

Concurry Shire Council

2019/2020

ANNUAL REPORT



**Administration Office**

38-46 Daintree Street, Cloncurry QLD 4824

Postal

PO Box 3

Cloncurry QLD 4824

Phone (07) 4742 4100

Email council@cloncurry.qld.gov.au

Website www.cloncurry.qld.gov.au

WELCOME TO THE 2019-2020 ANNUAL REPORT

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

ACKNOWLEDGEMENT OF COUNTRY

The Cloncurry Shire Council acknowledges the Mitakoodi, Kalkadoon, Yulluna, Waluwarra and Pitta Pitta peoples as the Traditional Owners and custodians of Council's Local Government Area. We recognise their connection to land and community. We pay our respects to them, their cultures and to their Elders, past, present and emerging.

TABLE OF CONTENTS

7 - Message from the Mayor

10 - CEO's Statement

12 - Our Elected Representatives

16 - Our People

18 - Our Community Financial Report

26 - Our Annual Performance

52 - Statutory Requirements

70 - Financial Reports

HISTORY OF CLONCURRY

The traditional owners, being the Mitakoodi, Kalkadoon, Yulluna, Waluwarra and Pitta Pitta people, are 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 hangar door. The airport was also enroute for early planes coming from overseas and a stopping place for contestants in the great air races of 1919 and 1934. During the Second World War Cloncurry was the site of a major United States of America Air Base. The Royal Flying Doctor Service was founded here in 1928 and is now recognised worldwide.

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.

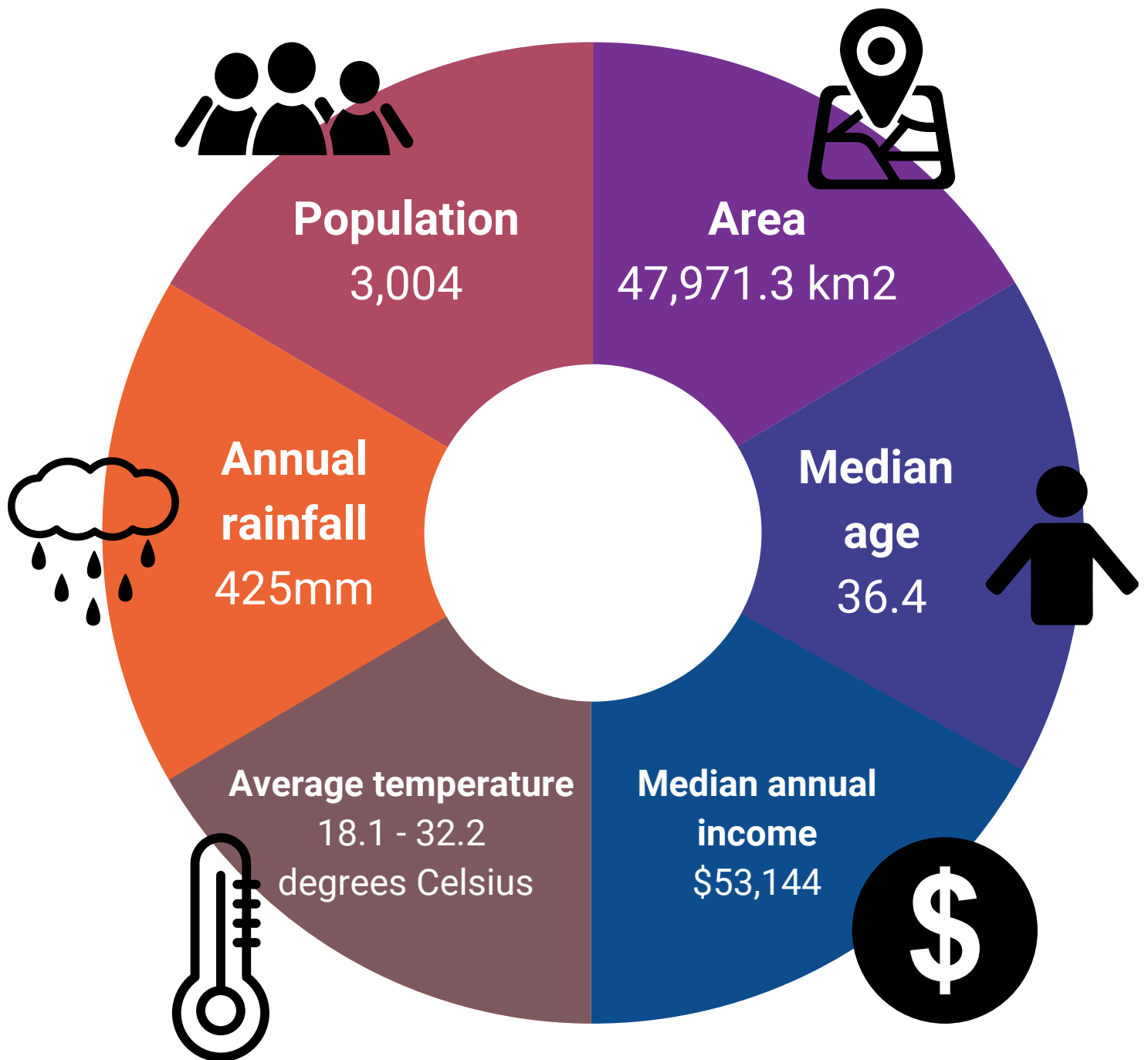


FLYING DOCTOR
QUEENSLAND AND NORTHERN
TERRITORY AERIAL SERVICES LTD

FAST FACTS

CLONCURRY

JUNE 2020



MESSAGE FROM THE MAYOR

The 2019/20 Financial Year will certainly be one that the young and old will not forget easily. From the recovery of the 2019 North West Monsoon Floods, to the arrival of a new coronavirus strain which kicked off a worldwide pandemic. A year that will be forever etched in our minds.

It is no secret that these unprecedented events show the adaptability of those in North West Queensland and in more times than not, great stories of evolution, innovation and achievements have prevailed. The 2019/2020 financial year is no different.

September saw yet another successful Beat the Heat Festival take place where locals and visitors from far and wide partied in the street with live entertainment from Brooke McClymont and the Adam Eckersley Band, tickled their tastebuds with the curry cooking competition and cheered on their favourite team in the mine cart races. The next day they immersed themselves in some good old-fashioned spring racing.

Although Cloncurry Shire was the second worst hit shire in the 2019 flood crisis, looking at the cattle numbers going through the saleyards per month this season, it really reiterates the strength of the industry. Livestock trucks have been rolling in and out of Cloncurry almost non-stop and going in all directions. Since the season started in early April, the yards have processed 125,000 head including 55,000 in May alone. The good prices and ongoing support from our Prime Minister is testament to how well the beef and transport industry is contributing after such a catastrophic event.



GREG CAMPBELL
MAYOR

Cloncurry continues to take the gold medal when it comes to keeping the economy afloat. We are continuing to improve our recruitment campaigns to attract professionals, tradespeople and operators alike to move to Cloncurry, with mining companies doing a good job too. Ernest Henry Mine has seen an increase of 32% of local employees over the past five years with 123 members of their workforce currently living locally including all senior management of Ernest Henry. Dugald River has recently instigated a generous Live Local incentive payment for staff. Achievements like these only happen with collaboration and relentless lobbying.



If Cloncurry wasn't already a standout on the Australia Aviation historical map, we certainly are now, becoming Australia's first drone flight-testing facility built at the Cloncurry Airport. This facility is the world's latest commercial unmanned flight test facility and will bring high-tech industry and more jobs to Cloncurry and North West Queensland. Costing \$14.5m and funded by the Queensland Government, it will test small to medium sized drones weighing 30kg – 150kg and is expected to attract clients from across Australia and around the world, putting Cloncurry at the forefront of cutting edge technology.

In February, Senator Susan McDonald, Assistant Minister for Road Safety and Freight Transport Scott Buchholz, Member for Kennedy Bob Katter and Member for Traeger Robbie Katter joined me in officially opening the higher and wider Carl Katter Bridge. This project, which came to fruition thanks to \$2.5m from the Federal Government's Bridges Renewal Program, now enables two lanes of truck traffic to cross at the same time safely. With some good planning, it also allowed us to put some work into the approaches and complete works on the foot bridge which locals use as an exercise route.

As a result of the COVID lockdowns and restrictions, Council is committed to supporting local businesses as much as possible and have taken the step of cutting non-essential businesses rates by 50%. Our local businesses classed as 'non-essential' primarily being our pubs and motels have been severely impacted. Taking these measures is just one way we are helping our local businesses get back on their feet.

Council continues to receive increased interest in the Industrial Estate, as the region continues to be a key economic driver for the state and country. The Industrial Estate is an initiative which aims to attract a home for businesses by providing fully serviced blocks of land. Council has sold three (3) blocks since July 2019. I look forward to continuing to support local businesses to establish the industrial hub.

Although the majority of 2020 has been very quiet on the social scene, it is good to see our local district Race Club be able to recommence the racing calendar. Day by day we are slowly beginning to see the COVID19 restrictions ease and I, along with locals, look forward to resuming our very eventful event season next year.

This financial year saw a massive capital works program undertaken with over 60% funded by grants from the State and Federal Government. While a lot of the country has been staggering because of COVID, Cloncurry has been a powerhouse again.

Recently announced projects for the Shire added another \$44,557,500 to the bucket and will continue the strong economic outlook for the area.

Butchers Creek Bridge - \$10.7m
Cloncurry-Dajarra Road Sealing and Widening - \$28.5m
Coppermine Bridge - \$2m
Dajarra Airstrip - \$667,500
Chinaman Creek Dam walking track - \$1.5m
Chinaman Creek Dam masterplan - \$1.18m

This Annual Report can essentially be looked at as the Final Report Card on my first term as Mayor. Even taking into account a full year of flood impact and a half year of COVID, the results are something I am really proud of and the community should be able to see the hard work paying off.

Rate rises averaged 4.875% for my first term, 6.875% the term prior and 12.35% prior again. Cash at bank up, and depreciation down. Capital expenditure averaged over \$28m per year up over 30% in the previous term, all done with own source funding, major grant success and modest borrowings of \$4m for the Sewerage Treatment Plant Upgrade.



CHIEF EXECUTIVE OFFICER'S STATEMENT

I would like to start off my message by saying thank you to all of our staff and Councillors for your input over the last financial year. There is much to be proud of with a number of major projects and events delivered during this period, as well as navigating through the changes imposed by COVID19 and not to forget the ongoing recovery from the 2019 floods.

In March this year, we also welcomed a new Council. I am pleased to welcome our new Councillors, Deputy Mayor Sam Daniels, Councillors Nathan Keyes and Councillor Janessa Bidgood. Congratulations to our returning Councillors Councillor Vicky Campbell and Councillor Dane Swalling. Mayor Campbell was uncontested at the Election, well done Greg your leadership has been admirable particularly over the floods and now COVID19.

I have now been in the Chief Executive position for over two years, I am proud of some key improvements to project delivery, procedures, systems, asset management and processes, however there is still much ahead to achieve.

The 2019/20 financial year was massive, with the delivery of a number of key projects including:

- Sedan Dip Road sealing of 30km
- Florence Clarke Park Redevelopment
- Carl Katter Bridge renewal
- Mary Kathleen Park – carpark and access redevelopment
- Flood damage works to the value of \$17.6m
- Water Treatment Plant in Dajarra
- New Sewage Treatment Plant



DAVID BEZUIDENHOUT
CHIEF EXECUTIVE OFFICER

The highlight over the last 12 months was the success of the first Cloncurry Innovation Forum. We had 50 attendees from across government and industries and pitched a number of key projects including:

- Housing Development
- Turf the race track
- Eco-trail from Cloncurry township to Chinaman Creek Dam
- Minister Cameron Dick announced the \$14.5 Million Unmanned Aerial Test Facility to be constructed in Cloncurry.

As our region continues to recover from the devastating floods in early 2019, a number of key workshops and events have been delivered to further support the recovery and build capacity for future disasters should they occur. These included, but not limited to:

- Burke and Wills Roadhouse Pool Competition & Children's game night
- Jewelry making workshop
- Shine Bright Sisterhood "Pamper Day"
- Burke and Wills Roadhouse community get together
- Twilight barefoot bowls
- Lost Art Leather workshop
- Tom Curtain 'We're Still Here' Tour
- Sausage making workshop
- Gallery Exhibition of locally taken photos of wildlife and landscapes
- Millinery workshop
- Virtual Mother's Day morning tea
- Children's Mother's Day short story competition
- Virtual dance and fitness classes
- Local photography competition
- The 'Cloncurry Rural Updates' e-newsletter was started
- Cloncurry Cookbook compilation.

I would also like to commend the work of the Local Business Network. The initiatives delivered by this committee injected dollars into our Shire with a specific mention to the 'Why Leave Town' shop local campaign of \$50,780 being redeemed in local stores via the Cloncurry gift cards.

Cloncurry is well positioned to support the State and Nation as we recover from the COVID19 pandemic. I applaud our staff, Councillors and community for your efforts to date and I look forward to working hard in the next financial year to ensure the safety and prosperity of our Shire.

David

ELECTED MEMBERS

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



GREG CAMPBELL
MAYOR

Mayor Greg Campbell proudly calls Cloncurry home and was first elected as Mayor in 2016. Mayor 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 known as Ergon Energy) as an electrician. Working in various technical and managerial roles during his time with Ergon, Greg's area of responsibility covered Mt Isa to Hughenden.

Involvement in community groups has been a passion for Mayor Campbell 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 the Council's spending is cost-effective and that local businesses are supported. Sealing of rural roads and improving the town's water supply will also continue to be priorities of Mayor Campbell.

Councillor Daniels was born and raised in Cloncurry. He is a third generation resident of the town. He attended Cloncurry State School for his primary years and finished his secondary education at All Souls in Charters Towers. Councillor Daniels has a long association with the pastoral industry. He has worked in his family's agri-businesses for over 30 years. He is currently the Managing Director of his family's stock and station agency and cattle pastoral company. Through their family business they have supported many events and committees in the Northwest. Councillor Daniels and his wife Sue are



SAM DANIELS
DEPUTY MAYOR

proud to have 3 sons, Jesse, Nicholas and Ben. Councillor Daniels and his extended family have been long term supporters and members of the Cloncurry and District Race Club. Councillor Daniels was elected to council in 2020 and is proud to represent the residents in the Cloncurry Shire. He is committed to supporting local business, improving infrastructure and enhancing the 'liveability' within the Shire.



VICKY CAMPBELL
COUNCILLOR

Councillor Vicky Campbell was elected to Council in April 2016. The volunteer committees, facilities, events and especially the people are what make the Cloncurry Shire a standout for her. Councillor Vicky feels the spirit of community is the lifeblood of Cloncurry. Having raised and educated seven children here with her husband over the last 30 years, Councillor Vicky is a proud local. From her employment as a mail contractor delivering post to a large number of rural residents across the Shire, Councillor Vicky knows firsthand the importance of a good working relationship between both the rural and town ratepayers of the Shire. Councillor Vicky

has great involvement with Council's Community Development Team delivering events and activities to engage the community and enhance the Cloncurry lifestyle. Councillor Vicky is an active member of Council's Audit and Risk Committee, the Community Advisory Network, and is the Councillor Representative for the Local Business Network and Tourism. It is with this knowledge of hard work and community unity that Councillor Vicky works to build and progress the Shire of Cloncurry.

Councillor Bidgood grew up in the Cloncurry Shire and has a long family history here. She has a strong passion for the growth of Cloncurry and believes she can best help achieve this through her role as a Councillor. Councillor Bidgood loves living in the Cloncurry Shire because of the great people, diverse industries, range of opportunity and family connections.



JANESSA BIDGOOD
COUNCILLOR



NATHAN KEYES
COUNCILLOR

Since finishing his schooling, Councillor Keyes has only ever been employed in the Cloncurry Shire. He worked as a Stationhand on local cattle properties before obtaining his helicopter licence in 2003. From there he began aerial mustering on properties from the Gulf of Carpentaria all the way down to the channel country, so is fortunate to have a broad knowledge of the area from both air and land. Councillor Keyes and his brother have managed the Cloncurry Saleyards on behalf of Council since 2015, and also run their own beef cattle enterprise. In doing so, they are fortunate to be able to talk to many people in the transport and beef cattle industries.

Having had a long history with the Cloncurry Shire, Councillor Keyes is keen to see it grow and reach further development. Cloncurry is a standout town for him because of its geographical location and being known as the 'hub of the North-West' - all roads lead to the Curry. He's a strong supporter of local businesses in our Shire - we must support them as they support our community events, create jobs, stimulate the economy and bring pride to our community. Councillor Keyes believes everyone in our Shire should be looked after, from our children to our seniors and he wants to help improve our health care, education and day care facilities.

Councillor 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 fulfill both roles.



DANE SWALLING
COUNCILLOR

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 the Council provides.

