Cloncurry
Shire Council

2018/19 ANNUAL REPORT

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Welcome

Welcome to the 2018/19 Annual Report for Cloncurry Shire Council.

This report highlights Council's achievements over the past 12 months and is prepared primarily for residents, ratepayers, businesses and visitors to our Shire.

History of Cloncurry

The traditional owners, being the Mitakoodi, Kalkadoon, Yulluna and Waluwarra and Pitta Pitta people, were the original inhabitants of the area now known as Cloncurry Shire.

In 1861 Burke and Wills, with King and Grey, were the first known Europeans to come into the area on their ill-fated expedition to the Gulf of Carpentaria. Burke named the river 'Cloncurry' for his cousin, Lady Elizabeth Cloncurry of County Galway in Ireland. In May 1867, Ernest Henry came this way searching for grazing land and instead discovered the vast mineral wealth of the district; he named this 'The Great Australia'. The town was surveyed in 1876 and named after the river.

Over the years Cloncurry has been the focal point for many of Australia's greatest innovations. Cloncurry was involved with the beginnings of Qantas, and the original Qantas Hanger is still in use at the aerodrome, where 'Queensland and Northern Territory Aerial Service' is still displayed above the hanger door. The Royal Flying Doctor Service was founded here in 1928 and is now recognised worldwide. The airport was also en route for early planes coming from overseas and a stopping place for contestants in the great air race of 1919 and 1934.

During the Second World War Cloncurry was the site of a major United States of America Air Base.

A visit to Cloncurry Unearthed Visitor Information Centre and Museum or John Flynn Place Museum and Art Gallery will open the eyes of any budding historian to the richness of Cloncurry's history.

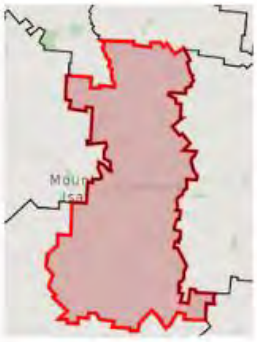
CLONCURRY FAST FACTS

FOUNDED IN 1867

3,091
population

Median age
35.4
years old

Median annual income
$53,144
total personal



AREA
48,116.9
KM SQ.

AVERAGE DAILY TEMP
25.4°C

AVERAGE ANNUAL RAINFALL
462MM

Cloncurry Shire Council

Mayoral Report

A message from Mayor Greg Campbell

The 2018/19 Financial Year has certainly been one to remember!

The first half of the year saw the continued effort to deliver better services and upgrades to our assets. The budget allowed for $13 million in capital works with notable spending on:

- Eastern Stormwater Drainage Project: 1.05million
- Road Renewals: 3.3million
- Sheaffe Street Stage 2: 2.5million

The annual events held were very successful, and September saw the first ever Beat the Heat Festival. Beat the Heat was a runaway success and all the groups involved did an amazing job. The Mine Cart Rally and Curry Cook Off have now become signature Cloncurry events.

December saw Cloncurry again crowned 'Queensland's Friendliest Town'. A title we should be very proud to claim and spruik about.

The other record we broke later in the year was the '40 days over 40 degrees.' Even though we know (and accept) that it does get hot here, this was a record I'd prefer we don't get again. In true Cloncurry style though, a tongue in cheek video was a good distraction from the heat.

As the year kept rolling along, we awarded some great people at Australia Day, including Sarah Harvey – Citizen of the Year, Mikaela Tapp – Young Citizen of the Year, the Cloncurry Lion's Club – Mayor's Community Spirit Award, along with many others.

April saw the Easter Bunny hop into town, with the second Easter celebration hosted by Council. It was a great event and the effort put into the bonnets by the community was very special.

Cloncurry quickly became a focus point for the flood crisis in the North West with State and Federal politicians vying for time for a visit. The impact on the region was huge, with the Graziers directly affected, and that hit will flow onto other businesses too.

I am very proud to have been a pivotal part of the response and recovery effort to the biggest natural disaster my generation has seen. The dedication and commitment of Council Staff and the members of the Local Disaster Management Group will never be forgotten, so too, the boundless hard work and generosity from our community to look after each other.

It was a privilege and honour to welcome Scott Morrison back (twice) as well as Federal Ministers David Littleproud, Linda Reynolds and Deputy Prime Minister Michael McCormack. We also had visits from opposition Leader Bill Shorten and Shadow Ministers. The Premier Annastacia Palaszczuk also visited to see the devastation firsthand.

While the circumstances leading to the visits by the state and national leaders was the devastating floods, be sure that Cloncurry played a crucial role in the North receiving approximately $3Billion in support for the recovery. The effort is still ongoing to get all available funding to provide stimulus to the local economy for the next couple of years.

The 2018/19 Financial Year was certainly one for the record books. Council finished off the year in a strong financial position and achieved the key indicators required by the State Government. Council spent over $25.5 million on local goods, services and contracts and another $8.8 million on staff wages.

Elected Members

The Cloncurry Shire Council has four Councillors and a Mayor. Council's current Elected Representatives were elected in April 2016 and will serve a four-year term until April 2020.

2016-2020

Mayor Greg Campbell

Mayor Greg Campbell proudly calls Cloncurry home and was first elected as Mayor in 2016. Councillor Campbell has vast Council experience having previously been a Councillor for a term between 2004 and 2008 and Deputy Mayor from 2008 to 2012.

Mayor Campbell and wife Ana have three children. Mayor Campbell and his family operate a beef cattle business. Mayor Campbell attended the local Cloncurry State School until grade 12 and was a school captain in 1992. On completion of grade 12, he began an apprenticeship with NORQEB (now Ergon Energy) as an electrician.

Involvement in community groups has been a passion for Greg with most recent involvement as Treasurer of the Cloncurry Football Club, coach of the junior players and is involved in the Cloncurry Fish Stocking Group. Greg has had past involvement in the Rotary Club of Cloncurry being president in 2005 and was also a member of the Cloncurry Merry Muster Committee.

Mayor Campbell is committed to ensuring Council's spending is cost effective and that local businesses are supported. Renewing and maintain the community's critical infrastructure assets will also continue to be a priority of Mayor Campbell's.

Deputy Mayor Dane Swalling

Deputy Mayor Dane Swalling is proud to be a Cloncurry local, having lived here his whole life. Councillor Swalling is following a proud family tradition of being involved in Local Government and is extremely thrilled to have been elected to work for the community of Cloncurry.

After completing a plumbing apprenticeship locally, Dane progressed to establishing his own plumbing business and provides a service for Cloncurry and surrounding districts. The flexibility of owning his own business provides an enhancement to his role as Councillor as he is able to organise his time to fulfil both roles.

Councillor Swalling is married with children and has always supported a wide variety of community groups through his business and personally. Councillor Swalling is passionate about the Cloncurry Shire and the lifestyle it provides. During his time on Council, Councillor Swalling is eager to ensure that locals come first in all opportunities that Council provides.

Councillor Vicky Campbell

Councillor Vicky Campbell was elected as a Councillor for Cloncurry in April 2016. Vicky feels the spirit of community is the lifeblood of Cloncurry. The committees, facilities, the events and especially the people are what make the Cloncurry Shire special. Having raised and educated seven children with her husband over the last 30 years in Cloncurry, Councillor Vicky has lived the life of a Cloncurry local. While working as a mail contractor delivering post to parts of the rural shire and at Australia Post Cloncurry, Councillor Vicky knows firsthand the importance of a good working relationship that encompasses both the rural and town communities of the Shire. Councillor Vicky has a great involvement with Councils Community Development Team delivering events and activities to engage the community and enhance the Cloncurry lifestyle. Councillor Vicky is also a member of Councils Audit and Risk Committee, the Community Advisory Network and is also the Councillor Tourism Representative. It is with this knowledge of hard work and community unity that Councillor Vicky works to build and progress the Shire of Cloncurry.

Councillor Brad Rix

Councillor Brad Rix moved to Cloncurry in 2011 with his wife and two children to take the position of Senior Sergeant in Charge of the Cloncurry Police Station. His wife Heidi is the Sergeant in Charge of the Cloncurry PCYC. Councillor Rix has been a part of the Queensland Police Service for over 25 years. Councillor Rix and his family enjoy living in Cloncurry because of the relaxed, safe and secure lifestyle and the opportunity to really get involved in the community. Since being in Cloncurry, Brad has been involved in a number of community groups and committees. Councillor Rix has been a player, coach and vice president for the Cloncurry Eagles Rugby League Club, he has been coach for the Under 7's Cloncurry Bulls Junior Rugby League, Committee member of the Cloncurry PCYC, member of the Cloncurry Australia Day Awards Committee, member of the Cloncurry Showgirls judging panel and a Cloncurry Show Committee member.

Councillor Damien McGee

Councillor Damien McGee was born and raised in Cloncurry and completed his education at Cloncurry State School. Upon completion of high-school, Councillor McGee completed a Certificate in Engineering and Construction and then further undertook three trades in Electrical, Telecommunications and Refrigeration/Air-conditioning. Councillor McGee has previously worked for the Cloncurry Shire Council, firstly as an Electrician then Trades Foreman and Water and Sewerage Foreman. In 2003 Councillor McGee started his own Electrical and Refrigeration Company. Councillor McGee employs approximately 15 staff and proudly sponsors many Cloncurry groups. Councillor McGee has extensive knowledge in Council's assets and brings his knowledge and experience to support the Cloncurry townships vision for the future. Councillor McGee's focus for his term include, ensuring locals have preference for employment, providing local business development and opportunities, kerbing and sealing of town streets, town beautification, improvement to town water mains, storm water drainage and sewerage upgrades.

Chief Executive Officer Report

A message from David Bezuidenhout

The 2018/2019 has been a massive year for Cloncurry. Not only have we been non-stop with all the normal projects, in February 2019 we witnessed one of the most significant natural disasters in over 100 years – the February Monsoon Trough Disaster Event. The support we received from the Army, Federal and State Governments, business, charities and not for profit organisations and individuals was significant but most importantly I am proud of the efforts of our Council and our community as we recover and rebuild.

I have been in the Chief Executive Officer position for over 12 months and I have certainly enjoyed working with the Councillors, Staff and meeting members of the community during this time.

Over the 2018/19 Financial year a large focus has been placed on flood recovery, repairing and rebuilding vital infrastructure and delivering a number of key events across the Shire. Council has continued to meet the objectives to ensure our towns are well serviced, our natural resources are used wisely, our local economy is diverse and strong, and the Local Government administration works collaboratively with the community to achieve our aspirations.

Council delivered considerable achievements in the projects area during 2018/19 which included:

- Heavy Vehicle Rest Area Upgrade
- Dajarra Airstrip Fence
- Burke & Wills Airstrip resurfacing
- Dajarra Amenities Block

- 7708 Roadworks
- Flood Damage Remediation works

A number of significant projects are still under construction and I would like to thank the community for their patience whilst the works are being carried out. These projects will greatly enhance liveability, aesthetics and accessibility and I look forward to their completion very soon.

- Sheaffe Street Stage 3
- Florence Clark Park Redevelopment – including new amenities block and waterpark
- Carl Katter Bridge Upgrade

These achievements are testament to the skill and dedication of the Councillors and staff.

The 2018/19 financial year has been full of activity and it is a credit to the community groups and committees for their hard work and putting on some spectacular events which brings people together, stimulates the local economy which has been especially important following the disaster:

The 2018/19 events included:

- NAIDOC week celebrations
- Seniors week
- Beat the Heat Festival
- Dajarra Christmas Event
- Cloncurry Christmas Festival
- Local Business Network Functions
- Australia Day celebrations
- Hosted the Prime Minister Hon. Scott Morrison – visit to view Flood Recovery efforts
- Curry Day
- Easter egg hunt
- ANZAC day and
- NRL Intrust Supercup Game

Cloncurry Shire Council has been committed to supporting local community groups and events throughout the financial year with the abovementioned projects and events.

The 2019/20 Financial year is well underway and I am looking forward to working with the Council and Staff to continue to deliver great outcomes for the Shire. The following will continue to be priority areas:

- Planning and delivery of projects in the most prudent and efficient way, while ensuring collaboration with all stakeholders throughout the life cycle of each project
- Development and implementation of Strategic Plans, including effective systems and procedures to ensure long term operational results
- Encourage innovation and business improvements to ensure economic growth and healthy financial position
- Continue to drive a culture change based on moral values

We have much to be proud of here in Cloncurry and the North west. I look forward to working with the Council, staff and community as we enter the next financial year which is already proving to be a busy year as well as the Local Government elections which will be in March 2020.

David Bezuidenhout
Chief Executive Officer

Performance Highlights

Council is delivering on the vision for the region captured in the Corporate Plan 2016-2021. These desired outcomes form the basis of the organisation's Annual Operational Plan 2018/19. A selection of achievements is highlighted throughout this Annual Report.

Building our Economy

Our local economy is built upon the strengths and innovations created within the transport, agricultural and mining sectors.

Lobbied State and Federal Government to invest royalties back into the communities from which they are generated.

- Completion of annual sealing and re-sealing programs, particularly the Local Roads re-sealing projects partly funded by the Works 4 Queensland Program.
- Completion of Flood Damage Restoration program.
- Market blocks of land at the Industrial estate.
- Upgrade to set down area at the Saleyards
- Review Councils website and social media platforms to ensure they are engaging and relevant.
- Completion of Eastern Stormwater Stage 2 project.

Aerial view of works being delivered on Sheaffe St. Stage 2

Building & Maintaining Infrastructure

Fiscally responsible when it comes to maintenance and implementation of infrastructure and assets.

- New initiatives by Local Business Network Group, such as the Shop Local gift cards and town maps.
- Redevelopment of Florence Clark Park.
- Undertake development of Carl Katter Bridge from Single lane to dual lane bridge.
- Local businesses supported through sound procurement practices including a local advantage.
- Upgrade of Perkins street; kerb and channel, new pavement and seal under works 4 Queensland Program.
- Completion of Stage 2 of Sheaffe Street.

Investing in our Lifestyle

Safe, affordable, attractive, family friendly and accessible community that provides a desirable place to live and work. Affordable and equitable access to community support systems providing a range of health, education, family, social and aged services.

- Upgrades to the Burke & Wills Airstrip.
- Lobby for a full time youth officer.
- Lobby government and airlines for well structured and ongoing local fares
- Improve greenspace by installing irrigation at the racecourse
- Council building strong relationships with the mining sector to identify benefits for the local community.
- Increase tourist numbers through Cloncurry Unearthed Visitor Information Centre.

Protecting our Environment

Our natural resources are used wisely to ensure the ongoing protection of the cultural heritage, environmental values and landscape amenity.

- Review of Animal Control Program.
- Planning undertaken to meet sewerage and waste management compliances.
- Compliance with statutory obligations for environmental health.
- Investment in feral animal control baiting program.

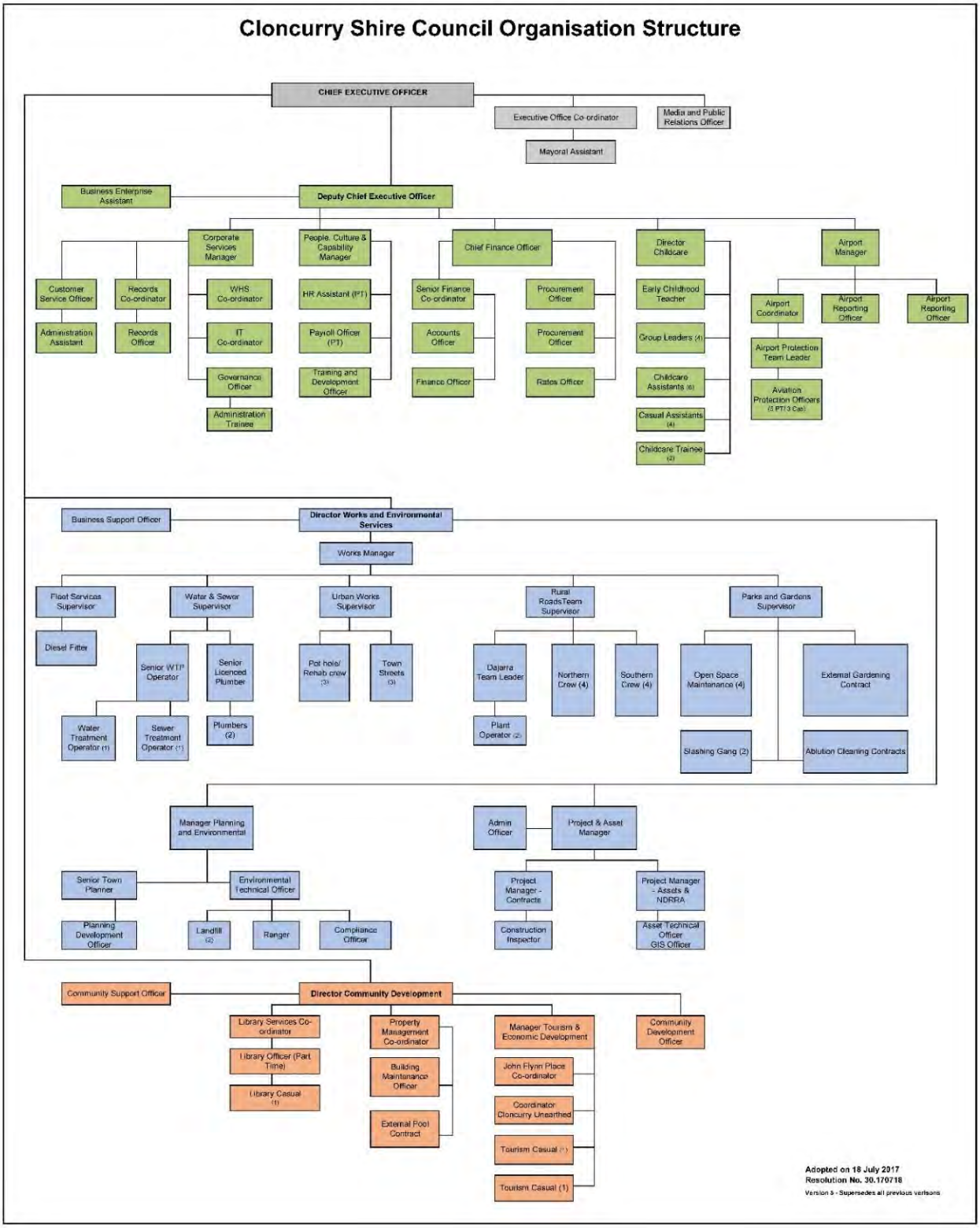
Effective and Inclusive Governance

Proactive Council that works collaboratively with residents, stakeholders and other levels of government.

- Review and implementation of the Annual Operational Plan.
- Review and implementation of Chinaman Creek Dam Emergency Action Plan.
- Implementation of a new Internal Audit Plan.
- Councillor attendance at Annual LGAQ Conference.
- Achievement of acceptable Sustainability Ratios.
- Conduct LDMG Meetings.
- Implementation of Asset Management Policy, Strategy and Plans.
- Review of Council policies and procedures.
- Development and implementation of the Human Resources Strategy.

Organisation Structure

Council 's Organisational Structure was adopted 19 July 2017. A further review was completed during the 2019-2020 Budget processes on 16 July 2019.



Community Financial Report

Section 184 of the *Local Government Regulation 2012* requires Council to prepare a Community Financial Report which summarises Council's financial performance and position for the reporting period 1 July 2018 to 30 June 2019.

The purpose of the Community Financial Report is to reduce the complexity of the formal reporting so as to present the same information in a format that is less technical and easily understood by members of the community.

To obtain a full appreciation of the Council's overall financial performance and financial position, the Community Financial Report should be read in conjunction with the Audited Annual Financial Statements (refer Annexure A) for the period 1 July 2018 to 30 June 2019.

A Snapshot of the Financial Year 2018/19

Cloncurry Shire Council has had a solid 2018/19 financial year.

Operating revenues have increased from the prior year along with an increase in expenditure. This has resulted in an Operating loss of $270,822 with a Comprehensive Profit (including Capital items) of $22,265,576.

