

ANNUAL REPORT

2021-2022



A year in the Cloncurry Shire

Cloncurry
Shire Council

Introduction

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

Contents

Introduction	2
Message from the Mayor.....	3
Chief Executive Officer's Report	6
History of Cloncurry	10
Current Facts & Figures.....	11
Priority Projects & Initiatives	12
Our Elected Members	15
Our Workforce	18
Our Community.....	19
Our Economy	21
Our Infrastructure	24
Our Environment	26
Our Governance.....	27
Statutory Requirements.....	29
PALMER STREET CLONCURRY	37
OVERALL PLAN	37
ANNUAL IMPLEMENTATION PLAN	37
MINE ACCESS ROADS	37
Community Financial Report	43
Financial Statements.....	51



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.

Message from the Mayor

There have been plenty of global issues affecting all of us during the 2021 – 2022 financial year. In addition to Covid-19, the year has also been dealing with the war in Ukraine and flooding in the Southeast. Like everyone else, Council has seen rising fuel costs, tightness in the labour market and supply chain issues putting pressure on the delivery of projects and services on time and on budget.



The Council and Shire continue to perform strongly though. Council's long-term financial performance is tracking very positively, and the focus will continue to be on the delivery of good services to our community, looking after existing assets was a priority in the budget, with \$7,670,742 spent on roads, including \$3,019,925 on Sir Hudson Fysh Drive to date.



Signing of the Small Business Friendly Charter

Water supply and quality are one of Council's core services and we are proud that Dajarra has had safe and consistent water for the first time in 100 years. Cloncurry hasn't had any water quality issues for a considerable while and has met our service expectations for over 500 days straight. Investment in the replacement of aged pipes and extending the water network will continue. Planning is underway to provide a dual water system in Dajarra to allow bore water use in yards and safe treated water for domestic use.

The year saw a major show of confidence in the Shire when Evolution Mining purchased the Ernest Henry Mine for one billion dollars.

Evolution is an Australian company and I welcome them into the Shire. Council was successful in a grant application to Building Better Regions Fund (BBRF) for \$5,000,000. The grant will finance us to build nine houses to attract new families to town.



Presenting the 2023 winner of the Cloncurry 'Spirit of the Outback' Poetry Competition

The work on replacing the Butchers Creek bridge and the progressive sealing and widening of the Cloncurry Duchess Road was also completed. This funding by State and Federal Government into our Shire are welcome, but there is always more to do.

The Main Well Water project was awarded to Auzscot in February 2022. This project repairs Main Well and adds additional capacity for Council to source our own water. This builds on the plan to maintain the dam level for recreation as much as possible.

The saleyards and airport business units performed well over the year. Council was successful in securing a grant from the North Queensland Economic Diversification Grants Scheme for \$400,000 to construct selling pens



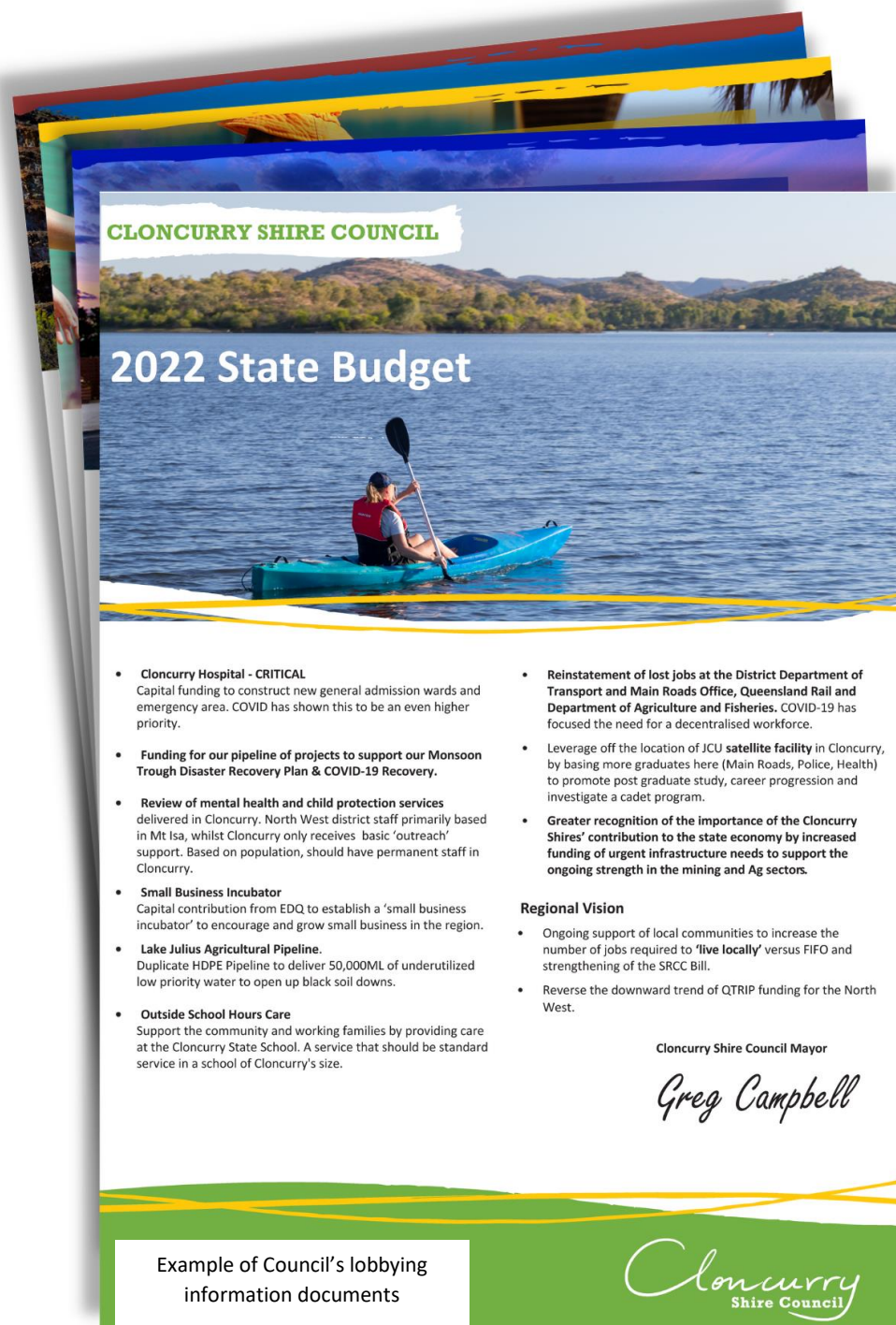
Madeline and Luke Chaplain following the shooting of the Bank Manager, that was a project supported by Council.

at the saleyards and it was great to see the first bull sale in a decade happen again in May 2022.

With events rolling again, Council's support of groups and events was boosted to help cover the higher costs of Covid-19 rules. Council hosted the Road and Rail Forum in April 2022; the forum was the opportunity to hear from industry players to highlight the issues and needs of our areas.

I can write pages of notable activities and great achievements happening in our Shire, but I have limited space. Our Shire continues to lead the way in creating prosperity for the region and the nation. The hard work of our businesses, committees, volunteers, and Council and most importantly our people is what drives that prosperity.

Greg Campbell
Mayor



Chief Executive Officer's Report

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 and commenting on Council's progress in delivering the goals outlined in its Corporate and Operational Plans.



Financials

With respect to the financials, 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. The process in compiling the statements also speaks to the quality of Council's financial data and internal processes. Each year, Council seeks to improve both. The full audited financials can be found at page 51. The Community Financial Report attempts to present this information in a more digestible format than the audited financials to make these figures more accessible to non-specialists. This report can be found at page 43.

Key Highlights Include:

- A reduction in operating expenses from \$40.1m in 20-21 to \$38.5m in 21-22.
- An increase in cash at bank of ~\$5m at EOFY from \$16m in 20-21 to \$21.18m in 21-22.
- Reduction in total borrowings by ~\$750,000, from \$13.71m to \$12.96m.

Coupled with Census data indicating an average annual population increase of 3.7% since the last census (or 18.5% over the last five years), the figures above indicate that Council is in a satisfactory financial position and heading in the right direction for longer term financial, asset and community sustainability. This is great news and a great position to be in given the sustainability challenges facing the majority of regional, rural and remote local governments.

Corporate and Operational Plan Deliverables

An annual report is also required to provide an assessment of Council's progress against its Corporate and Operational Plans. FY 2021-22 represented the first year of a new 5-year corporate planning cycle for Cloncurry. Council's Corporate Plan 2021-26 is the key strategic document governing this planning cycle and informs Council's Operational Plans and budgets over the five-year period to 30 June 2026.

The Plan is built around our values, our five strategic pillars (and associated deliverables), and our Priority Projects and Initiatives. While the balance of the Annual Report outlines our progress to date in delivering on the commitments made in the Corporate and Operational Plans, I will take the opportunity to identify a couple of highlights below.

Pillar 1 → Investing in Our Communities, People and Lifestyle

In recognition of the importance of ensuring access to quality childcare services in regional, rural and remote locations, Council continued to invest in the Curry Kids Early Learning Centre and has committed to investing ~\$5,500,000 in capital funds to almost double the capacity of the existing facility (from 56 to 100 places) by the end of calendar year 2024. This project will cut waitlists, allow growth and provide access to an outstanding new facility.

Council is also on the front foot in tackling the challenge to provide access to affordable and suitable housing and accommodation. In late 2020-21, Council secured funding to deliver a new 9-house subdivision. In 2021-22, Council progressed design, completed procurement and awarded the civil package for the sub-division, with construction scheduled to commence in early 2023.

On the health front, Council continues to contribute ~\$100,000 in annual contributions to GP operations in Cloncurry to ensure we give ourselves the best chance to attract and retain this critical service. To my knowledge, Cloncurry is unique among local governments in providing this type of subsidy

Pillar 2 → Strengthening Our Economy and Supporting Growth

Council owns and operates two assets of regional and state significance: the Cloncurry Saleyards and the Cloncurry Airport. Both assets deliver operating surpluses to Council and help to offset a range of services that deliver operating losses (e.g., GP clinic subsidy). The two assets also speak to Cloncurry's importance as a freight and logistics hub and to the centrality of agriculture and mining to the region's economy.



The Cloncurry Saleyards continue to function as one of the nation's preeminent transit yards, with over 260,000 movements in 2021-22. Not surprisingly, Council continues to invest in the facility (+\$500K in additional pens in 21-22, +\$200K for cattle weighbridge replacement in 22-23), continues to seek funding to invest in the facility (rail load-out facility upgrades), and is progressing a master plan to structure short-, medium-, and long-term investments into the facility.

YEAR	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
TRANSIT CATTLE	237,137	216,580	208,224	286,058	229,638	266,488

In spite of the impact of COVID-19 on air travel during 21-22, the Cloncurry Airport's numbers went from strength to strength, with revenue and profitability of the facility following the same trend. A huge congratulations to the staff who kept this facility running in difficult circumstances.

YEAR	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
PAX	53,986	59,814	59,211	54,911	57,165	69,531
REVENUE	\$2,259,269	\$2,837,124	\$2,987,965	\$2,693,928	\$2,917,262	\$3,613,188

Council has also been active in lobbying for improved digital connectivity in Cloncurry and was pleased to see State and Commonwealth Governments commit to the delivery of the following projects in 2021-22, 2022-23 and 2023-24: installation of 4G RT at Quamby (Telstra) and 4G RT at Sally Creek (Telstra), 4GX upgrade in Dajarra (Telstra), installation of telecommunications corridor between Dajarra and Cloncurry (Wi-Sky) and between Cloncurry and Karumba (Wi-Sky). This represents close to \$4m in digital connectivity investment in 2021-22 and the immediate future.

Pillar 3 → Building and Maintaining Our Infrastructure

Council has committed to, and is substantially progressed, in meeting its commitment to deliver improved water security outcomes in Cloncurry and Dajarra.

2021-22 saw Council substantially progress the Main Well Bore Upgrade Project, which will deliver an additional 40L p/s of water to Cloncurry, which will reduce long-term reliance on the Lake Julius Supply and reduce upward pressure on utilities charges.

2021-22 also saw Council secure funding and progress design to complete a dual reticulation project for potable and non-potable water in Dajarra. This project will replace end-of-life water mains with a system designed to meet the town's water supply and water treatment needs into the future.

Pillar 4 → Valuing Our Environment


In an unusually constrained funding environment for pest management, Council delivered over \$200,000 in own source funded biosecurity programs (\$250,000 in total). This included a \$100,000 mesquite control program in and around town, another \$100,000 to clean up rubber vine and calotrope along the western bank of the Cloncurry River, and \$50,000 in wild dog baiting programs.



Council also substantively improved operational and environmental performance at its landfill and sewerage treatment operations in Cloncurry, as recognized by the Department of Environment & Science in its most recent compliance audits of Council's facilities.

Pillar 5 → Effective Governance

Council continues to invest in its people, its systems and its processes to ensure our organisation is well governed and well administered. 2021-22 saw significant investment in Council's internal audit function (three internal audits delivered), continued improvement in our COI declaration processes, the completion of a NAT WHS audit, the implementation of improvement items under Council's 3rd party audit of the Drinking Water Quality Management Plan, the adoption of an Enterprise Risk Management Framework, the continued implementation of our WHS Management System ("Global"), the commencement of a detailed review of our delegation registers and a substantial investment in



the training and development of our staff. All of this investment in people, processes and systems is designed to ensure that we meet one of the most important mantras of local government: that we seek continual improvement in everything we do.

Final Words

All of the work detailed herein would not 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.

Philip Keirle
Chief Executive Officer

History of Cloncurry

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

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

Over the years Cloncurry has been the focal point for many of Australia's greatest innovations. Cloncurry was involved with the beginnings of QANTAS, and the original QANTAS Hanger is still in use at the aerodrome, where 'Queensland and Northern Territory Aerial Service' is still displayed above the hanger door. The Royal Flying Doctor Service was founded here in 1928 and is now recognised worldwide.

A visit to the 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.



FAST FACTS

CLONCURRY IN NUMBERS

Queensland Regional Profile: Cloncurry Local Government Area
Information correct as of 22 November 2022



Population

3,705



Median Age

34.7



Median Annual
Income (\$/week)

1190



Area (square km)

47,971



Annual Rainfall (mm)

425



Average Temperature
(degrees Celsius)

18 - 32



Priority Projects & Initiatives

Council's Corporate Plan 2021-26 also incorporates a number of Priority Projects and Priority Initiatives. Progress to date as well as projected progress over the 5-year planning cycle is outlined below.

PRIORITY PROJECTS



Development of signature multi-purpose tourism, recreation and community facility in Cloncurry

2021-22

- Budget adopted in June 2022 to progress the JFP / Sport & Recreation Precinct Master Plan (contract awarded in November 22)

2022-23

- Completion of Precinct Master Plan process

2023-24 / 2024-25 / 2025-6

- Progressive implementation of Master Plan investments (e.g., cultural precinct, PCYC facility, skate park, pump track etc.).



Upgrade to the Cloncurry Saleyards Precinct

2021-22

- Completion of upgrades to the Clean Yards
- Acquisition of Aurizon lease initiated (completed in September 2022).
- Installation of 40 new bull/cattle pens completed
- Contract awarded for the Saleyards Master Planning process.
- Budget adopted in June 2022 to replace cattle weighbridge at Dirty Yards.

2022-23

- Complete Saleyards Master Plan
- Seek funding for rail load out upgrade
- Complete cattle weighbridge upgrade

2023-24 / 2024-25 / 2025-6

- Completion of Master Plan and progressive implementation of Master Plan investments (e.g., shade infrastructure, additional yards, weighbridge and washdown bay installation).



Scarr Street Upgrade

2021-22

- Concept planning progressed and presented to stakeholders for review, informing subsequent design stages

2022-23

- Progress to final concept design → detailed design

2023-24 / 2024-25

Deliver Scarr Street Upgrade



**Chinaman Creek
Dam Recreation
Area Upgrade /
Walkway Upgrades**

2021-22

- Design, procurement and contract award completed for the Upgrade to the Chinaman Creek Dam Recreation Area.
- Design, procurement and contract awarded for completion of Stage 1 of Chinaman Creek Dam Pathway

2022-23

- Complete Rec Area Upgrade Construction
- Complete Stage 2 of the Chinaman Creek Dam Pathway Project



**Acquisition of
Corella Park Dam**

2021-22

- Discussions with the Department of Resources initiated

2022-23

- Progress to formal offer for purchase + sub-lease of part of Corella Park Dam



Rural Road Sealing

2021-22

- Sealing program focused on SHFD

2022-23

- Submission of betterment funding for Kajabbi seal
- Completion of rehabilitation and reseal of Sedan Dip Road (~\$1.5m)
- Formalise rural road reseal program for 2023-24 to 2025-26

2023-24 / 2024-25 / 2025-26

- Deliver seal and reseal program



**Coppermine Creek
Bridge Upgrade**

2021-22

- All work required to inform detailed design completed (survey, geotechnical, scope)

2022-23

- Completion of detailed design and Issue for Construction tender documentation.

