

Concurry

Shire Council

Annual Report 2017/2018



Cloncurry Shire Council

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Cr Brad Rix, Cr Damien McGee, Mayor Greg Campbell, Deputy Mayor Dane Swalling and Cr Vicky Campbell adopt the Annual Budget for Cloncurry Shire Council

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Welcome

Welcome to the 2017/18 Annual Report for Cloncurry Shire Council.

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

History of Cloncurry

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

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

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

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

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



About Cloncurry

Founded

1867



Area

48,116.9km sq.

Population

3,351



Median Age

35.3 years



Average Daily Temperature

18.1° C to 32.2° C



Average Rainfall

425mm each year

Median Total Personal Income

\$889 per week

Median Rent

\$300 per week

Data based on ABS and ASGS, July 2014



Mayoral Report

A message from Mayor Greg Campbell

I am proud to present the Mayoral Report on the performance of the Cloncurry Shire Council for the 2017/18 financial year.

The 2017/18 financial year was a great year of highlights for the Shire. The major milestone for the year was Cloncurry's 150th Anniversary. The C150 celebrations in September was a wonderful success with many current and former residents of the Shire travelling wide and far to return for the celebrations. This was the culmination of several years of planning and hard work by staff and volunteers.

Council, along with many significant sponsors delivered an action-packed week of activities and events. I was extremely proud to host the Mayoral Luncheon, in which our hardworking volunteers, community groups and community leaders were recognised. The Luncheon was well supported by the Stanbroke Company by way of financial contribution and produce. The Shire was also fortunate to have Senator Ian MacDonald in attendance who announced \$2.47 million in funding for the Carl Katter Bridge replacement.

The then Federal Treasurer Scott Morrison, and now Prime Minister of Australia, spent a couple of days in town and attended the Copper Campdraft and the C150 Ball. Josh Arnold produced the Cloncurry song and also came back with his family in January as our Australia Day Ambassador.

The industry sector also reached a major milestone, with the official opening of MMG's Dugald River Mine which saw the culmination in over \$1 billion of investment in the Shire.

The focus on renewal of our assets continued to be a priority, with more town streets resurfaced and the work on the rural roads lifted to a better standard.

Further work was completed on the Eastern Stormwater project, Sheaffe Street and our water reticulation system. Council completed a Tourism Strategy to set the foundation for tourism to become a strong industry behind agriculture, mining and transport. The support Council provides community groups and events is a core part of our expenditure. The operation and maintenance of the Recreation Grounds and Equestrian Centre along with subsidies to Flinders Medical, School Chaplain and other general sponsorships is crucial to maintain the presence of these activities and events for our community.



Mayor Campbell presenting the C150 Coin

I am proud to continually improve the quality and delivery of Councils' services and the dedication and hard work of Council Staff is appreciated.

Our Shire has huge potential to help deliver the future direction of Northern Australia, and I am committed to leading Cloncurry to achieving that potential.

Greg Campbell
Mayor

Elected Members

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

2016-2020

Mayor Greg Campbell



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

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

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

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

Deputy Mayor Dane Swalling



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

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

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

Councillor Vicky Campbell



Councillor Vicky Campbell was elected as a Councillor for Cloncurry in April 2016. Vicky feels the spirit of community is the lifeblood of Cloncurry. The committees, facilities, the events and especially the people are what make the Cloncurry Shire special. Having raised and educated seven children with her husband over the last 30 years in Cloncurry, Councillor Vicky has lived the life of a Cloncurry local. While working as a mail contractor delivering post to parts of the rural shire and at Australia Post Cloncurry, Councillor Vicky knows firsthand the importance of a good working relationship that encompasses both the rural and town communities of the Shire.

Councillor Vicky has a great involvement with Councils Community Development Team delivering events and activities to engage the community and enhance the Cloncurry lifestyle. Councillor Vicky is also a member of Councils Audit and Risk Committee, the Community Advisory Network and is also the Councillor Tourism Representative. It is with this knowledge of hard work and community unity that Councillor Vicky works to build and progress the Shire of Cloncurry.

Councillor Brad Rix



Councillor Brad Rix moved to Cloncurry in 2011 with his wife and two children to take the position of Senior Sergeant in Charge of the Cloncurry Police Station. His wife Heidi is the Sergeant in Charge of the Cloncurry PCYC. Councillor Rix has been a part of the Queensland Police Service for over 25 years. Councillor Rix and his family enjoy living in Cloncurry because of the relaxed, safe and secure lifestyle and the opportunity to really get involved in the community.

Since being in Cloncurry, Brad has been involved in a number of community groups and committees. Councillor Rix has been a player, coach and vice president for the Cloncurry Eagles Rugby League Club, he has been coach for the Under 7's Cloncurry Bulls Junior Rugby League, Committee member of the Cloncurry PCYC, member of the Cloncurry Australia Day Awards Committee, member of the Cloncurry Showgirls judging panel and a Cloncurry Show Committee member.

Councillor Damien McGee



Councillor Damien McGee was born and raised in Cloncurry and completed his education at Cloncurry State School. Upon completion of high-school, Councillor McGee completed a Certificate in Engineering and Construction and then further undertook three trades in Electrical, Telecommunications and Refrigeration/Air-conditioning. Councillor McGee has previously worked for the Cloncurry Shire Council, firstly as an Electrician then Trades Foreman and Water and Sewerage Foreman. In 2003 Councillor McGee started his own Electrical and Refrigeration Company. Councillor McGee employs approximately 15 staff and proudly sponsors many Cloncurry groups.

Councillor McGee has extensive knowledge in Council's assets and brings his knowledge and experience to support the Cloncurry townships vision for the future. Councillor McGee's focus for his term include, ensuring locals have preference for employment, providing local business development and opportunities, kerbing and sealing of town streets, town beautification, improvement to town water mains, storm water drainage and sewerage upgrades.



Chief Executive Officer Report

A message from David Bezuidenhout

The 2017/18 financial year has seen great development and social infrastructure implemented. Over the past year Council has continued to meet the objectives to ensure our towns are well serviced, our natural resources are used wisely, our local economy is diverse and strong, and the Local Government administration works collaboratively with the community to achieve our aspirations.

I would like to thank my predecessor Ben Milligan, and Jo Morris, who was Acting CEO for five months before my appointment, for their contribution during the 2017/18 financial year.

Council delivered considerable achievements in the projects area during 2017/18 which included:

- Scenic Lookout upgrade
- Sheaffe Street Stage 1 and 2 upgrades
- Griffiths Street upgrade
- Eastern Stormwater Drainage upgrade
- Kajabbi Causeway Upgrade
- Town Streets Reseal Program
- Round Oak Road Rehabilitation
- Sewer Treatment Plant Stage 2 upgrade
- Flood Remediation
- Waste Strategy Implementation

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

2017/18 was a busy calendar full of major events for the Cloncurry community. Such events contribute significantly to the liveability and community spirit of Cloncurry. 2017/18 events included:

- NAIDOC week celebrations;
- Seniors week;
- C150 celebrations;
- Christmas events;
- Australia Day celebrations;
- Scenic Lookout Opening;
- QLD Women's week;
- Curry Day;
- Easter egg hunt;
- Youth week;
- Queens Baton Relay;
- ANZAC day; and
- RFDS 90 Year celebration.

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

2018/19 is well underway and is proving to be a busy year. In the short time that I have been with Council I have assessed areas for improvement and I am excited to work with Council and staff to deliver great outcomes for our community. Areas that will receive increased focus moving forward will be:

- the development of strategies and management plans to ensure a more proactive operation with high quality service delivery;
- upgrading of Council's enterprise systems including, finance, safety, project and asset management systems; and
- implementation of an innovation platform to drive business improvements and economic development for our Shire.

David Bezuidenhout
Chief Executive Officer



Aerial view from East to West of Cloncurry township

Performance Highlights

Council is delivering on the vision for the region captured in the Corporate Plan 2016-2021. These desired outcomes form the basis of the organisation's Annual Operational Plan 2017/18. A selection of achievements is highlighted throughout this Annual Report.

Co-ordinated Infrastructure and Services

Infrastructure is strategically planned and well maintained to support growth and development of our communities.

- Lobbied State and Federal Government to invest royalties back into the communities from which they are generated.
- Completion of annual sealing and re-sealing programs, particularly the Local Roads re-sealing projects partly funded by the Works 4 Queensland Program.
- Completion of Flood Damage Restoration program.
- Completion of Transport Infrastructure Development Scheme and Roads to Recovery project, that included the delivery of Sheaffe Street Stage 2.
- Completion of Eastern Stormwater Stage 2 project.



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

Sustainable Population Growth

New residents are attracted to our communities because they are affordable, safe, attractive, family friendly and accessible.

- New initiatives by Local Business Network Group, such as the Shop Local gift cards and town maps.
- Welcome Packs for new Cloncurry residents.
- Development of Florence Clarke Park concept design.
- Local businesses supported through sound procurement practices including a local advantage.

Diverse and Robust Economy

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

- Delivery of new lighting for the runway at Dajarra Airport.
- Council building strong relationships with the mining sector to identify benefits for the local community.
- Increased tourist numbers through Cloncurry Unearthed Visitor Information Centre.



Ernest Henry Mine Site

Innovative Communities

Affordable and equitable access to community support systems providing a range of health, education, family and social services.

- Adoption of Cloncurry Health Vision
- Implementation of 2017/18 Capex Program

Integrated Natural Resources and Environmental Management

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

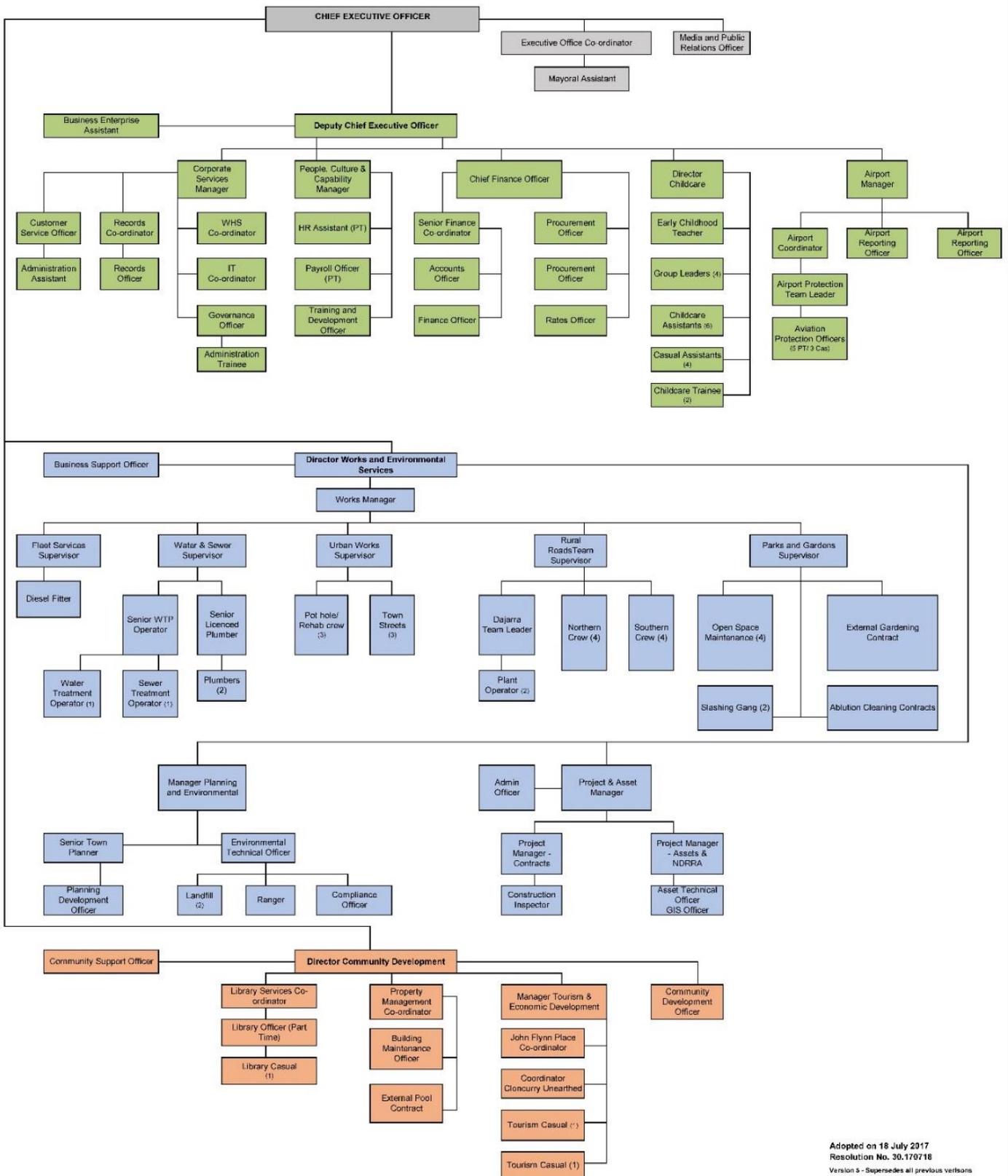
- Review of Animal Control Program.
- Planning undertaken to meet sewerage and waste management compliances.
- Compliance with statutory obligations for environmental health.
- Investment in feral animal control baiting program.

Collaborative Government and Strong Leadership

Our Local Government is proactive and identifies opportunities to work collaboratively with local residents to create livable communities and build a sustainable future.

- Review and implementation of the Annual Operational Plan.
- Review and implementation of Chinaman Creek Dam Emergency Action Plan.
- Implementation of a new Internal Audit Plan.
- Implementation of a new Risk Management Framework incorporating Corporate and Operational Risk Register and Business Continuity Plan.
- Achievement of acceptable Sustainability Ratios.

Cloncurry Shire Council Organisation Structure



Adopted on 18 July 2017
 Resolution No. 30.170718
 Version 5 - Supersedes all previous versions

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 2017 to 30 June 2018.

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

To obtain a full appreciation of the Council's overall financial performance and financial position, the Community Financial Report should be read in conjunction with the Audited Annual Financial Statements (refer Annexure A) for the period 1 July 2017 to 30 June 2018.

A Snapshot of the Financial Year 2017/18

Cloncurry Shire Council has had a solid 2017/18 financial year.