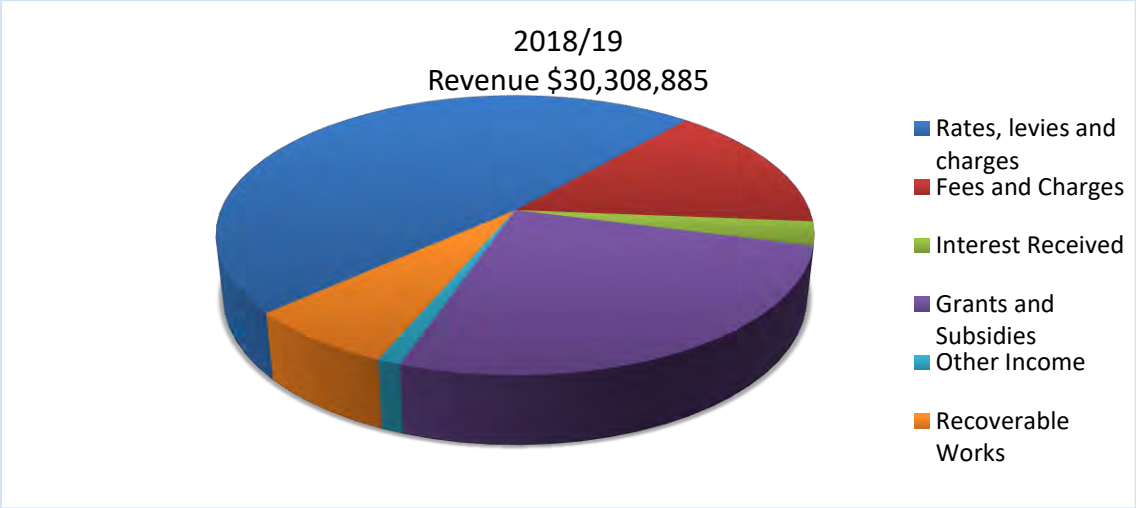
Total assets increased by $27,487,166. This includes $14,692,835 in roads and other assets and an increase in cash reserves of $12,120,140 mainly due to advance payments in NDRRA funding, while at the same time liabilities increased due to Council increasing loan funding arrangements.

Below is a summary of Cloncurry Shire Council's financial statements (Operating) for the year ended 30 June 2019.

Income Statement			
Income		**2018-19**	**2017-18**
Operating Revenue		$30,308,885	$27,165,541
Total Income		**$30,308,885**	**$27,165,541**
Expenses			
Recurrent Expenses		$30,579,707	$29,062,354
Total Expenses		**$30,579,707**	**$29,062,354**
Net Result			
Net Result		**$-270,822**	**$-1,896,813**

Revenue – where did the money come from?

Council received $30,308,885 in operating revenue and other income for the 2018/19 financial year. Revenue has increased by $3,143,344 between this financial year and last financial year.



Grants and Subsidies
Grants and subsidies contribute more than a third of Council's revenue base. For the year ended 30 June 2019 revenue sourced from grants and subsidies totalled $7,949,779 excluding Capital grants, which represents 26.2% of total revenue. Grants and subsidies flow to Council from various entities, including State and Federal Governments.

Rates, levies and charges
Rates, levies and charges include the levy for general rates, as well as charges for the provision of the following services as appropriate; water, sewer and refuse collection. The value of rates, levies and charges was $14,573,380 which equates to 48.1% of the Shire's total revenue.

Services revenue - Recoverable works
A secondary source of income for Council is Services Revenue. Services revenue was $2,115,890 which was 7.0% of total revenue. This includes revenue from the Department of Transport and Main Roads contracts such as the Road Maintenance Performance Contract as well as recoverable works revenue.

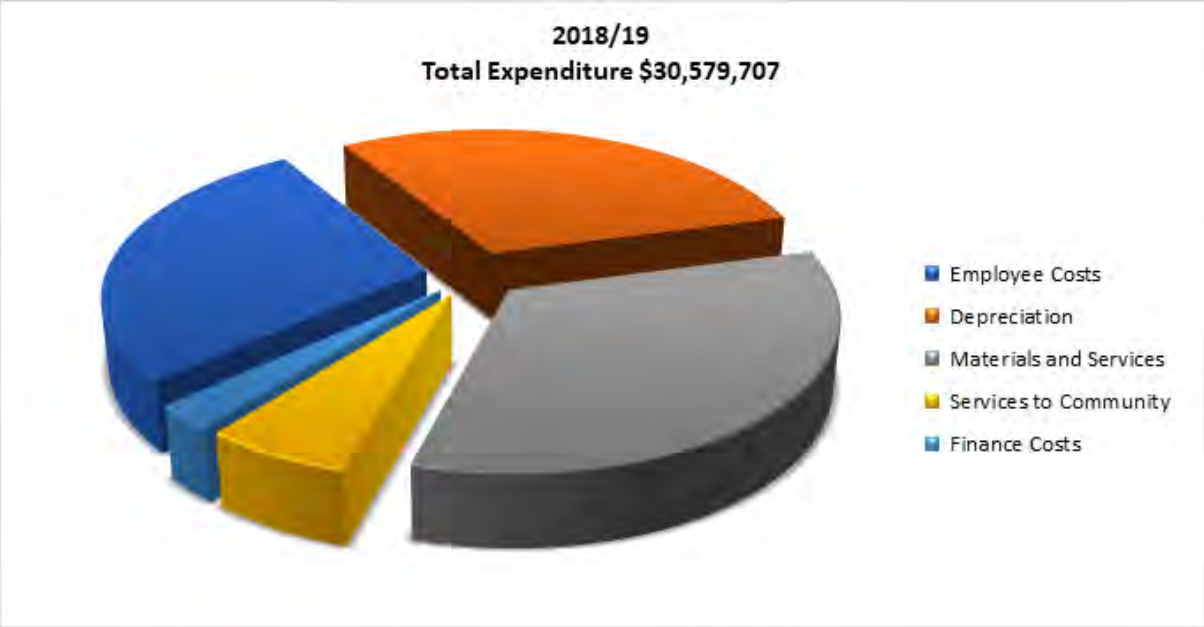
Interest Income
Council received $833,089 of interest representing 2.7% of revenue in the 2018/19 financial year. This was $75,503 more than the previous year due to the higher value of cash invested at slightly decreased interest rates.

Fees and Charges
Includes revenue from Council owned businesses such as the Saleyards, Airport, Curry Kids Childcare Centre and Council functions where fees are charged such as developmental fees, service connection fees, venue hire fees, airport usage fees and various registration fees. Fees and charges for 2018/19 are $4,511,358 and 14.9% of total.

Other Income
Consists of revenue from rental of Council owned and maintained properties. This revenue stream includes St Andrews Garden Settlement and net proceeds from the disposal of property, plant and equipment. The amount totalled $325,389.

Expenses – where was the money spent?

Council's total expenditure for the 2018/19 financial year was $30,579,707. This is an increase of $1,517,353 as compared with the previous financial year.



Materials and Services
Material and services costs are the second largest expense item for Council. For the year ended 30 June 2019 these costs totalled $10,943,612. The main items of Materials and Services expenditure are infrastructure operations and maintenance, community services, business services costs and corporate and management services costs.

Depreciation
Depreciation is an accounting method based on the recognition principle of allocating the cost of an asset over its useful life. Useful lives will vary depending on the type and age of an asset. As depreciation costs are applied against the majority of assets it forms the largest non-cash cost to Council. For the year ended 30 June 2019 depreciation costs totalled $9,657,756.

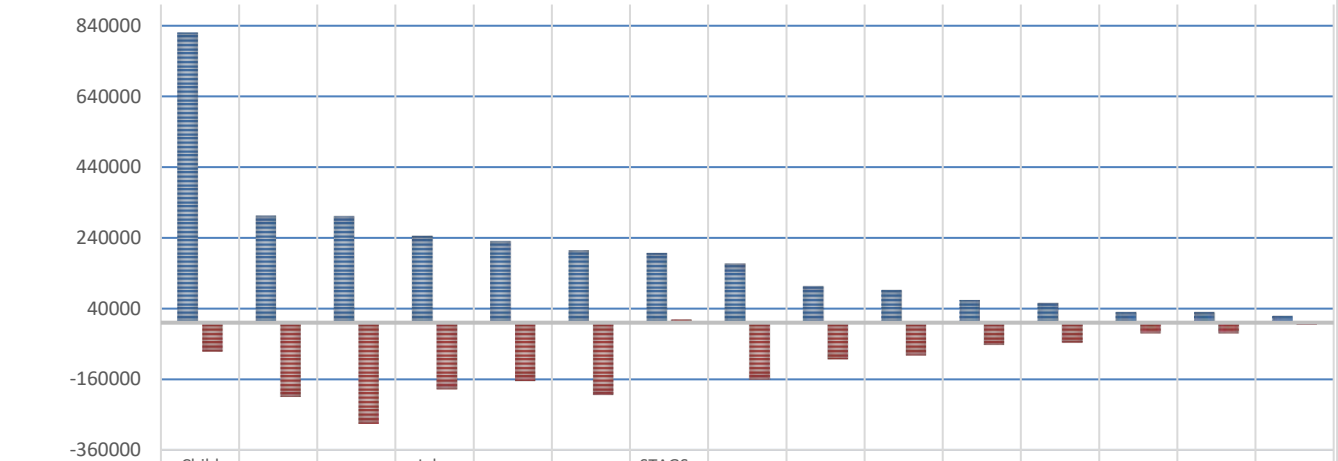
Employee Costs
Employee benefits are the third largest cost to Council. For the year ended 30 June 2019 it totalled $9,108,507 which consists of staff wages and salaries, leave entitlements and superannuation, as well as Councillor's remuneration.

Finance Costs

Finance costs for the year ended 30 June 2019 was $869,832, the majority of finance costs is interest paid on council's borrowings, at 30/6/2019 borrowings totalled $13,625,026 and includes a drawdown of $4,500,000 borrowed in June 2019 as council's contribution towards the Sewerage Treatment Plant upgrade.

Services to Community

In accordance with the Corporate Plan 2016-2021 and the key strategic directive is to make our shire a safe, affordable, family friendly and accessible community. Council provided $2,022,712 in financial support for community facilities and programs including Parks and Recreation reserves, John Flynn Place, Swimming Pool, Equestrian Centre, Library, Flinders Medical Centre, Aged Care facility and PCYC.



	Child Care Facility	M K Park	Rec Res	John Flynn Place	Library	Swim Pool	STAGS - Aged Care	Equest. Centre	Flinders Medi Ctr	Comm. Grants	PCYC	W'being Events	School Chaplain	Youth Projects	CWA-C S House
Operating Exp	820335	302643	301325	245419	230855	205000	197125	167593	102996	92092	63862	56076	30000	29564	18825
Surplus/ (Deficit)	-81357	-209933	-286053	-188841	-165039	-205000	8788	-161171	-102996	-92092	-63862	-56076	-30000	-29564	-6435

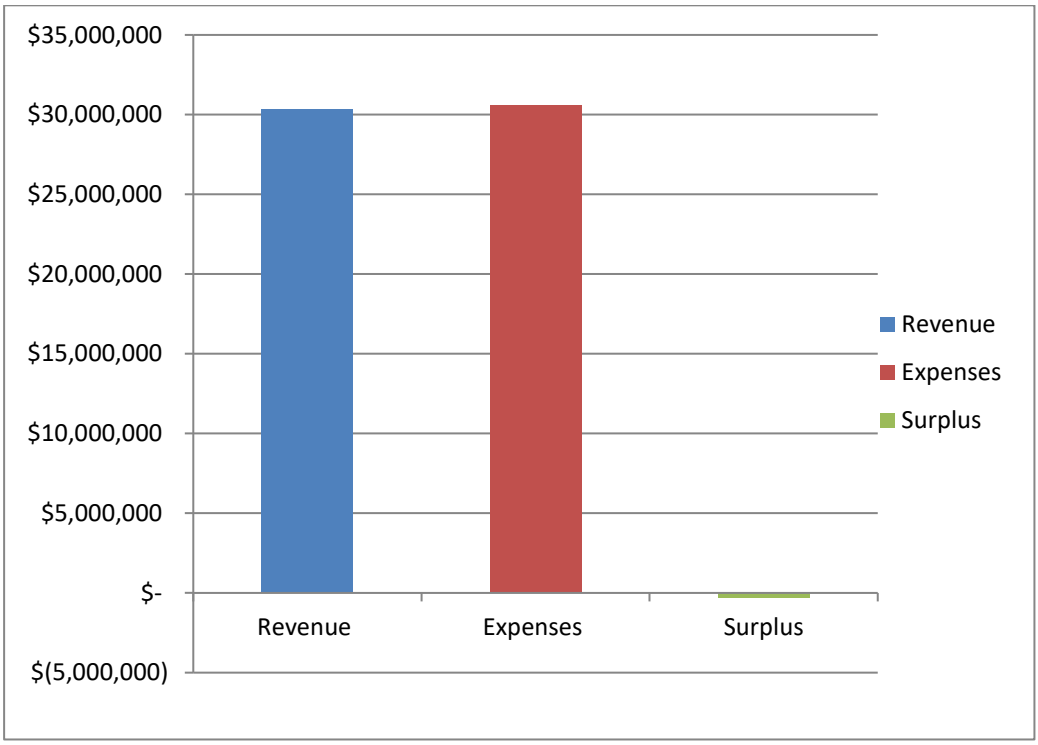
Capital Expenditure

In 2018/19 Council delivered a $23.2M capital expenditure program. A total of $24.976M of assets were written on to the books which reflected the years capital expenditure program and amounts of works in progress from prior years which were completed in 2018/19.

Net Result – Revenue minus expenditure

The difference between the revenue and the expenses mentioned above represents the surplus/deficit of Council. This does not include capital revenue and expenditure however does include any adjustments for asset revaluations.

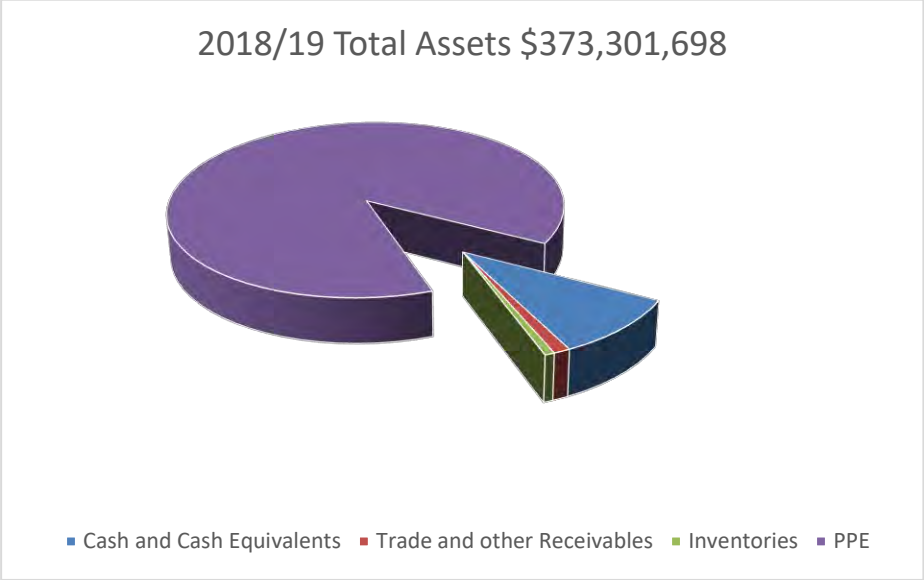
For 2018/19 the deficit was $-270,822. This is represented in the Financial Performance graph below:



Assets - What We Own?

Community Assets comprise of physical and non-physical assets and include cash, trade and other receivables, land, buildings, machinery, water, sewerage and road infrastructure.

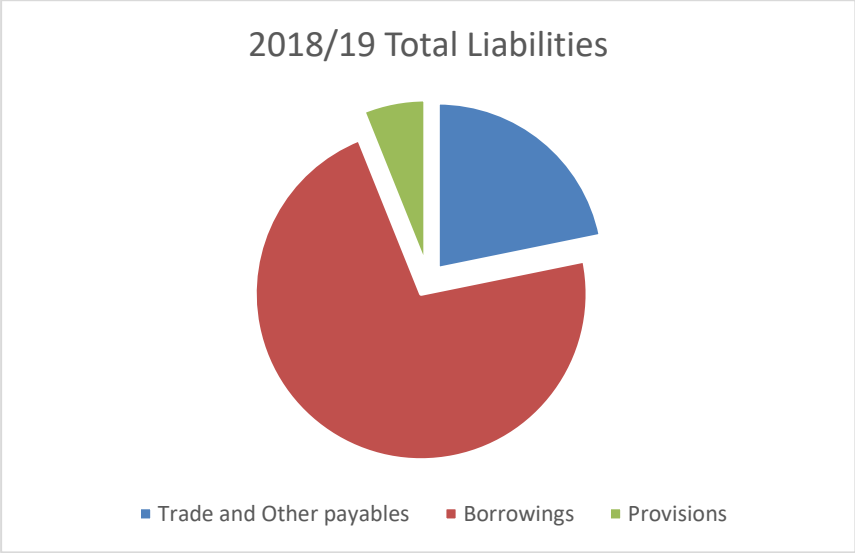
For the year ended 30 June 2019 the value of Council's assets was $373,301,698 of which $43,051,521 was current assets and $330,250,177 was non-current assets.

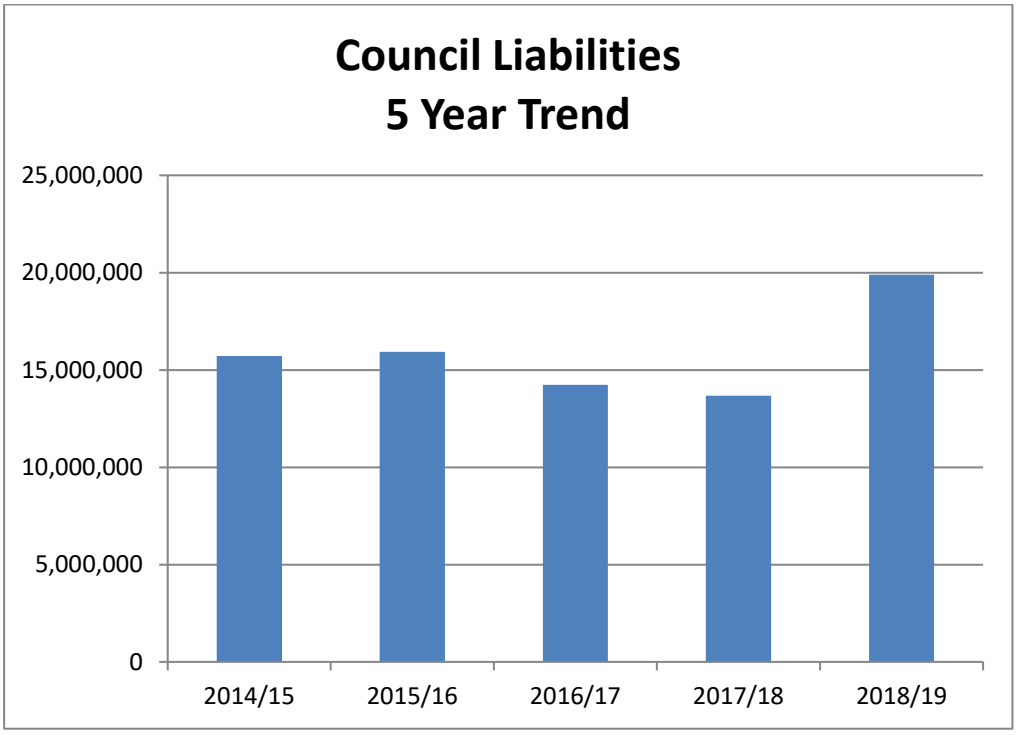


Liabilities - What We Owe?

Community Liabilities are mainly comprised of borrowings, monies owed to suppliers and provisions to meet employee entitlements such as long service leave and annual leave.

