



Cloncurry Shire Council

2011/2012

Annual Report



Contents

<i>Welcome</i>	3
<i>History of Cloncurry Shire</i>	4
<i>A Message from the Mayor</i>	5
<i>Shire Profile</i>	6
<i>Elected Representative Outgoing Council</i>	10
<i>Mayor and Councillors 2012</i>	12
Mayor Andrew Daniels.....	12
Deputy Mayor Bob McDonald.....	12
Councillor Keith Douglas	12
Councillor Colin Ferguson.....	13
Councillor Jane McMillan.....	13
<i>A Message from the Chief Executive Officer</i>	14
<i>Corporate Structure</i>	15
<i>Community Development</i>	16
<i>Environmental Health, Water & Sewerage Services</i>	17
<i>Engineering Services</i>	21
<i>Community Financial Plan</i>	23
<i>Statutory Requirements</i>	27
<i>Transitional Expenses Reimbursement Policy for Local Government Councillors</i>	27
<i>Councillor Remuneration</i>	33
<i>Policies</i>	35
<i>Revenue Policy</i>	39
<i>Revenue Statement 2011-12</i>	43
<i>Arrangements and Contracts with other Local Governments</i>	69
<i>Invitations to Tenderer's to change their Tender</i>	69
<i>Registers and Public Documents</i>	69
<i>Internal Audit</i>	70
<i>Summary of all Rebates and Concessions Allowed in Relation to Rates</i>	70
<i>Code of Conduct, Complaints and Breaches</i>	71
<i>Administrative action complaints</i>	72
<i>Complaints</i>	72
<i>Overseas Travel undertaken by Councillors or Employees</i>	72
<i>Grants to Community Organisations</i>	73
<i>Reserves and Controlled Roads</i>	74
<i>Shareholder Delegates</i>	74
<i>Significant Business Activities</i>	74
<i>Remuneration of Senior Contract Employees</i>	74
<i>Workplace Reform and Equal Employment Opportunity</i>	74

Welcome

Welcome to the 2011/2012 Annual Report of the Cloncurry Shire Council. This report highlights Council's achievements over the past 12 months.

The *Local Government Act 2009* came into effect on 1 July 2010 and Council has to meet legislative obligations in relation to produce an Annual Report for each financial year.

This report is primarily for residents, ratepayers, businesses and visitors to the Shire.



History of Cloncurry Shire

'The Friendly Heart of the Great North West'

The traditional owners Mitakoodi, Kalkadoon, Yullana and Waluwarra and Pitta Pitta 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 (honoured as founder of the town and vast mineral wealth of the district), came this way searching for grazing land and instead discovered copper - 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 on 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.

The railway reached Cloncurry in 1907 and remains an important railway town. A visit to the museums Mary Kathleen Memorial Park or John Flynn Place will open the eyes of any budding historian to the richness of Cloncurry's History.

Cloncurry is a rural town, which derives its main income from the mining and pastoral industries. The town itself is nestled on the banks of the Cloncurry River and is home to approximately 3800 people. Cloncurry also provides a full range of community facilities, including schooling to year 12, hospital and medical facilities. The town's water supply is sourced from three supply systems:- Chinaman Creek Dam situated approximately 3km from the town centre, River wells located in the Cloncurry River and through the Lake Julius Pipeline. However, many residents supplement household supplies during summer months with private bores. The Cloncurry river catchment area begins in the Selwyn Ranges and flows into the Flinders River where it continues on to empty into the Gulf of Carpentaria. The average annual rainfall is 425mm, with the heaviest falls being experienced between December and March. Cloncurry is noted for having Australia's highest recorded temperature in 1889 of 53.1°C.



**The Royal Flying Doctor Service
began in Cloncurry in May 1928**

A Message from the Mayor

Cloncurry Shire Council has had a clear vision to improve the infrastructure and liveability of our community. As I reflect on our strategic direction from a few years ago I am delighted that many of our plans from that time have reached fruition.

As I reflect on 2011/12 financial year, I am proud of the great achievements in our community during the year.

Construction was commenced and is nearing completion on our \$ 11M Community Precinct.

The new Museum at Mary K Park commenced construction and will be operational for the next Tourist season. Plans for the Ramsay Street beautification and the truck bypass are underway. Planning is also underway for our much awaited Equestrian Centre.

Construction commenced on a new 17.7 ha greenfield industrial subdivision designed to cater for the growing industry and to provide the community with further employment opportunities.

Our community events this year were just fantastic. Our Annual Show, Rockhana, Merry Muster and Stockman's Challenge are iconic outback events and I thank all the volunteers and supporters who work all year to make these events happen.

Investment into our community is also continuing with new housing and accommodation developments. We have seen expansion of local mining development and exploration. All of this means that Cloncurry is booming.

Hopefully the next twelve months will see the start of new quests by the Council being the construction of a Weir, planning to revamp the Golf Course and to upgrade the Airport Terminal.

I would like to thank the Councillors who have handled themselves very professionally. The new ones have fitted in very well and they have bought a lot of passion and new ideas to the forefront.

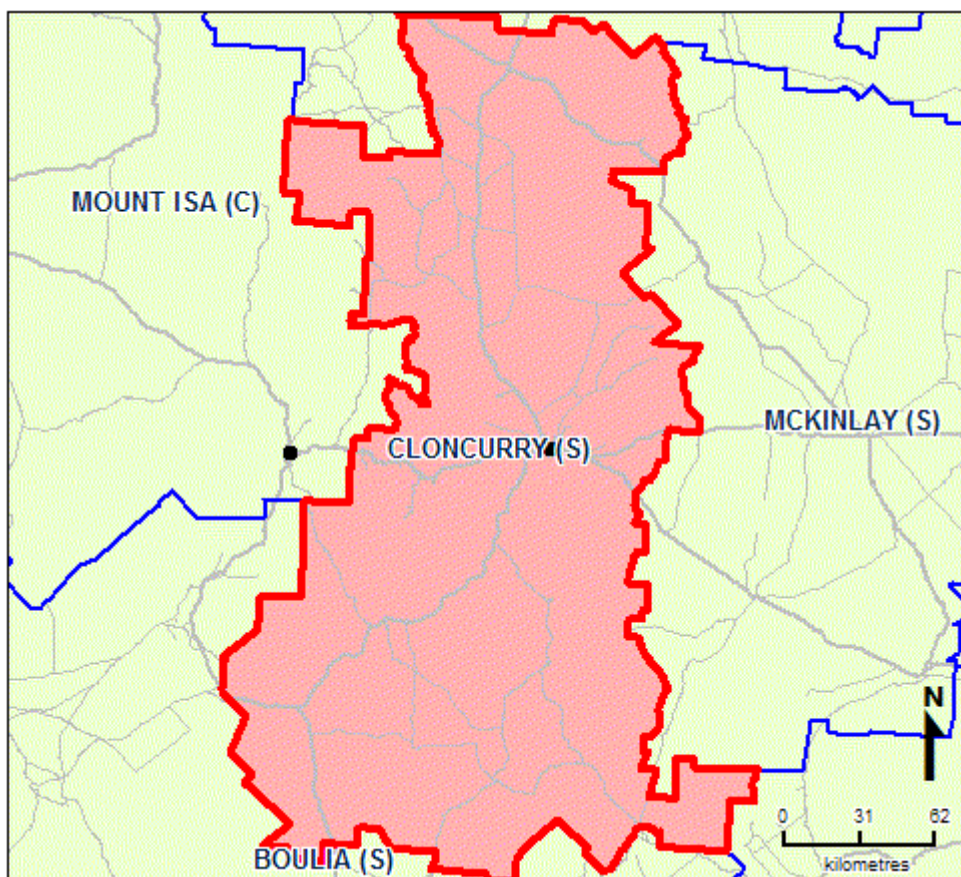
All in all 2012 has been a good year, I feel the staff morale is high and Council has really started to set higher benchmarks. I would like to thank all the staff for their ongoing support.

Andrew Daniels
Mayor



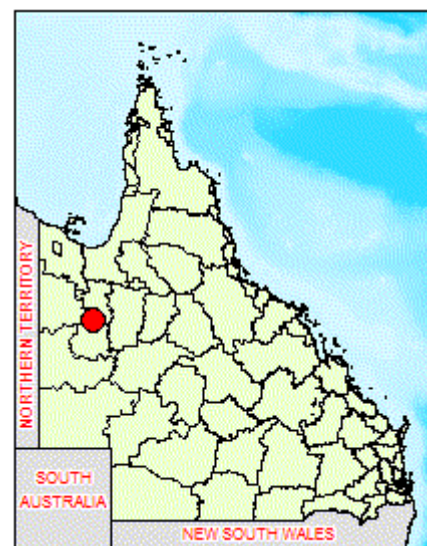
Shire Profile

Map of Cloncurry Shire



Shire Profile

Established:	1884
Area:	48,116.9 km sq
Elevation:	200mt
Annual Rainfall:	425mm



Estimated Resident Population

As at 30 June 2011 the estimated resident population of Cloncurry Shire Local Government Area (LGA) was 3,410 persons, compared with 4,474,098 persons in Queensland.

Estimated resident population by local government area, Cloncurry Shire LGA, 2006, 2010pr and 2011pr

Local government area	Estimated resident population as at 30 June			Average annual growth rate	
	2006	2010pr	2011pr	2006–2011pr	2010pr–2011pr
	— number —			— % —	
Cloncurry (S)	3,366	3,379	3,410	0.3	0.9
Queensland	4,090,908	4,424,158	4,474,098	1.8	1.1
Cloncurry (S) LGA as % of Queensland	0.1	0.1	0.1

pr = preliminary rebased .. = not applicable S = Shire

Note: Based on Australian Bureau of Statistics, Australian Standard Geographical Classification (ASGC), July 2011.

Data is updated annually with an approximate delay of 9 months after the reporting period. It is anticipated the next update will be in April 2013.

Source: Australian Bureau of Statistics, *Regional Population Growth, Australia*, 2011, cat. no. 3218.0 and unpublished data

Population by Age

In the Cloncurry Shire Local Government Area (LGA) as at 30 June 2010, 22.8 per cent of persons were aged 0 to 14 years, 70.1 per cent were aged 15 to 64 years and 7.1 per cent were aged 65 years and over.

Estimated resident population by age by local government area, Cloncurry Shire LGA, 30 June 2011pr

Local government area	Population by age									
	0–14		15–24		25–44		45–64		65+	
	number	%	number	%	number	%	number	%	number	%
Cloncurry (S)	710	20.8	522	15.3	1,117	32.8	840	24.6	221	6.5
Queensland	887,487	19.8	625,429	14.0	1,264,341	28.3	1,119,056	25.0	577,785	12.9
Cloncurry (S) LGA as % of Queensland	0.1	..	0.1	..	0.1	..	0.1	..	0.0	..