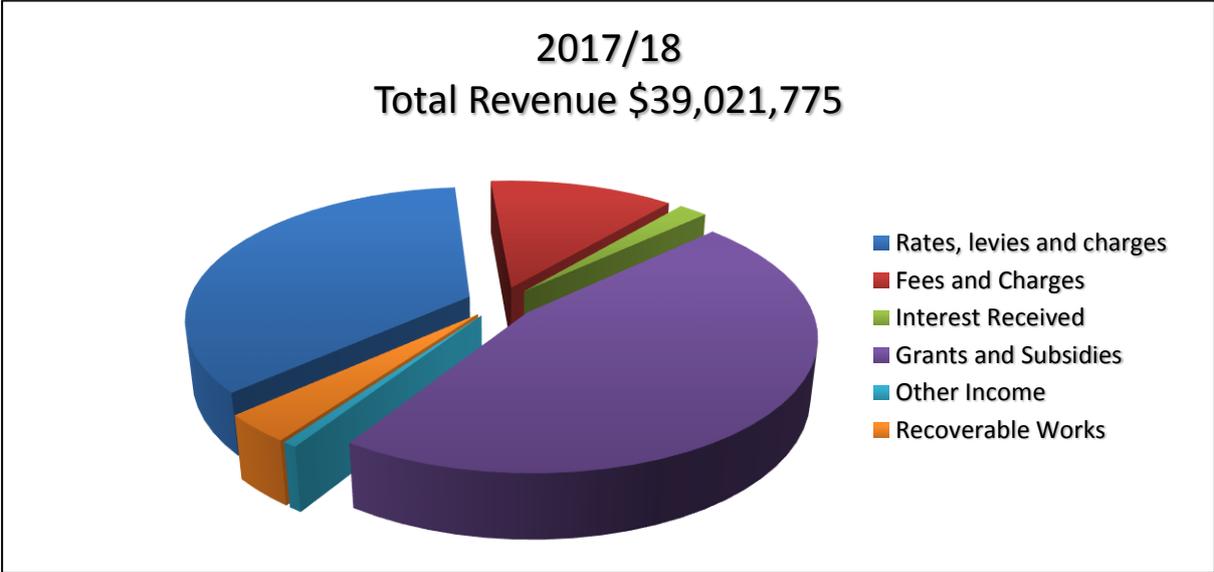
Overall, revenues have decreased from the prior year along with a decrease in expenditure. This has resulted in a net profit (prior to asset revaluations) of \$9,959,421. After asset revaluations were accounted for Council's Comprehensive Profit was \$34,357,543. Council's total assets have increased as a result of the comprehensive revaluations of assets and capital expenditures incurred on Council's road network as a result of damage from flooding. Total assets increased by \$33,794,930 while at the same time liabilities were slightly reduced.

Below is a summary of Cloncurry Shire Council's financial statements for the year ended 30 June 2018.

Income Statement		Balance Sheet	
Income		Assets	
Operating Revenue	\$27,165,541	Current Assets	\$30,487,034
Capital Revenue	\$11,839,000	Non-Current Assets	\$315,327,498
Asset Disposal	\$17,234		
Total Income	\$39,021,775	Total Assets	\$345,814,532
Expenses		Liabilities	
Recurrent Expenses	\$29,062,354	Current Liabilities	\$3,746,851
Capital Expenses	\$ 0	Non-Current Liabilities	\$9,924,316
Total Expenses	\$29,062,354	Total Liabilities	\$13,671,167
Net Result		Equity	
Net Result	\$9,959,421	Reserves	\$95,899,443
Increase - Asset Reval Reserve	\$24,398,122	Retained Surplus	\$236,243,922
Total Comprehensive Income	\$34,357,543	Total Community Equity	\$332,143,365

Revenue – where did the money come from?

Council received \$39,021,775 in revenue and other income for the 2017/18 financial year. Total revenue has decreased by \$6,689,171 between this financial year and last financial year.



Grants and Subsidies

Grants and subsidies contribute towards almost half of Council’s revenue base. For the year ended 30 June 2018 revenue sourced from grants and subsidies totalled \$17,973,020 which represents 46.1% of total revenue. Grants and subsidies flow to Council from various entities, including State and Federal Governments.

Rates, levies and charges

Rates, levies and charges include the levy for general rates, as well as charges for the provision of the following services as appropriate; water, sewer and refuse collection. The value of rates, levies and charges was \$13,809,720 which equates to 35.4% of the Shire’s total revenue.

Services revenue - Recoverable works

A secondary source of income for Council is Services Revenue. Services revenue was \$1,340,749 which was 3.4% of total revenue. This includes revenue from the Department of Transport and Main Roads contracts such as the Road Maintenance Performance Contract as well as recoverable works revenue.

Interest Income

Council received \$757,586 of interest in the 2017/18 financial year which was \$125,265 more than the previous year due to the higher value of cash invested at favourable interest rates.

Fees and Charges

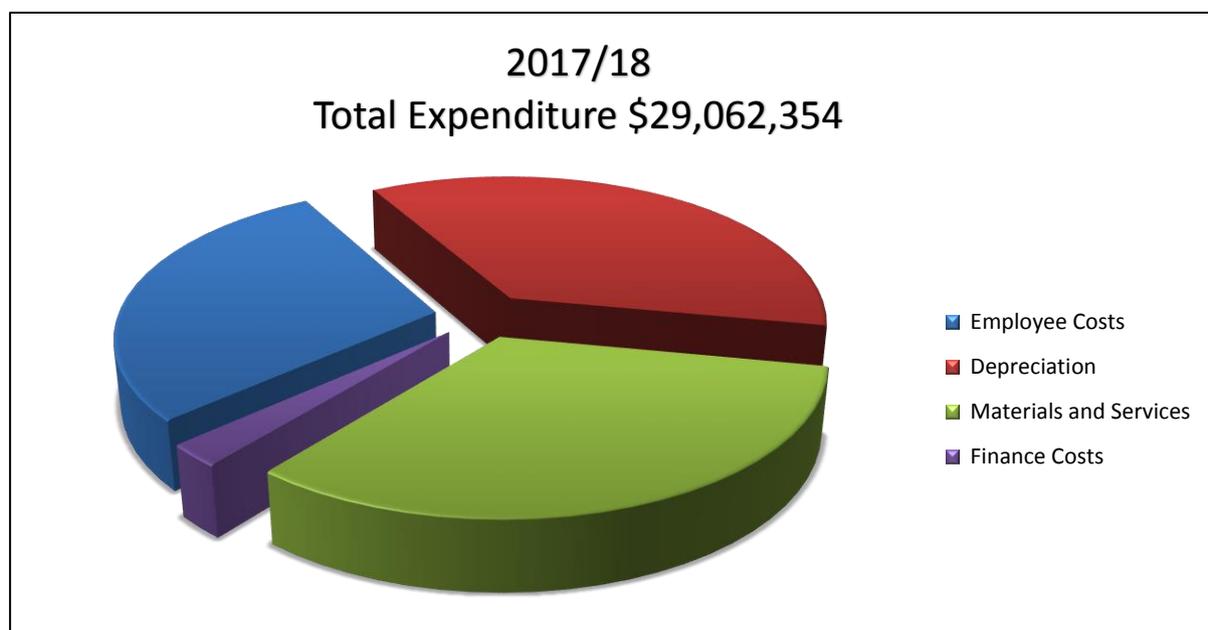
Includes revenue from Council owned businesses such as the Saleyards, Airport, Curry Kids Childcare Centre and Council functions where fees are charged such as developmental fees, service connection fees, venue hire fees and various registration fees. Fees and charges for 2017/18 are \$4,868,711.

Other Income

Consists of revenue from rental of Council owned and maintained properties. This revenue stream includes St. Andrews Garden Settlement and net proceeds from the disposal of property, plant and equipment.

Expenses – where was the money spent?

Council's total expenditure for the 2017/18 financial year was \$29,062,354. This is a decrease of \$2,136,973 as compared with the previous prior financial year.



Materials and Services

Material and services costs are the second largest expense item for Council. For the year ended 30 June 2018 these costs totalled \$9,562,928. The main items of material and services include: infrastructure operations and maintenance costs of \$3,291,974 community services costs of \$2,721,877, business services costs of \$1,054,827 and corporate and management services costs of \$968,966

Depreciation

Depreciation is an accounting method of allocating the cost of an asset over its useful life. Useful lives will vary depending on the type of asset. As depreciation costs are applied against the majority of assets it forms the largest cost to Council. For the year ended 30 June 2018 depreciation costs totalled \$10,481,782.

Employee Benefits

Employee benefits are the third largest cost to Council. For the year ended 30 June 2018 it totalled \$8,310,550 which consists of staff wages and salaries, leave entitlements and superannuation, as well as Councillor's remuneration.

Finance Costs

Finance costs for the year ended 30 June 2018 was \$707,094.

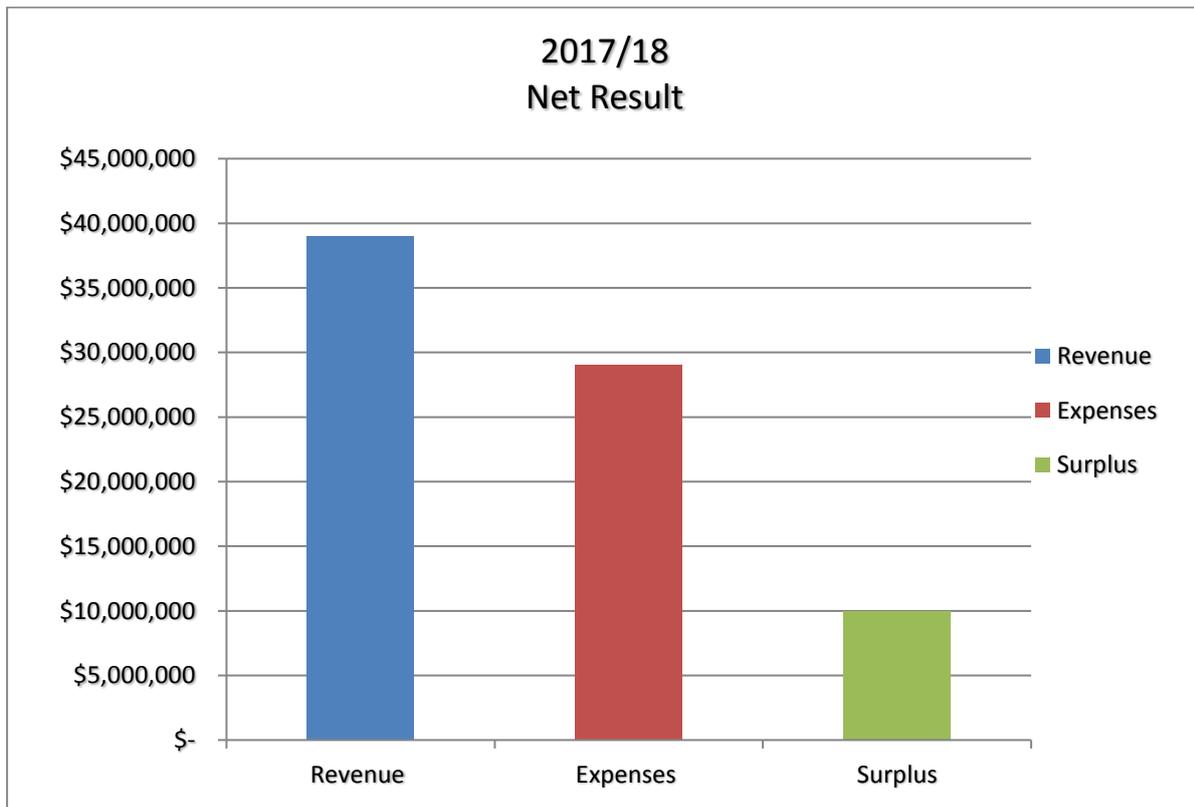
Capital Expenditure

In 2017/18 Council delivered a \$16.3M capital program. A total of \$17.1M of assets were written on to the books which reflected the years capital program and amounts of works in progress from prior years which were completed in 2017/18.