For the year ended 30 June 2019 total liabilities totalled $18,892,757 which are split into current liabilities of $5,509,693 and non-current liabilities of $13,383,064.

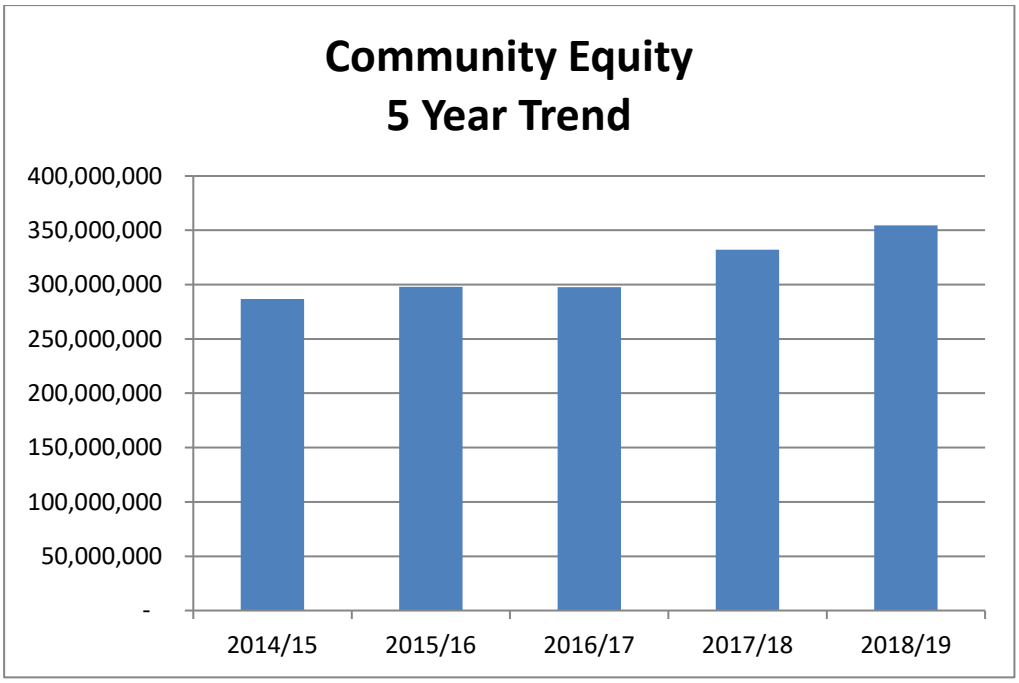




The increase in total Liabilities was borrowings of $4,500,000 to provide funding for the Sewerage Treatment Plant upgrade.

Community Equity – Council's net worth

Council's community equity is defined as its net worth – what we own, less what we owe. Cloncurry Shire Council's community equity as at 30 June 2019 was $354,408,942.



Measures of Financial Sustainability

The Audited Financial Statements which support this Community Financial Report (refer Annexure A), indicates that the Council has performed well in the 2018/19 financial year and has finished with a strong financial position. Council concluded the year with a net increase in cash flow of $12,120,140 mainly due to the timing of the flood damage road repair program. Council has sufficient funding to cover its present and future obligations into the foreseeable future.

Cloncurry Shire Council will continue a commitment to sound financial management through long term financial planning to ensure its ongoing financial sustainability.

Financial Sustainability Ratios

Indicator	2017/18 Ratio	Target	Description
Asset sustainability ratio	153%	Greater than 90%	The extent to which infrastructure assets are being renewed as they reach the end of their useful lives.
Operating surplus ratio	-1%	Between 0% – 10%	The extent to which revenues raised cover operational expenses.
Net financial liabilities ratio	-80%	Not greater than 60%	An indicator of the extent to which the net financial liabilities of Council can be serviced by its operating revenues.

Council has a good result in all three measures of sustainability with the Operating Surplus ratio just shy of the target, the 2019-20 annual budget is forecasting a return to surplus and the ten-year forecast model shows that positive trend continuing accompanied by a healthy cash balance.

Key Financial Indicators for Relevant Measures of Sustainability: Budget 2019-20												
Key financial sustainability metrics	Target	Budget	Ten Year Forecast									
		Jun-20B	Jun-21F	Jun-22F	Jun-23F	Jun-24F	Jun-25F	Jun-26F	Jun-27F	Jun-28F	Jun-29F
Operating surplus ratio		0.2%	0.7%	1.8%	2.8%	3.8%	4.5%	5.3%	6.1%	6.5%	6.7%
Net operating surplus divided by total operating revenue	0% to 10%										
Net financial liabilities ratio	<= 60%	-24.2%	-28.5%	-36.2%	-45.9%	-46.8%	-52.4%	-58.1%	-63.3%	-67.6%	-71.7%
Total liabilities less current assets divided by operating revenue											
Asset sustainability ratio	> 90%	325.6%	167.1%	107.8%	108.9%	127.6%	110.2%	111.1%	111.9%	112.7%	113.5%
Capital expenditure on renewal of assets divided by depreciation expense											
Council controlled revenue ratio	> 60%	68.0%	68.7%	68.8%	68.8%	68.9%	69.0%	69.0%	68.9%	69.1%	69.4%
Rates & Charges plus Fees divided by Total Operating Revenue											
Total debt service cover ratio		7.71	7.58	8.03	8.53	9.03	11.12	12.17	12.94	13.64	14.67
Operating Result + Depreciation +Interest Exp / Interest Exp + Prior Yr Borrowing cost	> 2 times										

Corporate Services Report

A message from Director Corporate Services, Martin Cookson

The Corporate Services Directorate encompasses Council owned businesses, namely Cloncurry Airport and the Cloncurry Saleyards and also oversees the corporate functions of Council; Finance, Corporate Governance, Information Technology, Human Resources, Records, Customer Service, Workplace Health and Safety, Land Sales and Acquisitions and the administration of the cemetery and stores.

Our People

The 2018/2019 year has again been a busy time with employee recruitment, reward and wellbeing initiatives being the main focal points.

Some significant changes in our Executive Leadership Team through the year saw Council welcome Chief Executive Officer, David Bezuidenhout; Leanne Tu'ipulotu was appointed Director Community Development and Martin Cookson appointed Director Corporate Services.

Adjustments to Council's Organisation Structure were made to enhance Council's ability to maintain and increase our provision of services to the Community of Cloncurry Shire.

The significant flood event earlier this year provided a variety of challenges and our people demonstrated aptitude and resilience to meet these head on. Congratulations are in order for our employees at the Airport, Operations teams, Disaster Management and Recovery teams who went above and beyond to facilitate incoming emergency response teams and maintain the safety and support of the Community. Our employees not directly involved ensured Council was able to maintain the normal functions, services and support for the Community.

As a result of this flood event, the Queensland State Government extended funding under the Skilling Queenslanders for Work First Start Program. Council was able to engage an additional five (5) trainees with the intent of skill-building for members of the community.

Council's Human Resources Strategy was adopted in May 2019 and is aimed at improving the level of service delivery to our community through workforce development. The HR Strategy will focus on enhancing recruitment and selection, improving communication, staff training and rewards and recognition. These initiatives are aimed at making Council an employer of choice by attracting and retaining a highly skilled workforce. In early 2019, Council adopted a Parental Leave policy that provides additional financial support to our employees embarking on parental leave.

In addition to Council's Employee Recognition of Service, new monthly reward initiatives were introduced to enhance safety, productivity and teamwork by encouraging peer to peer recognition of employee's contributions and achievements. These new rewards are Above and Beyond; Innovation; and Safety Champion.

Council is committed to building and maintaining a highly skilled and responsive workforce with continuous improvements being made.

Finance

The 2018/19 financial audit went well with an unmodified set of Financial Statements for the Cloncurry community with only three issue raised by the auditors. The Financial Statements provide an overview of Council's financial performance and financial position for the year. They also represent the quality of Council's internal control environment and procedures to ensure potential risks can be minimised. Focus will continue to be placed on our financial management and accounting practices to ensure decision making is linked to strategic objectives and deliverables that assist in achieving financial sustainability.

Our finance team has continued to improve to our financial processes and internal controls enabling the team to provide up to date data to the key stakeholders and ensure that all statutory and regulatory obligations are met.

The proposed upgrading of the financial accounting system commenced in 2018/19 with demonstrations by two suppliers and this comprehensive review will continue in 2019/20.

Council finished the year with a $270,822 operating deficit and a cash balance of $36M of which $9M was an advance payment from the Natural Disaster Relief and Recovery Arrangements (NDRRA). More details regarding Council's financial performance and financial position can be viewed in the Community Financial Report and also the full Financial Statements included at the end of the Annual Report.

Safety

Emphasis on building a culture where safety is inherent in all activities continues amongst council staff. Safety is an ongoing point of focus for the Council and no value can be placed on how important it is for our staff to perform their duties safely every day and return home to their families. The 2018/19 Safety audits showed improvement and further enhancements planned for our safety management system and on-the-ground safety practices for 2019/20.

Governance, Records Management and Customer Service

A major focus has been on reviewing Council's policies during 2018-19 with sixteen (16) policies updated and adopted including:

- Parental Leave (HRM 3004);
- Complaints about public officials – Section 48A (COR 1035);
- Competitive Neutrality Complaint Management Policy (COR 1036);
- Work Health & Safety Policy (COR 1009);
- Roadside Vending Policy (WES 1006) and
- Council Motor Vehicle Private Use Policy (COR 1003).

After the last local government elections, the Crime and Corruption Commissions undertook Operation Belcarra due to receiving numerous complaints about the conduct of candidates for several Councils, including Gold Coast, Ipswich, Moreton Bay and Logan. It found widespread non-compliance with legislative obligations relating to local government elections and political donations which was largely caused by a deficient legislative and regulatory framework. The Commission provided 31 recommendations to strengthen equity, transparency, integrity and accountability in local governments throughout Queensland.

Legislative amendments were also made to implement the Government's response to the Independent Councillor Complaints Review Panels Report *Councillor Complaints Review: A fair, effective and efficient framework*. The Report made 60 recommendation for change and resulted in a new Councillor complaints system which was commenced in December 2018.

The Independent Assessor and the Office of the Independent Assessor were established and have the responsibility for investigating and dealing with the alleged or suspected inappropriate conduct, misconduct or corrupt conduct of Councillors.

As a result, The Department of Local Government, Racing and Multicultural Affairs provided local governments with model policies and procedures. Several policies have been introduced and adopted by Council including:

- Investigation Policy (COR 1034);
- Meeting Procedures (COR 1022-01); and
- Code of Conduct for Councillors Governance Policy (COR 1023).

A review of policies was undertaken, which included:

- Standing Orders (COR 1022);
- Gifts and Benefits Policy (COR 1016); and
- Acceptable Requests Guidelines – Councillor's Request for information from Officers (COR 1024)

Statutory policies such as the Investment Policy (COR 1007), Debt Policy (COR 1006) and Revenue Policy (COR 1005) were reviewed and adopted as part of the Budget process.

Council adopted a reviewed Asset Management Policy (WES 1004) and associated Strategy in January this year.

Council's Records Management Team was instrumental in initiating an inaugural forum of the Queensland Records Network Group with the assistance from John de Zant of Corp Mem. The Forum was held in Townsville in October with representatives from 8 Council attended along with guest presenters from Queensland State Archives, Office of the Information Commission and Records Information Management Professionals of Australia.

Council's Records Manager, Janine Sutton further attended the Queensland branch symposium of the Records Information Management Professionals of Australia as a sponsored guest in November 2018.

Our Customer Service officers have provided service to the community through incoming telephone calls, over the counter inquiries and contact made by email.

Cloncurry Airport

Within the Cloncurry Shire, there are two main Council Airstrips; Cloncurry Airport and Dajarra Airstrip. These assets are vital to Council and the wider community throughout the North West Region. The Cloncurry Airport provides essential transport for Cloncurry residents and fly-in/fly-out employees. The Airport hosts fifteen flights per week, with nine commercial domestic flights and six fly-in/fly-out charter flights.

The Cloncurry Airport passenger numbers remained strong throughout 2018/19, with a total of 59,211 passengers travelling through the facility. Cloncurry Airports annual turnover, increased by 5.3% in 2018/19, to a reported $2.9million for the financial year; thereby providing revenue for maintaining airport infrastructure. Several significant repair and maintenance projects are expected to occur in the 2019/20 financial year; as the Airports perimeter exclusion fence, taxiway and stormwater drainage systems were damaged from the unprecedented flood disaster in February 2019. These projects will be funded from insurance claims and council funds.

	2016/17	2017/18	2018/19
Total Passengers	53,812	59,184	59,211
Annual Turnover	$2,259,269	$2,837,134	$2,987,965

In the 2018/19 financial year, funding was received for developments at the Dajarra Airstrip. The ongoing management of animals in the aerodrome grounds is a major issue that has the potential to jeopardise the provision of aero-medical flights. To increase the safety of the airstrip, Council was successful in receiving funding from the Department of Infrastructure, Transport, Cities and Regional Development's Remote Airstrip Upgrade (RAU); component of the Regional Aviation Access Program (RAAP) ($51,195). The funding will be used to upgrade the

Completed fence at Dajarra Airstrip (August 2019)

Airstrip's perimeter fence with a new exclusion fence. Completion of works will be in August 2019.

The Burke and Wills Airstrip is located in the Cloncurry Shire; whilst not an asset of Council,

Cloncurry Shire assisted in obtaining funding for significant earthworks that occurred at the airstrip to assist with weather-proofing the strip. The upgrade was essential to ensure that the airstrip will continue to be serviceable to the broad, vast area throughout the entire year. The project was funded by the Royal Flying Doctor Service (RFDS) ($150,000) and Department of Transport and Main Roads ($250,000).

Saleyards

The Cloncurry Saleyards is the second largest cattle-handling facility in Queensland. To further enhance the facilities, Council was successful in receiving additional funding in 2018/19, from the Federal Government's Heavy Vehicle Safety and Productive Program ($983,000) and the State Government's Building Our Regions Program ($947,300). The funding will be used to upgrade the heavy vehicle rest area at the Bill Harrington Municipal Saleyards ("Dirty Yards"). Works will be completed in September 2019.

In 2018/19, 208,224 head of cattle were processed through the yards. Compared to 2017/18, cattle movements through the Cloncurry Saleyards decreased by 4.1%, from the previous year's 217,212 head. The downturn of cattle movements can be directly related to the shortages of cattle in the Northern Region from the February 2019 flood disaster and majority of Australian States being severely affected by drought conditions. As a result, the annual turnover of the Saleyards decreased by 15.5% in the 2018/19 financial year, compared to 2017/18. Overall, the devasting past and ongoing environmental events have not only significantly impacted the Cloncurry Saleyards, but primary producers throughout the region. *Total Cattle is sum of cattle dipped, spelled and clean cattle that are weighed.

	2016/17	2017/18	2018/19
Total Cattle*	237,137	217,212	208,224
Annual Turnover	$863,637	$778,793	$657,895

Works and Environmental Services Report

During 2018-19 Council's Department of Works and Environmental services continued to deliver and maintain critical infrastructure and services to support the current and future needs of the Cloncurry Shire.

This requires significant money to be invested each year to undertake renewal and maintenance works of Council's infrastructure assets.

Completed heavy vehicle rest area at the Bill Harrington Municipal Saleyards (September 2019)

Capital Works

During the 2018-19 year the following capital works renewal projects were undertaken:

- Footpath Renewals $143,000
- Bitumen reseal program $986,000
- Kerb and Channel Renewal $206,000
- Sheaffe Street – Stage 2 Completion $1,980,000
- Eastern Stormwater Stage 3 & 4 works $445,000
- General Waste facility stormwater upgrade $190,000
- Water main renewal $87,000
- Town Street upgrade program $629,000
- Sewerage Treatment Plant upgrade $1,499,500
- Bridge Renewal (Carl Katter Bridge design) $341,000
- Water Treatment Plant – Turbidity sensors renewal $59,000
- Road Restoration (QRA funded 2017 & 2018 events) $13,123,000

Natural Disasters

In February 2019, the Cloncurry Shire Council region was impacted by a Monsoonal Trough extending across North and North West Queensland. The associated rainfall and flooding caused widespread damage to the region including Council's road infrastructure. It was declared a natural disaster event by the Queensland Government.

Council can access funds under the Natural Disaster Relief and Recovery Arrangements to repair assets to their pre-disaster event condition. The Queensland Reconstruction Authority has approved works to the value of $25Million for Cloncurry Shire Council to repair damage caused to its transport network from this event. Emergent works (approximately $691,104 in value) was spent to restore roads for access which were completed within 12 weeks from the event. Permanent repairs to roads effected by this disaster event will commence in the second half of the 2019 calendar year.

Maintenance and Operational Works

Council's infrastructure asset inventory consists of:

- 1,445km of gravel roads
- 170km of sealed roads
- 8.3km of supply water mains
- 40km of reticulated water mains
- 9 water pump stations
- 26.2 km of sewer mains
- 9 sewer pump stations
- A Water Treatment Plant located in Cloncurry
- Sewerage Treatment Plants located in Cloncurry and Dajarra
- Buildings and other structures

Council has a strong focus on ensuring the longevity and sustainability of these assets through improved asset maintenance and planning processes.

Contracts

In addition to Council's funded programs and projects, Council undertakes routine maintenance work via a Road Maintenance Performance Contract (RMPC) contract with the Department of Transport and Main Roads. This contract covers Cloncurry - Duchess Rd and Ramsay Street through the Cloncurry township.

Council's works crews completed all works as required under the contract within budget and within the required timeframes.

Infrastructure Planning

The Infrastructure Planning team delivers asset management, infrastructure planning and some front-end engineering design services.

The team are focused on reviewing and updating Council's asset management plans and asset registers in the areas of:

- Roads
- Water
- Sewerage
- Buildings
- Other Structures

The team undertake regular traffic counts throughout the Shire.

Planning and Environment

In 2018-19 Council's Planning and Environment team continued to focus on ensuring improved compliance with the requirements of the Cloncurry Shire Planning Scheme 2016 throughout the year.

A regular report is presented to Council's General meetings outlining the status of current and previous compliance and enforcement activities.

In 2018-19, a planning project commenced to look at developing an overall Cloncurry Streetscaping Masterplan. This report is still in draft form and there will continue to be opportunities for the community to provide their input into this report via a public consultation process prior to its adoption by Council.

In the Environment space, Council continues to support land holders with an annual 1080 baiting program in line with Council's Biosecurity Plan. Other activities also include:

- food premises inspections and licensing
- drinking water quality monitoring and reporting
- sewerage effluent quality monitoring and reporting
- dam safety monitoring and reporting
- disaster management support

Community Development Report

A message from Director Community Development, Leanne Tu'ipulotu

Cloncurry Shire Council aims to ensure the viability and future of our community and to provide an inviting place for people to raise their families in our outback setting and prosper in the friendliest shire in North West Queensland.

In the 2018/2019 financial year, the strategic direction of Community Development sought to encourage social wellbeing and to foster opportunities for increased social connectedness.

Australia Day

Australia Day celebrations for 2019 started on Friday 25 January with a dive-in movie at the pool to watch Wreck-It Ralph. On Saturday 26 January a Community Breakfast & Awards Ceremony was held, which included an address from Narelle Teese, Cloncurry's Australia Day Ambassador for 2019.

The Australia Award recipients were as follows:

- Citizen of the Year – Sarah Harvey
- Young Citizen of the Year – Mikaela Tapp
- Dave Watt Memorial Junior Sports Award – Grace Abdy
- Senior Sports Award – Shayman Shepherd
- Sports Administrator Award – Denis & Belinda Imhof
- Cultural Award – Tania Laffey
- Achievement Award – Lorene Chandler
- Achievement Award – Allan Abdy
- Achievement Award – Gail Wipaki
- Achievement Award – Susan Curley
- Sarus Crane Environmental Award – Gary Baker
- Mayor's Community Spirit Award – Cloncurry Lion's Club
- Community Event/Organisation of the Year Award – Beat the Heat Festival

A Citizenship Ceremony was also held in conjunction with the Awards where we welcomed 4 new Australian Citizens to our community.

