Cloncurry Shire Council

Annual Report 2016/2017

Cloncurry Shire Council

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Deputy Mayor Dane Swalling, Cr Brad Rix, Mayor Greg Campbell, Cr Damien McGee, Cr Vicky Campbell along with a QR staff member welcome the C150 steam train to Cloncurry

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Welcome

Welcome to the 2016/2017 Annual Report of 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.

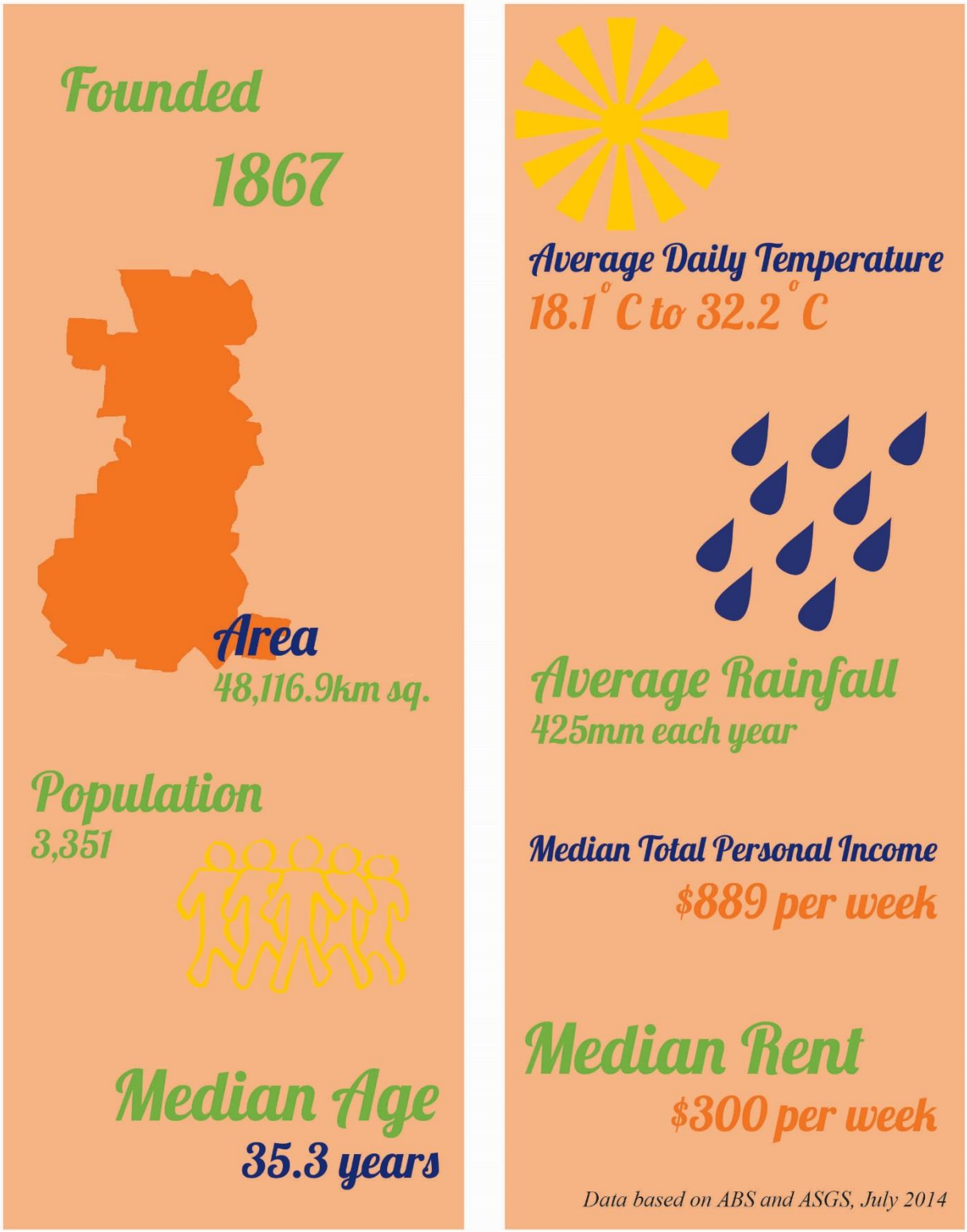
In 1861 Burke and Wills, with King and Grey, were the first known Europeans to come into the area on their ill-fated expedition to the Gulf of Carpentaria. Burke named the river 'Cloncurry' for his cousin, Lady Elizabeth Cloncurry of County Galway in Ireland. In May 1867, Ernest Henry came this way searching 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



Mayoral Report

A message from Mayor Greg Campbell

I am proud to be present the Mayoral Report on the 2016/2017 performance of the Cloncurry Shire Council.

The 2016/2017 financial year was a busy and very productive year. It was positive to see a number of politicians visiting our Shire with the Honourable Dr Anthony Lynham visiting to open our new airport terminal and the Honourable Coralee O'Rourke in attendance at the Cudeco Rocklands mine opening. It was also a great pleasure to host His Excellency the Honourable Sir Peter Cosgrove, Governor-General of Australia, in our community to attend our annual Cloncurry and District Show. His warm and welcoming manner was well received by many in our community who had the opportunity to stop and have a chat with him.

This financial year was the first full budget cycle for my Council and I am pleased to be able to confirm that the commitment to maintaining our core assets to a high standard has begun.

The completion of projects like the saleyards upgrade, stage one of Eastern Stormwater and Sheaffe Street renewal have provided great stimulus for local businesses and given us a good insight into the next stages.

A lot of work is still going into the planning of the dump and sewage treatment plant to ensure we achieve compliant, sustainable outcomes without costing the earth.

A strong focus on maintaining our assets, improving the safety and amenities of our town and encouraging and supporting business growth has occurred and will continue into the future. In early 2017 Cloncurry received funding to the value of $1.42M through the Queensland Government's Works 4 Queensland program. This allocation was put to good use with a large portion being spent on resealing of town streets and also the Mary Kathleen Park playground. We have been fortunate to receive another $1.37M to be spent in 2018 and 2019.

We will also continue to work towards strengthening our financial performance and focus on identifying cost efficiencies. A key to success is to foster a 'can do' culture in the Council Team as well as promote pride and professionalism within the Council and community.

There is a great sense of economic prosperity brewing and I am committed to a sustained and determined effort to ensure Cloncurry is a great beneficiary of this prosperity.

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 born in Ipswich and moved to Cloncurry with her family in 1983. Working for Australia Post for over 12 years Councillor Campbell has worked as the mail contractor and more recently at the Cloncurry Post Office.

Councillor Campbell and her husband have seven children, all of which are educated in Cloncurry. Councillor Campbell is passionate about the town and communities within the Cloncurry Shire and has no desire to live anywhere else. Councillor Campbell is also involved in the Cloncurry Show Society.

"The people of Cloncurry are what makes the area special."

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 Ben Milligan

I am proud to present the 2016/2017 Annual Report for Cloncurry Shire Council. The 2016/2017 financial year proved to be a year of rebuilding, getting back to basics and consolidating sustainable performance. In a relatively short period of time, a significant capital works program was mobilised and laid the foundation to ensure our C150 celebrations held in September 2017 was a fantastic success.

Outstanding results were delivered for our ratepayers and the broader community of our Shire. 2016/2017 proved to be another busy and productive year for Council and this report demonstrates our achievements and accounts for our performance during the year. What can be garnered from this report is the passion that our people and community have for Cloncurry, the economy, our culture, lifestyle and diversity that make our area an incredible place to live that creates opportunity and choice for our community.

ACHIEVEMENTS

To deliver quality services to the community, more than $194K was spent on library services, $674K was spent on tourism (museums), $4.6M on roads (including $2.3M upgrade on the Dajarra Road for Department of Transport and Main Roads), $814K on parks and reserves, $4.5M on our water and sewer system, and over $703K on community events. Council continued to maintain and develop the $284M of community assets and infrastructure.

We delivered a $8.4M capital works program, including the $1.7M Sheaffe Street reconstruction, $2.3M on saleyards upgrades and over $22M in flood restoration works across our rural road networks. Of utmost importance is that Council has committed to investing in planning for future infrastructure projects. The development of these Master Plans will ensure a focus remains on Council committing to further capital works for years to come.

Our biggest achievement relates to Cloncurry Shire Council investment in local businesses. $28M has been invested to support local businesses and provide a much needed injection into the local economy.

COMMUNITY ENGAGEMENT

Engaging and consulting with our community has remained a key focus for Council during 2016/2017. During the year Council conducted two community forums which were very well received by the community. Council were also successful in holding their first Dajarra Council meeting after a notable absence for many years. Council developed a community engagement policy and have focussed heavily on improving the way we communicate.

Regular meetings have been held with the senior leadership teams of major employers in the Shire across mining, agricultural and transport. The key goal for these meetings has been to re-establish relationships with our major employers in the region, understand the plans for growing their business

and what role Council may play in facilitating their growth. Anecdotally, all of these employers are bullish about Cloncurry's prospects and most shared the plans that they hold to invest significant capital to expand their businesses.

Many of the agricultural companies in the area have enjoyed a good season following much welcomed rain through the area in 2016/2017. All are focussed on producing a quality product and are confident that they can command a premium for the domestic and international markets. Steel suppliers have reported strong investment in fencing, cattle yards and ramps.

At the time of writing Chinova, Copperchem, Malaco, and Centrex Metals were investigating options to expand their operations and some have now commenced implementing those plans. Incitec Pivot and South 32 were confident in that they have endured the hard times, had implemented solid plans and were well on track to achieving great success in the 2017/2018 financial year. MMG are finalising the construction of their $1.4B mine development at Dugald River and expect their first concentrate to be trucked off site in early November. Cudeco Rocklands mine officially opened during 2016/2017 and have maintained a close relationship with Council through CEO Mark Gregory. Australians love an underdog and Cudeco epitomises the grit, courage and determination of the Cloncurry mining heritage.

Lastly, Council have been supporting and engaging closely with Larry Hartig from the SES. The Cloncurry branch of the SES has established itself as a professional emergency response organisation of volunteers. They respond tirelessly in all weather, at any time of the day to support the Cloncurry community and our emergency services. They are the unsung heroes of our community and we are proud to support their efforts.

OUR PEOPLE

Our employees are our most valued asset. Attracting and retaining a diverse and capable staff is essential to the continuing delivery of our programs and services. In 2016/2017 Cloncurry Shire Council commenced an organisational leadership and safety culture development program to actively build our capability to make a difference in the community. The response from our team has been overwhelmingly positive and these programs will continue into 2017/2018 in order to ensure we are the highest performing workforce we can be, focussing on value delivery for our community.

I would also like to recognise the countless hours of time that our people volunteer to support most of the major events and community groups that are held in Cloncurry Shire during the year. These people are proud, determined and generous. Many wish to remain anonymous and are comfortable in knowing the contribution they make. This community spirit is what makes Cloncurry great.

FINANCIAL PERFORMANCE

Cloncurry Shire Council prepares a rolling Long Term Financial Plan (LTFP) covering a period of ten years. The key objective of the LTFP is to achieve financial sustainability in the medium to long term whilst achieving Council's strategic objectives. Council is exploring a number of high value infrastructure projects for the community including Florence Clarke Park, Recreation Grounds, Main Street beautification, Sewer Treatment Plant and Landfill upgrade to name a few. The LTFP will help Council in making good decisions around priorities and what the Council can afford. I am very

pleased that our audited financial statements show we have been successful in turning around a potential loss to a modest profit position. Our airport and saleyards continue to have strong performance with great patronage. The team are working hard to further improve our financial position.

LOOKING AHEAD

2017/18 will see a large program of capital projects come to fruition focussed largely on town streets rehabilitation, continuation of the Sheaffe Street upgrade and a $14M flood restoration program. We will see further planning work for infrastructure upgrades, the development of a tourism strategy and the acquisition of Corella Dam.

