



ANNUAL REPORT 2020- 2021

Cloncurry Shire Council

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INTRODUCTION

Welcome

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.

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.

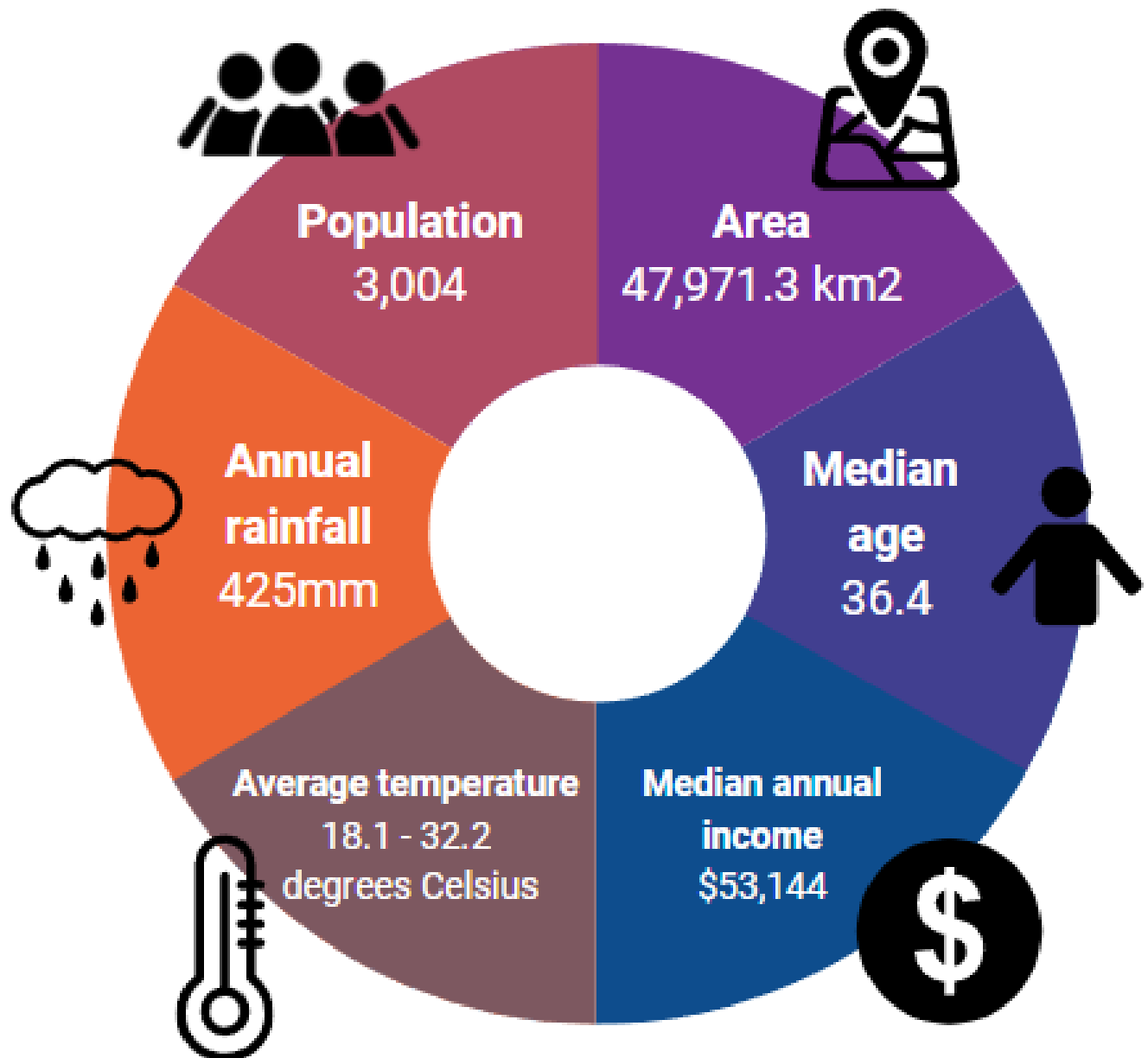
Over the years Cloncurry has been the focal point for many of Australia's greatest innovations. Cloncurry was involved with the beginnings of Qantas, and the original Qantas Hanger is still in use at the aerodrome, where 'Queensland and Northern Territory Aerial Service' is still displayed above the 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.



FAST FACTS

June 2021



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MAYORAL MESSAGE



The 2020/2021 year has generally been dominated by COVID-19. Border closures and vaccination rates have generally been the main topics. For us in Cloncurry, we didn't see much intrusion into our day to day lives. Zero cases in our Shire and the outback were a major help. The only major issue we faced was restrictions and uncertainty on broader travel to the South East and interstate. Travel restrictions had some impact on projects, for example the Principal Contractor was delayed completing the Sewerage Treatment Plant (STP) because key staff could not get into Queensland.

Overall though, Council and particularly the Shire, has outperformed most other areas again. State and Federal Government stimulus dollars have been hitting the ground with work on Butchers Creek Bridge and Cloncurry Duchess Road in full swing. Cattle prices are great and mining commodity prices up, with no dent in demand for either.

A real highlight for the transport sector was the opening of Aurizon's driver training school. This is a great outcome for Cloncurry and cements us as the hub for rail in the North West. A lot of background work went in to keeping Aurizon here, so to be able to see them return that support is great.

The first half of the financial year saw a continuation of cancellations of events including the Stockman's Challenge, Quamby Rodeo, Curry Merry Muster and Beat the Heat. The Race Club held meetings but a number with no patrons permitted to attend. To top off an unusual year the Club served its first TAB Race meeting.

With things getting a 'bit more normal' towards the end of 2020, the Christmas festival was a welcome get together.

January 2021 saw another visit from our Prime Minister Hon. Scott Morrison MP, Minister for Agriculture and Northern Australia Hon. David Littleproud MP, then Deputy Prime Minister Hon. Michael McCormack, Special Envoy for Northern Australia Senator Susan McDonald, Assistant Minister for Road Safety and Freight Transport Hon. Scott Buchholz MP and Minister for Resources and Water, Hon. Keith Pitt MP, to check on how the North West was recovering from the flood and to see the impacts outside the metropolitan areas.

December was time for our senior's Christmas lunch and the Mayor's senior's hampers. The hampers, some may remember, were originally organised by Rotary and supported by Lions. When the Rotary Club dissolved, the hampers stopped for a few years. I was really proud to be able to revive the tradition from 2016 when I became Mayor.

I have always been on the lookout for new initiatives and industries to provide support to our core of agriculture, mining and transport. Council successfully lobbied for the drone testing facility and we are making progress on irrigated agriculture. Increasing tourism, film and television are other focus areas. The announcement by the Premier that Cloncurry was successful in being the location for the production of Australian Survivor was a massive win. In short, the financial and exposure gains to the Shire were priceless and showed that this is a real potential growth industry for us.

March 2021 also saw the inaugural 'Cloncurry Prize' awarded. In its first year the Cloncurry Prize became one of the richest and most prestigious poetry prizes in the country. With support from the Prime Minister and ABC Ian 'Macca' McNamara the Cloncurry Prize received national exposure. Congratulations to David Campbell for his poem 'The Heart and Soul of Australia' and thank you to the amazing judging panel.

Council's Capital Works Program was somewhat subdued with approximately 45% of the plan completed (60% including QRA flood damage).

One of the highlights was the successful integration of Wi-Sky as Council's internet service provider. Wi-Sky is providing internet to Council at five times the speed and a fraction of the price we were paying. Other savings due to the changeover have led to a \$10,000 per month saving on IT equipment. Any business or individual household has the ability to get service of Wi-Sky now.

Even with some COVID-19 challenges and staff turnover, the services provided by Council continue to improve and be delivered to a high standard. I thank the hard work of the Council staff in delivering services to our community.

Council continues to support many groups, events and individuals in our Shire, which is detailed within this report. We are committed to supporting these groups and events and proud to see them doing well.

In March 2021 we welcomed Phil Keirle and his family to town. Phil comes to Council as Chief Executive Officer and has some great local government experience, especially in the area, having lived in Burketown for a number of years as Burke Shire Council's Chief Executive Officer.

Thank you to Bruce Davidson who was Acting Chief Executive Officer until we recruited Phil. Bruce is a steady hand and has been of great assistance to Council.

Even though we are globally still impacted by COVID-19, Cloncurry is still delivering strongly and will continue to do so into the future. I believe the Councillors and I were able to capture that successfully in our adopted Corporate Plan – setting the direction for Council for 5 years.

Greg Campbell

Mayor



CEO MESSAGE



Strategic Highlights

The Annual Report of a Local Government has a number of content requirements. Foremost among these are reporting on Council's financial position to the residents and ratepayers of the Cloncurry Shire; commenting on Council's progress in delivering the goals outlined in the Corporate and Operational Plans; and providing information to stakeholders on the activities of Councillors throughout the year.

I am pleased, once again, to present an unqualified set of Financial Statements to the Cloncurry Shire community. The Financial Statements provide an overview of Council's financial position. They also represent the quality of Council's financial data and internal processes. Over the past two years, Council has placed significant emphasis on improving both and has made significant progress in this endeavour. Accordingly, the current Financials are based on the best data and processes that Council has had in place for many years (see pp. 23-30 for the Community Financial Report and Appendix A at p.61 for the Audited Financial Statements).

Looking backward, looking forward

An annual report is required to provide an assessment of Council's progress against its Corporate and Operational Plans. 2020-21 marked the final year of Council's 2016-21 Corporate Plan. This key planning document provided strategic direction for all activities undertaken by Council over the five year period ending 30 June 2021, shaping the content of all associated Operational Plans and budgets.

The period has been marked by a range of historic events, including the 90th anniversary of the RFDS, the 150th anniversary of the Shire itself, the opening of Dugald River, the 2019 monsoonal trough and the arrival of the coronavirus, a once-in-a-century pandemic that has and continues to impact on our day to day lives. It was a period that brought people together, both in celebration and in the aftermath of tragedy, and it was a period during which the Cloncurry Shire continued to develop and grow. The below aims at capturing some of the more notable developments over the last five years across a range of service areas.

AIRPORTS

Council's airports are vital to the local community and the State's economy. The Cloncurry Airport provides essential transport for Cloncurry residents and fly-in/fly-out employees, while the Dajarra Airstrip enables access to RFDS and other emergency care services to the residents of Dajarra and surrounds.

Council has invested significantly in the Cloncurry Airport in the five years to 30 June 2021. This investment has focused on renewals, upgrades and growth opportunities, with the following projects completed:

- 2016-17: \$2.5m for a new airport terminal
- 2017-18: \$5.8m to upgrade the apron, taxiways, runway, drainage and aircraft parking bays
- 2019-20: \$14.5m for the Cloncurry Drone Flight-Testing Facility

This investment continues to ensure Council is able to meet the ongoing needs of the ~60,000 passengers who move through the facility each year.

Year	2016-17	2017-18	2018-19	2019-20	2020-21
Passengers	53,986	59,814	59,211	54,911	57,165
Revenue	\$2,259,269	\$2,837,124	\$2,987,965	\$2,693,928	\$2,917,262

Expenditure on the Dajarra Airstrip to 30 June 2021 has focused on installation of fencing (\$51,195) and planning for the upgrades to the Dajarra Airstrip Access Road and the renewal and upgrade to the Dajarra Airstrip, both of which are scheduled for delivery in 2021-22.

BRIDGES

Council continues to co-invest in the renewal of bridge assets and to advocate for the upgrade of State-owned bridges in the Shire (Butcher's Creek, Tommy's Creek, Malbon etc.). In terms of Council assets, Cloncurry secured Bridges Renewal Funding to deliver a complete renewal of the Carl Katter Bridge in 2018-19 and is currently working toward the final design for the renewal of the Coppermine Creek Bridge, with construction due to commence in 2022.

SALEYARD FACILITIES

Beef is big business in the North West and the Cloncurry Saleyards is the second largest cattle-handling facility in Queensland, pulling an average of 235,000 head of cattle through the facility each year over the five-year period to 30 June 2021.

Year	2016-17	2017-18	2018-19	2019-20	2020-21
Cattle	237,137	216,580	208,224	286,058	229,638

Council has and continues to invest in the Saleyards to ensure the continued sustainability and profitability of this asset. In 2016-17, \$2.3m was spent on rail replacement, new loading ramps, upgrades to existing ramps, renovations to the dip facility, a new dust suppression system, improved lighting, refurbishment of the weighbridge, modifications to the truck bay and a new toilet block. In 2018-19, commenced the Heavy Vehicle Rest Area Upgrade project (\$2,036,379) and in 2020-21 Council completed various upgrades to the Clean Yards (\$925,544), including road sealing and drainage works and new loading ramps.

WATER SUPPLY & TREATMENT

Cloncurry

Council has been exploring opportunities and implementing initiatives to improve water security to the township of Cloncurry. Significant planning and securing of funding has taken place over the last few years and Council is now in the process of delivering a number of projects that will reduce Council's reliance on the Lake Julius supply. These include:

- Mark Kathleen Park - transition to bore supply (\$347,671)
- Cloncurry Sport & Rec grounds - transition to bore supply (\$343,193)
- Main Well Project (in progress: \$1.2m)
- Cloncurry Cemetery - transition to bore supply (in progress: \$150,000)
- Cloncurry Equestrian Centre - transition to bore supply (in progress: \$250,000)

In 2021-22, this journey will be completed once practical completion of the final upgrades to the Sewerage Treatment Plant is achieved. Works will continue in 2021-22 to optimize performance through a) de-sludging lagoons; b) progressive improvements to the release of treated effluent to land for irrigation purposes; c) training of staff; and d) looking for opportunities at further regional collaboration via the QWRAP program.

ROADS

As a freight and logistics hub in an area known for the quality of its cattle industry and the abundance of mineral resources, the effective maintenance and renewal of Council's road network is crucial to local, regional, state and national economies. This is especially crucial in the context of remediating the impact of flood damage, which can take large parts of the road network offline.

Flood Damage - Reconstruction of Essential Public Assets

In the five years to 30 June 2021, Council was disaster activated on seven occasions. 2020-21 being the only year in recent memory with no disaster activation. During this period, Council has completed a range of significant Flood Damage programs in partnership with the Queensland Reconstruction Authority. Please see below for further details.



2020-21			
Event	Relief measure	Funding program	Total Funding Amount
Recovery and Resilience Grants	Recovery and Resilience Grants, Resilience and Risk Reduction Grant	Resilience Funding	\$1,257,000
2019-2020			
Event	Relief measure	Funding program	Total Funding Amount
Queensland Monsoonal Flooding, 23 January - 3 February 2021	Emergent Works, Reconstruction of Essential Public Assets	DRFA	\$8,315,807
2018-2019			
Event	Relief measure	Funding program	Total Funding Amount
North and FNQ Monsoon Trough, 25 January - 14 February 2019	Counter Disaster Operations, Emergent Works, Reconstruction of Essential Public Assets, Flood Warning Infrastructure, Flood Recovery Exceptional Assistance	DRFA	\$29,999,351
Severe TC Trevor and associated low pressure system, 19-27 March 2019	Emergent Works, Reconstruction of Essential Public Assets	DRFA	\$12,522,833
2017-2018			
Event	Relief measure	Funding program	Total Funding Amount
North & NWQ Low and Associated Rainfall and Flooding, 24 Feb - 8 Mar 2018	Emergent Works, Restoration of Essential Public Assets	NDRRA	\$5,982,285
2016-2017			
Event	Relief measure	Funding program	Total Funding Amount
Gulf Tropical Low, 15-24 February 2017	Restoration of Essential Public Assets	NDRRA	\$14,683,937
2015-2016			
Event	Relief measure	Funding program	Total Funding Amount
Gulf of Carpentaria Monsoon Trough, 20 December 2015 - 3 January 2017	Emergent Works, Restoration of Essential Public Assets	NDRRA	\$21,283,759
Central Western Queensland Heavy Rainfall and Flooding, 2-4 February 2017	Emergent Works, Restoration of Essential Public Assets	NDRRA	\$3,615,176

COUNCIL, ECONOMY & COMMUNITY

Support for local businesses

Council continues to invest in its local businesses to assist in sustaining and growing the local economy. On average, Council's operational and capital expenses have pushed \$24m back to local businesses each year over the five years to 30 June 2021. Council has also invested in street beautification projects, shopfront revitalisation grants, the financial and administrative support to the Local Business Network, support for shop local campaigns, and, most recently, partnering with the State Government and local businesses on a Digital Shopfront Program.