Following the 2019 Awards Ceremony, celebrations continued with the annual Sports afternoon including the Bush Cricket Competition and Tug-O-War. The afternoon was thoroughly enjoyed by all.

Cloncurry Christmas Festival

The Christmas Tree was erected in the Courtyard of the Community Precinct, where the annual Christmas Festival was held on the 30 November 2018. Santa made an appearance and gave out a present for each child. The Lions Club cooked a community BBQ for everyone.

The inaugural Local Talent Contest! The entrants all provided great entertainment for the crowd, with the Cloncurry Ukulele Group taking out the Victory. We also had Sarah Harvey return with her Violin, Carols with David Whitehead & the Cloncurry Carollers group for the crowd to sing along with. The night was enjoyed by all, and approximately 200 people from the Community attended.

A special Christmas Lunch was held for all seniors living in and around Cloncurry on 11 December 2018 at Discovery Park. A Christmas lights competition was held, and the Christmas Markets also returned to the Cloncurry Precinct on Saturday 29 & Sunday 30 December.

Dajarra Community Christmas

Dajarra Community Christmas was held on Tuesday 20 November following the Cloncurry Shire Council Meeting which was held in Dajarra.

The children from Dajarra enjoyed fun on the water slide provided by the PCYC and a special visit from Santa, who arrived with gifts for everyone. The Community then enjoyed a Community BBQ which was cooked by the Dajarra SES Crew.

Beat the Heat Festival

In September 2018 Council introduced a new festival – the Beat the Heat Festival! The festival ran over five days, Wednesday 5-9 September 2018. The Festival included a Meet & Greet BBQ at Cloncurry Unearthed, where visitors and locals could mingle and make new connections. The festivities continued on Friday night with the Street Party, which included the Curry Cook-Off, Mine Cart Race and entertainment from Kasey Chambers. Saturday saw the Spring Races and the official opening of the Ernest Henry Art Show Competition. On Sunday Council hosted a Dam Day & Markets at the Chinaman Creek Dam. The Day included Stand Up Paddle Boarding, swimming and refreshments for the whole family.

The weekend was a great success, with the community enjoying the weekend, as well as many visitors and tourists attending. The festival generated increased revenue for the businesses of Cloncurry due to the visitors to town for the festival.

Activities for Seniors

Cloncurry Shire Council received funding from the Queensland Government and Council on the Ageing to host Seniors Week 2018 from the 20-26 August. The festivities included a High Tea to open the Seniors Art Exhibition, Luncheon and Bowls at the Bowls Club, a Dinner and Bingo/Trivia Night at the Leichhardt Hotel along with a cake and celebration at the Sunday Markets.

Cloncurry Seniors Garden Competition was also held and was open to all seniors living in Cloncurry with various categories and showcased some of the town's best gardens. The winners were:

- Grand Champion Garden - Loretta Smith
- Best Garden (Owned) 1st Place - Stewie McIntosh
- Best Garden (Owned) 2nd Place - Helen Monize
- Best Garden (Owned) 3rd Place - Irene Stewart
- Best Garden (Rented) 1st Place - Gloria Wright
- Best Garden (Rented) 2nd Place - Poppy Pilcher
- Best Garden (Rented) 3rd Place – Felisicisma Bellchambers

Christmas Lunch was a hit again this year with over 50 Seniors attending a luncheon held at the Discovery Parks Dining Hall and celebrated a wonderful year for the Cloncurry Seniors.

Cloncurry Water Tank Mural

During September and October 2018 Joel Fergie was engaged as the artist to paint a mural on the water tank at the Lookout. Joel is an experienced artist that specialises in large scale mural. The design for the mural was informed by consultations with key community member. The mural features two local young people and various images of local history and landmarks.

Community & Disaster Recovery

Following the Monsoonal Trough & Floods of February 2019 Cloncurry Shire Council developed a 'Local Recovery Action Plan' to support the recovery of the Cloncurry Shire from the Monsoonal Trough weather event and the subsequent North West flooding which occurred in February 2019.

Council's Community Recovery work has included repairing and restoring all essential services at homesteads across the shire, implementing a Carcass Disposal Plan for deceased livestock and wildlife, supporting and assisting people to access emergency hardship grants and funding and developing and delivering a range of community wellbeing activities to support those affected by the floods. .

A copy of the Local Recovery Action Plan can be found on Council's Website

Cloncurry Local Business Network

The Cloncurry Local Business Network has delivered a number of initiatives that have encouraged people to shop locally and promoted local businesses.

The Cloncurry Local Gift Card Program continued into 2018/2019 with the successful program seeing a total of $70,859 loaded onto vouchers since the commencement in May 2018. Out of the load value a total of $32,901.70 was redeemed in the 35 registered stores.

The 2018 Christmas Shop Local Campaign ran from 7 November to 16 December 2018. There were 18 local businesses that participated in the campaign. 3,531 entry forms were placed into the barrel with an estimated spend of $176,550. A total prize pool of $4000 was given out, this included prizes of 10x

$50, 10x $100, 3x $500 and 1x $1,000 vouchers, drawn in two draws on 30 November and 17 December 2018.

The first Cloncurry Local Business Network Awards night was held on Saturday 20 October 2018. Eight awards were handed out to local businesses in categories for:

- Start-Up Superstar Award – CQ Field Mining Services
- Movers & Shakers Award – Cloncurry Tyres & Batteries
- Workforce Warrior Award – K&R Contracting
- Construction & Trades Titan Award – Oz E Cool
- Community Champions Award – Central Hotel
- Radical Retail Award – Central Hotel
- Tourism & Events Award for Excellence – Cloncurry & District Show Society
- Mining Master Award – Ernest Henry Mining

The Cloncurry Local Business Network received a grant from the Department of Employment, Small Business and Training to hold a small business week networking function in May 2019. The event saw some 70 people attend the dinner to share ideas on small business and listen to the guest speaker on the night.

Photo: Winners of the 2018 Cloncurry Local Business Network Awards

Photo: Small Business Week May 2019 Networking Function

Economic Development Strategy

The 2019-2024 Cloncurry Economic Development Strategy was adopted on 22 January 2019. The economic development strategy is the first for Cloncurry with the aim of driving economic growth throughout the Shire. The Strategy sets out a number of long and short term actions to be delivered over the next five years. The Building Better Regions Funding received from the Federal Government allowed Council to complete this plan and commence work on the Bush Tucker Garden. The garden is located in the grounds of Mary Kathleen Park will be completed in September 2019 as part of a native food trial and tourism product. It is expected that this garden which includes a yarning circle will be used for tourism tours.

Tourism Highlights

In 2018/2019, the Cloncurry Unearthed Visitor Information Centre and Museum recorded 16,030 Visitors through the Information Centre and 3,454 visitors through the museum. Cloncurry Unearthed held a movie night as part of the twilight markets in February 2019. A successful Curry Day was held on 17 March 2019 in the Mary Kathleen Park. During the Curry Day celebrations Council officially opened the Drill Rig in the outdoor Museum. Donated by Ernest Henry Mining the Jumbo Drill Rig became a highlight addition to the outdoor museum in the Mary Kathleen Park.

Photo: Jumbo Drill Rig Official Opening

Photo: Council stand at Curry Day 2019

John Flynn Place Museum recorded 5,387 visitors through the museum during 2018/2019. To celebrate 30 years since the John Flynn Place Museum opened on Thursday 4 October 218 the museum staff along with the Friends of John Flynn Place held a dinner in the front courtyard. John Flynn Place held free community movie nights throughout 2019 in March, April and May. The 90th Birthday celebration of the Pedal Radio occurred in June 2019.

The celebrations were combined with the Cloncurry and District Show on Friday 14 June 2019. The Friends of John Flynn Place presented at the show the history of the pedal radio and first correspondence. Following the presentation guests visited the John Flynn Place Museum.

Photos: Friends of John Flynn Place Presentation for the 90th Birthday of the Pedal Radio

Bob McDonald Library

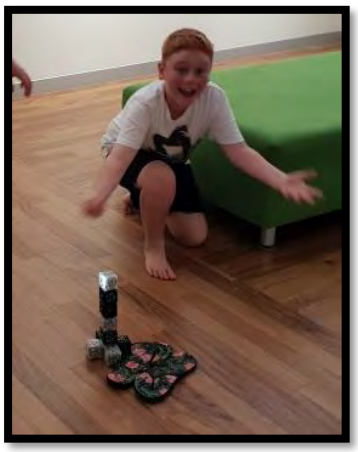
2018/19 was a great year for Bob McDonald Library. 13,823 people visited the Bob McDonald Library. We have added 187 new memberships to our library database with local and tourist members borrowing over 9,500 items during the year. There were some 250 events held in the library such as First 5 Forever, Mums & Bubs, School Holiday Boredom Busters, Coding Australia, and teaching tourists and locals how to be tech savvy on computers/laptops/tablets/phones.

Council has delivered the First 5 Forever program since 2015 with funding from State Libraries Queensland with funding extended to 2021. This program aims to provide strong early literacy foundations for all Queensland children aged 0-5 years. Christmas at Bob McDonald Library was special as we gave out over 40 First 5 Forever book bags filled with books, puppets, songs, t-shirt and more to children that visited the library.

Weekly Storytime sessions have grown with some 20 children and adults joining in each week to 'Talk, Sing, Read, and Play'. Blue Care members drop in sometimes to watch too.

We had a special visitor, Kate Knapp, Author and Illustrator of Ruby Red Shoes books where 63 children and adults attend our Storytime session.

The library received funding from State Library of Queensland for the purchase of coding and technology equipment. In addition to the usual assortment of books and DVDs at the library, our resources now include Ozobots, BeeBots, MBots, Cubelets, OSMO kits, Spheros, Photon Robots, BBC Micro:bits, LEGO Education WeDo 2.0 Basic sets, and Dash Robots. The library staff were provided with professional development and learning about these resources so that we can offer coding and robotics for School Holiday Sessions and develop an after-school activity in Cloncurry.



Later in the year, Council was very fortunate to have Code Club Australia hold a workshop. They shared Scratch programming with us and with their assistance, the kids made moisture sensors with Micro:bits.

In April 2019, we hosted Cilla and her team from Blue Gum Farm TV in the Shire Hall. They held a theatre/dance workshop with the children and followed up with the kids and crew performing Koala Rumba. Over 145 children of all ages joined us for the performance.

Curry Kids Early Learning Centre

Council is committed to provide high quality education and childcare for children aged 3 months to 5 years old. Curry Kids Early Learning Centre provides a safe, nurturing, natural environment for children to thrive. A key focus is on delivering the Early Years Learning Framework to ensure the children's development milestones are being taught. To assist with the learning outcomes of the Kindy children a Smart Board was purchased and has been installed in the Kindy Room.

Council secured funding under the Works 4 Queensland program and one of the deliverables under this funding was improvements to the outdoor space at Curry Kids. The works included upgrades to the Tweenies/Toddlers playground area, a mural on the back fence as well as other improvements to the centre to make it more enjoyable for children, parents and staff.

Property and Facility Management

During 2018-19 Council has carried out improvements to many of the community facilities, such as:

- New fencing at the Rec Grounds
- Terracing at the Equestrian Centre
- Irrigation at Cloncurry Unearthed and around the Rec Grounds Kiosk
- Construction of an outdoor space for Performers using the Shire Hall
- Construction of new public restrooms in Dajarra

Improvements have been made to several Council's houses including: fencing upgrades to improve security, refurbishment of a property in Burke Street and external painting of 6 houses.

Regular maintenance and improvements continue to be implemented at St Andrews Garden Settlement (STAG). This includes the installation of new RCDs to all units to ensure that a safety device that switches off electricity automatically if there is a fault. New smoke alarms have been installed to meet the new legislation and irrigation to improve the watering of the outdoor spaces.

Statutory Requirements

The following information includes the legislative disclosure requirements of the *Local Government Act 2009* and related regulations for the 2018/19 Annual Report.

Local Government Act 2009

Section 41 requires the Annual Report to contain a list of all the beneficial enterprises that the Local Government conducted during the Financial Year.

During the period Council did not conduct any beneficial enterprises.

Section 45 requires the Annual Report to:

a. Contain a list of all the business activities that the Local Government conducted during the Financial Year.

   During the period Council operated the following business activities:

   - ***Curry Kids Early Learning Centre***
   - ***Cloncurry Airport***
   - ***Library***
   - ***Saleyards***
   - ***Waste Collection***
   - ***Water and Sewerage Supply***
   - ***Roads***

b. Identify the business activities that are significant business activities.

   None of the above activities satisfied the statutory threshold for classification as a significant business activity.

c. State whether or not the competitive neutrality principle was applied to the significant business activities, and if the principle was not applied, the reason why it was not applied.

   Council has no significant business activities, therefore not applicable.

d. State whether any of the significant business activities were not conducted in the preceding financial year, i.e. whether there are any new significant business activities.

   Council did not have any significant business activities in the reporting period, therefore not applicable.

Section 201 requires the Annual Report to state the total of all remuneration packages that are payable to the senior management of the Local Government and the number of employees in senior management who are being paid each band of remuneration (each band of remuneration is an increment of $100,000).

Salary Band	Number of Employees
$100,000 - $200,000	3
$200,000 - $300,000	1

Local Government Regulation 2012

s183 Financial Statements

This Annual report contains the general purpose Financial Statements for 2018-2019 which include the current-year financial sustainability statement for the Financial Year, audited by the Auditor-General, the long-term financial sustainability statement for the Financial Year and the Auditor-General's audit reports about the general purpose financial statement and the current-year financial sustainability statement as required under Section 183 of the *Local Government Regulation 2012*

Refer to Annexure A of this report.

s184 Community Financial Report

As presented starting on page 16 of this report.

s185 Particular Resolutions

Section 185 of the *Local Government Regulation 2012* requires the Annual Report to contain a copy of the resolutions made during the Financial Year under (a) Section 250 (1) Requirement to adopt expenses reimbursement policy or amendment, and a list of any resolutions made during the Financial Year under (b) Section 206 (2) Valuation of non-current physical assets.

a. **Expenses Reimbursement Policy**

   The current Expenses Reimbursement Policy was adopted by Council on 25 October 2016 with no further amendments made. This policy is due for review in April 2020.

b. Valuation of non-current physical assets

Moved: Cr Rix **Seconded: Cr V. Campbell**

That Council resolve to increase the asset capitalisation thresholds, effective from 1 July 2018, as presented below:

Asset Class	Capitalisation Threshold	Value of Asset Treated as Expenditure
Plant and Equipment	$10,000	<$10,000
Land	$20,000	<$20,000
Buildings	$20,000	<$20,000
Road, drainage and bridges	$20,000	<$20,000
Water	$20,000	<$20,000
Sewerage	$20,000	<$20,000
Other Structure	$20,000	<$20,000
Work in Progress	$20,000	<$20,000

CARRIED: 20.180619

s186 Councillors

Councillor Remuneration

Under Section 186 (a), (b), (c) of the *Local Government Regulation 2012* Council is required to report on details relating to the total remuneration, including superannuation contributions, paid to each Councillor during the Financial Year, the expenses incurred by, and the facilities provided to each Councillor during the Financial Year under Council's Expenses Reimbursement Policy and the number of Local Government meetings that each Councillor attended during the Financial Year.

Councillor Attendance and Remuneration Schedule

			Meeting Attendance	
Name	**Remuneration**	**Superannuation Contributions**	**Special Meeting**	**General Meetings**
Cr Greg Campbell (Mayor)	$103,918	$0	5	13
Cr Dane Swalling (Deputy Mayor)	$59,952	$0	5	13
Cr Brad Rix	$49,958	$0	5	13
Cr Vicky Campbell	$49,958	$0	5	12
Cr Damien McGee	$48,570	$0	4	11

Councillor Expenses and Facilities Schedule

Name	Mobile devices/ IPad	Phone Allowance*	Council Vehicle	Internet Allowance*	Expenses reimbursed*
Cr Greg Campbell (Mayor)	✓	$900	✓	$0	$136.50^
Cr Dane Swalling (Deputy Mayor)		$600		$960	
Cr Brad Rix	✓	$600		$0	
Cr Vicky Campbell	✓	$600		$0	$434.98#
Cr Damien McGee		$600		$960	

* Figures exclude GST
^ Meal expenses
# Beat the Heat event expenses

Code of Conduct, Complaints and Breaches

Under Section 186 (d), (e), (f) of the *Local Government Regulation 2012* Council is required to report on details on complaints and taking disciplinary action. Council has established and adopted a Code of Conduct for Councillors and Staff. The Code of Conduct Policy is incorporated into the induction process of new staff.

For the period 1 July to 2 December 2018 (former legislation)

s186 (d) (i) - Total number of order and recommendations made under section 180(2) and (4) of the *Local Government Act 2009*

Nil

s186 (d) (ii) – Total number of orders made under Section 181 of the *Local Government Act 2009*

Nil

For the period 3 December 2018 to 30 June 2019

s186 (d) (i) - Total number of order and recommendations made under section 150I (2) and (4) of the *Local Government Act 2009*

Nil

s186 (d) (ii) – Total number of orders made under Section 150AH (1) of the *Local Government Act 2009*

Nil

s186 (d) (iii) – Decisions, orders and recommendations made under Section 150AR (1) of the *Local Government Act 2009*

Nil

For the period 1 July to 2 December 2018 (former legislation)

s186 (e) (i) (ii) (iii) – The name of each councillor for whom an order or recommendation was made under Section 180 of the Local Government Act 2009 or an order was made under Section 181 of the *Local Government Act 2009,* the description of the misconduct of inappropriate conduct engaged in by each of the Councillors and a summary of the order or recommendation made for each Councillor

Nil

For the period 3 December 2018 to 30 June 2019

s186 (e) (i) (ii) (iii) – The name of each councillor for whom a decision, order or recommendation mentioned in paragraph (d) was made, the description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each of the Councillors and a summary of the order or recommendation made for each Councillor

Nil

For the period 1 July to 2 December 2018 (former legislation)

s186 (f) (i) - The number of complaints about the conduct or performance of Councillors for which no further action was taken under Section 176C (2) of the *Local Government Act 2009*.

Nil

s186 (f) (ii) - The number of complaints referred to the department's Chief Executive under Section 176C (3)(a)(i) of the *Local Government Act 2009*.

One (1)

s186 (f) (iii) - The number of complaints referred to the Mayor under Section 176C (3)(a)(ii) or (b)(i) of the *Local Government Act 2009.*

Nil

s186 (f) (iv) - The number of complaints referred to the department's Chief Executive under Section 176C(4)(a) of the *Local Government Act 2009*.

Nil

s186 (f) (v) - The number of complaints assessed by the Chief Executive Officer as being about corrupt conduct under the *Crime and Corruption Act*.

Nil

s186 (f) (vi) - The number of complaints heard by a regional conduct review panel

Nil

s186 (f) (vii) - The number of complaints heard by the tribunal.

Nil

s186 (f) (viii) - The number of complaints to which section 176C (6) of the *Local Government Act 2009* applied

Nil

For the period 3 December 2018 to 30 June 2019

s186 (f) (i) - The number of complaints referred to the assessor under Section 150P (2)(a) of the Act by the local government; a councillor of the local government and the Chief executive Officer of the local Government.

Twelve (12)

s186 (f) (ii) - The number of matters mentioned in Section 150P (3) of the *Local Government Act 2009* notified to the Crime and Corruption Commission.