I continue to look forward to the years ahead and the challenges we will embrace in order to make Cloncurry an enviable home in the North West that creates opportunity and choice for our community. I would like to congratulate and thank Cloncurry Shire Council staff for their continued hard work serving the community. I would also like to thank the many volunteers for their support and dedication during the past year.

Ben Milligan

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 2016-2017. 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.
- Completion of Flood Damage Restoration program.
- Completion of Transport Infrastructure Development Scheme and Roads to Recovery project
- Cloncurry Airport upgrades for terminal, apron, taxiway and runway reseal completed.

The new and improved Cloncurry Airport terminal

Diverse and Robust Economy

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

- Delivery of the $2.3M Saleyard Upgrade project.
- 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.

- Works commenced on kiosk at the Recreation Grounds.
- New kitchen completed at Curry Kids Early Learning Centre.
- Involvement with Cloncurry Youth Attainment Network.

Sustainable Population Growth

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

- New planning scheme adopted.
- Compliance audit completed.
- Local businesses supported through sound procurement practices including a local advantage.

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.

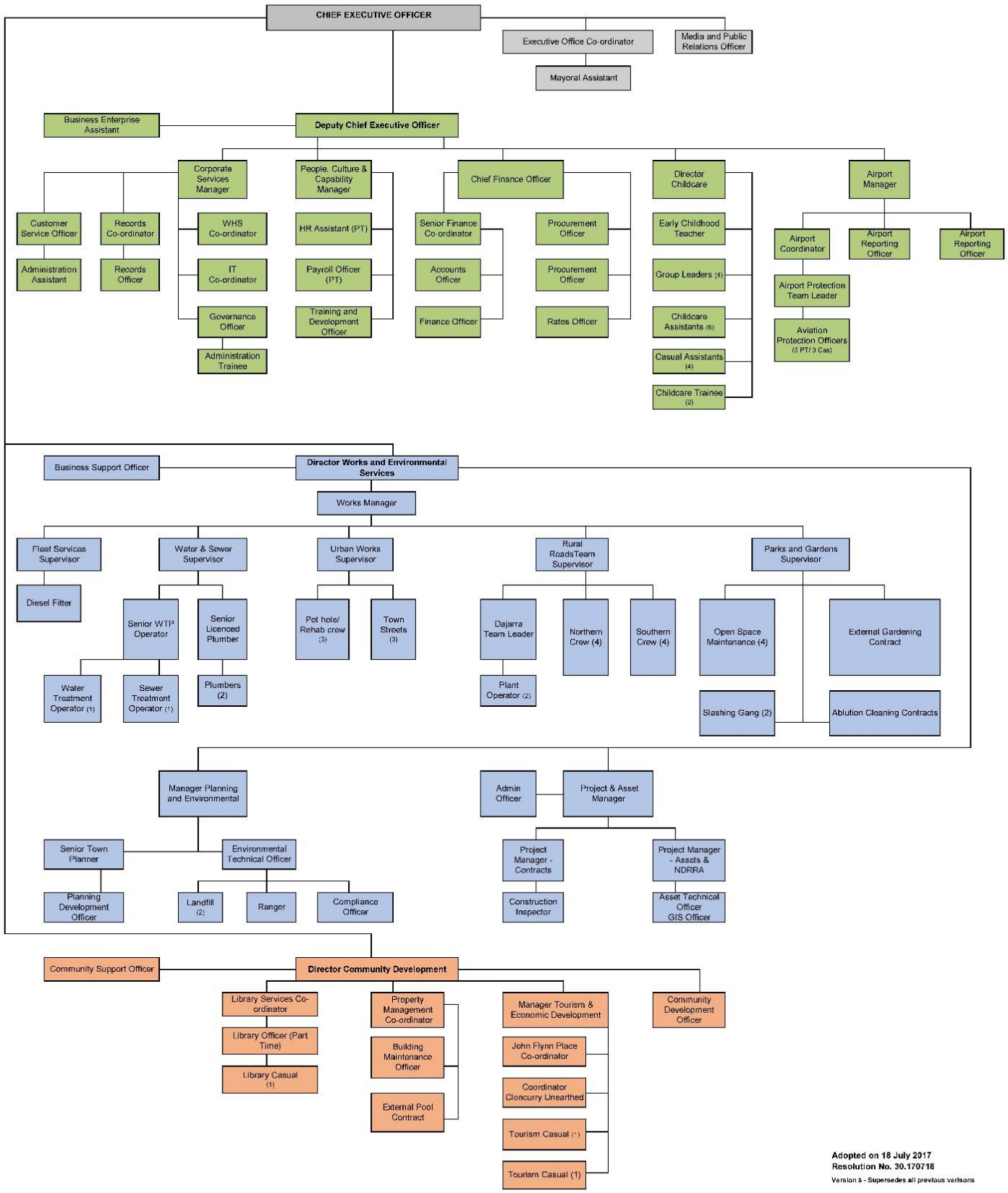
- Review of Animal Control Program.
- Planning undertaken to meet sewerage and waste management compliances.
- Compliance with statutory obligations for environmental health.
- Investment in feral animal control baiting program.

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 implement Corporate and Operational Plans.
- Review and implement Disaster Management Plan.
- Reinstated the Audit and Risk Committee.
- Achievement of acceptable Sustainability Ratios.

Cloncurry Shire Council Organisation Structure



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 2016 to 30 June 2017.

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 for the period 1 July 2016 to 30 June 2017.

A Snapshot of the Financial Year 2016/2017

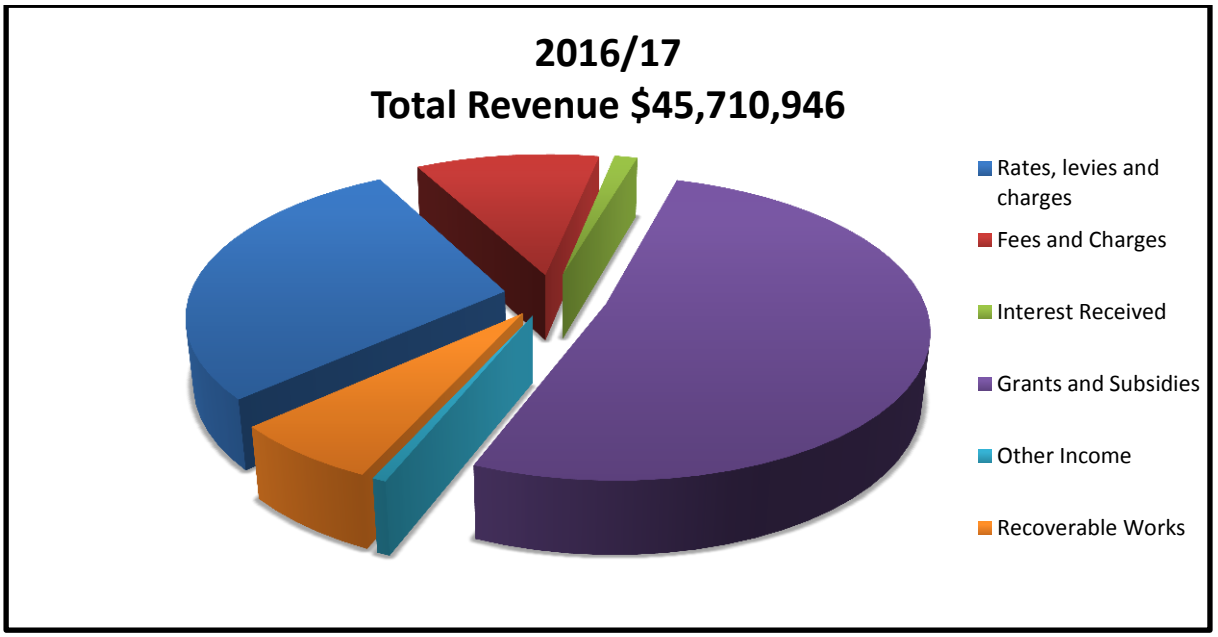
Cloncurry Shire Council has performed strongly in the 2016/2017 financial year. Overall, revenues have increased from the prior year along with an increase in expenditure. This has resulted in a net profit (prior to asset revaluations) of $14,511,619. After asset revaluations were taken up Council's overall net result was a loss of $200,293. Council's total assets have reduced slightly as a result of damage to the road network from of flooding in parts of our Shire. Total assets reduced by $1,896,959 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 2017.

Income Statement		Balance Sheet	
Income		**Assets**	
Operating Revenue	$32,034,276	Current Assets	$27,645,876
Capital Revenue	$13,676,670	Non-Current Assets	$284,373,726
Total Income	**$45,710,946**	**Total Assets**	**$312,019,602**
Expenses		**Liabilities**	
Recurrent Expenses	$31,199,327	Current Liabilities	$3,647,031
Capital Expenses	$ 0	Non-Current Liabilities	$10,586,747
Total Expenses	**$31,199,327**	**Total Liabilities**	**$14,233,778**
Net Result		**Equity**	
Net Result	**$ 14,511,619**	Reserves	$71,501,321
Decrease - Asset Reval Reserve	$(14,711,913)	Retained Surplus	$226,284,502
Total Comprehensive Income	**$(200,293)**	**Total Community Equity**	**$297,785,823**

Revenue – where did the money come from?

Council received $45,710,946 in revenue and other income for the 2016/2017 financial year. Total revenue has increased by $1,528,662 between this financial year and last financial year.



Grants and Subsidies
Grants and subsidies contribute towards more than half of Council's revenue. For the year ended 30 June 2017 revenue sourced from grants and subsidies totalled $23,598,776 which represents 51.6% 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 $13,172,906 which equates to 28.8% of the Shire's total revenue.

Services revenue - Recoverable works
A secondary source of income for Council is Services Revenue. Services revenue was $2,992,297 which was 6.5% 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 $632,321 of interest in the 2016/2017 financial year which was $122,706 less than the previous year due to the low interest rates available in the financial markets.

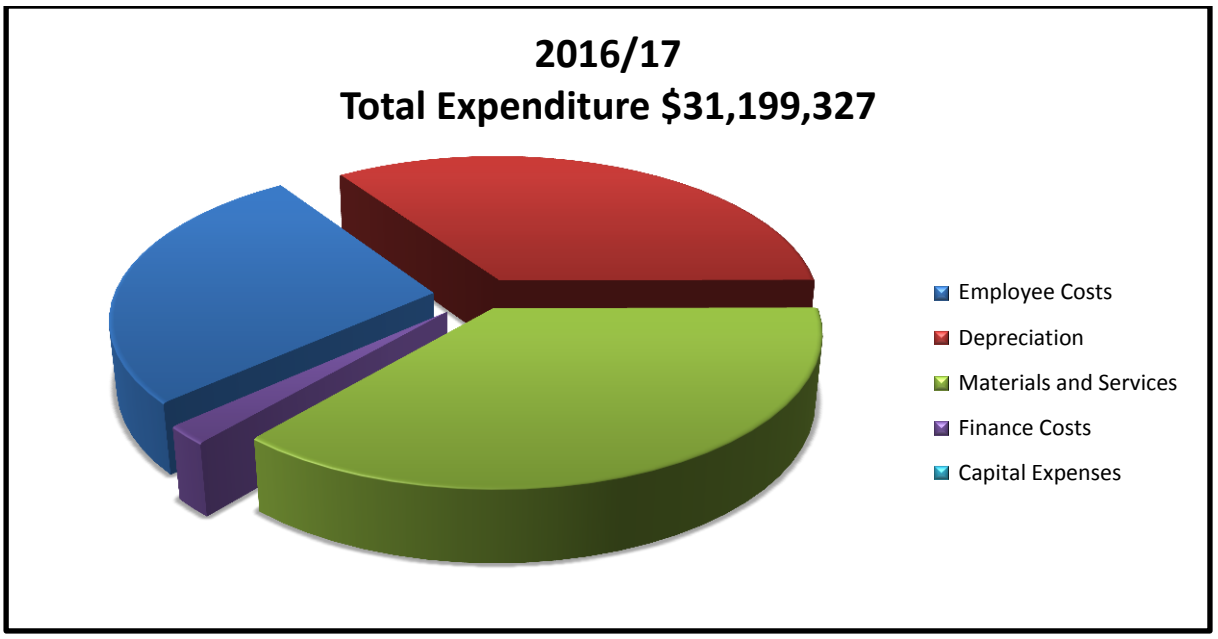
Fees and Charges

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 2016/2017 are $5,039,375.