- 2016-17: \$1.7m Sheaffe Street (stage 1 - sealing)
- 2017-18: \$2.5m Sheaffe Street (stage 2 - upgrade)
- 2019-20: R1 Shopfront Revitalisation Grant
- 2020-21: R2 Shopfront Revitalisation Grant
- 2021-22: R3 Shopfront Revitalisation Grant
- 2021-22: Digital Shopfront program

Childcare Services

The Curry Kids Early Learning Centre aims to provide a safe, nurturing, natural environment for children to thrive. This facility is crucial to attracting and retaining young families in Cloncurry and Council is committed to providing high quality education and child care for children aged 3 months to 5 years old. In recognition of this crucial role in attracting and retaining families, Council has and will continue to invest in this facility with the support of State and Commonwealth funding:

- 2016-17: new kitchen
- 2018-19: upgrades to the Tweenies and Toddlers Playground Area
- 2020-21: safety upgrades and renovations
- 2021-22: design for expansion of facility to reduce waiting lists

Accommodation

The availability, affordability and suitability of accommodation continues to present major challenges across the regions, the state and the nation. In the five years to 30 June 2021, Council increased its housing stock to help reduce one of the main barriers to attracting and retaining staff and put plans in place to build a nine-house subdivision on the corner of Perkins and Railway Street. Through this project (currently underway and scheduled for delivery over the next two years), Council is actively attempting to address the need for suitable housing in town. Council successfully applied for \$5,062,500 funding under the Building Better Regions (Round 5).



Florence Clark Park & Cloncurry Aquatic Facility

The benefits of Council's investment in Florence Clark Park and the Cloncurry Aquatic Facility (\$4,589,632) are readily identifiable in the increased patronage at both locations and the glowing feedback of visitors to town. These transformative upgrades were delivered across 2019-20 and 2020-21, turning previously underutilized space 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 tell the story of Cloncurry's history and key landmarks.



Recreation - facilities, services and events

Council invests in recreational facilities as part of its commitment to improving liveability and building sustainable communities. Over the five-year cycle to 30 June 2021, Council has delivered a wide-range of projects and invested in a wide variety of services:

- Kiosk installation at the Sport and Rec Grounds
- Maintenance of Eddie Lee Fields
- Scenic Lookout Upgrades (car-park sealing, tank mural)
- Mary Kathleen Park Playground
- Cloncurry Aquatic Facility Upgrade
- Florence Clark Park
- Investment in Library Services
- Visitor Information Services
- Museums at John Flynn Place and Cloncurry Unearthed

This focus continues under the new Corporate Plan, with projects planned in 2020-21 set to be delivered in 2022, including two signature projects:

- Chinaman Creek Pathway Project
- Chinaman Creek Dam Recreation Area Upgrade

Events program

Cloncurry's event program is populated with a range of signature events (the Cloncurry and District Show, Cloncurry Stockman's Challenge, Curry Merry Muster Festival, Quamby Rodeo, Beat the Heat), race meets, camp drafts and rodeos, community markets, civic ceremonies, business functions and conferences, regional economic forums, biosecurity training sessions and so on. Council delivers a number of these events (Australia Day, Anzac Day, Beat the Heat, Christmas Party etc.) and also invests, on average, \$150,000 in grants to community organisations to deliver the balance of events held annually around the Shire. This annual allocation is unparalleled in Shires of a similar size and reflects the strong focus that the Cloncurry Shire Council places on supporting those organisations and events that bring us together throughout the year.

Final Words

None of the above would be possible without our residents and ratepayers, the support of state and federal governments, the support of businesses and volunteer organisations, clubs and committees, the drive of our elected members and the hard work of Council's staff. I extend my appreciation and thanks to all those who continue make the Cloncurry Shire an amazing place to be and look forward to working with you all in the future.

Phil Keirle

Chief Executive Officer

OUR MEMBERS

Mayor Greg Campbell

Mayor Greg Campbell was born and grew up in Cloncurry and is proud to call Cloncurry home. Cr Campbell and his wife Ana have 3 children, Caleb, Cooper, and Scarlett. Greg completed his schooling years at the Cloncurry State School, finishing his final year as School Captain. Mayor Campbell's family runs a beef cattle operation in the area and is very passionate about promoting the strength and importance of the industry and the high quality of the product produced. Having a thorough knowledge of this industry places Mayor Campbell in a prime position to lobby for funding and grants to assist growing the agricultural industry.



Mayor Campbell has been heavily involved in the community for many years including being a Rotarian, a Merry Muster Committee member, and a regular volunteer of the Cloncurry races, Show and school events. Mayor Campbell founded the Cloncurry Fish Stocking Committee in 2005 successfully stocking Barra in Chinaman Creek Dam. He was also one of the Co-Founders of the Cloncurry Football Club in 2006/07, becoming the Inaugural Treasurer and Junior Coach. All the above committees are still as strong today as they were when they were first initiated. Receiving the Cloncurry Shire Citizen of the Year Award in 2009 was a very proud moment, and Cr Campbell gave credit to his family for their support and long-term community service.

Mayor Campbell was first elected to Council in 2004 as a Councillor and again in 2008, when he was honoured to be elected Deputy by his fellow Councillors. Mayor Campbell was fully committed to these roles whilst working in various technical and managerial roles with Ergon. An understanding of this industry also proving valuable when lobbying for funding and being a member on the current MITEZ and CopperString 2.0 projects. In 2016 Greg was elected as Mayor of Cloncurry. His first term was full of achievements that set the Cloncurry Shire up for long term prosperity. Cloncurry celebrating 150 years was a major highlight. A focus on financial consolidation and improving the quality of services to residents has always been a focus. Approximately 80% of all sealed roads across the Shire have been rebuilt or resealed.

Making Cloncurry a 'destination' is a key priority to Mayor Campbell. To be able to showcase the fantastic history and landscapes the Shire has to offer will continue to benefit Cloncurry's economy. Outdoor exercise equipment and the new waterpark playground are initiatives to make the town even healthier and more family friendly. The revitalisation of Florence Clark Park is proving a great place for tourists to stop and have a break, whilst learning a little about Cloncurry's strong history.

Cr Campbell is now proudly serving his second term as Mayor of the Cloncurry Shire Council. He has been successful in lobbying for a Youth Worker, Dialysis Service, Road Funding, Bridge upgrades and water and sewerage upgrades. The 2019 Flood event was one of the biggest natural disasters to hit the North West and Greg capably and sensibly steered the Shire through this period. His efforts were recognised by the Prime Minister, who requested he be the first Mayor to become a member of the Flood Recovery Agency.

Mayor Campbell is committed to continuing to ensure Cloncurry gets 'our fair' share and that the prosperity that has been created continues to grow.

Deputy Mayor Sam Daniels



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 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.

Cr Vicky Campbell



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, the Councillor Representative on the Local Business Network and is also the Councillor Tourism Representative. It is with this knowledge of hard work and community unity that Councillor Vicky works to build and progress the Shire of Cloncurry.

Cr Nathan Keyes



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 CSC 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.

Cr Janessa Bidgood



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.

Cr Dane Swalling



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

Councillor Swalling is married with children and has always supported a wide variety of community groups through his business and personally.

Councillor Swalling is passionate about the Cloncurry Shire and the lifestyle it provides. During his time on Council, Councillor Swalling is eager to ensure that locals come first in all opportunities that the Council provides.

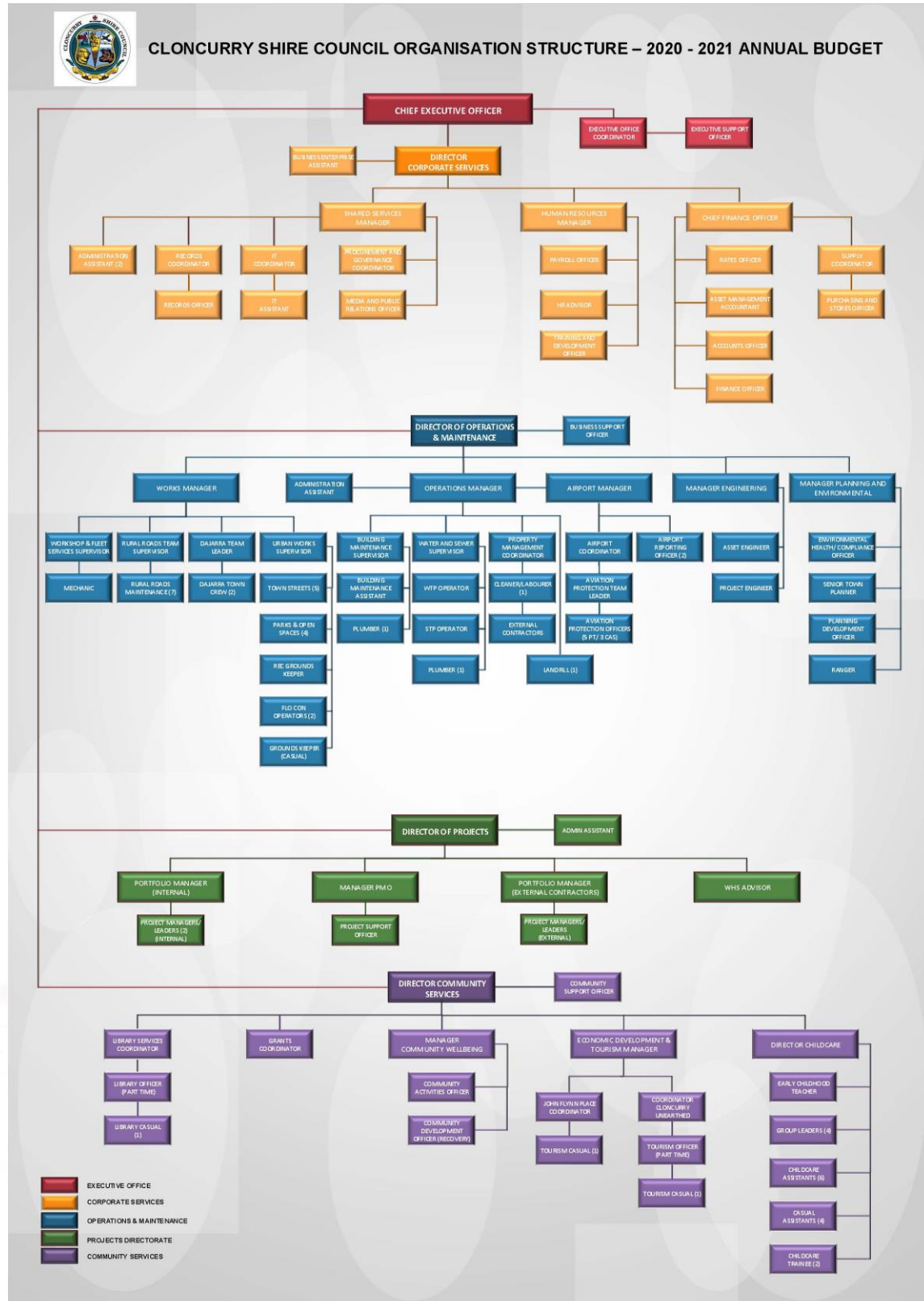


Top row (L-R) Mayor Greg Campbell, Deputy Mayor Sam Daniels, Cr Vicky Campbell

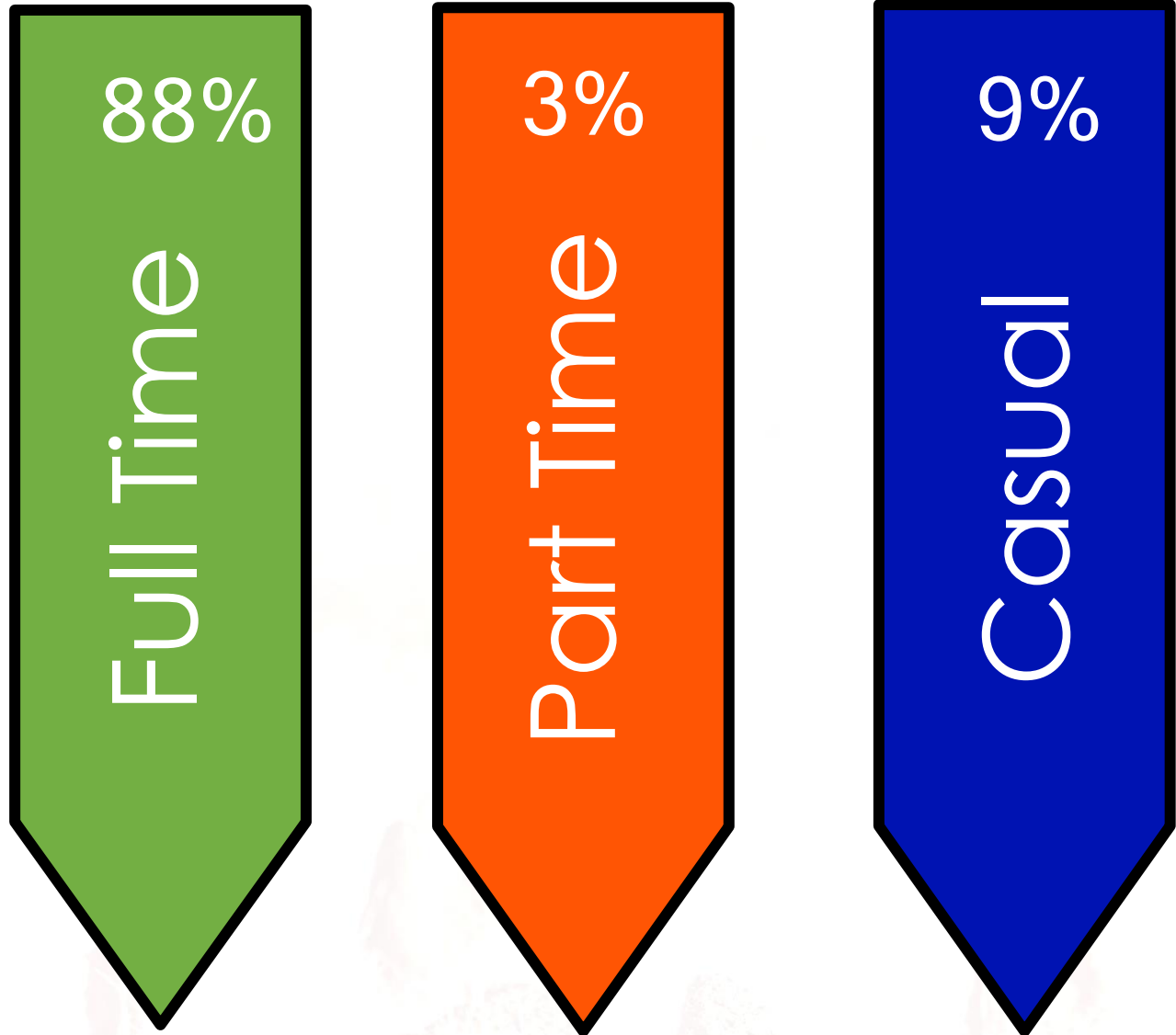
Bottom row (L-R) Cr Nathan Keyes, Cr Janessa Bidgood, Cr Dane Swalling

OUR PEOPLE

Our Organisational Structure



Our Workforce Profile



Total Employees: 103

Female: 57%

Male: 43%



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 2020 to 30 June 2021.

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

To obtain a full appreciation of the Council's overall financial performance and financial position, the Community Financial Report should be read in conjunction with the Audited Annual Financial Statements (refer Annexure A) for the period 1 July 2020 to 30 June 2021.

A Snapshot of the Financial Year 2020-2021

Cloncurry Shire Council has had a respectable 2020-2021 financial year. The operating result for 2020-2021 was a deficit of \$6,584,495. The major impacts were the cost of refinancing five of Council's loans \$1,726,305 an increase in depreciation of \$890,893, a \$694,316 loss on a private works project and additional maintenance for Dajarra water treatment.

Total fixed assets increased by \$23,995,786 following the completion and capitalisation of Florence Clark Park, the Sewerage Treatment Plant and the sealing of Sedan Dip Road.