Councillors July 2019 - March 2020

Mayor - Greg Campbell

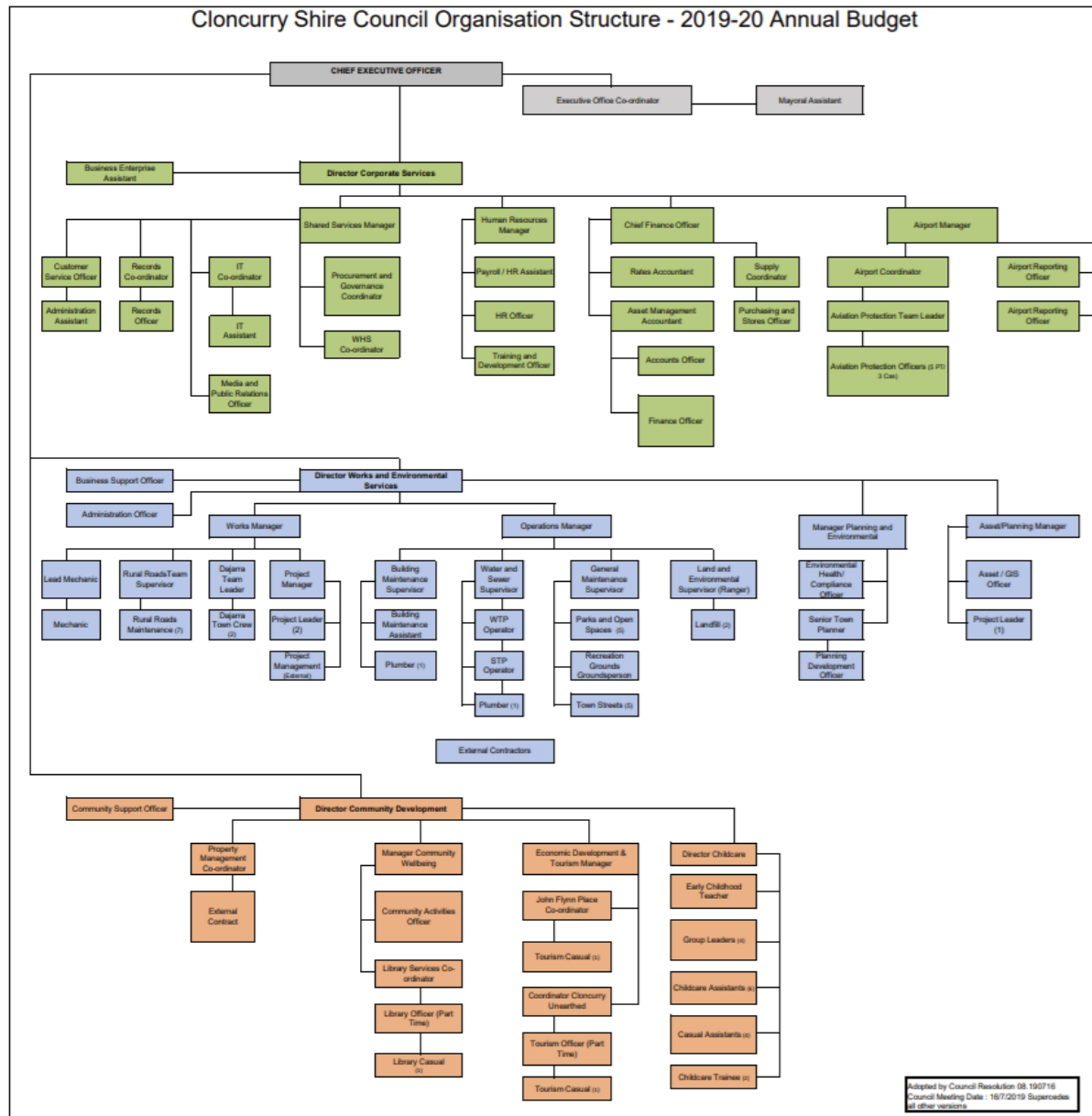
Deputy Mayor - Dane Swalling

Councillor - Vicky Campbell

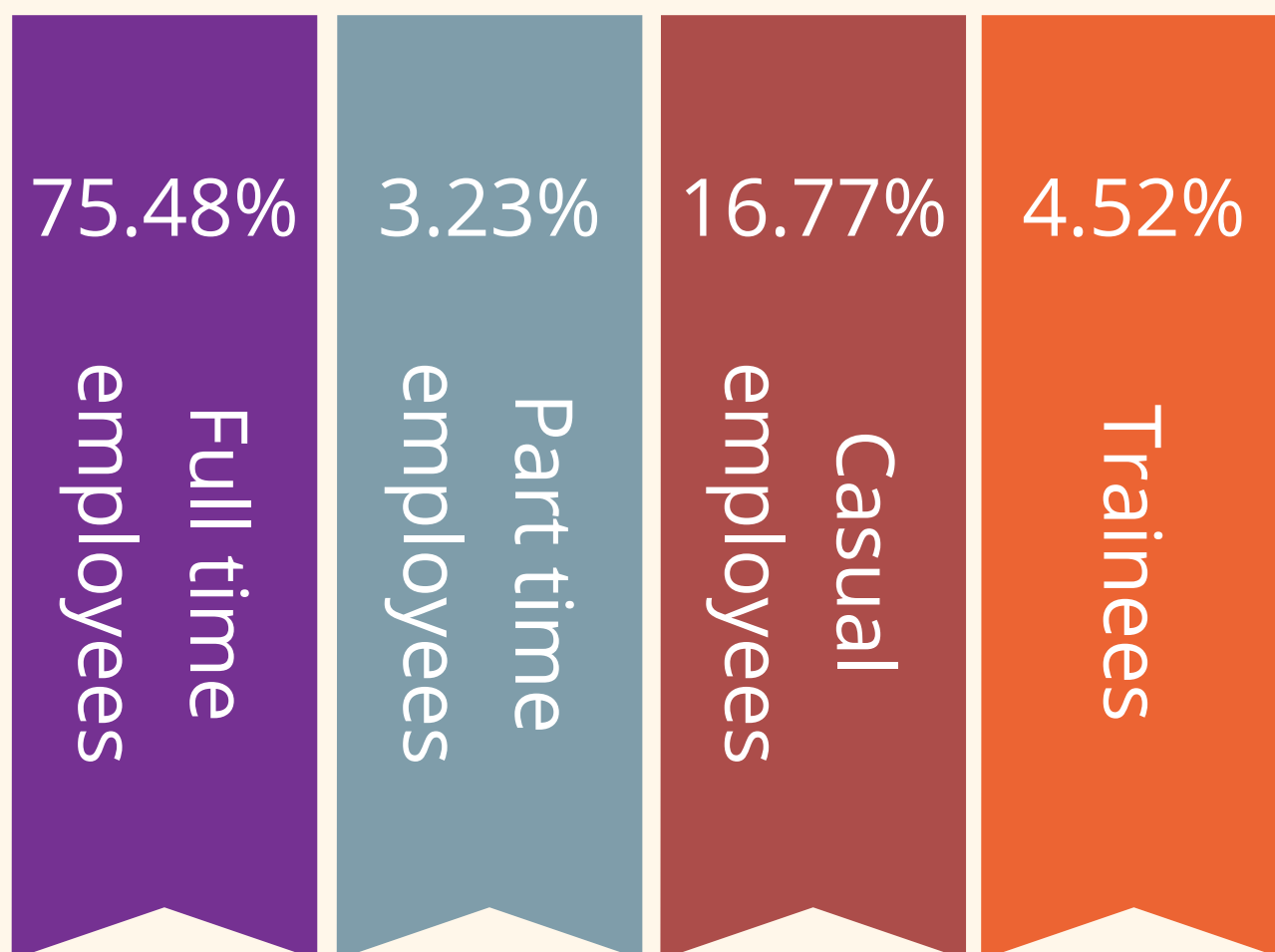
Councillor - Brad Rix

Councillor - Damien McGee

OUR PEOPLE



WORKFORCE PROFILE



Total employees: 155
Female: 51.61%
Male: 48.39%



OUR 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 2019 to 30 June 2020.

The purpose of the Community Financial Report is to reduce the complexity of the formal reporting so as to present the same information from the Audited Annual Financial Statements in a format that is less technical and more 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 for the period 1 July 2019 to 30 June 2020.

A Snapshot of the Financial Year 2019/20

Cloncurry Shire Council has had a solid 2019/20 financial year.

The operating result for 2019/20 was a deficit of \$446,739, an increase of \$175,917 over the previous year's deficit.

Total assets increased by \$23,855,126 following the revaluation of transport infrastructure, water and sewerage.

Cash reserves fell \$15,082,424 the majority of this drop in cash was due to the large amount of grant funding received in advance as at 30 June 2019.

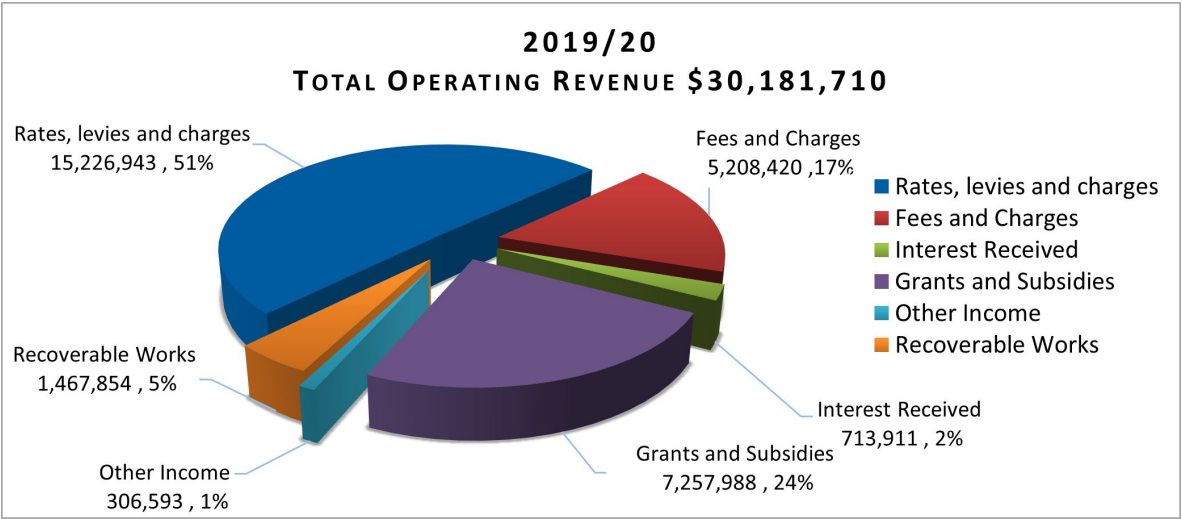
A change in the accounting standards will not see a repeat of this anomaly in the reporting of grant revenue as from 1 July 2019 grants are recognised when control of the funds is identified.

Below is a summary of Cloncurry Shire Council's financial statements (Operating) for the year ended 30 June 2020.

Comprehensive Income 2019/20		
	2019/20	2018/19
Operating Revenue	30,181,710	30,308,885
Operating Expenses	(30,628,449)	(30,579,707)
Operating Deficit	(446,739)	(270,822)
Capital Income	29,446,544	22,606,992
Capital Expenses	(1,401,941)	(70,594)
Capital Surplus	28,044,603	22,536,398
Net Result	27,597,863	22,265,576
Increase in Asset Revaluation Reserve	3,529,932	0
Total other comprehensive income for 2019/20	31,127,795	22,265,576

Revenue - where did the money come from?

Council received \$30,181,710 in operating revenue and other income for the 2019/20 financial year, the impact of COVID19 protocols saw a drop in airport passenger taxes of \$84,469 while there was an increase of \$285,097 in saleyards revenue.



Grants and Subsidies

Revenue sourced from grants and subsidies totalled \$7,257,988 or 24% of total operating revenue. Grants and subsidies flow to Council from various entities, including State and Federal Governments. \$5,905,474 was received from the Federal Government General Purpose and Local Road Financial Assistance Grant.

Rates, levies and charges

Revenue from rates and charges contributed 51% of Council's revenue this includes the levy for general rates, as well as charges for the provision of the water, sewer and refuse collection. The total amount received from rates, levies and charges was \$15,226,943, which equates to 51% of the Shire's total revenue.

Recoverable works

A secondary source of income for Council is sales and recoverable works. \$1,467,854 was earned in 2019/20, the majority from the Department of Transport and Main Roads for the Roads Maintenance Performance Contracts (RMPC).

Interest Income

Council received \$713,911 of interest, representing 2% of operating revenue in the 2019/20 financial year. This was \$119,178 less than the previous year due to record low interest rates.

Fees and Charges

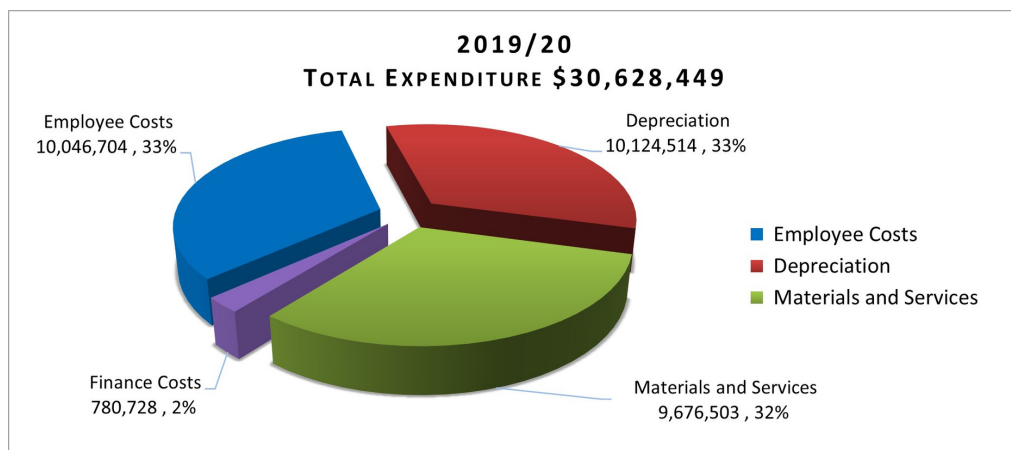
Includes revenue from Council owned businesses such as the Saleyards, Airport, Curry Kids Early Learning Centre as well as for Council functions where fees are charged for services such as developmental applications, service connection fees, venue hire fees, airport usage fees and various registration fees. Fees and charges totalled \$5,208,420 for 2019/20 . This was 17% of total operating revenue.

Other Income

Consists of revenue from rental income from Council owned and maintained properties, this revenue stream includes St Andrews Garden Settlement and Council housing rent. The amount totalled \$306,593.

Expenses – where was the money spent?

Council's total expenditure for the 2019/20 financial year was \$30,628,449. There was an increase of \$938,197 in wages and salaries mainly from a realignment of award wages throughout the organisation and a \$1,267,109 decrease in material and services costs and an increase of \$466,758 in depreciation.



Materials and Services

Material and services costs are the second largest expense item for Council. For the year ended 30 June 2020 these costs totaled \$9,676,503. 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 2020 depreciation costs totaled \$10,124,514.

Employee Costs

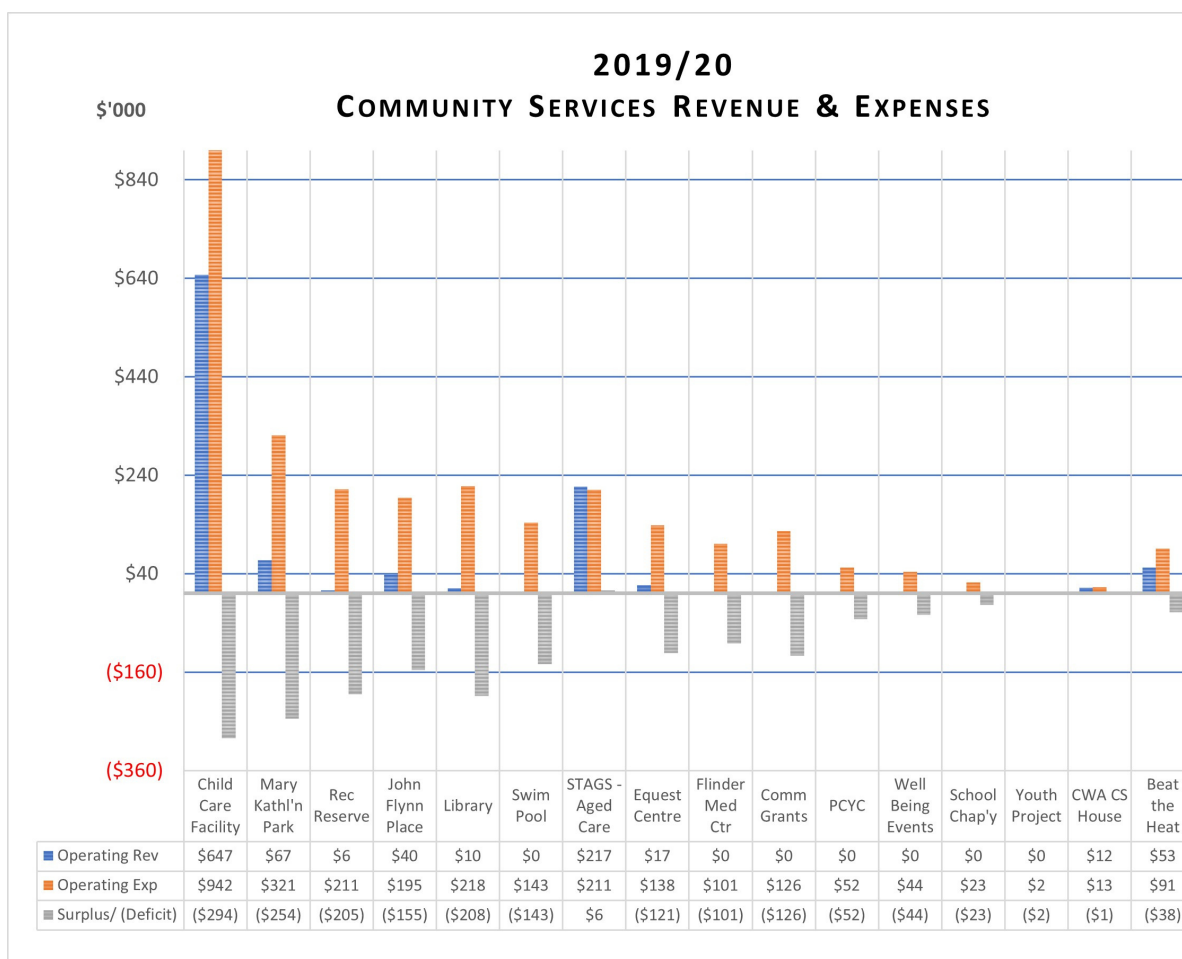
Employee benefits are the third largest cost to Council. For the year ended 30 June 2020 it totaled \$10,046,704 which consists of staff wages and salaries, leave entitlements and superannuation, as well as Councillor's remuneration. Council undertook a review of salaries and wages award rates in 2019/20 and applied the over award allocation to employees.

Finance Costs

Finance costs for the year was \$780,728. The majority of the finance costs is interest paid on Council's borrowings. Borrowings totalled \$12,782,947 at 30 June 2020.