Other Income
Consists of revenue from rental of Council owned and maintained properties, this revenue stream includes St Andrews Garden Settlement.

Expenses – where was the money spent?

Council's total expenditure for the 2016/2017 financial year was $31,199,327. This is an increase of $5,302,845 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 2017 these costs totalled $11,214,044. The main items of material and services include: infrastructure operations and maintenance costs of $5,439,462 community services costs of $2,120,833, corporate and management services costs of $815,194 and business services costs of $1,103,251.

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 2017 depreciation costs totalled $10,747,814.

Employee Benefits
Employee benefits are the third largest cost to Council. For the year ended 30 June 2017 it totalled $8,481,024 which consists of staff wages and salaries, leave entitlements and superannuation, as well as Councillor's remuneration.

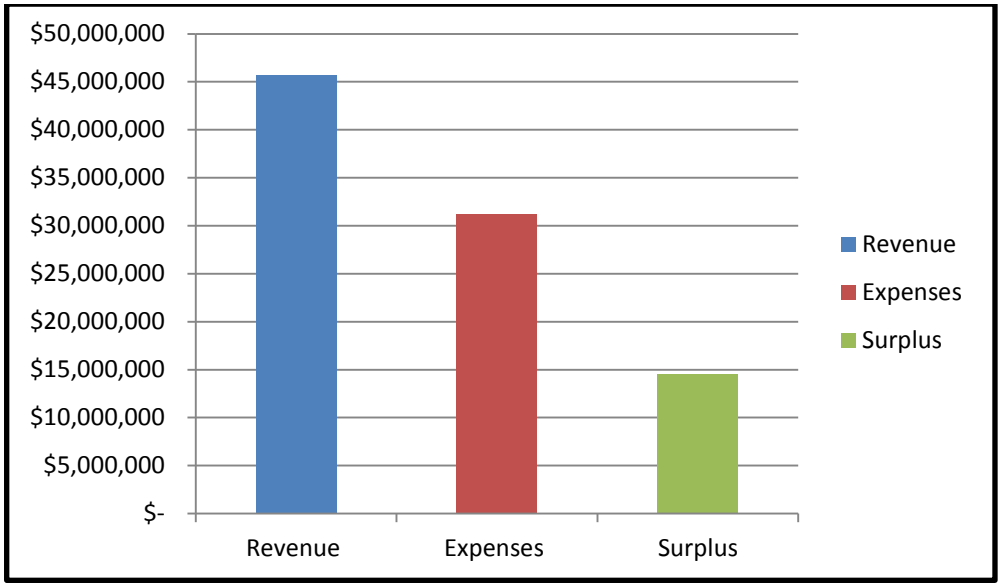
Finance Costs
Finance costs for the year ended 30 June 2017 was $756,445.

Capital Expenditure
In 2016/17 Council delivered an $8.4M capital program. A total of $26.1M of assets were written on to the books which reflected the years capital program and considerable amounts of works in progress from prior years which were completed in 2016/17.

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.

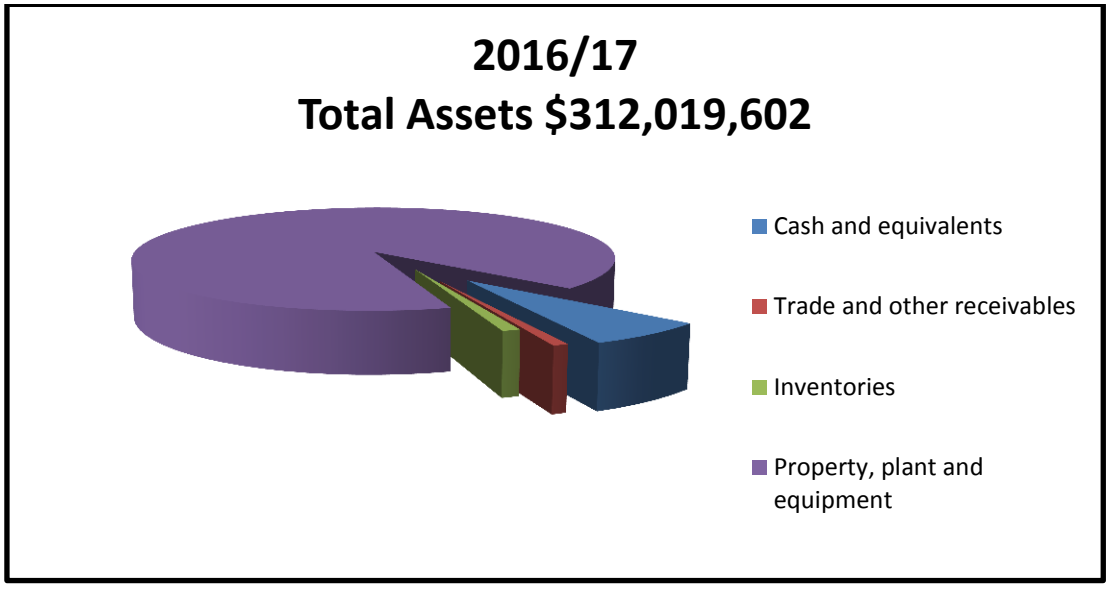
For 2016/2017 the surplus was $14,511,619. This is represented in the Financial Performance graph below.

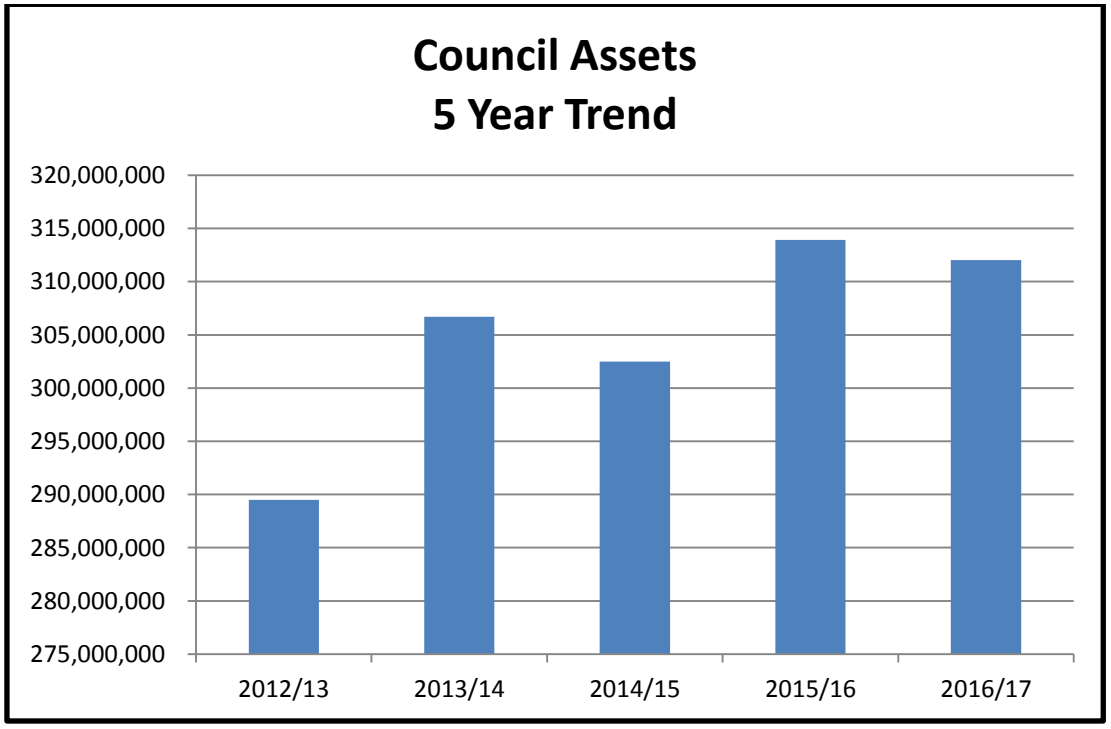


Assets - What We Own?

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 2017 the value of Council's assets was $312,019,602 of which $27,645,876 was current assets and $284,373,726 was non-current assets.

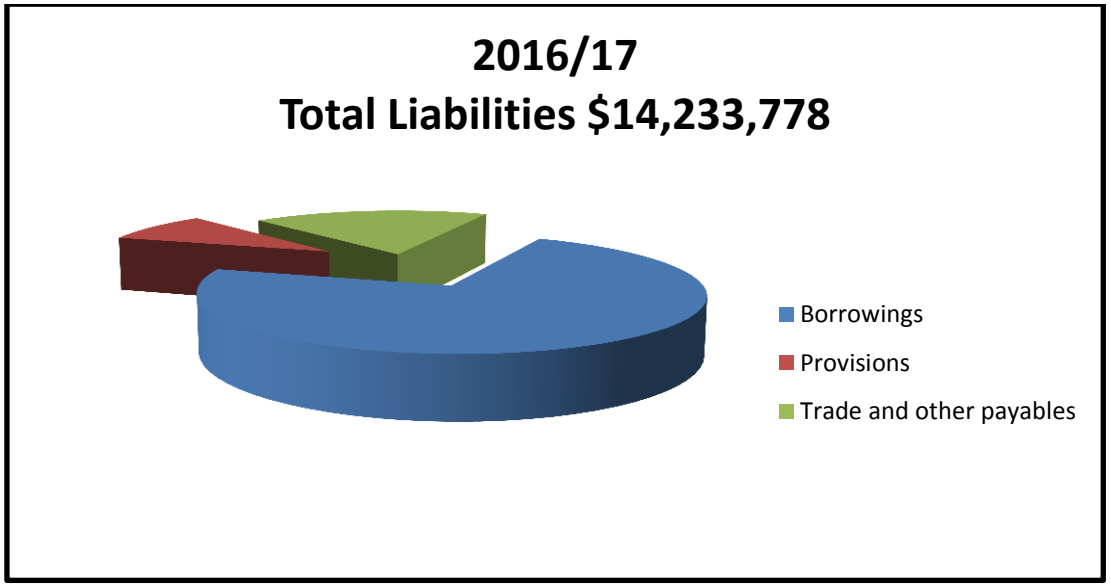


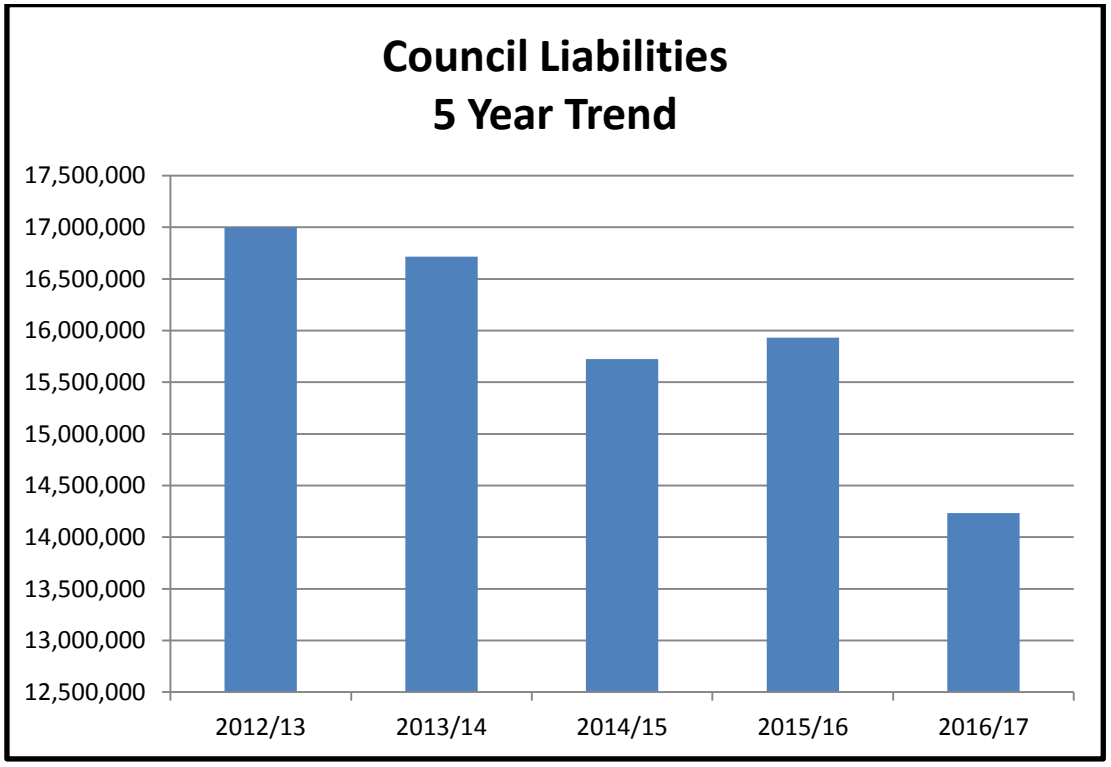


Liabilities - What We Owe?