Cash reserves at 30 June 2021 are \$16,006,124 down on previous years which had included advance payments from the NDRRA program, as there was no declared events for Cloncurry Shire in 2021-2022. A change in the accounting standards will not see a repeat of this anomaly in the reporting of grant revenue as from 1 July 2020 grants are recognised when control of the funds is identified.

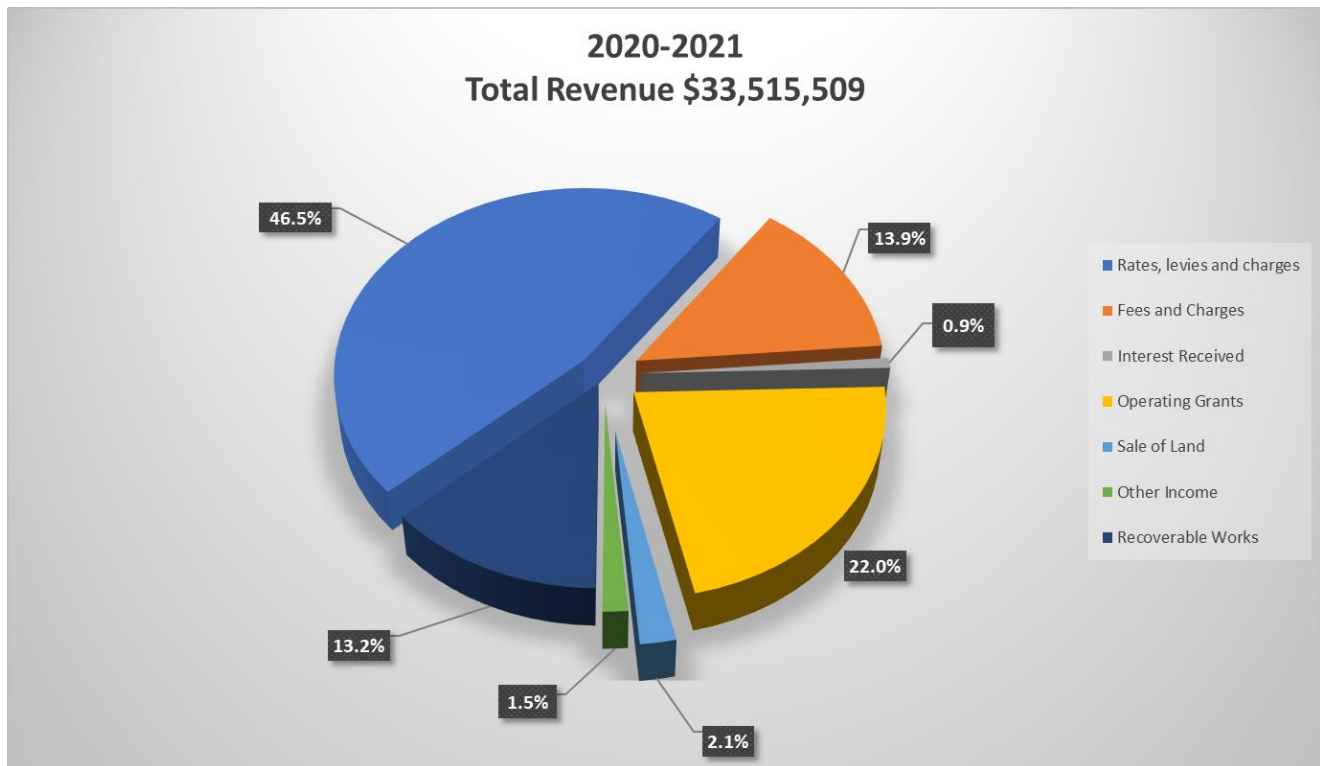
Below is a summary of Cloncurry Shire Council's financial statements (Operating) for the year ended 30 June 2021.

Comprehensive Income 2020-2021 (\$)			
	2020-2021		2019-2020
Operating Revenue	33,515,509		30,181,710
Operating Expenses	(40,100,004)		(30,628,449)
Operating Deficit	(6,584,495)		(446,739)
Capital Income	25,886,224		29,446,543
Capital Expenses	(396,710)		(1,401,941)
Capital Surplus	25,489,514		28,044,603
Net Result	18,905,018		27,597,863
Increase in Asset Revaluation Reserve	2,961,867		3,529,932
Total other comprehensive income	21,866,886		31,127,795

Revenue – where did the money come from?

Council received \$33,515,509 in operating revenue and other income for the 2020-2021 financial year, the airport passenger taxes matched the 2019-20 numbers while saleyards revenue dropped due to a reduction in cattle movements.

Revenue from recoverable works increased by \$3,184,211 the majority from the Main Roads 7708 project.



Rates, Levies and Charges

Revenue from rates and charges contributed 46.5% 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 \$15,585,087.

Fees and Charges

This includes revenue from Council owned businesses such as the Saleyards, Airport, Curry Kids Childcare Centre and Council functions where fees are charged, for services such as development applications, service connection fees, venue hire fees, airport usage fees and various registration fees. The total amount received from fees and charges was \$4,643,029 for 2020-2021; this was 13.9% of total operating revenue.

Interest Received

Council earned \$287,647 in interest representing 1% of operating revenue in the 2020-2021 financial year. This was significantly less than the previous year due to the repayment of overdue rates and record low interest rates.

Operating Grants and Subsidies

Revenue sourced from grants and subsidies totalled \$7,360,547 or 22% of total operating revenue. Grants and subsidies flow to Council from various entities, including State and Federal Governments. The Federal Governments General Purpose Grant of \$5,679,342 was received and this was \$68,258 less than the 2019/20 allocation.

Sale of Land

Council has sold a number of blocks of land in 2020-2021 totalling in \$716,614 in sales revenue. Most of these sales were lots located at the Industrial Estate.

Other Income

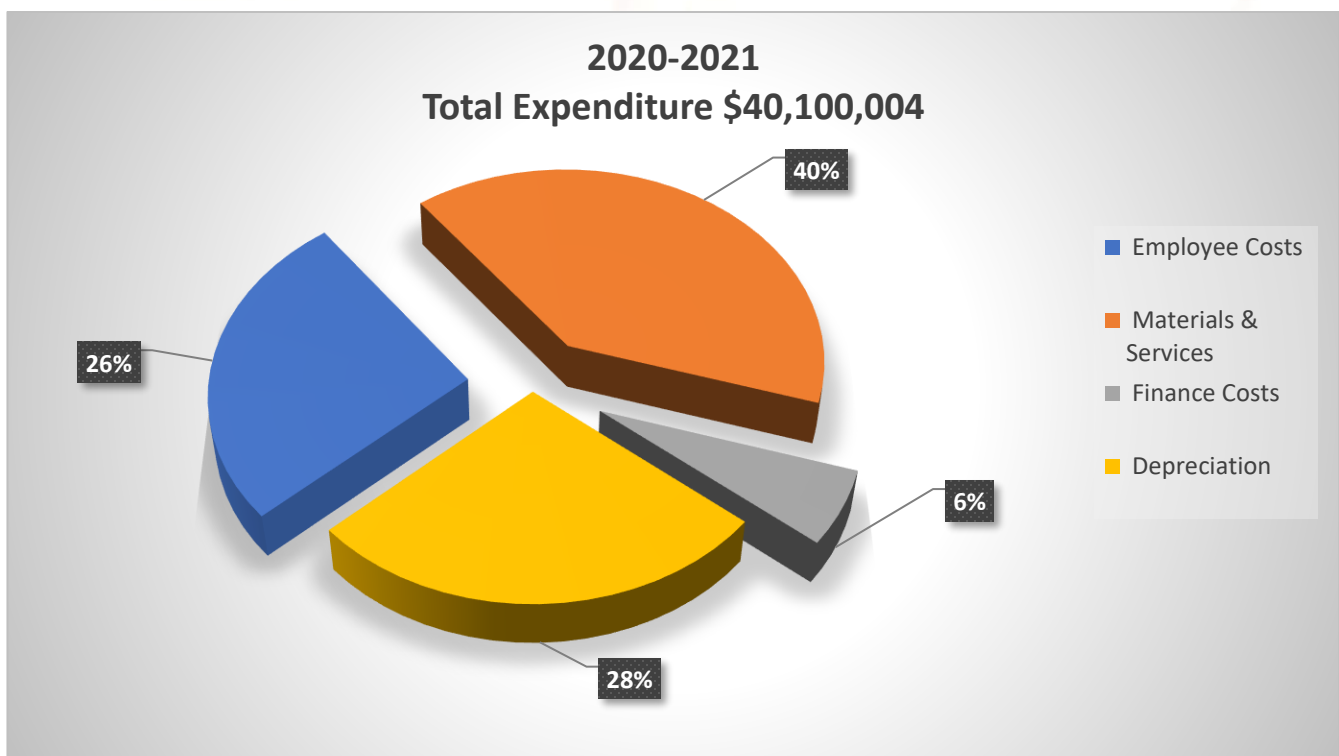
Consists of revenue from rental and lease income from Council owned and maintained properties. This revenue stream includes St Andrews Garden Settlement and net proceeds from the disposal of property, plant and equipment. The amount totalled \$287,647.

Recoverable works

A secondary source of income for Council is sales and recoverable works, with a total of \$4,412,466 received of which \$3,669,178 was earned from the sealing of the Duchess-Dajarra Road for the Department of Main Roads. This project did however make a loss and contributed \$694,316 to this years' deficit.

Expenses – where was the money spent?

Council's total expenditure for the 2020-2021 financial year was \$40,100,004. The largest impacts were an increase of \$6,381,621 in material and services and \$2,452,370 in finance costs.



Employee Costs

Employee benefits are the third largest cost to Council. For the year ended 30 June 2021 these costs totalled \$10,574,103 which consists of staff wages and salaries, leave entitlements and superannuation.

Materials and Services

Material and services costs are the second largest expense item for Council. For the year ended 30 June 2021 these costs totalled \$16,058,124 an increase of \$6,381,621 attributable to the \$4,363,494 in material and services costs for the Duchess-Dajarra project, maintenance and water supply costs for the Dajarra water treatment supply and costs that were offset by grant funded disaster resilience programs.

Finance Costs

To take advantage of the lower rates, and at the invitation of the Queensland Treasury Corporation, Council refinanced five of its' loans, reducing the loan interest rate from an average 6.3% to 2.3%. This reduced Council's annual principal repayments by \$385,000.

The penalty in interest of \$1,726,305 from the refinancing of Council's borrowings with Queensland Treasury is included in the finance costs for 2020-2021. The Queensland Audit Office recognised this as a one-off transaction and allowed Council to provide a second operating surplus ratio that excluded this expense.

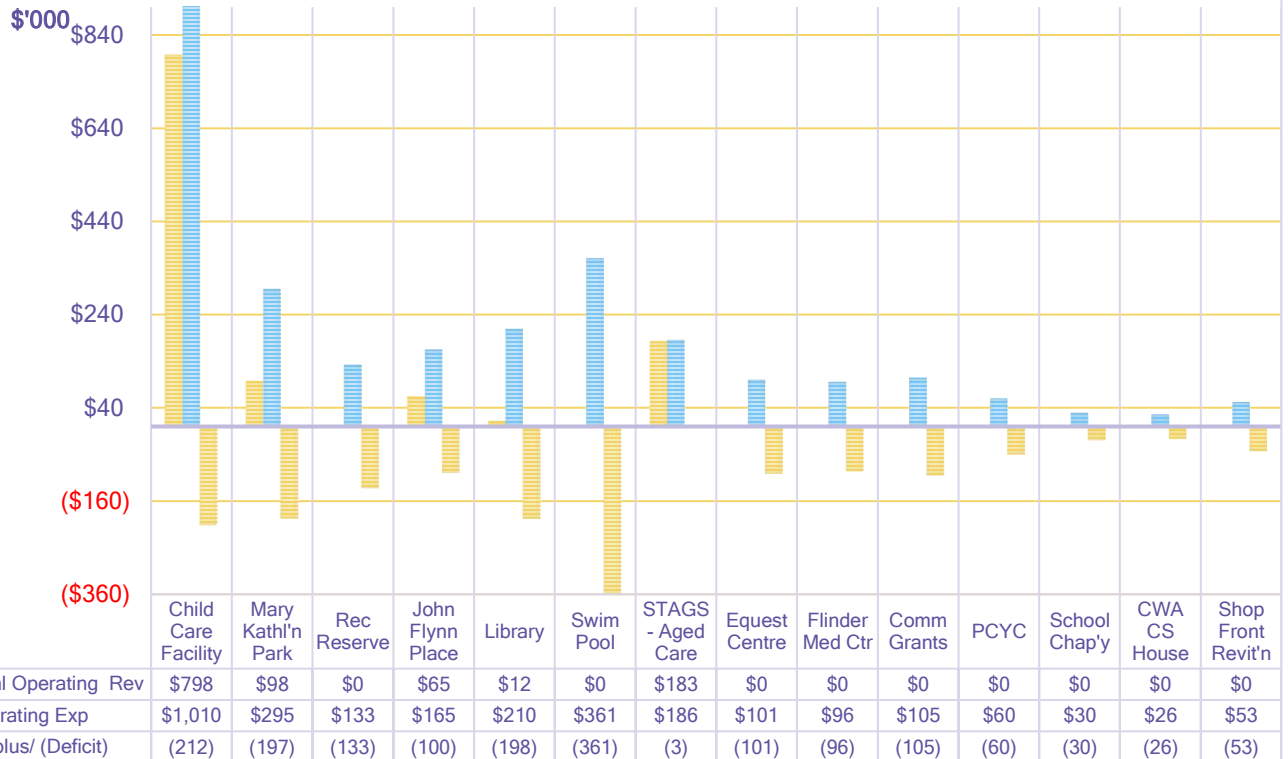
Depreciation

Depreciation is an accounting expense based on spreading the cost of an asset over its useful life to account for its decline in value. Useful lives will vary depending on the type and age of an asset and how well the asset is maintained. 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 2021 depreciation costs totalled \$11,015,407, an increase of \$890,893 over the previous year, after Council capitalised the upgrade to the sewerage treatment plant, road upgrades and the refurbishment of Florence Clark Park amenities with the addition of two water parks.

Services to Community

In accordance with the Corporate Plan 2016-2021 the key strategic directive is to make our Shire a safe, affordable, family friendly and accessible community. Council provided \$1,675,030 in financial support for community facilities and programs including Parks and Recreation reserves, John Flynn Place, Swimming Pool, Equestrian Centre, Library, Flinders Medical Centre, Aged Care Facility and PCYC.

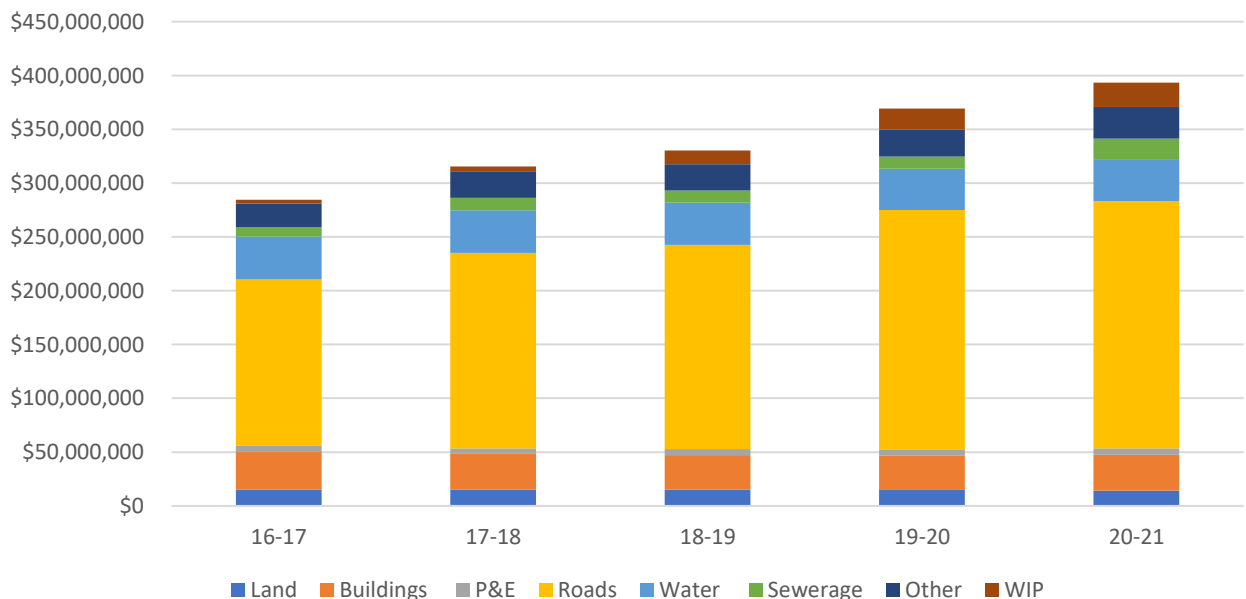
COMMUNITY SERVICES REVENUE & EXPENSES 2020-21



Capital Expenditure

In 2020-2021 Council's spend on capital works totalled \$17,040,750. This includes \$7,861,374 in Flood Damage (NDRRA) works, Railway St reseal \$2,086,615, sealing of the entrance to the Tick Free Yards \$875,386 and various improvements to the irrigation of Council parklands to improve water usage. A revaluation of Council's land and buildings, water and sewerage assets resulted in an increase of \$2,961,867 in asset values.