Nil

s186 (f) (iii) - The number of notices given under Section 150R (2) of the *Local Government Act 2009.*

Nil

s186 (f) (iv) - The number of notices given under Section 150S (2) of the *Local Government Act 2009.*

Nil

s186 (f) (v) - The number of decisions made under Section 150W (a), (b) and (d) of the *Local Government Act 2009*

Nil

s186 (f) (vi) - The number of referral notices accompanied by a recommendation mentioned in Section 150AC (3)(a) of the *Local Government Act 2009*

Nil

s186 (f) (vii) - The number of occasions information was given under section 150AF (4)(a) of the *Local Government Act 2009*

Nil

s186 (f) (viii) - The number of occasions the local government asked another entity to investigate, under Chapter 5A, Part 3, Division 5 of the of the *Local Government Act 2009* for the local government, the suspected inappropriate conduct of a councillor

Nil

s187 Administrative action complaints

Under Section 187 (1) the Annual Report must contain a statement about the Local Government's commitment to dealing fairly with administrative action complaints; and a statement about how the Local Government has implemented its complaints management process, including an assessment of the Local Government's performance in resolving complaints under the process.

Cloncurry Shire Council acknowledges the right of customers to provide feedback, both positive and negative, on the services it provides and the decisions it makes. It also understands that there are occasions when people may wish to lodge a complaint. Our Council will deal with complaints fairly, promptly and professionally and is committed to building the capacity of staff to effectively manage complaints in an environment of continuous improvement. Council adopted it Complaints Management Policy in October 2011 which established a Complaints Process that ensures compliance with the provisions Local Government Act 2009 and Regulations. This Policy aims to achieve an effective and transparent method of responding to complaints regarding Council services, administrative actions and competitive neutrality.

Section 187 (2) of the *Local Government Regulation 2012* requires Council to report the particulars of:

a. The number of the following during the Financial Year:
   i. Administrative action complaints made to the local government;
   ii. Administrative action complaints resolved by the Local Government under the complaints management process;
   iii. Administrative action complaints not resolved by the Local Government under the complaints management process; and

b. The number of administrative action complaints made under paragraph (a) (iii).

Year	*Administrative Complaints received*	*Administrative Complaints resolved*	*Administrative Complaints not resolved*
2017-2018	*8*	*3*	*5*
2018-2019	*6*	*6*	*0*

s188 Overseas Travel undertaken by Councillors or Employees

Section 188 of the *Local Government Regulation 2012* requires Council to report on overseas travel made by a Councillor or Council employee in an official capacity during the Financial Year.

No overseas travel was taken by any Councillors or employees on behalf of the Cloncurry Shire Council in the year ending 30 June 2019.

s189 Grants or Discretionary Funds to Community Organisations

Council is required under Section 189 of the *Local Government Regulation 2012* to provide a summary of the expenditure for the Financial Year on grants to community organisations and from each Councillor's discretionary funds.

The Mayor and the Deputy Mayor did not have any discretionary funds to allocate to community organisations in 2018/2019.

The remaining Councillors opted to forgo $2,000 each of their annual remuneration increase and contributed this to community groups of their choice. Councillor McGee donated $2,000 to Cloncurry State School; Councillor V. Campbell donated $1,000 to the St Joseph's Cloncurry and $1,000 to the Cloncurry & District Show Society and Councillor Rix donated $750 to the Cloncurry Football Club, $750 to Cloncurry State School and $500 to St Joseph's Cloncurry.

Council provides assistance to community organisations by way of donations, sponsorship or the provision of in-kind support.

Total expenditure incurred on grants to community organisations by Cloncurry Shire Council during the year ended 30 June 2019 was $421,724.

In Kind Support to Community Organisations

The total expenditure incurred on in kind support to community organisations during the year ended 30 June 2019 was $15,518.

Community Group	In Kind Support ($)
Stockman's Challenge	$4,378
RSL	$3,330
Cloncurry Show	$2,803
Cloncurry Merry Muster	2,410
Burke & Wills Campdraft	$1,092
Rockhana Gem & Mineral Festival	$878
Quamby All Sports Association	$627
Total	**$15,518**

All figures are rounded to the nearest dollar.

Community Group Rate Exemptions

Cloncurry Pony Club
Cloncurry Golf & Sports Club Inc.
Trustees of Returned Services (RSL)
Assemblies of God Church
Roman Catholic Diocese of Townsville
The Trustees Cloncurry Bowling Club
The Uniting Church of Australia
Mitakoodi Juhnjlar Aboriginal Trust
Girl Guides Association
Corporate of the Synod Diocese of North QLD
Cloncurry Kindergarten Association Inc.
Scout Association of Australia
Roman Catholic Diocese of Townsville
Dajarra Sports Club
The Uniting Church in Australia
Airservices Australia
North West QLD Water Pipeline P/L – Sunwater
North West QLD Pipeline P/L – Sunwater Ltd
State of Queensland
Cloncurry Shire Council

Community Donations and Sponsorships

Community Group	Purpose	Donation ($)
Cloncurry & District Race Club	Donation	$5,000
Cloncurry Show	PM Flood Recovery Donation	$20,000
Cloncurry Show	Cash component - Sponsorship	$13,953
Quamby All Sports Association	Donation	$5,000
Curry Merry Muster Festival	PM Flood Recovery Donation	$20,000
Curry Merry Muster Festival	Cash component - Sponsorship	$17,219
Stockmans Challenge	PM Flood Recovery Donation	$5,000
Stockmans Challenge	Cash component - Sponsorship	$14,956
Dajarra Sports Club	PM Flood Recovery Donation	$5,000
Dajarra Rodeo	Cash component - Sponsorship	$5,000
Flinders Medical Centre	Medical Centre Rental Assistance	$81,818
Flinders Medical Centre	Doctors Housing Assistance	$16,273
Yulluna Aboriginal Corporation	MUTU Reconciliation Week	$5,000
Cloncurry Scouts Formation	Donation	$2,041
Cloncurry NAIDOC Committee	NAIDOC Week celebrations	$3,000
Various Individuals	Bursaries	$3,081
Cloncurry State School	Francis McCalman Bursary	$100
Refund of Hire Fees - ATRA	Donations	$1,164
Refund of Hire Fees - Kindergarten	Donations	$880
Refund of Hire Fees – Touch Association	Donations	$1,058
Burke & Wills Campdraft	Cash component - Sponsorship	$4,300
Cloncurry State School	Chaplaincy Program	$30,000
Rockhana	Rockhana Festival	$2,859
Queensland Country Women's Assn	Rental Assistance	$10,400
Total		**$272,703**

All figures are rounded to the nearest dollar

s190 Other Contents

1. The annual report for a Financial Year must contain the following information:

(a)	The Chief Executive Officer's assessment of the local government's progress towards implementing its 5-year corporate plan and annual operational plan;	Refer page 10-14
(b)	Particulars of other issues relevant to making an informed assessment of the local government's operations and performance in the Financial Year; • Message from CEO • Community Financial Report • Corporate Services Report • Works and Environmental Services Report • Community Development Report	Refer Reports
(c)	An annual operations report for each commercial business unit;	Not applicable
(d)	Details of any action taken for, and expenditure on, a service, facility or activity; (i) Supplied by another Local Government under an agreement for conducting a joint government activity; and (ii) For which the Local Government levied special rates or charges for the Financial Year;	Refer below Refer below
(e)	The number of invitations to change tenders under section 228(7) during the Financial Year;	Refer below
(f)	A list of the registers kept by the local government;	Refer below
(g)	A summary of all concessions for rates and charges granted by the local government;	Refer below
(h)	The report on the internal audit for the Financial Year;	Refer below
(i)	A summary of investigation notices given in the Financial Year under section 49 for competitive neutrality complaints;	Nil
(j)	The local government's responses in the Financial Year on the QCA's recommendations on any competitive neutrality complaints under section 52(3).	Nil

s190 (c) Annual Operations Report for each Commercial Business Unit

Council has no commercial business units to report on.

s190 (d) (i) Arrangements and Contracts with other Local Governments

Council has no matters to report under this section.

s190 (d) (ii) Details of any action taken for, and expenditure on, a service, facility or activity for which the Local Government levied special rates or charges for the Financial Year

Palmer Street Cloncurry

In accordance with *s92 of the Local Government Act 2009* and *s94 of the Local Government Regulation 2012* the Council resolved to levy the following special charge on the rateable land identified to provide for the special benefit to such land in accordance with the Overall Plan adopted at the budget meeting for the 2011/12 financial year.

In relation to the rateable land described as Lot 5 RP743006, located at 19 Palmer Street, assessment 00663-00000-000, Council resolved at the budget meeting for 2011/12 that the old pump station be removed and a new pump station and fence installed. The total cost of these works was $46,350. Council will continue to undertake maintenance to such works.

Given that the work required specially benefited such land, Council, commencing in the 2011/12 financial year, levied a special charge on land at 19 Palmer Street Cloncurry being Assessment No. 00663-00000-000 to recover the costs incurred by Council to remove and install the new facility.

Overall Plan

In relation to the rateable land described as Lot 5 RP743006, located at 19 Palmer Street, assessment 00663-00000-000, the special facility to be provided by Council is the removal of the old pump station and the installation of a new pump station and fence. The total cost of these works was $46,350 and Council will continue to undertake maintenance to such works.

The Special Charge shall be $3,978.75 to be levied annually for a period of 20 years until 2030/31 so that Council may recover the cost of providing this facility. This will cover the initial capital costs incurred by Council to remove and install the new pump station, interest charges and redemption costs to service such capital outlay by Council. Council does and will continue to own and operate this pump station at its cost. If this facility in the future services more than this property, Council shall amend the special charge in accordance with the changed circumstances and the costs still to be recovered will be apportioned across all benefitted rateable lots.

Annual Implementation PLAN

In relation to the rateable land described as Lot 5 RP743006, located at 19 Palmer Street, assessment 00663-00000-000 - Special Charge of $3,978.75 to be levied annually for a period

of 20 years starting from the 2011/12 financial year as set out in the 2011/12 Revenue Statement. The final Special Charge will be levied in the 2030/31 financial year.

This Annual Implementation Plan for the 2018/19 financial year comprises continuation of the recovery of the costs of the capital outlay, interest charges and redemption costs identified in the Overall Plan.

Mine Access Roads

On 29 August 2001 Council resolved to levy a special charge pursuant to *s971 of the Local Government Act 1993* and to adopt an Overall Plan with respect to the following:

- Mining Lease 90068 (bearing Assessment No. 01280-30000-000); and
- Mining Lease 5543, 5551 and 5556 (bearing Assessment No. 01319-30000-000);

Council now intends to amend the Overall Plan pursuant to *s94(9) of the Local Government Regulation 2012* and to adopt an Annual Implementation Plan pursuant to *s94(6) of the Local Government Regulation 2012* for the 2018/19 financial year.
The above Mining Leases will be referred to in this Overall Plan as amended collectively as the "**Rateable Land**".
The Rateable Land is rateable land pursuant to section 93 of the *Local Government Act 2009*.

AMENDMENT TO OVERALL PLAN

Council intends to amend the Overall Plan as set out below for the ongoing maintenance of the Duchess/Phosphate/Trekelano Road ("**the Road**") pursuant to *s94(2)(b) of the Local Government Regulation 2012.*

Service, facility or activity

The tenement holders of the Rateable Land use the Road in association with their activities on the Rateable Land.
The service, facility or activity provided by Council under this special charge is increased maintenance to the Road, including bitumen seal application.
The Road is approximately 53 kilometres in length and is approximately six (6) metres wide along its entire length.
The use that the tenement holders make of the Rateable Land means that the tenement holders specially contributes to the need for greater than usual maintenance of the Road.
The tenement holders also specially benefit from the ongoing additional maintenance undertaken by Council as this includes more frequent application of bitumen seals than would normally be required for average usage of the Road over the term of the Mining Leases.
Council will undertake the additional annual maintenance of the Road which will include bitumen seal applications on the Road approximately every 8 years or sooner as required giving consideration to the damage caused to and impact on the roads as a result of use of the Road by the tenement holders over the term of the Mining Leases.

Estimated cost for carrying out Overall Plan as amended

The estimated cost of carrying out the amended Overall Plan is $1,855,000.

Council has considered the likely impacts of all Mining Leases and has decided to allocate the cost outlined above in the following way:

- Assessment No. 01280-30000-000: to pay 60% of the overall cost;
- Assessment No. 01319-30000-000: to pay 40% of the overall cost.

Council reserves the right to conduct a market review every 3 years of this estimated cost in its discretion, and, should the estimated cost change as a result of any such market review, Council shall further amend this Overall Plan pursuant to *s94(9)(a) of the Local Government Regulation 2012*.

The above amount has been estimated in reliance on engineering advice to Council and based on past expenditure to maintain similar roads for a similar purpose within the Cloncurry Shire local government area.

AMENDED OVERALL PLAN

Activity	Annual Allowance $
Description of service Bitumen Reseal of Duchess/ Phosphate/ Trekelano Road total kilometres - 53 @ forecast cost of $35,000 per km in 2023-24 Total cost of work	$ 1,855,000
Bitumen Reseal (annual allowance for reseal in eight years, commencing 2016-17 – per annum up to and including 2023-24	$231,875
Total for 2018-19	**$231,875**

Estimated time for carrying out the Overall Plan as amended

The estimated time for carrying out the Overall Plan as amended is 8 years commencing in 2016/17.

Annual Implementation PLAN

Council intends to adopt the Annual Implementation Plan for the 2018-19 financial year as follows, pursuant to *s94(6) of the Local Government Regulation 2012.*

The expected cost of the Annual Implementation Plan for each year of the Overall Plan as amended is set out below:

Work required	Expected cost of work in 2018-19 financial year
Maintenance activities, being local bitumen seal application and crack sealing, bitumen seal application as required as pavement surface deteriorates, and additional works incidental to same which are required because the activities of the tenement holders on the Rateable Land specifically contributes to the additional costs incurred by Council to undertake the maintenance of the Road.	$231,875

ANNUAL IMPLEMENTATION PLAN

Year	Assessment Annual Allocation	01319-30000-000 40%	01280-30000-000 60%	Total
1	2016/17	$92,750	$139,125	$231,875
2	2017/18	$92,750	$139,125	$231,875
3	2018/19	$92,750	$139,125	$231,875
4	2019/20	$92,750	$139,125	$231,875
5	2020/21	$92,750	$139,125	$231,875
6	2021/22	$92,750	$139,125	$231,875
7	2022/23	$92,750	$139,125	$231,875
8	2023/24	$92,750	$139,125	$231,875

The costs to implement the Annual Implementation Plan will be allocated as follows:-

- Assessment No. 01280-30000-000: to pay 60% of the overall Annual Implementation Plan cost;
- Assessment No. 01319-30000-000: to pay 40% of the overall Annual Implementation Plan cost.

Pursuant to *s95 of the Local Government Regulation 2012*, Council shall carry any unspent special charges forward to a later financial year, should there be surplus funds after the annual implementation plan for each year of the Overall Plan (as amended) is carried out.

All rates & charges must be paid within 31 days of date of issue.

s190 (e) Invitations to Tenderer's to change their Tender

There were 7 instances during 2018/19 financial year where persons who had submitted a tender to Council were invited to change their tenders.

s190 (f) Registers and Public Documents

The following registers and publications are held by Council and are available for viewing by members of the public on request; charges may be applicable for copies:

- *Register of Interests – Councillors*
- *Register of Roads*
- *Register of Regulatory Fees and Charges*
- *Register of cost-recovery fees*
- *Asset Register*
- *Register of Delegations*
- *Local Laws Register*
- *Policy Register*
- *Contracts Register*
- *Grants Register*
- *Land Record*

The following registers and publications are held by Council and are not available for viewing by members of the public:

- *Register of Interests - Councillors' Related Persons*
- *Register of Interests - Chief Executive Officer*
- *Register of Interests - Chief Executive Officers' Related Persons*
- *Register of Interests - Senior Contract Employees*
- *Register of Interests - Senior Contract Employees Related Persons*
- *Councillor conduct Register*
- *Record of unsuitable meeting conduct orders*
- *Record of the taking of declaration of office*
- *Record of declaration of material personal interest*
- *Record of declaration of conflict of interest*
- *Record of financial management risks and control measures*
- *Record of administrative action complaints*
- *Gifts and Benefits Register*
- *Register of Related Party Transactions*
- *Councillor Information Requests Register*

Other information available to the public can be downloaded electronically from www.cloncurry.qld.gov.au

- *Minutes of Ordinary and Special Meetings*
- *Corporate Plan*
- *Operational Plan*
- *Annual Budget*
- *Annual Report / Financial Statements*

s190 (g) Summary of all concessions for rates and charges granted by the local government

The Revenue Policy was adopted at the Ordinary Meeting held on 19 June 2018.

10.6 Revenue Policy Report

Moved: Cr Swalling **Seconded: Cr Rix**

That Council adopt the Revenue Policy COR 1005 v4.1 in accordance with Section 193 of the *Local Government Regulation 2012* for the 2018/19 financial year.

CARRIED: 19.180619

The Revenue Statement was adopted at the Special Meeting held on 24 July 2018.

6.1.8 ADOPTION OF BUDGET

Moved: Cr V. Campbell **Seconded: Cr Rix**

Pursuant to section 107A of the *Local Government Act 2009* and sections 169 and 170 of the *Local Government Regulation 2012*, Council's Budget for the 2018/19 financial year, incorporating:

- **i. The statements of financial position;**
- **ii. The statements of cash flow;**
- **iii. The statements of income and expenditure;**
- **iv. The statements of changes in equity;**
- **v. The long-term financial forecast;**
- **vi. The revenue statement;**
- **vii. The revenue policy (adopted by Council resolution on 19 June 2018);**
- **viii. The relevant measures of financial sustainability; and**
- **ix. The total value of the change, expressed as a percentage, in the rates and utility charges levied for the financial year compared with the rates and utility charges levied in the previous budget,**

as tabled, be adopted.

CARRIED: 19.180724

Rebate of Rates to Pensioners (as per Revenue Statement)

At Council's discretion, a rebate of 20% (to a maximum of $200 per annum) of the gross rates and charges levied may be granted to aged, widowed, invalid or other pensioners who are eligible to receive the State Government Pensioner Rate Subsidy. They must reside on the land in question and use it only as their principle place of residence. The land in question must not be used for any other purpose such as for commercial or agricultural purposes. This rebate/concession compliments the subsidy that is offered under the State Government's Pensioner Rate Subsidy Scheme.

Concession from General Rates (as per Revenue Statement)

Council will upon written application, consider the remission of whole or part of the general rate levied upon entities or organisations who meet the criteria detailed in Section 120 of the Local Government Regulation 2012. Further details are included in Council Donations to Community Organisations Policy.

s190 (h) Report on the internal audit for the Financial Year

The internal audit for the 2018/19 Financial Year was undertaken by Partner In Business and concentrated on Council's Procurement processes and Stores Operations. The matters that have been addressed since this time have resulted in a lower risk profile for Council in relation to those matters (based on number of items).

As per the Internal Audit Plan, Council and the Internal Auditor focused on the Procurement, Tendering and Contracting area for the 18/19 financial year.

Audits and other activities undertaken in 2018/19 included the monitoring of the actions resulting from internal and external audit recommendations.

s190 (i) A summary of investigation notices given in the financial year under section 49 for competitive neutrality complaints

Council received no complaints under s49 in 2018/19 financial year.

s190 (j) Local Government responses in the financial year on the QCA recommendations on any competitive complaints under section 52 (3)

Council received no complaints under s49 in 2018/19 financial year and was therefore not required to provide any responses.