pr = preliminary rebased .. = not applicable S = Shire

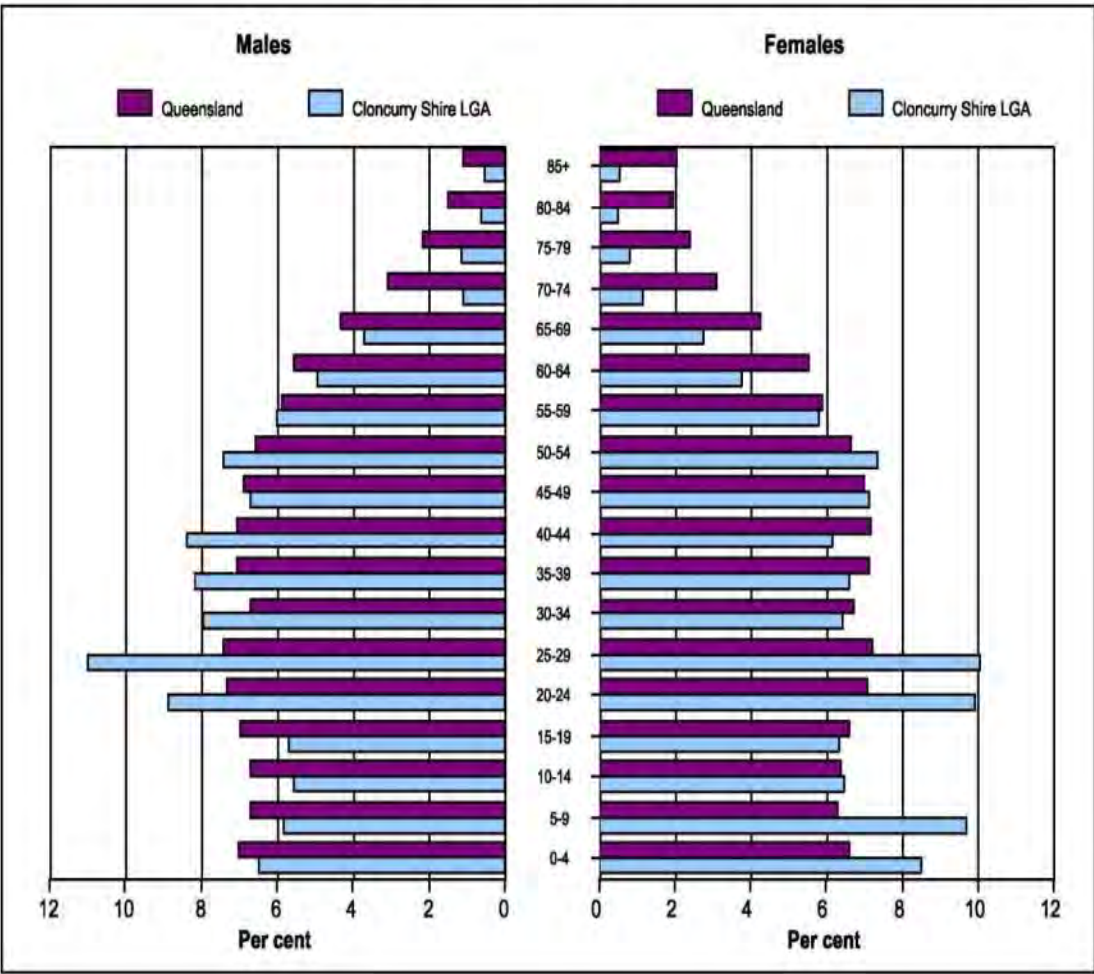
Note: Based on Australian Bureau of Statistics, Australian Standard Geographical Classification (ASGC), July 2011.

Data are updated annually with an approximate delay of 12 months after the reporting period. It is anticipated the next update will be in September 2013.

Source: Australian Bureau of Statistics, *Population by Age and Sex, Regions of Australia*, 2011, cat. no. 3235.0

The following figure highlights the differences in age groups between Cloncurry Shire Local Government Area (LGA) and Queensland as at 30 June 2011.

Figure 2 Population by age group and sex, Cloncurry Shire LGA and Queensland, 30 June 2011pr



pr = preliminary rebased

Note: Based on Australian Bureau of Statistics, Australian Standard Geographical Classification (ASGC), July 2011.

Source: Australian Bureau of Statistics, *Population by Age and Sex, Regions of Australia*, 2011, cat. no. 3235.0

At the time of the 2011 Census, Cloncurry Shire Local Government Area (LGA) had 1,093 persons aged 15 years and over whose highest level of schooling was Year 11 or 12 (or equivalent) (43.7 per cent of all persons aged 15 years and over). This corresponded with 55.3 per cent in Queensland.

Table 16 Number of persons by highest level of schooling completed by local government area (a), Cloncurry Shire LGA, 2011

Local government area	Did not go to school, or Year 8 or below		Year 9 or 10 or equivalent		Year 11 or 12 or equivalent		Total (b)
	number	%	number	%	number	%	number
Cloncurry (S)	217	8.7	777	31.0	1,093	43.7	2,503
Queensland	219,102	6.6	977,116	29.4	1,836,995	55.3	3,320,761
Cloncurry (S) LGA as % of Queensland	0.1	..	0.1	..	0.1	..	0.1

.. = not applicable

S = Shire

(a) Based on usual residents aged 15 years and over who are no longer attending primary or secondary school.

(b) Includes highest year of schooling not stated.

Note: Based on Australian Bureau of Statistics, Australian Standard Geographical Classification (ASGC), July 2011.

Census data have 'introduced random error' to ensure no data are released which could risk identifying individuals. As such, cells containing very small counts should be treated with extreme caution.

Queensland figures include the 'Off-Shore Areas & Migratory' and 'No Usual Address' counts.

Source: Australian Bureau of Statistics, *Census of Population and Housing, 2011, Basic Community Profile - B16*

Elected Representative Outgoing Council

The Cloncurry Shire Council is comprised of four Councillors and one Mayor. Council's elected members were appointed to Council March 2008 and served a four year term with Council.



Elected members 2008-2012 (from left to right):

Mayor Andrew Daniels, Deputy Mayor Greg Campbell, Councillor Colin Ferguson, Councillor Bob McDonald, and Councillor Lynne Vernon

Deputy Mayor Greg Campbell

Cr Campbell was born in Cloncurry and completed high school here before moving to Mount Isa to start his apprenticeship. He moved back to Cloncurry when a position became available. He is an electrician with NORQEB, now Ergon Energy.

Cr Campbell is married with two young sons. His purpose of being on Council is to see the Shire prosper. Infrastructure, planning and the environment are key aspects of this. He believes in properly maintained assets. He wants to encourage local businesses to expand and welcomes new industries to move to Cloncurry. Cr Campbell has been involved in numerous events and committees over the years and instigated stocking Barra in Chinaman Creek Dam and Lake Corella.

Councillor Lynne Vernon

Cr Lynne Vernon was born in Mount Isa in 1949 and was elected by her people for a four year term to serve; she is passionate about her communities and her people.

Cr Vernon's portfolio is Communities and Facilities, there are many exciting challenges that lie ahead in these 2 sections of Council, the main challenge is the beautification of the Town Centre in Cloncurry and then flowing onto the other communities in our Shire. Cloncurry, Dajarra, Kajabbi, Duchess, Malbon are steeped in history, all the residents of these towns and sidings within our great Shire, need to step up with pride and showcase their history so that visitors to our great Shire can grasp the magnitude of the forebears of our land, from the Mitakoodi, Kalkadoon, Pitta Pitta and the Walluwarra people to mention only a few, to the great pioneering days when Dajarra was the largest Cattle Rail Transport Hub and Cloncurry was the centre of it all, Mining, Transport, Cattle Industry, we have it all and this should be showcased. Cr Vernon enjoys a close working relationship with Community

Members, Businesses, Elders, also our Justice Association, Night Patrol and our Bowls Club. She is a sponsor of our Junior Rugby League and Swimming Club. She also enjoys a position of Director of the Lions Club Board, and a member of the Historical Society. Cr Vernon also serves on the board of Community Housing as Chairperson and also serves the RADF Committee. She serves on many and varied committee's within the community. Cr Vernon has been an advocate for all members of her Communities prior to her election in March 2008 and will continue even after her term or terms of office are completed.

Mayor and Councillors 2012

The Cloncurry Shire Council has four Councillors and a popularly elected Mayor. Council's current elected representatives were elected in May 2012 and will serve a four year term.

Mayor Andrew Daniels



Cr Daniels was born and bred in Cloncurry and he was first elected as Mayor in 2008.

Cr Daniels is a grazier and a businessman and prior to being elected as Mayor he lived and worked on his local properties and at the family Stock and Station Agent business. He and his wife have three children and they hope that their children grow up to love the place as much as they do. Andrew is passionate about Cloncurry and the peace and opportunities that the Shire offers.

As Mayor, Andrew has worked to develop major infrastructure projects in the Shire which include the securing of the Towns water supply, the Cloncurry Community Precinct development and major industrial, sport and recreation facilities.

Andrew is committed to ensuring that Cloncurry is a place of prosperity and where families and people can be a part of a nurturing and developing community.

Deputy Mayor Bob McDonald



Cr McDonald is a rural based Councillor and lives at Brightlands Station in the southern part of the Shire. He has been on Council since 1976.

As a grazier in the Shire, he has a particular interest in the road network, both Shire and State, and the National Highway. He sees as very important, transport generally, especially rail for the future of the Shire. He also views partnerships with the major mining companies as a valuable way forward for the development of the Shire.

Cr McDonald has a long standing involvement with Government processes for valuation and rating in rural areas and has long recognised the importance of rural electrification and communication in the bush.

Councillor Keith Douglas



Keith Douglas was born and raised in Cloncurry. He has lived and worked in the area for most of his life. He is married with four grown children who also grew up in the area and always participated in local activities.

Keith has previously served four terms on Cloncurry Shire Council between 1994 and 2008. During those years, he gained extensive

knowledge of Local Government Acts and procedures. He has always been involved in many community activities.

While he has owned and operated an auctioneering business and cattle grazing property for many years, his workload is flexible and he is always available to serve in his position as Councillor.

Keith's talent on Council has always been that he is approachable and always ready to listen. He believes strongly in planning for the future, and setting up infrastructure which will benefit people living in the Cloncurry Shire, both now and for many years ahead.

In the past, Keith has fought to get the Council in a good financial position and wants the same for the future. He loves the district and aims to represent the local people to make it an ever better place to live and work.

Councillor Colin Ferguson



Cr Ferguson grew up in Miriam Vale and moved to Cloncurry in 1990.

After having a few jobs around the district which included two years working for the Shire Council as the Stock Route Supervisor, in 1995 Cr Ferguson and his wife purchased the local saddler shop and has been in business since. During this time they have brought three children up in Cloncurry supporting numerous sporting organisations in the process. They have been involved in the Curry Merry Muster Festival since they have been in Cloncurry. Cr Ferguson has also been involved with the Stockman's Challenge in a small way.

Councillor Jane McMillan



Cr McMillan was born and raised in Warwick and moved to Cloncurry in 1992 to continue a career in nursing.

Jane is married with 2 children and lives on a cattle station on the outskirts of Cloncurry. Her interests are very much family and community orientated. Being involved in education, sporting activities, health and business life in Cloncurry. Cr McMillan works part-time as a registered nurse at the Cloncurry Hospital, is secretary of the Quamby All Sports Association and assists her husband with the running of Corella Park Station.

A Message from the Chief Executive Officer

The 2011/12 financial year has seen great development and social infrastructure implementation.



The completion of the Cloncurry Community Precinct will bring back to our community a focus, a place to learn, celebrate and enjoy.

I would also like to thank my predecessor Acting CEO, Mrs Joanne Green for her contribution to the 2011/12 year.