Council Written Down Values of Assets 5 Year Trend

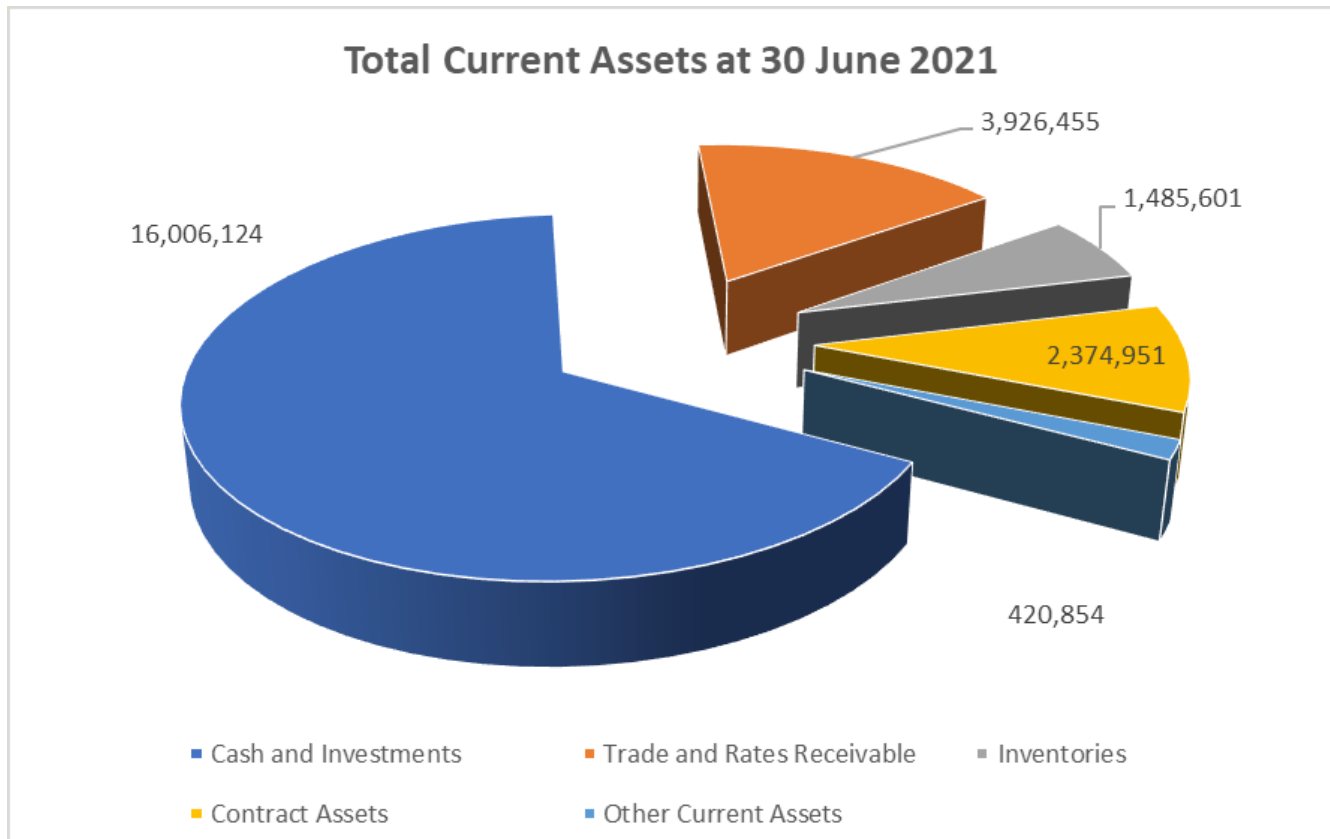


Assets – What We Own?

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

For the year ended 30 June 2021 the value of Council's assets was \$417,451,738 of which \$24,213,985 are current assets (cash, receivables and inventory) and \$393,237,752 in non-current assets (Council's service delivery infrastructure).

Contract assets totalling \$2,374,951 is the amount receivable in grants equal to the amount of eligible costs expended on funded projects less grants received to 30 June 2021.



Liabilities – What We Owe?

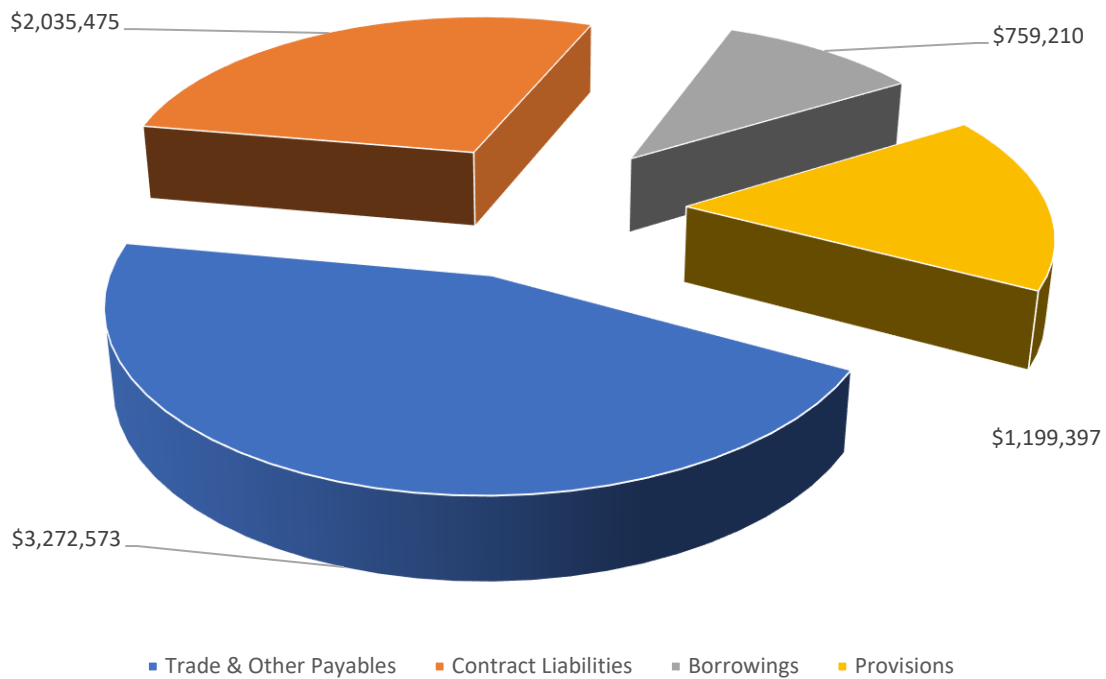
Community Liabilities are comprised of borrowings, monies owed to suppliers and provisions to meet employee entitlements such as long service leave and annual leave.

For the year ended 30 June 2021 liabilities totalled \$20,747,426 which are split into:

Current liabilities of \$7,266,656 include \$3,272,573 in payables to suppliers, \$759,210 in loans payable in the next financial year and employee entitlements of \$1,199,397 and contract liabilities of \$2,035,475. These are grants received in advance where eligible expenditure has yet to match the upfront amount received.

Non-current liabilities of \$13,480,770 include the balance of Council's loans payable at 30 June 2021, provisions for gravel pits and refuse rehabilitation and employees long service leave. The increase in loans resulted from the refinancing of Council's existing loans to benefit from the low borrowing rates available this resulted in a reduction in the annual repayment costs of \$385,000.

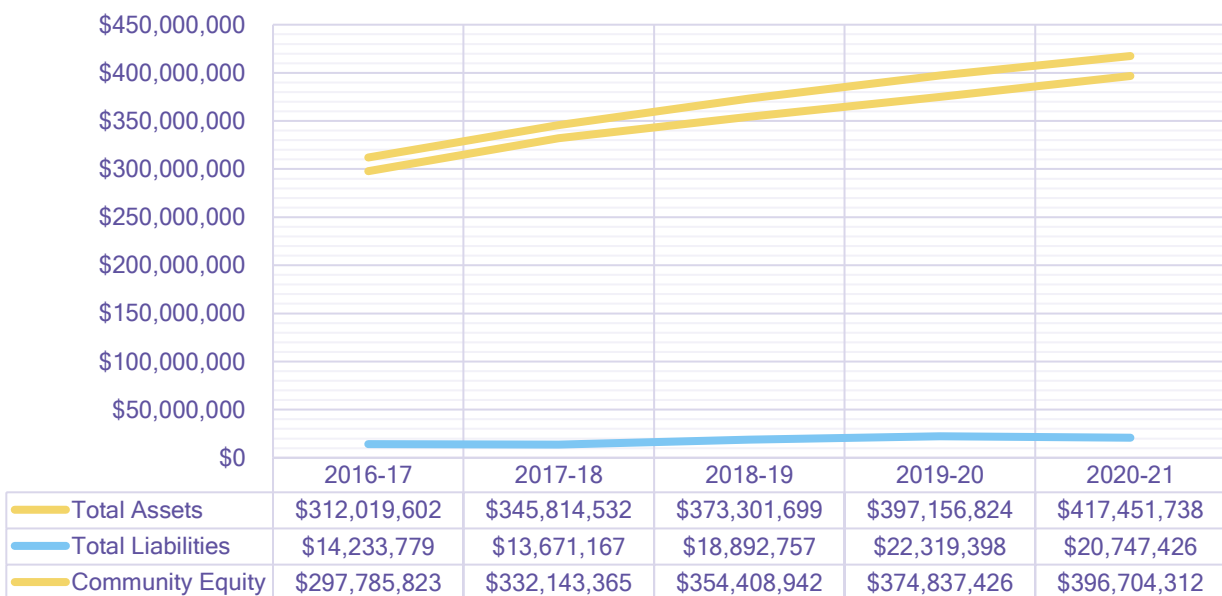
Total Current Liabilities at 30 June 2021



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 at 30 June 2021 was \$396,704,312 which includes an asset revaluation surplus of \$102,391,242.

Community Equity Five Year Trend



Measures of Financial Sustainability

The Audited Financial Statements support this Community Financial Report - refer Annexure A. With a cash balance of \$16,006,124 Council is in a sound financial position and by restructuring its debt additional funds have been freed up to invest in the Shire's infrastructure.

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

Indicator	2020-2021 Ratio	Target	Description
Asset sustainability ratio	115%	Greater than 90%	The extent to which infrastructure assets are being renewed as they reach the end of their useful lives.
Operating surplus ratio	-20%	Between 0% – 10%	The extent to which revenues raised cover operational costs; this includes depreciation expenses and the cost of refinancing Council borrowings.
Operating surplus ratio (2)	-14%	Between 0% – 10%	This ratio excludes the one-off cost of refinancing Council's debt of \$1,726,305
Net financial liabilities ratio	-10%	Not greater than 60%	An indicator of the extent to which the net financial liabilities of Council can be serviced by its operating revenues.



OUR 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.

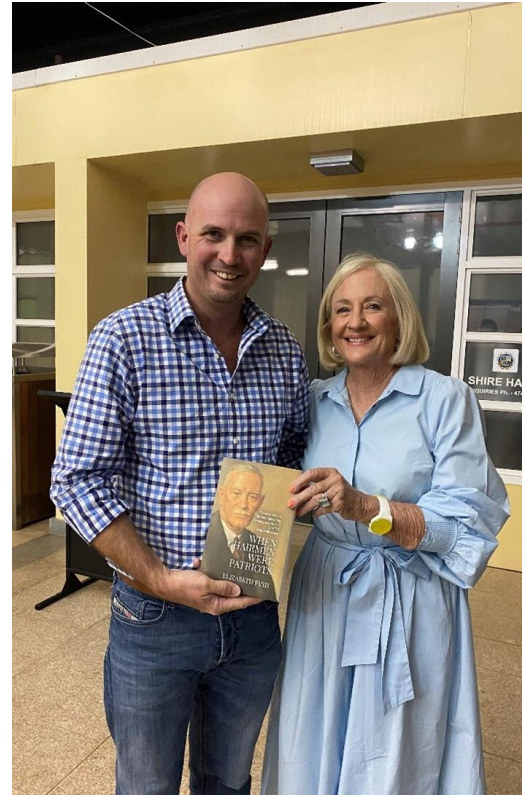
Corporate Plan Objectives:

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

Achievements and Highlights

- Delivered a Connectivity Forum that engaged a diversity of stakeholders to find solutions, overcome challenges and realise opportunities through collaboration and action.
- Local businesses supported to ensure they are well informed to capitalise on opportunities. The Local Business Network Meetings were held with grant opportunity information being emailed to newly updated business email list
- The weekly newsletter replaced with a weekly business email for participants
- Ensured saleyard facilities are sustainable, maintained and upgraded
- Saleyards capital works program completed in line with budget with works including roadworks at Clean Yards.
- The weighbridges were inspected and recalibrated Jan 2021
- The Cloncurry Saleyards provided a positive financial return for Council due to the operations being monitored for efficiency and opportunities for improvements investigated and implemented. A Transport Hub Advisory Committee was formed in October 2020 to assist with this task.
- Numerous opportunities sought for economic development and tourism opportunities within the Cloncurry Shire including
 - Small Business Recovery Council Grant formulated
 - Indigenous Tourism proposal submitted
- Overlanders Way Survey completed and OQTA visitation data supplied.
- Encouraging visitation to Cloncurry with the delivery of key events - four events were produced as follows:
 - When Chairmen were Patriots Book Launch
 - Camerata Queensland Chamber Orchestra and Community BBQ
 - Arthur Beetson Junior Outback Rugby League Carnival
 - Back to the 40s Dinner and Dance
- Increased awareness of tourism experiences in Cloncurry Shire by
 - Utilising exhibits from State Government sources
 - Progressing the development of the 'Experience Cloncurry' website

- 'Experience Cloncurry' Instagram in development
- Cloncurry Signage proposal submitted
- Supported businesses to enhance shop fronts to encourage improved streetscape and increased patronage. The Shopfront Revitalisation Grants Program delivered with six (6) applications being approved



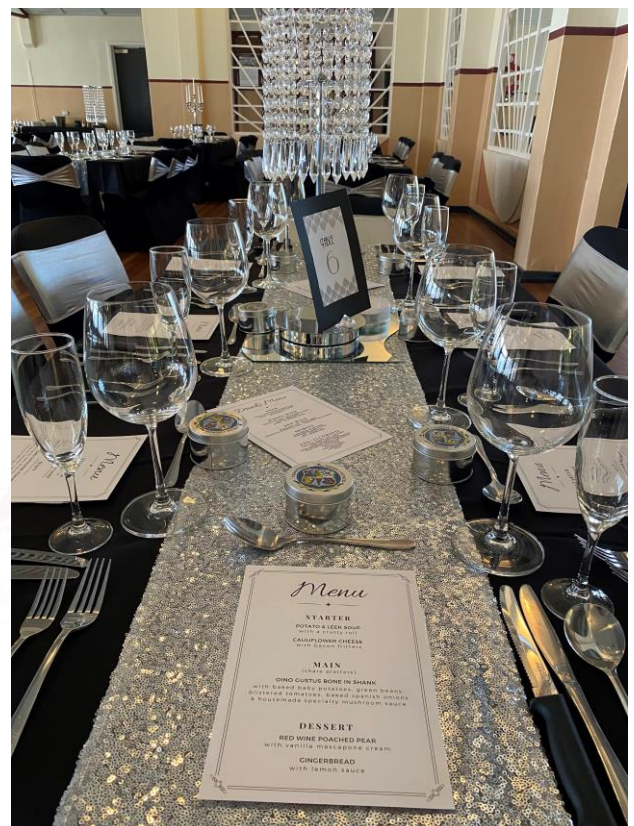
When Chairmen were Patriots Book Launch







Back to 40's Dance



Strategic Direction 2: Building and Maintaining Infrastructure

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

Corporate Plan Objectives:

