pty Ltd



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 2018, and its financial performance and cash flows for the year then ended
- b) complies with Corporations Act 2001, the Corporations Regulations 2001 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2018, 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 2018, 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 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.

A handwritten signature in blue ink, appearing to read "Sri Narasimhan", with a horizontal line extending to the right.

Sri Narasimhan
as delegate of the Auditor-General

15 October 2018

Queensland Audit Office
Brisbane





Council of Mayors

South East Queensland

Council of Mayors (SEQ)
Level 12, 143 Turbot Street, Brisbane, QLD 4000
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www.seqmayors.qld.gov.au