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.

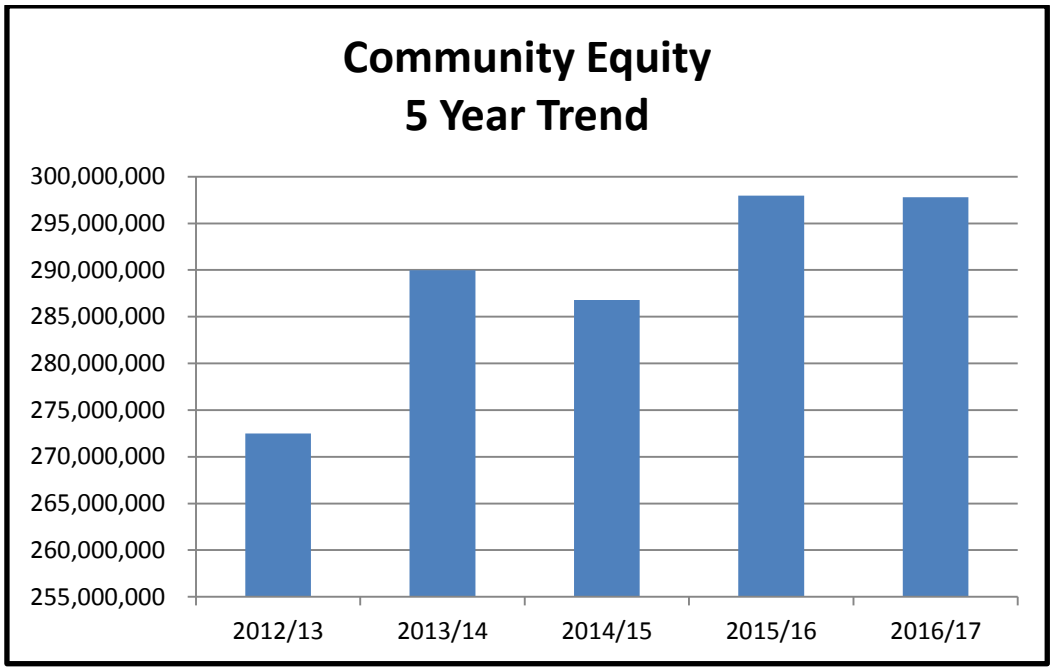
For the year ended 30 June 2017 total liabilities totalled $14,233,778 which are split into current liabilities of $3,647,031 and non-current liabilities of $10,586,747.





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 2017 was $297,785,823.



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 2016/2017 financial year and has finished with a strong financial position. Council concluded the year with a net reduction in cash flow of $1,785,478 manly due to large roads expenditures. 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	2016/2017 Ratio	Target	Description
Asset sustainability ratio	283%	Greater than 90%	The extent to which infrastructure assets are being renewed as they reach the end of their useful lives.
Operating surplus ratio	3%	Between 0% – 10%	The extent to which revenues raised cover operational expenses.
Net financial liabilities ratio	-42%	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

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, human resources, records, customer service, corporate governance, workplace health and safety, land sales and acquisitions and the cemetery administration.

In 2016/2017 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. During the year Council staff participated in an inaugural employee engagement survey and a training needs analysis. The results of these tools will greatly assist the Council in building our capacity and developing skills to create a high performing workforce. In 2017/18 there will be a continued focus on developing our people which will result in Council achieving successful outcomes for the community.

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 2016/2017 a safety audit was conducted which identified a positive progression over a short period of time. These efforts will continue in 2017/18 with further enhancements to our safety management system and on the ground safety practices.

Efforts continue to be placed on corporate governance with an increased focus on various frameworks such as policy and procedure development, fraud management and complaints management. In 2016/2017 Council re-formed its Audit and Risk Committee with a focus 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.

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. 2016/2017 was a period of balanced capital growth with focus being placed on funding the renewal of existing assets which will sustain our community's future needs. With a changing culture and a strong emphasis placed on planning for future projects the finance function is well positioned to develop solid long term financial plans to inform the decision making process to ensure funds are invested and spent in a responsible manner.

The financial statement preparation and audit for 2016/2017 has been a smooth and refined process. The statements attached in Annexure A indicate that Council's financial position is strong with a balance of net community assets of $298M and a closing cash balance of $21.7M.

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 Cloncurry residents and fly-in fly-out mine employees which links Cloncurry with ports such as Townsville, Brisbane and Mount Isa. The airport hosts 12 flights per week, with 8 being commercial domestic flights and 4 being fly-in fly-out charter flights.

Passenger numbers through the Cloncurry Airport in 2016/2017 were strong with 53,986 passengers travelling through the airport. This was 5,151 passengers more than 2015/2016. The Airport is a key income generating business unit which reported an annual turnover of $2.2M in 2016/2017. The Airport employs 12 full-time, part-time and casual employees.

Early into the 2016/2017 financial year the airport upgrades were completed. This was a very needed upgrade and provided substantial improvements to such a critical piece of Cloncurry's infrastructure. The project resulted in a new $2.5m airport terminal with a newly constructed car park for passengers. Extensive works were also completed on the airside to the value of $5.8m to upgrade the apron, taxiways, runway, drainage and aircraft parking bays. Council was successful with partial funding under the Royalties for Regions Program for both the airside upgrades and the new terminal.

An aerial photograph of the new airport terminal, apron and taxiways.

The new airport terminal was officially opened in August 2016 by the Honourable Dr Anthony Lynham, Minister for State Development and Minister for Natural Resources and Mines along with Mayor Greg Campbell.

The airport terminal official opening

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.

2016/2017 has a been an exciting year at the centre. A strong focus has been placed on delivering the Early Years Leaning Framework to ensure the children's developmental milestones are being taught and that the centre is meeting its educational requirements. We have recently appointed an Early Childhood Teacher who is qualified to deliver the fully approved kindergarten program and will provide educational leadership alongside the Centre's Director.

The Council has allocated additional funding under the Queensland Government's Works 4 Queensland program which will be delivered in 2017/2018.

Saleyards

Cloncurry Shire Council operates one of the largest cattle yards in the country. 2016/2017 saw the commencement of a turnaround in cattle numbers through the Cloncurry yards with 237,137 head being processed. This was 6,720 head more than the previous year. Although a positive result this is still far from the numbers in 2014/2014 of 312,439 head which was on the back of destocking as a result of the drought.

A busy day at the Cloncurry Saleyards

2016/2017 was an exciting year for the Saleyards with a large undertaking to deliver a $2.3M capital upgrade to the yards. Council was successful in securing funding under the Building Our Regions program to the value of $1M. The project has helped Council overcome work heath and safety concerns and positions the yards to be the best yards to dip, weigh and spell cattle in the North-West. The project was multifaceted with considerable efforts required on the project management front in order keep the yards operational whilst considerable construction was occurring. The upgrade included substantial rail replacement, a new loading ramp and upgrades to the existing ramps, renovations to the dip facility, a new dust suppression system, improved lighting, refurbishment of the weigh bridge, modifications to the truck washdown bay and a new toilet block.

The Saleyards under construction

The new load-in and load-out ramp

Cemetery

The Cloncurry cemetery has a wealth of history that we are enthusiastic about documenting and preserving. We will be soon commencing a project to attempt to capture as much history, information and "stories" about those who have been laid to rest in our cemetery.

Council has begun planning for the beautification project of the lawn cemetery. Design and delivery of this section will commence in the 2017/2018 financial year. These works will include irrigation, landscaping and shaded structures.

Works and Environmental Services Report

The 2016/2017 financial year was a busy and challenging year but also ended with Council delivering some major achievements.

In February 2017 the Cloncurry Shire Council region was impacted by ex-Tropical Cyclone Alfred, causing widespread damage to Council's road infrastructure.

Following the event, Council's workforce was quickly mobilised to complete initial emergent works. As a declared natural disaster event, Council can access funds under the Natural Disaster Relief and Recovery Arrangements (NDRRA) to repair assets to their pre-disaster condition. As a result of this event the Queensland Reconstruction Authority (QRA) has recently approved works to the value of $14.7M for Cloncurry Shire Council to repair damage caused to its road transport network. It is expected that these repairs will be undertaken in the first half of the 2018 calendar year.

Maintenance and Operational Works

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

- 1,352km 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

For the 2016/2017 financial year, Council spent the following on maintaining and operating these infrastructure assets (not including depreciation):

- Town Streets $713,259
- Parks and Gardens $563,766
- Rural Roads $700,512
- Water $2,363,752
- Sewer $755,129
- Landfill Sites $1,522,024

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

Capital Works

To this end, the following capital works were undertaken by Council in the 2016/2017 financial year:

Project	External Funding	Council Funding
Sheaffe St Stage 1	$1,104,132	$628,325
Eastern Drainage Stage 1	$803,000	$297,000
Scenic Lookout Upgrade	$142,500	$142,500
Saleyards Upgrade	$1,000,000	$1,283,000
Sedan Dip Rd Reseals		$200,000
Water & Sewerage Projects		$821,173

Sealing Sheaffe St Stage 1

Scenic Lookout Before Upgrade

Scenic Lookout After Upgrade

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

In addition to this routine work Council also completed a capital upgrade to the value of $2.3M on the Cloncurry Duchess Road as part of the Western Roads Upgrade Program.

Council received a number of land use planning application, these included 13 development applications, 21 building applications and 4 plumbing applications.

Community Development Report

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 2016/2017 financial year, the strategic direction of Community Development sought to encourage social wellbeing and to foster opportunities for community growth and development.

Social wellbeing and community resilience

Community Forum

Community Forums were held in October 2016 and March 2017 of which both forums were well received by the community with over 90 people in attendance at each. The forums have been a positive way for the Council to engage with the community on issues that are affecting them.

The forums discussions were held on topics including waste management, cemeteries, Ramsay Street, Sheaffe Street, Saleyards, car parking, signage, town common, tourism and C150.

Members of the community having their say

Arthur Beetson Foundation QLD Outback Junior Challenge Carnival

Cloncurry hosted the 2017 Arthur Beetson Carnival on the 19th and 20th May. This carnival attracted over 150 competitors, spectators and Queensland Police Representatives. The Carnival consists of under 14, under 16 and under 18 sides competing to take home the Arthur Beetson Foundation Shield. This carnival also announced the teams that will represent the Outback at the Glen Rees City Country Carnival in Coolum. The Carnival this year incorporated the Queensland Police Service side versus an invitational side.