Net Result – Revenue minus expenditure

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

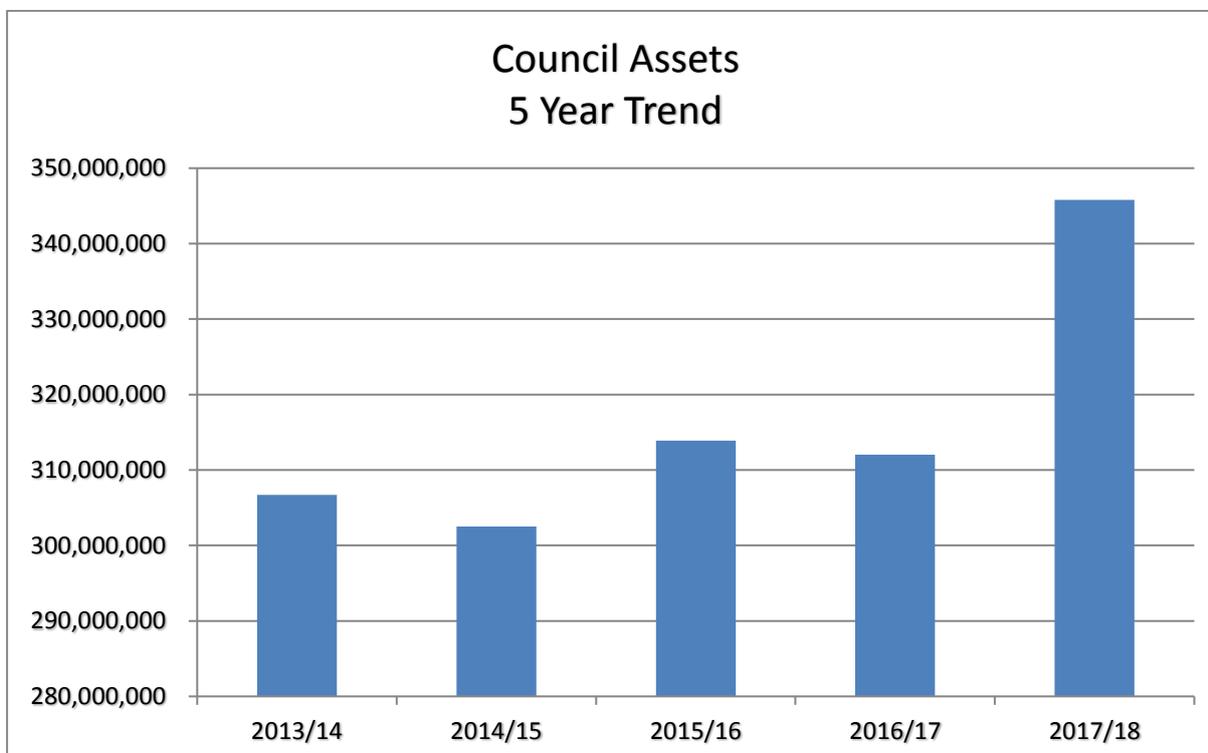
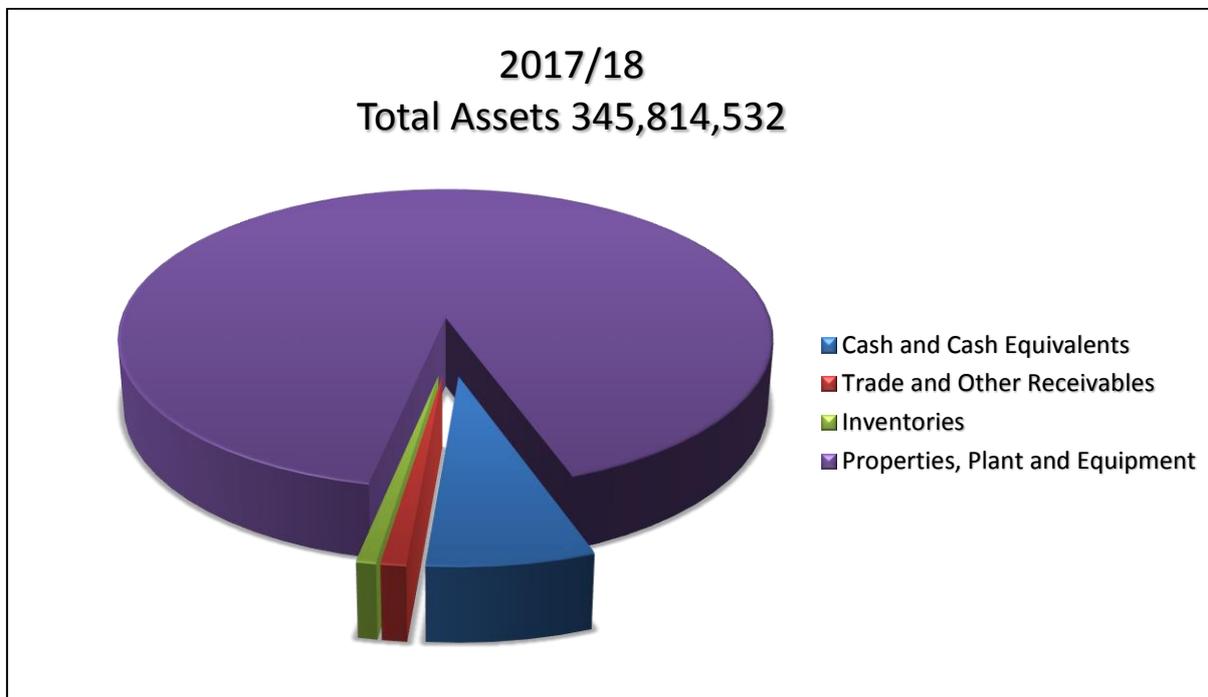
For 2017/18 the surplus was \$9,959,421. This is represented in the Financial Performance graph below.



Assets - What We Own?

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

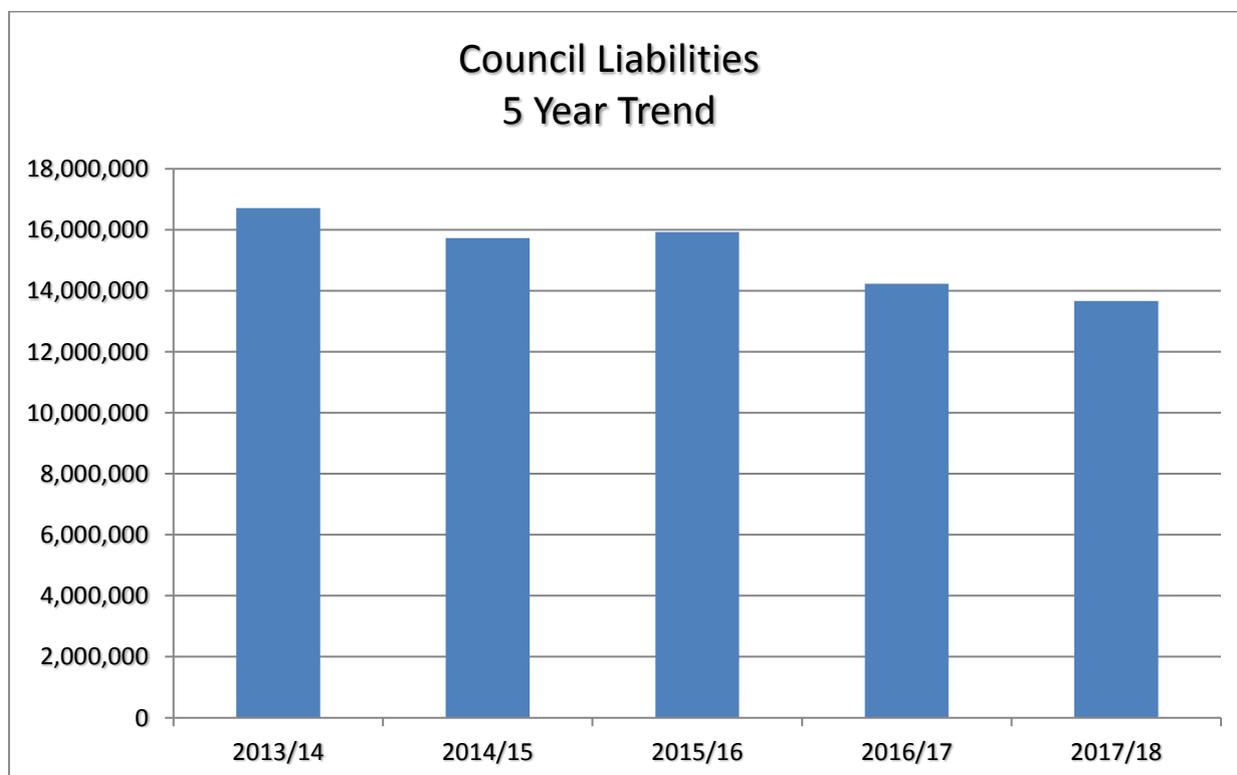
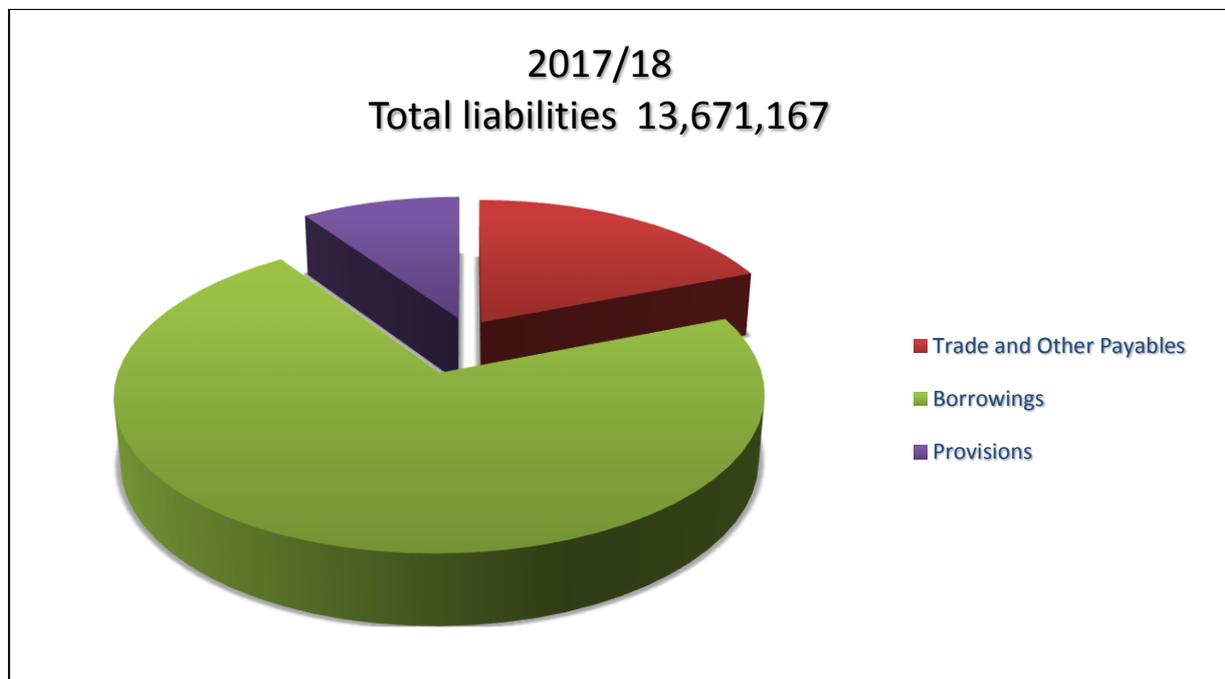
For the year ended 30 June 2018 the value of Council's assets was \$345,814,532 of which \$30,487,034 was current assets and \$315,327,498 was non-current assets.



Liabilities - What We Owe?

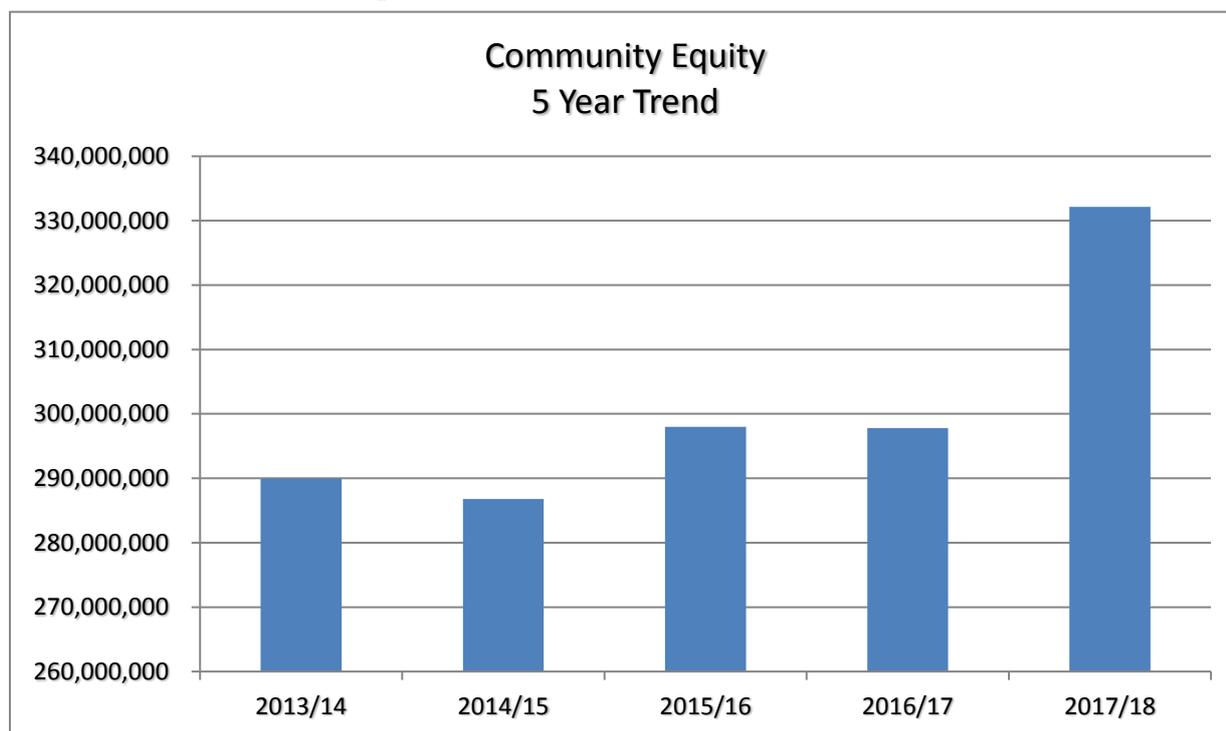
Community Liabilities are mainly comprised of borrowings, monies owed to suppliers and provisions to meet employee entitlements such as long service leave and annual leave.

For the year ended 30 June 2018 total liabilities totalled \$13,671,167 which are split into current liabilities of \$3,746,851 and non-current liabilities of \$9,924,316.



Community Equity – Council’s net worth

Council’s community equity is defined as its net worth – what we own, less what we owe. Cloncurry Shire Council’s community equity as at 30 June 2018 was \$332,143,365.



Measures of Financial Sustainability

The Audited Financial Statements which support this Community Financial Report (refer Annexure A), indicates that the Council has performed well in the 2017/18 financial year and has finished with a strong financial position. Council concluded the year with a net increase in cash flow of \$2,313,775 mainly due to the timing of the flood damage road repair program. Council has sufficient funding to cover its present and future obligations into the foreseeable future.

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

Financial Sustainability Ratios

Indicator	2017/18 Ratio	Target	Description
Asset sustainability ratio	137%	Greater than 90%	The extent to which infrastructure assets are being renewed as they reach the end of their useful lives.
Operating surplus ratio	-7%	Between 0% – 10%	The extent to which revenues raised cover operational expenses.
Net financial liabilities ratio	-62%	Not greater than 60%	An indicator of the extent to which the net financial liabilities of Council can be serviced by its operating revenues.

Corporate Services Report

A message from Deputy Chief Executive Officer, Joanne Morris

The Corporate Services Directorate encompasses all Council owned businesses, namely Cloncurry Airport, Curry Kids Early Learning Centre and the Cloncurry Saleyards. Corporate Services also oversees the corporate functions of Council; Finance, Information Technology, People, Culture and Capability, Records, Customer Service, Corporate Governance, Workplace Health and Safety, Land Sales and Acquisitions and the Cemetery Administration.

Our People

In 2017/18 a large focus was placed on “our people”. Our people are our most valued asset and it is important to listen and understand what our staff think.

In July 2017 a new Organisational Structure was adopted by Council. This structure resulted in several new positions being introduced to the Corporate Services team, these included Corporate Services Manager, Chief Financial Officer and Training and Development Officer. Additionally, two positions were restructured to provide additional benefit to Council operations, these were the Governance Officer and Airport Coordinator roles.

In June 2017 Council staff participated in an inaugural employee engagement survey and a training needs analysis. These activities provided a valuable insight into the satisfaction levels of staff and highlighted areas for improvement. In October all Council staff partook in a workshop facilitated by Dr Tim Baker, from Winners at Work, in which staff discussed our strengths and weaknesses and collaboratively provided ideas for continuous improvement. Work is still continuing on implementing these strategies which will focus on developing our people in order to assist Council in achieving successful outcomes for our community. It is envisaged this body of work will be completed by the end 2019.