2023-24 / 2024-25

- Deliver project



**Delivery of
Betterment
(Resiliency) projects
in partnership with
QRA**

2021-22

- Cloncurry was activated under the Northern and Central Western Queensland Rainfall and Flooding event 21 April – 12 May 2022

2022-23 / 2023-24

- Submission of betterment funding application for Kajabbi Road. Deliver if successful.



**Perkins Street Sub-
division**

2021-22

- Complete procurement and commence sub-division development
- Initiate procurement for construction of housing

2022-23 / 2023-24

- Submission of betterment funding application for Kajabbi Road. Deliver betterment project if successful.

PRIORITY INITIATIVES



Urban Renewal and Enhancement Program

2021-22

- Delivery of final year of Shopfront Revitalisation Grant, which delivered ~\$100,000 in Council co-contributions toward shopfront upgrades for businesses across Cloncurry.

2022-23

- Adoption of relevant policy framework to progress other renewal and revitalisation initiatives



Waste management, reduction and recycling initiatives

2021-22

- Completion of whole-of-Shire scrap metal recycling program (Cloncurry, Kajabbi, Quamby)
- Completion of joint procurement program for long-term kerbside waste collection contract with Mount Isa. 9 + 1 year contract awarded, commencing in October 22.
- Improved compliance of operations against EA.



Improved access to childcare

2021-22

- Investment in improved scheduling systems increased utilisation rates and had a positive (but modest) impact on reducing wait list pressures.
- Concept designs for new/expanded facility completed
- Funding applications submitted to expand place numbers at the Curry Kids Early Learning Centre.

2022-23

- Progress detailed design and development application for new development.

2023-24 / 2024-25

- Commence and complete construction of new childcare facility.



Delivery of Biosecurity Program

2021-22

- \$100,000 mesquite control and eradication program delivered.
- \$100,000 weed control program along the eastern bank of the Cloncurry River, targeting rubber vine and calotrope.
- Revival of 1080 aerial baiting program.

2022-23 → 2025-26

- 1080 baiting programs to continue
- Wild dog bounty program to continue
- Prioritised weed control programs, including weed control along the western bank of the Cloncurry River in 2022-23 + associated burn-off.



Cloncurry as a base for innovative industries: drone and aviation, film and TV production etc.

2021-22

- Budget adopted for Airport Master Planning process.
- Film and TV incentive package developed and first contract negotiated.

2022-23

- UAV testing at drone facility to re-commence following protracted Covid-19 related hiatus.
- Commencement of Airport Master Planning.
- 1 x short film, 1 x pilot episode shot in 2022-23.

Our Elected 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 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 station hand 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.

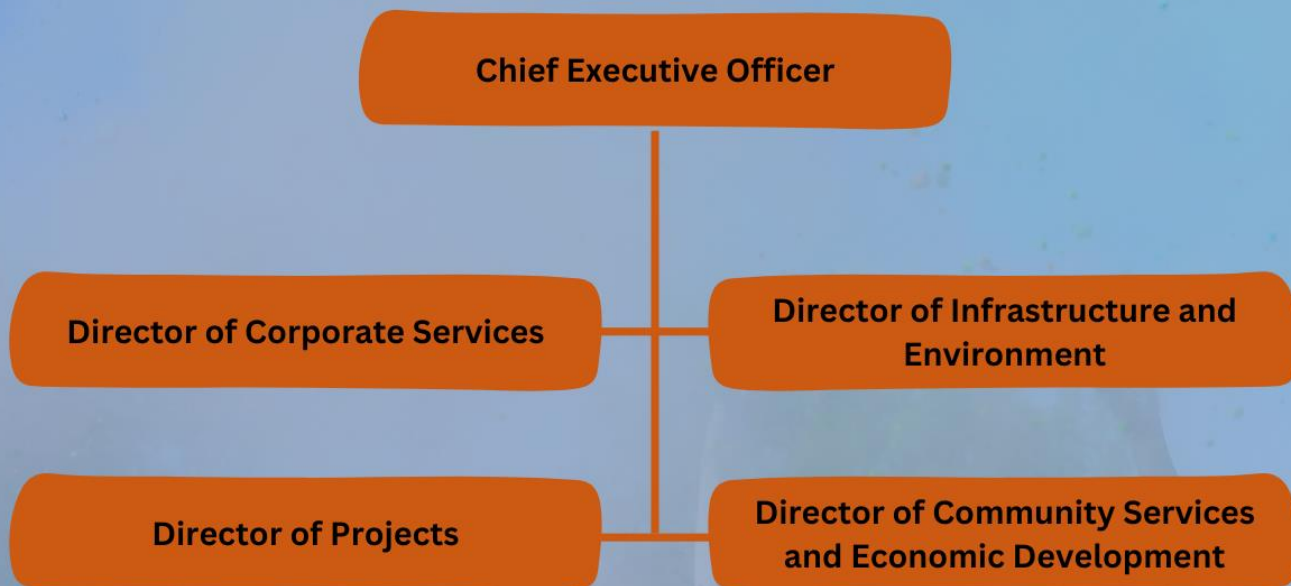


Councillor Swalling is married with children and has always supported a wide variety of community groups through his business and personally.

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.

Our Workforce

Council employs an experienced and diverse team. The day to day running of the Shire is the responsibility of the Chief Executive Officer, who, along with Directors and staff, act on the Council's decisions by developing and putting into practice the Council policies and resolutions.



Our Community

Strategic Direction 1: Investing in our Communities, People & Lifestyle

Our family friendly Shire and supportive community spirit are underpinned by sustainable facilities and institutions that promote positive community, health, educational and recreational outcomes.

	INVESTMENT PRIORITIES Liveable Communities Active Lifestyles Strong Service Network		HOW OUR COMMUNITY ASSISTS Volunteering Active Participation
	KEY SERVICES Community Events Disaster Response and Recovery Community Development Library Services Sport and Recreation Aged and Youth Services Community Facilities (Swimming Pool, Equestrian Centre, Art Gallery, Early Learning Centre, Airport, Cemeteries.		

Achievements and Highlights

- ✓ Council continued its strong advocacy to the State Government on the need to plan and progress upgrades to the Cloncurry Hospital, with a number of deputations to Brisbane and visits from Ministers to Cloncurry.
- ✓ Council continued to assist in subsidising GP clinic operations in Cloncurry to the tune of \$104,000 to ensure Cloncurry retains its enviable record of attracting and retaining quality health care professionals.
- ✓ Council achieved its first full year of supplying Dajarra with treated water in accordance with the Australian Drinking Water Guidelines parameters in 2021-22. This will enable Council to declare Dajarra as a drinking water scheme in 2022-23.
- ✓ Council has increased utilisation rates at the Curry Kids Early Learning Centre which has taken a small bite out of our extensive waitlists and pushed the operating result in the right direction in 2021-22, with a view to making a modest operating deficit (inclusive of depreciation) in 2022-23.
- ✓ Council has secured funding under the QRA's Resilience and Recovery program and the State of Queensland's Resource Community Infrastructure Fund R2 program to progress the expansion of the Curry Kids Early Learning Centre. This project aims to increase available places and reduce wait lists.
- ✓ Council advocacy in support of Health Vision deliverables continued with frequent engagement of the NWHHS and key State Government representatives.



- ✓ Council committed \$150,000 to its community grants program in 2021-22, which helps to support signature events (Cloncurry & District Show, the Stockman's Challenge, the Cloncurry Merry Muster), regular events (Cloncurry & District Races) as well as a host of other events (such as the Quamby Rodeo, Rockhana Gem Festival), grants to community organisations and bursaries to individuals to assist with travel to participate in sporting events.



- ✓ Council's Community Integration Officer arranged a number of events and programs, including completion of Mental Health First Aid training for community members (conducted by the Royal Flying Doctor Service (RFDS)), a nutrition program rolled out at the day care and kindergarten facilities, a paddle boarding workshop and a number of other activities delivered early in 2022-23.
- ✓ Construction contract awarded and work commenced on Stage 1 of the Path to Chinaman Creek Dam (Sheaffe St to Isley St) Project.
- ✓ Design completed for the Stage 2 of the Path to Chinaman Creek Dam (Isley Street to the Dam) Project.
- ✓ The finalisation of the Chinaman Creek Dam Reserve Upgrade designs following a number of community consultation processes that materially informed the final design.
- ✓ Extension of the opening hours of the Cloncurry Swimming Pool through school holidays and on weekends.
- ✓ First Five Forever program is provided to children aged 0-5 years through 'Talk, Read, Sing & Play'. Bob McDonald Library delivered 41 sessions to the community. Bob McDonald Library partnered with Cloncurry Justice Association and provided them with First 5 Forever information, resources and support to deliver the 'Spreading First 5 Forever' project to First Nation families in the shire.



- ✓ The RADF Committee recommended a range of programs for delivery in 2021-22 including a number of well-received performances (Queensland Ballet Regional Community Tour, Little Red in the Hood, Opera Queensland) and workshops (Aboriginal Art Community Workshop, Creative Circle Art Workshop etc.).

Our Economy

Strategic Direction 2: Strengthening our Economy & Supporting Growth

Our local economy is built upon its strengths. Innovation and good planning support prosperity in existing businesses attracts new businesses and maximise opportunity for local employment.

	INVESTMENT PRIORITIES Attracting population growth at a sustainable rate Experience Cloncurry North West Transport Hub		HOW OUR COMMUNITY ASSISTS Friendliest Spirit Buy Local Create opportunities for traineeships, work experience and apprenticeships
	KEY SERVICES Tourism & Events Economic Development Planning & Development Regional Collaboration Cloncurry Unearthed Cloncurry Airport John Flynn Place Saleyards Building Services Marketing, Communication & Media		

Achievements and Highlights

- ✓ 2021 Census Data identifies the estimated resident population for Cloncurry as 3,705. This represented a growth of 4.81% from the previous year and compares favourably against population growth in regional Queensland of 0.91%. It also represents a 600+ increase from population data from the 2016 Census, an almost 20% increase in the five-year period to 30 June 2021.
- ✓ Cloncurry Saleyards topped the list for cattle transit numbers in Queensland for the financial year 2020-21 with 235,000 cattle. This increased to 265,000 head in 2021-22 affirming Cloncurry's position as "the undisputed transit cattle centre of Australia."

YEAR	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
CATTLE	237,137	216,580	208,224	286,058	229,638	266,488

YEAR	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
PASSENGERS	53,986	59,814	59,211	54,911	57,165	69,531
REVENUE (\$)	2,259,269	2,837,124	2,987,965	2,693,928	2,917,262	3,613,188

- ✓ Council's airport operations in Cloncurry continued to deliver an important service to the region and to the State of Queensland, with FIFO passenger numbers remaining strong during the height of the Covid-19 outbreak in 2021-22.
- ✓ Council allocated a higher-than-average building maintenance budget in 2021-22 to its stock of 39 houses and 27 aged-care units. This has ensured Council was able to bring on line another 4 houses for rent in a very constrained market.
- ✓ Council continued to punch above its weight in addressing issues with housing availability and suitability, substantially progressing procurement for the Perkins Street Sub-Division. Civil

construction works commenced in 2021-22 with delivery of the nine new houses commencing in calendar year 2023.

- ✓ Council further advanced planning for the construction of a new and expanded Curry Kids Early Learning Centre. Council was able to secure funding for this project in 2021-22, with detailed design commencing in the 2022-23 financial year. The aim of this project is to expand Council's current offering from 54 places to 85 places in the near term, with a view to total expansion of placements to 100 in the medium to longer term as required.
- ✓ Council has continued to support our Local Business Network and invest in their recommendations. This includes:
 - Signing of the Small Business Friendly Charter on the 22 March 2022 by Cloncurry Shire Council
 - Local Business Networking Function held on 6 May 2022
 - Christmas Shop Local Campaign injecting \$15,000 Cloncurry Gift Cards into the local community
- ✓ Council initiated its film incentive program and substantially progressed its first agreement during 2021-22 with Quamby Studios for the filming of a short film titled, The Bank Manager. The agreement that was executed in early 2022-23 and led to filming in Cloncurry during September 2022.
- ✓ Council continued to operate and maintain Registers of Prequalified Suppliers for Trades & Services, Quarry Materials, and Plant Hire (Wet). These registers provide for more efficient engagement processes for local suppliers as well as for Council.
- ✓ Council secured funding from QRIDA to construct 50 new pens at the Cloncurry Saleyards to enable bull/cattle sales. The project was substantially progressed in 2021-22 and completed early in 2022-23.
- ✓ Council's Saleyards hosted the first bull sale in Cloncurry for many years in April 2022. Three studs were represented, selling Brahman and Droughtmasters in front of a very enthusiastic set of bidders and onlookers.
- ✓ Photographer/videographer and Influencer Sean Scott visited Cloncurry in May 2022 to assist Council in building its collateral of photos and videos of the region. Leveraging Scott's network has expanded Council's social media by 250,000.
- ✓ Department of Employment, Small Business and Training's Small Business Recovery Centre through the Disaster Recovery Funding Arrangements provided \$60,000 to provide 10 Cloncurry businesses with new/upgraded websites.
- ✓ Council continues to play an active role in local and regional organisations, keeping Cloncurry issues and opportunities front and centre. This includes membership of the North West Queensland ROC and RRTG, Western Queensland Alliance of Councils (WQAC), the Mount Isa to Townsville Economic Development Zone (MITEZ), Outback Queensland Tourism Association (OQTA), Overlanders Way Committee, Matilda Way Committee and Regional Development Australia (RDA).






Photograph by Sean Scott

Our Infrastructure

Strategic Direction 3: Building and Maintaining our Infrastructure

Our infrastructure is strategically planned and well maintained to ensure the delivery of quality services to our community and to facilitate growth opportunities where viable.

	INVESTMENT PRIORITIES Asset Management Township Renewal & Enhancement Strong Transport Network		HOW OUR COMMUNITY ASSISTS Water Wise Waste Reduction Civic Participation
	KEY SERVICES Road, Drainage & Footpath Construction & Maintenance Parks & Gardens Construction & Maintenance Water & Sewer Treatment & Supply Workshop and Fleet Management Project Management		

Achievements and Highlights

- ✓ Zero water quality complaints for Cloncurry and Dajarra.
- ✓ Council completed water production capability upgrades in Dajarra, increasing daily production from 120kL to 160kL.
- ✓ Council substantially progressed the Main Well project, which will help Council to deliver >40L p/s of water into Council's treatment process.
- ✓ Completion of the Cloncurry Sewerage Treatment Plant Upgrade, enabling the production of Class A treated effluent.
- ✓ RMPC and Rural Road maintenance program delivered.
- ✓ Upgrade to Sir Hudson Fysh Drive completed (rectification works progressing into 2022-23).
- ✓ Cloncurry component of regional Flood Warning Infrastructure Network project substantially progressed (now completed).
- ✓ Council progressed and awarded a new 9 + 1 year contract for kerbside waste collection with JJ Richards, with the contract commencing in October 2022.
- ✓ Council commenced roll out of the Reflect system (defect identification, operational checklists, asset maintenance tasking etc.) for water and wastewater operations, building on use of the same product for RMPC and DRFA works.
- ✓ Council staff completed or commenced training and certification courses in Asset Management Planning and in Plant and Fleet Management.
- ✓ Completion of stage 1 of the Chinaman Creek Dam footpath / cycle path project.
- ✓ DRFA Betterment projects reviewed and developed in the aftermath of the Northern and Central Western Queensland Rainfall and Flooding event, 21 April - 12 May 2022.

- ✓ Council progressed a number of Road User Agreements for the haulage of mining products.
- ✓ Completion of Charlotte Scott House Remedial Works, Lawn Cemetery Upgrade, relocation of boiler to Mary Kathleen Park, Florence Clark Park Pool Rectification Works, installation of 40 new bull pens at the Cloncurry Saleyards.
- ✓ Planning and design work nearing completion or substantially progressed for Cloncurry Entrance Signage, Scarr Street Development, Shared Path to Hensley Drive, Coppermine Creek Bridge Replacement, Dajarra Dual Reticulation, Footpath/Cycle Path Integrated Masterplan.
- ✓ Funding secured for the delivery of a new Curry Kids Early Learning Centre and for the Cloncurry Grandstands Project via the Resource Community Infrastructure Fund. Delivery to commence in 2022-23.
- ✓ Funding secured for the Cloncurry Airport Masterplan via the Preparing Australian Communities Fund. Delivery to commence in 2022-23.
- ✓ Funding secured for the Chinaman Creek Dam Comprehensive Risk Review via the Queensland Resilience and Risk Reduction Fund. Delivery to commence in 2022-23.
- ✓ Major amendment to the Cloncurry Planning Scheme initiated. Deliver to commence and conclude in 2022-23.