Australia Day

2017 Australia Day Celebrations commenced with a citizenship ceremony followed by awards presented to winning recipients. The winners were as follows:

- Citizen of the Year – Dr Bryan Connor
- Young Citizen of the Year – Emma Jade Molloy
- Dave Watt Memorial Junior Sports Award – Harleigh O'Brien
- Senior Sports Award – Nicole Saunders
- Sports Administrator Award – Cloncurry Show Society – Horse Events
- Cultural Award – Rock, Pop, Mime Group – St Joseph School
- Achievement Award – Natalee Sanderson
- Achievement Award – Richard Watkins
- Achievement Award – Nancy Dodd
- Achievement Award – Freda Pyke
- Sarus Crane Environmental Award – Sandra Mitchell
- Mayor's Community Spirit Award – Brad Smith (PCYC Boxing)
- Community Event – Red Dirt Relay for Life
- Community Group/Committee – Cloncurry PCYC

In 2017 Australia Day celebrations incorporated the inaugural Sports afternoon including the Great Northern Bush Cricket Competition and Tug-O-War. The afternoon concluded with a Dive-In Movie at the pool.

Christmas Festival

The 2016 Christmas Festivals were again a popular event, with activities held in Dajarra and Cloncurry. The highlights included the Seniors Luncheon and the change of venue for the Carols which moved to Florence Clarke Park, this was well received with the feature being acrobatic elves and of course Santa. 2016 was also the launch of the Christmas light competition, which was a first for many years with strong nominations.

Cloncurry 150th year

"That's Cloncurry", our song. In Cloncurry's 150th year the Council invited Josh Arnold from Small Town Culture to come to Cloncurry to produce a special song for C150. Local students from St Joseph's School and Cloncurry State School helped to write the words and perform the song. It was

well received and released in May 2017 to much support in the community and played or performed at every opportunity and event in the community leading into September 2017 celebrations.

Steam Train visit

Cloncurry kicked off celebrations for C150 with the visit of the Queensland Rail Steam Train. The train arrived in Cloncurry on Thursday 15 June in time for the annual Cloncurry and District Show. The train travelled out on the Overlanders Way from Townsville with many visitors on board. Throughout its visit in Cloncurry residents were lucky enough to enjoy short day trips to experience the yesteryear throughout the Cloncurry landscape.

The steam train leaving Brisbane

The steam train at the Cloncurry Station

Growth and Development

Recreation Grounds Redevelopment

Drop in Cricket Pitch

Installation of the drop in cricket pitch

In February 2017 the drop in Cricket Pitch was installed to support the emergence in Cricket in Cloncurry. Junior coaching each Saturday and growth in Cricket events has identified the need to install a pitch. The pitch can be taken out as required at the end of each Cricket season and returned to a green space.

Jimmy Clendenning Kiosk

In May 2017 in conjunction with the Arthur Beetson Carnival the new kiosk at the Recreation Grounds was opened. The Kiosk was funded under the 2015-16 Local Government Grants and Subsidies Program and completed in February 2017 to the value of $700,000. The kiosk was to be named in dedication of Jimmy Clendenning, a Cloncurry resident who was a passionate supporter of Rugby League, Lawn Bowls and Indoor Cricket. Jimmy's family travelled out from Townsville to share in the special dedication held as part of the Arthur Beetson Carnival.

The official opening of the Jimmy Clendenning Kiosk

Cloncurry Equestrian Centre

Glencore supported Council by funding the construction of a spectator shade structure on the mound at the Equestrian Centre. The structure was constructed in time for the Cloncurry Stockman's Challenge in July 2017. The structure provides essential shade for events held at the centre including access to power and water. It has been a welcomed edition to the centre to continue to improve local community assets.

Local Business Network (Shop Local Campaign)

The Local Business Network established some new initiatives in 2016/2017 with the implementation of the Shop Local Campaign in the lead up to Christmas 2016 under the chair of James Pavy. Over 30 businesses participated in the inaugural campaign with over $4,000 in local vouchers presented. It was a great initiative to encourage people to shop locally.

Statutory Requirements

The following information includes the legislative disclosure requirements of the *Local Government Act 2009* and related regulations for the 2016/2017 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 16 of this report.

s185 Particular Resolutions

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

a. Expenses Reimbursement Policy

8.7 Councillor Reimbursement of Expenses and Provision of Facilities Policy

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

That Council adopt the Councillor Reimbursement of Expenses and Provision of Facilities Policy, COR 1001 version 3 as presented.
CARRIED: 13.161025

b. Valuation of non-current physical assets

No resolutions were passed during the period to amend the threshold for the recognition or expensing of non-current physical assets.

Reserves and Controlled Roads

6697.63ha of parks (including 36.65ha leased to sporting clubs) subject to the provisions of the Land Act 1994.

The total length of roads in the Shire is 2,282km, of which 759.75km is not owned by Council (that is State Controlled roads).

This land does not have value for the Council's financial statements.

s186 Councillors

Councillor Remuneration

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

Councillor Attendance and Remuneration Schedule

			Meeting Attendance	
Name	**Remuneration**	**Superannuation Contributions**	**Special Meeting**	**General Meetings**
Cr Greg Campbell (Mayor)	$99,638	$0	3	14
Cr Dane Swalling (Deputy Mayor)	$57,483	$0	3	14
Cr Brad Rix	$49,819	$0	2	14
Cr Vicky Campbell	$49,819	$0	3	13
Cr Damien McGee	$49,819	$0	3	13

Councillor Expenses and Facilities Schedule

Name	Mobile devices/ IPad	Phone Allowance*	Council Vehicle	Internet Allowance*	Expenses reimbursed*
Cr Greg Campbell (Mayor)	✓	✓	✓	$0	$508
Cr Dane Swalling (Deputy Mayor)		$600		$720	$0
Cr Brad Rix	✓	$600		$0	$0
Cr Vicky Campbell	✓	$600		$0	$0
Cr Damien McGee		$600		$720	$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

1 order

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

Order made against Cr McGee for engaging in operational matters. A written reprimand was issued advising the Councillor Code of Conduct and Acceptable Request Guidelines must be adhered to, and are critical to ensure the transparent and ethical operation of Council.

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.

1 complaint

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.

2 complaints

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.*

1 complaint

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.

Nil

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

Nil

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

Nil

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

Nil

s187 Administrative action complaints

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

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

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

a. The number of the following during the Financial Year:

   i. Administrative action complaints made to the local government;

   ii. Administrative action complaints resolved by the Local Government under the complaints management process;

   iii. Administrative action complaints not resolved by the Local Government under the complaints management process; and

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

Year	*Administrative Complaints received*	*Administrative Complaints resolved*	*Administrative Complaints not resolved*
2016/2017	*9*	*6*	*3*

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 2017.

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 2017 was $102,576.

The Mayor and Councillors did not have any discretionary funds to allocate to community organisations in 2016/2017.

Community Donations and Sponsorships

Community Group	Purpose	Donation ($)
Cloncurry State School	Optiminds	$525
Cloncurry State School	Mid West Jerseys	$2,864
Various Community Groups	Refund of Facility Hire Fees	$2,106
Cloncurry State School	Francis McCalman Bursary	$105
Various individuals	Sports Bursary	$2,625
Cloncurry Amateur Swimming Club	Hire fees	$640
Relay for Life	Donations	$122
Flinders Medical Centre	Rental Assistance	$78,174
Dajarra Brothers Rugby League	Bus Fuel	$112
Cloncurry State School	Calendar	$303
NQ Rescue Helicopter	Donations	$15,000
Total		**$102,576**

All figures are rounded to the nearest dollar

In Kind Support to Community Organisations

The total expenditure incurred on in kind support to community organisations during the year ended 30 June 2017 was $46,842.

Community Group	**In Kind Support ($)**
Quamby Rodeo	$509
Cloncurry Merry Muster	$13,149*
Stockman's Challenge	$2,442*
Cloncurry Show	$6,731*
Rockhana Gem & Mineral Festival	$5,277
Dajarra Rodeo	$576*
Burke & Wills Campdraft	$9,182*
Country Women's Association	$131
Breast Friends Day	$4,538
Refund of Hire Fees	$97
PCYC	$98
Australian Junior Rodeo Association	$1,336
RFDS Car Rally	$230
ATRA	$1336
Centacare School Holiday Program	$1210
Total	**$46,842**

All figures are rounded to the nearest dollar

*Figures do not include facility hire fees waived by Council.

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; • Message from CEO • Community Financial Report • Corporate Services Report • Works and Environmental Services Report • Community Development Report	Refer Reports
(c)	An annual operations report for each commercial business unit;	Not applicable
(d)	Details of any action taken for, and expenditure on, a service, facility or activity; (i) Supplied by another Local Government under an agreement for conducting a joint government activity; and (ii) For which the Local Government levied special rates or charges for the Financial Year;	Refer below Refer below
(e)	The number of invitations to change tenders under section 228(7) during the Financial Year;	Refer below
(f)	A list of the registers kept by the local government;	Refer below
(g)	A summary of all concessions for rates and charges granted by the local government;	Refer below
(h)	The report on the internal audit for the Financial Year;	Refer below
(i)	A summary of investigation notices given in the Financial Year under section 49 for competitive neutrality complaints;	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 Section 92 of the *Local Government Act 2009* and section 94 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 at 13 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 13 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 assessment 00663-00000-000, 13 Palmer Street Cloncurry, 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

Assessment No. 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 2016/2017 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 section 971 of the *Local Government Act 1993* and to adopt an Overall Plan with respect to the following:
• Mining Lease 90068 (bearing Assessment No. 01280-30000-000); and
• Mining Lease 5543, 5551 and 5556 (bearing Assessment No. 01319-30000-000);

COUNCIL NOW RESOLVES to amend the Overall Plan pursuant to section 94(9) of the LGR and to adopt an Annual Implementation Plan pursuant to section 94(6) of the LGR for the 2016/2017 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*.

Amended 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 section 94(2)(b) of the *LGR*.

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 section 94(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 2016-17	$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 2016-17 financial year as follows, pursuant to section 94(6) of the *LGR*.

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 2016-17 financial year**
Maintenance activities, being local bitumen seal application and crack sealing, bitumen seal application as required as pavement surface deteriorates, and additional works incidental to same which are required because the activities of the tenement holders on the Rateable Land specifically contributes to the additional costs incurred by Council to undertake the maintenance of the Road.	$231,875

Annual Implementation

ANNUAL IMPLEMENTATION

Year	Assessment Annual Allocation	01319-30000-000 40%	01280-30000-000 60%	Total
1	2016/2017	$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 section 95 of the *Local Government Regulation 2012*, Council shall carry any unspent special charges forward to a later financial year, should there be surplus funds after the annual implementation plan for each year of the Overall Plan (as amended) is carried out.

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

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

There was one instance during 2016/2017 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 is available for viewing at www.cloncurry.qld.gov.au

7.0 REVENUE POLICY

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

That in accordance with Section 193 of the *Local Government Regulation 2012,* Council adopt the Revenue Policy as presented for 2016-2017.

CARRIED: 04.160705

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.

10.0 REVENUE STATEMENT

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

That in accordance with Section 172 of the *Local Government Regulation 2012*, the Cloncurry Shire Council's 2016-2017 Revenue Statement be adopted.

CARRIED: 07.160705

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

The internal audit for the 2016/2017 Financial Year was undertaken by LGAQ over two onsite visits in March 2017 and June 2017. 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).

There are a number of issues that Council should place focus on for the next financial year.

These are:

- *Review of Procurement Policy and Procedures.*
- *Review of Fraud Policy and Procedures.*

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 2016/2017 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 2016/2017 financial year and was therefore not required to provide any responses.