Council continues to progress a number of projects which will see further development in the next twelve months, these include:

- Cloncurry Unearthed – a new Visitor Information Centre
- Cloncurry Equestrian Centre
- Heavy Vehicle Bypass
- Upgrade to the Water Treatment Plant

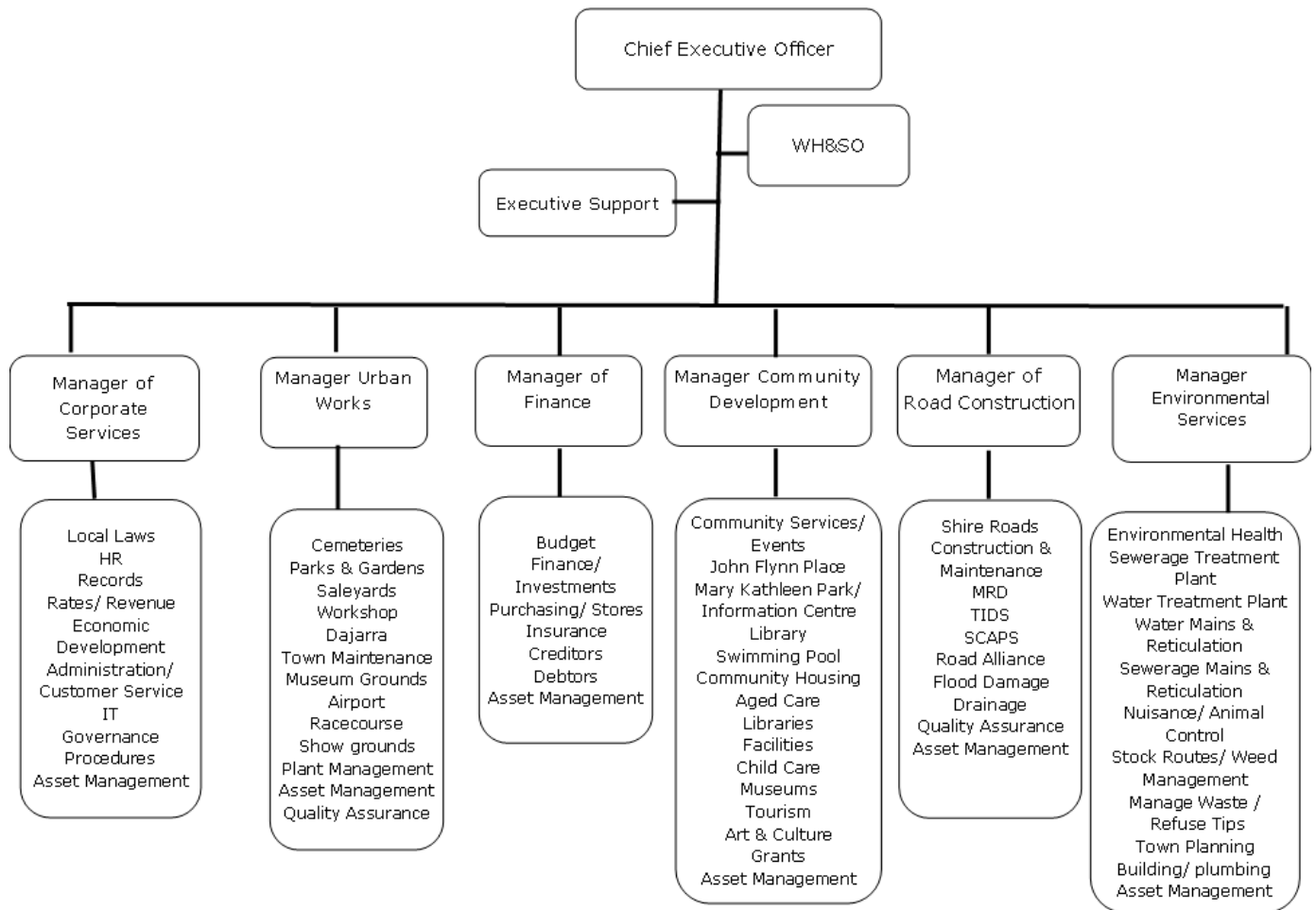
Cloncurry Shire Council consolidated its strategic direction and to increased capital expenditure for social infrastructure and inclusion by developing a community with infrastructure that supports the needs, ambitions and plans of its community.

Council continues to implement sound financial policies while delivering a favourable financial result.

I would like to thank the Mayor and Councillors for their vision, leadership and support and also thank all staff for their commitment and assistance.

David Neeves
Chief Executive Officer

Corporate Structure



Community Development

This financial year has been an important year for developing our community assets. It saw the construction begin on the Cloncurry Community Precinct, with this construction due for completion in July 2012. This project also attracted new funding from the Federal Government of \$2.4million and an additional \$1.75 million from Xstrata and part of the Community Partnership Program and additional \$2.5million from the Queensland Government. These additional funds provided Council the opportunity to begin construction on the new Council Administration Centre that linked to the Precinct project. The project is the largest social infrastructure project Council has developed and will provide the Cloncurry Community with a modern library, gallery, function rooms, bar and kitchen facilities, open space and refurbishment to the 1939 Shire Hall.



Figure 1 - Mayor speaking in the community Open Space at a Roof Wetting ceremony held on the 30 March 2012.



This financial year also saw the purchase of a Community Bus. A request from the Cloncurry State School for a bus that could be used by the community as the funding for the PCAP bus had been reduced. This bus was officially launched in March 2012, to the enjoyment of the local schools and community groups have seen it booked many times each week.

Culture and Arts received a boost with the adoption of the Cloncurry Shire Council Arts Policy in March 2012. This policy was developed by Savvy Arts in liaison with the community. It will assist Council in their development of Cultural and Arts in the Shire, with recommendations including identifying that “Cultural and creative industries are recognised as playing and increasing role in the contributing to the economic diversification, growth and development of the region” Goal four of the Cloncurry Shire Council Arts and Cultural Policy.

Council are committed to the strengthening of our community infrastructure with the launch of the newly solar heated pool in October 2011. This will allow for the pool to now be open for ten months of the year, and the temperature to average around 26 degrees. This has provided locals and visitors the chance to train for longer with a shorter closure period to allow for annual maintenance.

Dajarra Skate Park was an important Social Infrastructure project delivered by Council in 2011/2012. The residents had identified the need for infrastructure to be built for local children, which was safe and provided opportunities for healthy activity. Construction began in February 2012 and was completed by June 2012. Officially opened in July 2012 and enjoyed by all. Council will be placing a roof over the Park in the 2012/2013 financial year.



Cloncurry Shire Council continues to ensure Childcare services are maintained in Cloncurry through the provision of the Cloncurry Multifunctional Childcare centre. It has 54 places with three rooms, nursery, tweenies/toddlers and preschool. The centre continued their implementation strategy towards the new Quality Framework System.

The Community department will be working to deliver more social infrastructure with the planning underway for the Equestrian Centre. The new Visitor Information Centre and Museum construction has begun. The department continue to develop programs that meet the needs of the community and all age and groups.

Environmental Health, Water & Sewerage Services

Environmental Health Services involves the management of Water, Sewerage and Waste, Animal and Pest Control and Cemetery infrastructure for Cloncurry Shire including Dajarra, Kajabbi, Duchess, Selwyn and Malbon. Major projects that have been underway throughout this period are the third cell for the water treatment plant, upgrading of non-potable water at Dajarra and Kajabbi and upgrading of water and sewer mains in Cloncurry Township.

Cloncurry Water

2011-2012 has been an eventful year in the water area. The lake Julius pipeline is in use delivering water as per DERM water deed. This raw water source is an important part of Cloncurry's raw water scheme's which consist of Riverwells, Chinaman Creek Dam and the pipeline. Council has implemented the construction of a third water treatment cell at the water treatment plant. This cell will give Council the capacity to carry out a planned maintained program to ensure that the water quality is kept at a high acceptable standard.

Water Treatment Upgrade

- 3rd Cell is now 100% completed
- Cost to date \$900,000
- Expected completion cost \$3M
- Preliminary operations, building drawings and diagrams have been produced
- Preliminary process design reports are underway



Council has implemented a training program for the water treatment staff to ensure that the staff have the skills and knowledge that is required to operate the Cloncurry facility; all staff have now completed Certificate 111 in Water Operations Course.

Councils implemented mains replacement program is currently ongoing this programme has seen the main connection from the water treatment plant to the reticulation has been upgraded from 150mm to 300mm main which provides better water supply to the township.

New Mains

- Ramsay Street to Daintree Street – 300mm Main
- Douglas Street from Uhr Street to Seymour Street -100mm Main
- Cost \$450,000



Metering

- Ramsay Street completed
- Gardens in Scarr Street are now all metered

Council has developed the Drinking Water Quality Management Plan. Councils SAMP is being up dated to include the Lake Julius water infrastructure. The SAMP will link in with Councils overall Asset Management Plan.

Cloncurry Sewerage

2011 -2012 has seen some problems develop in the integrity of the mains network. This was a major project due to flood damage. Council engaged Interflow to camera and clean 16 kilometres of drains to assess the worst affected areas so that they may be relined according to the requirements of urgency. Road crossings and built over sewers are of very high priority to be addressed under this project.

Sewer Main Replacement

- Sewer line at the intersection of Ramsay and Sheaffe Street has been replaced



Dajarra Water

Water is a major issue in Dajarra as the Bore water is of high mineral content and is very hard on pumps and infrastructure. Several bore pumps and High lift pumps have been changed out. Council holds at least 2 spare pumps on hand. The new pipe line from the school bore to the low level reservoir is complete. This will assist in stabilising the water supply for Dajarra. Council is working with Incitec Pivot to build a dam at Dajarra for water supply services.

Dajarra Sewerage

Dajarra Sewerage system has been operating well with regular maintenance to this system.

Kajabbi Water

The water supply is of poor quality. A new bore has been put down and power is now connected. Council plans to establish two tanks to service the needs of this community.

Environmental Health

Inspections have been carried out on all licensed businesses. On the whole, businesses are compliant. There have been amendments in legislation such as the *Local Government Act* and the introduction of the *Animal Management (Cats and Dogs) Act* which have impacted operations in this area.

Local Laws are going through the stages of being updated and this will impact on the future operations of this Department. A lot of work has done to improve the control of wandering and the general control of nuisance related issues. Improvements have been made in chemical storage, control tools and infrastructure. Implementation of weed control programs and the employment of a pest officer to carry out the works identified in Councils Pest Management Plan. Council has made significant changes which are improving compliance across the Environmental section.

Council is improving the cemetery records as sources of information are providing important data to assist the location of graves in the old cemetery. Regular maintenance programmes

have been put in place to see vast improvements in the overall presentation of the cemeteries. Council has implemented raised footstones to reduce the damage being caused to plaques by harsh environmental conditions.



Ranger

There were 636 dogs and 42 cats registered in the shire. 60 Dogs Micro chipped. 1st round of 1080 wild dog baiting was carried out in June. Parkinsonia Dieback trials were started in Shire at Duchess and Stradbroke on a large scale. Small scale Parkinsonia Trial (40 trees) completed. One staff member completed Fluoroacetate (1080) training.

Overgrown Allotment and Mesquite control letters sent out to property owners. Intensive trapping carried out within Cloncurry Township.

Poisoning of Mesquite, Parkinsonia, Rubber vine, and Chinese Apple carried out in dam reserve.



Shane Noon
Manager Environmental Health
Water and Sewerage

Engineering Services

The role of the Engineering Department is to manage Council's road infrastructure.

Council's Manager of Operations, Mr Tom Arnold handed in his resignation effective 31 November after several years with Council. After several months of recruitment, Council engaged the services of Mr Paul Farrell at the end of March 2012.

Road Maintenance Performance Contract (RMPC)

Council completed \$638,000 under RMPC with Department of Main Roads of which \$11001 was expended on the Flinders Highway and \$627,000 on the Cloncurry-Dajarra Road which included \$378,500 of re-sheeting works.

Transport Infrastructure Development Scheme (TIDS)

Council with funding received under TIDS (50/50 arrangement with Department of Main Roads) completed the following projects:



Sealing works - Chinaman Creek Dam Road



Sealing works - Sedan Dip Road

Road	Project	Project Cost
Duchess-Mt Isa Road	Widen and Overlay	\$231,416
Duchess-Mt Isa Road	Realignment	\$817,308
Sedan Dip Road	Form and Seal	\$451,242
Kajabbi-Mt Isa Road	Upgrade Middle Creek Floodway	\$238,252
Kajabbi Road	Construct concrete culvert	\$32,000
Chinaman Creek Dam	Form and Seal	\$220,000

Natural Disaster Relief and Recovery Arrangements

Queensland Reconstruction Authority (QRA) completed audits during the year for the Council's 2011 NDRRA works.

Funds approved for restoration of essential public assets for severe Tropical Cyclone Yasi for Cloncurry Town Streets totalled \$1,027,858.93 and Rural Roads \$4,891,205.87.

Heavy Vehicle Bypass

Funding of \$8.2 million was announced by Minister Albanese at the Beef and Roads Forum hosted by MITEZ (Mount Isa to Townsville Economic Zone) and Cloncurry Shire Council on 31 August 2011. LCJ Engineers were engaged to provide the detailed design and Council has been negotiating land acquisitions and arranged with Mitakoodi Mayi People to conduct surveys and salvage of the required areas. The intersection with Flinders Highway has been developed to the Department of Main Roads approval. Council anticipates works to be completed in the 2013-14 financial year.

Other Works

- Council spent \$450,000 on rural road maintenance.
- Corella Park Road was formed and sealed with funding received from CuDeco Limited.
- Kerb and Channel Stage 2 works in Palmer, Perkins and Griffith Streets between Dutton and Miles Street were completed. These works were funded under the Department of Infrastructure and Transport "Roads to Recovery" Funding Program.



Plant Replacement

The Council achieved its plant 2011-2012 replacement program of \$545,000 with the purchase of 2 trucks for the Water Department and the Dulevo Street Sweeper.