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

Achievements and Highlights

- Restoration of flood damaged roads under Disaster Recovery Funding arrangements (DRFA) undertaken in a timely manner
- Front-end engineering options analysis undertaken and preliminary designs developed for potential future infrastructure projects. 141 current projects with 72 completed or in close-out and 66 in delivery (various stages)
- Improve community access to affordable internet and telecommunications
- Ensured Council is provided with the best and most cost-effective internet service, review alternative suppliers for cost savings and improvements in service. WiSky NBN project to Admin building and other Council locations completed, however upgrade of telephone system delayed due to original supplier no longer being available with delivery of new phones expected August
- Council's Intranet updated in line with Council website software and regular interaction from staff
- To ensure that infrastructure and utility services can cater for long term sustainability while providing services in a timely and efficient manner, a new Project Management Office and Project Delivery Directorate was implemented, and staff recruited
- Airport infrastructure maintained with capital works completed
- Department of Transport & Main Roads works completed to specification in accordance with the Road Maintenance Performance Contract (RMPC)
- Maintained a modern, reliable and cost- effective Plant and Fleet that meets the current and future needs of Council. Maintenance schedules in place to optimise utilisation. Plant renewal program delivered on time and within approved budget
- Provided cost effective and environmentally responsible waste management services and facilities
- In preparation of improving water quality and security by developing a Shire wide water plan, staging infrastructure works and developing operational plans, a Risk register has been compiled and areas of risk prioritised





Sewerage Treatment Plant



Mary Kathleen Park



Sedan Dip Road

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:

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

Achievements and Highlights

- Provided support to community groups and services through the provision of grants under various funding programs.
- Facilitated community wellbeing activities to aid in disaster recovery and build community resilience across the Cloncurry Shire. The Community Development Officer - Recovery produced five events during the period:
 - First Aid courses
 - Drone training and Women's Horsemanship weekend
 - Chemical Accreditation course
 - 2-day Shoeing Clinic
 - Competitors BBQ at Burke and Wills Campdraft
- Quality childcare services available for families living in Cloncurry
 - Waitlist reduced with changes in age groups (4 places made available).
 - 35 out of 40 elements met within the National Quality Standards.
 - Educator training (ongoing).
- Partnership opportunities were sought to deliver arts and cultural activities. Two activities were delivered during the 4Q period.
 - Camerata Queensland Chamber Orchestra
 - Wildcraft Workshops held two resin art workshops which was partly funded by RADF
- Community engagement activities delivered throughout the year in Cloncurry and Dajarra including:
 - Covid for tourism and small business workshop.
 - Covid Safe Event Workshop.
 - South32 Cannington Mine Information Session.
 - TAFE Event Volunteer Workshop.
- Cemetery capital works completed with signage upgraded, rotunda installed
- Cemetery records have been loaded into new ERP system with review and upgrade of data ongoing.





Camerata Queensland Chamber Orchestra



Strategic Direction 4: Protecting our Environment

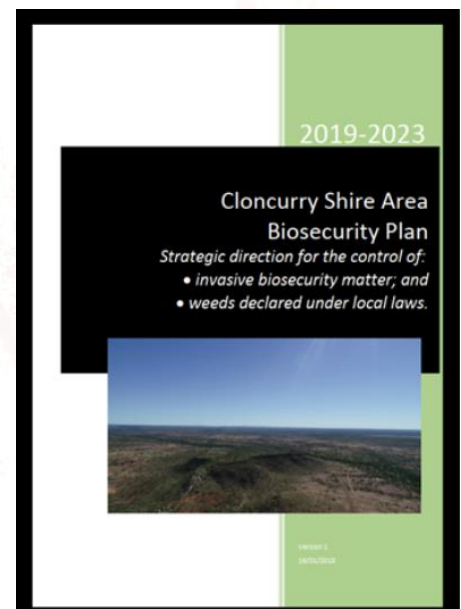
Our natural resources are used wisely to ensure the ongoing protection of the cultural heritage, environmental values and landscape amenity.

Corporate Plan Objectives:

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

Achievements and Highlights

- Animal Control Program – Implemented 1080 Baiting Program in line with adopted biosecurity plan and approved budget
- Continued with implementing improvements to Sewage Treatment Plant (STP) upgrade in accordance with STP master plan to meet environmental licence and town planning requirements.
- 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 was supplied in accordance with the Drinking Water Quality Management Guidelines.
 - Undertook annual SWIM reporting.
 - Provided dam safety reporting as per requirements.
- Provided building, plumbing and drainage regulatory services to meet legislative requirements.



Strategic Direction 5: Effective and Inclusive Governance

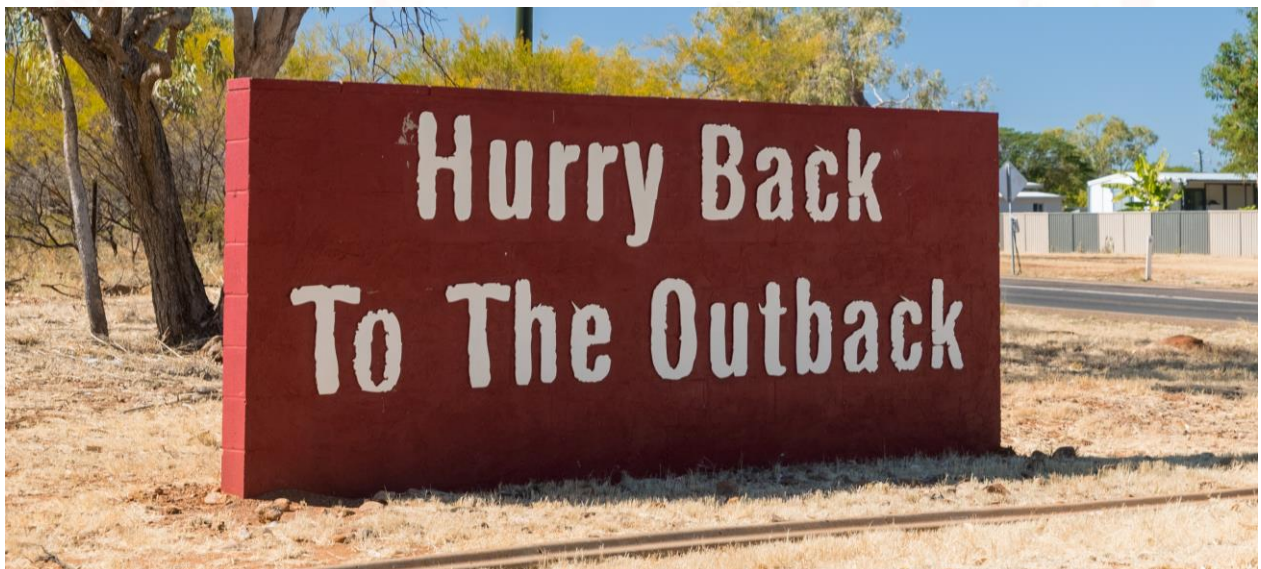
Proactive Council that works collaboratively with residents, stakeholders and other levels of government.

Corporate Plan Objectives:

- Council strategic plans assist the community in achieving their goals.
- Develop and maintain collaborative partnerships between Council, State and Federal Government, the community and industry.
- 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

- Ongoing enhancements to safety - Implemented an electronic Safety Management System. Skytrust has been rolled out with training of staff continuing and an increase in the number of functions implemented to improve reporting capabilities for senior management.
- Safety Management Plan 2020 guidelines were followed and objectives completed. The plan will be reviewed and implemented for 2021.
- A new Audit Committee was established, the current charter reviewed to ensure that all legislative requirements are met. Meeting was held June 2021.
- Risk Management initiatives were reviewed and updated in May 2021.
- A new HR Manager commenced in February 2021, who is currently reviewing and updating the Human Resources strategy and policies.
- Staff training targeted at improving productivity and culture. Training programs were conducted, and a Learning Management System is currently being finalised.
- Monthly financial reports adopted at each Council meeting.
- A new financial system has provided improved reporting capabilities for managers and supervisors. Synergysoft financials went live on November with Rates, and other modules implemented, and final modules loaded by 30 April 2021.



STATUTORY REQUIREMENTS

The following information includes the legislative disclosure requirements of the *Local Government Act 2009* and related regulations for the 2020-2021 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 this requirement to report is 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.

1.3 Senior Management Remuneration

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).

A Senior Contract employee is the Chief Executive Officer; and any other local government employee who is employed on a contractual basis and in a position that reports directly to the Chief Executive Officer.

Total Remuneration for these positions from 1 July 2020 to 30 June 2021 was \$812,076.

Senior Contract Employee	Total Remuneration value range (\$)
5	150,000 - 250,000

Local Government Regulation 2012

s183 Financial Statements

Section 183 of the Local Government Regulation 2012 requires Council's Annual Report to contain:

- (a) General purpose financial statements for the financial year, audited by the Auditor-General; and
- (b) The current-year financial sustainability statement for the financial year, audited by the Auditor General; and
- (c) The long-term financial sustainability statement for the financial year; and
- (d) The Auditor-General's audit reports about the general purpose financial statement and the current-year financial sustainability statement.

Refer to Annexure A of this Annual Report for the Financial Statements.

s184 Community Financial Report

Section 184 of the Local Government Regulation 2012 requires Council to include a Community Financial Report as part of the Annual Report. As presented, starting on pages 23-30 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) The Reimbursement of Expenses

The Councillor Reimbursement of Expenses and Provision of Facilities Policy establishes the guidelines to ensure that Councillors receive reimbursement of reasonable expenses and are provided with the necessary facilities to assist them in performing their role.

The Councillor Reimbursement of Expenses and Provision of Facilities Policy was adopted by Council on 25 October 2016. This policy was reviewed, and version 4 of this policy was adopted by Council on 18 August 2021.

The policy can be found on the Council's website and outlines the entitlements of Councillors in their role such as training, travel costs, meals and use of Council facilities.

(b) Valuation of non-current physical assets

Pursuant to section 185 of the Local Government Regulation 2012, it is reported that no resolutions were passed under section 206(2) of the Regulation. This provision deals with any resolutions passed that "sets an amount for each different type of non-current asset below which the value of an asset of the same type must be treated as an expense."

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		

s186 Councillors

s186 (a) Councillor Remuneration; (b), Expenses; and (c) Meetings Attended Under Section 186 of the Local Government Regulation 2012.

(a) Remuneration

The table below outlines the remuneration received by Councillors in 2020-2021.

Council is required to report on details relating to “the total remuneration, including superannuation contributions, paid to each Councillor during the financial year (section 186a),” “the expenses incurred by, and the facilities provided to, each Councillor during the financial year under Council’s Expenses Reimbursement Policy (section 186b);” and “the number of local government meetings that each Councillor attended during the financial year (section 186c).” This information is provided in the tables below.

Remuneration, including superannuation contributions, paid to Councillors
Councillor remuneration and meeting attendance – 1 July 2020 to 30 June 2021:

Councillor	Allowances		Expenses	Remuneration including Superannuation, if applicable
	Phone	Internet		
Mayor Campbell	\$ 900			\$ 106,000.04
Cr Daniels	\$ 600			\$ 61,211.04
Cr V. Campbell	\$ 600			\$ 53,649.00
Cr Swalling	\$ 600	\$ 960		\$ 53,649.00
Cr Keyes	\$ 600			\$ 53,649.00
Cr Bidgood	\$ 600	\$ 960		\$ 53,649.00

Councillor remuneration is established each year by the Local Government Remuneration and Discipline Tribunal. Each year Council is invited to accept or review the remuneration recommendations of this Tribunal. Council resolved to not adopt the Tribunal’s recommendations at its Council Meeting on Tuesday 21 April 2020:

Moved: Mayor Campbell

Seconded: Cr Keyes

1. That Council note the contents of this report including the remuneration schedule contained within the Local Government Remuneration Commission Annual Report 2019; and
2. That Council resolve to retain the current Councillor remuneration level and not accept the recommended increase.

CARRIED: 25.200421

(b) Reimbursement of Expenses & Facilities provided

Section 186(b) of the Local Government Regulation 2012 requires Council to provide particulars of the facilities provided to each of its Councillors under the Expense Reimbursement Policy during the year. These are detailed in the table below:

(c) Meeting attendance

Councillor	Ordinary Meeting Attendance	Special Meeting Attendance
Mayor Campbell	12	6
Cr Daniels	12	6
Cr V. Campbell	12	6
Cr Swalling	12	6
Cr Keyes	12	6
Cr Bidgood	12	6

(d) 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 2020-2021 financial year.

Section of Act	Type of order/complaint	No.
Section 150I(2)	Total number of orders made by the chairperson about unsuitable meeting conduct	0
Section 150AH (1)	Total number of orders for disciplinary action against a Councillor for inappropriate conduct	0
Section 150AR(1)	Total number of decisions, orders and recommendations against a Councillor for misconduct	0
About the sections mentioned above:	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 of Act	Type of order/complaint	No.
Section 150P(2)(a)	The number of 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	5
Section 150P(3)	The number of 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)	The number of notices given to the assessor about Councillor misconduct (under section 150R(2) of the LGA) ¹	0
Section 150R(2)(a)	The number of 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)	The number of decisions made by the assessor to dismiss the complaint about the conduct under section 150Y.	2
Section 150W(1)(b)	The number of decisions made by the assessor to refer the suspected inappropriate conduct to Council to deal with.	0
Section 150W(1)(e)	The number of decisions made by the assessor to make an application to the conduct tribunal about alleged misconduct and inappropriate conduct.	1
Section 150AC(3)(a)	Number of referral notices 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)	Number of 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	Number of occasions where Council asked another entity to investigate the suspected inappropriate conduct of a Councillor	0
Chapter 5A, Part 3, Division 6	Number of applications heard by the conduct tribunal about the alleged misconduct of a Councillor	1

Notes:

- (1) The number of Councillor conduct notices given by local government officials to the assessor that are known to the local government.
- (2) Some matters have been investigated as a single complaint and recorded in the Councillor Conduct Register as a single decision, although, the complaint may have been made against more than one Councillor

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	
Number of AACs made to Council in 2020/21	2
Number of AACs resolved by Council under the CMP in 2020/21	2
Number of AACs not resolved by Council under the CMP in 2020/21	1
Number of AACs made and not resolved by Council under the CMP in the previous financial year (19-20)	1

s188 Overseas Travel

In accordance with section 188 of the Local Government Regulations 2012, the following information is provided concerning overseas travel:

Description	Number
The name of a Councillor who undertook overseas travel	Nil
The name of, and position held by, a local government employee who undertook overseas travel	Nil
The destination of the overseas travel	Nil
The purpose of the overseas travel	Nil
The cost of the overseas travel	Nil

s189 Grants 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 2021 was \$254,330.

Community Grants, Donations and Sponsorship

Community Group	Purpose	Amount
Ramsay St Gen. Practice	Rental Relief	\$ 96,172.00
Chaplaincy GEN	Donation	\$ 30,000.00

Community Group	Purpose	Amount
Various	Shopfront Revitalisation Grants	\$ 52,654.00

Community Group	Purpose	Amount
Burke & Wills Sports Club	Grants	\$ 5,000.00
Stockman's Challenge	Grants	\$ 31,500.00
St Vincent de Paul	Grants	\$ 1,000.00
Cloncurry Justice Association	Grants	\$ 5,000.00
Cloncurry Scouts	Grants	\$ 4,900.00
Historical Society	Grants	\$ 7,000.00

Community Group	Purpose	Amount
Mt Isa Landcare – Ballara Mining	Grants	\$ 5,000.00
Nth Qld Sports Foundation	Grants	\$ 5,000.00
Cloncurry Touch Association	Grants	\$ 5,000.00
Cloncurry Fish Stocking Group	Grants	\$ 5,000.00
School of the Air	Grant	\$ 1,104.00

Total value of Community Assistance provided by Council	\$ 254,330.00
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Pursuant to *section 189 (2) of the Local Government Regulation 2012*, there was no discretionary fund expenditure by Councillors for community organisations in 2020-2021.