Council staff undertaking IGNITE Leadership Training

Finance

I am pleased, once again, to present an unmodified set of Financial Statements to the Cloncurry community. The Financial Statements provide an overview of Council's financial performance and financial position for the year. They also represent the quality of Council's internal control environment and procedures to ensure potential risks can be minimised. Focus has been, and will continue to be, placed on our financial management and accounting practices to ensure decision making is linked to strategic objectives and deliverables that assist in achieving financial sustainability.

In 2017/18 considerable effort has been placed on improvements to our financial processes and internal controls which produced positive results. Last financial year there were 11 audit matters raised by the Queensland Audit Office and over the past financial year seven of those have been closed out with another two partially closed out.

Council's financial position is strong with a balance of net community assets of \$322M and a closing cash balance of \$24M. More details regarding Council's financial performance and financial position can be viewed in the Community Financial Report and also the full Financial Statements included at the end of the Annual Report.

Safety

A strong emphasis has also been placed on resetting our safety expectations and building a culture where safety is inherent in all activities that are performed. In 2017/18 a safety audit was conducted which identified a positive progression over a short period of time. Safety is an ongoing point of focus for the Council and no value can be placed on how important it is for our staff to perform their duties safely every day and return home to their families. 2017/18 saw continuous improvements in this field with further enhancements planned for our safety management system and on the ground safety practices in 2018/19.



Council staff undertaking fire safety course

Governance and Customer Service

Efforts continue to be placed on corporate governance with an increased focus on various frameworks such as policy and procedure development, fraud management and risk management. Council's Audit and Risk Committee focuses on not only overseeing the external audit and internal audit function but also taking responsibilities in the areas of best practice governance and risk management which will transform the committee to a value adding advisory group. In 2017/18 focus was placed on developing Council's risk management framework. The creation of a suite of documents include the Corporate and Operational Risk Registers and a Business Continuity Plan will allow Council to operate under more robust and best practice framework which will mitigate risks to both Council operations and service delivery to the community.

A Customer Service Charter has also been developed. This document provides the service delivery expectations to the community when particular services are required. The Customer Service Charter will be provided to the community shortly.

Curry Kids Early Learning Centre

The mission of Curry Kids Early Learning Centre is to provide a safe, nurturing, natural environment for children to thrive. Council is committed to provide high quality education and child care for children aged 3 months to 5 years old.

2017/18 has been an exciting year at the centre. A strong focus has been placed on delivering the Early Years Learning Framework to ensure the children's developmental milestones are being taught and that the centre is meeting its educational requirements. We are happy to have an Early Childhood Teacher on board who is qualified to deliver the fully approved kindergarten program and will provide educational leadership alongside the Centre's Director. The centre continues to operate compliantly with all regulatory requirements set by the Department of Education.



The Council has allocated additional funding under the Works 4 Queensland program which will be delivered in 2018/19 which will include upgrades to the Tweenies and Toddlers playground area.



Cloncurry Airport

The Cloncurry Airport is an important asset to both the Council and to the community. The Airport provides an essential transport hub for both Cloncurry residents and fly-in/fly-out mine employees, which links Cloncurry with ports such as Townsville, Brisbane and Mount Isa. The Airport hosts 14 flights per week, with 8 being commercial domestic flights and 6 being fly-in/fly-out charter flights.

Passenger numbers through the Cloncurry Airport in 2017/18 were strong with 59,814 passengers travelling through the airport. This was 5,828 passengers more than 2016/17. The Airport is a key income generating business unit which reported an annual turnover of \$2.8M in 2017/18. The Airport employs 12 staff being full-time, part-time and casual employees.

The cost of airfares in regional areas is an ongoing constraint to those of our community. In April 2018 Mayor Greg Campbell and Acting Chief Executive Officer, Joanne Morris partook in the Federal Government's Senate Inquiry on the cost of regional airfares and presented a submission on behalf of our community. During the inquiry the Mayor and Acting CEO provided factual evidence regarding interactions with the airlines and the extensive variation in prices that can be experienced by travellers to and from Cloncurry. At the time of preparing this report we are awaiting further progression of the Senate Inquiry and how the government intends to hold the major airlines to account.



Airfares Senate Enquiry hearing submissions at Council Precinct



A/CEO Joanne Morris and Mayor Campbell at Airfares Senate



Saleyards

Cloncurry Shire Council operates one of the largest cattle yards in the country. 2017/18 saw a downturn in cattle numbers through the Cloncurry yards with 216,580 head being processed. This was 20,557 head less than the previous year. Although still a considerable number of cattle were processed through the yards, this is still far from the numbers in 2014/15 of 312,439 head which was on the back of destocking as a result of the drought.

All users and operator of the saleyards were able to reap the rewards of Council's \$2.3M upgrade which occurred in the previous financial year. Additionally, Council has submitted applications to both the Commonwealth and State governments to undertake upgrades to the truck set down area by way of undertaking drainage and sealing works. Council has received approval of the Commonwealth component of the funding and is awaiting confirmation of whether we have been successful in the State funding round. These works will complete the Saleyards and bring them to the highest of standards in the State.



The new load-in and load-out ramp at the Saleyards

Works and Environmental Services Report

A message from Director Works & Environmental Services, Brendan Pearce

Council aims to ensure that it maintains its infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community.

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

Capital Works

During the 2017/18 year the following capital works renewal projects were undertaken:

• Reconstruction and renewal of local streets	-	\$2,600,000
• Bitumen reseal program	-	\$500,000
• Sheaffe Street – Stage 2 Upgrade	-	\$2,500,000
• Sewage treatment plant – Stage 2 Upgrade	-	\$1,000,000
• Eastern Stormwater Stage 2 works	-	\$1,050,000
• Water Treatment Plant – Lightning Surge protection	-	\$100,000
• Sewer Pump Stations – Electrical Switchboard upgrades	-	\$90,000
• Kajabbi Causeway – Renew and widen	-	\$350,000
• Mary K Park – Playground	-	\$80,000
• Road Restoration (QRA funded 2017 event)	-	\$11,400,000

Maintenance and Operational Works

You may not be aware that Council's infrastructure asset inventory consists of:

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



Council's crew undertaking flood damage works on Zingari Road

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

Natural Disasters

In March 2018, the Cloncurry Shire Council region was impacted by an ex-Tropical Low and associated rainfall and flooding. This event caused widespread damage to Council's road infrastructure and it was declared natural disaster event by the Queensland Government.

Council can access funds under the Natural Disaster Relief and Recovery Arrangements (NDRRA) to repair assets to their pre-disaster event condition. The Queensland Reconstruction Authority (QRA) has recently approved works to the value of \$10.4M for Cloncurry Shire Council to repair damage caused to its transport network from this event. These permanent repairs will commence in the later part of the 2018 calendar year.



Flooding at Chinaman Creek Dam from the March Ex-Tropical Low

Land Use Planning

In 2017/18 Council's Planning and Environment team paid focus on ensuring improved compliance with the requirements of the Cloncurry Shire Planning Scheme throughout the year.

This included a pilot project to gauge the level of non-compliance in any Council owned facilities and assessing the level of town planning compliance of any major suppliers to Council.

A report was commissioned and presented to Council in relation to the development and adoption of a Heritage Overlay as a minor amendment to the 2016 Planning Scheme. Council resolved to defer the progression of this project until further consultation could occur with the community.

Contracts

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

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

Community Development Report

A message from Director Community Development, Leanne Tu'ipulotu

Our community is vibrant and healthy; we have a strong sense of pride and a feeling of belonging in our region; we celebrate our heritage; and have access to diverse cultural and leisure opportunities.

In the 2017/18 financial year, the strategic direction of Community Development sought to encourage social wellbeing and to foster opportunities for community growth and development.

Cloncurry C150 Celebrations

Cloncurry held its C150 Celebrations from the 15 – 23 September 2017. Celebrating Cloncurry's rich history there was a strong focus on what has made Cloncurry special over the last 150 years.

The celebrations kicked off with a Street Parade and Party. The Street Parade was focused around the theme 'Past, Present and Future'. Scarr Street came to life with a street party featuring Troy Cassar-Daley filling the atmosphere along with markets, dancers, food and beverage sites.



Other C150 events included Rodeos, Reunions, Family Fun Sports Day, Market Night with a talent concert, Night at the Museums, Barefoot Bowls, Races and culminating with the C150 Gala Ball. All of these events took place over the nine day celebrations in various locations throughout Cloncurry including the township of Dajarra.

Christmas Festival

The 2017 Christmas festival was planned to be held in the Florence Clarke Park, however due to the weather, the event was moved to the Shire Hall. This did not dampen the fun and excitement of the community. Santa made an appearance along with gifts for every child.



The event entailed entertainment from local artist Sarah Harvey who played the violin, performances from Cloncurry Kindergarten, Curry Kids Early Learning Centre, St Joseph's Catholic School, Cloncurry State School and the Bouncing Elves who entertained the crowds, followed by a BBQ dinner and Carols with David Whitehead. Over 150 Cloncurry residents attended the event. The Cloncurry Community Christmas Markets were held on Saturday 25 and Sunday 26 November in the Community Precinct.

Australia Day

Australia Day celebrations commence in Cloncurry on Thursday 25 January, with a free Dive-In Movie at the Cloncurry Pool to watch Blinky Bill.

Celebrations continued on Friday 26 January with the Awards Ceremony, including a special guest Josh Arnold as Cloncurry's Australia Day Ambassador. The day culminated with a community sports afternoon including the Great Northern Bush Cricket Competition and Tug-O-War.

The winners were as follows:

- Citizen of the Year – Wayne Tapp
- Young Citizen of the Year – Daniel Crisp
- Dave Watt Memorial Junior Sports Award – Brandee Ferguson
- Senior Sports Award – Katy Scott
- Sports Administrator Award – Raeleen Waters
- Cultural Award – Rock, Pop, Mime Group – Isabella McDonald
- Achievement Award – Ann O'Loughlin
- Achievement Award – Phillip Gibson
- Achievement Award – Patricia Gibson
- Achievement Award – Peter O'Hara
- Achievement Award – Valerie O'Hara
- Achievement Award – Joanne Green
- Sarus Crane Environmental Award – Margaret Hughes
- Mayor's Community Spirit Award – Cloncurry Hospital
- Event of the Year Award – C150 Event Committee



Dajarra Community Christmas Festival

The Dajarra Community Christmas Festival was held on Tuesday 28 November 2017. The public enjoyed a BBQ Dinner, a visit from Santa, a movie on the big screen along with gifts from Santa and goodies from the Cloncurry Shire Council. A great evening was enjoyed by all that attended.

Royal Flying Doctor Service 90th Birthday Celebrations

From the 16 – 18 May 2018 Cloncurry Shire Council along with John Flynn Place held the Royal Flying Doctor's Service 90th Birthday Celebrations. The event kicked off with a celebratory dinner at the Shire Hall, followed by a community breakfast at the Airport the next morning. The community were able to watch a re-enactment of the very first RFDS Flight. The rest of the week was filled with tours of the John Flynn Place Museum and Art Gallery, a community concert, movie night, and a combination Church Service on Sunday morning. All events were well attended.

Queens Baton Relay

Cloncurry was selected as one of the many communities to host the Queen's Baton Relay on its journey to the Gold Coast for the Commonwealth Games. Thirteen residents from Cloncurry and surrounding areas were selected to carry the baton on its relay journey around the town. The baton arrived on a Royal Flying Doctor Service Plane and baton holders included both young and old from our schools, community groups and various other community members. A community event was held in the Precinct which included cutting of the cake, unveiling of a plaque in honour of the Mitakoodi people, BBQ and a performance from the Cloncurry State School Deadly Dancers.



Social and Community Wellbeing

Cloncurry Community Health Vision

The development of the Cloncurry Shire Council Community Health Vision (2018-2020) builds on the success of the 2014 – 2019 Health Vision and stems from an identified need to collaborate and determine current levels of service and any gaps, restraints and opportunities.

Council hosted a Health Vision workshop on 22 May 2018 with local agencies to discuss health and its associated issues as a collective. Over 20 people attended this workshop. The Community Health Vision is a shared vision for the development of the Health Sector in the Cloncurry community.

Activities for Seniors

Seniors Week was held from 21-25 August 2017. Senior's Week activities held in Cloncurry celebrated our many wonderful senior residents and their contributions to the community. The week commenced with a High Tea and opening of the Seniors Art Exhibition, followed by Story Telling Workshops, Luncheon with the Mayor at the aged care annex, an excursion and lunch at Corella Dam, a talent show from our youth and ended with a movie night under the stars at the Allan Vickers Outdoor Theatre.

A special luncheon was held for our Seniors to celebrate Christmas on 22 November 2017 where 60 seniors enjoyed Christmas cheer ahead of the festive season. Mitakoodi supplied gifts for the lucky door prize.



Get Out Get Active Initiative

Council was successful in receiving State Government funding from the Get Out Get Active Program. As a result of the funding, Council partnered with PCYC, North West Regional Health and Primary Health Network to put develop two 8-week fitness challenges that included vouchers, weekly weigh in's special diet and health talks. Over 50 women participated in the program and a positive change in their health and wellbeing was recorded in a social and constructive environment. Over the two separate 8-week challenges, the participants collectively achieved over 25kg of weight loss.



Council is now able to provide access to kayaks and stand up paddle's boards for the community and schools to use to deliver social and wellbeing activities with total of 3 local community members qualified to deliver these activities.

Local Business Network

The Local Business Network is an Advisory Group to Cloncurry Shire Council. A new initiative in 2017/18 included the implementation of the Cloncurry Local Gift Card program. The gift cards are similar to EFPTOS cards which can be redeemed in over 30 businesses in Cloncurry. Since the inception in May 2018, a total value of \$5,046 has been loaded onto the local gift cards. as at 30 June 2018. A Shop Local Campaign was run for Christmas 2017 where \$3,000 worth of local vouchers were won. The total spend from customers for this campaign was approximately \$122,650.

The Local Business Network created a welcome to Cloncurry pack for new residents to Cloncurry. The welcome packs were distributed in January 2018. The packs include a welcome document, key information on services and groups, business flyers and the business brochure.

Cloncurry Tourism Strategy

Liz Ward from Tourism Tribe was engaged to develop a Cloncurry Tourism Strategy, to guide the development of tourism opportunities for the Shire. The team at Tourism Tribe have carried out background research, conducted consultation with the community, Councillors, Tourism Events Queensland and Outback Queensland Tourism Association. The final report will be presented to Council in early July 2018 for the final consultation. From the research and consultation Tourism Tribe will provide a concise strategy for product development, marketing and branding for the Shire.