The 2010-11 replacement program of \$1,368,841 which was held in reserve was attained with the purchase of 3 Hino Tippers, 2 water trucks, a Komatsu Grader and a 50KVa Generator for the Airport.

Community Financial Plan

The Local Government (Finance, Plans and Reporting) Regulation 2010 requires Council to prepare a Community Financial Report which summarises the Council's financial performance and position for the reporting period 1 July 2011 to 30 June 2012.

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, reader friendly, and easily understood by the community.

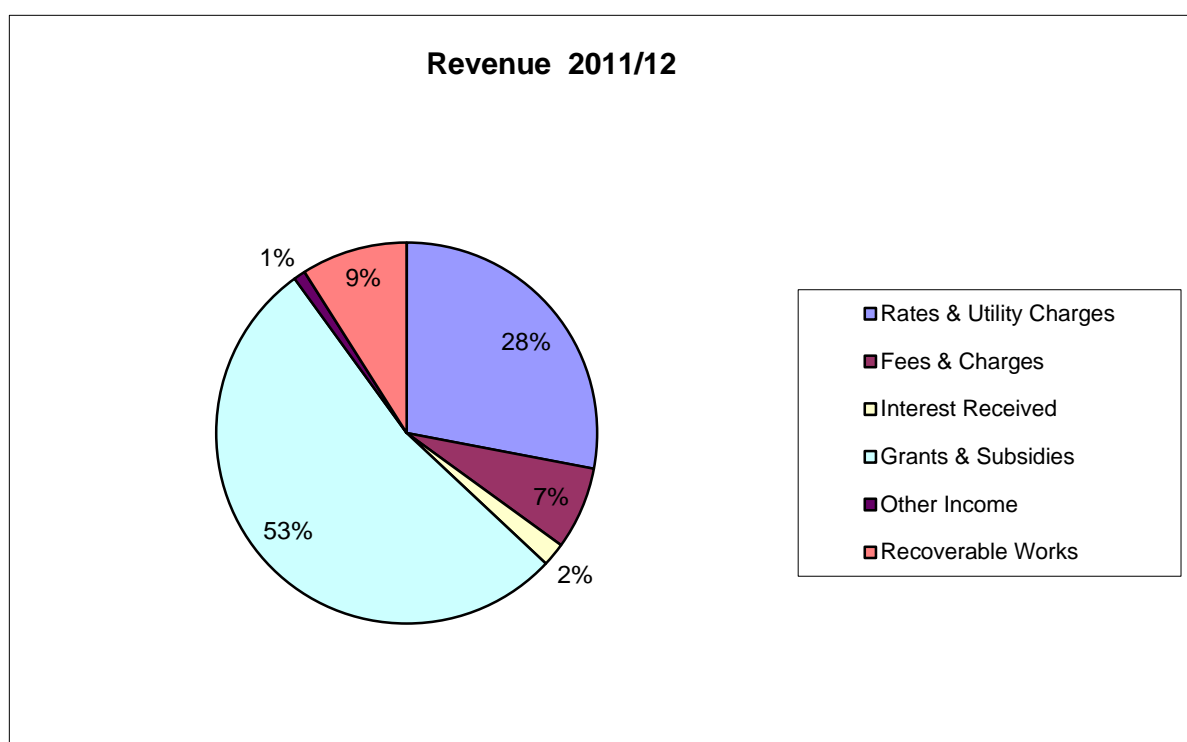
To obtain a full appreciation of the Council's overall financial performance and financial position, the Community Financial Report should be read in conjunction with the Audited Annual Financial Statements for the period 1 July 2011 to 30 June 2012.

Income Statement (Income and Expenses)

The Income Statement can be compared to the profit or loss of a private business. The Statement shows how much revenue (income) has been received during the year and how much it costs (expenses) to provide high quality services and facilities to our community.

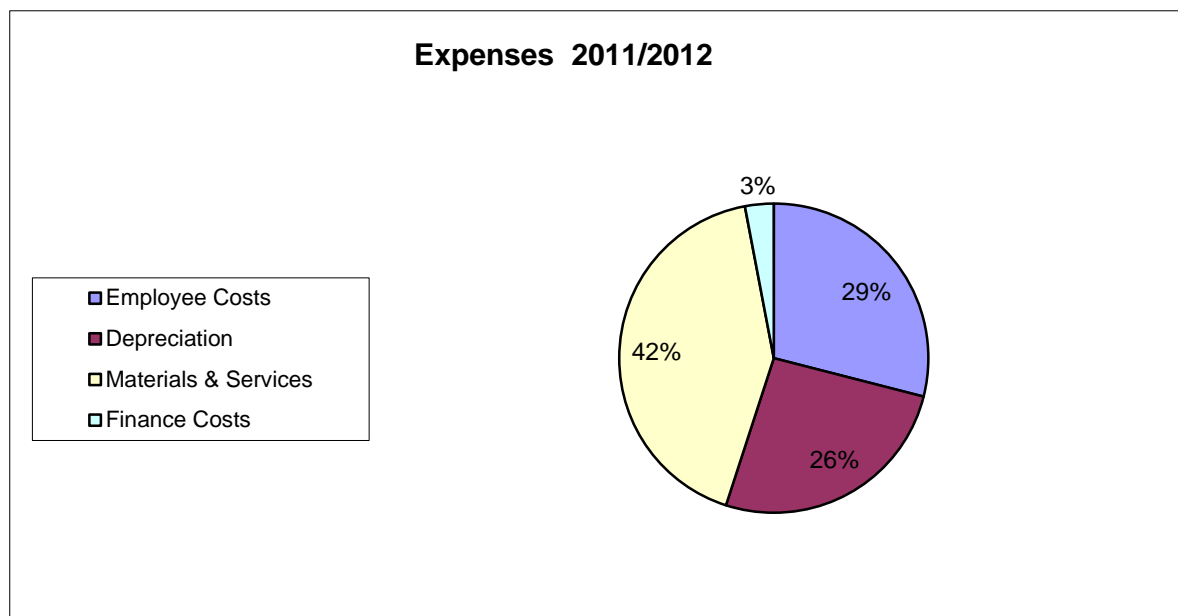
Where does Council get its funds?

Total Income	\$30,347,929	
Rates & Utility Charges	\$ 9,659,442	(28%)
Fees & Charges	\$ 2,618,273	(7%)
Interest Received	\$ 1,310,765	(2%)
Grants & Subsidies	\$13,923,024	(53%)
Other Income	\$ 154,292	(1%)
Recoverable Works	\$ 294,595	(9%)



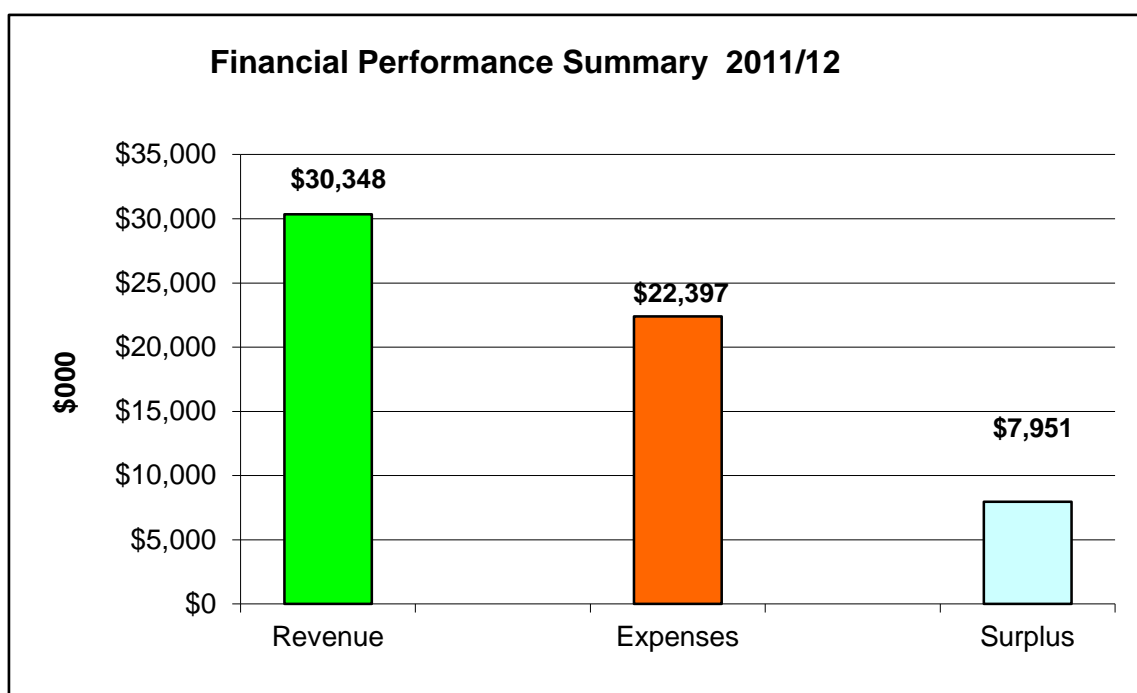
Where does Council spend its funds?

Total Expenses	\$22,396,717	
Employee Costs	\$ 5,588,240	(29%)
Depreciation	\$ 7,652,355	(26%)
Materials & Services	\$ 8,419,330	(42%)
Finance Costs	\$ 736,355	(3%)



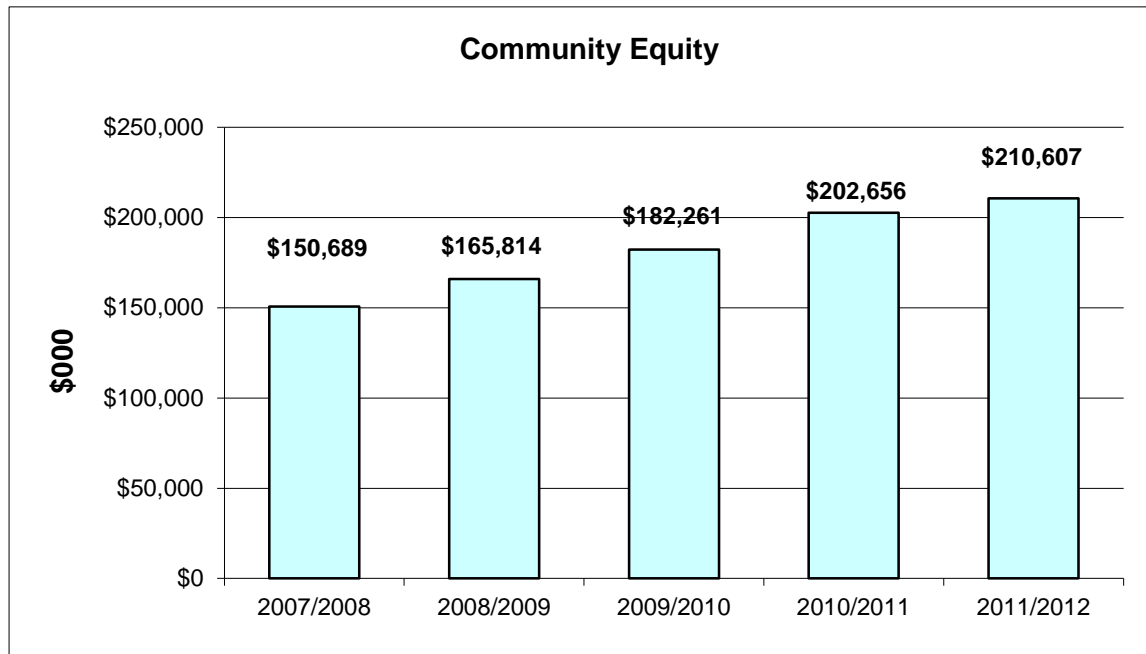
The Surplus

The difference between the revenue and the expenses represents the surplus. For 2011-2011 the surplus was \$7,951,212. This is represented in the Financial Performance Summary below.