Annexure A –
2018/19 Audited Financial Statements

Annexure A

Cloncurry Shire Council

Financial Statements

for the year ended 30 June 2019

Cloncurry Shire Council
Financial statements
For the year ended 30 June 2019

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Cloncurry Shire Council
Statement of Comprehensive Income
For the year ended 30 June 2019

	Note	2019 $	2018 $
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3(a)	14,573,380	13,809,720
Fees and charges	3(b)	4,511,358	4,868,711
Rental income	3(c)	325,389	254,755
Interest received	3(d)	833,089	757,586
Sales revenue	3(e)	2,115,890	1,340,749
Grants, subsidies and contributions	4(a)	7,949,779	6,134,020
		30,308,885	27,165,541
Capital revenue			
Grants, subsidies and contributions	4(b)	22,606,992	11,839,000
Total revenue		52,915,877	39,004,541
Capital income	5	(70,594)	17,234
Total income		52,845,283	39,021,775
Expenses			
Recurrent expenses			
Employee benefits	6	(9,108,507)	(8,310,550)
Materials and services	7	(10,943,612)	(9,562,928)
Finance costs	8	(869,832)	(707,094)
Depreciation	9	(9,657,756)	(10,481,782)
		(30,579,707)	(29,062,354)
Total expenses		(30,579,707)	(29,062,354)
Net result		22,265,576	9,959,421
Other comprehensive income			
Items that will not be reclassified to net result			
Increase / (decrease) in asset revaluation surplus	19	-	24,398,122
Total other comprehensive income for the year		-	24,398,122
Total comprehensive income for the year		22,265,576	34,357,543

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

Cloncurry Shire Council
Statement of Financial Position
As at 30 June 2019

	Note	2019 $	2018 $
Current assets			
Cash and cash equivalents	10	36,134,773	24,014,633
Trade and other receivables	11	4,342,494	3,627,997
Inventories	12	2,574,254	2,844,404
Total current assets		43,051,521	30,487,034
Non-current assets			
Property, plant and equipment	14	330,250,177	315,327,498
Total non-current assets		330,250,177	315,327,498
Total assets		373,301,698	345,814,532
Current liabilities			
Trade and other payables	16	4,118,575	2,597,341
Borrowings	17	842,079	645,921
Provisions	18	549,039	503,589
Total current liabilities		5,509,693	3,746,851
Non-current liabilities			
Trade and other payables	16	-	-
Borrowings	17	12,782,947	9,125,026
Provisions	18	600,117	799,290
Total non-current liabilities		13,383,064	9,924,316
Total liabilities		18,892,757	13,671,167
Net community assets		354,408,942	332,143,365
Community equity			
Asset revaluation surplus	19	95,899,443	95,899,443
Retained surplus		258,509,498	236,243,922
Total community equity		354,408,942	332,143,365

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

Cloncurry Shire Council
Statement of Changes in Equity
For the year ended 30 June 2019

	Note	Asset Revaluation Surplus	Retained Surplus	Total
		$	$	$
Balance as at 1 July 2018		95,899,443	236,243,922	332,143,365
Net result				
Other comprehensive income for the year			22,265,576	22,265,576
Increase in asset revaluation surplus		-	-	-
Total comprehensive income for the year		-	22,265,576	22,265,576
Balance as at 30 June 2019	19	95,899,443	258,509,499	354,408,942
Balances as at 1 July 2017		71,501,321	226,284,501	297,785,823
Net result		-	9,959,421	9,959,421
Other comprehensive income for the year				
Decrease in asset revaluation surplus		24,398,122	-	24,398,122
Total comprehensive income for the year		24,398,122	9,959,421	34,357,543
Balance as at 30 June 2018		95,899,443	236,243,922	332,143,365

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

Cloncurry Shire Council
Statement of Cash Flows
For the year ended 30 June 2019

	Note	2019 $	2018 $
Cash flows from operating activities			
Receipts from customers		24,585,997	22,248,494
Payments to suppliers and employees		(22,081,517)	(20,488,923)
		2,504,480	1,759,571
Interest received		833,089	757,587
Rental income		288,914	285,883
Non capital grants and contributions		7,427,063	5,845,636
Borrowing costs		(743,448)	(568,472)
Net cash inflow (outflow) from operating activities	25	10,310,099	8,080,205
Cash flows from investing activities			
Payments for property, plant and equipment		(24,976,167)	(17,133,972)
Proceeds from sale of property plant and equipment	5	325,136	113,773
Grants, subsidies, contributions and donations		22,606,992	11,839,000
Net cash inflow (outflow) from investing activities		(2,044,039)	(5,181,199)
Cash flows from financing activities			
Proceeds from borrowings		4,500,000	-
Net Repayment of borrowings		(645,920)	(585,232)
Net cash inflow (outflow) from financing activities		3,854,080	(585,232)
Net increase (decrease) in cash and cash equivalents held		12,120,140	2,313,774
Cash and cash equivalents at the beginning of the financial year		24,014,633	21,700,858
Cash and cash equivalents at the end of the financial year	10	36,134,773	24,014,633

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

1 Significant accounting policies

1 (a) Basis of preparation

These general purpose financial statements are for the period 1 July 2018 to 30 June 2019 and have been prepared in compliance with the requirements of the Local Government Act 2009 and the Local Government Regulation 2012.

These financial statements have been prepared under the historical cost convention, except for the revaluation of certain non-current assets.

Recurrent/ Non-recurrent classification

Non-recurrent Revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets. It also includes non-cash contributions which are usually infrastructure assets received from developers.

The following transactions are classified as either "Non-recurrent Income" or " Non-recurrent Expenses" depending on whether they result in accounting gains or losses:

- disposal of non-current assets
- discount rate adjustments to restoration provisions
- revaluations of investment property and property, plant and equipment

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

1 (b) Statement of Compliance

These general purpose financial statements comply with all accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to Council's operations and effective for the current reporting period. Because the Council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS), to the extent these inconsistencies are applied, these financial statements do not comply with IFRS. The main impacts are the offsetting of revaluation and impairment gains and losses within a class of assets, and the timing of the recognition of non-reciprocal grant revenue.

1 (c) Constitution

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

1 (d) Adoption of new and revised Accounting Standards

AASB 9 Financial Instruments

This year Council has applied AASB 9 Financial Instruments for the first time. This replaces AASB 139 Financial Instruments: Recognition and Measurement,. The standard introduces a new impairment model that requires impairment provisions to be based on expected credit losses, rather than incurred losses.

On 1 July 2018, date of initial application, Council re-assessed the classification, measurement category and carrying amount of each financial instrument listed below in accordance with AASB 9. As a result, original measurement category measured at amortised cost was left unchanged. Carrying amounts were also unchanged.

Financial asset / liability	Measurement category (unchanged)
Cash and cash equivalents	Amortised cost
Receivables	Amortised cost
Borrowings	Amortised cost

AASB 16 Leases

Council has also applied AASB 16 Leases. The new standard removes the lease classification for lessees and requires all leases, including operating leases to be recognised on the balance sheet. Definition of a lease is also amended and is now the new on/off balance sheet test for lessees.

Leases in which the Council is a Lessee

Council has assessed impacts of the new standard and there has not been deemed to be a material impact to the financial report.

Leases in which the Council is a Lessor

Council has assessed impacts of the new standard and there has not been deemed to be a material impact to the financial report.

Some Australian Accounting Standards and Interpretations have been issued but are not yet effective. Those standards have not been applied in these financial statements. Council will implement them when they are effective. The standards that are expected to have a material impact upon council's future financial statements are:

Standard and impact	Date council will apply the standard
AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities and AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities	
AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-to-profit (NFP) entities, in conjunction with AASB 15, and AASB 2016-8. These Standards supersede the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions.	1-Jul-19

Identifiable impacts at the date of this report are:

Some grants received by the Council will be recognised as a liability, and subsequently recognised progressively as revenue as the Council satisfies its performance obligations under the grant. At present, such grants are recognised as revenue upfront.

Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. Council receives several grants from the Federal Government and State Government for which there are no sufficiently specific performance obligations these are expected to continue being recognised as revenue upfront assuming no change to the current grant arrangements.

Depending on the respective contractual terms, the new requirements of AASB 15 may potentially result in a change to the timing of revenue from sales of the Council's goods and services such that some revenue may need to be deferred to a later reporting period to the extent that the Council has received payment but has not met its associated performance obligations (such amounts would be reported as a liability in the meantime).

Prepaid rates will not be recognised as revenue until the relevant rating period starts. Until that time these receipts will be recognised as a liability (unearned revenue). There will be no impact upon the recognition of other fees and charges.

Based on Council's assessment, if Council had adopted the new standards in the current financial year it would have had the following impacts:

- Revenue decrease of $9,158,650 due to deferral of grant funding based on the facts available to Council as at 30 June.
- there would be an equal reduction in the reported equity as the reduced revenue will require an increase in recognition of deferred income liabilities,
- net result would be lower on initial application as a result of decreased revenue.

A range of new disclosures will also be required by the new standards in respect of the Council's revenue.

Transition method

Council intends to apply AASB 15, AASB 1058 and AASB 2016-8 initially on 1 July 2019, using the modified retrospective approach.

The recognition and measurement principles of the standards will be retrospectively applied for the current year and prior year comparatives as though the standards had always applied, consistent with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

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

Where necessary judgements, estimates and assumptions have been used in preparing these financial statements. Those that have a significant effect or risk of causing an adjustment to Council's assets or liabilities relate to :

Valuation and depreciation of property, plant and equipment - Note 14
Impairment of property, plant and equipment - Note 14
Provisions - Note 18
Contingent liabilities - Note 21

Non-cash contributions

Non-cash contributions with a value in excess of the recognition thresholds, are recognised as revenue and as non-current assets. Non-cash contributions below the thresholds are recorded as revenue and expenses.

Physical assets contributed to Council by developers in the form of road works, stormwater, water and wastewater infrastructure and park equipment are recognised as revenue when the development becomes "on maintenance" (i.e. the Council obtains control of the assets and becomes liable for any ongoing maintenance) and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. All non-cash contributions are recognised at the fair value of the contribution received on the date of acquisition.

1 (f) Financial assets and financial liabilities

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

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

Financial assets
Cash and cash equivalents - Note 10
Receivables - measured at amortised cost - Note 11

Financial liabilities
Payables - measured at amortised cost - Note 16
Borrowings - measured at amortised cost - Note 17

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

Cloncurry Shire Council does not recognise financial assets or financial liabilities at fair value in the Statement of Financial Position.
All other disclosures relating to the measurement and financial risk management of financial instruments are included in Note 27.

1 (g) Rounding and comparatives

The financial statements are denominated in Australian Dollars and have been rounded to the nearest $1. Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

1 (h) Taxation

Council is exempt from Commonwealth taxation except for Fringe Benefits Tax and Goods and Services Tax ('GST'). Council is also exempt from State Payroll Tax.

2 Analysis of results by function

2 (a) Components of Council functions

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

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

Finance and information
Finance and information provides professional finance and information services across all of Council. This function includes budget support, financial & management accounting, internal audit, policies and procedures, records, staff management including human resources and payroll, WHS and information technology services. The goal of this function is to provide accurate, timely and appropriate information to support sound decision making and meet statutory requirements.

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

This function includes:
- Childcare services
- Libraries
- Entertainment venues
- Public health services including vaccination clinics
- Environmental licenses and approvals.

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

Transport infrastructure
The objective of the transport infrastructure program is to ensure the community is serviced by a high quality and effective road network. The function provides and maintains transport infrastructure, including the maintenance and provision of the drainage network.

Waste management

The goal of this function is to protect and support our community and natural environment by sustainably managing refuse. The function provides refuse collection and disposal services.

Water infrastructure
The goal of this program is to support a healthy, safe community through sustainable water services. Includes all activities relating to water including flood and waterways management.

Sewerage infrastructure
This function protects and supports the health of our community by sustainably managing sewerage infrastructure.

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2019

2 Analysis of results by function (continued)

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

Year ended 30 June 2019

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurrent operations	Net Result	Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
	$	$	$	$	$	$	$	$	$	$	$
Corporate governance	1,223,500			-	1,223,500	1,749,334	-	1,749,334	(525,834)	(525,834)	-
Finance and information	4,915,559	14,664,213	481,329	-	20,061,101	4,745,150	-	4,745,150	14,834,621	15,315,950	58,246,090
Community services	817,698	864,711	405,000	-	2,087,409	5,582,692	-	5,582,692	(3,900,283)	(3,495,283)	57,709,182
Planning & development	21,489	124,519	-	-	146,008	655,125	-	655,125	(509,117)	(509,117)	85,996
Transport infrastructure	971,533	2,347,397	21,269,163	(70,594)	24,517,499	12,004,270	-	12,004,270	(8,685,340)	12,513,229	204,442,416
Waste management		867,205	-	-	867,205	1,101,740	-	1,101,740	(234,535)	(234,535)	343,877
Water infrastructure		2,572,580	-	-	2,572,580	4,013,535	-	4,013,535	(1,440,955)	(1,440,955)	39,446,548
Sewerage infrastructure		918,482	451,500	-	1,369,982	727,861	-	727,861	190,621	642,121	13,027,591
Total	7,949,779	22,359,106	22,606,992	(70,594)	52,845,283	30,579,707	-	30,579,707	(270,823)	22,265,576	373,301,698

Year ended 30 June 2018

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurrent operations	Net Result	Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
	$	$	$	$	$	$	$	$	$	$	$
Corporate governance		125,755	-	-	125,755	390,861	-	390,861	(265,106)	(265,106)	-
Finance and information	3,674,514	14,400,936	800,000	-	18,875,450	6,894,197	-	6,894,197	11,181,253	11,981,253	38,803,969
Community services	356,394	637,078	280,000	-	1,273,472	6,162,188	-	6,162,188	(5,168,716)	(4,888,716)	69,965,483
Planning & development	-	7,937	-	-	7,937	248,037	-	248,037	(240,100)	(240,100)	-
Transport infrastructure	2,103,112	1,763,439	9,023,308	17,234	12,907,093	9,579,678	-	9,579,678	(5,713,127)	3,327,415	185,817,656
Waste management		763,087	-	-	763,087	1,147,450	-	1,147,450	(384,363)	(384,363)	34,047
Water infrastructure		2,490,823	884,100	-	3,374,923	3,724,692	-	3,724,692	(1,233,869)	(349,769)	39,383,396
Sewerage infrastructure		842,466	851,592	-	1,694,058	915,251	-	915,251	(72,785)	778,807	11,809,981
Total	6,134,020	21,031,521	11,839,000	17,234	39,021,775	29,062,354	-	29,062,354	(1,896,813)	9,959,421	345,814,532

	Note	2019 $	2018 $

3 Revenue

Revenue is recognised at the fair value of the consideration received or receivable, at the time indicated below.

(a) Rates, levies and charges

Rates are recognised as revenue at the time the levy is raised. If a ratepayer pays their rates before the start of the rating period, they are recognised as revenue when they are received.

General rates	11,081,990	10,553,041
Separate rates	235,854	235,855
Water	2,494,714	2,418,524
Sewerage	891,355	823,064
Waste management	774,348	722,361
Gross rates, levies and charges	15,478,261	14,752,845
Less: Discounts	(893,304)	(932,368)
Less: Pensioner remissions	(11,577)	(10,757)
	14,573,380	13,809,720

(b) Fees and charges

Council generates revenues from a number of services including child care, saleyards and from the operation of the Cloncurry Airport. Revenue is measured at the fair value of consideration received or receivable in relation to that activity. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed.

Fees and charges are recognised upon unconditional entitlement to the funds. Generally this is upon lodgement of the relevant applications, documents or invoices, issuing of the infringement notice or when the service is provided.

Saleyard - weighing	236,081	247,490
Saleyard - dipping	421,815	531,191
Airport fees & charges	2,987,965	2,837,134
Childcare fees & charges	319,471	477,302
Water connection fees	517	12,790
Other fees and charges	545,509	762,804
	4,511,358	4,868,711

(c) Rental income

Rent from investment and other property is recognised as income on a periodic straight line basis over the lease term.

Rental - Commercial	325,389	254,755
	325,389	254,755

(d) Interest received

Interest earned on bank accounts is recognised at the time received.

Interest received from cash balances	598,910	573,395
Interest from overdue rates and utility charges	234,179	184,191
	833,089	757,586

(e) Sales revenue

Sale of goods is recognised when the significant risks and rewards of ownership are transferred to the buyer, generally when the customer has taken undisputed delivery of the goods.

Sale of services		
Contract and recoverable works	1,608,363	959,195
Private works	507,527	381,554
Total sales revenue	2,115,890	1,340,749

	Note	2019 $	2018 $

(e) Sales revenue (continued)

The amount recognised as revenue for contract revenue during the financial year is the amount receivable in respect of invoices issued during the period. Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. This revenue and associated costs are recognised by reference to the stage of completion of the contract activity at the reporting date. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed

4 Grants, subsidies and contributions

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them which is usually upon receipt of funds. Restrictions that have been placed on Council's cash and cash equivalents are disclosed in Note 10.

(a) Recurrent		
Commonwealth general purpose grants	5,667,587	5,531,368
State government subsidies and grants	325,394	138,270
Commonwealth government subsidies and grants	1,712,122	452,873
Contributions & Donations	244,675	11,509
	7,949,779	6,134,020
(b) Capital		
Commonwealth government subsidies and grants	481,619	-
State government subsidies and grants - flood damage	19,678,803	6,043,025
State government subsidies and grants	2,446,569	5,581,975
Contributions & Donations	-	214,000
	22,606,992	11,839,000

Conditions over contributions

Contributions recognised as income during the reporting period and which were obtained on the condition that they be expended in a manner specified by the contributor but had not been expended at the reporting date:

Non-reciprocal grants for expenditure on services	-	-
Non-reciprocal grants for expenditure on infrastructure	10,556,485	1,251,809
	10,556,485	1,251,809

Contributions recognised as income during a previous reporting period that were obtained in respect of the current reporting period:

Non-reciprocal grants for expenditure on services	-	
Non-reciprocal grants for expenditure on infrastructure	12,050,507	689,311
	12,050,507	689,311

5 Capital income/(expenses)

Gain / (loss) on disposal of non-current assets		
Proceeds from the sale of property, plant and equipment	325,136	113,773
Less: Carrying value of property, plant and equipment disposed of	(395,730)	(96,539)
	(70,594)	17,234

6 Employee benefits

Total staff wages and salaries		6,785,787	6,159,349
Councillors' remuneration		312,356	309,721
Annual and long service leave entitlements		895,169	1,216,445
Superannuation	22	668,177	629,177
		8,661,489	8,314,692
Other employee related expenses		543,642	-
		9,205,131	8,314,692
Less: Capitalised employee expenses		(96,624)	(4,142)
		9,108,507	8,310,550

	Note	2019 $	2018 $

6 Employee benefits (continued)

Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties.

Total Council employees at the reporting date:		
Elected members	5	5
Administration staff	49	59
Depot and outdoors staff	35	44
Total employees	90	108

7 Materials and services

Audit of annual financial statements by the Auditor-General of Queensland	134,414	106,855
Infrastructure Operations and Maintenance	3,091,352	3,291,974
Business Services (Saleyards, Airport, Private Works)	2,392,266	1,054,827
Community Services (Childcare, Public Facilities, Tourism)	3,165,602	2,721,877
Refuse and Environmental Services	842,889	981,452
Corporate and Management Services	914,619	968,966
Other Materials and Services	402,471	436,977
	10,943,612	9,562,928

8 Finance costs

Finance costs charged by Queensland Treasury Corporation	541,922	601,923
Bank charges	61,684	64,667
Impairment of debts	266,226	40,504
	869,832	707,094

9 Depreciation

Buildings		1,172,958	1,718,548
Plant and equipment		686,285	727,661
Road, drainage and bridge network		5,669,090	5,524,770
Water		1,020,740	1,073,623
Sewerage		277,330	373,589
Other structures		831,354	1,063,591
	14	9,657,756	10,481,782

10 Cash and cash equivalents

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

Cash at bank and on hand	1,127,699	1,771,293
Deposits at call	35,007,074	22,243,340
Balance per Statement of Cash Flows	36,134,773	24,014,633

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

Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:		
Unspent government grants and subsidies	10,556,485	1,251,809
Total unspent restricted cash	10,556,485	1,251,809

	Note	2019 $	2018 $

11 Trade and other receivables

Trade receivables are recognised at the amounts due at the time of sale or service delivery. Settlement of these amounts is required within 30 days from invoice date.

The collectability of receivables is assessed periodically, and allowance is made, where appropriate, for impairment. If there is objective evidence that Council will not be able to collect any amounts due, a provision for expected credit losses is made. The loss allowance is recognised in finance costs.

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

Because Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, Council does not generally impair any rate receivables. This does not however apply where the rateable property is land with negligible value.