Concessions to ratepayers for 2020-2021

Council grants a range of rates and charges concessions. In accordance with section 190 (g) of the Local Government Regulation 2012, a description of all concession types for rates and charges, along with how the concession is calculated is detailed below.

Pensioner Concession

Eligible pensioners receive a rates rebate for their principal place of residence. A range of concessions, including the registration of dogs and entry to Council owned facilities such as pool and museums, are also provided for eligible pensioners.

Community Group General Rate Exemptions

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.

ASSESSMENT	OWNER NAME	PROPERTY ADDRESS
A1	Cloncurry Pony Club	Zingari Road Cloncurry
A12	Cloncurry Golf & Sports Club Inc.	Sir Hudson Fysh Drive Cloncurry
A188	Roman Catholic Trust Corporation for the Diocese of Townsville	20 Sheaffe Street Cloncurry
A364	Trustees of the Returned Services League of Australia	15 Scarr Street Cloncurry
A382	Cloncurry Christian Church	38 Ramsay Street Cloncurry
A386	Roman Catholic Trust Corporation for the Diocese of Townsville	44 Ramsay Street Cloncurry
A388	The Trustees Cloncurry Bowling Club	52 Ramsay Street Cloncurry
A460	The Uniting Church in Australia Property Trust – Cloncurry (QLD)	19 Meldrum Street Cloncurry
A2055	Mitakoodi Juhnjar Aboriginal Land Trust as TTE	Landsborough Street Cloncurry

ASSESSMENT	OWNER NAME	PROPERTY ADDRESS
A863	Reserve for Strategic Land Management The State of Queensland (Represented by Department of Natural Resources, Mining & Energy)	73 Uhr Street Cnr Cloncurry
A907	Corporation of the Synod Diocese of Nth Qld	94 Uhr Street Cloncurry
A944	Cloncurry Kindergarten Association Inc.	31 Seymour Street Cloncurry
A953	The Scout Association of Australia Queensland Branch	9 Seymour Street Cloncurry
A1207	Roman Catholic Trust Corporation for Diocese of Townsville	8 Matheson Street Dajarra
A1226	Dajarra Sports Club	Luck Street Dajarra
A1257	The Uniting Church in Australia Property Trust (QLD)	McKellar Street Duchess
A2130	Airservices Australia	Sir Hudson Fysh Drive, Cloncurry
A2391	North West QLD Water Pipeline P/L	New Zingari Road Cloncurry
A2392	North West QLD Pipeline P/L	New Zingari Road Cloncurry
Various	State of Queensland	State owned facilities, land, dwellings
Various	Cloncurry Shire Council	Council facilities, land, dwellings



s190 Other contents

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 pages 5 - 8 31 - 42
(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 	Page 10 Pages 23 - 30
(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; <ul style="list-style-type: none"> (i) Supplied by another Local Government under an agreement for conducting a joint government activity; and (ii) For which the Local Government levied special rates or charges for the Financial Year; 	Page 53 Pages 54 - 57
(e)	The number of invitations to change tenders under section 228(7) during the Financial Year;	Page 57
(f)	A list of the registers kept by the local government;	Page 58
(g)	A summary of all concessions for rates and charges granted by the local government;	Pages 58 - 59
(h)	The report on the internal audit for the Financial Year;	Page 59
(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 (1)(c) Annual Operations Report for each Commercial Business Unit

Council has no commercial business units to report on.

s190 (1)(d)(i) Arrangements and Contracts with other Local Governments

Council engaged in no joint government activity during 2020-2021.

s190 (1)(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 2020-21 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 2020-2021 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 2020-2021	\$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 2020-21 financial year as follows, pursuant to s94(6) of the Local Government Regulation 2012. The expected cost of the Annual Implementation Plan for each year of the Overall Plan as amended is set out below:

Work required	Expected cost of work in 2020-21 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

ANNUAL IMPLEMENTATION PLAN

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

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

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

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

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

There were no invitations to change tenders during 2020-2021.



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 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
- Cemetery Register

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

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

s190 (1)(g) Summary of all concessions for rates and charges granted by the local government

Council grants a range of discounts and concessions for rates and charges to assist the community (subject to conditions). The concessions for rates and charges during the financial year are listed below. The Revenue Policy, which was adopted at the Ordinary Meeting held on 16 June 2020 and the Revenue Statement, which was adopted at the Special Meeting held on 30 July 2020, document these concessions in more detail. These documents are available for viewing on Council's website www.cloncurry.qld.gov.au

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*.

Rates and Debt Recovery Policy

Concessions may be granted to ratepayers in the form of a deferral for payment of rates through a payment arrangement facility. Ratepayers can apply to pay rates and charges by instalment, on terms consistent with Rates and Debt Recovery policy.

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

The internal audit for the 2020/21 Financial Year was not undertaken. An Audit and Risk Committee meeting was held in June 2021 and a rolling three-year internal audit plan was developed. The internal audit for 2021-2022 will concentrate on Organisational culture, budgeting processes and procurement.

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 STATEMENTS



Cloncurry Shire Council

Financial Statements



for the year ended 30 June 2021

Cloncurry Shire Council

Financial statements

For the year ended 30 June 2021

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Cloncurry Shire Council
Statement of Comprehensive Income
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Income			
Recurrent revenue			
Rates, levies and charges	3 (a)	15,585,087	15,226,943
Fees and charges	3 (b)	4,643,029	5,208,420
Sales revenue	3 (c)	4,412,466	1,228,255
Sale of land	13	716,624	239,599
Grants, subsidies and contributions	3 (d)	7,360,547	7,257,988
		<u>32,717,753</u>	<u>29,161,205</u>
Capital revenue			
Grants, subsidies and contributions	3 (d)	25,886,224	29,446,544
Total capital revenue		<u>25,886,224</u>	<u>29,446,544</u>
Rental income		510,109	306,593
Interest received	4	287,647	713,911
Total income		<u>59,401,733</u>	<u>59,628,253</u>
Expenses			
Recurrent expenses			
Employee benefits	6	(10,574,103)	(10,046,704)
Materials and services	7	(16,058,124)	(9,676,503)
Finance costs	8	(2,452,370)	(780,728)
Depreciation	15	(11,015,407)	(10,124,514)
		<u>(40,100,004)</u>	<u>(30,628,449)</u>
Capital expenses			
Loss on disposal of non-current assets		(396,710)	(1,401,941)
Total capital expenses	5	<u>(396,710)</u>	<u>(1,401,941)</u>
Total expenses		<u>(40,496,714)</u>	<u>(32,030,390)</u>
Net result		<u>18,905,018</u>	<u>27,597,863</u>
Other comprehensive income			
Items that will not be reclassified to net result			
Increase / (decrease) in asset revaluation surplus	22	2,961,867	3,529,932
Total other comprehensive income for the year		<u>21,866,886</u>	<u>31,127,795</u>

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

Cloncurry Shire Council
Statement of Financial Position
As at 30 June 2021

	Note	2021 \$	2020 \$
Current assets			
Cash and cash equivalents	9	16,006,124	21,052,349
Trade and other receivables	10	3,926,455	4,207,955
Inventories	11	1,485,601	2,102,889
Contract assets	17	2,374,951	-
Other assets	12	420,854	551,665
Total current assets		24,213,985	27,914,858
Non-current assets			
Property, plant and equipment	15	393,237,752	369,241,966
Total non-current assets		393,237,752	369,241,966
Total assets		417,451,738	397,156,824
Current liabilities			
Trade and other payables	19	3,272,573	4,275,236
Contract liabilities	17	2,035,475	3,386,375
Borrowings	20	759,210	889,548
Provisions	21	1,199,397	1,323,220
Total current liabilities		7,266,656	9,874,379
Non-current liabilities			
Borrowings	20	12,955,244	11,893,399
Provisions	21	525,526	551,620
Total non-current liabilities		13,480,770	12,445,019
Total liabilities		20,747,426	22,319,398
Net community assets		396,704,312	374,837,426
Community equity			
Asset revaluation surplus	22	102,391,242	99,429,375
Retained surplus		294,313,070	275,408,051
Total community equity		396,704,312	374,837,426

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

Cloncurry Shire Council
Statement of Changes in Equity
For the year ended 30 June 2021

	Note	Asset Revaluation Surplus \$	Retained Surplus \$	Total \$
Balance as at 1 July 2020		99,429,375	275,408,051	374,837,426
Net Result			18,905,018	18,905,018
Other comprehensive income for the year				
Increase / (decrease) in asset revaluation surplus	22	2,961,867		2,961,867
Total comprehensive income for the year		<u>2,961,867</u>	<u>18,905,018</u>	<u>21,866,886</u>
Balance as at 30 June 2021	22	<u>102,391,242</u>	<u>294,313,070</u>	<u>396,704,312</u>
Balance as at 1 July 2019		95,899,443	258,509,499	354,408,942
Adjustment on initial application of AASB 15 / AASB 1058			(10,699,311)	(10,699,311)
Restated balances 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		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		<u>99,429,375</u>	<u>275,408,051</u>	<u>374,837,426</u>

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

Cloncurry Shire Council
Statement of Cash Flows
For the year ended 30 June 2021

	<u>Note</u>	<u>2021</u> <u>\$</u>	<u>2020</u> <u>\$</u>
Cash flows from operating activities			
Receipts from customers		40,210,745	21,898,587
Payments to suppliers and employees		(41,424,774)	(29,486,424)
		<u>(1,214,029)</u>	<u>(7,587,837)</u>
Interest received		287,647	713,911
Rental income		510,109	311,716
Non capital grants and contributions		7,441,950	7,738,935
Borrowing costs		(672,959)	(780,731)
Net cash inflow (outflow) from operating activities		<u>6,352,718</u>	<u>395,994</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(32,745,309)	(47,048,993)
Proceeds from sale of property plant and equipment		299,273	60,682
Grants, subsidies, contributions and donations		21,894,998	32,351,972
Net cash inflow (outflow) from investing activities		<u>(10,551,038)</u>	<u>(14,636,338)</u>
Cash flows from financing activities			
Proceeds from borrowings		-	-
Net Repayment of borrowings		(847,904)	(842,079)
Net cash inflow (outflow) from financing activities		<u>(847,904)</u>	<u>(842,079)</u>
Net increase (decrease) in cash and cash equivalents held		<u>(5,046,225)</u>	<u>(15,082,424)</u>
Cash and cash equivalents at the beginning of the financial year		21,052,349	36,134,773
Cash and cash equivalents at the end of the financial year	9	<u>16,006,124</u>	<u>21,052,349</u>

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

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2021

1. Information about these financial statements

(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 2020 to 30 June 2021 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 and the refinancing of loans that involved an extinguishment of debt at realised market value.

(b) Adoption of new and revised Accounting Standards

Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2020, none of the standards had a material impact on reported position, performance and cash flows.

The AASB has issued the following Australian Accounting Standard Amendments and interpretations which are not yet effective at 30 June 2021. The amendments have not been adopted by Council and will be included in the financial statements on the effective date. Council expects they will not have a material impact on the financial statements when adopted, rather there is more guidance towards assessing and disclosing material information within the financial statements.

	Date Council will apply the standard
AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates. This Standard amends:	01-Jul-23
o AASB 7	to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;
o AASB 101	to require entities to disclose their material accounting policy information rather than their significant accounting policies;
o AASB 108	to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates;
o AASB 134	to identify material accounting policy information as a component of a complete set of financial statements; and
o AASB Practice Statement 2	to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

(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 recognition	- <i>Note 3</i>
Valuation and depreciation of property, plant and equipment	- <i>Note 15</i>
Provisions	- <i>Note 21</i>
Contingent liabilities	- <i>Note 24</i>

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2021

(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		- Note 9
Receivables	- measured at amortised cost	- Note 10

Financial liabilities

Payables	- measured at amortised cost	- Note 19
Borrowings	- measured at amortised cost	- Note 20

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 29.

(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. 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.

For staffs who have contributed their time to community events, Council adopted a Community Event Policy COR1039 in June 2020, that allow for up to two days paid leave per calendar year for volunteer staff to assist at an approved event. The leave is available from special leave and does not impact upon an employee accrued leave entitlement in accordance to the employment contract. The impact is therefore measured in the comprehensive income at employee benefits.

(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 Australian Taxation Office (ATO) or payable to the ATO is shown as an asset or liability respectively.

(h) COVID-19

Council operations for the year ended 30 June 2021 have not been impacted by the COVID-19 pandemic. The following step was taken by Council in response to the pandemic during the year:

- Council provided a rate concession to Cloncurry Shire Council businesses for the first half year rating period. The cost to Council was included in the 2020-2021 annual budget.

Cloncurry Shire Council

Notes to the financial statements

For the year ended 30 June 2021

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 and recreational services.

This function includes:

- o Childcare services;
- o Libraries;
- o Entertainment venues.

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 2021

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 2021

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	-	-	-	-	-							
Finance and information	4,593,344	11,857,553	-	-	-	6,944,778	396,710	7,341,488	9,506,119	9,109,409	35,936,112		
Community services	1,429,951	529,772	-	943,703	-	6,488,758	-	6,488,758	(4,529,035)	(3,585,332)	67,097,910		
Planning & development	75,747	421,728	-	-	-	1,874,001	-	1,874,001	(1,376,526)	(1,376,526)	673,387		
Transport infrastructure	1,261,505	8,483,218	-	23,346,082	-	17,923,987	-	17,923,987	(8,179,264)	15,166,818	254,643,954		
Waste management	-	1,104,034	-	-	-	1,146,066	-	1,146,066	(42,032)	(42,032)	-		
Water infrastructure	-	2,805,494	-	210,867	-	3,714,786	-	3,714,786	(909,292)	(698,425)	39,738,076		
Sewerage infrastructure	-	953,163	-	1,385,572	-	996,370	-	996,370	(43,207)	1,342,365	19,362,299		
Total	7,360,547	26,154,962	-	25,886,224	-	40,100,004	396,710	40,496,714	(6,584,495)	18,905,019	417,451,738		

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)	-	
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	

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2021

		2021	2020
	Note	\$	\$

3. Revenue

(a) Rates, levies and charges

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.

Prepaid rates are recognised as a financial liability until the beginning of the rating period.

General rates	11,795,810	11,542,615
Separate rates	235,854	235,854
Water	2,756,345	2,697,903
Sewerage	934,114	954,624
Waste management	823,442	837,135
Gross rates, levies and charges	16,545,565	16,268,131
Less: Discounts	(947,065)	(1,023,337)
Less: Pensioner remissions	(13,413)	(17,850)
	<u>15,585,087</u>	<u>15,226,943</u>

(b) Fees and charges

Revenue arising from fees and charges are recognised at the point in time, when 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.

Saleyard - weighing	205,674	262,995
Saleyard - dipping	461,417	679,998
Airport fees & charges	3,059,713	3,072,434
Childcare fees & charges	289,223	211,058
Water connection fees	13,439	541
Other fees and charges	613,564	981,395
	<u>4,643,029</u>	<u>5,208,420</u>

(c) Sales revenue

Sale of goods is recognised at the point in time that the customer obtains control of the goods, generally at delivery. Revenue from services is recognised when the service is rendered.

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.