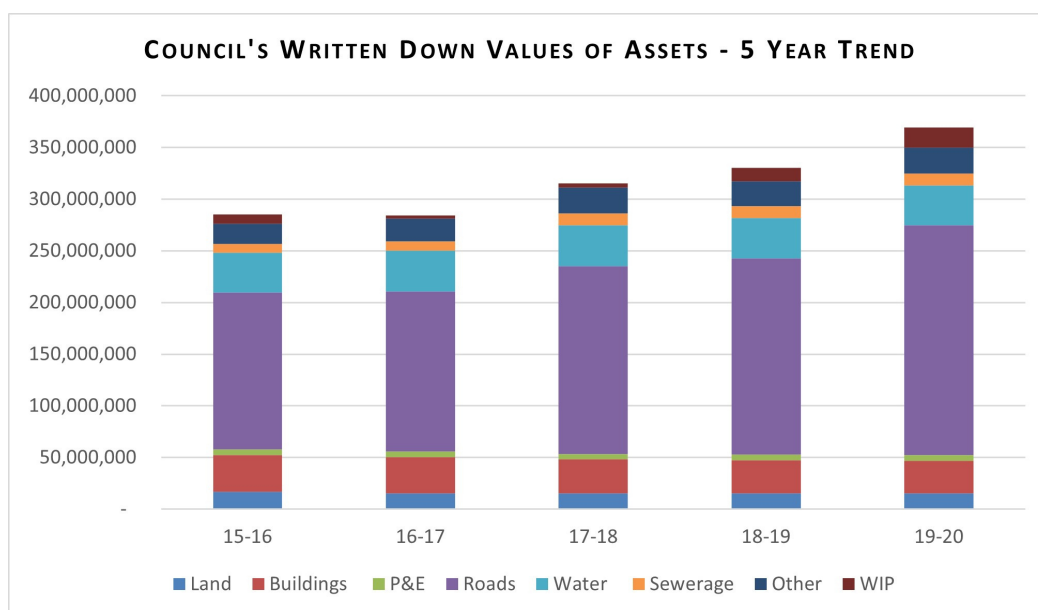
Services to Community

In accordance with the Corporate Plan 2016-2021 and the key strategic directive to make our shire a safe, affordable, family friendly and accessible community, Council provided \$1,762,000 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 Police Citizen Youth Club.



Capital Expenditure

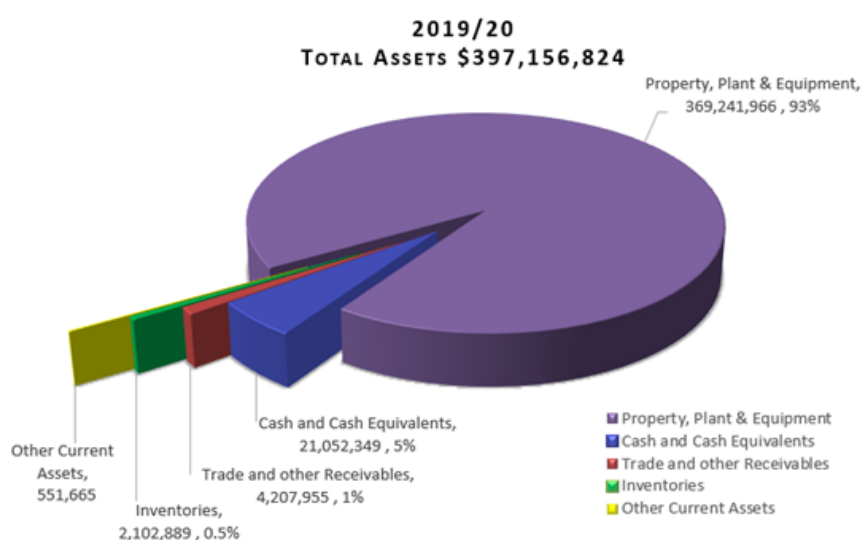
In 2019/20 Council delivered \$47,048,993 in the capital expenditure program. This included \$17,618,260 in Flood Damage (DRFA) works. A revaluation of Council's roads identified storm water assets that were not previously recognised and these were added to Council's asset register.



Assets - What We Own?

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

For the year ended 30 June 2020 the value of Council's assets was \$397,156,824 of which \$27,914,858 are current assets, those assets that are readily available to be converted into cash, and \$369,241,966 are non-current assets, Council's service delivery infrastructure.

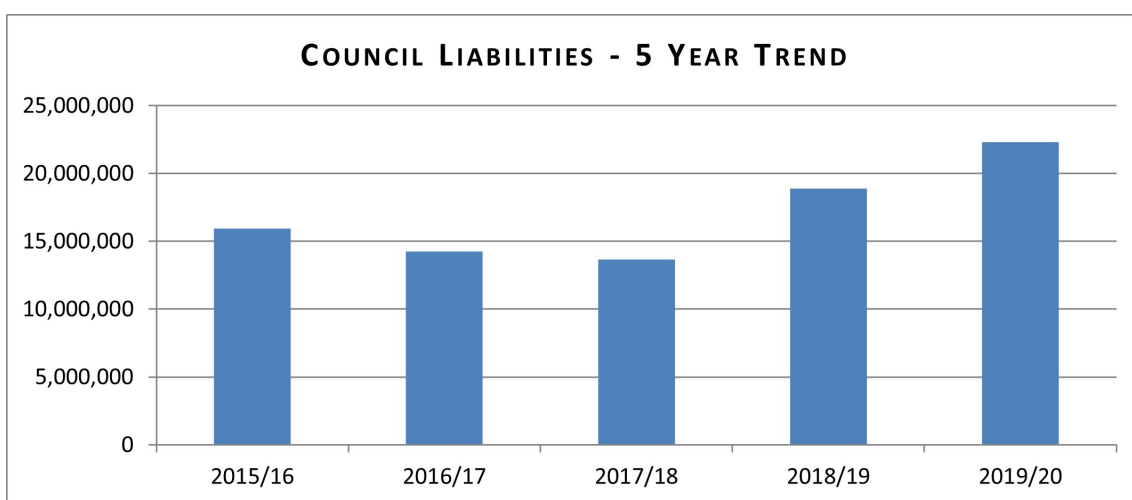


Liabilities - What We Owe?

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.

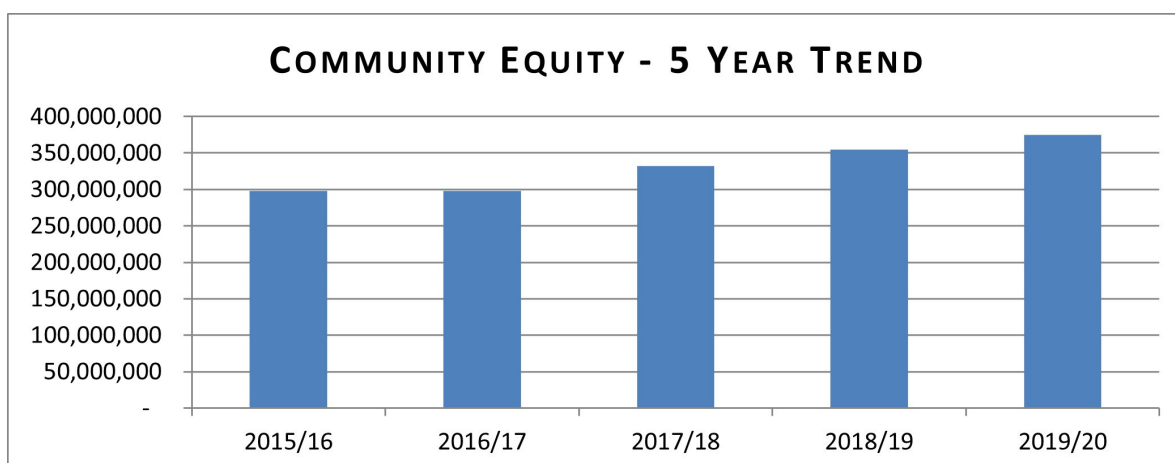
For the year ended 30 June 2020 total liabilities totaled \$22,319,398 which are split into:

- Current liabilities of \$9,874,379. This includes \$7,661,611 in payables to suppliers, \$889,548 in loans payable in the next financial year and employee entitlements.
- Non-current liabilities of \$12,445,019. This includes the balance of Council's loans payable after 30 June 2021, provisions for gravel pits and refuse rehabilitation and employees long service leave.



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 2020 was \$374,837,426.



Measures of Financial Sustainability

The Audited Financial Statements which support this Community Financial Report indicates that the Council has performed well in the 2019/20 financial year and has finished with a strong financial position. The net decrease in cash flow of \$15,082,424 was mainly due to the timing of the over \$12m in NDRRA, DRFA and other grant funding received prior to 30 June 2019 and these funds were expended throughout the 2019/20 financial year.

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

Financial Sustainability Ratios

Asset sustainability ratio: The extent to which infrastructure assets are being renewed as they reach the end of the useful lives.

- Target: greater than 90%
-
- **2019-20 ratio: 371%**

Operating surplus ratio: The extent to which revenues raised cover operational expenses.

- Target: between 0 and 10%
-
- **2019-20 ratio: -1%**

Net financial liabilities ratio: An indicator of the extent to which the net financial liabilities of Council can be serviced by its operating revenues.

- Target: not greater than 60%
-
- **2019-20 ratio: -19%**

OUR ANNUAL PERFORMANCE

Strategic Direction 1: Building our Economy

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

Corporate Plan Objectives:

1. Support development to facilitate networks and partnerships between local business, industry groups and government to promote innovative industries.
2. Promote Cloncurry as a tourist destination.
3. Support rural industries.
4. Enhance the retail shopping environment.

Achievements and Highlights

- Innovation Forum successfully delivered on 18 November 2019.
- Heritage Trail and brochure completed, WWII Historical Trail community consultation and content development completed, signs ordered. Outdoor Museum signage development completed, Bush Tucker Garden completed, Tourism images portfolio completed.
- Social media accounts established; destination marketing plan completed; consultation for destination branding 70% complete. Consultation and presentation to council deferred until 2020/2021.
- Beat the Heat event successfully delivered in September 2019.
- Preliminary designs and high-level costings, review of John Flynn Place Museum interior exhibits and proposed upgrades including costings and Financial Feasibility Study have been completed.
- Business case for the feasibility of a Café at Unearthed has been completed.
- Shopfront revitalisation grants program established. Overwhelming response received; successful applications were approved at the November 2019 Council meeting.

Strategic Direction 2: Building and Maintaining Infrastructure

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



Corporate Plan Objectives:

1. Provide transport services that meet community expectation.
2. Ensure infrastructure and utility services can cater for long term sustainability while providing services in a timely and efficient manner.
3. Improve water security.

Achievements and Highlights

- New offices, store yard fencing, workshop structural improvements completed. New workshop pit, wash bay, and pavement reseal under development.
- Construction of Stage 4 Eastern Town Storm Water Drainage Project achieved at the end of April 2020.
- Undertake restoration of flood damaged roads under Disaster Recovery Funding arrangements (DRFA) in a timely manner - Target of 80% achieved by end of June with an estimated completion end of October 2020.
- Undertook Department of Transport and Main Roads works to specification and in accordance with the Road Maintenance Performance Contract (RMPC) prior to June 2020. For this reason, Council received an additional \$200,000.00 excl GST of works that will achieve completion by June 30.
- Asset Management Plans developed. Cloncurry stormwater and 2.6 km of sewer condition assessment completed. Condition assessment on roads, footpaths and buildings planned for 2020/21 financial year. Flood hydrology model completed. New Asset Management software will assist with continuous improvement in the future.
- Mining Notifiable Road User Agreements (NRUAs) reviewed/updated as they arose. A new costing methodology developed to provide a more consistent model for new NRUA's.
- Undertook front-end engineering options analysis and preliminary designs for potential future infrastructure projects – Projects included clean yards design, Coppermine Bridge design and grant applications. Various other roads, water infrastructure, stormwater and buildings preconstruction also underway.
- Maintain modern, reliable and cost-effective Plant and Fleet that meets the current and future needs of Council. Maintenance is being tracked through an Excel speed sheet for small fleet. Large fleet management uses



Hastings supplied Asset system. A new maintenance management software system will provide improvements in plant management in the future. Plant renewal program delivered on time and within budget.

- Delivered all capital works and grant funded programs for the replacement, upgrade, renewal or new construction of all infrastructure assets - 90% of capital works delivered.
- Provision of cost-effective waste management services and facilities – drainage works and fence completed.
- Water meter replacement program continued to ensure consumption accuracy and water losses are minimised – Investigation undergoing for the proposed use of Wi-Fi smart water meters to reduce reading costs.
- Installation of new meters for river wells and harvest pumps to achieve statutory compliance - Avdata meter installation under design as part of the larger water network upgrades.
- Airport infrastructure damaged during 2019 floods was rectified.

Strategic Direction 3: 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.

Corporate Plan Objectives:

- 1.Enhance provision of community services, facilities and infrastructure - Support Sport and Recreation Programs.
- 2.Ensure quality employment and training opportunities.
- 3.Improve cultural experiences in the Shire.
- 4.Affordable living options for the community.

Achievements and Highlights:

- Dajarra sustainability - Designed and implemented a new Water Treatment Plant to improve the reliability and supply of drinking water to Dajarra township. Further modifications to the system required due to the lack of consistent power and supply of raw water.



Achievements and Highlights:

- Progressed discussions with mining companies to encourage an increase in the number of their employees living in Cloncurry.
- Delivered cemetery and associated services that met current burial and remembrance needs - extension to Cemetery completed with concrete plinths and irrigation. Audit of cemetery plots under way and the masterplan to be reviewed. New signage being designed and information packs updated for community use.
- Grants received for Saleyards Heavy Vehicle set down area and Dajarra Airport fencing – construction of both completed.
- Florence Clark Park redeveloped in accordance with the adopted Concept Design.
- Partnered with Dajarra State School to provide library services and program delivery to Dajarra. Secured First 5 Forever funding to deliver outreach library services in Dajarra. Planned Library visits in 2020 were cancelled due to COVID19 restrictions.
- Advocated for additional mental health services for Cloncurry Shire residents - Mental Health Service providers are delivering services in Cloncurry. All Mental Health Service Providers actively participate in the Cloncurry Local Recovery Group convened by Council.
- Facilitated community wellbeing activities to aid in disaster recovery across the Cloncurry Shire. Due to COVID19 a number of community wellbeing events have been delivered through a virtual platform, this has included Virtual Mothers Day Morning Tea, Dance and Fitness Classes and Queensland Day Morning Tea. Online competitions have been held to engage children including Easter colouring-in competition and a children's writing competition. A photography competition has been delivered via Facebook and the development of a Cloncurry Cookbook.
- Promoted and encouraged local artists to access the Regional Arts Development Fund (RADF). Promoted RADF widely and carried out community consultation to set the priorities for RADF for the next 12 months. Application numbers have slowed due to COVID19.
- Engaged cultural and literary experiences for our communities. Ten literacy workshops held, and one workshop was cancelled due to COVID19.



- Opportunities sought to increase and maintain the Council Employee Housing Stock Program with seven additional houses secured. Inspections of all council housing conducted, and the repairs and maintenance program rolled out.
- Provided well planned and maintained open space and parks compliant with asset inspection and maintenance schedules with regular checks carried out. Repairs and maintenance work conducted as required.

Strategic Direction 4: Protecting our Environment

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

Corporate Plan Objectives:

1. Maintain programs to ensure impacts of development and land use on people and the environment are minimised.
2. Work collaboratively with traditional owners to protect Aboriginal cultural heritage.

Achievements and Highlights:

- Animal Control Program delivered in line with adopted biosecurity plan and approved budget. Implemented the 1080 Baiting Program.
- Continued with implementing improvements to Sewage Treatment Plant (STP) upgrade in accordance with STP master plan to meet environmental licence and town planning requirements.
- \$8.6m Sewage Treatment Plant upgrade commenced and due for completion by September 2020.
- Ensured that statutory timeframes for reporting on all treatment plant licence conditions, dam safety and public health requirements was achieved.
- Regular testing regime in place for all licence parameters. Potable water supplied in accordance with the Drinking Water Quality Management Guidelines. Undertook annual SWIM reporting. Provided dam safety reporting as per requirements.
- Undertook a program of assessing Public health licence applications, carried out routine inspections of licensed premises and ensured that complaints were investigated, effectively managed and resolved.



- Provided building, plumbing and drainage regulatory services to meet legislative requirements. Processed 31 building applications and 13 plumbing applications.
- Attempted to undertake at least one annual meeting with traditional owner groups to ensure that they are aware of Council's annual capital and maintenance programs throughout their country.
- Developed and improved internal processes to ensure that Cultural Heritage assessments and clearances are undertaken well in advance of any planned capital or maintenance works programs. An induction package was developed and will be first presented at RMPC inductions on 30 June 2020.

Strategic Direction 5: Effective and Inclusive Governance

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

Corporate Plan Objectives:

1. Council strategic plans assist the community in achieving their goals.
2. Develop and maintain collaborative partnerships between Council, State and Federal Government, the community and industry.
3. Ensure decision making is inclusive and transparent, that decisions are communicated to the broader community and based on sound community engagement policies and strategies.

Achievements and Highlights:

- The development of a new Corporate Plan is in progress.
- The Disaster Management Plan - live document updated as required with regards to COVID19.
- Elected members and officer's professional development - Councillor attended the Annual LGAQ Conference.
- Enterprise Bargaining Agreement (EBA) administrative adjustments made, approved by all unions - voting to be finalised and certified agreement to be submitted by July.
- Internal audit recommendations adopted, procurement policy reviewed and adopted in June included recommendations from audit report.



Councillor members for Audit Committee approved in June and independent members to be selected from an Expression of Interest.

- Fraud and Corruption Management and Risk Management policies and procedures adopted in 2017 have been thoroughly reviewed by Governance staff and are up to date with legislation and compliance. Cyber fraud training was undertaken by key staff in April 2020. A fraud attempt in May 2020 was thwarted by utilising adopted processes.
- HR Strategy, adopted in May 2019, initiatives continued - Recruitment policy and on-boarding processes completed, an on-line recruitment program is now in operation streamlining the recruitment process and saving time. The wellbeing committee is meeting regularly to formulate planned events for 2020. Induction processes completely revamped and follow up inductions for new staff is a regular process. Monthly awards have been well received by staff and innovation suggestions continue to be received.
- Financial Statements completed and audited without qualification.
- Implementation of a new Enterprise System is a 16-month program 'Go-Live' targeted for November 2020. SynergySoft approved as new ERP system by Council at April 2020 Ordinary meeting.
- Implemented an electronic Safety Management System, Skytrust, with training of staff completed. Additional enhancements to be rolled out over next two years. Safeplan completed and reviewed by Safety Committee.

OUR ECONOMY - BUILDING

Attracting Industry

In contribution to the development of our economy, Council continues to seek opportunities for the benefit of the community and its economy as a whole. In this regard, Council presented a concept and initiated a project with the Department of Agriculture and Fisheries to explore cropping opportunities for the Shire. The project is currently in initiation phase, however, Council has successfully secured land, sought probable water sources and continues to work with the Department of Agriculture and Fisheries to install infrastructure required in order for farmers to develop and irrigate the land. This project, subject to the outcome of the trial, will add to the Shires economical stream.

Arguably the greatest highlight for the year, is the development of the Unmanned Aerial facility at the Cloncurry Airport.



**UNMANNED AERIAL
FACILITY**

A first for Australia, Cloncurry was chosen as the prime location for an unmanned aerial testing facility. The prospect of additional jobs for the shire associated with this facility, and the attraction of the leaders in aerospace, Boeing Company, it is expected that additional jobs created for the community will be rewarding. Although not a Council initiative, Council played an integral part in the development approval process and worked with the applicant for the benefit of the shire moving into the future.