Our Environment

Strategic Direction 4: Valuing Our Environment

Our natural resources are valued, our cultural heritage is protected, and our landscape amenity is improved.

	INVESTMENT PRIORITIES Biosecurity Cultural Heritage Landscape Amenity		HOW OUR COMMUNITY ASSISTS Animal Care Waste Reduction Civic Participation
	KEY SERVICES Regulation & Compliance Waste Management Recycling & Reuse Environmental Health Biosecurity Program Rural Land Management Environmental Services		

Achievements and Highlights

- ✓ Council partnered with other Shires in North West Queensland to progress the development of a Regional Biosecurity Plan. This plan will be adopted in 2022-23.
- ✓ Council completed significant weed management programs in 2021-22, including a mesquite management program around the town of Cloncurry and weed management along the eastern bank of the Cloncurry River.
- ✓ Council reinstated 1080 aerial baiting in June 2021. Participation rates were high and the program successful.
- ✓ Council progressed and awarded a new 9 + 1 year contract for kerbside waste collection with JJ Richards, with the contract commencing in October 2022.
- ✓ Council initiated a review of its Environmental Authorities with NRA during 2021-22. Amendments will be progressed in 2022-23.
- ✓ Council's release to land program for treated effluent in Cloncurry met all EA parameters in 2021-22.
- ✓ Council's Drinking Water Quality Management Plan was submitted to the Regulator in April 2022. The Regulator identified a number of amendments to be incorporated, with these completed in September 2022.
- ✓ Council recorded zero water quality complaints for Cloncurry and Dajarra in 2021-22.



Our Governance

Strategic Direction 5: Effective and Inclusive Governance

Council decision-making processes are efficient, effective, transparent, and inclusive. Decision-making promotes and balances the long-term sustainability of our community, our environment, our assets, and our finances. As an organisation, we are committed to quality customer service and continuous improvement.

	INVESTMENT PRIORITIES Communication Tools Continuous Improvement System Training & Development		HOW OUR COMMUNITY ASSISTS Supportive Engagement Timely Payments
	KEY SERVICES Workplace, Health & Safety Human Resource Management Financial Services Information Technology Customer Service Governance Grant Management Property Management Business Improvement Disaster Management		

Achievements and Highlights

- ✓ Council's community engagement continued to feature our Community Forums (x 2), monthly "Smoko with the Mayor", as well as a number of project-based engagements with key stakeholder groups and the general public.
- ✓ Council is partnering with the Department of State Development to update its Tourism and Economic Development Strategy, the majority of which will be developed and delivered in 2022-23.
- ✓ Council completed three internal audits in the 2021-22 financial year.
 - Organisational Culture
 - Budget Processes
 - Procurement
- ✓ Council's Audit Committee met three times in 2021-22, reviewing interim financials, corporate risk registers, work health safety audits, internal audit outputs and other statutory content.
- ✓ Council adopted a new Enterprise Risk Management Framework, including Risk Management Policy, Risk Appetite Statement, and Risk Management Framework in June 2022.
- ✓ 3rd party audits of Council's Work Health & Safety Systems and Council's Drinking Water Quality Management Plan were completed in 2021-22. Improvement items identified are being progressed.
- ✓ Council completed a detailed review of rates and charges in Q42021-22 to inform the 2022-23 budget.
- ✓ All 2021-22 rates levied in line with proposed schedules
- ✓ Monthly Council meeting reports track rates revenue and arrears

- ✓ External Audit – End of Financial Year & Financial Statements – 2021-22 audit “unmodified”
- ✓ Zero outstanding significant deficiencies from 2020-21 audit
- ✓ Insurance: Workcover renewed, final review underway for ISR etc. with a view to minimise the annual increase. Asset list reviewed and non-required assets excluded from the insured list.
- ✓ Council’s Local Disaster Management Plan and Emergency Action Plan for Chinaman Creek Dam were reviewed and endorsed throughout the year.
- ✓ Council has initiated a detailed review of its delegation registers from Council to CEO and CEO to Officers. The review commenced in April 2022 and will be completed in 2022-23.
- ✓ Council engaged GWI to complete an ICT Strategy. The Strategy was delivered in May 2022 with a number of recommendations being progressed to delivery in 2022-23.
- ✓ Risk registers updated quarterly, Business Continuity Plan reviewed and Drinking Water Quality Risk Management Improvement Plan being implemented and reviewed via Audit Committee.



Statutory Requirements

The following information includes the legislative disclosure requirements of the *Local Government Act 2009* and related regulations for the 2021/22 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.

1.2 Significant Business Activities

A business activity is defined in Schedule 4 of the *Local Government Act 2009* as the 'trading in goods and services by the local government'.

In accordance with section 45(a) of the *Local Government Act 2009*, Council conducted the following business activities during the financial year:

- Curry Kids Early Learning Centre
- Cloncurry Airport
- Cloncurry Saleyards
- Waste Management
- Water and Sewerage Supply

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

In accordance with section 45(b) of the *Local Government Act 2009*, Council is required to 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.

As Council has no significant business activities, the competitive neutrality principle was not applied.

In accordance with section 45(c) of the *Local Government Act 2009*, Council must 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 undertake any significant business activities in 2021-2022 or the previous financial year.

1.3 Remuneration of Senior Management and Councillor Advisors

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

Total Remuneration for these positions from 1 July 2020 to 30 June 2021 was \$797,942.

Salary Band	Number of Senior Management Employees
\$100,000 - \$200,000	4
\$200,000 - \$300,000	1

Local Government Regulation 2012

s183 Financial Statements

This Annual report contains the general-purpose Financial Statements for 2021-2022 which include the current-year financial sustainability statement for the Financial Year, audited by the Auditor-General, the long-term financial sustainability statement for the Financial Year and the Auditor-General's audit reports about the general purpose financial statement and the current-year financial sustainability statement as required under Section 183 of the *Local Government Regulation 2012*

Refer to relevant section in Financial Statements (from p. 40 of this report).

s184 Community Financial Report

As presented starting on page 43 of this report.

s185 Particular Resolutions

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

a. Expenses Reimbursement Policy

The current Expenses Reimbursement Policy was adopted by Council on 18 August 2021.

b. Valuation of non-current physical assets

No amendments were made to the Asset Capitalisation thresholds and remain as follows:

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.

Councillor Remuneration

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

The table below outlines the remuneration received by Councillors in 2021-2022.

(a) Councillor remuneration

Current as of 30 June 2022

Name	Remuneration	Superannuation
Cr Greg Campbell (Mayor)	\$106,100.00	Nil
Cr Sam Daniels (Deputy Mayor)	\$61,211.04	Nil
Cr Dane Swalling	\$53,049.00	Nil
Cr Vicky Campbell	\$53,049.00	Nil
Cr Nathan Keyes	\$53,049.00	Nil
Cr Janessa Bidgood	\$53,049.00	Nil

(b) Expenses Reimbursement Policy

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

Councillor Expenses and Facilities Schedule

Current as of 30 June 2022

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

*Figures exclude GST.

**Only Mayor Campbell is provided with a vehicle

***No Expenses were reimbursed to any Councillor

Attendance at Council meetings

July 2021 – 30 June 2022

Name	Ordinary	Special	Total
Cr Greg Campbell (Mayor)	12	8	20
Cr Sam Daniels (Deputy Mayor)	12	8	20
Cr Nathan Keyes	12	8	20
Cr Dane Swalling	12	8	20
Cr Janessa Bidgood	12	8	20
Cr Vicky Campbell	12	8	20

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 2021-2022 financial year. The Code of Conduct Policy is incorporated into the induction process of new staff.

Section of Act	Type of order/complaint	No.
Section 150I(2)	Orders made by the chairperson about unsuitable meeting conduct	0
Section 150AH (1)	Orders made by Council that: (a) No action be taken against the Councillor; (b) An order be taken against the Councillor about inappropriate conduct.	0
Section 150AR(1)	Orders made by the conduct tribunal that: (a) No action be taken against the Councillors; (b) An order be taken against the Councillor about misconduct and connected inappropriate conduct.	1
About the sections mentioned above:	<ul style="list-style-type: none">Name of each Councillors for whom a decision, order or recommendation under section 150I(2), 150AH(1) or 150 AR(1) of the LGA was made;A description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each of the Councillors; andA summary of the decision, order or recommendation made for each Councillor.	Refer Table below
Section 150P(2)(a)	Complaints referred to the assessor under section 150P(2)(a) of the LGA by the local government, a councillor of the local government or the chief executive officer of the local government	3

Section 150P(3)	Matters about corrupt conduct of a Councillor (mentioned in section 150P(3) of the LGA) notified to the Crime and Corruption Commission	0
Section of Act	Type of order/complaint	No.
Section 150R(2)	Notices given to the assessor about Councillor misconduct (under section 150R(2) of the LGA)	0
Section 150R(2)(a)	Notices given to the assessor about Councillor misconduct (under section 150R(2) of the LGA). <i>Discipline Councillor on 3 occasions within 1 year or Councillor has engaged in the same conduct again</i>	0
Section 150W(1)(a)	Decision made by the assessor to dismiss the complaint about the conduct under section 150X.	2
Section 150W(1)(b)	Decision made by the assessor to refer the suspected inappropriate conduct to Council to deal with.	0
Section 150W(1)(e)	Decision made by the assessor to take no further action in relation to the conduct under section 150Y	0
Section 150AC(3)(a)	Referral notice accompanied by a recommendation about how Council may investigate or deal with the conduct – conduct should be referred to another entity for consideration	0
Section 150AF(4)(a)	Occasions where Council is investigating inappropriate conduct, information was given to the assessor for further investigation under Division 4	0
Chapter 5A, Part 3, Division 5	Occasions where Council asked another entity to investigate the suspected inappropriate conduct of a Councillor	0
Chapter 5A, Part 3, Division 6	Applications heard by the conduct tribunal about whether a Councillor engaged in misconduct or inappropriate conduct.	2

Councillor Name	Summary of Complaint	Decision Summary
Mayor Campbell	It was alleged that the Councillor and Mayor of the Cloncurry Shire Council, engaged in misconduct as defined in section 150L(1)(b)(i) of the Local Government Act 2009, in that his conduct involved a breach of the trust placed in the councillor, either knowingly or recklessly, in that the conduct was inconsistent with local government principles 4(2)(a) 'transparent and effective processes and decision-making in the public interest' and section 4(2)(e) being "ethical and legal behaviour of councillors and local government employees'.	<p>The Tribunal determined that the allegation was sustained and ordered that Councillor Gregory Campbell, Mayor of the Council:</p> <ol style="list-style-type: none"> 1. Make an admission of misconduct during a Council meeting within 60 days from receipt of a copy of this report and decision from the Registrar of the Tribunal (s150AR(1)(b)(i)) 2. Attend training to address the councillor's conduct (at the Councillor's expense), where such training must include a proper assessment and determination of conflicts of interest (s150AR(1)(b)(iii)) 3. Pay to the local government an amount of \$500.00 within 90 days from the date of receipt of this order (s150AR(10)(b)(iv)).

s187 Administrative action complaints

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

Cloncurry Shire Council acknowledges the right of customers to provide feedback, both positive and negative, on the services it provides and the decisions it makes. It also understands that there are occasions when people may wish to lodge a complaint. Our Council will deal with complaints fairly, promptly and professionally and is committed to building the capacity of staff to effectively manage complaints in an environment of continuous improvement. Council adopted its Administrative Actions Complaints Management Policy in October 2019 which established a Complaints Process that ensures compliance with the provisions Local Government Act 2009 and Regulations. This Policy aims to achieve an effective and transparent method of responding to complaints regarding Council services, administrative actions and competitive neutrality.

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

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

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

Item	No.
Number of AACs made to Council in 2021/22	7
Number of AACs resolved by Council under the CMP in 2021/22	4
Number of AACs not resolved by Council under the CMP in 2021/22	3
Number of AACs made and not resolved by Council under the CMP in the previous financial year	0

s188 Overseas Travel undertaken by Councillors or Employees

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

No overseas travel was taken by any Councillors or employees on behalf of the Cloncurry Shire Council in the year ending 30 June 2022.

s189 Grants or Discretionary Funds to Community Organisations

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

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

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

Total expenditure incurred on assistance to community organisations by Cloncurry Shire Council during the year ended 30 June 2022 was \$290,812.

Pursuant to section 189(2) of the Local Government Regulation 2012, there were no discretionary fund expenditure by Councillors for community organisations in 2021-2022.

Community Donations and Sponsorships

Community Organisation	Donation (\$) excluding GST
Flinders Medical Centre (FMC) Rental	\$94,595
FMC Provision of vehicle	\$10,000
Cloncurry State School Chaplaincy	\$30,000
Cloncurry Show Society	\$25,000
Cloncurry Stockman's Challenge	\$25,000
Curry Merry Muster Festival	\$25,000
Quamby Allsports Association	\$15,000
Cloncurry Race Club	\$15,000
QCWA - Rental	\$10,400
Cloncurry Historical Society	\$7,000
Dajarra Sports Club	\$5,000
Cloncurry Justice Association	\$5,000

Community Organisation	Donation (\$) excluding GST
PCYC – Diggers Dash	\$5,000
Refund – Branches Performing Arts	\$2,456
All Abilities Watersports Inc	\$2,200
Australian Junior Rodeo Association	\$1,700
Cloncurry Kindergarten	\$1,000
Mitakoodi Corporation – shop local cards	\$1,000
Sporting Bursaries	\$1,100
Rating Concession - Gun Club	\$3,324
Rating Concession - Scouts	\$2,257
Rating Concession - Historical Society	\$1,948
Rating Concession - RSL	\$1,571
Refund Hire - resident	\$161
Cloncurry State School Bursary	\$100
Total	\$290,812

All figures are rounded to the nearest dollar

Concessions to ratepayers for 2021-2022

Concessions from General Rates

- Cloncurry Pony Club
- Cloncurry Golf & Sports Club Inc.
- Roman Catholic Diocese of Townsville
- Trustees of Returned Services (RSL)
- Cloncurry Christian Church
- The Trustees Cloncurry Bowling Club
- The Uniting Church of Australia
- Mitakoodi Juhnjar Aboriginal Trust
- Corporate of the Synod Diocese of North QLD
- Cloncurry Kindergarten Association Inc.
- The Scout Association of Australia (Qld Branch)
- Roman Catholic Diocese of Townsville
- Dajarra Sports Club
- The Uniting Church in Australia Property Trust
- Airservices Australia
- North West QLD Water Pipeline P/L – Sunwater
- State of Queensland – state owned facilities, land & dwellings

s190 Other Contents

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

(a)	The Chief Executive Officer's assessment of the local government's progress towards implementing its 5-year corporate plan and annual operational plan;	Refer page 12-14
(b)	Particulars of other issues relevant to making an informed assessment of the local government's operations and performance in the Financial Year; <ul style="list-style-type: none">• Message from CEO• Community Financial Report	Pages 6-9 Pages 43-50
(c)	An annual operations report for each commercial business unit;	Not applicable
(d)	Details of any action taken for, and expenditure on, a service, facility, or activity; (i) Supplied by another Local Government under an agreement for conducting a joint government activity; and (ii) For which the Local Government levied special rates or charges for the Financial Year;	Page 36 Pages 37-40
(e)	The number of invitations to change tenders under section 228(7) during the Financial Year;	Page 40
(f)	A list of the registers kept by the local government;	Page 40
(g)	A summary of all concessions for rates and charges granted by the local government;	Pages 41-42
(h)	The report on the internal audit for the Financial Year;	Page 42
(i)	A summary of investigation notices given in the Financial Year under section 49 for competitive neutrality complaints;	Nil
(j)	The local government's responses in the Financial Year on the QCA's recommendations on any competitive neutrality complaints under section 52(3).	Nil

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

Council has no commercial business units to report on.

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

Council has no matters to report under this section.