Sale of services

Contract and recoverable works	519,716	1,133,949
Private works	3,892,750	94,306
Total sales revenue	<u>4,412,466</u>	<u>1,228,255</u>

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2021

	<u>Note</u>	<u>2021</u> \$	<u>2020</u> \$
(d) Grants, subsidies and contributions			
<i>Grant income under AASB 15</i>			
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.			
Performance obligations vary in each agreement. They included for example, feral pig control by aerial and ground baiting, project to improve tourism direction signage to specific tourism attractions, subsidised traineeship of two full-time trainees for 12 months and kindergarten support grant with conditions for Council to demonstrate to the funder on an ongoing basis certain specific conditions being met, else the component of the subsidy would be recovered.			
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.			
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.			
Where control is transferred over time, revenue is recognised using either costs or time incurred.			
<i>Grant income under AASB 1058</i>			
Where Council receives an asset for significantly below fair value, the asset is recognised at fair value, related liability (or equity items) are recorded and income then is recognised for any remaining asset value at the time that the asset is received.			
<i>Capital grants</i>			
Where Council receives funding under an enforceable contract to acquire or construct a specified item of property, plant and equipment which will be under Council's control on completion, revenue is recognised as and when the obligation to construct or purchase is completed.			
For construction projects, this is generally as the construction progresses in accordance with costs incurred.			
<i>Donations and contributions</i>			
Where assets are donated or purchased for significantly below fair value, revenue is recognised when the asset is acquired and Council obtains control.			
Donations and contributions are generally recognised on receipt of the asset since there are no enforceable performance obligations.			
Physical assets contributed to Council by developers in the form of buildings, road works, stormwater, water and wastewater infrastructure and park equipment are recognised as revenue when Council obtains control of the asset and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. Non-cash contributions with a value in excess of the recognition thresholds are recognised as non-current assets. Those below the thresholds are recorded as expenses.			
(i) Operating			
Commonwealth general purpose grants		5,477,002	5,905,474
Commonwealth government subsidies and grants		576,286	465,754
State government subsidies and grants		450,593	410,142
Joint Commonwealth/State subsidies and grants		428,974	268,779
Donations		58,682	27,527
Contributions		369,010	180,311
		<u>7,360,547</u>	<u>7,257,988</u>
(ii) Capital			
Commonwealth government subsidies and grants		2,989,948	3,925,528
State government subsidies and grants		4,192,114	3,245,436
Joint Commonwealth/State subsidies and grants		18,704,161	21,550,580
Contributions		-	725,000
		<u>25,886,224</u>	<u>29,446,544</u>

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2021

(iii) Timing of revenue recognition for grants, subsidies, contributions and donation

	2021		2020	
	Revenue recognised at a point in time	Revenue recognised over time	Revenue recognised at a point in time	Revenue recognised over time
Grants and subsidies	5,914,302	24,529,825	6,427,043	29,344,651
Donations	53,682	-	27,527	-
Contributions	360,774	13,236	805,311	100,000
	<u>6,328,758</u>	<u>24,543,061</u>	<u>7,259,881</u>	<u>29,444,651</u>

4. Interest income

Interest received from bank and term deposits is accrued over the term of the investment.

Interest received from cash balances	104,427	431,396
Interest from overdue rates and utility charges	183,221	282,514
	<u>287,647</u>	<u>713,911</u>

5. Capital income (expenses)

Gain / (loss) on disposal of non-current assets

Proceeds from the sale of property, plant and equipment	299,273	60,682
Less: Carrying value of property, plant and equipment disposed of	(695,983)	(1,462,623)
	<u>(396,710)</u>	<u>(1,401,941)</u>

6. Employee benefits

Employee benefit expenses are recorded when the service has been provided by the employee.

Total staff wages and salaries	8,330,040	7,237,383
Contract staff wages	-	954,308
Councillors' remuneration	379,507	309,316
Annual and long service leave entitlements	951,223	921,273
Superannuation	851,714	757,817
	<u>10,512,485</u>	<u>10,180,097</u>
Other employee related expenses	299,150	209,909
	<u>10,811,634</u>	<u>10,390,006</u>
Less: Capitalised employee expenses	(237,531)	(343,302)
	<u>10,574,103</u>	<u>10,046,704</u>

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

Total Council employees at the reporting date:

	2021 Number	2020 Number
Elected members	6	6
Administration staff	59	54
Depot and outdoors staff	39	35
Total employees	<u>104</u>	<u>95</u>

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2021

7. Materials and services

Expenses are recorded on an accruals basis as Council receives the goods or services.

Audit of annual financial statements by the Auditor-General of Queensland	74,500	74,500
Infrastructure Operations and Maintenance	4,625,739	3,076,157
Business Services (Saleyards, Airport, Private Works)	6,571,889	2,232,036
Community Services (Childcare, Public Facilities, Tourism)	2,291,233	2,673,681
Refuse and Environmental Services	1,221,646	1,114,726
Corporate and Management Services	1,273,117	505,403
Other Materials and Services	-	-
	<u>16,058,124</u>	<u>9,676,503</u>

Total audit fees quoted by the Queensland Audit Office relating to the 2020-21 financial statements are \$74,500 (2020: \$74,500)

8. Finance costs

Local Government Debt Refinancing Program

Following State Government announcement of the Local Government Debt Refinancing Program, Council refinanced 5 out of 7 existing loans with Queensland Treasury Corporation (QTC). Objectives were to take advantage of historically low interest rates, and to extend the loan term, and in the process freeing up additional cashflow through reduced loan repayments in future periods.

Early repayment of the loans followed by refinancing precipitated the realisation of the market value of the debts; and the

Loan beginning balance	12,782,947	9,125,026
add: New loan	-	4,500,000
Loan refinance effects		
o Repayment of loans	(7,400,003)	-
o Refinanced loans	9,179,414	-
less: Principal Payment	<u>(847,904)</u>	<u>(842,079)</u>
Closing loan balance	<u>13,714,454</u>	<u>12,782,947</u>

Loss on refinancing capital loans

Repayment loans	(7,400,003)	-
Interest and admin charges due at time of refinance	(53,106)	-
Refinanced loans	<u>9,179,414</u>	<u>-</u>
	<u>1,726,305</u>	<u>-</u>

Finance costs charged by Queensland Treasury Corporation	514,334	643,892
Bank charges	55,576	80,131
Loss on refinancing capital loans	1,726,305	-
Impairment of receivables	<u>156,155</u>	<u>56,705</u>
	<u>2,452,370</u>	<u>780,728</u>

9. 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	2,539,374	2,411,302
Deposits at call	<u>13,466,750</u>	<u>18,641,047</u>
Balance per Statement of Cash Flows	<u>16,006,124</u>	<u>21,052,349</u>

Council is exposed to credit risk through its investments in the QTC Cash Fund. The QTC Cash Fund is an asset management portfolio investing in a wide range of high credit rated counterparties.

Deposits with the QTC Cash Fund is capital guaranteed and all investments are required to have a minimum credit rating of A- Likelihood of the counterparty not having capacity to meet its financial commitments is low.

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:

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
9. Cash and cash equivalents (continued)			
Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:			
Unspent government grants and subsidies		2,035,475	3,386,375
Special Road Reserve - In accordance with Annual Implementation Plan 2021-22		1,159,375	927,500
Total unspent restricted cash		<u>3,194,850</u>	<u>4,313,875</u>

10. 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 after the invoice is issued.

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.

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.

Impairment of rates and charges will occur only if arrears are deemed to be greater than the proceeds Council would receive from the sale of the respective property.

Interest charged on outstanding rates during the year was at a rate of 8.53% per annum. No interest is charged on other debtors.

Current

Rateable revenue and utility charges	2,843,709	3,251,023
Trade receivables	1,782,119	1,503,002
less: impairment or Provision for doubtful debts	<u>(699,373)</u>	<u>(546,071)</u>
	<u>3,926,455</u>	<u>4,207,955</u>

11. Inventories

Trading stock, saleable items, materials held for resale are valued at the lower of cost and net realisable value.

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 distribution are:

- goods to be supplied at nil or nominal charge and
- goods to be used for the provision of services at nil or nominal charge.

These goods are valued at cost, adjusted, when applicable, for any loss of service potential.

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
11. Inventories (continued)			
Inventories held for sale			
Trading stock		37,346	58,312
		<u>37,346</u>	<u>58,312</u>
Inventories held for distribution			
Plant and equipment stores		231,594	111,292
		<u>231,594</u>	<u>111,292</u>
Land held for development and sale			
Land held for resale		1,216,661	1,933,285
		<u>1,216,661</u>	<u>1,933,285</u>
Total inventories		<u>1,485,601</u>	<u>2,102,889</u>
12. Other assets			
GST recoverable		208,138	382,504
Prepayments		212,715	169,161
		<u>420,854</u>	<u>551,665</u>
13. Land held for development and sale			
Opening balance		1,933,285	2,172,884
Less: Sale of land		(716,624)	(239,599)
		<u>1,216,661</u>	<u>1,933,285</u>
Classified as			
Current		<u>1,216,661</u>	<u>1,933,285</u>

14. 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 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.

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2021

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 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.

Individual assets valued below the asset recognition threshold are recognised as an asset if connected to a larger network, for example the components of parks.

Land under roads and reserve land under the Land Act 1994 or Land Title Act 1994 is controlled by Queensland State Government and not recognised in the Council financial statements.

(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 15.

(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.

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2021

(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 2021

15. Property, plant and equipment

30 June 2021

Note

Basis of measurement
Asset values
Opening gross value as at 1 July 2020
Additions
Disposals
Revaluation adjustment to asset revaluation surplus
Transfers between classes
Transfers between classes Cap Additions
Closing gross value as at 30 June 2021

Land	Buildings	Plant and equipment	Road & bridge network	Water	Sewerage	Other Structures	Work in progress	Total
Fair Value \$	Fair Value \$	Cost \$	Fair Value \$	Fair Value \$	Fair Value \$	Fair Value \$	Cost \$	\$
15,348,725	51,388,796	10,564,513	271,411,073	61,015,409	19,344,204	31,755,188	19,622,918	480,450,807
(14,200)		(687,855)		(78,625)	(555,450)		32,745,309	32,745,309
(1,277,728)	770,332			5,709,467	1,309,844	477,690		(1,336,130)
		(112,177)	(226,855)	70,896	(9,216)	277,352		6,989,606
58,603	1,971,135	1,274,281	14,459,491	746,484	7,521,075	3,809,593	(29,840,663)	-
14,115,400	54,130,264	11,038,761	285,643,710	67,463,632	27,610,457	36,319,803	22,527,564	518,849,591

Accumulated depreciation and impairment
Opening balance as at 1 July 2020
Depreciation provided in period
Depreciation on disposals
Revaluation adjustment to asset revaluation surplus
Transfers between classes
Accumulated depreciation as at 30 June 2021

-	20,058,211	4,686,806	49,013,521	22,636,614	7,975,775	6,837,915	-	111,208,840
	1,188,727	880,176	6,683,078	1,044,669	339,184	879,573		11,015,407
		(438,426)		(20,002)	(181,719)			(640,147)
	(601,010)			4,907,493	388,628	(667,373)		4,027,738
		(759)				759		-
-	20,645,927	5,127,797	55,696,600	28,568,775	8,521,868	7,050,874	-	125,611,839

Total written down value as at 30 June 2021

14,115,400	33,484,337	5,910,964	229,947,110	38,894,858	19,088,590	29,268,929	22,527,564	393,237,752
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Residual value

		1,766,538						
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Range of estimated useful life in years

Land : Not depreciated.	20-60	2 - 20	5 - 1000+	20 - 60	20 - 60	20 - 40	-	-
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Additions Comprise:

Other additions
Renewals
Total additions

\$	\$	\$	\$	\$	\$	\$	\$	\$
58,603	1,322,234	1,274,281	5,295,032	391,384	7,335,589	2,497,484		18,174,607
-	648,901		9,164,458	355,101	185,487	1,312,109		11,666,056
58,603	1,971,136	1,274,281	14,459,491	746,484	7,521,075	3,809,593	-	29,840,663

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2021

15. Property, plant and equipment (continued)

30 June 2020

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 \$	\$
Basis of measurement									
Asset values									
Opening gross value as at 1 July 2019	15,198,725	51,671,000	9,635,966	238,935,591	60,838,751	19,118,597	30,849,489	12,778,290	439,026,410
Additions	-	-	-	5,803,596	-	-	-	47,048,993	52,852,589
Disposals	-	(1,031,950)	(476,571)	(748,973)	-	-	(1,164,750)	-	(3,422,244)
Revaluation adjustment to asset revaluation surplus	-	-	-	(8,005,948)	-	-	-	-	(8,005,948)
Transfers between classes	150,000	749,746	1,405,118	35,426,807	176,658	225,607	2,070,429	(40,204,365)	-
Closing gross value as at 30 June 2020	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

Accumulated depreciation and impairment

Opening balance as at 1 July 2019	-	19,538,865	4,066,392	49,341,993	21,611,863	7,700,501	6,516,618	-	108,776,232
Depreciation provided in period	-	1,171,278	863,442	6,018,335	1,029,369	279,646	762,444	-	10,124,514
Depreciation on disposals	-	(651,933)	(243,028)	(623,513)	-	-	(441,147)	-	(1,959,621)
Revaluation adjustment to asset revaluation surplus	-	-	-	(5,732,284)	-	-	-	-	(5,732,284)
Transfers between classes	-	-	-	8,990	(4,618)	(4,372)	-	-	-
Accumulated depreciation as at 30 June 2020	-	20,058,211	4,686,806	49,013,521	22,636,614	7,975,775	6,837,915	-	111,208,840

Total written down value as at 30 June 2020

	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
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Residual value

	-	-	1,992,688	-	-	-	-	-	1,992,688
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Range of estimated useful life in years

Land : Not depreciated.	20-60	2-20	5-1000+	20-60	20-60	20-40	-	-	-
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Additions Comprise:

	\$	\$	\$	\$	\$	\$	\$	\$	\$
Other additions	-	77,859	-	-	-	-	-	-	77,859
Renewals	-	197,749	-	31,676,047	176,658	225,607	2,042,650	-	34,318,711
New	150,000	474,138	1,405,118	3,750,760	-	-	27,779	-	5,807,795
Total additions	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 2021

16. Valuation techniques used to derive fair values

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

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

The following table categorises fair value measurements as either level 2 or level 3 in accordance with AASB 13.

Council does not have any assets or liabilities measured at fair value which meet the criteria for categorisation as level 1.

The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If all significant inputs required to fair value an asset are observable, the asset is included in level 2.

If one or more of the significant inputs is not based on observable market data, the asset is included in level 3.

This is the case for non residential Council buildings, road, drainage and bridge network, water and sewerage assets, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

The table presents the Council's assets measured and recognised at fair value at 30 June 2021.