This will be based at the Cloncurry Airport at Sir Hudson Fysh Drive. This facility is the first of its kind in Australia to allow Boeing's Phantom Works division to be the first to make use of the site to construct and operate large drones by October 2020. Boeing likes the excellent conditions provided by Cloncurry to test the company's new unmanned aircrafts and systems in the field.

Innovation Forum

A successful Innovation Forum and Dinner was delivered on Monday 18 November 2019. 55 people attended the Forum and 45 people attended the dinner, including Senator Susan McDonald, the Hon. Minister Cameron Dick, and the Hon. Minister Kate Jones. Positive feedback has been received from a number of stakeholders.

Enhancing Visitor Experiences

Virtual Reality in Accredited VICs Project. Cloncurry Unearthed was one of 11 accredited Visitor Information Centres to receive 50% funding from the Department of State Development, Tourism and Innovation towards a Virtual Reality experience. The Virtual Reality experience is portable and thus can be taken to Trade or Consumer Events outside of the region. These photos were shared with TEQ, OQTA and SQ.



JUNE 2020 PHOTOSHOOT

Supporting Business

Recognising the importance of our local businesses businesses, and the importance of supporting our local enterprises, Council offered a Shopfront Revitalisation Grant up to the value of \$10,000 (dollar for dollar grants) to provide assistance in undertaking exterior physical upgrades to encourage an improved streetscape and increased patronage.



CLONCURRY 4WD SERVICES FOLLOWING UPGRADES

Beat the Heat Festival

The renowned Cloncurry Beat the Heat Festival returned in 2019 with three days of family fun for everyone to enjoy. Kicking off on the evening of Friday 11 September with the Street Party on Scarr street, attendees enjoyed watching and participating in both the Curry Cook Off and Mine Cart Race competitions completed with entertainment from Madelaine Chaplain, Brooke McClymont and Adam Eckersley.

The following day, Saturday 12 September saw a great crowd gathering at the Cloncurry Spring Races to watch some of the North's best jockeys and racehorses battle it out. After the races the crowd ventured over to the Equestrian Centre for the Best of the West Rodeo.

After two busy days of activities, entertainment and competition, Sunday was a day to relax a little more with a visit to the Cloncurry Markets for a spot of Christmas shopping for the adults while the children were able to enjoy the new addition of the superhero scramble. A lovely way for everyone to round out a wonderful weekend.

Overall, feedback received from the weekend showed a very positive community response, with over 1,800 people attending the events throughout the weekend.



CLONCURRY SPRING RACES

Local Business Network (LBN)

The Cloncurry Local Business Network Awards were held on 7 November 2019. There were 28 nominations. The Christmas Shop Local Campaign was launched at the LBN Awards.



LOCAL BUSINESS NETWORK AWARDS

Queensland Government restrictions on social gatherings in order to control the spread of COVID19 had a significant impact on the economic development activities of Cloncurry Shire Council. The monthly Local Business Network Committee Meetings were cancelled for March, April, May and June. The Queensland Small Business Week networking event scheduled for May was also cancelled.

However, in response to the effects which COVID19 restrictions had on businesses towards the end of Q3 and throughout Q4, Council initiated support to businesses via several measures. The first such measure was to assist the Local Business Network's own initiative to support the hospitality sector, which aimed to assist hospitality businesses diversify their product and service offerings by providing takeaway and home-delivered meals.

This was achieved through the creation of a booklet which published all the menus of each venue providing takeaway and/or home-delivered meals in Cloncurry and mailing this booklet to all households in Cloncurry.



Creating Tourism

In July the new Bush Tucker Garden initiative was established in Mary Kathleen Memorial Park, with the interpretive sign being erected in November.

BUSH TUCKER GARDEN SIGNAGE

The WWII History Trail is a project due for completion in 2021 and will chronicle Cloncurry's significant contribution to the Australian and American war effort in the Pacific. Signage locations will be Station Street, PCYC, Shell Hill, Cloncurry Airport, Central Hotel and the Bush Tucker Garden at Cloncurry Unearthed.



WWII HISTORY TRAIL

EXAMPLE SIGNAGE

OUR LIFESTYLE - INVESTING IN

Cloncurry Christmas Festival

On Saturday 30 November, the Christmas Markets hosted 14 local makers and creatives who were able to sell their wares to the community and showcase their talent. Also returning was the famous Christmas Lights competition which resulted in 16 houses and businesses nominating their Christmas Light Displays.

With the onset of Christmas, the Christmas Tree was once again erected in the Community Precinct for the annual Community Christmas festivities. This year the celebration was held on Monday 2 December with a crowd of around 200 enjoying the entertainment provided by the Cloncurry Carollers complete with a visit and gift from Santa Claus, and a free BBQ cooked by the Lions Club.

A special Seniors Luncheon was hosted at the Leichhardt Hotel Dining Room for over 70 seniors on Monday 16 December where they enjoyed a 2-course lunch and an afternoon of bingo called by Mr Phil Gibson.



CHRISTMAS IN THE CURRY

Florence Clarke Park

At its community forum, the Cloncurry State School students presented to Council, the need for additional activities for the youth of Cloncurry. Part of this presentation was an idea for a water play park. Council, in recognition of its younger residents, considered this to be a fantastic initiative for the residents of our shire and commenced planning for the impressive Florence Clarke Park and Cloncurry Swimming Pool Upgrade Project.

This project aims to transform a civic space to attract visitors and create a space where community can come together, enhancing community pride and identity. The existing underutilized space, once completed, will be transformed into a modern, community hub that engages and inspires people of all ages in recreation & leisure activities.

Features include improved green space, new amenities, BBQs, water park/splash pad - located inside and outside of the swimming pool area, playground, skate furniture, civic stage and a series of arbor structures that will tell the story of Cloncurry's history and key landmarks.



**AERIAL VIEW
FROM SCARR STREET**

**WATER PARK
UNDER CONSTRUCTION**



Horse Agistment Paddock

At its community forum, the community presented an initiative to Council for a horse agistment paddock which was supported by a community petition. In recognition of our community's lifestyle and the abundance of horse enthusiasts, agricultural workers and competitors throughout our shire, Council commenced research into developing a parcel for short term agistment.

Council identified a parcel and commenced a project to tidy the site, fence the boundary and install a water trough. Unfortunately Council was unable to progress the project due to the applicants being unable to obtain public liability insurance.

OUR COMMUNITY

New Citizens

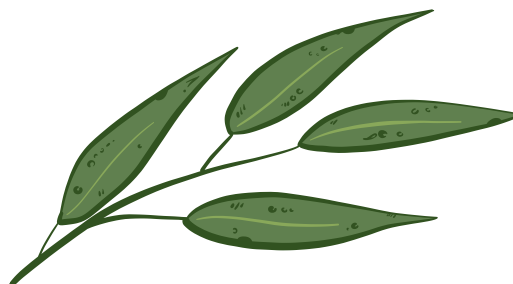
Mayor Campbell welcomed 16 Cloncurry Shire residents from 6 different countries as new citizens of Australia. With Mayor Greg Campbell officiating, the region's newest Australians pledged their loyalty to Australia and its people at various ceremonies held over the last 12 months.

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



NEW AUSTRALIAN CITIZENS

Name	Country of Birth
Okitha Adikaram Mudiyanse	SRI LANKA
Amali Peiris	SRI LANKA
Upali Adikaram Mudiyanse	SRI LANKA
Jane Flores	PHILIPPINES
Robin Dunford	UNITED KINGDOM
Carolyn Cabanlit	PHILIPPINES
Linda Nooteboom	UNITED STATES
The Hung Pham	VIETNAM
Quynh Chi Pham	VIETNAM
Vu Tieu Phuong Pham	VIETNAM
Thi Thuy Vu	VIETNAM
Daniel Ponce	PHILIPPINES
Anthony Laman	PHILIPPINES
Elizabeth Kitching	UNITED KINGDOM
Jonie McAdle	PHILIPPINES
Ioana Solomon	ROMANIA



Australia Day

Australia Day celebrations for 2020 started on Saturday 25 January with a family friendly movie night at the Community Precinct. On Sunday 26 January a Community Breakfast and Awards Ceremony was held, which included an address from Danny Hayland OAM, Cloncurry's Australia Day Ambassador for 2020.

The 2020 Australia Day Award recipients were as follows:

- Citizen of the Year – Jean Tapp
- Young Citizen of the Year – Taylor Jacobsen
- Dave Watt Memorial Junior Sports Award – Sarah Scobie
- Senior Sports Award – Damien McGee
- Sports Administrator Award – Charlie & Denise Hill
- Cultural Award – Ronald 'Hombre' Major
- Achievement Award – Graeme McDonald
- Achievement Award – Jill Smith
- Achievement Award – Haylee Scanlan
- Achievement Award – Joe Robertson (Snr)
- Sarus Crane Environmental Award – Lindsey Perry
- Mayor's Community Spirit Award – Cloncurry Community Flood Response 2019
- Community Event/Organisation of the Year Award – Cloncurry & District Race Club

Following the 2020 Awards Ceremony, although much welcomed rain threatened to cancel, celebrations continued with the annual sports afternoon including the Bush Cricket Competition and Tug-O-War. The afternoon was thoroughly enjoyed by all.

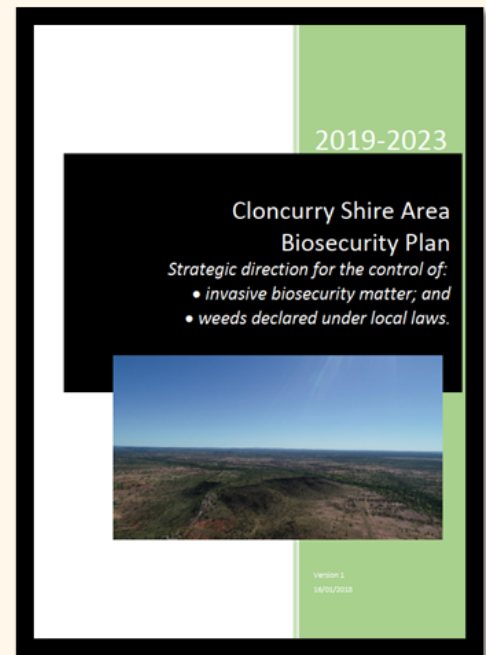


**AUSTRALIA DAY 2020
AWARD RECIPIENTS**

OUR ENVIRONMENT

Biosecurity Plan

The purpose of a Biosecurity Plan is to bring together all sectors of the local community to manage invasive plants and animals. It ensures that resources are target at the highest priority pest management activities, and those most likely to succeed. The plan is to set strategies, activities, and responsibilities for pest management at a local scale, achievable objectives for the Cloncurry community. Monitoring and evaluation of effectiveness of the plan. This will inform regional planning processed on local pest management priorities.



CLONCURRY SHIRE BIOSECURITY

Biological Pest Control

Environmental services staff have been working with the Department of Agriculture, Fisheries and Forestry in releasing a pupae on the 11 June 2020 in a patch of Parkinsonia as a control measure to minimize the growth and spread of the weed. Three insects have been introduced to Australia for biological control; they are larvae that specifically eat the seeds from the Parkinsonia pods and are proving to be a useful management tool.



PARKINSONIA POD COLLECTION

Natural Disaster

After breaking the hottest consecutive days above 40 degrees record, Cloncurry properties received up to 700mm of rain within seven days. Even though everyone in North West Queensland loves when the rain comes no one was prepared for an event quite like this. Council was epicenter for the Cloncurry Shire and our neighbouring McKinlay Shire. Jumping into action with air support for medical, food and fodder drops it was an all hands-on deck approach.



MAYOR CAMPBELL WITH SCOTT MORRISON, PRIME MINISTER OF AUSTRALIA

With support from Emergency Services, Department of Transport and Main Roads, Department of Agriculture and Fisheries and the Army, Mayor Greg Campbell, the Chief Executive Officer and the Manager, Planning and Environment ran daily meetings to ensure that the landowners, mines and other organisations had the assistance they required from the Local Government. An important message that always came out of the meetings to push through to State and Federal Government is even when the flood is gone this will affect families for years. We need to continue to strive and drive the agricultural business and to do our best to assist in any way we can.

Even though many had lost a big part of their livestock it was the Queensland spirit and support to help drive them through this time of need that shone brightest.

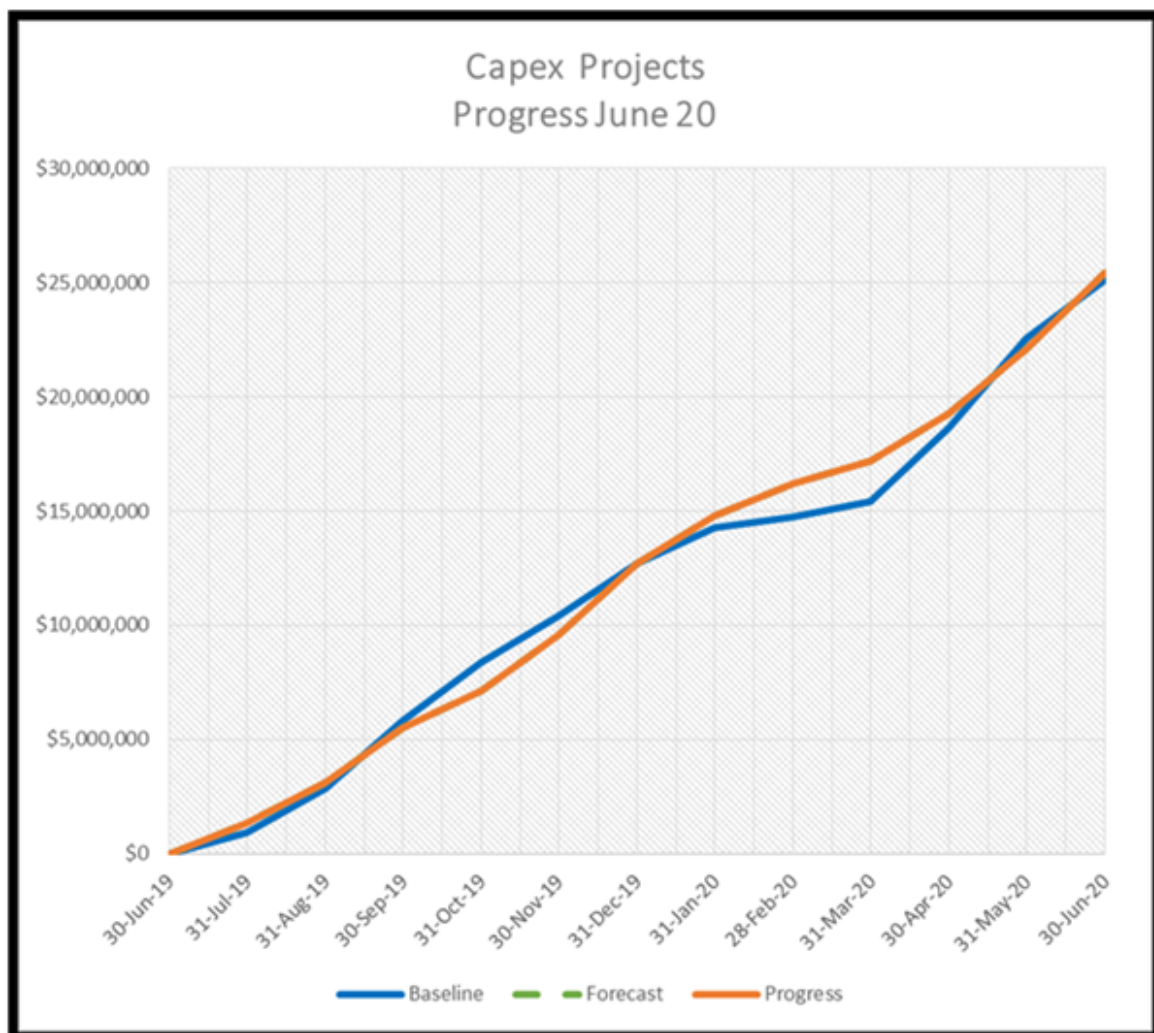
AERIAL VIEW OF FLOODWATER



OUR INFRASTRUCTURE



Capital Works Program

Acknowledging the importance of the Shires built infrastructure, Council invested in an impressive Capital Works program for the 2019-20 financial year with over \$25m completed works in line with its original target.



CAPEX PROJECT PROGRESS 2019-2020

The following represents several highlighted projects undertaken during the reporting period:

Purchase Project Management Software	Mary Kathleen Park fitness equipment and shade over swings	Dajarra Airstrip fencing upgrades
Cloncurry airport fencing upgrades	Cloncurry cemetery expansion plinths	Eastern drainage stage 4
Dajarra Water Treatment Plant		Dajarra Toilet Block and Sewer Connections
Saleyards heavy vehicle set down area upgrade	Rec grounds fencing stage 4	Sir Hudson Fysh Drive rehabilitation
Airport Taxiway batter and storm water pipes upgrade		Water treatment plant safety upgrades
McMaster Road sealing	Aerodrome road sealing	General waste facility stormwater
Bull statues	Road rehabilitation	Road renewals

Carl Katter Bridge

The primary objective for the project was to replace the existing deteriorated single lane bridge with a new dual lane bridge to ensure a structurally adequate bridge to service the locally important traffic route along Sir Hudson Fysh Drive. This allowed improved safety for all transport users, vertical road alignment, flood immunity and a reduced maintenance requirement.

On 17 February 2020, Council held a grand opening ceremony for Carl Katter Bridge. This would not have been possible without the support from funding organisations and contractors.

Those who attended were able to meet and hear from Senator Susan McDonald, the Honourable Scott Buchholz MP, Mayor Greg Campbell, Robbie Katter MP, and the Honourable Bob Katter MP. During the unveiling Greg presented the Katter family with the old Carl Katter Memorial Bridge sign and this was then followed with the procession of a triple semi-trailer, police and Council vehicles making their way across the new redeveloped bridge.