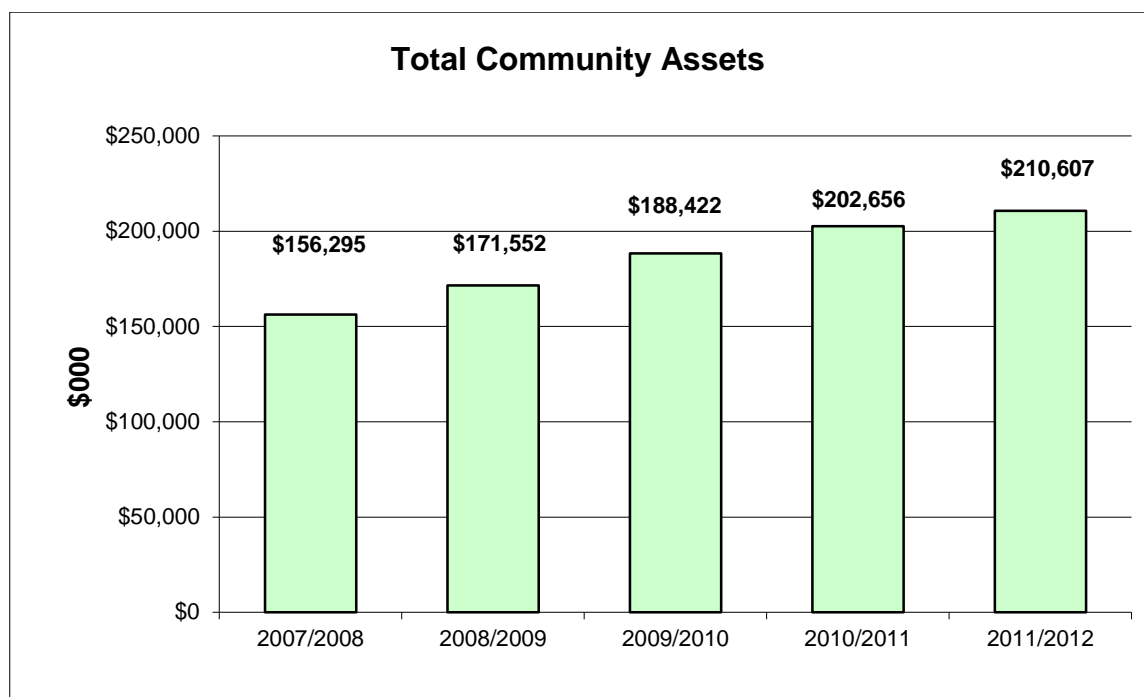
The Balance Sheet

This is a snapshot of Council's financial position at 30 June 2012. It shows a summary of our assets and liabilities at the end of the financial year. The difference between 'what we own' (assets) and 'what we owe' (liabilities) is called Community Equity (Net Assets) and is a measure of the wealth of the community.

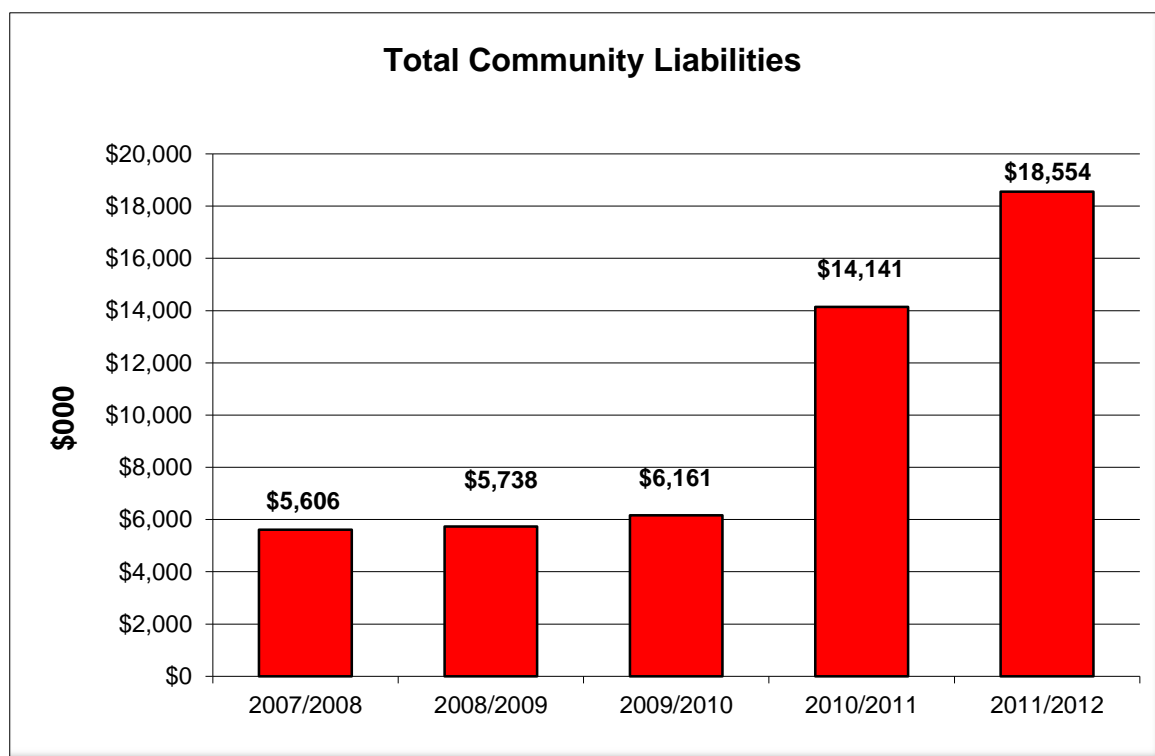


What we own

Community Assets are mainly physical assets and include cash, trade and other receivables, water, sewerage and road infrastructure.



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



National Competition Policy

The community service value is determined by Council, and represents an activities cost(s) which would not be incurred if the primary objective of the activities was to make a profit. The Council provides funding from general revenue to the business activity to cover the cost of providing non-commercial community services or costs deemed to the CSO's by the Council.

Financial performance of activities subject to competition reforms:

	Roads	Water and sewerage	Waste management	Plant operations
	2011 \$	2011 \$	2011 \$	2011 \$
Revenue for services provided to the Council	1,228,375		-	1,987,954,
Revenue for services provided to external clients	-	2,924,699	551,424	-
Community service obligations	-		-	-
	1,228,375	2,924,699	551,424	1,987,954,
Less : Expenditure	1,011,913	2,858,836	788,248	1,380,352
Surplus/(deficiency)	216,462	65,863	(236,824)	607,602

Statutory Requirements

Section 114(1)(d) of the Local Government (Finance, Plans and Reporting) Regulation 2010 requires Council to include in its Annual Report a copy of Council's Expenses and Reimbursement Policy. This Policy was originally adopted by Council on 9 April 2008.

Transitional Expenses Reimbursement Policy for Local Government Councillors

Commencement

The transitional expenses reimbursement policy (the transitional policy) took effect from the conclusion of the election following the 15 March 2008 quadrennial local government election.

Background

Under section 1296 of the *Local Government Act 2009* (the Act), the Chief Executive of the Department of Local Government, Sport and Recreation (the Department) may make a transitional expenses reimbursement policy.

The transitional policy meets the requirements of the 'Guidelines for Councils – Reimbursement of Expenses and Provision of Facilities for Mayors and Councillors', version 3' ('the guidelines') issued by the Chief Executive of the Department.

The transitional policy will apply to all local governments (with the exception of Brisbane City Council) until a local government develops and adopts its own expenses reimbursement policy as set out in the guidelines.

Purpose

The purpose of the transitional policy is to ensure that councillors' (including mayors) can receive reimbursement of reasonable expenses and be provided with necessary facilities in performance of their role. The transitional policy applies from the declaration of the polls until the day a local government formally adopts its own expenses reimbursement policy.

Definition

'conclusion of the local government election' is the day on which the last declaration of a poll conducted in the election is displayed in the local government's public office as required by the Act.

'transition period', for a local government, for the purposes of this transitional expenses reimbursement policy, is the period from the declaration of the polls of the 2008 quadrennial local government election for the local government until the day it adopts an expenses reimbursement policy as provided for under section 250AS of the Act.

Scope of the transitional policy

The transitional policy will apply to all local governments (with the exception of Brisbane City Council) until a local government:

- develops its own expenses reimbursement policy in line with the guidelines
- submits and receives approval of its policy from the Chief Executive of the Department and
- adopts the approved expenses reimbursement policy.

Alternatively the transitional policy may be adopted by the local government as the ongoing policy of their Council.

Statement of Principles

The transitional policy complies with the Statement of Principles, set out in the guidelines:

- Reasonable expenses reimbursement to Councillors
- Public accountability and transparency
- Public perceptions and community expectations
- No private benefit to be derived
- Equity and participation

Payment of Expenses

Expenses will be paid to a Councillor through administrative processes approved by a Council's Chief Executive Officer subject to:

- the limits outlined in this policy and
- Council endorsement by resolution.

Expense Categories

Professional Development

A local government will reimburse expenses incurred for:

- mandatory professional development and
- discretionary professional development deemed essential for the Councillor's role.

Travel as Required to Represent Council

A local government may reimburse local and in some cases interstate and overseas travel expenses (e.g. flights, car, accommodation, meals and associated registration fees) deemed necessary to achieve the business of Council where:

- a Councillor is an official representative of Council and
- the activity/event and travel have been endorsed by resolution of Council.

Councillors are to travel via the most direct route, using the most economical and efficient mode of transport.

Council will pay for reasonable expenses incurred for overnight accommodation when a Councillor is required to stay outside the local government's region.

NOTE: Any fines incurred while travelling in Council-owned vehicles or privately owned vehicles when attending to Council business, will be the responsibility of the Councillor incurring the fine.

Travel bookings

All Councillor travel approved by Council will be booked and paid for by Council.

Economy class is to be used where possible although Council may approve business class in certain circumstances.

Airline tickets are not transferable and can only be procured for the Councillor's travel on Council business. They cannot be used to offset other unapproved expenses. (e.g. cost of partner or spouse accompanying the Councillor.)

Travel transfer costs

Any travel transfer expenses associated with Councillors travelling for Council approved business will be reimbursed.

Example: Trains, taxis, buses and ferry fares

Cab charge vouchers may also be used if approved by Council where Councillors are required to undertake duties relating to the business of Council.

Private vehicle usage

Councillors' private vehicle usage may be reimbursed by Council if the:

- travel has been endorsed by Council resolution;
- claim for mileage is substantiated with log book details; and
- total travel claim does not exceed the cost of the same travel using economy flights plus the cost of taxi transfers.

Accommodation

All Councillor accommodation for Council business will be booked and paid for by Council. Council will pay for the most economical deal available. Where possible, the minimum standards for Councillors' accommodation should be three or four star rating.

Where particular accommodation is recommended by conference organisers, Council will take advantage of the package deal that is the most economical and convenient to the event.

Meals

A local government will reimburse costs of meals for a Councillor when:

- the Councillor incurs the cost personally and
- the meal was not provided:
 - ❖ within the registration costs of the approved activity/event
 - ❖ during an approved flight.

The following limits apply to the amount Council will reimburse for meals:

❖	Breakfast	\$19.60
❖	Lunch	\$20.05
❖	Dinner	\$34.55

No alcohol will be paid for by Council

Incidental allowance

Up to \$20 per day may be paid by a local government to cover any incidental costs incurred by Councillors required to travel, and who are away from home overnight, for official Council business.

Additional Expenses for Mayor

Hospitality

Local governments may reimburse mayors up to \$1,000 per annum for hospitality expenses deemed necessary in the conduct of Council business.

Provision of Facilities

All facilities provided to Councillors remain the property of Council and must be returned to Council when a Councillor's term expires.

Private use of Council owned facilities

Based on the principle that *no private benefit is to be gained* the facilities provided to Councillors by local governments are to be used only for Council business unless prior approval has been granted by resolution of Council.

The Council resolution authorising private use of Council owned facilities will set out the terms under which the Councillor will reimburse Council for the percentage of private use. This would apply when Councillors have private use of Council owned motor vehicles and / or mobile telecommunication devices.

Facilities Categories

Administrative tools

Administrative tools should be provided to Councillors as required to assist Councillors in their role.

Administrative tools include:

- office space and meeting rooms
- computers
- stationery
- access to photocopiers
- printers
- facsimile machines

- publications
- use of Council landline telephones and internet access in Council offices.

Secretarial support may also be provided for mayors and Councillors.