Annexure A – 2016/2017 Audited Financial Statements

Cloncurry Shire Council

Financial Statements

for the year ended 30 June 2017

Cloncurry Shire Council
Financial statements
For the year ended 30 June 2017

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Cloncurry Shire Council
Statement of Comprehensive Income
For the year ended 30 June 2017

	Note	2017 $	2016 $
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3(a)	13,172,906	12,595,194
Fees and charges	3(b)	5,039,375	3,940,444
Rental income	3(c)	275,271	420,383
Interest received	3(d)	632,321	755,027
Sales revenue	3(e)	2,992,297	1,007,017
Grants, subsidies and contributions	4(a)	9,922,106	5,963,082
		32,034,276	24,681,146
Capital revenue			
Grants, subsidies and contributions	4(b)	13,676,670	19,501,138
Total revenue		45,710,946	44,182,284
Capital income	5	-	
Total income		45,710,946	44,182,284
Expenses			
Recurrent expenses			
Employee benefits	6	(8,481,024)	(6,549,680)
Materials and services	7	(11,214,044)	(8,679,825)
Finance costs	8	(756,445)	(821,895)
Depreciation	9	(10,747,814)	(9,845,083)
		(31,199,327)	(25,896,482)
Capital expenses	5	-	(148,005)
Total expenses		(31,199,327)	(26,044,487)
Net result		14,511,619	18,137,797
Other comprehensive income			
Items that will not be reclassified to net result			
Increase / (decrease) in asset revaluation surplus	19	(14,711,913)	(6,926,706)
Total other comprehensive income for the year		(14,711,913)	(6,926,706)
Total comprehensive income for the year		(200,293)	11,211,090

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 2017

	Note	2017 $	2016 $
Current assets			
Cash and cash equivalents	10	21,700,858	23,486,336
Trade and other receivables	11	2,710,491	2,232,421
Inventories	12	3,234,527	3,002,121
Total current assets		27,645,876	28,720,878
Non-current assets			
Property, plant and equipment	14	284,373,726	285,195,684
Total non-current assets		284,373,726	285,195,684
Total assets		312,019,602	313,916,561
Current liabilities			
Trade and other payables	16	2,624,830	2,283,566
Borrowings	17	576,859	576,859
Provisions	18	445,342	983,413
Total current liabilities		3,647,031	3,843,839
Non-current liabilities			
Borrowings	17	9,779,320	10,330,548
Provisions	18	807,427	1,756,060
Total non-current liabilities		10,586,747	12,086,607
Total liabilities		14,233,778	15,930,446
Net community assets		297,785,823	297,986,115
Community equity			
Asset revaluation surplus	19	71,501,321	86,213,234
Retained surplus		226,284,502	211,772,881
Total community equity		297,785,823	297,986,115

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 2017

	Note	Asset Revaluation Surplus	Retained Surplus	Total
		$	$	$
Balance as at 1 July 2016		86,213,234	211,772,881	297,986,115
Net result		-	14,511,619	14,511,619
Other comprehensive income for the year				
Decrease in asset revaluation surplus		(14,711,913)	-	(14,711,913)
Total comprehensive income for the year		(14,711,913)	14,511,619	(200,293)
Balance as at 30 June 2017	19	71,501,321	226,284,500	297,785,823
Balances as at 1 July 2015		93,139,940	193,635,084	286,775,024
Net result		-	18,137,797	18,137,797
Other comprehensive income for the year				
Decrease in asset revaluation surplus		(6,926,706)	-	(6,926,706)
Total comprehensive income for the year		(6,926,706)	18,137,797	11,211,091
Balance as at 30 June 2016		86,213,234	211,772,881	297,986,115

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 2017

	Note	2017 $	2016 $
Cash flows from operating activities			
Receipts from customers		22,916,660	20,808,966
Payments to suppliers and employees		(22,292,513)	(16,948,860)
		624,146	3,860,106
Interest received		632,321	755,027
Rental income		314,063	383,571
Non capital grants and contributions		10,229,664	5,570,252
Borrowing costs		(611,889)	(821,895)
Net cash inflow (outflow) from operating activities	25	11,188,305	9,747,062
Cash flows from investing activities			
Payments for property, plant and equipment		(26,099,225)	(28,871,013)
Investment in term deposits		-	8,000,000
Proceeds from sale of property plant and equipment	5	-	176,800
Grants, subsidies, contributions and donations		13,676,670	19,501,138
Net cash inflow (outflow) from investing activities		(12,422,555)	(1,193,075)
Cash flows from financing activities			
Net Repayment of borrowings		(551,228)	(519,932)
Net cash inflow (outflow) from financing activities		(551,228)	(519,932)
Net increase (decrease) in cash and cash equivalents held		(1,785,478)	8,034,056
Cash and cash equivalents at the beginning of the financial year		23,486,336	15,452,280
Cash and cash equivalents at the end of the financial year	10	21,700,858	23,486,336

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

1 Significant accounting policies

1 (a) Basis of preparation

These general purpose financial statements are for the period 1 July 2016 to 30 June 2017 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*. Consequently, these financial statements have been prepared in accordance with all Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board.

These financial statements have been prepared under the historical cost convention, except for: certain classes of property, plant and equipment which are measured at fair value.

Recurrent/capital classification

Capital 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 "Capital Income" or "Capital 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

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. Council has applied *AASB 124 Related Party Disclosures* for the first time. As a result Council has disclosed more information about related parties and transactions with related parties. This information is disclosed in Note 28.

Cloncurry Shire Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective with the exception of AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities.* Generally council applies standards and interpretations in accordance with their respective commencement dates. The retrospective application of AASB 2015-7 has exempted council from the disclosure of quantitative information and sensitivity analysis for some valuations categorised within Level 3 of the fair value hierarchy.

At the date of authorisation of the financial report, AASB 9 *Financial Instruments and AASB 15 Revenue from Contracts with Customers* are the only new accounting standards with a future application date that are expected to have a material impact on council's financial statements.

AASB 9, which replaces AASB 139 *Financial Instruments: Recognition and Measurement*, is effective for reporting periods beginning on or after 1 January 2018 and must be applied retrospectively. The main impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories: fair value and amortised cost and financial assets will only be able to be measured at amortised cost where very specific conditions are met.

As a result Council would have been required to measure its financial assets at fair value. As Council does not currently hold any substantial non cash financial assets, Council does not believe that this would have had a material impact on the carrying values.

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

In the application of Council's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and ongoing assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Judgements, estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

Valuation and depreciation of property, plant and equipment - Note 1 (j) and Note 14
Impairment of property, plant and equipment - Note 1 (k)
Provisions - Note 1 (t) and Note 18
Contingent liabilities - Note 21

1 (f) Revenue

Rates, levies, grants and other revenue are recognised as revenue on receipt of funds or earlier upon unconditional entitlement to the funds.

Rates, levies and charges
Where rate monies are received prior to the commencement of the rating/levying period, the amount is recognised as revenue in the period in which they are received, otherwise rates are recognised at the commencement of the rating period.

Grants, subsidies and contributions

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

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.

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.

The Council generates revenues from a number of services including child care, contracts for road maintainence 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
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.

Rental income

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

Interest Received

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

1 (g) 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 (h) 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 all amounts due, the carrying amount is reduced 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 *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, Council does not generally impair any rate receivables. This does not however apply where the rateable property is land with negligible value.

1 (i) Land held by Council for resale

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 Note 13.

1 (j) Property, plant and equipment

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.

Capital and operating expenditure

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

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 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 are disclosed in Note 15.

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.

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.

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.

1 (k) 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.

1 (l) Leases

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.

1 (m) 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.

1 (n) Liabilities - employee benefits

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

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. This liability represents an accrued expense and is reported in Note 16 as a payable. 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.

Long service leave

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

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

Sick leave

As Council has no obligation to pay sick leave entitlements upon termination no liability is recognised.

1 (o) Borrowings and borrowing cost

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.

In accordance with the *Local Government Regulation 2012* 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. All borrowing costs are expensed in the period in which they are incurred. No borrowing costs are capitalised on qualifying assets.

1(p) 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.

1 (q) Rounding and comparatives

The financial statements 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 (r) 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 in Note 24.

1 (s) 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.

1 (t) Restoration provision

Refuse dump restoration
Quarry Rehabilitation

A provision is made for the cost of restoration in respect of refuse dumps and quarries where it is probable the Council will be liable, or required, to incur such a cost on the cessation of use of these facilities. The provision is measured at the expected cost of the work required. The provision represents the present value of the anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites.

The provision recognised for quarry rehabilitation is to be reviewed at least annually and updated based on the facts and circumstances available at the time.

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 Councilors, Council and committee meetings and statutory requirements. Includes strategic and operational planning, risk management, legal and admin 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.

2 Analysis of results by function (continued)

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

Year ended 30 June 2017

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurrent operations	Net Result	Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
	2017 $	2017 $	2017 $	2017 $	2017 $	2017 $	2017 $	2017 $	2017 $	2017 $	2017 $
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

Year ended 30 June 2016

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net Result	Assets
	Recurring		Capital			Recurring	Capital				
	Grants	Other	Grants	Other							
	2016 $	2016 $	2016 $	2016 $	2016 $	2016 $	2016 $	2016 $	2016 $	2016 $	2016 $
Corporate governance	-	97,392	-	-	97,392	330,343	148,005	478,348	(232,950)	(380,955)	-
Finance and information	3,901,890	9,101,704	650,000	-	13,653,594	3,613,811	-	3,613,811	9,389,783	10,039,783	36,236,236
Community services	512,296	3,989,937	-	-	4,502,232	8,872,709	-	8,872,709	(4,370,476)	(4,370,476)	75,620,277
Planning & development	14,780	111,195	330,000	-	455,974	273,337	-	273,337	(147,363)	182,637	298,371
Transport infrastructure	1,534,117	1,778,764	18,280,238	-	21,593,119	7,962,700	-	7,962,700	(4,649,819)	13,630,419	153,975,835
Waste management	-	632,862	-	-	632,862	813,533	-	813,533	(180,671)	(180,671)	-
Water infrastructure	-	2,255,534	240,900	-	2,496,434	3,281,911	-	3,281,911	(1,026,377)	(785,477)	39,115,093
Sewerage infrastructure	-	750,677	-	-	750,677	748,139	-	748,139	2,538	2,538	8,670,749
Total	5,963,082	18,718,064	19,501,138	-	44,182,284	25,896,482	148,005	26,044,487	(1,215,335)	18,137,798	313,916,561

	Note	2017 $	2016 $
3 Revenue analysis			
(a) Rates, levies and charges			
General rates		9,996,562	9,516,696
Separate rates		148,854	238,979
Water		2,491,551	2,299,698
Sewerage		800,230	774,354
Waste management		657,466	630,382
Gross rates, levies and charges		14,094,662	13,460,109
Less: Discounts		(909,717)	(853,348)
Less: Pensioner remissions		(12,039)	(11,568)
		13,172,906	12,595,194
(b) Fees and charges			
Saleyard - weighing		281,319	243,365
Saleyard - dipping		582,319	615,273
Airport fees & charges		2,259,270	2,184,431
Childcare fees & charges		447,324	433,844
Water connection fees		25,288	23,764
Other fees and charges		1,443,855	439,767
		5,039,375	3,940,444
(c) Rental income			
Rental - Commercial		275,271	420,383
		275,271	420,383
(d) Interest received			
Interest received from cash balances		504,086	659,715
Interest from overdue rates and utility charges		128,235	95,312
		632,321	755,027
(e) Sales revenue			
Sale of services			
Contract and recoverable works		2,909,324	882,940
Private works		82,973	124,077
Total sales revenue		2,992,297	1,007,017

The amount recognised as revenue for contract revenue during the financial year is the amount receivable in respect of invoices issued during the period. There are no contracts in progress at the year end. The contract work carried out is not subject to retentions.