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

PALMER STREET CLONCURRY

In accordance with s92 of the Local Government Act 2009 and s94 of the Local Government Regulation 2012 the Council resolved to levy the following special charge on the rateable land identified to provide for the special benefit to such land in accordance with the Overall Plan adopted at the budget meeting for the 2011/12 financial year. In relation to the rateable land described as Lot 5 RP743006, located at 19 Palmer Street, assessment 00663-00000-000, Council resolved at the budget meeting for 2011/12 that the old pump station be removed and a new pump station and fence installed. The total cost of these works was \$46,350. Council will continue to undertake maintenance to such works. Given that the work required specially benefited such land, Council, commencing in the 2011/12 financial year, levied a special charge on land at 19 Palmer Street Cloncurry being Assessment No. 00663-00000-000 to recover the costs incurred by Council to remove and install the new facility.

OVERALL PLAN

In relation to the rateable land described as Lot 5 RP743006, located at 19 Palmer Street, assessment 00663-00000-000, the special facility to be provided by Council is the removal of the old pump station and the installation of a new pump station and fence. The total cost of these works was \$46,350 and Council will continue to undertake maintenance to such works. The Special Charge shall be \$3,978.75 to be levied annually for a period of 20 years until 2030/31 so that Council may recover the cost of providing this facility. This will cover the initial capital costs incurred by Council to remove and install the new pump station, interest charges and redemption costs to service such capital outlay by Council. Council does and will continue to own and operate this pump station at its cost. If this facility in the future services more than this property, Council shall amend the special charge in accordance with the changed circumstances and the costs still to be recovered will be apportioned across all benefitted rateable lots.

ANNUAL IMPLEMENTATION PLAN

In relation to the rateable land described as Lot 5 RP743006, located at 19 Palmer Street, assessment A781 - 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 2021/22 financial year comprises continuation of the recovery of the costs of the capital outlay, interest charges and redemption costs identified in the Overall Plan.

MINE ACCESS ROADS

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

- Mining Lease 90068 (bearing Assessment No. A1554); and
- Mining Lease 5543, 5551 and 5556 (bearing Assessment No. A1604);

Council now intends to amend the Overall Plan pursuant to s94(9) of the Local Government Regulation 2012 and to adopt an Annual Implementation Plan pursuant to s94(6) of the Local Government Regulation 2012 for the 2021/22 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 s94(2)(b) of the Local Government Regulation 2012.

Service, facility or activity

The tenement holders of the Rateable Land use the Road in association with their activities on the Rateable Land. The service, facility or activity provided by Council under this special charge is increased maintenance to the Road, including bitumen seal application. The Road is approximately 53 kilometres in length and is approximately six (6) metres wide along its entire length. The use that the tenement holders make of the Rateable Land means that the tenement holders specially contribute 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. A1554: to pay 60% of the overall cost;
- Assessment No. A1604: to pay 40% of the overall cost.

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

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

AMENDED OVERALL PLAN

Activity	Annual Allowance (\$)
Description of service	
Bitumen Reseal of Duchess/ Phosphate/ Trekelano Road total kilometres - 53 @ forecast cost of \$35,000 per km in 2023-24	\$ 1,855,000
Total cost of work	
Bitumen Reseal (annual allowance for reseal in eight years, commencing 2016-17 – per annum up to and including 2023-24	\$231,875
Total for 2021-22	\$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 2021-22 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 2021-22 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	A1604	A1554	Total
	Annual Allocation	40%	60%	
1	2016/17	\$92,750	\$139,125	\$231,875
2	2017/18	\$92,750	\$139,125	\$231,875
3	2018/19	\$92,750	\$139,125	\$231,875
4	2019/20	\$92,750	\$139,125	\$231,875
5	2020/21	\$92,750	\$139,125	\$231,875
6	2021/22	\$92,750	\$139,125	\$231,875
7	2022/23	\$92,750	\$139,125	\$231,875
8	2023/24	\$92,750	\$139,125	\$231,875

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

- Assessment No. A1554 to pay 60% of the overall Annual Implementation Plan cost;
- Assessment No. A1604 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.

s190 (1)(e) Invitations to Tenderer's to change their Tender s222

There were no instances during 2021/22 financial year where persons who had submitted a tender to Council were invited to change their tenders.

s190 (1)(f) Registers and Public Documents

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

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

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

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

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

The Revenue Policy was adopted at the Ordinary Meeting held on 22 June 2021.

3.1 Budget 2021/2022 - Policies - Adoption of Revenue Policy Report

Moved: Cr Keyes

Seconded: Mayor Campbell

That Council adopt Revenue Policy COR 1005 v4.41 as presented, in accordance with Section 193 of the Local Government Regulation 2012 for the 2021/22 financial year.

CARRIED: 14.210622

The Revenue Statement was adopted at the Special Meeting held on 27 July 2021.

6.1 Budget Report 2021-2022

Moved: Mayor Campbell

Seconded: Cr V. Campbell

Pursuant to section 170A of the Local Government Act 2009 and sections 169 and 170 of the Local Government Regulation 2012 Council resolves to adopt the 2021/2022 Annual Budget, incorporating:

- 1. The statement of income and expenditure;***
- 2. The statement of financial position;***
- 3. The statement of cash flow;***
- 4. The statement of changes in equity;***
- 5. The long term financial forecast;***
- 6. The Revenue Statement;***
- 7. The Revenue Policy (adopted by Council resolution 14.210622 on 22 June 2021);***
- 8. The relevant measures of financial sustainability; and***
- 9. The total value of the change, expressed as a percentage, in the rates and utility charges levied for the financial year compared with the rates and utility charges levied in the previous budget.***

CARRIED: 02.210727

Rebate of Rates to Pensioners (as per Revenue Statement)

At Council's discretion, a rebate of 20% (to a maximum of \$200 per annum) of the gross rates and charges levied may be granted to aged, widowed, invalid or other pensioners who are eligible to receive the State Government Pensioner Rate Subsidy. They must reside on the land in question and use it only

as their principal place of residence. The land in question must not be used for any other purpose such as for commercial or agricultural purposes. This rebate/concession compliments the subsidy that is offered under the State Government's Pensioner Rate Subsidy Scheme.

Concession from General Rates (as per Revenue Statement)

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

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

The internal audit engagements for Cloncurry Shire Council for the 2021-22 financial years were as specified in the Internal Audit Plan developed by Council prior to the engagement of the Internal Auditors. The internal Audit Plan addressed three areas – Organisation Culture, Budget Processes and Procurement. Progress reports were prepared and presented to the Audit and Risk Committee at it's 1 June 2022 meeting.

Council's Internal Audit complies with Queensland Government legislative requirements for the conduct of internal auditing.

s190 (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.

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 2021 to 30 June 2022.

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 to Annexure A) for the period 1 July 2021 to 30 June 2022.

A Snapshot of the Financial Year 2021-2022

Cloncurry Shire Council has had a respectable 2021-2022 financial year.

The operating result for 2021-2022 was a deficit of \$5,207,335. The major impact was the decrease in borrowing costs of \$2,070,707 from refinancing five of Council's loans in 2020-2021, and an increase in depreciation of \$2,110,618.

Total fixed assets increased by \$23,303,070 following the completion and capitalisation of upgrades to Florence Clark Park, the Sewerage Treatment Plant and the sealing of Sedan Dip Road. Cash reserves as at 30 June 2022 are \$21,176,080, which \$5,169,956 up on previous years.

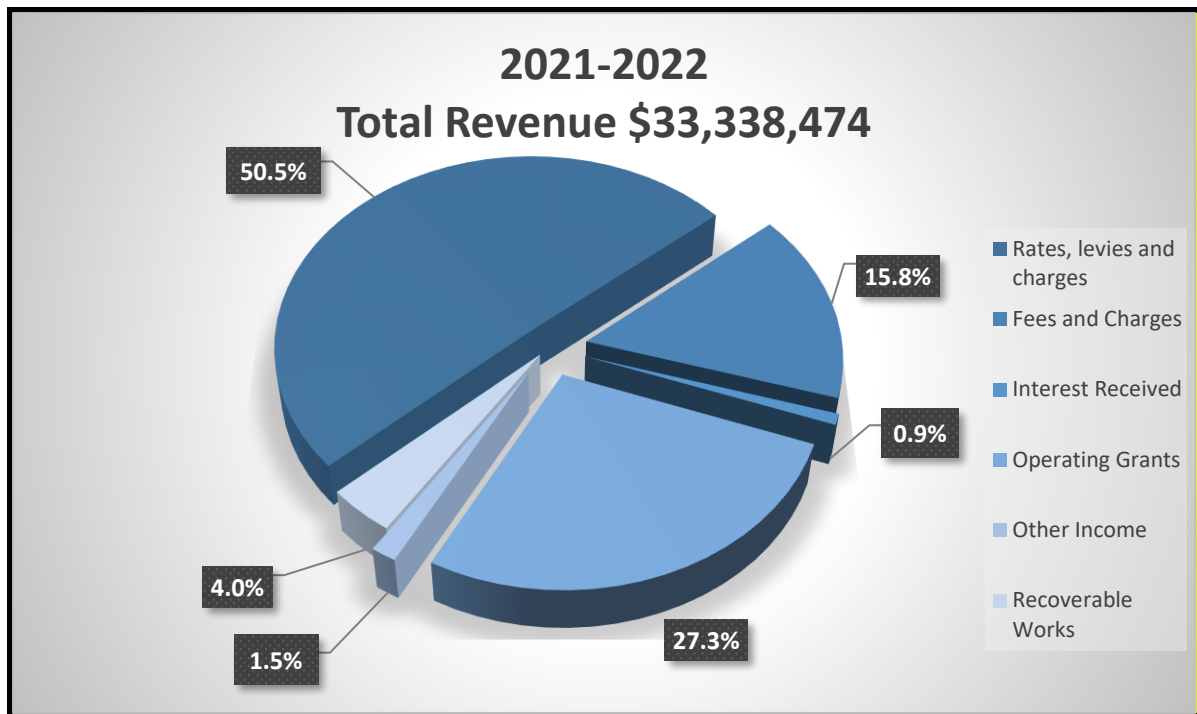
Below is a summary of Cloncurry Shire Council's financial statements (Operating) for the year ended 30 June 2022.

COMPREHENSIVE INCOME 2021 - 2022

	2021-2022	2020-2021
OPERATING REVENUE	33,338,474	33,515,509
OPERATING EXPENSES	(38,545,809)	(40,100,004)
OPERATING DEFICIT	(5,207,335)	(6,584,495)
CAPITAL INCOME	7,154,120	25,886,224
CAPITAL EXPENSES	(165,795)	(396,710)
CAPITAL SURPLUS	6,988,325	25,489,514
NET RESULT	1,780,990	18,905,018
INCREASE IN ASSET REVALUATION RESERVE	25,803,249	2,961,867
TOTAL OTHER COMPREHENSIVE INCOME	27,584,239	21,866,886

Revenue – where did the money come from?

Council received \$33,338,574 in operating revenue and other income for the 2021-2022 financial year; the airport passenger taxes exceeded the 2020-21 numbers while saleyards revenue increased due to an increase in cattle movements.



Rates, Levies and Charges

Revenue from rates and charges contributed 50.5% 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 \$16,843,036.

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 \$5,270,312 for 2021-2022. This was 15.8% of total operating revenue.

Interest Received

Council earned \$300,678 in interest representing 0.9% of operating revenue in the 2021-2022 financial year.

Operating Grants and Subsidies

Revenue sourced from grants and subsidies totalled \$9,087,103 or 27.3% 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 \$7,945,691 was received and this was \$2,468,649 more than the 2020-2021 allocation.

Other Income

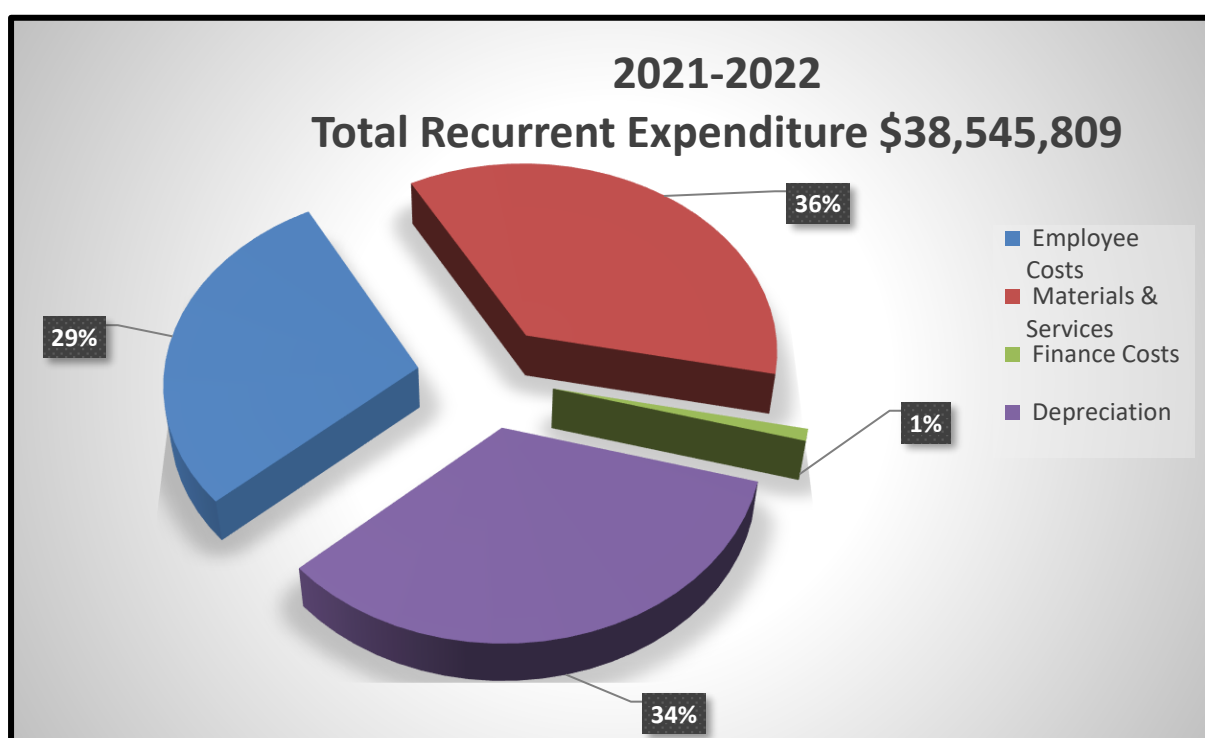
Consists of revenue from rental and lease income from Council owned and maintained properties. This revenue stream includes St Andrews Garden Settlement and net proceeds from the disposal of property, plant and equipment. The amount totalled \$501,827.

Recoverable works

A secondary source of income for Council is sales and recoverable works totalling \$1,335,518.

Expenses – where was the money spent?

Council's total recurrent expenditure for the 2021-2022 financial year was \$38,545,809. The largest impacts were a decrease of \$2,084,094 in material and services and \$2,070,707 in finance costs, and an increase in depreciation charges of \$2,110,618.



Employee Costs

Employee benefits are the third largest cost to Council. For the year ended 30 June 2022 these costs totalled \$11,064,091 which consists of staff wages and salaries, leave entitlements and superannuation.

Materials and Services

Material and services costs are the largest expense item for Council. For the year ended 30 June 2022 these costs totalled \$13,974,030 a decrease of \$2,084,094 attributable to the decrease in material and services costs for recoverable works projects that was offset by reductions in recoverable works income.

Finance Costs

To take advantage of the lower rates, and at the invitation of the Queensland Treasury Corporation, Council refinanced five of its' loans in 2020-2021, reducing the loan interest rate from an average 6.3% to 2.3%. This reduced Council's annual interest repayments by \$198,192 in 2021-2022.