Council may provide a Councillor with home office equipment including computer, internet access if necessary.

Maintenance costs of Council Owned Equipment

Council will be responsible for the ongoing maintenance and reasonable wear and tear costs of Council-owned equipment that is supplied to Councillors for official business use.

This includes the replacement of any facilities which fall under Council's asset replacement program.

Name Badge and Safety Equipment for Councillors

A local government may provide Councillors with:

- a name badge.
- the necessary safety equipment for use on official business e.g. safety helmet /boots.

Use of Council Vehicles on Council Business

Councillors may have access to a Council vehicle for official business.

Private use of Council owned vehicles is permitted if prior approval has been granted by resolution of Council. Council will, in its resolution authorise private use, set out the terms for the Councillor to reimburse Council for the private use.

Telecommunication Needs – Mobile Devices

Mobile telecommunication devices previously owned by a local government may be used by Councillors for official Council business use during the transitional period.

Additionally, where Council deems it necessary to acquire new mobile devices due to the new local government structure, extra facilities may be approved by Council resolution.

Example: Mobile telephones or hand-held personal digital assistants (i.e. 'Blackberry')

Insurance cover

A local government will indemnify or insure Councillors in the event of injury sustained while discharging their civic duties.

The local government will pay the excess for injury claims made by a Councillor resulting from conducting official Council business.

Fuel costs

Fuel for a Council-owned vehicle used for official Council business, will be provided or paid for by Council.

Car Parking Amenities

Councils are to provide Councillors with:

- car parking at the local government office premises and / or
- reimbursement of parking costs paid by Councillors' while attending to official Council business.

Confirmed Minutes of the Statutory Meeting held on Wednesday 9 April 2008

4. Councillor Remuneration Policy

Resolution:

That Council remunerate Councillors as per the Transitional Remuneration Policy and further Council will consider adopting a new policy at a future meeting of Council.

Moved: Cr McDonald

Seconded: Cr Campbell

CARRIED

Councillor Remuneration

Under Section 114 (1) (a) – (c) of the Local Government (Finance, Plans and Reporting) Regulation 2010 Council is required to report on details relating to the total remuneration paid to each Councillor during the year, the total superannuation contributions paid during the year for each Councillor, and the expenses incurred by, and the facilities provided to each Councillor during the financial years under Council's reimbursement and expenses policy.

Council determine the level of remuneration for Councillors at its Ordinary Meeting of Council held 7 February 2012.

Moved: Cr Daniels

Seconded: Cr Ferguson

That Council adopt the following levels of remuneration as set out in the Local Government remuneration and Discipline Tribunal Report 2011 being applicable from 1 January 2012:

Mayor \$72,003

Deputy Mayor \$37,716

Councillor \$30,859

CARRIED: 10.120207

REMUNERATIONS FOR COUNCILLORS FOR 2011-2012						
NAME	COUNCILLOR ALLOWANCE	MAYOR & DEPUTY ALLOWANCE	EXPENSES REIMBURSED#	SUPERANNUATION CONTRIBUTIONS	SPECIAL MEETING	GENERAL MEETINGS
Mayor						
Cr Andrew Daniels		\$72,724.50			6	20
Councillors						
Cr Gregory Campbell (Deputy Mayor)		\$31,443.00		\$4,014.00	4	16
Cr Colin Ferguson	\$32,946.16		\$345.84		5	20
Cr Robert McDonald	\$27,875				4	19
Cr Robert McDonald (Deputy Mayor) *		\$5,449.33			2	2
Cr Lynne Vernon	\$13,907.50					1
Cr Jane McMillan *	5,143.16				2	2
Cr Keith Douglas *	5,143.16				1	2
	\$85,014.98	\$109,616.83	\$345.84	\$4,014.00		
Total						

*** Post Election Only**

Expenses reimbursed in accordance with Transitional Expenses Reimbursement Policy



Cloncurry Recreational Grounds

Policies

Cloncurry Shire Council Financial Services Debt (Borrowings) Policy

CONTENTS

	Page Number
POLICY TITLE AND CONTENTS	1
POLICY STATEMENT	2
PRINCIPLES	2
SCOPE	2
RESPONSIBILITY	2
DEFINITIONS	2
POLICY	2-3
LEGAL PARAMETERS	3
ASSOCIATED DOCUMENTS	3
MONITOR AND REVIEW	3
AUTHORISATION	3
ANNEXURE A	4

Cloncurry Shire Council
Financial Services
Debt (Borrowings) Policy

1. POLICY STATEMENT

Cloncurry Shire Council will utilize a debt management strategy based on sound financial management guidelines.

2. PRINCIPLES

The purpose of establishing an annual debt policy is to:

- Provide a comprehensive view of the Shires long term debt position;
- Increase awareness of issues concerning debt;
- Enhance understanding between Councillors, community groups and Council staff by documenting policies; and
- Demonstrate to lending institutions that Council adopts a disciplined approach to borrowing.

3. SCOPE

This policy applies to all Councillors and Council staff.

4. RESPONSIBILITY

The Chief Executive Officer, Managers and the Finance Department are responsible for ensuring that this policy is understood and adhered to by all personnel.

5. DEFINITION

All definitions are as per the *Local Government Act 2009* and the Local Government (Finance, Plans and Reporting) Regulation 2010.

6. POLICY

- Council will not use long term debt to finance operating activities or recurrent expenditure;
- Council recognized and accepts that infrastructure demands placed upon the Council can often only be met through borrowings, but will always be mindful of the additional cost incurred by the community when assets are acquired through borrowings, which increases the cost of providing capital infrastructure.
- Council will endeavour to fund all capital renewal projects from operating cash flows and borrow only for new and upgrade capital projects.
- Where borrowing is constrained, borrowings for infrastructure that provides a return on capital will take precedence over borrowings for other assets.

Cloncurry Shire Council
Financial Services
Debt (Borrowings) Policy

- When Council finances capital projects through borrowings, it will repay the loans in a term not exceeding the life of those assets and in accordance with Queensland Treasury Corporations borrowing guidelines.
- Council may maintain close scrutiny of its level of debt to ensure its relevant financial sustainability indicators will not exceed the minimum limits recommended by the Queensland Treasury Corporation.
- Council will use as its basis for determining funding options, its 10 year financial model (Refer Annex A)
- **The Council** will follow a policy of full debt disclosure in all relevant financial reports.
- Details of the planned borrowings for the budget year and the following four (4) financial years will be presented at Council's annual budget meeting. The details will include the planned borrowings for each year, the purpose of the borrowings and the term of repayment of existing and planned borrowings.

7. LEGAL PARAMETERS

Local Government Act 2009

Local Government Act (Finance, Plans and Reporting) Regulation 2010

8. ASSOCIATED DOCUMENTS Revenue

Statement

Revenue Policy

MONITOR AND REVIEW

Version	Creation/ Amendments	Creation/ Amendments date	Review Date
DRAFT	Created	07.07.2010	
Version 1	Approved	20.07.2010	19.07.2011
Version 2	Approved	02.08.2011	07.08.2012
Version 3	Approved		

AUTHORISATION

This Policy has been approved by:

Joanne Green
A/Chief Executive Officer

**Cloncurry Shire Council
Financial Services
Debt (Borrowings) Policy**

Annexure A

CLONCURRY SHIRE COUNCIL

Borrowing Policy

Position for ten year ended 30 June 2014,2015,2016,2017,2018,2019,2020,2021 and 2022

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated
	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Beginning Balance	14,870,421	13,736,529	13,351,951	13,025,485	13,332,449	15,814,221	15,509,683	13,525,821	14,548,789	15,044,584
Add: New Borrowing			500,000	1,500,000	4,000,000	1,750,000	500,000	3,900,000	4,260,000	4,260,000
Less : Principal Payment	-1,133,892	-384,578	-326,466	-1,193,030	-1,518,228	-2,054,538	-2,483,862	-2,877,032	-3,764,205	-3,093,777
Closing	13,736,529	13,351,951	13,025,485	13,332,449	15,814,221	15,509,683	13,525,821	14,548,789	15,044,584	16,210,807
Borrowing Cost	-1,133,892	-384,578	-326,466	306,964	2,481,772	-304,538	-1,983,862	1,022,968	495,795	1,166,223
Borrowing Policy	-1,133,892	-384,578	-326,466	306,964	2,481,772	-304,538	-1,983,862	1,022,968	495,795	1,166,223

Revenue Policy

CONTENTS

	Page Number
POLICY TITLE AND CONTENTS	1
POLICY STATEMENT	2
PRINCIPLES	2
SCOPE	2
RESPONSIBILITY	2
DEFINITIONS	2
POLICY	2-4
LEGAL PARAMETERS	4
ASSOCIATED DOCUMENTS	4
MONITOR AND REVIEW	4
AUTHORISATION	4

1. POLICY STATEMENT

The purpose of this revenue policy is to set out the principles used by Council in 2011/2012 for the making, levying, granting concessions and recovery of rates and charges and for the setting of cost recovery fees and charges.

2. PRINCIPLES

The Council will be guided by the principle of “user pays” in the making of rates and utility charges so as to minimise the impact of rating on the efficiency of the local economy, however the Council will depart from that approach when it is in the community interest to do so.

3. SCOPE

This policy applies to all personnel that are involved in the making, levying, recovery of rates and charges and in the setting of cost recovery fees and charges for the Council.

4. RESPONSIBILITY

The Chief Executive Officer, Managers and the Finance Department are responsible for ensuring that this policy is understood and adhered to by all personnel.

5. DEFINITION

All definitions are as per the *Local Government Act 2009* and the Local Government (Finance, Plans and Reporting) Regulation 2010.

6. POLICY

6.1 Principles used for the making of rates and utility charges

In general Council will be guided by the principle of user pays in the making of rates and utility charges so as to minimise the impact of rating on the efficiency of the local economy, however the Council will depart from that approach when it is in the community interest to do so.

Council will also have regard to the principles of:

- Transparency in the levying of rates and utility charges;
- Having in place a rating regime that is simple and inexpensive to administer;
- Flexibility to take account of changes in the local economy.

6.2 Principles used for the levying of rates and utility charges

In levying rates and utility charges Council will apply the principles of Transparency and Equity by:

- clearly setting out the Council’s charging processes and each ratepayer’s responsibility under the rating system;
- making the levying system simple and inexpensive to administer;
- timing the levying of rates and utility charges to take into account the financial cycle of local economic activity, in order to assist smooth running of the local economy; and
- making available flexible payment arrangements for ratepayers with a lower capacity to pay.

6.3 Principles used for the recovery of rates and utility charges

Council will exercise its rate recovery powers in order to reduce the overall rate burden on ratepayers. In doing so it will be guided by the principles of Transparency and Equity by:

- making clear the obligations of ratepayers and the processes used by Council in assisting them to meet their financial obligations;
- making the processes used to recover outstanding rates and utility charges clear, simple to administer and cost effective;
- considering the capacity to pay in determining appropriate recovery arrangements for different sectors of the community;
- having regard to providing the same treatment for ratepayers with similar circumstances, and
- flexibly responding where necessary to changes in the local economy.

6.4 Concessions for rates and utility charges

The Council's purpose for concessions is to endeavour to ensure fair treatment of applicant rate payers consistent with the criteria in Section 54 of the Local Government (Finance, Plans and Reporting) Regulation 2010. In considering application for granting of concessions, Council will also be guided by the principles of Transparency and Equity by:

- making clear the requirements necessary to receive concessions;
- applying the same treatment to applicant ratepayers with similar circumstances;
- flexibly responding to local economic issues.

6.5 Setting of Cost Recovery fees and charges

In setting cost recovery fees and charges, Council will apply the following guidelines:

- cost recovery fees associated with regulatory services will be set at no more than the full cost of providing the service or taking the action for which the fee is charged. Council may choose to subsidise the cost recovery fee from other sources (eg: general rate revenue); and
- charges for commercial services will be set to recover the full cost of providing the services.

7. FUNDING OF PHYSICAL AND SOCIAL INFRASTRUCTURE COSTS

In accordance with Chapter 8- Infrastructure of the Sustainable Planning Act 2009, Council intends to apply conditions to a development approval requiring land, works or a contribution to the cost of providing infrastructure.