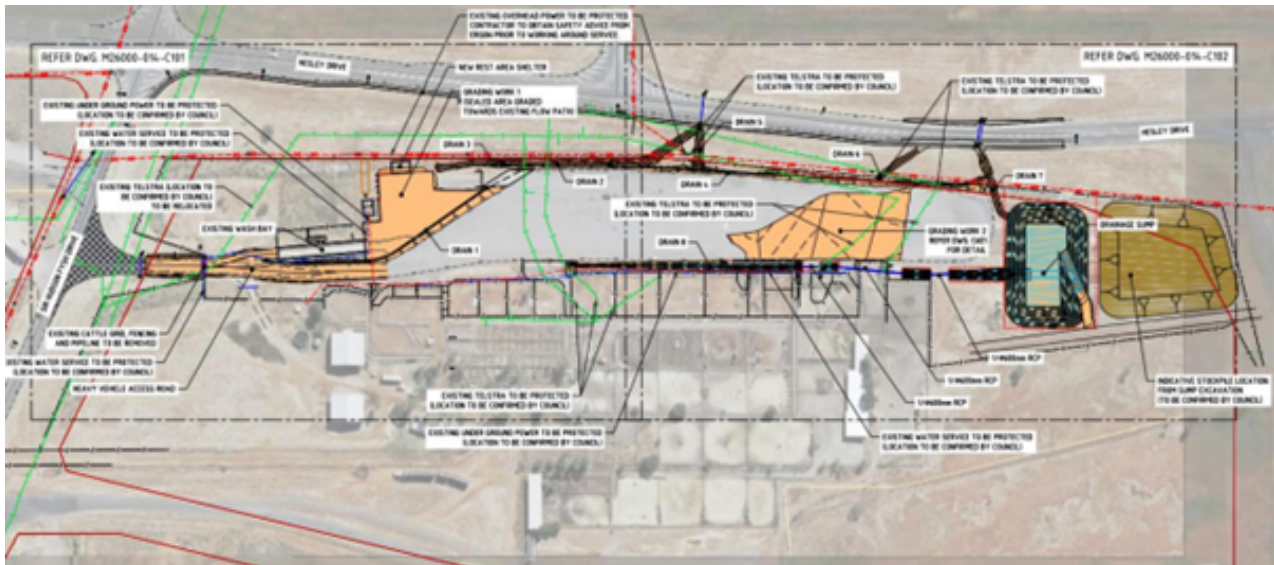
OFFICIAL OPENING

CARL KATTER BRIDGE

Heavy Vehicle Rest Area Upgrade:

Cloncurry Heavy Vehicle Rest Area project was funded by a combination of the Federal Government's Heavy Vehicle Safety and Productivity Program Round 6 (HVSPRP), Building our Regions Round 4 and Cloncurry Shire Council.

The importance of this facility is that it is accessed by many haulage companies traveling throughout North West Queensland thus supporting the transport industry with a safe and easy access for the drivers to rest adequately and inspect their loads.



SCHEMATIC

HEAVY VEHICLE REST AREA

Burke and Wills Airstrip

Burke and Wills airstrip received a once-off contribution of \$250,000.00 from the Department of Transport and Main Roads under the Transport and Infrastructure Scheme to lay a 150mm gravel overlay on the airstrip. With a further donation from a local family of \$150,000.00 Council was able to improve some critical infrastructure for the benefit of the remote community. This developed airstrip provides appropriate and safe access for the Royal Flying Doctor Service and small privately owned aircraft.



SCHEMATIC

B&W AIRSTRIP

Dajarra Water Treatment Plant

Council has been searching for a suitable solution to provide potable water for the Dajarra township. The solution was to supply and install a Water Treatment Plant that will provide improved water quality to the Dajarra Community. Council was successful in gaining Works 4 Queensland funding of \$350,000 for this project.



DAJARRA
WATER TREATMENT PLANT

Sewerage Treatment Plant

Since 2016 Council has been working with the Department of Environment and Science to remedy breaches within the Cloncurry Sewerage Treatment Plant. The sewer plant was designed and installed some 60 years ago and was no longer able to meet the demands of the community.

As such, in 2019, Council commenced a project to upgrade the Sewerage Treatment Plant. This \$3million project provides for the appropriate treatment and release of effluent whilst considering the environmental values of the receiving land.

OUR GOVERNANCE AND CUSTOMER SERVICE

Cloncurry Shire Council aims to be proactive in working collaboratively with residents, stakeholders, and other levels of government. Council's strategic plans such as the five-year Corporate Plan and the associated Operational Plan assist Council to achieve community goals.

To develop and maintain collaborative partnerships between Council, State and Federal government, Councillors attended the annual Local Government Association Conference held in Brisbane in October 2019.

With the recent pandemic, Council undertook a review of its Disaster Management Plan to include COVID19 requirements.

Council commenced a review of its community engagement policy and strategies to ensure that inclusive and transparent decision-making is communicated to the broader community. Council reviewed policies during 2019-20 including:

Reviewed and adopted

- Social Media Policy (CD0010) version 2
- Procurement Policy (COR 1004) version 4
- Drug and Alcohol Policy (excluding Airport Workers) HRM 1005
- Code of Conduct – Employee (HRM 1004) version 2
- Statutory policies such as the Investment Policy (COR 1007), Debt Policy (COR 1006) and Revenue Policy (COR 1005 version 4.3) were reviewed and adopted as part of the Budget process.
- Council reviewed its complaints management processes and adopted an Administrative Actions Complaint Management Policy (COR 1028) and associated procedure to outline Council's complaints management process and how a complaint is to be assessed, acted upon and resolved.

New policies introduced

- A Records Management Policy (COR 1037) was adopted to set out the framework for Council to fulfil its obligations under the Public Records Act 2002 and the Local Government Act 2009. These Acts require Council to create and maintain accurate records of all activities and decisions of Council. These records must be captured, retained and disposed of in accordance with legislation via acceptable record keeping practices. Effective record keeping is the foundation of good corporate governance and strengthens transparency and accountability in Local Government.
- Council understands the importance of volunteers for local community organisations and for those volunteers to be available for a range of community events. Council is very supportive of those local community groups who bring a significant social and economic benefit to the community of Cloncurry by organising a range of regional events. As a way of showing support for community events and appropriately managing staff who wish to contribute their time to these events, Council developed a 'Community Event Support Policy' (COR 1039) which allows staff to apply for up to two-days paid leave to contribute their time for an appropriate activity.
- The Closed-Circuit Television Policy (COR 1038) and associated procedure was developed to provide direction on the establishment and management of Cloncurry Shire Council's Closed Circuit Television (CCTV) system in public spaces and provide a framework for ensuring future requests for CCTV are managed and assessed equitably and in accordance with relevant legislation. The primary use of CCTV is to discourage unlawful behaviour in and around Council property and in identified high risk public space. Other applications and benefits of CCTV include community safety, providing potential evidence to law enforcement authorities and general surveillance.
- Council is committed to supporting employees who have experienced incidents of domestic and family violence. The Domestic and Family Violence Leave Policy (HRM 1006) outlines Council's commitment to support employee's access to flexible work arrangements and meet compliance obligations under the Industrial Relations Act 2016.
- Cloncurry Shire Council is bound by the requirements within the Water Supply (Safety and Reliability) Act 2008 and the Public Health Act 2005 to provide potable water to all consumers within the Cloncurry Water Area. Council's Drinking Water Quality Policy (WES 0009) was developed to support the provision of a water service provider within the Water Supply (Safety and Reliability) Act 2008 and the Public Health Act 2005 which delivers potable quality water to its customers. Given the risk to public health of unsatisfactory water quality, it is of paramount importance that preventative risk management systems are developed, implemented and managed to ensure the protection of human health.

- Cloncurry Shire Council recognises that Indigenous people throughout the Shire are the guardians of cultural heritage. Council acknowledges that it must employ all reasonable and practicable measures to ensure that this cultural heritage is in no way harmed or damaged throughout the process of undertaking works. Council has adopted the Aboriginal Cultural Heritage Management Policy (WES 1007) and associated procedure to provide a strategic framework for procedures that ensure Council and Council officers meet the statutory cultural heritage duty of care and develop relationships with local Indigenous parties to maintain and protect cultural heritage.

Further legislative amendments were 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 recommendations for change and resulted in a new Councillor complaints system which was commenced in December 2018.

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

The Department of Local Government, Racing and Multicultural Affairs provided Queensland Councils with model policies and procedures to ensure best practice standards for Council meetings. Several policies have been further modified and adopted by Council including:

- Standing Orders Policy (COR 1022)
- Acceptable Requests Guidelines (COR 1024)

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

STATUTORY REQUIREMENTS

The following information includes the legislative disclosure requirements of the *Local Government Act 2009* and related regulations for the 2019-20 Annual Report.

Local Government Act 2009

1.1 Beneficial Enterprises

In accordance with section 41 of the *Local Government Act 2019*, Council advises that it did not engage in any beneficial enterprises during the report period.

s45 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

1.2 Significant Enterprises

In accordance with the threshold of expenditure and the methodology prescribed by sections 19 and 20 of the *Local Government Regulation*, none of the above activities satisfied the statutory threshold for classification as a significant business activity.

- b. 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.

c. 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 of the *Local Government Act 2009* 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).

Total Remuneration for these positions from 1 July 2019 to 30 June 2020 was \$594,220.

Salary Band \$100,000 - 3 employees

Salary Band \$200,000 - 1 employee

Local Government Regulation 2012

s183 Financial Statements

This Annual report contains the general purpose Financial Statements for 2019-2020 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 18 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. This policy is currently being reviewed.

b. Valuation of non-current physical assets

No amendments were made to the Asset Capitalisation thresholds and remain as per the resolution below:

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		

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.

The table below outlines the remuneration received by Councillors in 2019-2020. Non-returning Councillors' information is included with an end date of 16 April 2020.

(a) Councillor Remuneration

Current as at 30 June 2020

Name	Remuneration	Superannuation
Cr Greg Campbell (Mayor)	\$106,100.00	Nil
Cr Vicky Campbell	\$50,049.00	Nil
Cr Dane Swalling	\$59,170.49	Nil
Cr Sam Daniels (Deputy Mayor)	\$15,302.76	Nil
Cr Nathan Keyes	\$13,262.25	Nil
Cr Janessa Bidgood	\$13,262.25	Nil

1 July 2019 - 16 April 2020

Name	Remuneration	Superannuation
Cr Brad Rix (resigned Oct 2019)	\$12,512.25	Nil
Cr Damien McGee	\$39,656.75	Nil

(b) Expenses Reimbursement Policy

In accordance with section 186(1)(b) of the Local Government Regulation 2012, the total expenses incurred by, and the facilities provided to each Councillor during the financial year under the Council's Reimbursement of Expenses and Provision of Facilities for Councillors Policy are as follows:

Councillor Expenses and Facilities Schedule

Current as at 30 June 2020

Name	Mobile devices/ IPad	Phone Allowance*	Internet Allowance*
Cr Greg Campbell (Mayor)	✓	\$900	\$0
Cr Sam Daniels (Deputy Mayor)	✓	\$150	\$0
Cr Nathan Keyes	✓	\$150	\$0
Cr Vicky Campbell	✓	\$600	\$0
Cr Janessa Bidgood	✓	\$150	\$240
Cr Dane Swalling	✓	\$600	\$960

* Figures exclude GST.

Mayor Campbell only is provided with a vehicle.

No expenses were reimbursed to any Councillor.

1 July 2019 - 16 April 2020

Name	Mobile device/ IPad	Phone Allowance*	Internet Allowance*
Cr Brad Rix (resigned Oct 2019)	✓	\$150	\$0
Cr Damien McGee	✓	\$450	\$720

* Figures exclude GST.

No expenses were reimbursed to any Councillor.

(c) Attendance at Council meetings

1 July 2019 - March 2020

Name	Ordinary	Special	Total
Cr Greg Campbell (Mayor)	10	5	15
Cr Dane Swalling (Deputy Mayor)	10	5	15
Cr Brad Rix	3	4	7
Cr Vicky Campbell	10	5	15
Cr Damien McGee	10	5	15

16 April 2020 - 30 June 2020

Name	Ordinary	Special	Total
Cr Greg Campbell (Mayor)	3	2	5
Cr Sam Daniels (Deputy Mayor)	3	2	5
Cr Nathan Keyes	3	2	5
Cr Dane Swalling	3	2	5
Cr Janessa Bidgood	3	2	5
Cr Vicky Campbell	3	2	5

Councillor Conduct

The *Local Government Act 2009* (the Act) sets out the roles, responsibilities and obligations of Councillors. In accordance with reporting requirements, the table below outlines actions and outcomes relating to the conduct and performance of Councillors for the 2019-2020 financial year. The Code of Conduct Policy is incorporated into the induction process of new staff.

Section of Act	Type of order/complaint	No.
Section 150I(2)	Orders made by the chairperson about unsuitable meeting conduct	0
Section 150AH (1)	Orders made by Council that: (a) No action be taken against the Councillor; (b) An order be taken against the Councillor about inappropriate conduct.	0
Section 150AR(1)	Orders made by the conduct tribunal that: (a) No action be taken against the Councillors; (b) An order be taken against the Councillor about misconduct and connected inappropriate conduct.	0
About the sections mentioned above:	<ul style="list-style-type: none"> Name of each Councillors for whom a decision, order or recommendation under section 150I(2), 150AH(1) or 150 AR(1) of the LGA was made; A description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each of the Councillors; and A summary of the decision, order or recommendation made for each Councillor. 	N/A
Section 150P(2)(a)	Complaints referred to the assessor under section 150P(2)(a) of the LGA by the local government, a councillor of the local government or the chief executive officer of the local government	7
Section 150P(3)	Matters about corrupt conduct of a Councillor (mentioned in section 150P(3) of the LGA) notified to the Crime and Corruption Commission	1
Section 150R(2)	Notices given to the assessor about Councillor misconduct (under section 150R(2) of the LGA)	0
Section 150R(2)(a)	Notices given to the assessor about Councillor misconduct (under section 150R(2) of the LGA). <i>Discipline Councillor on 3 occasions within 1 year or Councillor has engaged in the same conduct again</i>	0
Section 150W(1)(a)	Between 1 July and 31 August 2019 Decision made by the assessor to dismiss the complaint about the conduct under section 150Y.	0
Section 150W(1)(b)	Between 1 July and 31 August 2019 Decision made by the assessor to refer the suspected inappropriate conduct to Council to deal with.	0
Section 150W(1)(d)	Between 1 July and 31 August 2019 Decision made by the assessor to make an application to the conduct tribunal about alleged misconduct and inappropriate conduct.	1

Section of Act	Type of order/complaint	No.
Section 150W(1)(a)	Between 1 September and 30 June 2020 Decision made by the assessor to dismiss the complaint about the conduct under section 150X.	0
Section 150W(1)(b)	Between 1 September and 30 June 2020 Decision made by the assessor to refer the suspected inappropriate conduct to Council to deal with.	0
Section 150W(1)(e)	Between 1 September and 30 June 2020 Decision made by the assessor to take no further action in relation to the conduct under section 150Y	6
Section 150AC(3)(a)	Referral notice accompanied by a recommendation about how Council may investigate or deal with the conduct – conduct should be referred to another entity for consideration (mentioned in section 150AC(3)(a) of the LGA).	0
Section 150AF(4)(a)	Occasions where Council is investigating inappropriate conduct, information was given to the assessor for further investigation under Division 4 (under section 150AF(4)(a) of the LGA)	0
Chapter 5A, Part 3, Division 5	Occasions where Council asked another entity to investigate the suspected inappropriate conduct of a Councillor	0
Chapter 5A, Part 3, Division 6	Between 1 July and 31 August 2019 Applications heard by the conduct tribunal about the alleged misconduct of a Councillor	0
Chapter 5A, Part 3, Division 6	Between 1 September and 30 June 2020 Applications heard by the conduct tribunal about whether a Councillor engaged in misconduct or inappropriate conduct.	1

s187 Administrative Action Complaints

Under the provisions of section 187 (1) of the *Local Government Regulation 2012* 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 (CMP), 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 its Administrative Actions Complaints Management Policy in October 2019 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 (AAC) 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).

Item	No.
Number of AACs made to Council in 2019/20	6
Number of AACs resolved by Council under the CMP in 2019/20	5
Number of AACs not resolved by Council under the CMP in 2019/20	1
Number of AACs made and not resolved by Council under the CMP in the previous financial year	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 2020.

s189 Grants or Discretionary Funds to Community Organisations

In accordance with section 195 of the *Local Government Regulation 2012*, Council has an established Community Grants Policy. 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.

Council provides assistance to community organisations by way of donations, sponsorship or the provision of in-kind support. Total expenditure incurred on assistance to community organisations by Cloncurry Shire Council during the year ended 30 June 2020 was \$255,482 which includes in-kind support of \$13,018.

In-Kind Support to Community Organisations

- Stockman's Challenge - \$6,343
- Rockhana Gem & Mineral Festival - \$40
- Cloncurry Show - \$2,937
- RSL - \$1,769
- Cloncurry Merry Muster - \$1,163
- Give it Back Bash - \$753
- Quamby All Sports Association - \$14

Total - \$13,018

Community Donations and Sponsorship excluding GST

- Flinders Medical Centre Rental - \$85,909
- Cloncurry State School Chaplaincy - \$22,500
- Beat the Heat - \$20,000
- Burke & Wills Sports Club - \$20,000
- Flinders Medical Centre Dr Housing - \$16,036
- Cloncurry Show Society - \$14,775
- Give It Back Bash - \$11,364
- QCWA - Rental - \$10,920
- Dajarra Sports Club - \$5,000
- Cloncurry Pony Club - \$5,000
- Cloncurry Gun Club - \$5,000
- Rockhana Gem & Mineral Festival - \$5,000
- Red Door Community Services - \$5,000
- Ballara Mining Heritage Trail - \$4,000
- Mount Isa School of the Air - \$2,197
- Cloncurry Scouts - \$2,146
- Sporting Bursaries – recipients - \$1,950
- Jally Production Inc - \$1,500
- Refund Hire - Cloncurry Touch Assn - \$1,175
- Refund Hire - AJRA - \$1,175
- QCWA - \$1,000
- NQ Sports Star Awards - \$457
- Cloncurry State School - \$360

Total - \$242,464

Concessions to ratepayers for 2019-20

Community Group General 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 Cloncurry Kindergarten Association Inc.
- Mitakoodi Juhnjar Aboriginal Trust
- Girl Guides Association
- Corporate of the Synod Diocese of North QLD
- Roman Catholic Diocese of Townsville
- Dajarra Sports Club
- The Uniting Church in Australia
- Airservices Australia
- North West QLD Water Pipeline P/L – Sunwater
- State of Queensland

Pursuant to *section 189 (2) of the Local Government Regulation 2012*, there was no discretionary fund expenditure by Councillors for community organisations in 2019-2020.