Recurring fair value measurements	Land \$	Buildings		Road and bridge network \$	Water \$	Sewerage \$	Other Structures \$	Total \$
		Commercial \$	Residential \$					
<i>level 2 - significant other observable inputs</i>								
2021	5,746,500	-	3,265,064	-	-	-	-	9,011,564
2020	6,811,961	-	2,176,854	-	-	-	-	8,988,815
<i>level 3 - significant unobservable inputs</i>								
2021	8,383,100	30,219,273	-	229,947,110	38,894,858	19,088,590	29,268,929	355,801,859
2020	8,536,763	29,153,731	-	222,397,552	38,378,795	11,368,430	24,917,254	334,752,524
<i>Total - levels 2 and 3</i>								
2021	14,129,600	30,219,273	3,265,064	229,947,110	38,894,858	19,088,590	29,268,929	364,813,423
2020	15,348,724	29,153,731	2,176,854	222,397,552	38,378,795	11,368,430	24,917,254	343,741,339

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2021

16. Valuation techniques used to derive fair values (continued)

Valuer						
Australis Asset Advisory Service						
Land	Buildings		Road and bridge network	Water	Sewerage	Other Structures
	Commercial	Residential				
Desktop			Comprehensive			
Valuation year ending 30/06/2018						
Desktop			Comprehensive		Desktop	
Valuation year ending 30/06/2019						
Desktop			Comprehensive		Desktop	
Valuation year ending 30/06/2020						
Comprehensive			Desktop		Comprehensive	
Valuation year ending 30/06/2021						
Other interim revaluation adjustment						
Nil			Nil			

Asset Class	AASB 13	Key assumptions and estimates to derive fair value (related data sources)
Land	level 2	<ul style="list-style-type: none"> observable, comparable local sales data as applicable.
Buildings - residential	level 2	<ul style="list-style-type: none"> observable, comparable local sales data as applicable.
Buildings - commercial	level 2 and 3	<ul style="list-style-type: none"> depth of market; gross current values derived from reference to: <ul style="list-style-type: none"> market data for recent projects; costing guides issued by the Australian Institute of Quantity Surveyors; Rawlinson's Australian Construction Handbook. actual costs incurred for similar assets improvements constructed within the North West Queensland; accumulated depreciation - gradual or accelerated and adjusted for refurbishment; construction, present age, serviceability, climate conditions, present and potential utilisation of the assets; useful life - physical, functional and economic asset life expectancy; time factors e.g. date of construction of similar improvements and date of compilation of cost data in comparison to valuation date; other general information.
Other Structures	level 2 and 3	
Road and bridge network		<ul style="list-style-type: none"> actual costs incurred for similar assets improvements constructed within the North West Queensland; accumulated depreciation - gradual or accelerated and adjusted for refurbishment; construction, present age, condition, serviceability, climate conditions, present and potential utilisation of the assets; useful life - physical, functional and economic asset life expectancy; assumed consistent: environmental factors such as soil type, climate, topography; other general information; unit rates (labour and materials) and quantities applied to determine the current replacement costs (CRC)
Water		
Sewerage		

16. Valuation techniques used to derive fair values (continued)

Factors taken into account in determining replacement costs included:

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

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

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

Asset class	AASB 13	Key assumptions, techniques and estimates to derive fair value (related data sources)
Road and bridge network	level 3	<ul style="list-style-type: none"> categorised as urban or rural; road hierarchy - access, collector, distributor and sub-arterial, in turn, sub-categorised as sealed or unsealed roads; all road segments are componentised - formation, pavement and seal where applicable; asset linear and areas specifications, estimated labour and material inputs, services costs and overhead allocations; CRC was based on the average of completed similar projects over the last few years; assumed: each segment is designed and constructed to the same standard and uses a consistent amount of labour and materials; also assumed that materials can be sourced locally and standard usage quantities apply - according to recently completed similar projects; accumulated depreciation - assets were disaggregated into significant components and re-aggregated based on useful lives; accumulated depreciation - note 15 discloses the useful lives; subject to judgement of the valuer and experience.
Water	level 3	CRC was based on expected replacement costs;
Sewerage	level 3	<ul style="list-style-type: none"> all assets disaggregated into different components for a measure of cost and service capacity and deterioration of estimated remaining life; sewer pipe assets disaggregated to short and long life components allowing for relining; rates used were assessed by reference to producer price indexes, wage price indices, consultation with local contractors and suppliers; significant inputs to the valuation include: <ul style="list-style-type: none"> o Economic Useful Life (EUL); o Remaining Service Potential (RSP); and o Optimised Replacement Cost (PRC). reference to regional aggregated asset performance data and published failure rates; other factors like site conditions, asset brand, type, model, installation type, usage and maintenance procedures; where assets are situated underground and physical inspection not possible, the age, size and type of construction material together with current and planned maintenance are used to determine the fair value; componentisation was expanded to include components of varying consumption patterns or to aid in asset identification; gravity sewer mains were componentised into long and short term components to allow for accurate modelling of pipe relining.

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2021

16. Valuation techniques used to derive fair values (continued)

Australis Asset Advisory Service current replacement cost data were 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

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.

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2021

	<u>Note</u>	<u>2021</u> <u>\$</u>	<u>2020</u> <u>\$</u>
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.			
(a) Contract assets			
Funds owing on contracts to construct Council assets		2,374,951	-
		<u>2,374,951</u>	<u>-</u>
Grants monies owed for NDRRA works completed in 2020-21.			
(b) Contract liabilities			
Funds received upfront to construct Council controlled assets		1,473,125	2,905,428
Non-capital performance obligations not yet satisfied		562,350	480,947
		<u>2,035,475</u>	<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 - NDRRA works		2,905,428	10,556,485
Non-capital performance obligations - Grant obligations fulfilled		450,947	142,826
		<u>3,356,375</u>	<u>10,699,311</u>
18. Leases			
<i>Council as a lessor</i>			
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.			
The minimum operating lease receipts arising from operating leases are as follows:			
Not later than one year		51,769	75,993
Between one and two years		11,950	46,769
Between two and three years		12,082	6,865
Between three and four years		12,286	6,982
Between four and five years		7,219	7,100
Later than five years		5,737	12,956
		<u>101,043</u>	<u>156,665</u>

The assets concerned are included in the statement of financial position as property, plant and equipment.

The assets are held to meet Council's service delivery objectives - presence of a tertiary education provider; health services precinct and airport infrastructure hangars such that rental is incidental.

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2021

	2021	2020
Note	\$	\$
19. Trade and other payables		
Creditors are recognised when goods or services are received, at the amount owed. Amounts owing are unsecured and are generally settled on 30 day terms.		
Current		
Creditors	1,588,957	553,564
Accrued wages and salaries	188,984	144,905
Accrued expenses	886,085	3,355,131
Other creditors	608,547	221,636
	<u>3,272,573</u>	<u>4,275,236</u>

20. Borrowings

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Thereafter, they are measured at amortised cost. Principal and interest repayments are made quarterly in arrears.

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 15 March 2041.

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 (QTC) borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

Current

Loans - Queensland Treasury Corporation	759,210	889,548
	<u>759,210</u>	<u>889,548</u>

Non-current

Loans - Queensland Treasury Corporation	12,955,244	11,893,399
	<u>12,955,244</u>	<u>11,893,399</u>

The QTC loan market value at the reporting date was \$13,978,246.51. 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 accounts.

No assets have been pledged as security by Council for any liabilities, however all loans are guaranteed by the Queensland Government. There have been no defaults or breaches of the loan agreement during the 2021 or 2020 financial years.

21. Provisions

Liabilities are recognised for employee benefits such as annual and long service leave in respect of services provided by the employees up to the reporting date.

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

Provision 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.

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.

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2021

21. Provisions (continued)

Refuse dump restoration

A provision is made for the cost of restoring refuse dumps and quarries where it is probable the Council will have an obligation to rehabilitate the site when the use of the facilities is complete.

Quarry rehabilitation

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

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

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

Note	Current		Non-current	
	2021 \$	2020 \$	2021 \$	2020 \$
Annual leave	701,745	744,092	-	-
Long service leave	497,652	579,128	93,498	121,071
Gravel pits rehabilitation	-	-	115,588	114,737
Refuse restoration	-	-	316,440	315,812
	<u>1,199,397</u>	<u>1,323,220</u>	<u>525,526</u>	<u>551,620</u>

Movements in non-employee benefit provisions:

Gravel pits rehabilitation

Note	2021 \$	2020 \$
Balance at beginning of financial year	114,737	177,124
Rehabilitation cost	851	(62,387)
Balance at end of financial year	<u>115,588</u>	<u>114,737</u>

Refuse restoration

Balance at beginning of financial year	315,812	360,234
Rehabilitation cost	628	(44,422)
Balance at end of financial year	<u>316,440</u>	<u>315,812</u>

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
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22. Asset revaluation surplus

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

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

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

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

Movements in the asset revaluation surplus were as follows:

Balance at beginning of financial year		99,429,375	95,899,443
Land	(1,277,728)	-	-
Buildings	1,371,342	-	-
Road, drainage and bridge network	-	3,529,932	-
Water	801,974	-	-
Sewerage	921,216	-	-
Other structures	1,145,063	-	-
Net movement for the year	2,961,867	3,529,932	-
Balance at end of financial year		102,391,242	99,429,375

Asset revaluation surplus analysis

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

Land	5,373,443	6,651,170
Buildings	16,796,400	15,425,058
Road, drainage and bridge network	45,498,503	45,498,503
Water	21,708,362	20,906,388
Sewerage	7,939,981	7,018,765
Other structures	5,074,553	3,929,490
	102,391,242	99,429,375

23. Commitments for expenditure

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

Flood Damage Works	792,716	11,443,053
Coppermine Creek Bridge	328,537	-
Sewerage Treatment Plant Works	243,191	2,743,896
Other	886,646	2,157,764
	2,251,090	16,344,713

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2021

24. 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 2020 and show accumulated member funds (Equity) of \$42,162,717.

Other contingent items

Existing potential claims against Cloncurry Shire Council did not eventuate this current year. Outcome of these claims cannot be foreseen at reporting date, and no amounts have been recognised in the financial statements.

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

25. Superannuation

Council contributes to the LGIA Super 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 LGIA Super 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 pooled defined benefit plan and it is not in accordance with the deed to allocate obligations, plan assets and costs at the council level.

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.

Cloncurry Shire Council may 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 LGIA Super trust deed changes to Council's obligations will only be made on the advice of an actuary.

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

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

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

The most significant risk that may result in LGIA Super 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 and additional contributions are needed to fund the shortfall.

	2021	2020
Note	\$	\$
Superannuation contributions made to the Regional Defined Benefits Fund	-	-
Other superannuation contributions for employees	851,714	757,817
	<u>851,714</u>	<u>757,817</u>

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
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.			
		63,230	49,682
		<u>63,230</u>	<u>49,682</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>18,905,018</u>	<u>27,597,863</u>
Non-cash items:			
Depreciation and amortisation	15	11,015,408	10,124,514
Revenue recognised - 1 July 2019 change in accounting policy			(10,699,311)
		<u>11,015,408</u>	<u>(574,797)</u>
Investing and development activities:			
Net (profit)/loss on disposal of non-current assets	5	396,710	1,401,941
Loss on refinancing capital loans		1,726,305	-
Finance charge on loan refinance		53,106	-
Capital grants and contributions		<u>(21,894,998)</u>	<u>(32,351,972)</u>
		<u>(19,718,876)</u>	<u>(30,950,031)</u>
Changes in operating assets and liabilities			
(Increase)/decrease in receivables/other assets	10 & 12	(1,962,640)	(417,126)
(Increase)/decrease in inventory	11	617,288	471,365
Increase/(decrease) in payables	19	(1,002,663)	715,479
Increase/(decrease) in provisions	21	(149,917)	166,866
Increase/(decrease) in contract liabilities	17	<u>(1,350,900)</u>	<u>3,386,375</u>
		<u>(3,848,832)</u>	<u>4,322,959</u>
Net cash inflow from operating activities		<u><u>6,352,718</u></u>	<u><u>395,994</u></u>

28. Events after the reporting period

There were no material adjusting events after the balance date.

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2021

29. Financial instruments and financial risk management

- (a) 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

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 contractual 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	2021 \$	2020 \$
Cash and cash equivalents	9	16,006,124	21,052,349
Receivables - rates	10	2,843,709	3,251,023
Receivables - other	10	1,782,119	1,503,002
Other credit exposures			
Guarantee	24	197,311	197,311
		<u>20,829,263</u>	<u>26,003,686</u>

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2021

Credit risk (continued)

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 2021	- other	fully performing	Past due			Total
			less than 30 days	30-60 days	61- 90 days	
Receivables		\$	\$	\$	\$	\$
Receivables		1,375,256	216,843	11,369	178,650	1,782,119
less impairment		(153,302)	-	-	-	(153,302)
Net receivables		<u>1,221,954</u>	<u>216,843</u>	<u>11,369</u>	<u>178,650</u>	<u>1,628,816</u>

30 June 2020	- other	fully performing	Past due			Total
			less than 30 days	30-60 days	61- 90 days	
Receivables		\$	\$	\$	\$	\$
Receivables		1,085,583	145,815	115,542	156,062	1,503,002
less impairment		(56,705)	-	-	-	(56,705)
Net receivables		<u>1,028,878</u>	<u>145,815</u>	<u>115,542</u>	<u>156,062</u>	<u>1,446,297</u>

Liquidity risk

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

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

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

	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
2021	\$	\$	\$	\$	\$
Trade and other payables	3,083,590	-	-	3,083,590	3,083,590
Loans - QTC	1,098,501	3,737,932	12,192,298	17,028,731	13,714,454
	<u>4,182,091</u>	<u>3,737,932</u>	<u>12,192,298</u>	<u>20,112,321</u>	<u>16,798,044</u>
2020					
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	<u>5,610,064</u>	<u>5,501,429</u>	<u>9,774,813</u>	<u>20,886,306</u>	<u>16,913,278</u>

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.

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2021

Market risk (continued)

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
	\$	\$	\$	\$	\$
2021					
QTC cash fund	13,466,750	134,668	(134,668)	134,668	(134,668)
Net total	<u>13,466,750</u>	<u>134,668</u>	<u>(134,668)</u>	<u>134,668</u>	<u>(134,668)</u>
2020					
QTC cash fund	18,641,047	186,410	(186,410)	186,410	(186,410)
Net total	<u>18,641,047</u>	<u>186,410</u>	<u>(186,410)</u>	<u>186,410</u>	<u>(186,410)</u>

(b) 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 20.

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2021

30. 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:

	2021 \$	2020 \$
Short-term employee benefits	1,364,280	1,117,387
Post-employment benefits	99,252	81,926
Long-term benefits	25,312	23,111
Termination benefits	41,231	3,048
Total	1,530,075	1,225,472

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	2021 \$	2020 \$
Fees and charges charged to entities controlled by key management personnel	30(b)(i)	-	-
Employee expenses for close family members of key management personnel	30(b)(ii)	87,122	75,484
Purchase of materials and services from entities controlled by key management personnel	30(b)(iii)	214,784	1,122,039
Key management personnel services provided by a related entity	30(b)(iv)	95,302	-

- (i) In 2020/21 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.

	2021	2020
Electrical goods and services	-	959,886
Auto smash and repairs services	-	21,385
Workshop labour hire contracting	-	4,002
Management of saleyards complex	214,784	136,766
Total (GST inclusive)	214,784	1,122,039

Cr Nathan Keyes 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 to 30 June 2021 amount to \$214,784.

- (iv) Payments totalling \$95,302, were made to recruitment agencies for temporary key management personnel at various times throughout the year. The amounts have been excluded from the KMP remunerations disclosures in (a) above.

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

Cloncurry Shire Council

Notes to the financial statements

For the year ended 30 June 2021

(c) Outstanding balances

At 30 June 2021, there was \$60,738 owed by Council to Keyes Cattle Company Pty Ltd.

(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

Cloncurry Shire Council
Financial Statements
For the year ended 30 June 2021



Management Certificate
For the year ended 30 June 2021

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: 29 / 10 / 2021

Date: 29 / 10 / 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 financial report of Cloncurry Shire Council.

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2021, 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 2021, 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 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 2021 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 2021:

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

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Local Government Act 2009*, any other Act and the Local Government Regulation 2012. The applicable requirements include those for keeping financial records that correctly record and explain the council's transactions and account balances to enable the preparation of a true and fair financial report.



Michael Claydon
as delegate of the Auditor-General

31 October 2021

Queensland Audit Office
Brisbane

Cloncurry Shire Council
Current-year Financial Sustainability Statement
For the year ended 30 June 2021

Council's performance at 30 June 2021 against key financial ratios and targets:

Measures of Financial Sustainability	How the measure is calculated	2021 Actual	Target
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-20%	Between 0% and 10%
Note: The cost of refinancing council's debt in 2020-21 has meant an additional \$1,726,305 has been treated as an expense, this has increased the operating surplus ratio from -14% to -20%			
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	115%	Greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-10%	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 2021.



Certificate of Accuracy
Current year financial sustainability for year ended 30 June 2021

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.

A blue ink signature of Cr Gregory Campbell, written in a cursive style.

Mayor
Cr Gregory Campbell

Date: 29 / 10 / 2021

A blue ink signature of Mr Philip Keirle, written in a cursive style.

Chief Executive Officer
Mr Philip Keirle

Date: 29 / 10 / 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 for the year ended 30 June 2021, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with s.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 2021 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 2021 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.



Michael Claydon
as delegate of the Auditor-General

31 October 2021

Queensland Audit Office
Brisbane

Cloncurry Shire Council
Long-Term Financial Sustainability Statement
Prepared as at 30 June 2021

Measures of Financial Sustainability

			Actual Result	Projected for years ended											
Council	Measure	Target	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	30 June 2031	30 June 2032	
Operating surplus ratio	Net result divided by total operating revenue	between 0% and 10%	-20%	0%	1%	2%	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%	115%	135%	290%	233%	261%	257%	253%	255%	249%	253%	250%	250%	
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%	-10%	-44%	-32%	-37%	-39%	-38%	-41%	-45%	-48%	-49%	-50%	-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.



Certificate of Accuracy
For the long-term financial sustainability statement prepared as at 30 June 2021

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: 29 / 10 / 2021

Date: 29 / 10 / 2021