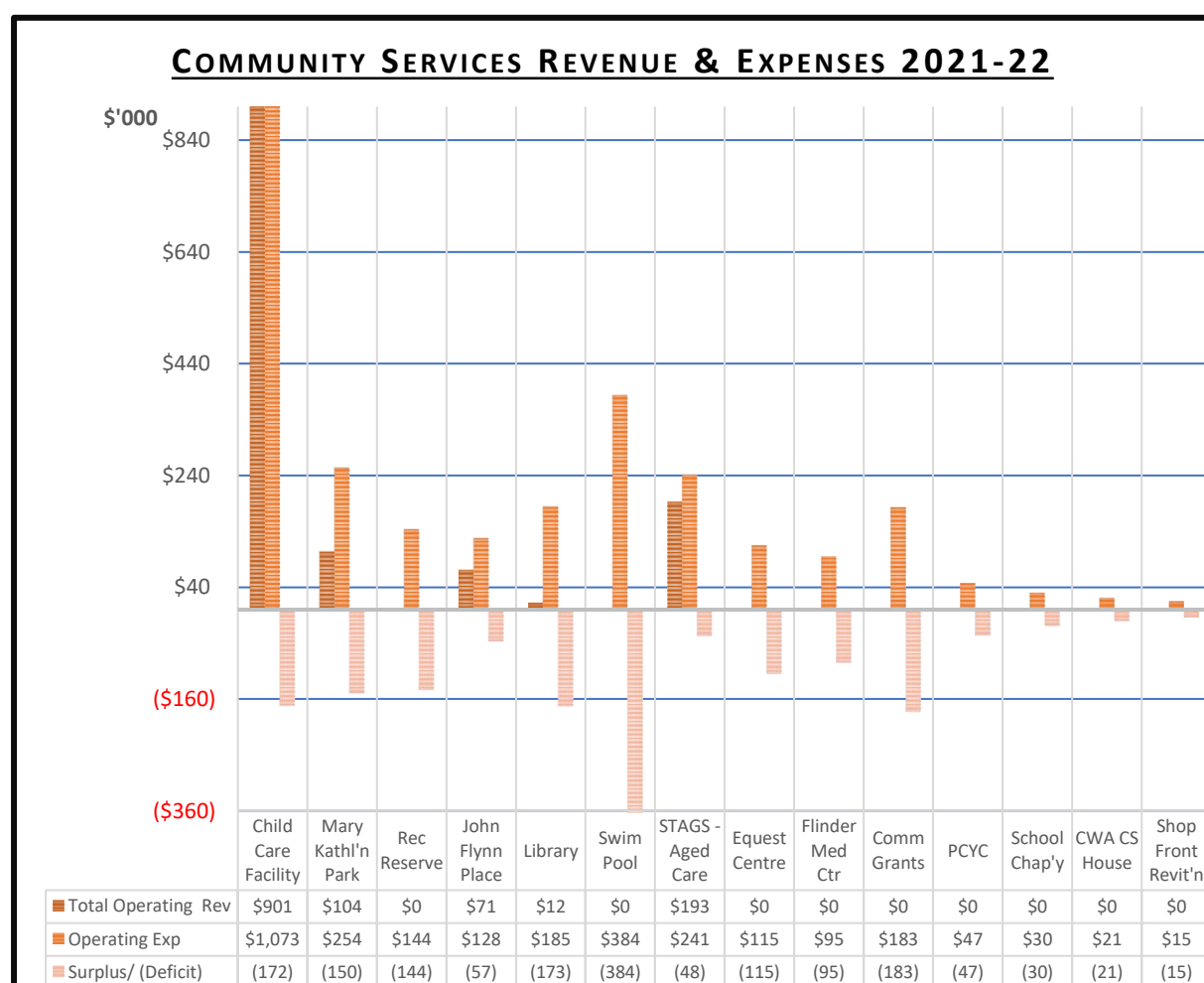
Depreciation

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 2022 depreciation costs totalled \$13,126,025, an increase of \$2,110,618 over the previous year.

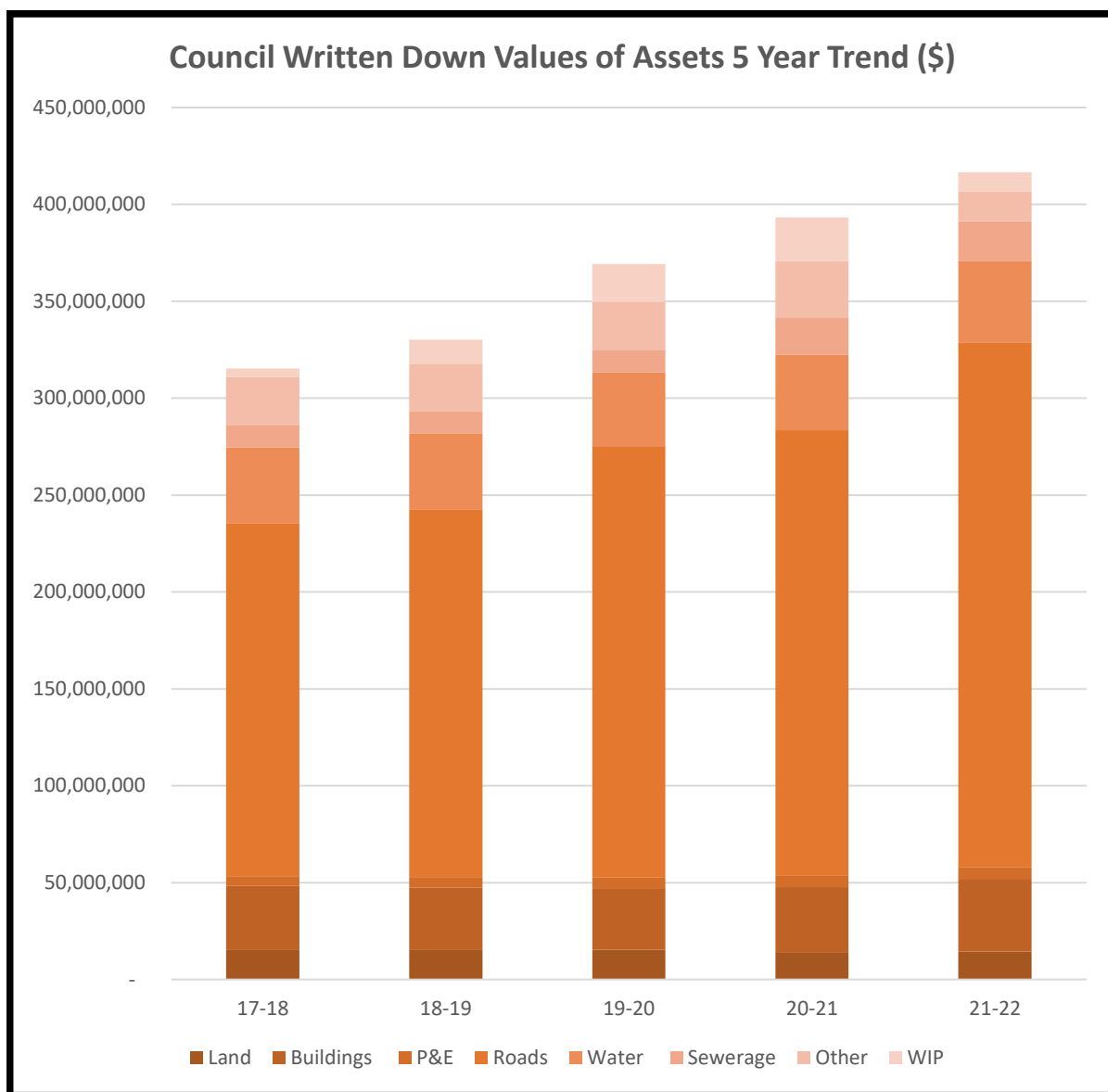
Services to Community

In accordance with the Corporate Plan 2021-2026, the key strategic directive of our family friendly Shire and supportive community spirit are underpinned by sustainable facilities and institutions that promote positive community, health, educational and recreational outcomes. Council provided \$1,632,392 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, Child Care Facility and PCYC.



Capital Expenditure

In 2021-2022 Council's spend on capital works totalled \$11,035,852. This includes \$3,019,925 on Sir Hudson Fysh Drive widening, \$1,052,582 in Flood Damage (NDRRA) works, Riverwell project of \$1,187,508, Cemetery Revitalisation of \$613,540, Saleyards Bull Pens of \$524,682 and Dajarra Water Treatment Plant upgrades of \$270,524. A desktop revaluation/indexation of Council's land and buildings, water and sewerage assets resulted in an increase of \$25,803,249 in asset values.

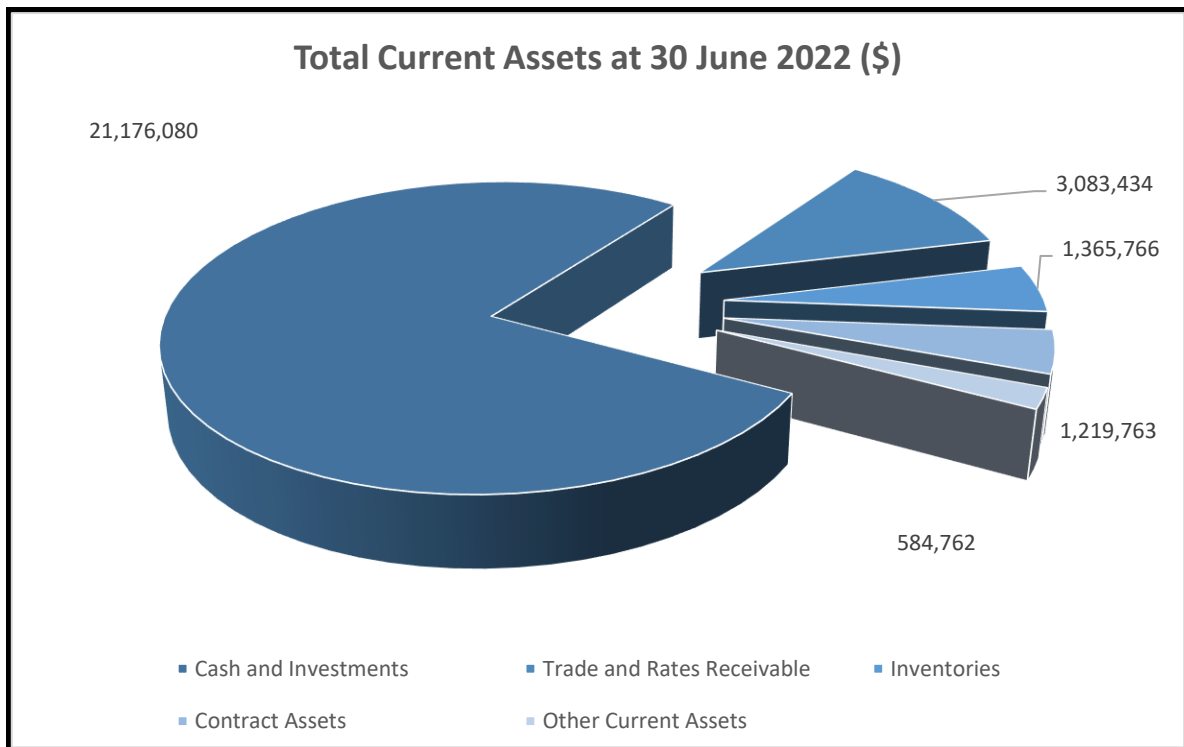


Assets - What We Own?

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 2022 the value of Council's assets was \$443,970,627 of which \$27,429,805 are current assets (cash, receivables and inventory) and \$416,540,822 in non-current assets (Council's service delivery infrastructure).

Contract assets totalling \$1,219,763 is the amount receivable in grants equal to the amount of eligible costs expended on funded projects less grants received to 30 June 2022.

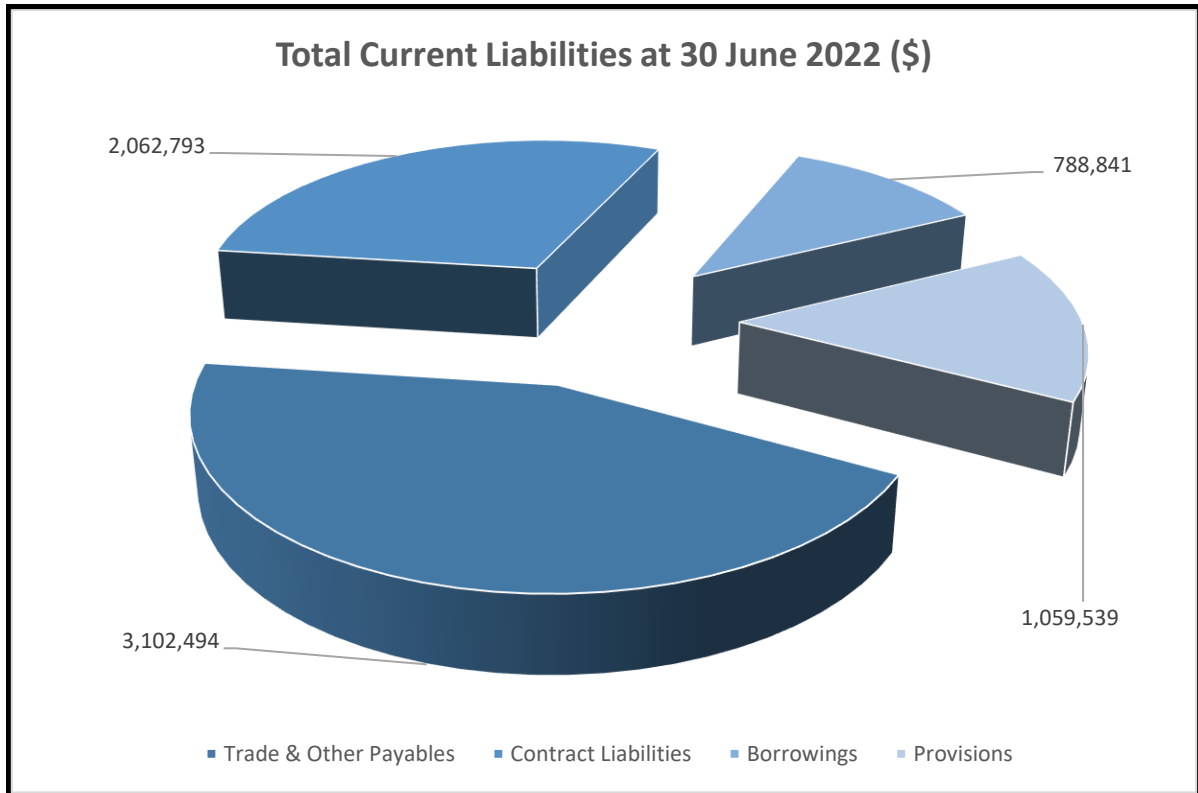


Liabilities - What We Owe?

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 2022 liabilities totalled \$19,682,076 which are split into:

Current liabilities of \$7,013,667 which include \$3,102,494 in payables to suppliers, \$788,841 in loans payable in the next financial year and employee entitlements of \$1,059,539 and contract liabilities of \$2,062,793. These are grants received in advance where eligible expenditure has yet to match the upfront amount received.

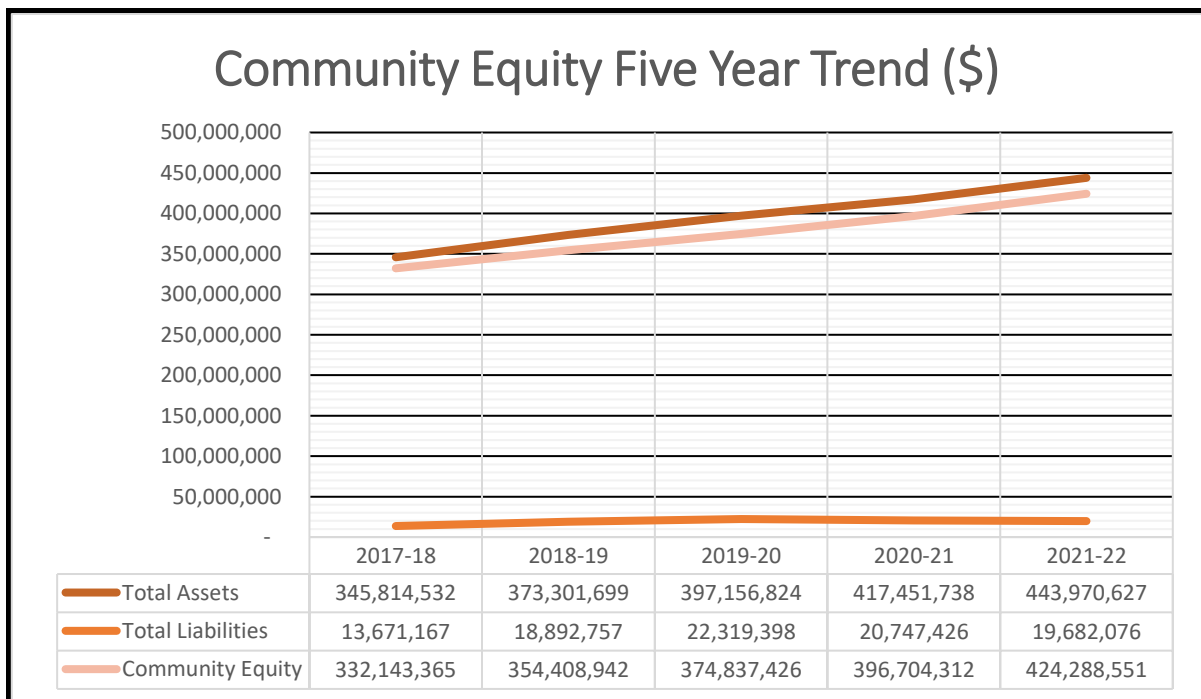
Non-current liabilities of \$12,668,409 include the balance of Council's loans payable at 30 June 2022, provisions for gravel pits and refuse rehabilitation and employees long service leave.