Current		
Rateable revenue and utility charges	2,715,369	2,009,763
Prepayments	143,233	129,246
Trade receivables	1,973,258	1,728,269
less: impairment or Provision for doubtful debts	(489,366)	(239,281)
	4,342,494	3,627,997

Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on other debtors.

12 Inventories held for sale

Land acquired by Council with the intention of reselling (with or without further development) is classified as inventory. The land is valued at the lower of cost or net realisable value. As an inventory item, land held for resale is treated as a current asset.

Proceeds from sale of the land will be recognised as sales revenue on settlement of the sale. This represents the point when risks and rewards have passed to the buyer.

Inventories held for sale			
Trading stock		51,450	47,294
		51,450	47,294
Inventories held for distribution			
Plant and equipment stores		349,920	199,114
		349,920	199,114
Land held for development and sale			
Land held for resale	13	2,172,884	2,597,996
		2,172,884	2,597,996
Total inventories		2,574,254	2,844,404

13 Land held for development and sale

Opening balance	2,597,996	2,995,800
Additions	-	-
Less: Cost of development land sold		(96,567)
Less: adjustment to carrying value at lower of cost of net realisable value	(425,112)	(301,237)
	2,172,884	2,597,996
Classified as		
Current	2,172,884	2,597,996

14 Property, plant and equipment

(a) *Capital and operating expenditure*

Each class of property, plant and equipment is stated at cost or fair value. Items of plant and equipment with a total value of less than $5,000, and infrastructure assets and buildings with a total value of less than $10,000 are expensed in the year of acquisition. All other items of property, plant and equipment are capitalised.

The classes of property, plant and equipment recognised by the Council are:

- Land
- Buildings
- Plant and equipment
- Road, drainage and bridge network
- Water
- Sewerage
- Other structures
- Work in progress

Acquisition of assets

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including freight in, architect's fees and engineering design fees and all other establishment costs.

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

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

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

(b) Valuation

Land, buildings and all infrastructure assets are measured on the revaluation basis, at fair value, in accordance with AASB 116 Property, Plant and Equipment and AASB 13 Fair Value Measurement. Other plant and equipment and work in progress are measured at cost.

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

In the intervening years, Council uses internal engineers to assess the condition and cost assumptions associated with all infrastructure assets, the results of which are considered in combination with the Queensland non residential construction index published by the Australian Bureau of Statistics. Together these are used to form the basis of a management valuation for infrastructure asset classes in each of the intervening years. With respect to the valuation of land and buildings in the intervening years, management engage independent, professionally qualified valuers to perform a "desktop" valuation. A desktop valuation involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

An analysis performed has indicated that, on average, the variance between an indexed asset value and the valuation by an independent valuer when performed is not significant and the indices used by Council are sound. Further details in relation to valuers, the methods of valuation and the key assumptions used in valuing each different asset class are disclosed in Note 15.

(b) Valuation (Contd.)

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

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

(c) Capital work in progress

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

(d) Depreciation

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

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

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

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

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements to the Council or the unexpired period of the lease, whichever is the shorter.

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The condition assessments performed as part of the annual valuation process for assets measured at depreciated current replacement cost are used to estimate the useful lives of these assets at each reporting date. Details of the range of estimated useful lives for each class of asset are shown in note 14.

(e) Impairment of non-current assets

Each non-current asset and group of assets is assessed for indicators of impairment annually.

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

14 Property, plant and equipment

30 June 2019	Note	Land	Buildings	Plant and equipment	Road, drainage and bridge network	Water	Sewerage	Other Structures	Work in progress	Total
Basis of measurement		Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
Asset values		$	$	$	$	$	$	$	$	$
Opening gross value as at 1 July 2018		15,195,242	51,613,305	8,789,046	225,608,715	59,923,112	19,072,286	30,506,660	4,221,212	414,929,576
Internal Transfers										-
Additions				1,726,253					23,249,914	24,976,167
Disposals	5			(879,334)						(879,334)
De-recognition of assets due to change in underlying assumptions										-
Revaluation adjustment to asset revaluation surplus	19									-
Transfers between classes		3,483	57,695		13,326,876	915,640	46,312	342,830	(14,692,835)	-
Closing gross value as at 30 June 2019		15,198,725	51,671,000	9,635,966	238,935,591	60,838,751	19,118,597	30,849,489	12,778,290	**439,026,410**
Accumulated depreciation and impairment										
Opening balance as at 1 July 2018		-	18,483,008	3,786,978	43,672,904	20,595,494	7,418,800	5,644,896	-	99,602,080
Movements Between Classes Opening										
Depreciation provided in period	9		1,172,958	763,017	5,669,090	1,020,740	277,330	754,622		9,657,756
Depreciation on disposals	5			(483,603)						(483,603)
De-recognition of assets due to change in Revaluation adjustment to the asset										
Revaluation adjustment to asset revaluation surplus	19									
Transfers between classes		-	(117,100)			(4,371)	4,371	117,100	-	-
Accumulated depreciation as at 30 June 2019		-	19,538,865	4,066,392	49,341,993	21,611,863	7,700,501	6,516,618	-	**108,776,232**
Total written down value as at 30 June 2019		15,198,725	32,132,135	5,569,574	189,593,598	39,226,888	11,418,096	24,332,872	12,778,290	**330,250,177**
Residual value			-	3,071,848		2,822,304	1,031,556	5,176,735		12,102,444
Range of estimated useful life in years		Land : Not depreciated.	20-60	2 - 20	5 - 300+	20 - 60	20 - 60	20 - 40	-	-

Additions Comprise:

	$	$	$	$	$	$	$	$	$
Other additions	-								-
Renewals	-	57,695		13,326,876	194,502	46,312			13,625,385
New	3,483		-		721,137		342,830		1,067,450
Total additions	3,483	57,695	-	13,326,876	915,639	46,312	342,830	-	14,692,835

14 Property, plant and equipment (continued)

30 June 2018	Note	Land	Buildings	Plant and equipment	Road, drainage and bridge network	Water	Sewerage	Other Structures	Work in progress	Total
Basis of measurement		Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
Asset values		$	$	$	$	$	$	$	$	$
Opening gross value as at 1 July 2017		15,147,361	56,122,734	10,686,723	227,143,177	59,713,600	18,054,060	32,497,255	3,360,276	422,725,185
Internal Transfers		-	(123,960)	30,000	334,530	(87,596)	(14,795)	(138,179)	-	-
Additions		-	-	-	-	-	-	-	17,133,972	17,133,972
Disposals	5	-	-	(2,237,147)	-	-	-		-	(2,237,147)
De-recognition of assets due to change in underlying assumptions		-	-	-	-	-	-	-	-	-
Revaluation adjustment to asset revaluation surplus	19	-	(4,698,492)	-	(11,622,885)	(1,368,067)	(22,348)	(4,980,641)	-	(22,692,433)
Transfers between classes		47,881	313,023	309,470	9,753,893	1,665,175	1,055,369	3,128,225	(16,273,036)	-
Closing gross value as at 30 June 2018		15,195,242	51,613,305	8,789,046	225,608,715	59,923,112	19,072,286	30,506,660	4,221,212	414,929,577
Accumulated depreciation and impairment										
Opening balance as at 1 July 2017		-	21,062,918	5,188,274	72,281,123	20,055,564	9,217,509	10,546,073	-	138,351,460
Depreciation provided in period	9		1,718,548	727,661	5,524,770	1,073,623	373,589	1,063,591	-	10,481,782
Depreciation on disposals	5	-	-	(2,140,608)	-	-	-	-	-	(2,140,608)
De-recognition of assets due to change in Revaluation adjustment to the asset		-	-	-	-	-	-	-	-	-
Revaluation adjustment to asset revaluation surplus	19	-	(4,335,075)	-	(34,455,858)	(446,107)	(2,157,504)	(5,696,011)	-	(47,090,555)
Transfers between classes		-	36,617	11,651	322,869	(87,587)	(14,794)	(268,757)	-	-
Accumulated depreciation as at 30 June 2018		-	18,483,008	3,786,978	43,672,904	20,595,494	7,418,800	5,644,896	-	99,602,080
Total written down value as at 30 June 2018		15,195,242	33,130,298	5,002,068	181,935,811	39,327,618	11,653,486	24,861,764	4,221,212	315,327,497
Range of estimated useful life in years		Land : Not depreciated.	20-60	2-20	5 - 300+	20 - 60	20 - 60	20 - 40	-	-

Additions Comprise:

	$	$	$	$	$	$	$	$	$
Other additions	-	-	-	-	-	-	-	-	-
Renewals	-	279,722	339,469	9,512,089	576,885	150,571	2,834,204		13,692,940
New	47,881	33,300		241,788	1,088,290	904,797	264,040		2,580,096
Total additions	47,881	313,022	339,469	9,753,877	1,665,175	1,055,368	3,098,244	-	16,273,036

15 Fair Value Measurements

(a) Recognised fair value measurements

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

Property, plant and equipment

- Land
- Buildings
- Road, drainage & bridge network
- Water
- Sewerage
- Other structures

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

Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in other notes.

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in note 17 is provided by the Queensland Treasury Corporation and represents the contractual undiscounted cash flows at balance date (level 2).

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

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

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

The following table categorises fair value measurements as either level 2 or level 3 in accordance with AASB 13. Council does not have any assets or liabilities measured at fair value which meet the criteria for categorisation as level 1.

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

The table presents the Council's assets measured and recognised at fair value at 30 June 2019.

	Note	Level 2 (Significant other observable inputs)		Level 3 (Significant unobservable inputs)		Total	
Recurring fair value measurements		**2019** $	**2018** $	**2019** $	**2018** $	**2019** $	**2018** $
Land	14	15,198,725	15,195,242	-	-	15,198,725	15,195,242
Buildings				-			
- Commercial buildings	14	-	-	30,064,035	30,929,793	30,064,035	30,929,793
- Residential buildings	14	2,068,100	2,200,505	-	-	2,068,100	2,200,505
Road, drainage and bridge network	14		-	189,593,598	181,935,811	189,593,598	181,935,811
Water	14		-	39,226,888	39,327,618	39,226,888	39,327,618
Sewerage	14		-	11,418,096	11,653,486	11,418,096	11,653,486
Other structures	14		-	24,332,872	24,861,764	24,332,872	24,861,764
		17,266,824	17,395,747	294,635,489	288,708,471	311,902,313	306,104,218

There were no transfers between levels during the year.

Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period.

15 Fair Value Measurements (continued)

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

Council obtains independent valuations at least every 3-5 years for all asset classes. An Indexation investigation of Land, Building, Water and Sewerage and Other was carried out at 30 June 2019. Road assets analytical work including modelling indexation and Flood Damage effects was completed by Australis Asset Advisory Service at 30 June 2019. The changes in Fair Values calculated by the indexation and Food Damage modelling were considered immaterial and not loaded to asset subledger. The information will be updated and used in future years in the valuation process. In general, if a valuation is not completed in a financial year, a desktop valuation assessment is completed as per accounting guidelines.

Specific valuation techniques used to value Council assets comprise:

(b)(i) Land and residential buildings (level 2)

The fair values of residential buildings were desktop indexed by Australis Asset Advisory Service as at 30 June 2019 and the values were not loaded to the asset subledger as the values were immaterial. All the buildings class level 2 and 3 assets were comprehensively revalued at 30 June 2018. The valuation methodology was similar to that used previously. Council land was previously comprehensively revalued as at 30 June 2016. In assessing its methodology Australis considered relevant level 2 inputs including, where observable, any comparable local sales data as applicable.

(b)(ii) Commercial buildings and Other structures (level 2 and 3)

A desktop indexation of Council's buildings and other structures asset classes was undertaken by Australis Asset Advisory Service as at 30 June 2019. A comprehensive valuation using the Cost Approach (Depreciated Replacement Cost) method and the market approach, where appropriate was completed at 30 June 2018.

Where Council buildings are of a specialist nature and there is no active market for the assets, fair value has been determined on the basis of replacement with a new asset having similar service potential including allowances for preliminaries and professional fees. The gross current values have been derived from reference to market data for recent projects and costing guides issued by the Australian Institute of Quantity Surveyors, Rawlinson's (Australian Construction Handbook). Where a depth in market can be identified, the net current value of a building asset is the difference between the market value of the asset as a whole (including land) and the market value of the land component. Where there is no depth of market, the net current value of a building asset is the gross current value less accumulated depreciation to reflect the consumed or expired service potential of the asset.

Current replacement cost (CRC)

Reference asset replacement costs for non-residential buildings and other structures were compiled for valuation purposes by reference to actual costs incurred for some of the subject assets; for similar asset improvements constructed within the North West Queensland region; and also supported by reference to available data prepared and provided by construction cost consultants and quantity surveyors. Costs were adjusted to account for regional location of the subject properties being away from the major supply centres or due to being in a different location to some of the other assets recently constructed. Differences associated with time factors (date of construction of similar improvements and date of compilation of cost data in comparison to valuation date) have also been accounted for in the valuation.

Accumulated depreciation

As part of the desktop indexation process, one year is deducted from the remaining life of each asset to reflect the remaining service capacity. This increases the depreciation incrementally and is part of the output of the indexation process. Being immaterial in this year, values were not taken up into the system as mentioned above. When a comprehensive revaluation is completed, the depreciation rates applied for the valuation process are generally based on a gradual deterioration in the assets over time, but also account for abnormal adverse depreciation with accelerated depreciation rates being applied, if considered appropriate. Where there has been refurbishment works completed, the depreciation rate has been adjusted to account for the improved condition of the asset.

When considering the estimated remaining life of each of the assets, consideration has been given to the construction, present age, condition, serviceability, climate conditions and present and potential utilisation of the assets. Investigations have been made into the lifespan of the assets to better understand the factors influencing the physical, functional and economic asset life expectancy. This has been combined with general information collated by the valuer over an extended period of working in the region.

In determining the level of accumulated depreciation the asset has been disaggregated into significant components which exhibit useful lives. Allowance has been made for the typical asset life cycle and renewal treatments of each component, residual value at the time the asset is considered to be no longer available for use and the condition of the asset. Condition was assessed taking onto account both physical characteristics as well as holistic factors such as functionality, capability, utilisation and economic obsolescence.

(b)(iii) Infrastructure assets (level 3)

Valuation information applicable to all infrastructure asset classes below

A desktop indexation process was completed by Australis Asset Advisory Service for the infrastructure assets mentioned below at the 30 June 2019. The change in the values was considered immaterial and not loaded to the asset subledger. In the previous year, a comprehensive valuation to determine fair values of these assets at 30 June 2018 was completed by Australis Asset Advisory Service. These valuations were undertaken using the cost method with regard to highest and best use. All infrastructure assets were assessed using the cost approach being level 3 on fair Value Hierarchy.

In relation to the assessment of the estimation of the remaining useful life of each asset it was considered that the calculations should be done on the basis of the overall asset, with individual elemental depreciation figures being acceptable and included where considered appropriate. This is due to the nature of the assets, whereby it is considered that the different identifiable construction elements making up the total structure would not depreciate at the same rate per annum or have the same overall total life expectancy.

15 Fair Value Measurements (continued)

Consideration was given to the construction, present age, condition, serviceability, climate conditions, and present and potential utilisation when assessing the remaining useful lives of the assets. Investigations were made into the lifespan of the infrastructure assets to better understand the factors influencing the physical, functional and economic asset life-expectancy of the assets. This was combined with general information collated by the valuer over an extended period working in North West Queensland.

To accurately assess the value of the infrastructure assets, the valuer carried out an inspection of the assets (where practical), calculated the size of each asset, and recorded structural details. The general condition, total life expectancy and actual residual life expectancy for the infrastructure assets were then established as a result of the inspections carried out.

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

Road and bridge network

Current replacement cost

Council categorises its road, drainage and bridge network infrastructure assets into urban and rural categories and then by road hierarchy (access, collector, distributor and sub arterial) and then further sub-categorises these into sealed and unsealed roads. All road segments are then componentised into formation, pavement and seal (type one and type two). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes that a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

A desktop indexation process was completed by Australis Asset Advisory Service for the Road and Infrastructure assets mentioned below at the 30 June 2019. The fair values of Road infrastructure assets was comprehensively revalued by Australis Asset Advisory Service as at 30 June 2019. Rates used were assessed by reference to producer price indices, wage price indices, consultation with local contractors and suppliers.

CRC was calculated by reference to asset linear and area specifications, estimated labour and material inputs, services costs, and overhead allocations. It is assumed that all raw materials can be sourced locally. All direct costs were allocated to assets at standard usage quantities according to recently completed similar projects. Where construction was outsourced, CRC was based on the average of completed similar projects over the last few years. Reference was also made to recent costs for construction works within the region.

Accumulated depreciation

In determining the level of accumulated depreciation, the assets were disaggregated into significant components which exhibited different useful lives and based on those useful lives applicable and observable in North West Queensland. Estimated useful lives are disclosed in Note 14.

Sensitivity of valuation to unobservable inputs

As detailed above Council's road, drainage and bridge network assets have been valued using written down current replacement cost. This method utilises a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made with the greatest care, and based upon experience, different judgements could result in a different valuation.

Water and Sewerage infrastructure

Current replacement cost

Current replacement cost was calculated based on expected replacement costs. In all cases the assets were disaggregated into different components to ensure a reliable measure of cost and service capacity and deterioration of estimated remaining life. Additionally sewer pipe assets were disaggregated to short and long life components allowing for relining in the future resulting in an increase in Fair Value.

A desktop indexation process was completed by Australis Asset Advisory Service for the Water and Sewerage Infrastructure assets mentioned below at the 30 June 2019. The fair values of water and sewerage infrastructure assets was comprehensively revalued by Australis Asset Advisory Service as at 30 June 2019. Rates used were assessed by reference to producer price indices, wage price indices, consultation with local contractors and suppliers.

Significant inputs to the valuation include Economic Useful Life, (EUL), (Remaining Service Potential (RSP) and Optimised Replacement Cost (ORC). The useful life has been varied initially but not limited to council supplied data, regional aggregated asset performance data and published failure rates. The EUL's were varied based on a variety of factors not limited to site conditions, asset brand, type, model, installation type; climatic environment, usage and maintenance procedures. Ranges of EULS can be from 1 year to Infinite life.

Consistent with roads, drainage and bridge network assets, it was assumed that environmental factors such as soil type, climate and topography are consistent across each segment and that each segment is designed and constructed to the same standard and uses a consistent amount of labour and materials. Where assets are located underground and physical inspection is not possible, the age, size and type of construction material together with the current and planned maintenance records are used to determine the fair value. Construction estimates were determined on a similar basis to roads, drainage and bridge network assets. Componentisation was expanded to include components of varying consumption patterns or aid in asset identification. Gravity sewer mains were componentised into long and short term components to allow for accurate modelling of pipe relining as mentioned above.

Australis Asset Advisory Service current replacement cost data was derived from the following sources:

- Australis Asset Advisory Service database
- Schedule rates for construction of asset or similar assets
- Cost curves derived by Australis
- Building Price Index tables
- Recent contract and tender data
- Rawlinson's Rates for building and construction
- Supplier quotations

15 Fair Value Measurements (continued)

Factors taken into account in determining replacement costs included:

-Development factors - the area in which development takes place (e.g. rural areas would have little or no restoration requirements, whereas a high density area would have large amounts of high quality footpaths, road pavements and associated infrastructure that would require reinstatement, and would also require traffic control).

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

-Geographic and environmental factors - The Council Shire is split into four distinct areas based on geographic (rural / mountainous) and environmental factors (sand; acid sulphate soil; soft rock; and hard rock). Council assumes that these factors are consistent across each of these four regions and that costs of labour are consistent within each of these areas, depending on the materials used.