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 26-32
(b)	Particulars of other issues relevant to making an informed assessment of the local government's operations and performance in the Financial Year; <ul style="list-style-type: none">• Message from CEO• Community Financial Report	Pages 10-11 Pages 18-25
(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	Page 62
	(ii) For which the Local Government levied special rates or charges for the Financial Year;	Pages 63-66
(e)	The number of invitations to change tenders under section 228(7) during the Financial Year;	Page 67
(f)	A list of the registers kept by the local government;	Page 67
(g)	A summary of all concessions for rates and charges granted by the local government;	Pages 67 - 68
(h)	The report on the internal audit for the Financial Year;	Page 69
(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 section 92 of the *Local Government Act 2009* and section 94 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 2019-20 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 section 971 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 Leases 5543, 5551 and 5556 (bearing Assessment No. 01319-30000-000);

Council now intends to amend the Overall Plan pursuant to *section 94 (9) of the Local Government Regulation 2012* and to adopt an Annual Implementation Plan pursuant to *section 94 (6) of the Local Government Regulation 2012* for the 2019-20 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/Trekellano Road ("the Road") pursuant to *section 94 (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 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 at 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 2019-20	\$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 2019-20 financial year as follows, pursuant to *section 94(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 2019-20 financial year
<i>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.</i>	\$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.

Year	Assessment	01319-30000-000	01280-30000-000	Total
	Annual Allocation	40%	60%	
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

Pursuant to *section 95 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.

Section 190 (1)(e) Invitations to Tenderer's to change their Tender

There were no instances during 2019-20 financial year where persons who had submitted a tender to Council were invited to change their tenders.

Section 190 (1)(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 and their Related Persons
- Register of Interests – Chief Executive Officer and Senior Executive Employees
- Register of Councillor Conduct
- Register of Contact with Lobbyists
- Register of Roads
- Register of Regulatory Fees and Charges
- Register of Cost-Recovery fees
- Asset Register
- Register of Delegations
- Local Laws Register
- Contracts and Leases Register
- Grants Register
- Land Records

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 (1)(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 18 June 2019.

Revenue Policy Report

Moved: Cr V. Campbell

Seconded: Cr Rix

That Council adopt the Revenue Policy COR 1005 v4.2 in accordance with Section 193 of the Local Government Regulation 2012 for the 2019/20 financial year.

CARRIED: 15.190618

The Revenue Statement was adopted at the Special Meeting held on 16 July 2019.

Adoption of Budget

Moved: Cr G Campbell

Seconded: Cr Rix

That pursuant to section 107A of the Local Government Act and sections 169 and 170 of the *Local Government Regulation 2012* Council's Budget for the 2019/2020 financial year, incorporating:

- i) The statement of income and expenditure;**
- ii) The statement of financial position;**
- iii) The statement of cash flow;**
- iv) The statement of changes in equity;**
- v) The long term financial forecast;**
- vi) The revenue statement;**
- vii) The revenue policy (adopted by Council resolution on 18 June 2019);**
- 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 by Council.**

CARRIED: 17.190716

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 principal 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.

Section 190 (h) Report on the internal audit for the Financial Year

The internal audit for the 2019/20 Financial Year was not undertaken.

Section 90 (i) A summary of investigation notices given in the financial year under section 49 for competitive neutrality complaints

Competitive Neutrality requires Council to operate on a level playing field with the private sector. No investigation notices relating to competitive neutrality complaints were issued by the Queensland Competition Authority during the reporting period. Consequently, no reportable recommendations were made by the completion authority in relation to a competitive neutrality complaint.

ANNEXURE A

FINANCIAL REPORTS

Cloncurry Shire Council

Financial Statements



for the year ended 30 June 2020

Cloncurry Shire Council

Financial statements

For the year ended 30 June 2020

Table of contents

	Page
Statement of Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
 Notes to the financial statements	
1 Significant accounting policies	5-6
2 Analysis of results by function	7-8
3 Revenue	9-11
4 Rental income	11
5 Interest income	11
6 Capital income (expenses)	11
7 Employee benefits	11
8 Materials and services	12
9 Finance costs	12
10 Depreciation	12
11 Cash and cash equivalents	12
12 Receivables	12-13
13 Inventories	13
14 Other assets	13
15 Land held for development and sale	13
16 Property, plant and equipment	14-17
Property, plant and equipment	14-17
Fair value measurements	18-22
17 Contract balances	23
18 Trade and other payables	23
19 Borrowings	24
20 Provisions	24-25
21 Asset revaluation surplus	26
22 Commitments for expenditure	26
23 Contingent liabilities	27
24 Superannuation	27
25 Operating lease income	28
26 Trust funds	28
27 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities	28
28 Changes in accounting policy	29
29 Impact of COVID-19 on the financial statements as at 30 June 2020	30
30 Events after the reporting period	30
31 Financial instruments and financial risk management	30-32
32 Transactions with related parties	33
 Management Certificate	34
Independent Auditor's Report	35-37
 Current Year Financial Sustainability Statement	38
Certificate of Accuracy - Current Year Financial Sustainability Statement	39
Independent Auditor's Report - Current Year Financial Sustainability Statement	40-42
 Long Term Financial Sustainability Statement	43
Certificate of Accuracy - Long Term Financial Sustainability Statement	44

Cloncurry Shire Council
Statement of Comprehensive Income
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Income			
Recurrent revenue			
Rates, levies and charges	3(a)	15,226,943	14,573,380
Fees and charges	3(b)	5,208,420	4,511,358
Sales revenue	3(c)	1,467,854	2,115,890
Grants, subsidies and contributions	3(d)	7,257,988	7,949,779
		<u>29,161,206</u>	<u>29,150,407</u>
Capital revenue			
Grants, subsidies and contributions	3(d)	29,446,544	22,606,992
Total capital revenue		<u>29,446,544</u>	<u>22,606,992</u>
Rental income	4	306,593	325,389
Interest received	5	713,911	833,089
Total income		<u>59,628,254</u>	<u>52,915,877</u>
Expenses			
Recurrent expenses			
Employee benefits	7	(10,046,704)	(9,108,507)
Materials and services	8	(9,676,503)	(10,943,612)
Finance costs	9	(780,728)	(869,832)
Depreciation	10	(10,124,514)	(9,657,756)
		<u>(30,628,449)</u>	<u>(30,579,707)</u>
Capital expenses			
Loss on disposal of non-current assets	6	(1,401,941)	(70,594)
Total capital expenses		<u>(1,401,941)</u>	<u>(70,594)</u>
Total expenses		<u>(32,030,390)</u>	<u>(30,650,301)</u>
Net result		<u>27,597,863</u>	<u>22,265,576</u>
Other comprehensive income			
Items that will not be reclassified to net result			
Increase / (decrease) in asset revaluation surplus	21	3,529,932	-
Total other comprehensive income for the year		<u>3,529,932</u>	<u>-</u>

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

The comparatives have not been restated on adoption of AASB 15 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.

Cloncurry Shire Council
Statement of Financial Position
As at 30 June 2020

	Note	2020 \$	2019 \$
Current assets			
Cash and cash equivalents	11	21,052,349	36,134,773
Trade and other receivables	12	4,207,955	4,199,261
Inventories	13	2,102,889	2,574,254
Other assets	14	551,665	143,233
Total current assets		27,914,858	43,051,521
Non-current assets			
Property, plant and equipment	16	369,241,966	330,250,177
Total non-current assets		369,241,966	330,250,177
Total assets		397,156,824	373,301,698
Current liabilities			
Trade and other payables	18	4,275,236	3,559,756
Contract liabilities	17	3,386,375	-
Borrowings	19	889,548	842,079
Provisions	20	1,323,220	1,107,858
Total current liabilities		9,874,379	5,509,693
Non-current liabilities			
Borrowings	19	11,893,399	12,782,947
Provisions	20	551,620	600,117
Total non-current liabilities		12,445,019	13,383,064
Total liabilities		22,319,398	18,892,757
Net community assets		374,837,426	354,408,942
Community equity			
Asset revaluation surplus	21	99,429,375	95,899,443
Retained surplus		275,408,051	258,509,498
Total community equity		374,837,426	354,408,942

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

The comparatives have not been restated on adoption of AASB 15 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.

Cloncurry Shire Council
Statement of Changes in Equity
For the year ended 30 June 2020

		Asset Revaluation Surplus	Retained Surplus	Total
	Note	\$	\$	\$
Balance as at 1 July 2019		95,899,443	258,509,499	354,408,942
Adjustment on initial application of AASB 15 / AASB 1058	28		(10,699,311)	(10,699,311)
Restated balance at 1 July 2019		<u>95,899,443</u>	<u>247,810,188</u>	<u>343,709,631</u>
Net Result				
Other comprehensive income for the year			27,597,863	27,597,863
Increase / (decrease) in asset revaluation surplus	21	3,529,932		3,529,932
Total comprehensive income for the year		<u>3,529,932</u>	<u>27,597,863</u>	<u>31,127,795</u>
Balance as at 30 June 2020	21	<u>99,429,375</u>	<u>275,408,051</u>	<u>374,837,426</u>
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 / (decrease) in asset revaluation surplus		-	-	-
Total comprehensive income for the year		<u>-</u>	<u>22,265,576</u>	<u>22,265,576</u>
Balance as at 30 June 2019		<u>95,899,443</u>	<u>258,509,499</u>	<u>354,408,942</u>

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

The comparatives have not been restated on adoption of AASB 15 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.

Cloncurry Shire Council
Statement of Cash Flows
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from customers		21,898,587	24,585,997
Payments to suppliers and employees		(29,486,424)	(22,081,517)
		<u>(7,587,837)</u>	<u>2,504,480</u>
Interest received		713,911	833,089
Rental income		311,716	288,914
Non capital grants and contributions		7,738,935	7,427,063
Borrowing costs		(780,731)	(743,448)
Net cash inflow (outflow) from operating activities	27	<u>395,994</u>	<u>10,310,099</u>
Cash flows from investing activities			
Payments for property, plant and equipment	16	(47,048,993)	(24,976,167)
Proceeds from sale of property plant and equipment	6	60,682	325,136
Grants, subsidies, contributions and donations		<u>32,351,972</u>	<u>22,606,992</u>
Net cash inflow (outflow) from investing activities		<u>(14,636,338)</u>	<u>(2,044,039)</u>
Cash flows from financing activities			
Proceeds from borrowings		-	4,500,000
Net Repayment of borrowings		<u>(842,079)</u>	<u>(645,920)</u>
Net cash inflow (outflow) from financing activities		<u>(842,079)</u>	<u>3,854,080</u>
Net increase (decrease) in cash and cash equivalents held		<u>(15,082,424)</u>	<u>12,120,140</u>
Cash and cash equivalents at the beginning of the financial year		36,134,773	24,014,633
Cash and cash equivalents at the end of the financial year	11	<u>21,052,349</u>	<u>36,134,773</u>

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

The comparatives have not been restated on adoption of AASB 15 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2020

1. Significant accounting policies

(a) Basis of preparation

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

These general purpose financial statements are for the period 1 July 2019 to 30 June 2020 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

These financial statements comply with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). Council is a not-for-profit entity for financial reporting purposes and complies with Australian Accounting Standards as applicable to not-for-profit entities.

These financial statements have been prepared under the historical cost convention except for the revaluation of certain classes of property, plant and equipment.

(b) Adoption of new and revised Accounting Standards

This year Council has applied *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* for the first time.

These Standards supersede the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions.

All portions of grants received in advance and for which the associated performance obligations have not yet been satisfied have been recognised as a liability.

Federal Government and State Government grants for which there are no sufficiently specific performance obligation have been recognised as revenue upfront.

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 is in the process of considering the impact of the new standards. Unless stated otherwise below, the potential effects of the following standards and interpretations have not yet been fully determined.

**Date Council will
apply the standard**

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

01-Jul-20

This Standard amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The amendments clarify that materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

Conceptual Framework AASB 2019-1 Conceptual Framework for Financial Reporting Amendments to Australian Accounting Standards – Reference to the Conceptual Framework

01-Jul-20

The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. It is arranged in eight chapters, as follows:

- o Chapter 1 - The objective of financial reporting
- o Chapter 2 - Qualitative characteristics of useful financial information
- o Chapter 3 - Financial statements and the reporting entity
- o Chapter 4 - The elements of financial statements
- o Chapter 5 - Recognition and derecognition
- o Chapter 6 - Measurement
- o Chapter 7 - Presentation and disclosure
- o Chapter 8 - Concepts of capital and capital maintenance

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2020

1. Significant accounting policies (continued)

AASB 2019-1 has also been issued, which sets out the amendments to Australian Accounting Standards, Interpretations and other pronouncements in order to update references to the revised Conceptual Framework. The changes to the Conceptual Framework may affect the application of accounting standards in situations where no standard applies to a particular transaction or event. In addition, relief has been provided in applying AASB 3 and developing accounting policies for regulatory account balances using AASB 108, such that entities must continue to apply the definitions of an asset and a liability (and supporting concepts) in the Framework for the Preparation and Presentation of Financial Statements (July 2004), and not the definitions in the revised Conceptual Framework.

(c) Estimates and judgements

Councils make a number of judgments, estimates and assumptions in preparing these financial statements.

These are based on the best information available to Council at the time, however due to the passage of time, these assumptions may change and therefore the recorded balances may not reflect the final outcomes.

The significant judgements, estimates and assumptions relate to the following items and specific information is provided in the relevant note:

Revenue	<i>Note 3</i>
Valuation and depreciation of property, plant and equipment	<i>Note 16</i>
Impairment of property, plant and equipment	<i>Note 16</i>
Provisions	<i>Note 20</i>
Contingent liabilities	<i>Note 23</i>

(d) 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	- <i>Note 11</i>
Receivables - measured at amortised cost	- <i>Note 12</i>

Financial liabilities

Payables - measured at amortised cost	- <i>Note 18</i>
Borrowings - measured at amortised cost	- <i>Note 19</i>

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 31.

(e) 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.

(f) Volunteer services

Council have all year round a range of activities and events that happen within the community and as such receive volunteers services provided by individuals and organisations (Cloncurry State School, Lions Club Cloncurry, Queensland Country Women's Association Cloncurry etc). None of these volunteers activities have ever been considered a subject of purchase, so that the fair value of the services provided can not be reliably measured. An exhaustive search for these volunteer actions would need to be performed to reach some measure of fair value. Volunteer services have not been recognised in the statement of comprehensive income as a result.

(g) Taxation

Council is exempt from income tax, State Payroll Tax. Council is however subject to Fringe Benefits Tax and Goods and Services Tax ('GST'). The net amount of GST recoverable from the ATO or payable to the ATO is shown as an asset or liability respectively.

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2020

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:

- o Childcare services;
- o Libraries;
- o Entertainment venues;
- o Public health services including vaccination clinics;
- o 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 2020

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 2020

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					-	853,112	-	853,112	(853,112)	(853,112)	-
Finance and information	4,940,376	15,345,247	1,500,166	180,000	21,965,789	6,623,116	1,401,941	8,025,057	13,662,508	13,940,733	43,363,137
Community services	1,089,350	676,064	1,342,343	545,000	3,652,758	5,920,592	-	5,920,592	(4,155,177)	(2,267,834)	61,686,947
Planning & development	57,059	50,691			107,750	1,347,596	-	1,347,596	(1,239,846)	(1,239,846)	661,807
Transport infrastructure	1,171,202	1,879,637	24,627,599		27,678,439	9,612,247	-	9,612,247	(6,561,407)	18,066,192	224,773,390
Waste management		1,199,456			1,199,456	1,374,291	-	1,374,291	(174,834)	(174,834)	231,725
Water infrastructure		2,787,379	354,247		3,141,625	3,864,427	-	3,864,427	(1,077,049)	(722,802)	50,406,435
Sewerage infrastructure		985,249	897,189		1,882,438	1,033,071	-	1,033,071	(47,823)	849,367	16,033,384
Total	7,257,988	22,923,722	28,721,544	725,000	59,628,254	30,628,449	1,401,941	32,030,390	(446,739)	27,597,863	397,156,824

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	-	24,517,499	12,004,270	70,594	12,074,864	(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	-	52,845,283	30,579,707	70,594	30,650,301	(270,823)	22,265,576	373,301,698

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2020

3. Revenue	Note	AASB 15	AASB 1058
Revenue recognised at a point in time			
Rates, levies and charges			15,226,943
Grants, subsidies and contributions		57,059	7,202,822
Fees and charges		5,208,420	
Sales revenue		1,467,854	
Rental income		267,457	39,136
		<u>7,000,790</u>	<u>22,468,901</u>
Revenue recognised over time			
Grants, subsidies and contributions		191,019	29,253,632
		<u>7,191,810</u>	<u>51,722,532</u>
		2020	2019
		\$	\$

(a) Rates, levies and charges

2020 accounting policy: Rates, levies and charges are recognised as revenue when Council obtains control over the assets comprising these receipts which is the beginning of the rating period to which they relate.

The total of rates, levies and charges received in advance have been less than 1% compared to the annual rates revenue. Due to the insignificant financial impact of the advance payments and short-term nature of the financial liability, Council has recognised all prepaid rates as revenue at 30 June 2020.

2019 accounting policy: Rates are recognised as revenue at the start of the rating period. If a ratepayer pays their rates before the start of the rating period, they are recognised as revenue when they are received.

General rates	11,542,615	11,081,990
Separate rates	235,854	235,854
Water	2,697,903	2,494,714
Sewerage	954,624	891,355
Waste management	837,135	774,348
Gross rates, levies and charges	<u>16,268,131</u>	<u>15,478,261</u>
Less: Discounts	(1,023,337)	(893,304)
Less: Pensioner remissions	(17,850)	(11,577)
	<u>15,226,943</u>	<u>14,573,380</u>

(b) Fees and charges

2020 accounting policy: Revenue arising from fees and charges is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases, the customer is required to pay on arrival, for example caravan parks. There is no material obligation for Council in relation to refunds or returns.

Licences granted by Council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than the term of the licence.

2019 accounting policy: Fees and charges are recognised when council is unconditionally entitled to those funds. Generally this is upon lodgement of the relevant applications or documents, issuing of the infringement notice or when the service is provided.

Saleyard - weighing	262,995	236,081
Saleyard - dipping	679,998	421,815
Airport fees & charges	3,072,434	2,987,965
Childcare fees & charges	211,058	319,471
Water connection fees	541	517
Other fees and charges	<u>981,395</u>	<u>545,509</u>
	<u>5,208,420</u>	<u>4,511,358</u>

(c) Sales revenue

Sale of goods is recognised when the customer has taken delivery of the goods.
Revenue from services is recognised when the service has been rendered.