Community Equity – Council’s net worth

Council’s community equity is defined as its net worth – what we own less what we owe.

Cloncurry Shire Council’s community equity at 30 June 2022 was \$424,288,551 which includes an asset revaluation surplus of \$128,194,491.



Measures of Financial Sustainability

The Audited Financial Statements support this Community Financial Report - refer Annexure A. With a cash balance of \$21,176,080 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	2021-22 RATIO	TARGET	DESCRIPTION
ASSET SUSTAINABILITY RATIO	87.55%	Greater than 90%	The extent to which infrastructure assets are being renewed as they reach the end of their useful lives.
OPERATING SURPLUS RATIO	-15.62%	Between 0% – 10%	The extent to which revenues raised cover operational costs; this includes depreciation expenses and the cost of refinancing Council borrowings.
NET FINANCIAL LIABILITIES RATIO	-23.24%	Not greater than 60%	An indicator of the extent to which the net financial liabilities of Council can be serviced by its operating revenues.

Cloncurry Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Cloncurry Shire Council

General Purpose Financial Statements

for the year ended 30 June 2022

Contents	Page
Primary Financial Statements	
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	
1 Information about these financial statements	7
2a Analysis of results by function – component descriptions	9
2b Analysis of results by function	10
3 Revenue	11
4 Interest and other income	14
5 Employee benefits	14
6 Materials and services	15
7 Finance costs	15
8 Capital expenses	16
9 Cash, cash equivalents and financial assets	16
10 Receivables	17
11 Inventories	19
12 Other assets	19
13 Property, plant and equipment	20
14 Contract balances	27
15 Leases	28
16 Payables	29
17 Borrowings	29
18 Provisions	30
19 Asset revaluation surplus	31
20 Commitments for expenditure	32
21 Contingent liabilities	32
22 Superannuation	33
23 Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities	34
24 Reconciliation of liabilities arising from finance activities	34
25 Events after the reporting period	35
26 Financial instruments and financial risk management	35
27 Trust funds	38
28 Transactions with related parties	38
Management Certificate	41
Independent Auditor's Report	42
Current Year Financial Sustainability Statement	45
Certificate of Accuracy	46
Independent Auditor's Report - Current Year Financial Sustainability Statement	47

Cloncurry Shire Council

General Purpose Financial Statements

for the year ended 30 June 2022

Contents	Page
Unaudited Long Term Financial Sustainability Statement	50
Certificate of Accuracy - Long Term Financial Sustainability Statement	51

Cloncurry Shire Council

Statement of Comprehensive Income for the year ended 30 June 2022

	Notes	2022 \$	2021 \$
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3a	16,843,036	15,585,087
Fees and charges	3b	5,270,312	4,643,029
Sales revenue	3c	1,335,518	4,412,466
Grants, subsidies, contributions and donations	3d(i)	9,087,103	7,360,547
Total recurrent revenue		32,535,969	32,001,129
Capital revenue			
Grants, subsidies, contributions and donations	3d(ii)	7,154,120	25,886,223
Total capital revenue		7,154,120	25,886,223
Other income			
Rental Income	15	501,827	510,109
Interest received	4	300,678	287,648
Sale of land		—	716,624
Total other income		802,505	1,514,381
Total income		40,492,594	59,401,733
Expenses			
Recurrent expenses			
Employee benefits	5	11,064,091	10,574,103
Materials and services	6	13,974,030	16,058,124
Finance costs	7	381,663	2,452,370
Depreciation and amortisation:			
- Property, plant and equipment	13	13,126,025	11,015,407
Total recurrent expenses		38,545,809	40,100,004
Other expenses			
Capital Expenses	8	165,795	396,710
Total other expenses		165,795	396,710
Total expenses		38,711,604	40,496,714
Operating result		1,780,990	18,905,019
Net Result		1,780,990	18,905,019
Other comprehensive income			
Amounts which will not be reclassified subsequently to the operating result			
Increase / (decrease) in asset revaluation surplus	19	25,803,249	2,961,867
Total other comprehensive income for the year		25,803,249	2,961,867
Total comprehensive income for the year		27,584,239	21,866,886

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

Cloncurry Shire Council

Statement of Financial Position

as at 30 June 2022

	Notes	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	9	21,176,080	16,006,124
Receivables	10	3,083,434	3,926,455
Inventories	11	1,365,766	1,485,601
Contract assets	14	1,219,763	2,374,951
Other assets	12	584,762	420,854
Total current assets		27,429,805	24,213,985
Non-current assets			
Property, plant and equipment	13	416,540,822	393,237,752
Total non-current assets		416,540,822	393,237,752
Total Assets		443,970,627	417,451,737
Liabilities			
Current liabilities			
Payables	16	3,102,494	3,272,573
Contract liabilities	14	2,062,793	2,035,475
Borrowings	17	788,841	759,210
Provisions	18	1,059,539	1,199,397
Total current liabilities		7,013,667	7,266,655
Non-current liabilities			
Borrowings	17	12,166,403	12,955,244
Provisions	18	502,006	525,526
Total non-current liabilities		12,668,409	13,480,770
Total Liabilities		19,682,076	20,747,425
Net community assets		424,288,551	396,704,312
Community equity			
Asset revaluation surplus	19	128,194,491	102,391,242
Retained surplus		296,094,060	294,313,070
Total community equity		424,288,551	396,704,312

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

Cloncurry Shire Council

Statement of Changes in Equity for the year ended 30 June 2022

	Notes	Asset revaluation surplus \$	Retained surplus \$	Total equity \$
2022				
Balance as at 1 July		102,391,242	294,313,070	396,704,312
Net result		–	1,780,990	1,780,990
Other comprehensive income for the year				
- Increase/(decrease) in asset revaluation surplus	19	25,803,249	–	25,803,249
Other comprehensive income		25,803,249	–	25,803,249
Total comprehensive income for the year		25,803,249	1,780,990	27,584,239
Balance as at 30 June		128,194,491	296,094,060	424,288,551
2021				
Balance as at 1 July		99,429,375	275,408,051	374,837,426
Net result		–	18,905,019	18,905,019
Other comprehensive income for the year				
- Increase/(decrease) in asset revaluation surplus	19	2,961,867	–	2,961,867
Other comprehensive income		2,961,867	–	2,961,867
Total comprehensive income for the year		2,961,867	18,905,019	21,866,886
Balance as at 30 June		102,391,242	294,313,070	396,704,312

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

Cloncurry Shire Council

Statement of Cash Flows

for the year ended 30 June 2022

	Notes	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers		26,561,555	40,210,745
Payments to suppliers and employees		(27,698,443)	(41,424,774)
		(1,136,888)	(1,214,029)
Receipts			
Interest received		300,678	287,647
Rental income		501,827	510,109
Non capital grants and contributions		9,294,222	7,441,950
Payments			
Borrowing costs		(368,578)	(672,959)
Net cash inflow/(outflow) from operating activities	23	8,591,261	6,352,718
Cash flows from investing activities			
Receipts			
Proceeds from sale of property, plant and equipment		235,024	299,273
Grants, subsidies, contributions and donations		8,129,506	21,894,998
Payments			
Payments for property, plant and equipment		(11,026,625)	(32,745,310)
Net cash inflow/(outflow) from investing activities		(2,662,095)	(10,551,039)
Cash flows from financing activities			
Payments			
Repayment of borrowings		(759,210)	(847,904)
Net cash flow inflow/(outflow) from financing activities		(759,210)	(847,904)
Net increase/(decrease) in cash and cash equivalents held		5,169,956	(5,046,225)
plus: cash and cash equivalents - beginning		16,006,124	21,052,349
Cash and cash equivalents at the end of the financial year	9	21,176,080	16,006,124

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

Cloncurry Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 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 2021 to 30 June 2022 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

These financial statements have been prepared under the historical cost convention except for the revaluation of certain classes of property, plant and equipment, and 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 and Interpretations as applicable to not-for-profit entities.

(b) New and revised Accounting Standards adopted during the year

Cloncurry Shire Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2021, none of the standards had a material impact on reported position, performance and cash flows.

(c) Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2022, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these statements that could be applicable to Council.

Effective for NFP annual reporting periods beginning on or after 1 January 2023

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and associated standards.

(d) 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 - Note 3
- Valuation and depreciation of property, plant and equipment - Note 13
- Provisions - Note 18
- Contingent liabilities - Note 21

(e) Rounding and comparatives

The financial statements are denominated in Australian Dollars and have been rounded to the nearest \$1.

Cloncurry Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 1. Information about these financial statements

(f) Volunteer services

Council has a range of activities and events that happen within the community and as such receives volunteer services provided by individuals and organisations. None of these volunteer activities have ever been considered a subject of purchase, so that the fair value of the services provided cannot be reliably measured. An exhaustive search for these volunteer actions would need to be performed to reach some measure of fair value.

For staff who have contributed their time to community events, Council adopted a Community Event Policy COR1039 in June 2020, that allows 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 employees accrued leave entitlements. The impact is measured and reported in the statement of comprehensive income at employee benefits.

(g) Taxation

Council is exempt from Federal Income Tax and 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) 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 16

Borrowings - measured at amortised cost - Note 17

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

Cloncurry Shire Council does not recognise financial assets or financial liabilities at fair value in the Statement of Financial Position.

All other disclosures relating to the measurement and financial risk management of financial instruments are included in Note 26.

Cloncurry Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 2a. Analysis of results by function – component descriptions

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:

- Childcare services;
- Libraries;
- 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 2022

Note 2b. Analysis of results by function

Functions	Gross program income			Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net result	Total assets
	Recurring grants	Recurring other	Capital grants		Recurring	Capital				
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2022										
Corporate Governance	—	25,104	—	25,104	(1,938,667)	—	(1,938,667)	(1,913,563)	(1,913,563)	—
Finance and information	6,706,020	12,970,510	—	19,676,530	(7,424,429)	(165,795)	(7,590,224)	12,252,101	12,086,306	30,821,897
Community services	788,006	1,058,559	—	1,846,565	(3,349,349)	—	(3,349,349)	(1,502,784)	(1,502,784)	39,217,551
Planning and development	69,740	61,718	—	131,458	(427,362)	—	(427,362)	(295,904)	(295,904)	851,744
Transport infrastructure	1,523,337	5,186,200	5,850,080	12,559,617	(19,149,885)	—	(19,149,885)	(12,440,348)	(6,590,268)	303,668,284
Waste management	—	964,923	586,870	1,551,793	(1,221,737)	—	(1,221,737)	(256,814)	330,056	—
Water infrastructure	—	2,932,669	717,170	3,649,839	(3,485,845)	—	(3,485,845)	(553,176)	163,994	45,651,119
Sewerage infrastructure	—	1,051,688	—	1,051,688	(1,548,535)	—	(1,548,535)	(496,847)	(496,847)	23,760,032
Total	9,087,103	24,251,371	7,154,120	40,492,594	(38,545,809)	(165,795)	(38,711,604)	(5,207,335)	1,780,990	443,970,627
2021										
Corporate Governance	—	—	—	—	(1,011,258)	—	(1,011,258)	(1,011,258)	(1,011,258)	—
Finance and information	4,593,344	11,857,553	—	16,450,897	(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	2,903,426	(6,488,758)	—	(6,488,758)	(4,529,035)	(3,585,332)	67,097,910
Planning and development	75,747	421,728	—	497,475	(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	33,090,805	(17,923,987)	—	(17,923,987)	(8,179,264)	15,166,818	254,643,954
Waste management	—	1,104,034	—	1,104,034	(1,146,066)	—	(1,146,066)	(42,032)	(42,032)	—
Water infrastructure	—	2,805,494	210,867	3,016,361	(3,714,786)	—	(3,714,786)	(909,292)	(698,425)	39,738,076
Sewerage infrastructure	—	953,163	1,385,572	2,338,735	(996,370)	—	(996,370)	(43,207)	1,342,365	19,362,299
Total	7,360,547	26,154,962	25,886,224	59,401,733	(40,100,004)	(396,710)	(40,496,714)	(6,584,495)	18,905,019	417,451,738

Cloncurry Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 3. Revenue

	2022	2021
	\$	\$

(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	12,703,960	11,795,810
Separate rates	231,875	235,854
Water consumption	2,981,503	2,756,345
Sewerage	1,074,505	934,114
Waste management	902,729	823,442
Total rates and utility charge revenue	17,894,572	16,545,565
Less: discounts	(1,037,907)	(947,065)
Less: pensioner remissions	(13,629)	(13,413)
Total rates, levies and charges	16,843,036	15,585,087

(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 the licence is granted rather than over the term of the licence.

Building and development fees	52,053	29,408
Infringements	2,362	4,898
Licences and registrations	8,643	32,123
Airport fees and charges	3,613,188	3,059,713
Childcare fees and charges	379,735	289,223
Saleyard - dipping	435,287	461,417
Saleyard - weighing	274,160	205,674
Tourism, venues and events management fees	251,609	181,545
Water and sewerage connection fees	10,178	13,439
Waste Management Fees	83,129	217,129
Other fees and charges	159,968	148,460
Total fees and charges	5,270,312	4,643,029

Cloncurry Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 3. Revenue (continued)

(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.

	2022	2021
	\$	\$
Rendering of services		
Contract and recoverable works	1,300,673	4,412,466
Motor vehicle repairs	34,845	-
Total sales revenue	1,335,518	4,412,466

(d) Grants, subsidies, contributions and donations

Grant income under AASB 15

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 include for example, feral pig control by aerial and ground baiting, project to improve tourism direction signage to specific tourism attractions, subsidised traineeship of full-time trainees for 12 months and kindergarten support grant with conditions for Council to demonstrate to the Funding Body on an ongoing basis certain specific conditions being met, or 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.

Grant income under AASB 1058

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.

Capital grants

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.

Donations and contributions

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.

Cloncurry Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 3. Revenue (continued)

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.

	2022	2021
	\$	\$
(i) Operating		
Commonwealth general purpose grants	7,945,691	5,477,002
Commonwealth government subsidies and grants	520,672	576,286
State government subsidies and grants	300,472	450,593
Joint Commonwealth/State subsidies and grants	—	428,974
Donations	95,676	58,682
Contributions	224,592	369,010
Total grants, subsidies, contributions and donations	9,087,103	7,360,547

(ii) Capital

Commonwealth government subsidies and grants	1,446,140	2,989,948
State government subsidies and grants	2,925,025	4,192,114
Joint Commonwealth/State subsidies and grants	2,782,955	18,704,161
Total capital grants, subsidies, contributions and donations	7,154,120	25,886,223

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

	2022		2021	
	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	7,304,980	8,615,975	8,284,253	24,529,825
Donations	95,676	—	58,682	—
Contributions	224,592	—	360,774	13,236
	7,625,248	8,615,975	8,703,709	24,543,061

Cloncurry Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 4. Interest and other income

	2022	2021
	\$	\$
Interest received		
Interest received from bank and term deposits is accrued over the term of the investment.		
Interest received from financial institutions	104,270	104,427
Interest from overdue rates and utility charges	196,408	183,221
Total interest received	300,678	287,648

Note 5. Employee benefits

	Notes	2022	2021
		\$	\$
Employee benefit expenses are recorded when the service has been provided by the employee.			
Wages and salaries		8,800,298	8,297,079
Councillors remuneration		379,507	379,507
Annual and long service leave entitlements		865,079	951,223
Fringe benefits tax (FBT)		50,660	32,962
Superannuation	22	880,168	851,714
		10,975,712	10,512,485
Other employee related expenses		403,809	299,149
		11,379,521	10,811,634
Less: capitalised employee expenses		(315,430)	(237,531)
Total Employee benefits		11,064,091	10,574,103

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

	2022	2021
	Number	Number
Total Council employees at the reporting date:		
Elected members	6	6
Administration staff	64	59
Depot and outdoors staff	41	39
Total full time equivalent employees	111	104

Cloncurry Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 6. Materials and services

	2022 \$	2021 \$
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 *	70,958	74,500
Audit fees - internal audit and audit committee	35,666	—
Advertising, marketing and promotion	114,208	61,706
Cleaning	281,548	186,231
Conferences, catering and community engagement	34,582	105,862
Communications and IT	408,143	476,005
Consultants	604,918	708,594
Contractors	4,598,262	5,288,256
Donations, sponsorships and grants	432,417	268,762
Equipment and tools	231,917	263,152
Fleet and plant costs	561,271	216,446
Insurance	763,931	725,492
Legal costs	564,977	175,394
Materials and services	862,305	3,828,849
Materials - Water allocation: Lake Jullus	453,047	467,243
Postage, printing and stationery	50,498	64,112
Power	697,609	583,233
Rates and charges	370,372	31,288
Rentals - operating leases	33,825	—
Recruitment	199,266	176,083
Repairs and maintenance	1,611,770	1,563,018
Subscriptions, licenses and registrations	581,065	427,774
Training and staff amenities	202,869	208,791
Travel	111,035	51,389
Uniforms, safety equipment and first aid	69,021	51,258
Valuation costs	28,550	54,686
Total materials and services	13,974,030	16,058,124

* Total audit fees quoted by the Queensland Audit Office relating to 2021-22 financial statements are \$75,960 (2021: \$74,500).