Accumulated depreciation

In determining accumulated depreciation, assets were either subject to a site inspection or an assessment to determine remaining useful life. Where site inspections were conducted (i.e. for active assets), the assets were allocated a condition assessment rating between 1 and 5 , which was used to estimate remaining useful life as tabled below:

Condition rating	Internal	Condition description	Description explanation	Remaining useful life %
1	1 - 2	As new/ excellent	Asset "as new"	95% - 100%
2	3 - 4	Good	Asset is reliable, asset operates as intended and its appearance and structural integrity is up to the standard expected of an operating asset.	75%-94%
3	5 - 6	Fair	Asset is reliable and operates as intended, but its appearance and structural integrity are questionable.	50%-74%
4	7 - 8	Poor	Asset still operates, but does not meet intended duty or does not appear sound.	25%-49%
5	9 - 10	Unserviceable	Asset is not functioning/ needs immediate attention.	0%-24%

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

(c) Valuation processes

Council's valuation policies and procedures are set by the senior management team which comprises the Asset Management Accountant, Chief Executive Officer and Corporate Services Director. They are reviewed annually taking into consideration an analysis of movements in fair value and other relevant information. Council's current policy for the valuation of property, plant and equipment is set out in Note 14.

	Note	2019 $	2018 $

16 Trade and other payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price net of applicable discounts other than contingent discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

Current		
Creditors and accruals	3,480,656	2,008,376
Annual leave	558,819	485,691
Other entitlements	79,100	103,274
	4,118,575	2,597,341

Annual leave

Liabilities are recognised for employee benefits such as wages and salaries, annual and long service leave in respect of services provided by the employees up to the reporting date. The liability is calculated at their nominal values using the remuneration rates expected to apply at the time when the liability is settled and includes related on-costs.

As Council does not have an unconditional right to defer settlement of annual leave beyond 12 months, annual leave is classified as a current liability.

Superannuation

The superannuation expense for the reporting period is the amount of the contribution the Council makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in Note 22.

17 Borrowings

Borrowings and borrowing cost are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these liabilities are measured at amortised cost.

All borrowings are denominated in Australian dollars and interest is expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 15 September 2023 to 30 June 2039. There have been no defaults or breaches of the loan agreement during the period.

Council adopts an annual debt policy that sets out council's planned borrowings for the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

Current		
Loans - Queensland Treasury Corporation	842,079	645,921
	842,079	645,921

Non-current		
Loans - Queensland Treasury Corporation	12,782,947	9,125,026
	12,782,947	9,125,026

Loans - Queensland Treasury Corporation		
Opening balance at beginning of financial year	9,770,947	10,356,179
Loans raised	4,500,000	-
Net repayments	(645,921)	(585,232)
Book value at end of financial year	13,625,026	9,770,947

The QTC loan market value at the reporting date was $15,803,952.88. This represents the value of the debt if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these financial statements.

18 Provisions

Long service leave

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value. This liability is reported in Note 18 as a provision.

Where employees have met the prerequisite length of service or have meet the pro-rata length of service requirements and Council does not have an unconditional right to defer this liability beyond 12 months, long service leave is classified as a current liability. Otherwise it is classified as non-current.

Refuse dump restoration

A provision is made for the cost of restoring refuse dumps and quarries where it is probable the Council will be liable, or required, to do this when the use of the facilities is complete.

The new waste disposal site being developed has approximately 100 year life. At this time it is planned to undertake progressive rehabilitation as the site is used (this implies the nature of the cost is simply operating expense). These costs being operational expenses rather than types of costs that requires creation of a provision, are expensed annually. Management will review the EPA requirements and the costs of compliance annually and should material progressive rehabilitation cost be forecast, Council will recognise provision in the accounts for these future costs.

Rehabilitation costs of existing general waste facility include activities like consolidating, covering, profiling and revegetating, managing stormwater drains/ponds, installing groundwater monitoring wells and all future maintenance and monitoring.

The provision for refuse restoration is calculated as the present value of anticipated future costs associated. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for dump sites is reviewed at least annually and updated based on the facts and circumstances available at the time.

As refuse dumps are on state reserves which the Council does not control, the provision for restoration is treated as an expense in the year the provision is first recognised. Changes in the provision are treated as an expense or income

Quarry rehabilitation

Council has small gravel pits sites around the Shire - many of these are opened and closed for specific road projects, and the costs of operating and closing are managed as part of the project costs.

Provision for rehabilitation represents the present value of the anticipated future costs associated with the closure of the gravel pits and rehabilitation of these sites.

Management has a process of rehabilitating all future site closures as they occur. Based on this process, Council continues to annually monitor the situation, review and update the provision based on the facts and circumstances available.

	Note	2019 $	2018 $
18 Provisions (continued)			
Current			
Refuse restoration		-	-
Gravel pits rehabilitation		64,777	64,777
Long service leave		484,262	438,812
		549,039	503,589
Non-current			
Refuse restoration		360,234	551,985
Gravel pits rehabilitation		112,347	112,295
Long service leave		127,536	135,010
		600,117	799,290
Details of movements in provisions			
Refuse restoration			
Balance at beginning of financial year		551,985	578,733
Recognition of provision		(191,751)	(26,748)
Balance at end of financial year		360,234	551,985
Gravel pits rehabilitation			
Balance at beginning of financial year		177,072	177,352
Recognition of provision		-	(280)
Balance at end of financial year		177,072	177,072
Long service leave			
Balance at beginning of financial year		573,822	496,684
Long service leave entitlement arising		73,080	190,964
Long service entitlement paid		(35,104)	(113,826)
Balance at end of financial year		611,798	573,822

19 Asset Revaluation Surplus

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

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

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

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

Movements in the asset revaluation surplus were as follows:		
Balance at beginning of financial year	95,899,443	71,501,321
Net adjustment to non-current assets at end of period to reflect a change in current fair value:		
Land		-
Buildings	-	(363,417)
Road, drainage and bridge network	-	22,832,973
Water	-	(921,960)
Sewerage	-	2,135,156
Other structures	-	715,370
Net movement for the year	-	24,398,122
Balance at end of financial year	95,899,443	95,899,443

	Note	2019 $	2018 $

19 Asset Revaluation Surplus (continued)

Asset revaluation surplus analysis

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

Land	6,651,170	6,651,170
Buildings	15,425,058	15,425,058
Road, drainage and bridge network	41,968,573	41,968,573
Water	20,906,388	20,906,388
Sewerage	7,018,765	7,018,765
Other structures	3,929,490	3,929,490
	95,899,443	95,899,443

20 Commitments for expenditure

Operating leases

Minimum lease payments in relation to non-cancellable operating leases are as follows:

Within one year	90,000	3,736,022
One to five years	90,000	6,481,035
Later than five years	-	-
	180,000	10,217,057

Contractual commitments at end of financial year but not recognised in the financial statements are as follows:

Sheaffe Street	3,127,741	
Flood Damage Works	2,487,694	4,781,255
Other	2,576,521	
	8,191,956	4,781,255

21 Contingent liabilities

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

Local Government Mutual

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

The latest audited financial statements for LGM Queensland are at 30 June 2018. The financial statements reported an accumulated member funds of $75,834,341. Iit is not anticipated any liability will arise.

Local Government Workcare

The Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is $ 142,985. The latest audited financial statements for Local government Workcare are as at 30 June 2018 and show accumulated member funds (Equity) of $49,693,198.

22 Superannuation

Council contributes to the LGIAsuper Regional Defined Benefits Fund (the scheme), at the rate of 12% for each permanent employee who is a defined benefit member. This rate is set in accordance with LGIAsuper trust deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the Local Government Act 2009.

The scheme is a defined benefit plan, however Council is not able to account for it as a defined benefit plan in accordance with AASB119 because LGIAsuper in unable to account for its proportionate share of the defined benefit obligation, plan assets and costs.

Any amount by which the scheme is over or under funded may affect future benefits and result in a change to the contribution rate, but has not been recognised as an asset or liability of the Council.

Technically Cloncurry Shire Council can be liable to the scheme for the portion of another local government's obligation should that local government be unable to meet them. However the risk of this occurring is extremely low and in accordance with the LGIAsuper trust deed changes to council's obligations will only be made on the advice of an actuary.

The last completed actuarial assessment of the scheme was undertaken as at 1 July 2018. The actuary indicated that 'At the valuation date of 1 July 2018 the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date'. The Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

No changes have been made to prescribed employer contributions which remain at 12% of employee assets and there are no known requirements to change the rate of contributions.

The next triennial actuarial review is not due until 1 July 2021.

The most significant risk that may result in LGIAsuper increasing the contribution rate on the advice of the actuary, are:

Investment risk - The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.

Salary growth risk - The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

There are currently 72 councils contributing to the Regional DBF plan and any changes in contribution rates would apply equally to all 72 councils. Cloncurry Shire Council made less than 4% of the total contributions to the plan in the 2018-19 financial year.

	Note	2019 $	2018 $
Superannuation contributions made to the Regional Defined Benefits Fund		-	-
Other superannuation contributions for employees		668,177	629,177
		668,177	629,177

23 Operating Lease Income

Leases of plant and equipment under which the Council as lessee assumes substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are classified as finance leases. Other leases, where substantially all the risks and benefits remain with the lessor, are classified as operating leases.

Council's minimum operating lease receipts are as follows:		
Not later than one year	66,416	62,883
One to five years	32,423	205,134
Later than five years	20,192	149,950
	119,031	417,967

24 Trust funds

Trust funds held for outside parties

Funds held in the trust account on behalf of outside parties include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies (e.g. wages) paid into the trust account by the Council. The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements.

The monies are disclosed for information purposes only.

Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities	51,758	50,206
	51,758	50,206

The Council performs only a custodial role in respect of these monies. As these funds cannot be used by the Council, they are not reflected in these financial statements.

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

Net result	22,265,576	9,959,421
Non-cash items:		
Impairment of property plant and equipment		
De-recognition of pit provision assets	-	-
Depreciation and amortisation	9,657,756	10,481,782
	9,657,756	10,481,782
Investing and development activities:		
Net (profit)/loss on disposal of non-current assets	70,594	(17,234)
Capital grants and contributions	(22,606,992)	(11,839,000)
	(22,536,398)	(11,856,234)
(Increase)/ decrease in receivables	(714,497)	(917,507)
(Increase)/decrease in inventory	270,150	390,123
Increase/(decrease) in payables	1,521,234	(27,489)
Increase/(decrease) in other provisions	(153,723)	50,110
	923,164	(504,762)
Net cash inflow from operating activities	10,310,099	8,080,205

26 Events after the reporting period

There were no material adjusting or disclosing events after the balance date.

27 Financial instruments and financial risk management

Cloncurry Shire Council's activities expose it to a variety of financial risks including market risk, credit risk and liquidity risk.

Exposure to financial risks is managed in accordance with Council approved policies on financial risk management. These policies focus on managing the volatility of financial markets and seek to minimise potential adverse effects on the financial performance of the Council. The Council minimises its exposure to financial risk in the following ways:

Investments in financial assets are only made where those assets are with a bank or other financial institution in Australia. The Council does not invest in derivatives or other high risk investments.

When the Council borrows, it borrows from the Queensland Treasury Corporation unless another financial institution can offer a more beneficial rate, taking into account any risk. Borrowing by the Council is constrained by the provisions of the *Statutory Bodies Financial Arrangements Act 1982.*

Council measures risk exposure using a variety of methods as follows:

Risk exposure	Measurement method
Credit risk	Ageing analysis
Liquidity risk	Maturity analysis
Market risk	Sensitivity analysis

Credit risk

Credit risk exposure refers to the situation where the Council may incur financial loss as a result of another party to a financial instrument failing to discharge its obligations.

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment

If the credit risk has increased significantly since initial recognition, a loss allowance to the amount of expected credit loss is recognised.

In the case of rate receivables, the Council has the power to sell the property to recover any defaulted amounts. In effect this power protects the Council against credit risk in the case of these debts.

In other cases, the Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

The Council is exposed to credit risk through deposits held with banks. Investments are held with highly rated/regulated financial institutions and whilst not capital guaranteed, the likelihood of a credit failure is low.

By the nature of the Council's operations, there is a geographical concentration of risk in the Council's area. Because the area is largely mining and agriculture, there is also a concentration in these two sectors.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any provisions for impairment.

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

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

Financial assets	Note	2019 $	2018 $
Cash and cash equivalents	10	36,134,773	24,014,633
Receivables - rates	11	2,715,369	2,009,763
Receivables - other	11	1,973,258	1,728,269
Other credit exposures			
Guarantee	21	142,985	161,873
		40,966,385	27,914,538

The following represents an analysis of the age of the Council's receivables, excluding rates that are either fully performing, past due or impaired.

30 June 2019 ***Receivables - other***	Fully performing	Past due			Total
		Less than 30 days	30-60 days	61-90 days	
	$	$	$	$	$
Receivables	1,160,590	194,609	8,521	13,983	1,377,703
Less impairment	-	-	-	(2,087)	(2,087)
Net receivables	1,160,590	194,609	8,521	11,896	1,375,616

30 June 2018 ***Receivables - other***	Fully performing	Past due			Total
		Less than 30 days	30-60 days	61-90 days	
	$	$	$	$	$
Receivables	1,107,919	91,796	40,480	29,704	1,269,899
Less impairment	-	-	-	(25,793)	(25,793)
Net receivables	1,107,919	91,796	40,480	3,911	1,244,106

Liquidity risk

Liquidity risk refers to the situation where the Cloncurry Shire Council may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Cloncurry Shire Council is exposed to liquidity risk through its normal course of business and through its borrowings with Queensland Treasury Corporation.

The Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows.

The following table sets out the liquidity risk of financial liabilities held by the Council . The amounts disclosed in the maturity analysis represent the contractual undiscounted cash flows at end of reporting period.

	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	$	$	$	$	$
2019					
Trade and other payables	3,480,656	-	-	3,480,656	3,480,656
Loans - QTC	842,079	3,691,456	9,091,491	13,625,026	13,625,026
	4,322,735	3,691,456	9,091,491	17,105,682	17,105,682
2018					
Trade and other payables	2,008,376	-	-	2,008,376	2,008,376
Loans - QTC	1,198,787	4,795,147	7,821,643	13,815,577	9,770,947
	3,207,163	4,795,147	7,821,643	15,823,953	11,779,323

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

Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect Council's income or the value of its holding of financial instruments. The Council is exposed to interest rate risk through its borrowings from the Queensland Treasury Corporation and investments held with financial institutions.

The risk in borrowing is effectively managed by borrowing mainly from the Queensland Treasury Corporation and having access to a mix of floating and fixed funding sources such that the desired interest rate risk exposure can be constructed. Interest rate risk in other areas is minimal.

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

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

	Net carrying amount	Effect on Net Result		Effect on Equity	
		1% increase	1% decrease	1% increase	1% decrease
	$	$	$	$	$
2019					
QTC cash fund	35,007,074	350,071	(350,071)	350,071	(350,071)
Net total	35,007,074	350,071	(350,071)	350,071	(350,071)
2018					
QTC cash fund	22,243,340	222,433	(222,433)	222,433	(222,433)
Net total	22,243,340	222,433	(222,433)	222,433	(222,433)

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

The fair value of borrowings with QTC is based on the market value of debt outstanding. The market value of a debt obligation is the discounted value of future cash flows based on prevailing market rates and represents the amount required to be repaid if this was to occur at balance date. The market value of debt is provided by QTC and is disclosed in Note 17.

Council holds Fixed Rate Loans with QTC. Such financial instruments with fixed interest rates are carried at amortised cost and as there is no potential movement in rates as they are fixed they are not subject to interest rate sensitivity.

28 Transactions with related parties

(a) Transactions with key management personnel (KMP)

KMP include the Mayor, Councillors, Chief Executive Officer, Directors and Shared Services Manager. The compensation paid to KMP comprises:

	2019 $	2018 $
Short-term employee benefits	1,114,370	1,095,431
Post-employment benefits	74,195	72,707
Long-term benefits	25,834	53,627
Termination benefits	12,835	12,519
Total	**1,227,234**	**1,234,284**

Remuneration disclosures are provided in the annual report.

(b) Transactions with other related parties

Other related parties include the close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members. Close family members include, but is not limited to a spouse, child and dependent of a KMP or their spouse.

Details of transactions between council and other related parties are disclosed below:

Details of Transaction	Additional information	2019 $	2018 $
Fees and charges charged to entities controlled by key management personnel	28(b)(i)	-	-
Employee expenses for close family members of key management personnel	28(b)(ii)	154,004	160,177
Purchase of materials and services from entities controlled by key management personnel	28(b)(iii)	704,689	486,454
Key management personnel services provided by a related entity	28(b)(iv)	52,009	-

(i) In 2018/19 there was no material transaction for fees and charges charged to related parties.

(ii) All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with their employment contract for the job they perform.

The council employs 90 full-time equivalent staff of which only 3 are family members of key management personnel.

(iii) Council purchased the following materials and services from entities that are controlled by members of key management personnel or relatives of key management personnel.

Type of Materials and Services	2019 $	2018 $
Electrical goods and services	683,655	486,454
Auto smash and repairs services	11,728	
Workshop labour hire contracting	9,306	
Total (GST inclusive)	**704,689**	**486,454**

Ozecool Pty Ltd., a company controlled by Cr Damien McGee provided electrical services to Council to the value of $683,655. Niverak Smash Repairs, a business owned by relatives to Cr Damien McGee provided auto smash repairs services to the value of $11,728. Scott Campbell, brother to Mayor Greg Campbell was contracted for labour services to the value of $9,306.

All amounts are inclusive of GST. The purchases were at arm's length and in the normal course of Council operations.
At 30 June 2019, there was $40,199 owed by Council to these related parties.

(iv) Payments totalling $52,009 (GST inclusive) were made to Hays Recruitment for the temporary services and recruitment placement fee for Mrs Leanne Tu'ipulotu who acted in the Director Community Development position prior to being appointed permanently.

(c) Outstanding balances

There were no outstanding balances as at the end of the reporting period in relation to transaction with related parties. No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

(d) Loans and guarantees to/from related parties

Council does not make loans to or receive loans from related parties. No guarantees have been provided.

(e) Transactions with related parties that have not been disclosed

The majority of the entities and people that are related parties of council live and operate within Cloncurry Shire Council. On a regular basis ordinary citizen transactions occur between Council and its related parties. Council has not included these types of transaction in its disclosure, where they are made on the same terms and conditions available to the general public.

- Payment of rates
- Dog registration
- Borrowing books from a council library

Management Certificate
For the year ended 30 June 2019

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

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

(i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and

(ii) the general purpose financial statements present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.

Mayor
Cr Gregory Campbell

Date: 22 / 10 / 19

Chief Executive Officer
Mr David Bezuidenhout

Date: 22 10 19

Cloncurry Shire Council
Current-year Financial Sustainability
For the year ended 30 June 2019

Measures of Financial Sustainability	How the measure is calculated	2019 Actual	Target
Council's performance at 30 June 2019 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-1%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	153%	Greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-80%	Not greater than 60%

Note 1 - Basis of Preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2013. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2019.

Cloncurry Shire Council
Financial Statements
For the year ended 30 June 2019

Certificate of Accuracy
For the year ended 30 June 2019

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

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

Mayor
Cr Gregory Campbell

Date: 22 / 10 / 19

Chief Executive Officer
Mr David Bezuidenhout

Date: 22 / 10 / 19

Cloncurry Shire Council
Long-Term Financial Sustainability Statement
Prepared as at 30 June 2019

Measures of Financial Sustainability	Measure	Target	Projected for the years ended										
			30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029
Council													
Operating surplus ratio	Net result divided by total operating revenue	Between 0% and 10%	-1%	0%	1%	2%	3%	4%	5%	5%	6%	7%	7%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	153%	326%	167%	108%	109%	128%	110%	111%	112%	113%	114%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%	-80%	-24%	-29%	-36%	-46%	-47%	-52%	-58%	-63%	-68%	-72%

Cloncurry Shire Council's Financial Management Strategy

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

Cloncurry Shire Council
Financial Statements
For the year ended 30 June 2019

Certificate of Accuracy
For the long-term financial sustainability statement prepared as at 30 June 2019

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

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

Mayor

Cr Gregory Campbell

Date: 22/10/19

Chief Executive Officer

Mr David Bezuidenhout

Date: 22/10/19

Cloncurry
Shire Council

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