Sale of services		
Contract and recoverable works	1,373,548	1,608,363
Private works	94,306	507,527
Total sales revenue	<u>1,467,854</u>	<u>2,115,890</u>

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
3. Revenue (continued)			
<p>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, based on costs incurred 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.</p>			
(d) Grants, subsidies, contributions and donations			
<p>2020 accounting policy:</p> <p><i>Grant income under AASB 15</i></p> <p>Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations, the revenue is recognised when control of each performance obligations is satisfied.</p> <p>The performance obligations are varied based on the agreement. Council grant income under AASB 15 during the financial year were concerned mainly with community events activities, community disaster recovery activities, artwork and tourism projects. Specific performance obligations under these agreements included agreed expense items for community event, for example, inviting a celebrity chef and children's performers, grant acquittal that required providing independent audited financial report for disaster recovery activities; theme specific activities and artwork delivery project.</p> <p>Payment terms vary depending on the terms of the grant. Funds are received upfront for some grants and on the achievement of certain payment milestones for others.</p> <p>Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements, there may be performance obligations where control transfers at a point in time, and others which have continuous transfer of control over the life of the contract.</p> <p>Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.</p> <p><i>Grant income under AASB 1058</i></p> <p>Assets arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the assets are received. Council considers whether there are any related obligation or equity item associated with the assets which are recognised in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment & AASB 13 Fair Value Measurement).</p> <p>Where the requirement is to construct a specific project, or provide goods and services to third parties using the asset, Council initially recognises an asset and a liability when the grant is received. The liability is transferred to income as or when the obligation is satisfied to purchase, construct or deliver any remaining asset value over time or at the time when the asset is fully received.</p> <p><i>Capital grants</i></p> <p>Capital grants received under an enforceable agreement to enable Council to acquire or construct an item or property, plant and equipment to identified specifications, such that the item will be under Council's control are recognised as revenue as and when the obligation to construct or purchase is completed.</p> <p>For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.</p> <p>Where asset is donated or purchased for significantly below fair value, the revenue is recognised when the asset is acquired and controlled by Council.</p> <p>2019 accounting policy:</p> <p>Grants, subsidies, donations and contributions that are non-reciprocal in nature are recognised as revenue when Council obtains control over them, which is usually upon receipt of funds. Where grants are received that are reciprocal in nature, revenue is recognised as the various performance obligations under the funding agreement are fulfilled.</p>			
(i) Recurrent			
Commonwealth general purpose grants		5,905,474	5,667,587
Commonwealth government subsidies and grants		465,754	1,712,122
State government subsidies and grants		410,142	325,394
Joint Commonwealth/State subsidies and grants		268,779	
Contributions & donations		207,838	244,675
		<u>7,257,988</u>	<u>7,949,779</u>

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2020

	<u>Note</u>	<u>2020</u> <u>\$</u>	<u>2019</u> <u>\$</u>
3. Revenue (continued)			
(ii) Capital			
Commonwealth government subsidies and grants		3,925,528	481,619
State government subsidies and grants		3,245,436	2,446,569
Joint Commonwealth/State subsidies and grants		21,550,580	19,678,803
Contributions & donations		725,000	-
		<u>29,446,544</u>	<u>22,606,992</u>
(iii) Conditions over grants			
Contributions recognised as income during the reporting period and which were obtained on the condition that they be expended in a manner specified by the contributor but had not been expended at the reporting date:			
Grants for expenditure on services		480,947	-
Grants for expenditure on infrastructure		2,905,428	10,556,485
		<u>3,386,375</u>	<u>10,556,485</u>
Contributions recognised as income during a previous reporting period that were obtained in respect of the current reporting period:			
Grants for expenditure on services		100,504	-
Grants for expenditure on infrastructure		10,276,485	12,050,507
		<u>10,376,989</u>	<u>12,050,507</u>
4 Rental income			
Rent from investment and other property is recognised as income on a periodic straight line basis over the lease term.			
Rental - Commercial		306,593	325,389
		<u>306,593</u>	<u>325,389</u>
5. Interest income			
Interest earned on bank accounts is recognised at the time received.			
Interest received from cash balances		431,396	598,910
Interest from overdue rates and utility charges		282,514	234,179
		<u>713,911</u>	<u>833,089</u>
6. Capital income (expenses)			
Gain / (loss) on disposal of non-current assets			
Proceeds from the sale of property, plant and equipment		60,682	325,136
Less: Carrying value of property, plant and equipment disposed of		(1,462,623)	(395,730)
		<u>(1,401,941)</u>	<u>(70,594)</u>
7. Employee benefits			
Total staff wages and salaries		7,237,383	6,785,787
Contract staff wages		954,308	309,713
Councillors' remuneration		309,316	312,356
Annual and long service leave entitlements		921,273	895,169
Superannuation	24	757,817	668,177
		<u>10,180,097</u>	<u>8,971,202</u>
Other employee related expenses		209,909	233,929
		<u>10,390,006</u>	<u>9,205,131</u>
Less: Capitalised employee expenses		(343,302)	(96,624)
		<u>10,046,704</u>	<u>9,108,507</u>
Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties.			
Total Council employees at the reporting date:			
Elected members		6	5
Administration staff		54	49
Depot and outdoors staff		35	35
Total employees		<u>95</u>	<u>90</u>

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
8. Materials and services			
Audit of annual financial statements by the Auditor-General of Queensland		74,500	134,414
Infrastructure Operations and Maintenance		3,076,157	3,091,352
Business Services (Saleyards, Airport, Private Works)		2,232,036	2,392,266
Community Services (Childcare, Public Facilities, Tourism)		2,673,681	3,165,602
Refuse and Environmental Services		1,114,726	842,889
Corporate and Management Services		505,403	914,619
Other Materials and Services		-	402,471
		<u>9,676,503</u>	<u>10,943,612</u>
9. Finance costs			
Finance costs charged by Queensland Treasury Corporation		643,892	541,922
Bank charges		80,131	61,684
Impairment of debts		56,705	266,226
		<u>780,728</u>	<u>869,832</u>
10. Depreciation			
Buildings		1,171,278	1,172,958
Plant and equipment		863,442	686,285
Road, drainage and bridge network		6,018,335	5,669,090
Water		1,029,369	1,020,740
Sewerage		279,646	277,330
Other structures		762,444	831,354
	16	<u>10,124,514</u>	<u>9,657,756</u>
11. Cash and cash equivalents			
Cash and cash equivalents in the statement of cash flows includes cash on hand, all cash and cheques receipted but not banked at the year end, deposits held at call with financial institutions and which are subject to an insignificant risk of changes in value.			
Cash at bank and on hand		2,411,302	1,127,699
Deposits at call		18,641,047	35,007,074
Balance per Statement of Cash Flows		<u>21,052,349</u>	<u>36,134,773</u>
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		3,386,375	10,556,485
Total unspent restricted cash		<u>3,386,375</u>	<u>10,556,485</u>
12. Trade and other receivables			
Receivables are amounts owed to Council at year end.			
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.			
Debts are periodically assessed for collectability 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. If an amount is recovered in a subsequent period it is recognised as revenue.			

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
12. Trade and other receivables (continued)			
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		3,251,023	2,715,369
Trade receivables	31	1,503,002	1,973,258
less: impairment or Provision for doubtful debts		(546,071)	(489,366)
		<u>4,207,955</u>	<u>4,199,261</u>
Interest charged on outstanding rates during the year was at a rate of 9.83% per annum. No interest is charged on other debtors.			
13. 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		58,312	51,450
		<u>58,312</u>	<u>51,450</u>
Inventories held for distribution			
Plant and equipment stores		111,292	349,920
		<u>111,292</u>	<u>349,920</u>
Land held for development and sale			
Land held for resale	15	1,933,285	2,172,884
		<u>1,933,285</u>	<u>2,172,884</u>
Total inventories		<u>2,102,889</u>	<u>2,574,254</u>
14. Other assets			
GST recoverable		382,504	-
Prepayments		169,161	143,233
		<u>551,665</u>	<u>143,233</u>
15. Land held for development and sale			
Opening balance		2,172,884	2,597,996
Additions		-	-
Less: Cost of development land sold			
Less: Adjustment to carrying value at lower of cost or net realisable value			(425,112)
Less: Sale of land		(239,599)	
		<u>1,933,285</u>	<u>2,172,884</u>
Classified as			
Current		<u>1,933,285</u>	<u>2,172,884</u>

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2020

16. Property, plant and equipment

(a) Recognition and measurement

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 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) 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 16.

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2020

(c) Impairment

Each non-current asset and group of assets is assessed for indicators of impairment annually. If an indicator of possible impairment exists, Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

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.

(d) 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 16.

(e) Capital work in progress

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

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2020

16. Property, plant and equipment

30 June 2020

Note

Basis of measurement

Asset values

Opening gross value as at 1 July 2019

Additions

Disposals

Revaluation adjustment to asset revaluation surplus

Transfers between classes

Closing gross value as at 30 June 2020

Accumulated depreciation and impairment

Opening balance as at 1 July 2019

Depreciation provided in period

Depreciation on disposals

Revaluation adjustment to asset revaluation surplus

Transfers between classes

Accumulated depreciation as at 30 June 2020

Total written down value as at 30 June 2020

Residual value

Range of estimated useful life in years

Additions Comprise:

Other additions

Renewals

New

Total additions

	Land	Buildings	Plant and equipment	Road, drainage and bridge network	Water	Sewerage	Other Structures	Work in progress	Total
	Fair Value \$	Fair Value \$	Cost \$	Fair Value \$	Fair Value \$	Fair Value \$	Fair Value \$	Cost \$	\$
	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
	-	-	-	5,803,596	-	-	-	47,048,993	52,852,589
	-	(1,031,950)	(476,571)	(748,973)	-	-	(1,164,750)	-	(3,422,244)
	-	-	-	(8,005,948)	-	-	-	-	(8,005,948)
	150,000	749,746	1,405,118	35,426,807	176,658	225,607	2,070,429	(40,204,365)	-
	15,348,725	51,388,796	10,564,513	271,411,073	61,015,409	19,344,204	31,755,168	19,622,918	480,450,807
	-	19,538,865	4,066,392	49,341,993	21,611,863	7,700,501	6,516,618	-	108,776,232
	-	1,171,278	863,442	6,018,335	1,029,369	279,646	762,444	-	10,124,514
	-	(651,933)	(243,028)	(623,513)	-	-	(441,147)	-	(1,959,621)
	-	-	-	(5,732,284)	-	-	-	-	(5,732,284)
	-	-	-	8,990	(4,618)	(4,372)	-	-	-
	-	20,058,211	4,686,806	49,013,521	22,636,614	7,975,775	6,837,915	-	111,208,840
	15,348,725	31,330,585	5,877,707	222,397,552	38,378,795	11,368,430	24,917,254	19,622,918	369,241,966
	-	-	1,992,688	-	-	-	-	-	1,992,688
	Land : Not depreciated.	20-60	2 - 20	5 - 1000+	20 - 60	20 - 60	20 - 40	-	-
	\$	\$	\$	\$	\$	\$	\$	\$	\$
	-	77,859	-	-	-	-	-	-	77,859
	-	197,749	-	31,676,047	176,658	225,607	2,042,650	-	34,318,711
	150,000	474,138	1,405,118	3,750,760	-	-	27,779	-	5,807,795
	150,000	749,746	1,405,118	35,426,807	176,658	225,607	2,070,429	-	40,204,365

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2020

16. Property, plant and equipment (continued)

Property, plant and equipment
30 June 2019

Basis of measurement

Asset values

Opening gross value as at 1 July 2018

Adjustment to opening value

Additions

Disposals

Transfers between classes

Closing gross value as at 30 June 2019

Accumulated depreciation and impairment

Opening balance as at 1 July 2018

Depreciation provided in period

Depreciation on disposals

Transfers between classes

Accumulated depreciation as at 30 June 2019

Total written down value as at 30 June 2019

Residual value

Range of estimated useful life in years

Additions Comprise:

Other additions

Renewals

New

Total additions

Note

	Land	Buildings	Plant and equipment	Road, drainage and bridge network	Water	Sewerage	Other Structures	Work in progress	Total
	Fair Value \$	Fair Value \$	Cost \$	Fair Value \$	Fair Value \$	Fair Value \$	Fair Value \$	Cost \$	\$
28	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
	-	-	-	-	-	-	-	-	-
	-	-	1,726,253	-	-	-	-	23,249,914	24,976,167
	-	-	(879,334)	-	-	-	-	-	(879,334)
	3,483	57,695	-	13,326,876	915,640	46,312	342,830	(14,692,835)	-
	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

10	-	18,483,008	3,786,978	43,672,904	20,595,494	7,418,800	5,644,896	-	99,602,080
	-	1,172,958	763,017	5,669,090	1,020,740	277,330	754,622	-	9,657,756
	-	-	(483,603)	-	-	-	-	-	(483,603)
	-	(117,100)	-	-	(4,371)	4,371	117,100	-	-
	-	19,538,865	4,066,392	49,341,993	21,611,863	7,700,501	6,516,618	-	108,776,232

	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
--	------------	------------	-----------	-------------	------------	------------	------------	------------	-------------

	-	-	3,071,848	-	2,822,304	1,031,556	5,176,735	-	12,102,444
--	---	---	-----------	---	-----------	-----------	-----------	---	------------

	Land : Not depreciated.	20-60	2 - 20	5 - 300+	20 - 60	20 - 60	20 - 40	-	-
--	-------------------------	-------	--------	----------	---------	---------	---------	---	---

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

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2020

16. Property, plant and equipment - 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 19 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. In 2019-20, Roads and Stormwater valuations were taken up in Councils reports while indexation of Land, Buildings, Other structures, Water and Sewer were considered immaterial and not taken up in the reports.

The table presents the Council's assets measured and recognised at fair value at 30 June 2020.

Recurring fair value measurements	Note	Level 2 (Significant other observable inputs)		Level 3 (Significant unobservable inputs)		Total	
		2020	2019	2020	2019	2020	2019
		\$	\$	\$	\$	\$	\$
Land	16	15,348,725	15,198,725	-	-	15,348,725	15,198,725
Buildings							
- Commercial buildings	16		-	29,153,731	30,064,035	29,153,731	30,064,035
- Residential buildings	16	2,176,854	2,068,100	-	-	2,176,854	2,068,100
Road, drainage (stormwater) and bridge network	16			222,397,552	189,593,598	222,397,552	189,593,598
Water	16			38,378,795	39,226,888	38,378,795	39,226,888
Sewerage	16			11,368,430	11,418,096	11,368,430	11,418,096
Other structures	16			24,917,254	24,332,872	24,917,254	24,332,872
		17,525,579	17,266,824	326,215,761	294,635,489	343,741,340	311,902,313

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.

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2020

16. Property, plant and equipment - Fair Value Measurements (continued)

(b) Valuation techniques used to derive fair values

Council obtains independent valuations at least every 3-5 years for all asset classes.

Effective 30 June 2020, Council undertook a comprehensive valuation of all Roads and Stormwater, and also commissioned an indexation of Land, and Buildings and Other structures assets, Water and Sewer for the period 1 July 2019 to 30 June 2020. This was conducted by Australis Asset Advisory Services.

Specific valuation techniques used to value Council assets comprise:

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

The last comprehensive revaluations of land and residential buildings were undertaken by Australis Asset Advisory as at 30 June 2016 and 30 June 2018 respectively. Council reviewed the fair value as at 30 June 2020 in conjunction with Australis Asset Advisory to determine their ongoing appropriateness. As such Australis Asset Advisory undertook a desktop revaluation which identified revaluation decrements of -4.28% and -5.23% respectively. Given their respective immateriality Council resolved not to apply any adjustment as at 30 June 2020. 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 2020. A comprehensive valuation using the Cost Approach (written down current replacement cost) method and the market approach, where appropriate was completed at 30 June 2018. Council reviewed the fair value as at 30 June 2020 in conjunction with Australis Asset Advisory to determine the ongoing appropriateness. As such, Australis Asset Advisory undertook a desktop revaluation which identified revaluation increments of 3.09 % and 3.3% respectively. Given their respective immateriality, Council resolved not to apply an adjustment as at 30 June 2020.

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 into account both physical characteristics as well as holistic factors such as functionality, capability, utilisation and economic obsolescence.

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2020

16. Property, plant and equipment - Fair Value Measurements (continued)

(b) Valuation techniques used to derive fair values (continued)

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

Valuation information applicable to all infrastructure asset classes below

Council decided during the year to review the class road, drainage and bridge network infrastructure in order to identify the stormwater infrastructure. A comprehensive valuation to determine fair values of these assets at 30 June 2020 was completed by Australis Asset Advisory. 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. A desktop indexation process was completed by Australis Asset Advisory for the water and sewerage Infrastructure as at year end.

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.

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.

o Road, drainage (stormwater) 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 comprehensive revaluation process was completed by Australis Asset Advisory Service for the road, drainage and bridge infrastructure assets as at the 30 June 2020. 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 16 - Property, plant and equipment.

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.

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2020

16. Property, plant and equipment - Fair Value Measurements (continued)

(b) Valuation techniques used to derive fair values (continued)

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

o 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 as at 30 June 2020. The fair values of water and sewerage infrastructure assets was previously comprehensively revalued by Australis Asset Advisory Service as at 30 June 2018. Rates used were assessed by reference to producer price indices, wage price indices, consultation with local contractors and suppliers. The desktop indexation identified decrements of -1.7% and -1 % to water and sewerage infrastructure assets respectively. Given these decrements were immaterial Council resolved not to apply any adjustment as at 30 June 2020.

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

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.

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2020

16. Property, plant and equipment - Fair Value Measurements (continued)

(b) Valuation techniques used to derive fair values (continued)

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

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:

Condition rating	Internal management expanded condition rating	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 16 - Property, plant and equipment.

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2020

17. Contract balances

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, Council presents the work in progress as a contract asset, unless the rights to that amount of consideration are unconditional, in which case Council recognises a receivable.

When an amount of consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

	2020 \$
(a) Contract assets	
Contract assets	-
	<u>-</u>
(b) Contract liabilities	
Funds received upfront to construct Council controlled assets	2,905,428
Deposits received in advance of services provided	480,947
	<u>3,386,375</u>
Current contract liabilities	3,386,375
Non-current contract liabilities	-
	<u>3,386,375</u>
Revenue recognised that was included in the contract liability balance at the beginning of the year	
Funds to construct Council controlled assets	10,556,485
Deposits received in advance of services provided	142,826
	<u>10,699,311</u>

(c) Significant changes in contract balances

The contract assets and liabilities have arisen on adoption of AASB 15 and AASB 1058. Previously the revenue was recognised on receipt and therefore there was no effect on the statement of financial position.

	Note	2020 \$	2019 \$
18. 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	31	4,130,331	3,480,656
Other entitlements		144,905	79,100
		<u>4,275,236</u>	<u>3,559,756</u>

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 24.