8. RESERVES

Council has a General Reserve only in the operating fund to account for general reserve funds including unspent grant funding, specific purpose contributions and similar funding which Council has an obligation to keep in a general reserve.

The full amount of funds received under Chapter 8 Infrastructure of the *Sustainable Planning Act 2009* will be kept in an Infrastructure Charges Reserve fund in the operating fund and only spent on infrastructure for which it was collected.

9. LEGAL PARAMETERS

Local Government Act 2009

Local Government Act (Finance, Plans and Reporting) Regulation 2010

10. ASSOCIATED DOCUMENTS

Revenue Statement

MONITOR AND REVIEW

Version	Creation/ Amendments	Creation/ Amendments date	Review Date
DRAFT	Created	7 July 2010	
Version 1	Approved	20 July 2010	
Version 2	Approved	19.07.2011	
Version 3	Approved		

AUTHORISATION

This Policy has been approved by:

Joanne Green
A/Chief Executive Officer



CLONCURRY SHIRE COUNCIL

2011/12 REVENUE STATEMENT

(Adopted at Council Meeting: 28 July 2011)

Introduction

Cloncurry Shire Council, with an area of 48,113 km², was created as a Local Government entity in 1884.

The major town and administrative centre is Cloncurry and there are a number of smaller towns around the shire. The Council shares borders with Boulia, Burke, Carpentaria, McKinlay, Mount Isa and Winton Council areas. The region has three major industries being pastoral, mining and transport, while tourism continues to strengthen throughout the area.

The shire has a strong attachment with Australian history: the Burke and Wills expedition went through the area in 1861, Ernest Henry discovered copper in 1967, The Royal Flying Doctors Service was founded in Cloncurry in 1928 and there was involvement with the beginnings of Qantas.

In recent years, exploration in the resource sector has gained strength through the region and this revenue statement expands on differential categories to recognize the impacts this sector and other industries associated with this sector has on the Shire's ability to provide services for those who choose to live in the Shire.

Purpose

This Revenue Statement is a requirement of the Local Government (Finance, Plans and Reporting) Regulation 2010. The purpose of this Revenue Statement is:

- To enunciate the methods used to achieve Council's objectives set out in the Revenue Policy;
- To explain material matters that guide the development and implementation of revenue practices within the Council; and
- To comply in all respects with legislative requirements.

Legislative Requirements for Revenue Statement

The legislative requirements for this Revenue Statement are set out in Sections 106 and 107 of the Local Government (Finance, Plans and Reporting) Regulation 2010.

Revenue Raising Measures

Council has an operating revenue budget of approximately \$29 million for the 2012/13 financial year. Revenue in the 2012/13 budget is comprised of rates and charges imposed by the Council, Commonwealth and State Government grants and subsidies for operational work and capital projects, developer contributions for operational work and capital projects, external works reimbursement and other miscellaneous income.

The proportion of estimated operational revenue from ordinary activities in 2012/13 from each source is rates and utility charges 34%, fees & charges 3%, operational grants and subsidies 34%, sales contracts & recoverable works 16%, major service fees 6% and other miscellaneous income 7 %.

Council's estimated revenue for the forthcoming year is:

- Set at a level which considers Council's Corporate Objectives; and

- Set at a level which considers the current economic climate; and
- Set at a level which considers the services which are to be provided to the community; and
- Set at a level which is considered fair and equitable.

Outline and an explanation of the revenue raising measures adopted, including an outline and explanation of the rates and charges to be made and levied in 2011/12 and the rebates and concessions to be granted in 2011/12.

Differential General Rates

Differential General Rates are levied to contribute toward the provision of all local government services excluding sewerage collection and disposal, water supply, treatment and distribution and refuse collection and disposal provided that any shortfalls in funds for the excluded services may also be covered by the differential general rates.

The rationale for the differing categories is to recognise the different levels of facilities and services provided to the differing classes of land and the occupiers of these classes of land.

A greater variety of services are provided within Urban areas however services for Rural Land may be at an increased cost on a per premises basis due to the long distances involved with provision of these services. Rural Residential Land being generally located in the vicinity of Urban areas and having a higher population density than Rural land places a higher demand on urban facilities along with higher expectations of services.

The Council has determined that there are two categories of urban areas being located within the Parish of Cloncurry, and being all urban land outside of the Parish of Cloncurry. The lower minimum rate outside of the Parish of Cloncurry is to recognise the differing service levels that occur in these urban areas.

The basis for applying differential general rate is:

- the unimproved capital valuation (UCV), and
- the land use code (LUC)
- assessment land area, and
- assessment number

This approach provides the best available equitable basis of distributing the differential rating burden within the Urban, Rural, Rural Lifestyle, Commercial and Industrial categories.

Mining, Loading Facilities and Extractive uses are also separately categorised as they are generally over rural land and generally exist for a shorter period. They place a much higher demand on existing urban and rural facilities and create a demand for new and improved services by nature of the increased number of persons employed directly and indirectly and expectations that facilities and services are available at a high standard at all times irrespective of weather or other circumstances.

Accommodation uses are also separately categorised as they also place a much higher demand on existing facilities and create a demand for new and improved services by nature of the increased number of persons resident, whether permanently or temporarily, and their

expectations that facilities and services are available at a high standard at all times irrespective of weather or other circumstances.

So far as mining and mining related activities are concerned, the Council has paid particular attention to the need to carefully consider the impacts that these particular land uses are having on the ability of Council to deliver desired levels of service to the community.

These impacts include:-

- 1 The increase in Council's wage costs in an endeavour to compete (in a limited labour market) with high mine incomes;
- 2 Increased staff turnover;
- 3 Accommodation difficulties in terms of both availability and affordability;
- 4 Increased use/more rapid deterioration of public infrastructure;
- 5 The need for additional health, environmental, planning and community development services.

In addition, not only do the mines generate additional full-time equivalent resident population through the mine workforce, they also generate other visitors to the area such as contractors servicing machinery and equipment. Further, significant mining activity (and higher personal incomes) results in reduced Federal Assistance Grants because of the assumed additional revenue capacity of the Region.

In arriving at the different rating categories for mining (and mining related activities) and extractive (and extractive related activities), Council has considered the following issues:-

- There is no consistency in the unimproved valuation of total parcels involved in these operations nor the size of the operation (and impact on the Council). This makes it very difficult to rely solely on valuation to spread the general rate burden in an equitable manner. Valuations (for mining, in particular) tend to reflect the primary industry nature of the land holding (eg. whether in good cattle country or not) and the historic nature of the subdivision size in the area.
- The number of rateable parcels making up one mining operation varies significantly. In some cases a large mine may have only one rateable assessment while in other cases there may be more separate parcels under the one mine operation and associated activity.

Accordingly, so far as mining and other extractive activities are concerned, Council will adopt a system of categorisation utilising a combination of the un-improved capital value, land area and employment figures to split into a number of categories. Mine related accommodation facilities will also be particularly categorised, based on the number of accommodation units provided.

Differential General Rates will be levied for the Cloncurry Shire Council in the following ways:-

- (a) A rate for all areas outside the towns of Cloncurry, Dajarra, Kajabbi, other towns and Mining based on the unimproved value of land provided by the State Government Valuer. All such land is listed in differential rating categories 34 - 39 and is classified as a rural rate.

- (b) A rate for the town areas of Cloncurry, Dajarra, Kajabbi and other towns based on the unimproved value of land as provided by the State Government Valuer. All such land is listed in rate categories 1 - 11, 12 – 14, 15—31, 33 and 61-66. These categories include Residential (Cloncurry and other towns), Commercial (Cloncurry and other towns), Transformer sites, Religious, Clubs and Schools and Intensive Accommodation.
- (c) A rate for the Mining and extractive categories based on the unimproved value of land as provided annually by the State Government Valuer. All such land is listed in rate categories 50 – 53, 70-81, 85 and 86.
- (d) A rate for the Industrial, Extractive and Loading Facilities categories based on the unimproved value of land as provided annually by the State Government Valuer. All such land is listed in rate categories 40-48, 54 and 55.
- (e) A rate for land leased at the Cloncurry Aerodrome. Such land is listed in rate category 32.

Limitation of increase in rates levied

In accordance with *Section 50 Local Government (Finance, Plans and Reporting) Regulation 2010 - Limitation of increase in rates levied* will be applied to all properties classified as Residential (1 – 11), and Rural (Categories 34 – 39) to keep the rates at the same level as charged for the 2011/12 financial year. For other rate categories the limitation over the levy charged in 2011/12 financial year shall be:

- 12-14 – Multi Units - limitation - 20% increase;
- 20 – Commercial – Limitation – 30% increase;
- 22 – Professional Office – Limitation – 15% increase;
- 24 – Professional Office and Accommodation – 15% increase;
- 18, 19, 21, 23, 25-33 – Commercial – 50% increase.

Minimum Differential General Rates

Minimum general rates are applied to each category to recognise that there is a base level of services applicable to each rateable parcel of land within each category.

In determining if a minimum differential general rate is to be applied, the applicable rate in the \$ for the category is to be applied to the UCV of the rateable property and the result of the calculation is to be compared to the applicable minimum rate for that category. The effective rate charged will be the higher of the two amounts.

Differential General Rates Categories

Specific details and the rate in the dollar to apply for each of the categories are as follows:-

Residential Categories:

Category 1 - Cloncurry Vacant Land <4,000m²

All land in the Parish of Cloncurry, which is not otherwise categorised, is less than 4000m² in size and to which the following primary land use codes apply:

- 01 – Vacant Urban Land

- 04 – Large Home Site Vacant
- 72 – Section 25 Valn
- 86 – Horses

A rate of 2.1840 cents in the dollar, with a minimum rate of \$450.00 to apply.

Category 2 - Cloncurry Vacant Land >4,000m2 <10,000m2

All land in the Parish of Cloncurry, which is not otherwise categorised, is 4,000m2 or more but less than 10,000m2 (1ha) in size and to which the following primary land use codes apply:

- 01 – Vacant Urban Land
- 04 – Large Home Site Vacant
- 72 – Section 25 Valn
- 86 – Horses

A rate of 1.0000 cents in the dollar, with a minimum rate of \$450.00 to apply.

Category 3 - Cloncurry Vacant Land >10,000m2<100,000m2

All land in the Parish of Cloncurry, which is not otherwise categorised, is 10,000m2 (1ha) or more but less than 100,000m2 (10ha) in size and to which the following primary land use codes apply:

- 01 – Vacant Urban Land
- 04 – Large Home Site Vacant
- 72 – Section 25 Valn
- 86 – Horses

A rate of 3.7640 cents in the dollar, with a minimum rate of \$500.00 to apply.

Category 4 - Cloncurry Vacant Land >100,000m2

All land in the Parish of Cloncurry, which is not otherwise categorised, is 100,000m2 (10ha) or more in size and to which the following primary land use codes apply:

- 01 – Vacant Urban Land
- 04 – Large Home Site Vacant
- 72 – Section 25 Valn
- 86 – Horses

A rate of 3.4440 cents in the dollar, with a minimum rate of \$500.00 to apply.

Category 5 - Cloncurry Residential <4,000m2

All land in the Parish of Cloncurry, which is not otherwise categorised, is less than 4,000m2 in size and to which the following primary land use codes apply:

- 02 – Single Unit Dwelling
- 05 – Large Home Site Dwelling
- 06 – Outbuildings

A rate of 2.2260 cents in the dollar, with a minimum rate of \$450.00 to apply.

Category 6 - Cloncurry Residential >4,000m2 <10,000m2

All land in the Parish of Cloncurry, which is not otherwise categorised, is 4,000m2 or more but less than 10,000m2 (1ha) in size and to which the following primary land use codes apply:

- 02 – Single Unit Dwelling
- 05 – Large Home Site Dwelling
- 06 – Outbuildings

A rate of 1.2630 cents in the dollar, with a minimum rate of \$450.00 to apply.

Category 7 - Cloncurry Residential >10,000m2 <20,000m2

All land in the Parish of Cloncurry, which is not otherwise categorised, is 10,000m2 (1ha) or more but less than 20,000m2 (2ha) in size and to which the following primary land use codes apply:

- 02 – Single Unit Dwelling
- 05 – Large Home Site Dwelling
- 06 – Outbuildings

A rate of 1.3780 cents in the dollar, with a minimum rate of \$500.00 to apply.