Tourism highlights

During 2017/18, the Cloncurry Unearthed Visitor Information Centre recorded 4,091 visitors and 17,262 visitors to go through the museum. Visitor numbers increased during the month of September due to the C150 Celebrations, when Cloncurry Unearthed also hosted the Night Markets and Talent Concert. The Museum also hosted a Night at the Museums event shared with John Flynn Place which saw 40 visitors attend the guided tour of the museums. John Flynn Place Museum & Art Gallery recorded 5,937 visitors for 2017/18.

Cloncurry was selected to host the 2017 Outback Queensland Tourism Awards from 2-4 November 2017. This was a great opportunity for Cloncurry to showcase the tourism products and events that are on offer and including the Night at the Museum guided tour, open air evening at the Cloncurry lookout, gala awards night at the Shire Hall and industry famils. The famils included tours of John Flynn Place Museum, kayaking on Chinaman Creek Dam, talks from locals on the area and a true outback racing experience at Derby Day at the race club.

Bob McDonald Library

During 2017/18 Bob McDonald Library has increased memberships by 253 people, bringing our total memberships to 1,373. We have had over 10,000 loan transactions and 135 events held in the library (e.g. First 5 Forever, Mums & Bubs, Cloncurry State School research sessions, etc.).

Bob McDonald Library has shared our facility with 16,125 visitors. We were especially busy during the C150 event with visitors gathering in the library to talk about old times when they lived in Cloncurry.



In October 2017, we were honoured to be included in the Premier's office commemorations for the 100th Anniversary of Polygon Wood. The display was well attended by Cloncurry State School.

In May 2017, Bob McDonald Library hosted an evening with Christine Anu: In Conversation and Song, which was attended by 86 guests. Additionally, author of 'Back of Beyond', Jenny Old, visited the library and connected with local residents about telling their own stories and getting them published.



Statutory Requirements

The following information includes the legislative disclosure requirements of the *Local Government Act 2009* and related regulations for the 2017/18 Annual Report.

Local Government Act 2009

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

During the period Council did not conduct any beneficial enterprises.

Section 45 requires the Annual Report to:

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

During the period Council operated the following business activities:

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

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

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

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

Council has no significant business activities, therefore not applicable.

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

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

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

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

Local Government Regulation 2012

s183 Financial Statements

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

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

Refer to Annexure A of this report.

s184 Community Financial Report

As presented starting on page 15 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

No resolutions were passed during the period under Section 250(1).

b. Valuation of non-current physical assets

Moved: Cr Rix

Seconded: Cr V. Campbell

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

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

CARRIED: 20.180619

s186 Councillors

Councillor Remuneration

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

Councillor Attendance and Remuneration Schedule

Name	Remuneration	Superannuation Contributions	Meeting Attendance	
			Special Meeting	General Meetings
Cr Greg Campbell (Mayor)	\$101,631	\$0	6	12
Cr Dane Swalling (Deputy Mayor)	\$58,633	\$0	5	12
Cr Brad Rix	\$49,819	\$0	6	11
Cr Vicky Campbell	\$49,819	\$0	6	12
Cr Damien McGee	\$49,819	\$0	6	12

Councillor Expenses and Facilities Schedule

Name	Mobile devices/ iPad	Phone Allowance*	Council Vehicle	Internet Allowance*	Expenses reimbursed*
Cr Greg Campbell (Mayor)	✓	\$900	✓	\$0	\$60
Cr Dane Swalling (Deputy Mayor)		\$600		\$960	\$350
Cr Brad Rix	✓	\$600		\$0	\$0
Cr Vicky Campbell	✓	\$600		\$0	\$132
Cr Damien McGee		\$600		\$960	\$0

*Figures exclude GST

Code of Conduct, Complaints and Breaches

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

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

Nil

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

Nil

s186 (e) (i) (ii) (iii) – Total number of orders made under Section 181 of the Local Government Act 2009

Nil

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

Nil

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

Nil

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

Nil

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

2 complaints

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

2 complaints

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

2 complaints – with the allegations in these 2 complaints determined by the regional conduct review panel to be not sustained.

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

Nil

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

Nil

s187 Administrative action complaints

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

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

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

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

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

<i>Year</i>	<i>Administrative Complaints received</i>	<i>Administrative Complaints resolved</i>	<i>Administrative Complaints not resolved</i>
2017/2018	8	3	5

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 2018.

s189 Grants or Discretionary Funds to Community Organisations

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

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

Total expenditure incurred on grants to community organisations by Cloncurry Shire Council during the year ended 30 June 2018 was \$172,941.

In Kind Support to Community Organisations

The total expenditure incurred on in kind support to community organisations during the year ended 30 June 2018 was \$43,375.

Community Group	In Kind Support (\$)
Quamby Rodeo	\$912
Cloncurry Merry Muster	\$12,973
Stockman's Challenge	\$14,393
Cloncurry Show	\$6,047
Rockhana Gem & Mineral Festival	\$3,500
Dajarra Sports Club	\$4,300
Burke & Wills Campdraft	\$1,000
Country Women's Association	\$250
Total	\$43,375

All figures are rounded to the nearest dollar. Figures do not include facility hire fees waived by Council.

Community Donations and Sponsorships

Community Group	Purpose	Donation (\$)
Cloncurry State School	Chaplaincy Program	\$15,000
Cloncurry Soccer Club	Hire Fees	\$1,164
Dajarra Sports Club	Donation	\$700
Cloncurry Joey Scouts and Club Formation	Donation	\$1,929
Various individuals	Sports Bursary	\$2,350
Cloncurry Show	Donation	\$13,953
Stockmans Challenge	Donation	\$5,607
Grants to Individual/s	Donation	\$1,000
Curry Merry Muster Festival	Donations	\$7,027
Flinders Medical Centre	Rental Assistance	\$15,000
Ballara Mining	Sponsorship	\$5,000
Multiskills	Sponsorship	\$5,500
Dajarra Football Club	Donation	\$500
Cloncurry State School	Calendar	\$303
Australian Junior Rodeo Association	Sponsorship	\$1,000
Refund of Hire Fees	Donations	\$4,824
Cloncurry Canine Club	Hire Fees	\$1,164
Mt. Isa School of Air	Hire Fees	\$620
Queensland Country Women's Association	Rental Assistance	\$10,400
Rural Health Management Services	Rental Assistance	\$79,900
Total		\$172,941

All figures are rounded to the nearest dollar

The Mayor and the Deputy Mayor did not have any discretionary funds to allocate to community organisations in 2017/2018.

Councillors opted to forgo \$1,000 each of their annual remuneration increase and contributed this to community groups of their choice. Councillor McGee donated \$1,000 to Cloncurry State School; Councillor V. Campbell donated \$500 to the Cloncurry QCWA and \$500 to Dajarra State School; and Councillor Rix donated \$500 to the Multiskill Centre and \$500 to Cloncurry SES.

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 pg 10-14
(b)	Particulars of other issues relevant to making an informed assessment of the local government's operations and performance in the Financial Year; <ul style="list-style-type: none"> • Message from CEO • Community Financial Report • Corporate Services Report • Works and Environmental Services Report • Community Development Report 	Refer Reports
(c)	An annual operations report for each commercial business unit;	Not applicable
(d)	Details of any action taken for, and expenditure on, a service, facility or activity; <p>(i) Supplied by another Local Government under an agreement for conducting a joint government activity; and</p> <p>(ii) For which the Local Government levied special rates or charges for the Financial Year;</p>	Refer below Refer below
(e)	The number of invitations to change tenders under section 228(7) during the Financial Year;	Refer below
(f)	A list of the registers kept by the local government;	Refer below
(g)	A summary of all concessions for rates and charges granted by the local government;	Refer below
(h)	The report on the internal audit for the Financial Year;	Refer below
(i)	A summary of investigation notices given in the Financial Year under section 49 for competitive neutrality complaints;	Not applicable
(j)	The local government's responses in the Financial Year on the QCA's recommendations on any competitive neutrality complaints under section 52(3).	Not applicable

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 resolves 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, levies 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 apportioned across all benefitted rateable lots.

Annual Implementation

In relation to the rateable land described as Lot 5 RP743006, located at 19 Palmer Street, assessment 00663-00000-000 - Special Charge of \$3,978.75 to be levied annually for a period of 20 years starting from the 2011/12 financial year as set out in the 2011/12 Revenue Statement. The final Special Charge will be levied in the 2030/31 financial year.

This Annual Implementation Plan for 2017/18 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

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

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

COUNCIL NOW RESOLVES 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 2017/18 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 resolves to adopt the amended Overall Plan as set out below for the ongoing maintenance of the Duchess/Phosphate/Trekelano Road ("**the Road**") pursuant to *s94(2)(b) of the Local Government Regulation 2012*.

Service, facility or activity

The tenement holders of the Rateable Land use the Road in association with their activities on the Rateable Land.

The service, facility or activity provided by Council under this special charge is increased maintenance to the Road, including bitumen seal application.

The Road is approximately 53 kilometres in length and is approximately six (6) metres wide along its entire length.

The use that the tenement holders make of the Rateable Land means that the tenement holders specially contributes to the need for greater than usual maintenance of the Road.

The tenement holders also specially benefit from the ongoing additional maintenance undertaken by Council as this includes more frequent application of bitumen seals than would normally be required for average usage of the Road over the term of the Mining Leases.

Council will undertake the additional annual maintenance of the Road which will include bitumen seal applications on the Road approximately every 8 years or sooner as required giving consideration to the damage caused to and impact on the roads as a result of use of the Road by the tenement holders over the term of the Mining Leases

Estimated cost for carrying out Overall Plan as amended

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

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

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

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

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

Overall Plan

Activity	Annual Allowance \$
Description of service	
Bitumen Reseal of Duchess/ Phosphate/ Trekelano Road total kilometres - 53 @ forecast cost of \$35,000 per km in 2023-24	
Total cost of work	\$ 1,855,000
Bitumen Reseal (annual allowance for reseal in eight years, commencing 2016-17 – per annum up to and including 2023-24)	\$231,875
Total for 2017-18	\$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 2016/2017.

Annual Implementation Plan

Council resolves to adopt the Annual Implementation Plan for the 2017/18 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 2017/18 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

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

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

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

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

There were 6 instances during 2017/18 financial year where persons who had submitted a tender to Council were invited to change their tenders.

s190 (f) Registers and Public Documents

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

- *Register of Interests – Councillors*
- *Register of Interests - Councillors' Related Persons*
- *Register of Interests - Chief Executive Officer*
- *Register of Interests - Chief Executive Officers' Related Persons*
- *Register of Interests - Senior Contract Employees*
- *Register of Interests - Senior Contract Employees Related Persons*
- *Gifts and Benefits Register*
- *Register of Roads*
- *Register of Regulatory Fees and Charges*
- *Register of Delegations*
- *Local Laws Register*
- *Policy Register*
- *Contracts Register*
- *Grants Register*
- *Register of Related Party Transactions*

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

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

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

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

10.6 Revenue Policy Report

Moved: Cr Swalling	Seconded: Cr Rix
That Council adopt the Revenue Policy COR 1005 v4.1 in accordance with Section 193 of the <i>Local Government Regulation 2012</i> for the 2018/19 financial year.	
CARRIED: 19.180619	

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

6.1.8 ADOPTION OF BUDGET

Moved: Cr V. Campbell	Seconded: Cr Rix
Pursuant to section 107A of the <i>Local Government Act 2009</i> and sections 169 and 170 of the <i>Local Government Regulation 2012</i>, Council's Budget for the 2018/19 financial year, incorporating:	
i. The statements of financial position;	
ii. The statements of cash flow;	
iii. The statements of income and expenditure;	
iv. The statements of changes in equity;	
v. The long-term financial forecast;	
vi. The revenue statement;	
vii. The revenue policy (adopted by Council resolution on 19 June 2018);	
viii. The relevant measures of financial sustainability; and	
ix. The total value of the change, expressed as a percentage, in the rates and utility charges levied for the financial year compared with the rates and utility charges levied in the previous budget,	
as tabled, be adopted.	
CARRIED: 19.180724	

Rebate of Rates to Pensioners (as per Revenue Statement)

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

Concession from General Rates (as per Revenue Statement)

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

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

The internal audit for the 2017/18 Financial Year was undertaken by Partner In Business over two onsite visits in: April 2018 – Asset Valuations and Accounting; and June 2018 – Plant Hire Rates and Oncosting. The matters that have been addressed since this time have resulted in a lower risk profile for Council in relation to those matters (based on number of items).

Cloncurry Shire Council also implemented an Internal Audit Charter and an Internal Audit Plan. As per the Internal Audit Plan, Council and the Internal Auditor shall focus on the two areas below for the 18/19 financial year:

- *Procurement, Tendering and Contracting; and*
- *Payroll.*

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

Council received no complaints under s49 in 2017/18 financial year.

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

Council received no complaints under s49 in 2017/18 financial year and was therefore not required to provide any responses.