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
19. Borrowings			
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		889,548	842,079
		<u>889,548</u>	<u>842,079</u>
Non-current			
Loans - Queensland Treasury Corporation		11,893,399	12,782,947
		<u>11,893,399</u>	<u>12,782,947</u>
Loans - Queensland Treasury Corporation			
Opening balance at beginning of financial year		13,625,026	9,770,947
Loans raised		-	4,500,000
Principal repayments		(842,079)	(645,921)
Book value at end of financial year	31	<u>12,782,947</u>	<u>13,625,026</u>

The QTC loan market value at the reporting date was \$15,165,228.87. 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.

20. Provisions

Annual leave

Annual leave liability is expected to be settled within 12 months. The short-term employee benefits liability to reporting date is calculated on current wage and salary levels which are expected to be paid and include related employee on-costs.

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 20 as a provision.

Where employees have met the prerequisite length of service or have met 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.

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2020

20. Provisions (continued)

Refuse dump restoration (continued)

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.

	2020	2019
Note	\$	\$
Current		
Annual leave	744,092	558,819
Gravel pits rehabilitation	-	64,777
Long service leave	579,128	484,262
	<u>1,323,220</u>	<u>1,107,858</u>
Non-current		
Refuse restoration	315,812	360,234
Gravel pits rehabilitation	114,737	112,347
Long service leave	121,071	127,536
	<u>551,620</u>	<u>600,117</u>

Details of movements in provisions

Refuse restoration

Balance at beginning of financial year	360,234	551,985
Rehabilitation cost	(44,422)	(191,751)
Balance at end of financial year	<u>315,812</u>	<u>360,234</u>

Gravel pits rehabilitation

Balance at beginning of financial year	177,124	177,124
Rehabilitation cost	(62,387)	-
Balance at end of financial year	<u>114,737</u>	<u>177,124</u>

Long service leave

Balance at beginning of financial year	611,798	573,822
Long service leave entitlement arising	130,707	73,080
Long service entitlement paid	(42,306)	(35,104)
Balance at end of financial year	<u>700,199</u>	<u>611,798</u>

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
21. Asset revaluation surplus			
<p>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.</p> <p>Increases and decreases on revaluation are offset within a class of assets.</p> <p>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.</p> <p>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.</p>			
Movements in the asset revaluation surplus were as follows:			
Balance at beginning of financial year		95,899,443	95,899,443
Net			
Land		-	-
Buildings		-	-
Road, drainage and bridge network		3,529,932	-
Water		-	-
Sewerage		-	-
Other structures		-	-
Net movement for the year		3,529,932	-
Balance at end of financial year		99,429,375	95,899,443
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		45,498,503	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
		99,429,375	95,899,443
22. Commitments for expenditure			
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		11,443,053	2,487,694
Sewerage Treatment Plant Works		2,743,896	-
Other		2,157,764	2,576,521
		16,344,713	8,191,956
Operating leases			
Minimum lease payments in relation to non-cancellable operating leases are as follows:			
Within one year		92,116	90,000
One to five years		93,958	90,000
Later than five years		-	-
		186,074	180,000

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2020

23. 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 2020. The financial statements reported an accumulated member funds of \$74,664,079. It is not anticipated any liability will arise.

Local Government Workcare

The Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there 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 \$197,311. The latest audited financial statements for Local government Workcare are as at 30 June 2019 and show accumulated member funds (Equity) of \$42,162,717.

Other contingent items

There are potential claims against Cloncurry Shire Council, the outcome of which cannot be foreseen at present, and for which no amounts have been recognised in the financial statements.

The possible outflow of resources is estimated to be between \$50,000 and \$80,000.

24. 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 is 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, and is due each 3 years. Due to COVID-19 circumstances, the fund has been assessed during 2020 and there is considered to be no material impact as at 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 in the foreseeable future.

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

- o Investment risk The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.
- o Salary growth risk The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

Note	2020 \$	2019 \$
Superannuation contributions made to the Regional Defined Benefits Fund	-	-
Other superannuation contributions for employees	757,817	668,177
	<u>757,817</u>	<u>668,177</u>

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
25. Operating lease income			
Council has several operating leases agreement where it is the lessor. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.			
Council's minimum operating lease receipts are as follows:			
Not later than one year		75,993	66,416
One to five years		67,716	32,423
Later than five years		12,956	20,192
		<u>156,665</u>	<u>119,031</u>
26. 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		49,682	51,758
		<u>49,682</u>	<u>51,758</u>
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.			
27. Reconciliation of net result for the year to net cash inflow (outflow) from operating activities			
Net result		<u>27,597,863</u>	<u>22,265,576</u>
Non-cash items:			
Depreciation and amortisation	10	10,124,514	9,657,756
Revenue recognised 1 July 2019 change in accounting policy	29	(10,699,311)	
		<u>(574,797)</u>	<u>9,657,756</u>
Investing and development activities:			
Net (profit)/loss on disposal of non-current assets	6	1,401,941	70,594
Capital grants and contributions	3 (d)(ii)	(32,351,972)	(22,606,992)
		<u>(30,950,031)</u>	<u>(22,536,398)</u>
Changes in operating assets and liabilities			
(Increase)/decrease in receivables/other assets	12 & 14	(417,126)	(714,497)
(Increase)/decrease in inventory	13	471,365	270,150
Increase/(decrease) in payables	18	715,479	1,521,234
Increase/(decrease) in provisions	20	166,866	(153,723)
Increase/(decrease) in contract liabilities	17 & 28	3,386,375	
		<u>4,322,960</u>	<u>923,164</u>
Net cash inflow from operating activities		<u>395,994</u>	<u>10,310,099</u>

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2020

28. Changes in accounting policy

During the year ended 30 June 2020, the Council has adopted AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of NFP Entities* using the modified retrospective (cumulative catch-up) method and therefore the comparative information for the year ended 30 June 2019 has not been restated and continues to comply with AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions* and associated Accounting Interpretations.

All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained surplus at 1 July 2019.

The impacts of adopting these standards and associated transition disclosures are provided below:

Revenue standards - AASB 15 and AASB 1058

The following options have been applied on transition to AASB 15 and AASB 1058:

- Council has not adopted the completed contract expedient and therefore has not excluded revenue which was fully recognised in previous years in accordance with the former accounting standards and pronouncements;
- Council has not retrospectively restated contracts for modifications that occurred before 1 July 2019 unless such contract modification were minor.

Opening contract balances on transition at 1 July 2019

	Balance as at 1 July 2019
<i>Contract assets</i>	
- under AASB 15	-
- under AASB 1058	-
<i>Total contract assets</i>	-
<i>Contract liabilities</i>	
- under AASB 15	142,826
- under AASB 1058	10,556,485
<i>Total contract liabilities</i>	10,699,311

Comparison of affected financial statements lines between AASB 15 / 1058 and previous revenue standards

The following table shows the amount by which the financial statement line item is affected by the application of AASB 15 and AASB 1058 as compared to the previous revenue standards.

Statement of financial position at 30 June 2020

	Carrying amount per Statement of Financial Position	Adjustments	Carrying amount if previous standards had been applied
	Dr / (Cr) \$	Dr / (Cr) \$	Dr / (Cr) \$
Contract liabilities - current	(3,386,375)	3,386,375	-
Retained surplus	(275,408,051)	(10,699,311)	(286,107,362)
	<u>(278,794,427)</u>	<u>(7,312,935)</u>	<u>(286,107,362)</u>

The adjustments below relate to the recognition of liabilities for revenue streams where the revenue is recognised over time rather than on receipt of funding under AASB 1004.

Statement of comprehensive income for the year ended 30 June 2020

	Balance per Statement of Comprehensive Income	Adjustments	Carrying amount if previous standards had been applied
	Dr / (Cr) \$	Dr / (Cr) \$	Dr / (Cr) \$
Revenue - operating			
Rates, levies and charges	(15,226,943)	-	(15,226,943)
Grants	(7,257,988)	(438,122)	(7,696,109)
Revenue - capital	(29,446,544)	7,751,057	(21,695,487)
Expenses - materials and services	9,676,503	-	9,676,503
	<u>(42,254,972)</u>	<u>7,312,935</u>	<u>(34,942,036)</u>

Statement of cash flows for the year ended 30 June 2020

The adoption of AASB 15 and AASB 1058 has not caused a material change to the Statement of Cash Flows for the year ended 30 June 2020.

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2020

29. Impact of COVID-19 on the financial statements as at 30 June 2020

The global COVID-19 pandemic and the subsequent restrictions imposed by the Commonwealth and Queensland governments have impacted to some extent the business and economic activity. All the known effects have been measured and are reflected within this financial report.

Following the news of the novel virus in March 2020 and the restrictions, the number of visitors and air passengers to Cloncurry have started to decrease. Entrance fees and souvenir sales revenue at Council tourist venues have been impacted. Passenger taxes and airport landing fees have taken a downturn by the same token.

Council travel expenses have decreased whilst meetings have been cancelled and increasingly have taken place via the net. Outlay in purchasing headsets and additional laptops was immaterial and unsustainable in nature.

Venue hire fees are fewer as community events or group meetings are cancelled.

Council undertook to invite non-essential businesses to apply for a deferment of their rates payment as of 1 April 2020. As a result, these rate payers benefitted from a longer grace period to pay and were eligible for the discount normally given within 31 days of rate notice issue.

30. Events after the reporting period

COVID-19 pandemic outbreak has affected Cloncurry Shire Council socially and economically, as well as nationally.

In May 2020 the Australian Government announced a new \$500 million Local Roads and Community Infrastructure Program (LRCI Program). Meantime the State Government announced a \$200 million COVID Works for Queensland (W4Q) Program.

The LRCI Program aims to assist a community-led recovery from COVID-19 by supporting local jobs, firms, and procurement. It is expected Council will use local businesses and workforces to deliver projects under the LRCI Program to ensure stimulus funding flows into local communities. As of July 2020, Council was offered a grant fund of \$692,019 under the program.

The COVID W4Q funding is a key part of the Queensland Government's Economic Recovery Strategy: Unite and Recover for Queensland Jobs, and is designed to support the economic recovery across all of Queensland's communities from the Novel Coronavirus (COVID-19) pandemic. As of July 2020, Council received 50% of its \$1,180,000 share under the program.

The ongoing impact of the pandemic is yet measurable, still to uncover itself into 2020-2021 and beyond.

At the date of this financial report, to the best of Council's knowledge, there have been no post balance date events that are likely to have a material impact on the financial statements.

On a different note, Council appointed early March 2021, Mr Philip Keirle as the new Chief Executive Officer, whose commencement date was on 22 March 2021.

31. 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.

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.

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

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2020

31. Financial instruments and financial risk management (continued)

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 obligations.

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	2020 \$	2019 \$
Cash and cash equivalents	11	21,052,349	36,134,773
Receivables - rates	12	3,251,023	2,715,369
Receivables - other	12	1,503,002	1,973,258
Other credit exposures			
Guarantee	23	197,311	142,985
		<u>26,003,686</u>	<u>40,966,385</u>

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 2020 - other	fully performing		Past due		Total
Receivables	\$	less than 30 days \$	30-60 days \$	61-90 days \$	\$
Receivables	1,085,583	145,815	115,542	156,062	1,503,002
less impairment	(64,661)	-	-	-	(64,661)
Net receivables	<u>1,020,921</u>	<u>145,815</u>	<u>115,542</u>	<u>156,062</u>	<u>1,438,341</u>

30 June 2019 - other	fully performing		Past due		Total
Receivables	\$	less than 30 days \$	30-60 days \$	61-90 days \$	\$
Receivables	1,756,145	194,609	8,521	13,983	1,973,258
less impairment	(2,087)	-	-	(2,087)	(2,087)
Net receivables	<u>1,754,058</u>	<u>194,609</u>	<u>8,521</u>	<u>11,896</u>	<u>1,971,171</u>

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2020

31. Financial instruments and financial risk management (continued)

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.

2020	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
Trade and other payables	4,130,331	-	-	4,130,331	4,130,331
Loans - QTC	1,479,733	5,501,429	9,774,813	16,755,975	12,782,947
Total	5,610,064	5,501,429	9,774,813	20,886,306	16,913,278
2019	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
Trade and other payables	3,480,656	-	-	3,480,656	3,480,656
Loans - QTC	842,079	3,691,456	9,091,491	18,232,913	13,625,026
Total	4,322,735	3,691,456	9,091,491	21,713,569	17,105,682

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	Effect on net result		Effect on equity	
	\$	1% increase	1% decrease	1% increase	1% decrease
		\$	\$	\$	\$
2020					
QTC cash fund	18,641,047	186,410	(186,410)	186,410	(186,410)
Net total	18,641,047	186,410	(186,410)	186,410	(186,410)
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)

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 19.

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.

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2020

32. 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:

	2020	2019
	\$	\$
Short-term employee benefits	1,117,387	1,114,370
Post-employment benefits	81,926	74,195
Long-term benefits	23,111	25,834
Termination benefits	3,048	12,835
Total	1,225,472	1,227,234

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	2020	2019
		\$	\$
Fees and charges charged to entities controlled by key management personnel	32(b)(i)	-	-
Employee expenses for close family members of key management personnel	32(b)(ii)	75,484	154,004
Purchase of materials and services from entities controlled by key management personnel	32(b)(iii)	1,122,039	704,689
Key management personnel services provided by a related entity	32(b)(iv)	-	52,009

- (i) In 2019/20 there were no material transaction for fees and charges charged to related parties.
- (ii) All close family members of KMP were employed through an arm's length process. They are paid in accordance with their employment contract for the job they perform.
- (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.

	2020	2019
	\$	\$
Electrical goods and services	959,886	683,655
Auto smash and repairs services	21,385	11,728
Workshop labour hire contracting	4,002	9,306
Management of saleyards complex	136,766	-
Total (GST inclusive)	1,122,039	704,689

Ozcool Pty Ltd., a company controlled by existing Cr Damien McGee provided goods and electrical services to Council to the value of \$959,886. Niverak Smash Repairs, business owned by relatives of Cr Damien McGee provided auto smash repairs services to the value of \$21,385. Scott Campbell, brother to Mayor Greg Campbell was contracted for labour services to the value of \$4,002.

Newly elected Cr Nathan Keyes in Mar-20, is a representative of Keyes Cattle Company Pty Ltd, a company that manages and operates the saleyards complex. Conditions and terms of saleyards management are ruled by a management contract, executed in Dec-19, following due tendering process. Total saleyards management fees value since declaration of election results to 30 June 2020 amount to \$136,766.

All amounts are inclusive of GST. The purchases were at arm's length and in the normal course of Council operations.

(c) Outstanding balances

At 30 June 2020, there was \$157,252 owed by Council to these related parties.

(d) Loans and guarantees for/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

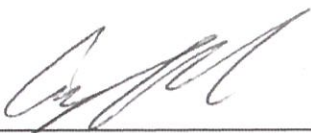


Management Certificate
For the year ended 30 June 2020

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



Chief Executive Officer
Mr Philip Keirle

Date: 12 / 4 / 2021

Date: 12 / 4 / 2021

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Cloncurry Shire Council

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Cloncurry Shire Council (the council).

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2020, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and the Chief Executive Officer.

Basis for opinion

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

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

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

Other information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Cloncurry Shire Council's annual report for the year ended 30 June 2020 was the current year financial sustainability statement and long-term financial sustainability statement.

The councillors are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the current year financial sustainability statement.

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

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

Responsibilities of the councillors for the financial report

The councillors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards, and for such internal control as the councillors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The councillors are also responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the council or to otherwise cease operations of the council.

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.

- Conclude on the appropriateness of the council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2020:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.



16 April 2021

Sri Narasimhan
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Cloncurry Shire Council
Current-year Financial Sustainability Statement
For the year ended 30 June 2020

Council's performance at 30 June 2020 against key financial ratios and targets:

Measures of Financial Sustainability	How the measure is calculated	2020 Actual	Target
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.	371%	Greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-19%	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 2020.



Certificate of Accuracy
Current year financial sustainability for year ended 30 June 2020

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



Chief Executive Officer
Mr Philip Keirle

Date: 12, 04, 2021

Date: 12, 4, 2021

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Cloncurry Shire Council

Report on the current year financial sustainability statement

Opinion

I have audited the accompanying current year financial sustainability statement of Cloncurry Shire Council (the council) for the year ended 30 June 2020 comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with section 212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Cloncurry Shire Council for the year ended 30 June 2020 has been accurately calculated.

Basis of opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the current year financial sustainability statement* section of my report.

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

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

Emphasis of matter – basis of accounting

I draw attention to Note 1 which describes the basis of accounting. The current year financial sustainability statement has been prepared in accordance with the Financial Management (Sustainability) Guideline 2013 for the purpose of fulfilling the council's reporting responsibilities under the Local Government Regulation 2012. As a result, the statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Other Information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Cloncurry Shire Council's annual report for the year ended 30 June 2020 was the general purpose financial statements and long-term financial sustainability statement.

The councillors are responsible for the other information.

My opinion on the current year financial sustainability statement does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the general purpose financial report.

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

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

Responsibilities of the councillors for the current year financial sustainability statement

The councillors are responsible for the preparation and fair presentation of the current year financial sustainability statement in accordance with the Local Government Regulation 2012. The councillors' responsibility also includes such internal control as the councillors determine is necessary to enable the preparation and fair presentation of the statement that is accurately calculated and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the current year financial sustainability statement

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

My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the council's future sustainability.

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

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.

- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

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



16 April 2021

Sri Narasimhan
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Cloncurry Shire Council
Long-Term Financial Sustainability Statement
Prepared as at 30 June 2020

Measures of Financial Sustainability			Projected for the years ended										
Council	Measure	Target	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	30 June 2030
Operating surplus ratio	Net result divided by total operating revenue	Between 0% and 10%	-1%	0%	1%	2%	2%	2%	2%	2%	2%	2%	2%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	371%	135%	290%	233%	261%	257%	253%	255%	249%	253%	250%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%	-19%	-44%	-32%	-37%	-39%	-38%	-41%	-45%	-48%	-49%	-50%

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.

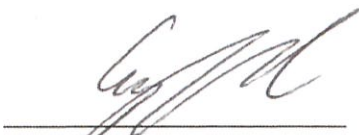
Cloncurry Shire Council
Financial Statements
For the year ended 30 June 2020



Certificate of Accuracy
For the long-term financial sustainability statement prepared as at 30 June 2020

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



Chief Executive Officer
Mr Philip Keirle

Date: 12 / 4 / 2021

Date: 12 / 4 / 21