Note 7. 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) on 28 April 2021. 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.

	2022	2021
Loan beginning balance	-	12,782,947
Loan refinance effects	-	(7,400,003)
- Repayment of loans	-	9,179,414
- Refinanced loans	-	(847,904)
less: principal repayments	-	13,714,454

Cloncurry Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 7. Finance costs (continued)

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

	2022	2021
	\$	\$
Finance costs charged by the Queensland Treasury Corporation	316,142	514,334
Bank charges	57,245	54,097
Loss on refinancing capital loans	-	1,726,305
Bad debts written-off	83,407	156,155
Reversal of doubtful debt provision	(83,407)	-
Unwinding of discounts on restoration provisions	8,276	1,479
Total finance costs	381,663	2,452,370

Note 8. Capital expenses

		2022	2021
	Notes	\$	\$
Loss on disposal of non-current assets			
Proceeds from the disposal of property, plant and equipment		235,024	299,273
Less: carrying value of disposed property, plant and equipment	13	(400,819)	(695,983)
Loss on disposal of non-current assets		165,795	396,710

Note 9. Cash, cash equivalents and financial assets

	2022	2021
	\$	\$

Cash and cash equivalents in the statement of cash flows includes cash on hand, all cash and cheques received 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 and cash equivalents

Cash at bank and on hand	2,739,271	2,539,374
Deposits at call	18,436,809	13,466,750
Balance per Statement of Financial Position	21,176,080	16,006,124
Balance per Statement of Cash flows	21,176,080	16,006,124

Restricted and internally allocated cash and cash equivalents

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-, the likelihood of the counterparty not having capacity to meet its financial commitments is low.

Cloncurry Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 9. Cash, cash equivalents and financial assets (continued)

	2022	2021
	\$	\$
Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:		
(I) Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:		
Unspent government grants and subsidies	2,062,793	2,035,475
Special Road Reserve - In accordance with Annual Implementation Plan 2021-22	1,391,250	1,159,375
Total externally imposed restrictions on cash assets	3,454,043	3,194,850

Note 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 regularly assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written-off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue.

Interest charged on outstanding rates during the year was at a rate of 8.03% per annum. No interest is charged on other debtors.

	2022	2021
	\$	\$
Current		
Rateable revenue and utility charges	2,682,900	2,843,709
Other debtors	1,016,500	1,782,119
Total	3,699,400	4,625,828
less: loss allowances		
Impairment or provision for doubtful debts	(615,966)	(699,373)
Total loss allowances	(615,966)	(699,373)
Total current receivables	3,083,434	3,926,455

Cloncurry Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 10. Receivables (continued)

Accounting policies

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 is recognised in finance costs. The amount of the impairment is the difference between the receivables carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

Because Council is empowered under the provisions of the *Local Government Act 2009* to sell and owner's property to recover outstanding rates debts, Council does not generally impair any rates receivables. This does not however apply where the rateable property is land with negligible value. Impairment of rates and charges will only occur if arrears are deemed to be greater than the proceeds Council would receive from the sale of the respective property.

When Council has no reasonable expectation of recovering an amount owned by a debtor, and has ceased enforcement activity, the debt is written-off by directly reducing the receivable against the loss allowance. If the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss.

Accounting for impairment losses is dependent upon the individual group of receivables subject to impairment. The loss allowance for grouped receivables reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information. Economic changes impacting debtors, and relevant industry data form part of the impairment assessment.

Council has identified 2 distinctive groupings of its receivables: Rateable revenue and utility charges and Other debtors. Council identifies other debtors as receivables which are not rates and charges.

	2022 \$	2021 \$
Movement in accumulated impairment losses is as follows:		
Opening balance at 1 July	699,373	546,071
Less: Debts written off during the year	(83,407)	–
Additional impairments recognised	–	153,302
Closing Balance at 30 June	615,966	699,373

The impairment loss relates to other debtors.

Expected credit loss assessment

The Council uses an allowance matrix to measure the expected credit losses of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

All amounts that were written off during the reporting period and are no longer subject to enforcement activity.

Cloncurry Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 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. Any costs of developments are allocated to the relevant parcel. 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 the signing of a valid unconditional contract of 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.

	2022	2021
	\$	\$
Current Inventories		
(a) Inventories held for sale		
Trading stock	50,498	37,346
	50,498	37,346
(b) Inventories held for distribution		
Plant and equipment stores	173,268	231,594
	173,268	231,594
(c) Land purchased for development and sale		
Land purchased for development and sale	1,142,000	1,216,661
Total inventories	1,365,766	1,485,601

Land held for development and sale

	2022	2021
	\$	\$
Opening balance	1,216,661	1,933,285
less: Sale of land	-	(716,624)
less: Writedown of carrying value	(74,661)	-
	1,142,000	1,216,661
Classified as		
Current	1,142,000	1,216,661
	1,142,000	1,216,661

Note 12. Other assets

	2022	2021
	\$	\$
Current		
GST recoverable	439,934	208,138
Prepayments	144,828	212,716
Total current other assets	584,762	420,854

Cloncurry Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 13. Property, plant and equipment

	Land \$	Buildings \$	Plant and equipment \$	Road and bridge network \$	Water \$	Sewerage \$	Other structures \$	Work in progress \$	Total \$
2022									
Measurement basis	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	–
Opening gross balance	14,115,400	54,130,264	11,038,761	285,643,710	67,463,632	27,610,457	36,319,803	22,527,566	518,849,593
Additions	–	–	–	–	–	–	–	11,035,852	11,035,852
Disposals	–	(18,400)	(601,973)	(298,430)	(50,066)	–	(46,350)	–	(1,015,219)
Revaluation increments to equity (ARS)	–	5,068,617	–	22,050,006	4,944,248	2,051,908	805,626	–	34,920,405
Work in progress transfers	306,569	526,199	1,394,639	17,537,372	1,372,463	776,079	1,833,842	(23,747,163)	–
Adjustments and other transfers	–	2,275,621	26,250	15,500,080	(26,250)	–	(17,775,701)	–	–
Total gross value of property, plant and equipment	14,421,969	61,982,301	11,857,677	340,432,738	73,704,027	30,438,444	21,137,220	9,816,255	563,790,631
Opening accumulated depreciation and impairment	–	20,645,927	5,127,797	55,696,600	28,568,775	8,521,868	7,050,874	–	125,611,841
Depreciation expense	–	1,447,731	1,063,875	8,218,036	1,253,775	532,874	609,734	–	13,126,025
Disposals	–	(6,440)	(463,762)	(99,006)	(7,220)	–	(28,785)	–	(605,213)
Revaluation increments to equity (ARS)	–	1,903,111	–	4,072,632	2,123,813	645,996	371,604	–	9,117,156
Adjustments and other transfers	–	520,051	9,187	1,728,848	(9,187)	–	(2,248,899)	–	–
Total accumulated depreciation and impairment property, plant and equipment	–	24,510,380	5,737,097	69,617,110	31,929,956	9,700,738	5,754,528	–	147,249,809
Total net book value of property, plant and equipment	14,421,969	37,471,921	6,120,580	270,815,628	41,774,071	20,737,706	15,382,692	9,816,255	416,540,822
Other information									
Range of estimated useful life (years)	Land not depreciated	20-60	2-20	5-1000+	20-60	20-60	20-40		–
*Asset additions comprise									
Asset renewals	–	281,177	1,093,554	7,893,429	608,623	404,908	1,372,542	–	11,654,233
Other additions	306,569	245,022	301,085	9,643,943	763,840	371,171	461,300	–	12,092,930
Total asset additions	306,569	526,199	1,394,639	17,537,372	1,372,463	776,079	1,833,842	–	23,747,163

Cloncurry Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 13. Property, plant and equipment (continued)

	Land \$	Buildings \$	Plant and equipment \$	Road and bridge network \$	Water \$	Sewerage \$	Other structures \$	Work in progress \$	Total \$
2021									
Measurement basis	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	—
Opening gross balance	15,348,725	51,388,796	10,564,513	271,411,073	61,015,409	19,344,204	31,755,168	19,622,923	480,450,811
Additions	—	—	—	—	—	—	—	32,745,307	32,745,307
Disposals	(14,200)	—	(687,855)	—	(78,625)	(555,450)	—	—	(1,336,130)
Revaluation increments to equity (ARS)	(1,277,728)	770,332	—	—	5,709,467	1,309,844	477,690	—	6,989,605
Work in progress transfers	58,603	1,971,136	1,274,280	14,459,492	746,485	7,521,075	3,809,593	(29,840,664)	—
Adjustments and other transfers	—	—	(112,177)	(226,855)	70,896	(9,216)	277,352	—	—
Total gross value of property, plant and equipment	14,115,400	54,130,264	11,038,761	285,643,710	67,463,632	27,610,457	36,319,803	22,527,566	518,849,593
Opening accumulated depreciation and impairment	—	20,058,210	4,686,806	49,013,522	22,636,615	7,975,775	6,837,915	—	111,208,843
Depreciation expense	—	1,188,727	880,176	6,683,078	1,044,669	339,184	879,573	—	11,015,407
Disposals	—	—	(438,426)	—	(20,002)	(181,719)	—	—	(640,147)
Revaluation increments to equity (ARS)	—	(601,010)	—	—	4,907,493	388,628	(667,373)	—	4,027,738
Adjustments and other transfers	—	—	(759)	—	—	—	759	—	—
Total accumulated depreciation and impairment property, plant and equipment	—	20,645,927	5,127,797	55,696,600	28,568,775	8,521,868	7,050,874	—	125,611,841
Total net book value of property, plant and equipment	14,115,400	33,484,337	5,910,964	229,947,110	38,894,857	19,088,589	29,268,929	22,527,566	393,237,752
Other information									
Range of estimated useful life (years)	Land not depreciated	20-60	2-20	5-1000+	20-60	20-60	20-40		—
*Asset additions comprise									
Asset renewals	—	648,902	—	9,164,458	355,101	185,487	1,312,109	—	11,666,057
Other additions	58,603	1,322,234	1,274,280	5,295,034	391,384	7,335,588	2,497,484	—	18,174,607
Total asset additions	58,603	1,971,136	1,274,280	14,459,492	746,485	7,521,075	3,809,593	—	29,840,664

continued on next page ...

Cloncurry Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 13. Property, plant and equipment (continued)

(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.

Acquisition of assets

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

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

Routine operating maintenance and repair costs 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 when an asset is ready for use.

Land and work-in-progress are not depreciated.

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 components, these components are assigned separate useful lives.

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.

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

Depreciation methods, estimated useful lives and residual values 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 13.

Cloncurry Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 13. Property, plant and equipment (continued)

(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. Any amount left over after utilisation of asset revaluation surplus of the relevant asset class is recognised as an expense in the Statement of Comprehensive Income.

Revaluation increases are recognised in the asset revaluation surplus unless they are reversing a previous decrease which was taken through the Statement of Comprehensive Income, in which case the increase is taken to the Statement of Comprehensive Income to the extent of the previous decrease.

(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 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.

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.

Valuation techniques:

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)

Cloncurry Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 13. Property, plant and equipment (continued)

Valuation techniques used to derive level 2 and level 3 fair values

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Land (Level 2)	Fair Value	30/06/2021	Australis Asset Advisory Service	0.00%	Not Applicable

Key assumptions and estimates (related data sources)

Indexation derived from reference to:

- observable, comparable local and North West Queensland sales data as applicable.

Buildings - residential (Level 2)	Fair Value	30/06/2021	Australis Asset Advisory Service	9.90%	Not Applicable
-----------------------------------	------------	------------	----------------------------------	-------	----------------

Key assumptions and estimates (related data sources)

Indexation derived from reference to:

- Observable, comparable local and North West Queensland sales data as applicable.
- Analysis of industry or sector indices, as well as price guides and quotes from market participants including Producer Price Indexes, ABS construction materials index, Wage index, Architectural, Engineering and Technical Services Index, available from the Australian Bureau of Statistics
- Building Cost Indices available from the Australian Institute of Quantity Surveyors (AIQS)
- Building Cost Indices available from construction guides (such as Rawlinsons).

Cloncurry Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 13. Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Buildings - commercial (Level 3) Other structures (Level 3)	Fair Value	30/06/2021	Australis Asset Advisory Service	7.35% - 9.45%	Not Applicable

Key assumptions and estimates (related data sources)

Indexation derived from reference to:

- Analysis of industry or sector indices, as well as price guides and quotes from market participants including Producer Price Indexes, ABS construction materials index, Wage index, Architectural, Engineering and Technical Services Index, available from the Australian Bureau of Statistics
- Building Cost Indices available from the Australian Institute of Quantity Surveyors (AIQS)
- Building Cost Indices available from construction guides (such as Rawlinsons).
- Actual costs incurred for similar assets/improvements constructed within North West Queensland.

Road and bridge network (Level 3)	Fair Value	30/06/2020	Australis	7.35%	Not Applicable
-----------------------------------	------------	------------	-----------	-------	----------------

Key assumptions and estimates (related data sources)

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;

Accumulated depreciation - assets were disaggregated into significant components and re-aggregated based on useful lives;

Indexation derived from reference to:

- Analysis of industry or sector indices, as well as price guides and quotes from market participants including Producer Price Indexes, ABS construction materials index, Wage index, Architectural, Engineering and Technical Services Index, available from the Australian Bureau of Statistics
- Engineering Cost Indices available from the Treasury Department
- Cost Indices available from construction guides (such as Rawlinsons)
- Discussions with local external or internal contractors and suppliers.
- Actual costs incurred for similar assets/improvements constructed within the North West Queensland regions.

Cloncurry Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 13. Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Water (Level 3) Sewerage (Level 3)	Fair Value	30/06/2021	Australis	5.49% - 8.68%	Not Applicable

Key assumptions and estimates (related data sources)

Indexation derived from reference to:

- Analysis of industry or sector indices, as well as price guides and quotes from market participants including Producer Price Indexes, ABS construction materials index, Wage index, Architectural, Engineering and Technical Services Index, available from the Australian Bureau of Statistics
- Engineering Cost Indices available from the Treasury Department
- Cost Indices available from construction guides (such as Rawlinsons)
- Discussions with local external or internal contractors and suppliers.
- Actual costs incurred for similar assets/improvements constructed within the North West Queensland regions.

Cloncurry Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 14. 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.

	2022	2021
	\$	\$

(a) Contract assets

Current

Funds owing on contracts to construct Council assets

1,219,763	2,374,951
<u>1,219,763</u>	<u>2,374,951</u>

Total current contract assets

Grants monies owed for LRCI, NDRRA, TIDS and R2R works completed in 2021-22 (2021: Grant monies owed for NDRRA works completed in 2020-21).

	2022	2021
	\$	\$

(b) Contract liabilities

Current

Funds received upfront to construct Council controlled assets

1,471,738	1,473,125
591,055	562,350
<u>2,062,793</u>	<u>2,035,475</u>

Non-capital performance obligations not yet satisfied

Total current contract liabilities

Revenue recognised that was included in the contract liability balance at the beginning of the year

Funds to construct Council controlled assets

1,215,646	2,905,428
591,055	450,947
<u>1,806,701</u>	<u>3,356,375</u>

Non-capital performance obligations - Grant obligations fulfilled

Total revenue included in the contract liability

Cloncurry Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 14. Contract balances (continued)

	2022	2021
	\$	\$
(c) Significant changes in contract balances		
Contract Assets:		
Contract asset/(Monies received for contract asset) recognised - NDRRA works	(2,374,951)	2,374,951
Contract asset recognised - 2021-22 Roads to Recovery works	692,019	—
Contract asset recognised - Local Roads & Community Infrastructure (Phase One)	346,010	—
Contract Liabilities:		
Contract liability recognised - Local Roads & Community Infrastructure (Phase Three)	(566,528)	—
Contract liability recognised - Works for Queensland 2021-24	(506,140)	—
Revenue/(Contract liability) recognised - Local Government Grants & Subsidies Program 2019-21	125,473	(125,473)
Revenue/(Contract liability) recognised - Local Roads & Community Infrastructure (Phases One & Two)	251,178	(251,178)
Contract liability recognised - Local Roads & Community Infrastructure (Phases One & Two)	—	—
Revenue/(Contract liability) recognised - QRA Recovery & Resilience Grant	250,461	(257,100)
Revenue/(Contract liability) recognised - Remote Airstrips Upgrade	160,875	(160,875)
Contract liability recognised - Cropping the Curry	—	(245,455)
Revenue/(Contract liability) recognised - Works for Queensland COVID-19	294,060	(590,000)

Note 15. Leases

Council as a lessor

Council has several operating lease agreements 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.