Annexure A – 2017/18 Audited Financial Statements

Cloncurry Shire Council

Financial Statements



for the year ended 30 June 2018

Cloncurry Shire Council

Financial statements

For the year ended 30 June 2018

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Cloncurry Shire Council
Statement of Comprehensive Income
For the year ended 30 June 2018

	Note	2018 \$	2017 \$
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3(a)	13,809,720	13,172,906
Fees and charges	3(b)	4,868,711	5,039,375
Rental income	3(c)	254,755	275,271
Interest received	3(d)	757,586	632,321
Sales revenue	3(e)	1,340,749	2,992,297
Grants, subsidies and contributions	4(a)	6,134,020	9,922,106
		<u>27,165,541</u>	<u>32,034,276</u>
Capital revenue			
Grants, subsidies and contributions	4(b)	11,839,000	13,676,670
Total revenue		<u>39,004,541</u>	<u>45,710,946</u>
Capital income	5	17,234	-
Total income		<u>39,021,775</u>	<u>45,710,946</u>
Expenses			
Recurrent expenses			
Employee benefits	6	(8,310,550)	(8,481,024)
Materials and services	7	(9,562,928)	(11,214,044)
Finance costs	8	(707,094)	(756,445)
Depreciation	9	(10,481,782)	(10,747,814)
		<u>(29,062,354)</u>	<u>(31,199,327)</u>
Total expenses		<u>(29,062,354)</u>	<u>(31,199,327)</u>
Net result		<u>9,959,421</u>	<u>14,511,619</u>
Other comprehensive income			
Items that will not be reclassified to net result			
Increase / (decrease) in asset revaluation surplus	19	24,398,122	(14,711,913)
Total other comprehensive income for the year		<u>24,398,122</u>	<u>(14,711,913)</u>
Total comprehensive income for the year		<u>34,357,543</u>	<u>(200,293)</u>

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

Cloncurry Shire Council
Statement of Financial Position
As at 30 June 2018

	Note	2018 \$	2017 \$
Current assets			
Cash and cash equivalents	10	24,014,633	21,700,858
Trade and other receivables	11	3,627,997	2,710,491
Inventories	12	2,844,404	3,234,527
Total current assets		<u>30,487,034</u>	<u>27,645,876</u>
Non-current assets			
Property, plant and equipment	14	315,327,498	284,373,726
Total non-current assets		<u>315,327,498</u>	<u>284,373,726</u>
Total assets		<u>345,814,532</u>	<u>312,019,602</u>
Current liabilities			
Trade and other payables	16	2,597,341	2,624,830
Borrowings	17	645,921	576,859
Provisions	18	503,589	445,342
Total current liabilities		<u>3,746,851</u>	<u>3,647,031</u>
Non-current liabilities			
Borrowings	17	9,125,026	9,779,320
Provisions	18	799,290	807,427
Total non-current liabilities		<u>9,924,316</u>	<u>10,586,747</u>
Total liabilities		<u>13,671,167</u>	<u>14,233,778</u>
Net community assets		<u>332,143,365</u>	<u>297,785,823</u>
Community equity			
Asset revaluation surplus	19	95,899,443	71,501,321
Retained surplus		236,243,922	226,284,502
Total community equity		<u>332,143,365</u>	<u>297,785,823</u>

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

Cloncurry Shire Council
Statement of Changes in Equity
For the year ended 30 June 2018

	Note	Asset Revaluation Surplus	Retained Surplus	Total
		\$	\$	\$
Balance as at 1 July 2017		71,501,321	226,284,501	297,785,823
Net result		-	9,959,421	9,959,421
Other comprehensive income for the year				
Decrease in asset revaluation surplus		24,398,122	-	24,398,122
Total comprehensive income for the year		<u>24,398,122</u>	<u>9,959,421</u>	<u>34,357,543</u>
Balance as at 30 June 2018	19	<u>95,899,443</u>	<u>236,243,922</u>	<u>332,143,365</u>
Balances as at 1 July 2016		86,213,234	211,772,881	297,986,115
Net result		-	14,511,620	14,511,620
Other comprehensive income for the year				
Decrease in asset revaluation surplus		(14,711,913)	-	(14,711,913)
Total comprehensive income for the year		<u>(14,711,913)</u>	<u>14,511,620</u>	<u>(200,293)</u>
Balance as at 30 June 2017		<u>71,501,321</u>	<u>226,284,501</u>	<u>297,785,823</u>

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

Cloncurry Shire Council
Statement of Cash Flows
For the year ended 30 June 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Receipts from customers		22,248,494	22,916,660
Payments to suppliers and employees		<u>(20,488,923)</u>	<u>(22,292,513)</u>
		1,759,571	624,146
Interest received		757,587	632,321
Rental income		285,883	314,063
Non capital grants and contributions		5,845,636	10,229,664
Borrowing costs		<u>(568,472)</u>	<u>(611,889)</u>
Net cash inflow (outflow) from operating activities	25	<u>8,080,205</u>	<u>11,188,305</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(17,133,972)	(26,099,225)
Proceeds from sale of property plant and equipment	5	113,773	-
Grants, subsidies, contributions and donations		<u>11,839,000</u>	<u>13,676,670</u>
Net cash inflow (outflow) from investing activities		<u>(5,181,199)</u>	<u>(12,422,555)</u>
Cash flows from financing activities			
Net Repayment of borrowings		<u>(585,232)</u>	<u>(551,228)</u>
Net cash inflow (outflow) from financing activities		<u>(585,232)</u>	<u>(551,228)</u>
Net increase (decrease) in cash and cash equivalents held		<u>2,313,774</u>	<u>(1,785,478)</u>
Cash and cash equivalents at the beginning of the financial year		21,700,858	23,486,336
Cash and cash equivalents at the end of the financial year	10	<u>24,014,633</u>	<u>21,700,858</u>

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

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2018

1 Significant accounting policies

1 (a) Basis of preparation

These general purpose financial statements are for the period 1 July 2017 to 30 June 2018 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

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

Recurrent/ Non-recurrent classification

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

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

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

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

1 (b) Statement of Compliance

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

1 (c) Constitution

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

1 (d) Adoption of new and revised Accounting Standards

This year Council has applied AASB 2016-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB107 for the first time. As a result Council has disclosed more information to explain changes in liabilities arising from financing activities ('debt reconciliation'). In considering this disclosure, it has however not been deemed to be material and as such has not been separately disclosed.

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

Standard and impact	Date council will apply the standard
---------------------	--------------------------------------

AASB 9 Financial Instruments

This replaces AASB 139 Financial Instruments: Recognition and Measurement, and will change the classification, measurement and disclosures of financial assets.

1-Jul-18

The standard introduces a new impairment model that requires impairment provisions to be based on expected credit losses, rather than incurred losses. Based on assessments to date, Council expects a small increase to impairment losses however the standard is not expected to have a material impact overall.

AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities and AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities

AASB 15 will replace AASB 118 Revenue, AASB 111 Construction Contracts and a number of Interpretations. AASB 2016-8 provides Australian requirements and guidance for not-for-profit entities in applying AASB 9 and AASB 15, and AASB 1058 will replace AASB 1004 Contributions. Together they contain a comprehensive and robust framework for the recognition, measurement and disclosure of income including revenue from contracts with customers.

1-Jul-19

Due to its recent release, Council is still reviewing the way that revenue is measured and recognised to identify whether AASB15 Revenue and Contracts with Customers will have a material impact. To date no impact has been identified.

Standard and impact

Date council will apply the
standard

AASB 16 Leases

1-Jan-19

AASB 16 removes the lease classification for lessees and requires all leases, including operating leases to be recognised on the balance sheet. Definition of a lease is also amended and is now the new on/off balance sheet test for lessees. Council is still reviewing, if any, leases that may need to be recognised on the balance sheet, in accordance with the standard requirements.

Other amended Australian Accounting Standards and Interpretations which were issued at the date of authorisation of the financial report, but have future commencement dates are not likely to have a material impact on the financial statements.

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

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

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

Non-cash contributions

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

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

1 (f) Financial assets and financial liabilities

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

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

Financial assets

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

Financial liabilities

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

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

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

All other disclosures relating to the measurement and financial risk management of financial instruments are included in Note 27.

1 (g) Rounding and comparatives

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

1 (h) Taxation

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

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2018

2. Analysis of results by function

2 (a) Components of Council functions

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

Corporate governance

This comprises the support functions for the Mayor and Councillors, administration for council and committee meetings. Includes strategic and operational planning, risk management, legal and administration support.

Finance and information

The support functions of management of the Council's finance, information technology and administration. Finance functions are grants co-ordination, policies and procedures, records, financial and management reporting, payroll, staff management including human resources and WHS. Includes management of Council owned business units including childcare services, saleyard management, airport management and cemetery.

Community services

Community services and facilities including cultural, health, welfare, environmental and recreational services.

This function includes:

Libraries

Entertainment venues

Public health services including vaccination clinics

Environmental licenses and approvals.

Planning and development

Management of the development of the shire and approval processes for development and building. Includes activities and services related to town, neighbourhood and regional planning.

Transport infrastructure

The objective of the transport infrastructure program is to ensure the community is serviced by a high quality and effective road network. Providing and maintaining roads and drainage.

Waste management

Providing efficient refuse collection and disposal services while protecting and supporting the community and natural environment by sustainably managing refuse.

Water infrastructure

The goal of this program is to support a healthy, safe community through sustainable water services. Includes all activities relating to water.

Sewerage infrastructure

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 2018**

- 2 Analysis of results by function (continued)
2 (b) Income and expenses defined between recurring and capital are attributed to the following functions:

Functions	Year ended 30 June 2018						Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net Result	Assets
	Recurring			Capital				Recurring	Capital				
	Grants	Other		Grants	Other								
	\$	\$	\$	\$	\$	\$							
Corporate governance	-	125,755	-	-	-	125,755	390,861	-	390,861	(265,106)	(265,106)	-	
Finance and information	3,674,514	14,400,936	800,000	-	-	18,875,450	6,894,197	-	6,894,197	11,181,253	11,981,253	38,803,969	
Community services	356,394	637,078	280,000	-	-	1,273,472	6,162,188	-	6,162,188	(5,168,716)	(4,888,716)	69,965,483	
Planning & development	-	7,937	-	-	-	7,937	248,037	-	248,037	(240,100)	(240,100)	-	
Transport infrastructure	2,103,112	1,763,439	9,023,308	17,234	-	12,907,093	9,579,678	-	9,579,678	(5,713,127)	3,327,415	185,817,656	
Waste management	-	763,087	-	-	-	763,087	1,147,450	-	1,147,450	(384,363)	(384,363)	34,047	
Water infrastructure	-	2,490,823	884,100	-	-	3,374,923	3,724,692	-	3,724,692	(1,233,869)	(349,769)	39,383,396	
Sewerage infrastructure	-	842,466	851,592	-	-	1,694,058	915,251	-	915,251	(72,785)	778,807	11,809,981	
Total	6,134,020	21,031,521	11,839,000	17,234	-	39,021,775	29,062,354	-	29,062,354	(1,896,813)	9,959,421	345,814,532	

Functions	Year ended 30 June 2017						Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net Result	Assets
	Recurring			Capital				Recurring	Capital				
	Grants	Other		Grants	Other								
	\$	\$	\$	\$	\$	\$							
Corporate governance	-	89,941	-	-	-	89,941	406,506	-	406,506	(316,565)	(316,565)	-	
Finance and information	5,418,468	14,177,060	-	-	-	19,595,528	6,681,757	-	6,681,757	12,913,771	12,913,771	34,576,473	
Community services	612,082	596,526	800,000	-	-	2,008,608	5,291,251	-	5,291,251	(4,082,643)	(3,282,643)	72,431,297	
Planning & development	-	9,905	126,270	-	-	136,175	156,171	-	156,171	(146,266)	(19,996)	-	
Transport infrastructure	3,891,556	3,184,942	12,406,900	-	-	19,483,398	12,357,967	-	12,357,967	(5,281,469)	7,125,431	156,051,042	
Waste management	-	682,555	-	-	-	682,555	1,750,765	-	1,750,765	(1,068,210)	(1,068,210)	34,047	
Water infrastructure	-	2,547,716	150,000	-	-	2,697,716	3,500,126	-	3,500,126	(952,410)	(802,410)	39,724,681	
Sewerage infrastructure	-	823,525	193,500	-	-	1,017,025	1,054,784	-	1,054,784	(231,258)	(37,759)	9,202,062	
Total	9,922,106	22,112,170	13,676,670	-	-	45,710,946	31,199,327	-	31,199,327	834,950	14,511,619	312,019,602	

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2018

	Note	2018 \$	2017 \$
3 Revenue			
Revenue is recognised at the fair value of the consideration received or receivable, at the time indicated below.			
(a) Rates, levies and charges			
Rates are recognised as revenue at the time the levy is raised. If a ratepayer pays their rates before the start of the rating period, they are recognised as revenue when they are received.			
General rates		10,553,041	9,996,562
Separate rates		235,855	148,854
Water		2,418,524	2,491,551
Sewerage		823,064	800,230
Waste management		722,361	657,466
Gross rates, levies and charges		<u>14,752,845</u>	<u>14,094,662</u>
Less: Discounts		(932,368)	(909,717)
Less: Pensioner remissions		<u>(10,757)</u>	<u>(12,039)</u>
		<u><u>13,809,720</u></u>	<u><u>13,172,906</u></u>
(b) Fees and charges			
Council generates revenues from a number of services including child care, contracts for road maintenance and construction, earthworks and from the operation of the Cloncurry Airport. Revenue is measured at the fair value of consideration received or receivable in relation to that activity. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed.			
Fees and charges are recognised upon unconditional entitlement to the funds. Generally this is upon lodgement of the relevant applications, documents or invoices, issuing of the infringement notice or when the service is provided.			
Saleyard - weighing		247,490	281,319
Saleyard - dipping		531,191	582,319
Airport fees & charges		2,837,134	2,259,270
Childcare fees & charges		477,302	447,324
Water connection fees		12,790	25,288
Other fees and charges		762,804	1,443,855
		<u>4,868,711</u>	<u>5,039,375</u>
(c) Rental income			
Rent from investment and other property is recognised as income on a periodic straight line basis over the lease term.			
Rental - Commercial		254,755	275,271
		<u>254,755</u>	<u>275,271</u>
(d) Interest received			
Interest earned on bank accounts is recognised at the time received.			
Interest received from cash balances		573,395	504,086
Interest from overdue rates and utility charges		184,191	128,235
		<u>757,586</u>	<u>632,321</u>
(e) Sales revenue			
Sale of goods is recognised when the significant risks and rewards of ownership are transferred to the buyer, generally when the customer has taken undisputed delivery of the goods.			
Sale of services			
Contract and recoverable works		959,195	2,909,324
Private works		381,554	82,973
Total sales revenue		<u>1,340,749</u>	<u>2,992,297</u>

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2018

	Note	2018 \$	2017 \$
<p>The amount recognised as revenue for contract revenue during the financial year is the amount receivable in respect of invoices issued during the period. Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. This revenue and associated costs are recognised by reference to the stage of completion of the contract activity at the reporting date. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed</p>			
4 Grants, subsidies and contributions			
<p>Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them which is usually upon receipt of funds. Restrictions that have been placed on Council's cash and cash equivalents are disclosed in Note 10.</p>			
(a) Recurrent			
Commonwealth general purpose grants		5,531,368	8,219,085
State government subsidies and grants		138,270	1,248,479
Commonwealth government subsidies and grants		452,873	426,049
Contributions & Donations		11,509	28,493
		<u>6,134,020</u>	<u>9,922,106</u>
(b) Capital			
Commonwealth government subsidies and grants - flood damage		-	-
State government subsidies and grants - flood damage		6,043,025	10,765,291
State government subsidies and grants		5,581,975	2,515,228
Contributions & Donations		214,000	396,150
		<u>11,839,000</u>	<u>13,676,670</u>
Conditions over contributions			
<p>Contributions recognised as income during the reporting period and which were obtained on the condition that they be expended in a manner specified by the contributor but had not been expended at the reporting date:</p>			
Non-reciprocal grants for expenditure on services		-	-
Non-reciprocal grants for expenditure on infrastructure		1,251,809	1,567,807
		<u>1,251,809</u>	<u>1,567,807</u>
<p>Contributions recognised as income during a previous reporting period that were obtained in respect of the current reporting period:</p>			
Non-reciprocal grants for expenditure on services		-	-
Non-reciprocal grants for expenditure on infrastructure		689,311	7,161,846
		<u>689,311</u>	<u>7,161,846</u>
5 Capital income/(expenses)			
Gain / (loss) on disposal of non-current assets			
Proceeds from the sale of property, plant and equipment		113,773	-
Less: Carrying value of property, plant and equipment disposed of		(96,539)	-
		<u>17,234</u>	<u>-</u>
6 Employee benefits			
Total staff wages and salaries		6,159,349	6,472,383
Councillors' remuneration		309,721	306,578
Annual and long service leave entitlements		1,216,445	1,147,731
Superannuation	22	629,177	659,561
		<u>8,314,692</u>	<u>8,586,253</u>
Other employee related expenses		-	-
		<u>8,314,692</u>	<u>8,586,253</u>
Less: Capitalised employee expenses		(4,142)	(105,229)
		<u>8,310,550</u>	<u>8,481,024</u>