	Note	2017 $	2016 $
4 Grants, subsidies and contributions			
(a) Recurrent			
Commonwealth general purpose grants		8,218,660	5,285,556
State government subsidies and grants		1,240,979	268,942
Contributions & Donations		462,467	408,584
		9,922,106	5,963,082
(b) Capital			
Commonwealth government subsidies and grants - flood damage			-
State government subsidies and grants - flood damage		10,765,291	15,478,551
State government subsidies and grants		2,515,228	3,772,587
Contributions & Donations		396,150	250,000
		13,676,670	19,501,138

Conditions over contributions

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

Non-reciprocal grants for expenditure on services	-	-
Non-reciprocal grants for expenditure on infrastructure	1,567,807	7,161,846
	1,567,807	7,161,846

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

Non-reciprocal grants for expenditure on services	-	-
Non-reciprocal grants for expenditure on infrastructure	7,161,846	57,085
	7,161,846	57,085

5 Capital income/(expenses)			
Gain / (loss) on disposal of non-current assets			
Proceeds from the sale of property, plant and equipment		-	176,800
Less: Book value of property, plant and equipment disposed of		-	(324,805)
		-	(148,005)
6 Employee benefits			
Total staff wages and salaries		6,472,383	5,878,475
Councillors' remuneration		306,578	300,566
Annual and long service leave entitlements		1,147,731	1,333,114
Superannuation	22	659,561	721,973
		8,586,253	8,234,128
Other employee related expenses		-	-
		8,586,253	8,234,128
Less: Capitalised employee expenses		(105,229)	(1,684,450)
		8,481,024	6,549,679

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	54	49
Depot and outdoors staff	44	56
Total employees	103	110

	Note	2017 $	2016 $
7 Materials and services			
Audit of annual financial statements		80,799	82,535
Infrastructure Operations and Maintenance		5,439,462	2,770,447
Business Services (Saleyards, Airport, Private Works)		1,103,251	1,512,155
Community Services (Childcare, Public Facilities, Tourism)		2,120,833	1,780,743
Refuse and Environmental Services		1,596,389	938,101
Corporate and Management Services		815,194	1,549,236
Other Materials and Services		58,116	46,608
		11,214,044	8,679,825
8 Finance costs			
Finance costs charged by Queensland Treasury Corporation		636,256	662,125
Bank charges		52,869	26,900
Impairment of debts / (reversal)		67,320	132,870
		756,445	821,895
9 Depreciation			
Buildings		1,079,604	1,476,625
Plant and equipment		608,105	619,522
Road, drainage and bridge network		6,108,140	5,617,942
Water		1,064,432	1,006,126
Sewerage		339,466	333,508
Other structures		1,548,067	791,360
Total depreciation	14	10,747,814	9,845,083
10 Cash and cash equivalents			
Cash at bank and on hand		793,075	348,506
Deposits at call		20,907,784	23,137,829
Balance per Statement of Cash Flows		21,700,858	23,486,336

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	1,567,807	7,161,846
Total unspent restricted cash	1,567,807	7,161,846

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.

	Note	2017 $	2016 $
11 Trade and other receivables			
Current			
Rateable revenue and utility charges		1,416,008	1,058,213
Prepayments		138,706	-
Trade receivables		1,358,225	1,353,499
less: impairment or Provision for doubtful debts		(202,448)	(179,291)
		2,710,491	2,232,421

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			
Trading stock		27,075	38,935
		27,075	38,935
Inventories held for distribution			
Plant and equipment stores		211,653	214,931
		211,653	214,931
Land held for development and sale			
Land held for resale	13	2,995,800	2,748,256
		2,995,800	2,748,256
Total inventories		3,234,527	3,002,121

13 Land held for development and sale			
Opening balance		2,748,256	3,018,140
Additions		247,544	-
Less: Cost of development land sold		-	(269,884)
		2,995,800	2,748,256
Classified as			
Current		2,995,800	2,748,256

14 Property, plant and equipment

30 June 2017	Note	Land	Buildings	Plant and equipment	Road, drainage and bridge network	Water	Sewerage	Other Structures	Work in progress	Total
Basis of measurement		Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
Asset values		$	$	$	$	$	$	$	$	$
Opening gross value as at 1 July 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	2,001,546	758,804	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	59,713,600	18,054,060	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	20,055,564	9,217,509	10,546,073	-	138,351,460
Total written down value as at 30 June 2017		15,147,361	35,059,816	5,498,449	154,862,054	39,658,036	8,836,551	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	-	-	124,837	20,443,771	1,053,577	643,403	6,595,609	-	**28,861,198**
New	2,561	808,794	109,304	-	810,618	184,803	700,556	-	**2,616,635**
Total additions	2,561	808,794	234,141	20,443,771	1,864,195	828,206	7,296,165	-	**31,477,833**

14 Property, plant and equipment (continued)

30 June 2016	Note	Land	Buildings	Plant and equipment	Road, drainage and bridge network	Water	Sewerage	Other Structures	Work in progress	Total
Basis of measurement		Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
Asset values		$	$	$	$	$	$	$	$	$
Opening gross value as at 1 July 2015		19,519,962	46,996,195	10,338,293	185,465,413	55,973,896	16,742,668	27,622,484	13,994,489	376,653,400
Movements Between Classes Opening		-	69,300	47,156	-	-	-	(116,456)	-	-
Internal Transfers		-	-	-	-	-	-	(1,560,075)	1,560,075	-
Additions		-	-	-	-	-	-	-	28,871,016	28,871,016
Disposals	5	(7,290)	-	(661,353)	-	-	-	-	-	(668,643)
Revaluation adjustment to asset revaluation surplus	19	(2,757,772)	2,110,293	-	(3,050,568)	566,108	206,788	540,700	-	(2,384,451)
Transfers between classes		-	5,272,240	716,554	24,296,492	1,172,050	345,800	3,883,560	(35,686,696)	-
Closing gross value as at 30 June 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	**402,471,322**
Accumulated depreciation and impairment										
Opening balance as at 1 July 2015		-	15,682,598	4,286,659	47,313,058	17,819,449	8,416,324	9,714,049	-	103,232,137
Movements Between Classes Opening		-	26,567	-		-	-	(26,567)	-	-
Depreciation provided in period	9	-	1,476,625	619,522	5,617,942	1,006,126	333,508	791,360	-	9,845,083
Depreciation on disposals	5	-	-	(343,837)	-	-	-	-	-	(343,837)
Revaluation adjustment to asset revaluation surplus	19	-	1,844,982	-	2,190,447	148,522	128,211	230,094	-	4,542,256
Accumulated depreciation as at 30 June 2016		-	19,030,772	4,562,344	55,121,448	18,974,097	8,878,043	10,708,936	-	117,275,640
										-
Total written down value as at 30 June 2016		16,754,900	35,417,256	5,878,307	151,589,889	38,737,957	8,417,213	19,661,277	8,738,884	285,195,684
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	-	3,186,684	-	-	-	-	-	-	3,186,684
Renewals	-	918,676	669,398	7,175,438	851,800	345,800	2,089,424	-	12,050,536
New	-	1,166,880	47,156	13,210,436	320,250	-	1,794,137	-	16,538,859
Total additions	-	5,272,240	716,554	20,385,874	1,172,050	345,800	3,883,560	-	31,776,079

16 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 2017.

	Note	Level 2		Level 3		Total	
			(Significant other observable inputs)		(Significant unobservable inputs)		
		$	$		$	$	$
Recurring fair value measurements		2017	2016	2017	2016	2017	2016
Land	14	15,147,361	16,754,900	-	-	15,147,361	16,754,900
Buildings							
- Commercial buildings	14		-	33,586,296	30,957,474	33,586,296	30,957,474
- Residential buildings	14	1,473,520	821,883	-	3,637,900	1,473,520	4,459,783
Road, drainage and bridge network	14	-	-	154,862,054	151,589,889	154,862,054	151,589,889
Water	14	-	-	39,658,036	38,737,956	39,658,036	38,737,956
Sewerage	14	-	-	8,836,551	8,417,212	8,836,551	8,417,212
Other structures	14	-	-	21,951,182	19,661,276	21,951,182	19,661,276
		16,620,881	17,576,783	258,894,119	253,001,707	275,515,000	270,578,490

There were no transfers between levels during the year.

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

15 Fair Value Measurements (continued)

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

Council obtains independent valuations at least every 3-5 years for all asset classes. An Indexation of Land, Building, Roads, Water and Sewerage and Other was carried out at 30 June 2017. Road assets were indexed by Australis Asset Advisory Service at 30 June 2017 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 land and residential buildings were determined by an independent valuer, Asset Val, as at 30 June 2014. A comprehensive valuation of Land assets was completed at 30 June 2016 by Australis Asset Advisory Service due to large fluctuations in local land values greater than 10%. Level 2 valuation inputs were used to value freehold land as well as land used for special purposes, which is restricted in use under current zoning rules. Sales prices of comparable land sites and residential buildings in close proximity were adjusted for differences in key attributes, such as property size. The most significant inputs into this valuation approach are property size and price per square meter. The fair values of residential buildings were indexed by Australis Asset Advisory Service as at 30 June 2017. Indexation rates were assessed to reflect market movements.

(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 Asset Val as at 30 June 2014 using the Cost Approach (Depreciated Replacement Cost) method. The fair values of buildings and other structures was indexed by Australis Asset Advisory Service through a desktop indexation valuation as at 30 June 2017 . Indexation rates were assessed to reflect market movements, review of producer price indexes and building cost indices.

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.

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

Valuation information applicable to all infrastructure asset classes below

A comprehensive valuation of Council's road, drainage and bridge infrastructure assets was undertaken by Australis Asset Advisory Service as at 30 June 2015. In respect of the water, sewerage and other assets, the last comprehensive revaluation was undertaken as at 30 June 2014. The fair values of these assets at 30 June 2016 were determined by Australis Asset Advisory Service using a 'desktop' valuation approach. These valuations were undertaken using the depreciated replacement cost method.

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

15 Fair Value Measurements (continued)

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

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

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

Road and bridge network

Current replacement cost

Council categorises its road, drainage and bridge network infrastructure assets into urban and rural categories and then by road hierarchy (access, collector, distributor and sub arterial) and then further sub-categorises these into sealed and unsealed roads. All road segments are then componentised into formation, pavement and seal (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.

The fair values of water and sewerage assets was indexed by Australis Asset Advisory Service as at 30 June 2015. Indexation rates were assessed by reference to producer price indices, wage price indices, consultation with local contractors and suppliers.

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.

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

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

15 Fair Value Measurements (continued)

Factors taken into account in determining replacement costs included:

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

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

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

Accumulated depreciation

In determining accumulated depreciation, assets were either subject to a site inspection or an assessment to determine remaining useful life. Where site inspections were conducted (i.e. for active assets), the assets were allocated a condition assessment, 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 executive management team which comprises the Chief Executive Officer, Corporate Services Director and the Corporate Development Officer. 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 1 (j).

	Note	2017 $	2016 $
16 Trade and other payables			
Current			
Creditors and accruals		2,094,854	1,683,750
Annual leave		439,495	523,820
Other entitlements		90,481	75,997
		2,624,830	2,283,566
17 Borrowings			
Current			
Loans - Queensland Treasury Corporation		576,859	576,859
		576,859	576,859
Non-current			
Loans - Queensland Treasury Corporation		9,779,320	10,330,548
		9,779,320	10,330,548
Loans - Queensland Treasury Corporation			
Opening balance at beginning of financial year		10,907,407	11,427,339
Loans raised		-	
Net repayments		(551,228)	(519,932)
Book value at end of financial year		10,356,179	10,907,407

The QTC loan market value at the reporting date was $13,441,045.66 This represents the value of the debt if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts.