	2022	2021
	\$	\$
The minimum operating lease receipts arising from operating leases are as follows:		
Not later than one year	51,920	51,769
Between one and two years	12,103	11,950
Between two and three years	12,237	12,082
Between three and four years	12,444	12,286
Between four and five years	7,381	7,219
Later than five years	5,819	5,737
Total lease receipts	101,904	101,043

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.

Total operating lease income (rental income)	501,827	510,109
---	----------------	----------------

Cloncurry Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 16. Payables

	2022	2021
	\$	\$
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	1,363,602	1,588,957
Accrued expenses	553,531	886,085
Accrued wages and salaries	272,947	188,984
Prepaid rates	187,402	-
Accrued interest expense	13,085	-
Other	711,927	608,547
Total current payables	3,102,494	3,272,573

Note 17. 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.

	2022	2021
	\$	\$
Current		
Loans - QTC	788,841	759,210
Total current borrowings	788,841	759,210
Non-current		
Loans - QTC	12,166,403	12,955,244
Total non-current borrowings	12,166,403	12,955,244

The QTC loan market value at the reporting date was \$10,999,149.77 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 2022 or 2021 financial years.

Cloncurry Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 18. 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.

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.

	2022 \$	2021 \$
Current		
Annual leave	616,491	701,745
Long service leave	443,048	497,652
Total current provisions	1,059,539	1,199,397
Non-current		
Long service leave	71,223	93,498
Refuse restoration	250,865	316,440
Gravel pits restoration	179,918	115,588
Total non-current provisions	502,006	525,526

Cloncurry Shire Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 18. Provisions (continued)

	2022 \$	2021 \$
Details of movements in provisions		
Refuse restoration		
Balance at beginning of financial year	316,440	315,812
Transfer prior year balance to correct provision	(64,777)	-
Adjustment to provision	(798)	628
Balance at end of financial year	250,865	316,440
Gravel pits rehabilitation		
Balance at beginning of financial year	115,588	114,737
Transfer prior year balance to correct provision	64,777	-
Adjustment to provision	(447)	851
Balance at end of financial year	179,918	115,588

Note 19. Asset revaluation surplus

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

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

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

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

Movements in the asset revaluation surplus

	2022 \$	2021 \$
Balance as at 1 July	102,391,242	99,429,375
Net adjustment to non-current assets at end of period to reflect a change in current fair value:		
- Land	-	(1,277,728)
- Buildings	3,165,505	1,371,342
- Road, drainage and bridge network	17,977,374	-
- Water	2,820,435	801,974
- Sewerage	1,405,912	921,216
- Other structures	434,023	1,145,063
Net movements in the asset revaluation surplus	25,803,249	2,961,867
Balance as at 30 June	128,194,491	102,391,242

Cloncurry Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 19. Asset revaluation surplus (continued)

	2022	2021
	\$	\$
The closing balance of the asset revaluation surplus comprises the following asset categories:		
- Land	5,373,442	5,373,443
- Buildings	19,961,905	16,796,400
- Road, drainage and bridge network	63,475,879	45,498,503
- Water	24,528,798	21,708,362
- Sewerage	9,345,893	7,939,981
- Other structures	5,508,574	5,074,553
	<u>128,194,491</u>	<u>102,391,242</u>

Note 20. Commitments for expenditure

	2022	2021
	\$	\$
Contractual commitments		
Contractual commitments at end of financial year but not recognised in the financial statements are as follows:		
Chinaman Creek Master Plan	570,810	—
Coppermine Creek Bridge	357,765	328,537
Flood damage works	264,854	792,716
Main Well Replacement	264,642	—
Other	831,373	886,646
Roads	2,993,308	—
Saleyards Bull Pens	698,619	—
Sewerage treatment plant works	—	243,191
Water, Waste & Sewerage contracts	272,871	—
	<u>6,254,242</u>	<u>2,251,090</u>

These expenditures are payable as follows:

Within one year	1,558,411	450,218
One to five years	2,026,826	675,327
Later than five years	2,669,005	1,125,545
Total payable	<u>6,254,242</u>	<u>2,251,090</u>

Note 21. Contingent liabilities

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

Local Government Mutual

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

Cloncurry Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 21. Contingent liabilities (continued)

The latest audited financial statements for LGM Queensland are at 30 June 2021. The financial statements reported an accumulated surplus and 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 \$229,212.

Other contingent items

Council is party to litigation which involves claims by a Contractor for unpaid services in the amount of approximately \$1.4million plus costs and interest. Council has disputed any amounts are owed and have filed a counterclaim in the approximate amount of \$15.7million plus costs and interest.

Council is party to litigation which involves claims by a Contractor for unpaid services in the amount of approximately \$104 thousand. Council has disputed any amounts are owed on the basis that the work was not undertaken at the request of Council, as evidenced by the lack of approved purchase orders, compliance by the Contractor with cost estimates provided to Council, concerns about the necessity and quality of the works undertaken by the Contractor, and that a number of invoices were only raised due to the breakdown in the relationship between Council and the Contractor.

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.

Note 22. Superannuation

Council contributes to the LGIA Super Defined Contributions Fund (the scheme), at the rate of 12% for each employee who is a scheme member. This rate is set in accordance with Council's Certified Agreement or individual employment agreements. The Defined Contributions 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*.

In accordance with the Superannuation Choice legislation Council employees may also make contributions to other superannuation funds. These funds must be a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation.

	Notes	2022 \$	2021 \$
Superannuation contributions for employees		880,168	851,714
Total superannuation contributions paid by Council for employees	5	880,168	851,714

Cloncurry Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 23. Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities

	2022 \$	2021 \$
Net Result	1,780,990	18,905,019
Non-cash items		
Depreciation and amortisation	13,126,025	11,015,407
	<u>13,126,025</u>	<u>11,015,407</u>
Investing and development activities (Non-Cash):		
Net (profit)/loss on disposal of assets	165,795	396,710
Capital grants and contributions	(8,129,506)	(21,894,998)
Loss on refinancing capital loans	—	1,726,305
Finance charge on loan refinance	—	53,106
	<u>(7,963,711)</u>	<u>(19,718,877)</u>
Changes in operating assets and liabilities (Non-Cash):		
(Increase)/decrease in receivables	926,488	696,424
Increase/(decrease) in provision for doubtful debts	(83,407)	(153,302)
(Increase)/decrease in inventories	119,830	617,288
(Increase)/decrease in contract assets	1,155,189	(2,374,951)
(Increase)/decrease in other assets	(163,944)	(130,811)
Increase/(decrease) in payables	(183,225)	(1,002,662)
Increase/(decrease) in accrued interest payable	13,085	—
Increase/(decrease) in contract liabilities	27,318	(1,350,900)
Increase/(decrease) in employee leave entitlements	(162,132)	(151,396)
Increase/(decrease) in other provisions	(1,245)	1,479
	<u>1,647,957</u>	<u>(3,848,831)</u>
Net cash provided from/(used in) operating activities from the statement of cash flows	<u>8,591,261</u>	<u>6,352,718</u>

Note 24. Reconciliation of liabilities arising from finance activities

	as at 30/06/21 Opening Balance \$	Cashflows \$	as at 30/06/22 Closing balance \$
Borrowings	13,714,454	(759,210)	12,955,244
	<u>13,714,454</u>	<u>(759,210)</u>	<u>12,955,244</u>

	as at 30/06/20 Opening Balance \$	Cashflows \$	as at 30/06/21 Closing balance \$
Borrowings	12,782,947	(847,904)	13,714,454
	<u>12,782,947</u>	<u>(847,904)</u>	<u>13,714,454</u>

Cloncurry Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 25. Events after the reporting period

There were no material adjusting events after the balance date.

Note 26. Financial instruments and financial risk management

(a) Financial assets and financial liabilities

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

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

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

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

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

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

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

Cloncurry Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 26. Financial instruments and financial risk management (continued)

Credit risk

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

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.

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.

	2022 \$	2021 \$
Cash and cash equivalents	21,176,080	16,006,124
Receivables - Rates and utility charges	2,682,900	2,843,709
Receivables - Other	1,016,500	1,782,119
Other credit exposures		
Guarantee	197,311	197,311
Total	25,072,791	20,829,263

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 \$
2022					
Payables	2,250,768	-	-	2,250,768	2,250,768
Loans - QTC	1,098,501	4,359,288	10,472,440	15,930,229	12,955,244
	<u>3,349,269</u>	<u>4,359,288</u>	<u>10,472,440</u>	<u>18,180,997</u>	<u>15,206,012</u>
2021					
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>

Cloncurry Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 26. Financial instruments and financial risk management (continued)

Market risk

Market risk is the risk that changes in market indices, such as interest rates, will affect the Council's income or the value of its holdings of financial instruments.

The Council is exposed to interest rate risk through its borrowings from the Queensland Treasury Corporation and investments held with financial institutions.

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

Sensitivity Analysis

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

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

	Net carrying amount \$	Effect on Net result		Effect on Equity	
		1% increase \$	1% decrease \$	1% increase \$	1% decrease \$
2022					
QTC cash fund	18,436,809	184,368	(184,368)	184,368	(184,368)
Loans - QTC	(12,955,244)	(129,552)	129,552	(129,552)	129,552
Total	5,481,565	54,816	(54,816)	54,816	(54,816)
2021					
QTC cash fund	13,466,750	134,668	(134,668)	134,668	(134,668)
Loans - QTC	(13,714,454)	(137,145)	137,145	(137,145)	137,145
Total	(247,704)	(2,477)	2,477	(2,477)	2,477

(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 17.

Cloncurry Shire Council

Notes to the Financial Statements for the year ended 30 June 2022

Note 27. Trust funds

	2022	2021
	\$	\$

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.

Assets

Cash at bank	81,629	63,230
Total assets	81,629	63,230

Note 28. Transactions with related parties

(a) Key management personnel

KMP include the Mayor, Councillors, Chief Executive Officer, Directors and Shared Services Manager.

Remuneration disclosures are provided in the annual report.

The compensation paid to KMP comprises:

	2022	2021
	\$	\$
Short-term employee benefits	1,248,023	1,364,280
Post-employment benefits	85,147	99,252
Long-term benefits	15,010	25,312
Termination benefits	—	41,231
Total	1,348,180	1,530,075

Cloncurry Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 28. Transactions with related parties (continued)

(b) Other Related Parties

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. All purchases were at arm's length and were in the normal course of Council operations.

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

Details of Transaction	Additional Information	2022 \$	2021 \$
Fees and charges charged to entities controlled by key management personnel	28(b)(i)	-	-
Employee expenses for close family members of key management personnel	28(b)(ii)	79,613	87,122
Purchase of materials and services from entities controlled by key management personnel	28(b)(iii)	404,665	214,784
Key management personnel services provided by a related entity	28(b)(iv)	83,576	95,302

(i) In 2021/22 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.

The Council employs 111 staff of which only 1 is a close family member of key management personnel.

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

	2022 \$	2021 \$
Provision of electrical equipment	28,698	-
Provision of rental properties	41,200	-
Plumbing services	116,232	-
Management of saleyards complex	218,535	214,784
Total (GST inclusive)	404,665	214,784

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 December 2019, following due tendering process. Total saleyards management fees value to 30 June 2022 amount to \$218,535.

(iv) Payments totalling \$83,576, 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 2022

Note 28. Transactions with related parties (continued)

(c) Outstanding balances

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	Payables \$
2022	
Cloncurry Plumbing Pty Ltd	11,912
Keyes Cattle Company Pty Ltd	63,856
Total	75,768
2021	
Cloncurry Plumbing Pty Ltd	—
Keyes Cattle Company Pty Ltd	60,738
Total	60,738

(d) Loans and guarantees to/from related parties

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

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

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

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

Cloncurry Shire Council

General Purpose Financial Statements

for the year ended 30 June 2022

Management Certificate

for the year ended 30 June 2022

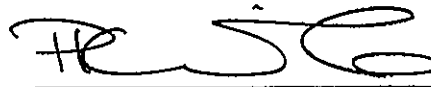
These General Purpose Financial Statements have been prepared pursuant to sections 176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.

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 Regulations 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- ii. the General Purpose Financial Statements, as set out on pages 1 to 40, 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.



Cr Greg Campbell
Mayor
19 January 2023



Mr Philip Keirle
Chief Executive Officer
19 January 2023

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 2022, 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 2022, 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 2022 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 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 2022:

- 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*, 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

25 January 2023

Queensland Audit Office
Brisbane

Cloncurry Shire Council

General Purpose Financial Statements

for the year ended 30 June 2022

Current Year Financial Sustainability Statement

	Actual 2022	Target 2022
Measures of financial sustainability		
1. Operating surplus ratio		
Net result (excluding capital items)	(15.62)%	0% - 10%
Total operating revenue (excluding capital items)		
An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.		
2. Asset sustainability ratio		
Capital expenditure on the replacement of assets (renewals)	87.55%	> 90.00%
Depreciation expense		
An approximation of the extent to which the Infrastructure assets managed are being replaced as these reach the end of their useful lives.		
3. Net financial liabilities ratio		
Total liabilities less current assets	(23.24)%	< 60.00%
Total operating revenue (excluding capital items)		
An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.		

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 2022.

Cloncurry Shire Council

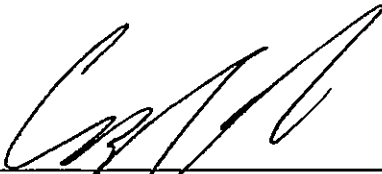
General Purpose Financial Statements

for the year ended 30 June 2022

Certificate of Accuracy

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.



Cr Gregory Campbell
Mayor
19 January 2023



Mr Philip Keirle
Chief Executive Officer
19 January 2023

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 2022, 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 2022 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 2022 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

25 January 2023

Queensland Audit Office
Brisbane

Cloncurry Shire Council

General Purpose Financial Statements

for the year ended 30 June 2022

Unaudited Long Term Financial Sustainability Statement

	Target 2022	Actual 2022	2023	2024	2025	2026	Forecast					
							2027	2028	2029	2030	2031	2032

Measures of financial sustainability

1. Operating surplus ratio

Net result (excluding capital items)												
Total operating revenue (excluding capital items)	0% - 10%	(15.62)%	(2.12)%	0.78%	1.36%	2.88%	3.84%	4.85%	5.67%	6.39%	7.59%	8.17%

An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.

2. Asset sustainability ratio

Capital expenditure on the replacement of assets (renewals)												
Depreciation expense	> 90.00%	87.55%	70.30%	175.80%	168.80%	176.20%	171.70%	182.90%	184.90%	180.10%	178.20%	172.00%

An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.

3. Net financial liabilities ratio

Total liabilities less current assets												
Total operating revenue (excluding capital items)	< 60.00%	(23.24)%	(28.20)%	(28.90)%	(32.40)%	(35.30)%	(37.80)%	(36.60)%	(35.60)%	(36.20)%	(38.40)%	(42.20)%

An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.

Cloncurry Shire Council Financial Management Strategy

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

Cloncurry Shire Council

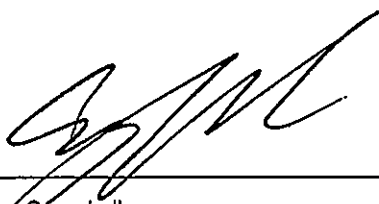
General Purpose Financial Statements

for the year ended 30 June 2022

Certificate of Accuracy - Long Term Financial Sustainability Statement

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.



Cr Gregory Campbell
Mayor
19 January 2023



Mr Philip Keirle
Chief Executive Officer
19 January 2023

A photograph of four children playing outdoors in a grassy area. They are wearing light-colored t-shirts and shorts, and their faces and clothes are covered in colorful body paint. One child in the center is wearing sunglasses and has red paint on their cheek, with their mouth open in a joyful expression. Another child to the right is also wearing sunglasses and has blue paint on their face. The background shows a residential building and some trees under a clear blue sky.

ANNUAL REPORT

2021-2022

Cloncurry
Shire Council



(07) 4742 4100



council@cloncurry.qld.gov.au



www.cloncurry.qld.gov.au