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2018

	Note	2018 \$	2017 \$
Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties.			
Total Council employees at the reporting date:			
Elected members		5	5
Administration staff		59	54
Depot and outdoors staff		44	44
Total employees		<u>108</u>	<u>103</u>
7 Materials and services			
Audit of annual financial statements		106,855	80,799
Infrastructure Operations and Maintenance		3,291,974	5,439,462
Business Services (Saleyards, Airport, Private Works)		1,054,827	1,103,251
Community Services (Childcare, Public Facilities, Tourism)		2,721,877	2,120,833
Refuse and Environmental Services		981,452	1,596,389
Corporate and Management Services		968,966	815,194
Other Materials and Services		436,977	58,116
		<u>9,562,928</u>	<u>11,214,044</u>
8 Finance costs			
Finance costs charged by Queensland Treasury Corporation		601,923	636,256
Bank charges		64,667	52,869
Impairment of debts / (reversal)		40,504	67,320
		<u>707,094</u>	<u>756,445</u>
9 Depreciation			
Buildings		1,718,548	1,079,604
Plant and equipment		727,661	608,105
Road, drainage and bridge network		5,524,770	6,108,140
Water		1,073,623	1,064,432
Sewerage		373,589	339,466
Other structures		1,063,591	1,548,067
	14	<u>10,481,782</u>	<u>10,747,814</u>
10 Cash and cash equivalents			
Cash and cash equivalents includes cash on hand, all cash and cheques receipted but not banked at the year end, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Term deposits in excess of three months are reported as short term investments.			
Cash at bank and on hand		1,771,293	793,075
Deposits at call		22,243,340	20,907,784
Balance per Statement of Cash Flows		<u>24,014,633</u>	<u>21,700,858</u>
Council's cash and cash equivalents are subject to a number of external restrictions that limit amounts available for discretionary or future use. These include:			
Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:			
Unspent government grants and subsidies		1,251,809	1,567,807
Total unspent restricted cash		<u>1,251,809</u>	<u>1,567,807</u>

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2018

	Note	2018 \$	2017 \$
11 Trade and other receivables			
Trade receivables are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase price / contract price. Settlement of these amounts is required within 30 days from invoice date.			
The collectability of receivables is assessed periodically and if there is objective evidence that Council will not be able to collect any amounts due, a provision is made for impairment. The loss is recognised in finance costs.			
All known bad debts were written-off at 30 June. Subsequent recoveries of amounts previously written off in the same period are recognised as finance costs in the Statement of Comprehensive Income. If an amount is recovered in a subsequent period it is recognised as revenue.			
Because Council is empowered under the provisions of the <i>Local Government Act 2009</i> to sell an owner's property to recover outstanding rate debts, Council does not generally impair any rate receivables. This does not however apply where the rateable property is land with negligible value.			
Current			
Rateable revenue and utility charges		2,009,763	1,416,008
Prepayments		129,246	138,706
Trade receivables		1,728,269	1,358,225
less: impairment or Provision for doubtful debts		(239,281)	(202,448)
		<u>3,627,997</u>	<u>2,710,491</u>
Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on other debtors.			
12 Inventories held for sale			
Land acquired by Council with the intention of reselling (with or without further development) is classified as inventory. This land is valued at the lower of cost or net realisable value. As an inventory item, this land held for resale is treated as a current asset. Proceeds from the sale of this land will be recognised as sales revenue on the signing of a valid unconditional contract of sale			
Inventories held for sale			
Trading stock		<u>47,294</u>	<u>27,075</u>
		<u>47,294</u>	<u>27,075</u>
Inventories held for distribution			
Plant and equipment stores		<u>199,114</u>	<u>211,653</u>
		<u>199,114</u>	<u>211,653</u>
Land held for development and sale			
Land held for resale	13	<u>2,597,996</u>	<u>2,995,800</u>
		<u>2,597,996</u>	<u>2,995,800</u>
Total inventories		<u>2,844,404</u>	<u>3,234,527</u>
13 Land held for development and sale			
Opening balance		2,995,800	2,748,256
Additions		-	247,544
Less: Cost of development land sold		(96,567)	
Less: adjustment to carrying value at lower of cost of net realisable value		(301,237)	-
		<u>2,597,996</u>	<u>2,995,800</u>
Classified as			
Current		<u>2,597,996</u>	<u>2,995,800</u>

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2018

14 Property, plant and equipment

30 June 2018	Note	Land	Buildings	Plant and equipment	Road, drainage and bridge network	Water	Sewerage	Other Structures	Work in progress	Total
		\$	\$	\$	\$	\$	\$	\$	\$	\$
Basis of measurement										
Asset values										
Opening gross value as at 1 July 2017		15,147,361	56,122,734	10,686,723	227,143,177	59,713,600	18,054,060	32,497,255	3,360,276	422,725,185
Internal Transfers		-	(123,960)	30,000	334,530	(87,596)	(14,795)	(138,179)	-	-
Additions		-	-	-	-	-	-	-	17,133,972	17,133,972
Disposals	5	-	-	(2,237,147)	-	-	-	-	-	(2,237,147)
De-recognition of assets due to change in underlying assumptions		-	-	-	-	-	-	-	-	-
Revaluation adjustment to asset revaluation surplus	19	-	(4,698,492)	-	(11,622,885)	(1,368,067)	(22,348)	(4,980,641)	-	(22,692,433)
Transfers between classes		47,881	313,023	309,470	9,753,893	1,665,175	1,055,369	3,128,225	(16,273,036)	-
Closing gross value as at 30 June 2018		15,195,242	51,613,305	8,789,046	225,608,715	59,923,112	19,072,286	30,506,660	4,221,212	414,929,577

Accumulated depreciation and impairment

Opening balance as at 1 July 2017		-	21,062,918	5,188,274	72,281,123	20,055,564	9,217,509	10,546,073	-	138,351,460
Depreciation provided in period	9	-	1,718,548	727,661	5,524,770	1,073,623	373,589	1,063,591	-	10,481,782
Depreciation on disposals	5	-	-	(2,140,608)	-	-	-	-	-	(2,140,608)
De-recognition of assets due to change in Revaluation adjustment to the asset		-	-	-	-	-	-	-	-	-
Revaluation adjustment to asset revaluation surplus	19	-	(4,335,075)	-	(34,455,858)	(446,107)	(2,157,504)	(5,696,011)	-	(47,090,555)
Transfers between classes		-	36,617	11,651	322,869	(87,587)	(14,794)	(268,757)	-	(0)
Accumulated depreciation as at 30 June 2018		-	18,483,008	3,786,978	43,672,904	20,595,494	7,418,800	5,644,896	-	99,602,080

Total written down value as at 30 June 2018

Range of estimated useful life in years		15,195,242	33,130,298	5,002,068	181,935,811	39,327,618	11,653,486	24,861,764	4,221,212	315,327,498
		Land : Not depreciated.	20-60	2 - 20	5 - 300+	20 - 60	20 - 60	20 - 40	-	-

Additions Comprise:

Other additions		\$	\$	\$	\$	\$	\$	\$	\$	\$
Renewals		-	-	-	-	-	-	-	-	-
New		47,881	33,300	339,469	9,512,089	576,885	150,571	2,834,204	-	13,692,940
Total additions		47,881	313,022	339,469	9,753,877	1,665,175	1,055,368	3,098,244	-	16,273,036

**Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2018**

14 Property, plant and equipment (continued)

	Note	Land		Buildings		Plant and equipment		Road, drainage and bridge network		Water		Sewerage		Other Structures		Work in progress		Total	
		Fair Value	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Fair Value	Cost		
Basis of measurement																			
Asset values																			
Opening gross value as at 1 July 2016		16,754,900	54,448,028		10,440,651	206,711,337	57,712,054	17,295,256	30,370,213	8,738,884	402,471,323								
Internal Transfers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions		-	-	-	-	-	-	-	-	26,099,225	26,099,225	-	-	-	-	-	-	-	-
Disposals	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
De-recognition of assets due to change in underlying assumptions		-	-	-	-	-	-	-	-	-	(1,533,902)	-	-	-	-	-	-	-	(1,533,902)
Revaluation adjustment to asset revaluation surplus	19	(1,610,100)	766,711	-	-	-	-	-	-	-	(3,468,071)	-	-	-	-	-	-	-	(4,311,460)
Transfers between classes		2,561	907,995	246,072	20,431,840	758,804	2,001,546	7,129,015	(31,477,833)										
Closing gross value as at 30 June 2017		15,147,361	56,122,734	10,686,723	227,143,177	18,054,060	59,713,600	32,497,255	3,360,276		422,725,187								

Accumulated depreciation and impairment

Opening balance as at 1 July 2016		-	19,030,772	4,562,344	55,121,448	18,974,097	8,878,043	10,708,936	-	-	117,275,640								
Depreciation provided in period	9	-	1,079,604	608,105	6,108,140	1,064,432	339,466	1,548,067	-	-	10,747,814								
Depreciation on disposals	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
De-recognition of assets due to change in Revaluation adjustment to the asset		-	-	-	-	-	-	-	-	-	(72,445)	-	-	-	-	-	-	-	(72,445)
Revaluation adjustment to asset revaluation surplus	19	-	926,088	-	11,053,641	-	-	(1,579,277)	-	-	10,400,452								
Transfers between classes		-	26,454	17,825	(2,106)	17,035	(59,208)												
Accumulated depreciation as at 30 June 2017		-	21,062,918	5,188,274	72,281,123	9,217,509	20,055,564	10,546,073	-	-	138,351,461								
Total written down value as at 30 June 2017		15,147,361	35,059,816	5,498,449	154,862,054	8,836,551	39,658,036	21,951,182	3,360,276		284,373,726								
Range of estimated useful life in years		Land : Not depreciated.	20-60	2-20	5 - 300+	20 - 60	20 - 60	20 - 40	-		-								

Additions Comprise:

Other additions		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Renewals		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New		2,561	808,794	109,304	-	810,618	184,803	700,556	-	-	2,616,636								
Total additions		2,561	808,794	234,141	20,443,771	1,864,195	828,206	7,296,165	-	-	31,477,833								

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2018

14 Property, plant and equipment

(a) Capital and operating expenditure

Each class of property, plant and equipment is stated at amortised 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 treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

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

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

Acquisition of assets

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

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

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

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

(b) Valuation

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

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

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

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

Cloncurry Shire Council
Notes to the financial statements
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(b) Valuation (Contd.)

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

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

(c) Capital work in progress

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

(d) Depreciation

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

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

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

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

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

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

(e) Impairment of non-current assets

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

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

Cloncurry Shire Council
Notes to the financial statements
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15 Fair Value Measurements

(a) Recognised fair value measurements

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

Property, plant and equipment

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

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

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

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

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

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

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

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

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

The table presents the Council's assets measured and recognised at fair value at 30 June 2018.

	Note	Level 2		Level 3		Total	
		(Significant other observable inputs)		(Significant unobservable inputs)			
Recurring fair value measurements		2018	2017	2018	2017	2018	2017
		\$	\$	\$	\$	\$	\$
Land	14	15,195,242	15,147,361	-	-	15,195,242	15,147,361
Buildings							
- Commercial buildings	14	-	-	30,929,793	33,586,296	30,929,793	33,586,296
- Residential buildings	14	2,200,505	1,473,520	-	-	2,200,505	1,473,520
Road, drainage and bridge network	14	-	-	181,935,811	154,862,054	181,935,811	154,862,054
Water	14	-	-	39,327,618	39,658,036	39,327,618	39,658,036
Sewerage	14	-	-	11,653,486	8,836,551	11,653,486	8,836,551
Other structures	14	-	-	24,861,764	21,951,182	24,861,764	21,951,182
		17,395,747	16,620,881	288,708,471	258,894,119	306,104,218	275,515,000

There were no transfers between levels during the year.

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

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2018

15 Fair Value Measurements (continued)

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

Council obtains independent valuations at least every 3-5 years for all asset classes. An Indexation of Land was carried out at 30 June 2018. Buildings, Other, Water and Sewerage and Road assets were comprehensively revalued by Australis Asset Advisory Service at 30 June 2018 including extra analytical work due to wide spread flood damage. In general, if a valuation is not completed in a financial year, a desktop indexation assessment is completed.

Specific valuation techniques used to value Council assets comprise:

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

The fair values of residential buildings were indexed by Australis Asset Advisory Service as at 30 June 2018. All the buildings class level 2 and 3 were comprehensively revalued at 30 June 2018. The valuation methodology was similar to that used previously. Council land was previously comprehensively revalued as at 30 June 2016. A desktop valuation was performed by Australis Asset Advisory Service as at 30 June 2018. In assessing its methodology Australis considered relevant level 2 input including where observable any comparable local sales data as applicable.

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

A comprehensive valuation of Council's non-residential buildings and other structures asset classes was undertaken by Australis Asset Advisory Service as at 30 June 2018 using the Cost Approach (Depreciated Replacement Cost) method.

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

Current replacement cost

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

Accumulated depreciation

The depreciation rates applied for the valuation process are generally based on a gradual deterioration in the assets over time, but also account for abnormal adverse depreciation with accelerated depreciation rates being applied, if considered appropriate. Where there has been refurbishment works completed, the depreciation rate has been adjusted to account for the improved condition of the asset.