18 Provisions			
Current			
Refuse restoration		-	623,600
Gravel pits rehabilitation		64,766	-
Long service leave		380,576	359,813
		445,342	983,413
Non-current			
Gravel pits rehabilitation		112,586	940,300
Refuse restoration		578,733	645,000
Long service leave		116,108	170,760
		807,427	1,756,060
Details of movements in provisions			
Long service leave			
Balance at beginning of financial year		530,573	420,995
Long service leave entitlement arising		(22,531)	134,885
Long service entitlement paid		(11,358)	(25,307)
Balance at end of financial year		496,684	530,573
Gravel pits rehabilitation			
Balance at beginning of financial year		940,300	940,300
Recognition of provision		(762,948)	-
Balance at end of financial year		177,352	940,300
Refuse restoration			
Balance at beginning of Financial year		1,325,000	1,325,000
Recognition of provision		(746,267)	-
Balance at end of financial year		578,733	1,325,000

	Note	2017 $	2016 $
19 Asset Revaluation Surplus			
Movements in the asset revaluation surplus were as follows:			
Balance at beginning of financial year		86,213,234	93,139,940
Net adjustment to non-current assets at end of period to reflect a change in current fair value:			
Land		(1,610,100)	(2,757,772)
Buildings		(159,377)	396,787
Road, drainage and bridge network		(11,053,641)	(5,242,442)
Water		-	283,642
Sewerage		-	80,004
Other structures		(1,888,794)	313,074
Net movement for the year		(14,711,913)	(6,926,706)
Balance at end of financial year		71,501,321	86,213,234
Asset revaluation surplus analysis			
The closing balance of the asset revaluation surplus comprises the following asset categories:			
Land		6,651,170	8,261,270
Buildings		15,788,475	15,947,852
Road, drainage and bridge network		19,135,600	30,189,241
Water		21,828,348	21,828,348
Sewerage		4,883,609	4,883,609
Other structures		3,214,120	5,102,913
		71,501,321	86,213,234
20 Commitments for expenditure			
Operating leases			
Mimimum lease payments in relation to non-cancellable operating leases are as follows:			
Within one year		270,125	350,123
One to five years		190,125	460,246
Later than five years		-	-
		460,250	810,369
Contractual commitments at end of financial year but not recognised in the financial statements are as follows:			
Garbage collection contract		1,103,356	1,471,140
		1,103,356	1,471,140

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 2017, 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 $161,742.31. The latest audited financial statements for Local governement Workcare are as at 30 June 2016 and show accumulated member funds (Equity) of $42,676,161.

22 Superannuation

The Cloncurry Shire Council contributes to the Local Government Superannuation Scheme (Qld) (the scheme). The scheme is a Multi-employer Plan as defined in the Australian Accounting Standard AASB119 *Employee Benefits*.

The Queensland Local Government Superannuation Board, the trustee of the scheme, advised that the local government superannuation scheme was a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation.

The scheme has three elements referred to as the City Defined Benefits Fund (CDBF) which covers former members of the City Super Defined Benefits Fund, the Regional Defined Benefits Fund (Regional DBF) which covers defined benefit fund members working for regional local governments and the Accumulation Benefits Fund (ABF). The ABF is a defined contribution scheme as defined in AASB 119. Council has no liability to or interest in the ABF other than the payment of the statutory contributions as required by the *Local Government Act 2009*.

Council does not have any employees who are members of the CDBF and, therefore, is not exposed to the obligations, assets or costs associated with this fund.

The Regional DBF is a defined benefit plan as defined in AASB119. The Council is not able to account for the Regional DBF as a defined benefit plan in accordance with AASB119 because the scheme is unable to account to the Council for its proportionate share of the defined benefit obligation, plan assets and costs. The funding policy adopted in respect of the Regional DBF is directed at ensuring that the benefits accruing to members and beneficiaries are fully funded as they fall due.

To ensure the ongoing solvency of the Regional DBF, the scheme's trustee can vary the rate of contributions from relevant local government employers subject to advice from the scheme's actuary. As at the reporting date, no changes had 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.

Any amount by which either fund is over or under funded would only affect future benefits and contributions to the Regional DBF, and is not an asset or liability of the Council. Accordingly there is no recognition in the financial statements of any over or under funding of the scheme.

As at the reporting date, the assets of the scheme are sufficient to meet the vested benefits.

There are currently 65 councils contributing to the Regional DBF plan and any changes in contribution rates would apply equally to all 65 councils. Cloncurry Shire Council made less than 4% of the total contributions to the plan in the 2016-17 financial year.

Under the *Local Government Act 2009* the trustee of the scheme has the power to levy additional contributions on councils which have employees in the Regional DBF when the actuary advises such additional contributions are payable - normally when the assets of the DBF are insufficient to meet members' benefits.

An actuarial investigation was due to be made as at 1 July 2015 and was completed in the 2015-16 financial year.

	Note	2017 $	2016 $
The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of employees was:	6	659,561	721,973

23 Operating lease income

Council's minimum operating lease receipts are as follows:

Not later than one year	69,700	67,133
One to five years	31,200	31,200
Later than five years	224,379	264,590
	325,279	362,923

24 Trust funds

Trust funds held for outside parties

Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities	41,920	163,971
	41,920	163,971

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

	Note	2017 $	2016 $
25 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities			
Net result		14,511,619	18,137,797
Non-cash items:			
Impairment of property plant and equipment			
De-recognition of pit provision assets		1,461,456	
Depreciation and amortisation		10,747,814	9,845,083
		12,209,270	9,845,083
Investing and development activities:			
Net (profit)/loss on disposal of non-current assets		-	148,005
Capital grants and contributions		(13,676,670)	(19,501,138)
		(13,676,670)	(19,353,133)
(Increase)/ decrease in receivables		(478,070)	134,591
(Increase)/decrease in inventory		(232,405)	256,436
Increase/(decrease) in payables		341,264	673,109
Increase/(decrease) in liabilities		-	-
Increase/(decrease) in other provisions		(1,486,702)	53,178
		(1,855,914)	1,117,314
Net cash inflow from operating activities		11,188,305	9,747,060

26 Events after the reporting period

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

27 Financial instruments and financial risk management

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

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

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

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

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

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

Credit risk exposure

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 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:

	Note	2017	2016
Financial assets		$	$
Cash and cash equivalents	10	21,700,858	23,486,336
Receivables - rates	11	1,416,008	1,058,213
Receivables - other	11	1,358,225	1,353,499
Other credit exposures			
Guarantee	21	161,742	157,788
		24,636,834	26,055,834

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 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 recievables	914,095	4,163	-9,221	62,191	971,228

30 June 2016 ***Receivables - other***	Fully performing	Past due			Total
		Less than 30 days	30-60 days	61-90 days	
	$	$	$	$	$
Receivables	738,322	189,780	1,504	188,900	1,118,506
Less impairment	-	-	-	42,403	42,403
Net receivables	738,322	189,780	1,504	231,303	1,160,909

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 trading in the normal course of business and borrowings from the Queensland Treasury Corporation for capital works.

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 in a format as it might be provided to management. The amounts disclosed in the maturity analysis represent the contractual undiscounted cash flows at balance date.

	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	$	$	$	$	$
2017					
Trade and other payables	2,094,854	-	-	2,094,854	2,094,854
Loans - QTC	1,198,787	4,795,148	10,219,216	15,014,364	10,356,179
	3,293,641	4,795,148	10,219,216	17,109,218	12,451,033
2016					
Trade and other payables	1,683,750	-	-	1,683,750	1,683,750
Loans - QTC	1,198,787	4,795,148	10,219,216	16,213,151	10,907,407
	2,882,537	4,795,148	10,219,216	17,896,901	12,591,157

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
	$	$	$	$	$
2017					
QTC cash fund	20,907,784	209,078	(209,078)	209,078	(209,078)
Net total		209,078	(209,078)	209,078	(209,078)
2016					
QTC cash fund	23,137,829	231,378	(231,378)	(231,378)	(231,378)
Net total		231,378	(231,378)	(231,378)	(231,378)

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

28 Transactions with related parties

(a) Transactions with key management personnel (KMP)

KMP include the Mayor, Councillors, Chief Executive Officer, Directors and Corporate Development Officer. The compensation paid to KMP for 2016/17 comprises:

	2017 ($)
Short-term employee benefits	1,081,816
Post-employment benefits	80,508
Long-term benefits	56,505
Termination benefits	190,596
Total	**1,409,426**

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	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)	166,021
Purchase of materials and services from entities controlled by key management personnel	28(b)(iii)	397,065
Key management personnel services provided by a related entity	28(b)(iv)	222,794

(i) In 2016/17 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 103 staff of which only 3 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	2017 $	
Electrical goods and services	$	302,900
Plumbing goods and services	$	94,165
Total	**$**	**397,065**

Transactions included above are exclusively for the supply of materials and the provision of services. Cloncurry Plumbing Pty Ltd, a company controlled by Cr John Dane Swalling provided plumbing services to Council for the value of $94,165. Ozecool Pty Ltd, a company controlled by Cr Damien McGee provided electrical services to Council to the value of $302,900. 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 2017 there was $14,375 owed by council to these related parties.

(iv) Payments totalling $83,964 were made to LGAQ for the services of Mr Bruce Davidson who acted in the Chief Executive Officer position during the period June to September 2016. Also, payments totalling $88,613 were made to LOGO Appointments for the services of Mr Ken Palmer who acted in the Director Works & Enviornmental Services position during the period July to November and payments totalling $50,217 were made to Hays Recruitment for the temporary services and recruitment placement fee for Mrs Joanne Morris who acted in the Director Corporate Services position prior to being appointed permanently. These amounts have been excluded from the KMP remuneration disclosures in 28 (a).

(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

Management Certificate
For the year ended 30 June 2017

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: 13 / 10 / 17

Chief Executive Officer
Mr Ben Milligan
Date: 13 / 10 / 17

Cloncurry Shire Council

30 June 2017

Current Year Financial Sustainability Statement

Certificate of Accuracy - for the Current Year Financial Sustainability Statement

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

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Cloncurry Shire Council

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Cloncurry Shire Council.

In my opinion, the financial report:

a) gives a true and fair view of the council's financial position as at 30 June 2017, 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 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and Chief Executive Officer.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General 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 2017, 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 the 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 audit 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 or 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.

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 2017

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.

QUEENSLAND
19 OCT 2017
AUDIT OFFICE

Patrick Flemming
as Delegate of the Auditor-General

Queensland Audit Office
Brisbane

Cloncurry Shire Council
Current-year Financial Sustainability Statement
For the year ended 30 June 2017

Measures of Financial Sustainability	How the measure is calculated	2017 Actual	Target
Council's performance at 30 June 2017 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	3%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	283%	Greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-42%	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 2017.

Certificate of Accuracy
For the year ended 30 June 2017

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 sustainabilty statement has been accurately calculated.

Mayor

Cr Gregory Campbell

Date: 13/10/17

Chief Executive Officer

Mr Ben Milligan

Date: 13/10/17

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 2017, 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 2017 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 the Cloncurry Shire Council's annual report for the year ended 30 June 2017, 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 the 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 audit opinion on the general purpose financial report.

In connection with my audit of the statement, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the statement or 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 other 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.

QUEENSLAND
19 OCT 2017
AUDIT OFFICE

Patrick Flemming
as Delegate of the Auditor-General

Queensland Audit Office
Brisbane

Cloncurry Shire Council

30 June 2017

Long Term Financial Sustainability Statement - Unaudited

Certificate of Accuracy - for the Long Term Financial Sustainability Statement

Cloncurry Shire Council
Long-Term Financial Sustainability Statement
Prepared as at 30 June 2017

Measures of Financial Sustainability	Measure	Target	Projected for the years ended										
			30 June 2017	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
Council													
Operating surplus ratio	Net result divided by total operating revenue	Between 0% and 10%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	283%	194%	154%	162%	140%	97%	111%	94%	97%	99%	101%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%	-42%	-60%	-63%	-60%	-58%	-53%	-52%	-54%	-55%	-55%	-55%

Cloncurry Shire Council's Financial Management Strategy

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

Certificate of Accuracy
For the long-term financial sustainability statement prepared as at 30 June 2017

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

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

Mayor

Cr Gregory Campbell

Date: 13 / 10 / 17

Chief Executive Officer

Mr Ben Milligan

Date: 13 / 10 / 17

Cloncurry Shire Council

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