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

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

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

Valuation information applicable to all infrastructure asset classes below

The fair values of these assets at 30 June 2018 were determined by Australis Asset Advisory Service. A comprehensive valuation was completed during 2017-18 as at 30 June 2018. These valuations were undertaken using the cost method with regard to highest and best use. All infrastructure assets were assessed using the cost approach being level 3 on fair Value Hierarchy.

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

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2018

15 Fair Value Measurements (continued)

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

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

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

Road and bridge network

Current replacement cost

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

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

Accumulated depreciation

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

Sensitivity of valuation to unobservable inputs

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

Water and Sewerage infrastructure

Current replacement cost

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

The fair values of water and sewerage infrastructure assets was comprehensively revalued by Australis Asset Advisory Service as at 30 June 2018. Rates used were assessed by reference to producer price indices, wage price indices, consultation with local contractors and suppliers.

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

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

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

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

Cloncurry Shire Council
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15 Fair Value Measurements (continued)

Factors taken into account in determining replacement costs included:

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

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

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

Accumulated depreciation

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

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

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

(c) Valuation processes

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

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2018

	2018	2017
Note	\$	\$

16 Trade and other payables

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

Current

Creditors and accruals	2,008,376	2,094,854
Annual leave	485,691	439,495
Other entitlements	103,274	90,481
	<u>2,597,341</u>	<u>2,624,830</u>

Annual leave

A liability for annual leave is recognised. Amounts expected to be settled within 12 months (the current portion) are calculated on current wage and salary levels and includes related employee on-costs. Amounts not expected to be settled within 12 months (the non-current portion) are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values if considered material. As council does not have an unconditional right to defer this liability beyond 12 months after the reporting date, annual leave is classified as a current liability.

Superannuation

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

17 Borrowings

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

All borrowings are in \$A denominated amounts 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 December 2031. There have been no defaults or breaches of the loan agreement during the period.

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

Current

Loans - Queensland Treasury Corporation	645,921	576,859
	<u>645,921</u>	<u>576,859</u>

Non-current

Loans - Queensland Treasury Corporation	9,125,026	9,779,320
	<u>9,125,026</u>	<u>9,779,320</u>

Loans - Queensland Treasury Corporation

Opening balance at beginning of financial year	10,356,179	10,907,407
Loans raised	-	-
Net repayments	(585,232)	(551,228)
Book value at end of financial year	<u>9,770,947</u>	<u>10,356,179</u>

The QTC loan market value at the reporting date was \$11,402,464. This represents the value of the debt if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these financial statements.

Cloncurry Shire Council
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18 Provisions

Long service leave

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

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

Note	2018	2017
	\$	\$
Current		
Refuse restoration	-	-
Gravel pits rehabilitation	64,777	64,766
Long service leave	438,812	380,576
	<u>503,589</u>	<u>445,342</u>
Non-current		
Refuse restoration	551,985	578,733
Gravel pits rehabilitation	112,295	112,586
Long service leave	135,010	116,108
	<u>799,290</u>	<u>807,427</u>
Details of movements in provisions		
Long service leave		
Balance at beginning of financial year	496,684	530,573
Long service leave entitlement arising	190,964	40,185
Long service entitlement paid	(113,826)	(74,074)
Balance at end of financial year	<u>573,822</u>	<u>496,684</u>
Gravel pits rehabilitation		
Balance at beginning of financial year	177,352	940,300
Recognition of provision	(280)	(762,948)
Balance at end of financial year	<u>177,072</u>	<u>177,352</u>
Refuse restoration		
Balance at beginning of financial year	578,733	1,325,000
Recognition of provision	(26,748)	(746,267)
Balance at end of financial year	<u>551,985</u>	<u>578,733</u>

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19 Asset Revaluation Surplus

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

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

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

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

Movements in the asset revaluation surplus were as follows:

Balance at beginning of financial year	71,501,321	86,213,234
Net adjustment to non-current assets at end of period to reflect a change in current fair value:		
Land	-	(1,610,100)
Buildings	(363,417)	(159,377)
Road, drainage and bridge network	22,832,973	(11,053,641)
Water	(921,960)	-
Sewerage	2,135,156	-
Other structures	715,370	(1,888,794)
Net movement for the year	<u>24,398,122</u>	<u>(14,711,913)</u>
Balance at end of financial year	<u>95,899,443</u>	<u>71,501,321</u>

Asset revaluation surplus analysis

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

Land	6,651,170	6,651,170
Buildings	15,425,058	15,788,475
Road, drainage and bridge network	41,968,573	19,135,600
Water	20,906,388	21,828,348
Sewerage	7,018,765	4,883,609
Other structures	3,929,490	3,214,120
	<u>95,899,443</u>	<u>71,501,321</u>

20 Commitments for expenditure

Operating leases

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

Within one year	3,736,022	270,125
One to five years	6,481,035	190,125
Later than five years	-	-
	<u>10,217,057</u>	<u>460,250</u>

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

Garbage collection contract	4,781,255	1,103,356
	<u>4,781,255</u>	<u>1,103,356</u>

Cloncurry Shire Council
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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.

As at 30 June 2018, 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 \$ 161,873. The latest audited financial statements for Local government Workcare are as at 30 June 2017 and show accumulated member funds (Equity) of \$50,306,803

22 Superannuation

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

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

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

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

The last completed actuarial assessment of the scheme was undertaken as at 1 July 2015. The actuary indicated that 'At the valuation date of 1 July 2015, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date'. The Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

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

Another actuarial investigation is being conducted as at 1 July 2018. At the time of signing these financial statements this investigation is still in progress.

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

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

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

There are currently 72 councils contributing to the Regional DBF plan and any changes in contribution rates would apply equally to all 72 councils. Cloncurry Shire Council made less than 4% of the total contributions to the plan in the 2017-18 financial year.

Note	2018 \$	2017 \$
Superannuation contributions made to the Regional Defined Benefits Fund	-	-
Other superannuation contributions for employees	629,177	659,651
	<u>629,177</u>	<u>659,651</u>

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23 Operating lease income

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

Council's minimum operating lease receipts are as follows:

Not later than one year	62,883	69,700
One to five years	205,134	31,200
Later than five years	149,950	224,379
	<u>417,967</u>	<u>325,279</u>

24 Trust funds

Trust funds held for outside parties

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

The monies are disclosed for information purposes only.

Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities

	50,206	41,920
	<u>50,206</u>	<u>41,920</u>

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

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

Net result	<u>9,959,421</u>	<u>14,511,619</u>
Non-cash items:		
Impairment of property plant and equipment	-	1,461,456
De-recognition of pit provision assets	10,481,782	10,747,814
Depreciation and amortisation	<u>10,481,782</u>	<u>12,209,270</u>
Investing and development activities:		
Net (profit)/loss on disposal of non-current assets	(17,234)	-
Capital grants and contributions	<u>(11,839,000)</u>	<u>(13,676,670)</u>
	<u>(11,856,234)</u>	<u>(13,676,670)</u>
(Increase)/ decrease in receivables	(917,507)	(478,070)
(Increase)/decrease in inventory	390,123	(232,405)
Increase/(decrease) in payables	(27,489)	341,264
Increase/(decrease) in other provisions	50,110	(1,486,702)
	<u>(504,762)</u>	<u>(1,855,914)</u>
Net cash inflow from operating activities	<u>8,080,205</u>	<u>11,188,305</u>

26 Events after the reporting period

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

Cloncurry Shire Council
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27 Financial instruments and financial risk management

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

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

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

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

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

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

Credit risk

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

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

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

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

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

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

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

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

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

Financial assets	Note	2018 \$	2017 \$
Cash and cash equivalents	10	24,014,633	21,700,858
Receivables - rates	11	2,009,763	1,416,008
Receivables - other	11	1,728,269	1,358,225
Other credit exposures			
Guarantee	21	161,873	161,742
		<u>27,914,538</u>	<u>24,636,834</u>

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The following represents an analysis of the age of the Council's receivables, excluding rates that are either fully performing, past due or impaired. As there is no credit risk associated with rates debtors, an ageing analysis was not considered necessary.

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

30 June 2017 Receivables - other	Fully performing	Past due			Total
		Less than 30 days	30-60 days	61-90 days	
		\$	\$	\$	
Receivables	914,095	4,163	(9,221)	44,919	953,956
Less impairment	-	-	-	(17,272)	(17,272)
Net receivables	914,095	4,163	(9,221)	27,647	936,684

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
	\$	\$	\$	\$	\$
2018					
Trade and other payables	2,008,376	-	-	2,008,376	2,008,376
Loans - QTC	1,198,787	4,795,147	7,821,643	13,815,577	9,770,947
	3,207,163	4,795,147	7,821,643	15,823,953	11,779,323
2017					
Trade and other payables	2,094,854	-	-	2,094,854	2,094,854
Loans - QTC	1,198,787	4,795,148	9,020,429	15,014,364	10,356,179
	3,293,641	4,795,148	9,020,429	17,109,218	12,451,033

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2018

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

Market risk

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

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

Sensitivity Analysis

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

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

	Net carrying amount	Effect on Net Result		Effect on Equity	
		1% increase	1% decrease	1% increase	1% decrease
	\$	\$	\$	\$	\$
2018					
QTC cash fund	22,243,340	222,433	(222,433)	222,433	(222,433)
Net total	<u>22,243,340</u>	<u>222,433</u>	<u>(222,433)</u>	<u>222,433</u>	<u>(222,433)</u>
2017					
QTC cash fund	20,907,784	209,078	(209,078)	209,078	(209,078)
Net total	<u>20,907,784</u>	<u>209,078</u>	<u>(209,078)</u>	<u>209,078</u>	<u>(209,078)</u>

Fair value

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

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

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

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2018

28 Transactions with related parties

(a) Transactions with key management personnel (KMP)

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

	2018 \$	2017 \$
Short-term employee benefits	1,095,431	1,081,816
Post-employment benefits	72,707	80,508
Long-term benefits	53,627	56,505
Termination benefits	12,519	190,596
Total	1,234,284	1,409,425

Remuneration disclosures are provided in the annual report.

(b) Transactions with other related parties

Other related parties include the close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members. Close family members include a spouse, child and dependent of a KMP or their spouse.

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

Details of Transaction	Additional information	2018 \$	2017 \$
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)	160,177	166,021
Purchase of materials and services from entities controlled by key management personnel	28(b)(iii)	486,454	397,065
Key management personnel services provided by a related entity	28(b)(iv)	-	222,794

(i) In 2017/18 there were no material transaction for fees and charges charged to related parties.

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

The council employs 108 staff of which only 2 are family members of key management personnel.

(iii) Council purchased the following material and services from entities that are controlled by members of key management personnel. All purchases were at arm's length and were in the normal course of council operations:

Type of Materials and Services	2018 \$	2017 \$
Electrical goods and services	486,454	302,900
Plumbing goods and services	-	94,165
Total	486,454	397,065

Transactions included above are exclusively for the supply of materials and the provision of services. Ozecool Pty Ltd, a company controlled by Cr Damien McGee provided electrical services to Council to the value of \$486,454. All purchases were at arm's length, on normal terms and conditions and were in the normal course of council's operations. As at 30 June 2018 there was \$28,371 owed by council to the company.

(c) Outstanding balances

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

(d) Loans and guarantees to/from related parties

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

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

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

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

CLONCURRENCY SHIRE COUNCIL
Financial statements
For the year ended 30 June 2018

Management Certificate
For the year ended 30 June 2018

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

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

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



Mayor
Cr Gregory Campbell

Date: 16, 10, 18



Chief Executive Officer
Mr David Bezuidenhout

Date: 16, 10, 18

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Cloncurry Shire Council

Report on the audit of the financial report

Opinion

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

In my opinion, the financial report:

- a) gives a true and fair view of the Council's financial position as at 30 June 2018, 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 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the management certificate given by the Mayor and the Chief Executive Officer.

Basis for opinion

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

I am independent of the 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 of Queensland Auditing Standards*.

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

Other information

Other information comprises the information included in the Cloncurry Shire Council's annual report for the year ended 30 June 2018, but does not include the financial report and my auditor's report thereon. At the date of this auditor's report, the other information was the current year financial sustainability statement and long-term financial sustainability statement.

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 Council for the financial report

The Council is 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 Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Council is 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 2018:

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



Carolyn Dougherty
as delegate of the Auditor-General

23 October 2018

Queensland Audit Office
Brisbane

Cloncurry Shire Council

30 June 2018

Current Year Financial Sustainability Statement

Certificate of Accuracy - for the Current Year Financial Sustainability Statement

Independent Auditor's Report (Current Year Financial Sustainability Statement)

**Cloncurry Shire Council
Current-year Financial Sustainability Statement
For the year ended 30 June 2018**

Measures of Financial Sustainability

	How the measure is calculated	2018 Actual	Target
Council's performance at 30 June 2018 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-7%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	137%	Greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-62%	Not greater than 60%

Note 1 - Basis of Preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2018.

Certificate of Accuracy
For the year ended 30 June 2018

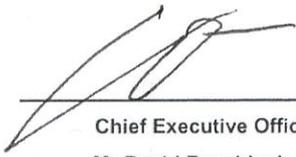
This current-year financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the regulation).

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



Mayor
Cr Gregory Campbell

Date: 16, 10, 18



Chief Executive Officer
Mr David Bezuidenhout

Date: 16, 10, 18

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 2018 comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with section 212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Cloncurry Shire Council for the year ended 30 June 2018 has been accurately calculated.

Basis of opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the 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 of Queensland 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 the information included in Cloncurry Shire Council's annual report for the year ended 30 June 2018, but does not include the current year financial sustainability statement and my auditor's report thereon. At the date of this auditor's report, the other information was the general purpose financial statements and long-term financial sustainability statement.

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 council for the current year financial sustainability statement

The council is responsible for the preparation and fair presentation of the current year financial sustainability statement in accordance with the Local Government Regulation 2012. The council's responsibility also includes such internal control as the council determines 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.



Carolyn Dougherty
as delegate of the Auditor-General

23 October 2018

Queensland Audit Office
Brisbane

**Cloncurry Shire Council
Long-Term Financial Sustainability Statement
Prepared as at 30 June 2018**

Measures of Financial Sustainability

Council

Measure	Target	Projected for the years ended										
		30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028
Operating surplus ratio	Between 0% and 10%	-7%	0%	0%	0%	1%	2%	3%	3%	3%	3%	3%
Asset sustainability ratio	greater than 90%	137%	243%	106%	95%	96%	97%	98%	99%	101%	101%	102%
Net financial liabilities ratio	not greater than 60%	-62%	-44%	-38%	-34%	-34%	-32%	-37%	-38%	-39%	-41%	-43%

Cloncurry Shire Council's Financial Management Strategy

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



Cloncurry
Shire Council

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