Category 8 - Cloncurry Residential >20,000m2

All land in the Parish of Cloncurry, which is not otherwise categorised, is 20,000m2 (2ha) or more in size and to which the following primary land use codes apply:

- 02 – Single Unit Dwelling

05 – Large Home Site Dwelling

06 – Outbuildings

A rate of 1.1050 cents in the dollar, with a minimum rate of \$500.00 to apply.

Category 9 - Other Residential < 10,000m²

All land outside of the Parish of Cloncurry, which is not otherwise categorised, is less than 10,000m² (1ha) in size and to which the following primary land use codes apply:

01 & 02 – Vacant, Single Unit Dwelling

04 & 05 – Large Home Site Dwelling/Vacant

06 – Outbuildings

72 – Section 25 Valn

A rate of 1.5600 cents in the dollar, with a minimum rate of \$400.00 to apply.

Category 10 - Other Residential > 10,000m²

All land outside of the Parish of Cloncurry, which is not otherwise categorised, is 10,000m² (1ha) or greater in size and to which the following primary land use codes apply:

01 & 02 – Vacant, Single Unit Dwelling

04 & 05 – Large Home Site Dwelling/Vacant

06 – Outbuildings

72 – Section 25 Valn

A rate of 1.2120 cents in the dollar, with a minimum rate of \$450.00 to apply.

Category 11 - Multi Residential

All Land, which is not otherwise categorised, which the following primary land use codes apply:

03 – Multi unit dwelling (flats) 07 - 09 – Guest house/private hotel, Building Units, Group Title

21 – Residential Institutions (Non Medical Care)

A rate of 3.8200 cents in the dollar, with a minimum rate of \$750.00 to apply.

Commercial Categories:

Category 12 - Shopping Centre

All Land, which is not otherwise categorised, which the following primary land use codes apply:

14 – Shops – Main Retail (CBD)

A rate of 9.1960 cents in the dollar, with a minimum rate of \$25,000.00 to apply.

Category 13 - Retail, Commercial business – Cloncurry <\$200,000 UCV

All land, in the Parish of Cloncurry, which is not otherwise categorised, has a UCV of less than \$200,000, to which the following primary land use codes apply or should apply:

10 – 13 – Retail Business/Comm

15 – 27 – Retail Business (excluding 21 – Res Institutions)

41 – 49 – Special Uses (excluding 48 - Sports clubs/Facilities)

96 – 99 – General Uses

A rate of 6.5030 cents in the dollar, with a minimum rate of \$750.00 to apply.

Category 14 - Retail, Commercial business – Cloncurry >\$200,001 UCV, <10,000m²

All land, in the Parish of Cloncurry, which is not otherwise categorised, has a UCV of \$200,000 or more, is less 10,000m² (1ha) in size and to which the following primary land use codes apply or should apply:

10 – 13 – Retail Business/Comm

15 – 27 – Retail Business (excluding 21 – Res Institutions)

41 – 49 – Special Uses (excluding 48 - Sports clubs/Facilities)

96 – 99 – General Uses

A rate of 4.3500 cents in the dollar, with a minimum rate of \$750.00 to apply.

Category 15 - Retail, Commercial business – Cloncurry >\$200,001 UCV, <100,000m2

All land, in the Parish of Cloncurry, which is not otherwise categorised, has a UCV of \$200,000 or more, is 10,000m2 (1ha) or more but less than 100,000m2 (10ha) in size and to which the following primary land use codes apply or should apply:

- 10 – 13 – Retail Business/Comm
- 15 – 27 – Retail Business (excluding 21 – Res Institutions)
- 41 – 49 – Special Uses (excluding 48 - Sports clubs/Facilities)
- 96 – 99 – General Uses

A rate of 2.3590 cents in the dollar, with a minimum rate of \$750.00 to apply.

Category 16 - Retail, Commercial business – Cloncurry >\$200,001 UCV, >100,000m2

All land, in the Parish of Cloncurry, which is not otherwise categorised, has a UCV of \$200,000 or more, is 100,000m2 (10ha) or more in size and to which the following primary land use codes apply or should apply:

- 10 – 13 – Retail Business/Comm
- 15 – 27 – Retail Business (excluding 21 – Res Institutions)
- 41 – 49 – Special Uses (excluding 48 - Sports clubs/Facilities)
- 96 – 99 – General Uses

A rate of 0.9820 cents in the dollar, with a minimum rate of \$750.00 to apply.

Category 17 - Retail, Commercial business – Other

All land, outside of the Parish of Cloncurry, which is not otherwise categorised, to which the following primary land use codes apply or should apply:

- 10 – 13 – Retail Business/Comm
- 15 – 27 – Retail Business (excluding 21 – Res Institutions)
- 42 – 49 – Special Uses (excluding 48 - Sports clubs/Facilities)
- 96 – 99 – General Uses

A rate of 41.4460 cents in the dollar, with a minimum rate of \$750.00 to apply.

Category 18 -Transformer Sites

All land, which is not otherwise categorised, to which the following primary land use code apply or should apply:

- 91 – Transformers

A rate of 1.9760 cents in the dollar, with a minimum rate of \$2,500.00 to apply.

Category 19 - Airport Leases

All land, which is not otherwise categories, at the Cloncurry Airport which is leased from Council.

A rate of 6.9450 cents in the dollar, with a minimum rate of \$750.00 to apply.

Category 20 - Religious, Clubs, etc

All land, which is not otherwise categorised, to which the following primary land use codes apply or should apply:

- 41 – Child Care ex k/garten
- 48 - 59 – Special Uses (excluding 49 – Caravan Park)

A rate of 8.4390 cents in the dollar, with a minimum rate of \$400.00 to apply.

Rural Categories:

Category 21 - Rural Land <\$100,000 UCV – Cloncurry

All Land, in the Parish of Cloncurry, which is not otherwise categorised, is less than \$100,000 UCV, to which the following primary land use codes apply or should apply:

60 – 70 – Sheep Grazing, Cattle Grazing, Dairy Cattle

71 – 84 – Agricultural (excluding 72 Section 25 valn)

85 – 95 – Other rural uses (excludes 91 – Transformers)

A rate of 6.8880 cents in the dollar, with a minimum rate of \$360.00 to apply.

Category 22 - Rural Land >\$100,001 <\$500,000 UCV – Cloncurry

All land, in the Parish of Cloncurry, which is not otherwise categorised, has a UCV of \$100,001 or more but less than \$500,000 and has the same land use code as identified in Differential Category 21.

A rate 3.1500 cents in the dollar, with a minimum rate of \$360.00 to apply.

Category 23 - Rural Land >\$500,000 UCV – Other

All land, outside the Parish of Cloncurry, which is not otherwise categorised, is less than \$500,000 UCV and has the same land use code as identified in Differential Category 21.

A rate of 8.9260 cents in the dollar, with a minimum rate of \$360.00 to apply.

Category 24 - Rural Land >\$500,001 <\$750,000 UCV

All land, which is not otherwise categorised, has a UCV of \$500,001 or more but less than \$750,000 and has the same land use code as identified in Differential Category 21.

A rate of 2.1610 cents in the dollar, with a minimum rate of \$360.00 to apply.

Category 25 - Rural Land >\$750,001 <\$1,000,000 UCV

All land, which is not otherwise categorised, has a UCV of \$750,001 or more but less than \$1,000,000 and has the same land use code as identified in Differential Category 21.

A rate of 1.9480 cents in the dollar, with a minimum rate of \$360.00 to apply.

Category 26 - Rural Land >\$1,000,001 <\$3,000,000 UCV

All land, which is not otherwise categorised, has a UCV of \$1,000,001 or more but less than \$3,000,000 and has the same land use code as identified in Differential Category 21.

A rate of 2.3240 cents in the dollar, with a minimum rate of \$360.00 to apply.

Category 27 - Rural Land >\$3,000,001 <\$6,000,000 UCV

All land, which is not otherwise categorised, has a UCV of \$3,000,001 or more but less than \$6,000,000 and has the same land use code as identified in Differential Category 21.

A rate of 2.8460 cents in the dollar, with a minimum rate of \$360.00 to apply.

Category 28 - Rural Land >\$6,000,001 UCV

All land, which is not otherwise categorised, has a UCV of \$6,000,001 and has the same land use code as identified in Differential Category 21.

A rate of 2.4590 cents in the dollar, with a minimum rate of \$360.00 to apply.

Industrial Categories:

Category 30 - Industrial, Transport and Storage < 4,000m²

All Land, which is not otherwise categorised, is less than 4,000 m² in size to which the following primary land use codes apply or should apply including assessment 121-5:

28 -36 – Transport & Storage, Industrial

A rate of 2.7240 cents in the dollar, with a minimum rate of \$500.00 to apply.

Category 31 - Industrial, Transport and Storage >4,000m² <10,000m²

All land, which is not otherwise categorised, is 4,000 m² or more but less than 10,000m² (1ha) in size to which the following primary land use codes apply or should apply:

28 -36 – Transport & Storage, Industrial

A rate of 2.1750 cents in the dollar, with a minimum rate of \$800.00 to apply.

Category 32 - Industrial, Transport and Storage >10,000m² <100,000m²

All land, which is not otherwise categorised, is 10,000m² (1ha) or more but less than 100,000m² (10ha) in size to which the following primary land use codes apply or should apply:

28 -36 – Transport & Storage, Industrial

A rate of 2.2400 cents in the dollar, with a minimum rate of \$800.00 to apply.

Category 33 - Industrial, Transport and Storage UCV <\$300,000, >100,000m²

All land, which is not otherwise categorised, has a UCV of less than \$300,000, is 100,000m² (10ha) or more in size to which the following primary land use codes apply or should apply:

28 -36 – Transport & Storage, Industrial

A rate of 7.5330 cents in the dollar, with a minimum rate of \$800.00 to apply.

Category 34 - Industrial, Transport and Storage UCV >\$300,000, >100,000m²

All land, which is not otherwise categorised, has a UCV of \$300,000 or more, is 100,000m² (10ha) or more in size to which the following primary land use codes apply or should apply:

28 -36 – Transport & Storage, Industrial

A rate of 1.7010 cents in the dollar, with a minimum rate of \$5,000.00 to apply.

Category 35 - Transport Terminal >10,000m² – Cattle

All land, which is not otherwise categorised, has a land area of 10,000m² (1ha) or more, is predominately used as a Transport Terminals - Cattle as identified by assessments: 11-6, 1409-1

A rate of 2.0990 cents in the dollar, with a minimum rate of \$2,500.00 to apply.

Category 36 - Transport Terminal >10,000m² – Other

All land, which is not otherwise categorised, has a land area of 10,000m² (1ha) or more, is predominately used as Transport Terminals-other as identified by assessments: 2-7, 4-5, 61-2

A rate of 2.8540 cents in the dollar, with a minimum rate of \$5,000.00 to apply.

Category 37 - Extractive <1,000,000m²

All land, which is not otherwise categorised, is less than 1,000,000m² (100ha) in size to which the following land use code applies or should apply:

40 – Extractive

A rate of 2.9130 cents in the dollar, with a minimum rate of \$21,000.00 to apply.

Category 38 - Extractive >1,000,000m2

All land, which is not otherwise categorised, is 1,000,000m2 (100ha) or more in size to which the following land use code applies or should apply:

40 – Extractive

A rate of 81.8880 cents in the dollar, with a minimum rate of \$77,500.00 to apply.

Category 39 - Loading Facility < 1,000,000m2

All land, of less than 1,000,000m2 (100ha), which is not otherwise categories, is used by a mine or extractive industry as a loading facility.

A rate of 4.5260 cents in the dollar, with a minimum rate of \$50,000.00 to apply.

Category 40 - Loading Facility > 1,000,000m2

All land, of greater than 1,000,000m2 (100ha) which is not otherwise categories, is used by a mine or extractive industry as a loading facility.

A rate of 1,072.9170 cents in the dollar, with a minimum rate of \$55,000.00 to apply.

Intensive Business & Industries Categories:**Category 41 - Intensive Accommodation 15 – 50 person**

All land predominately used for providing intensive accommodation capable of accommodating 15 persons to 50 persons (other than the ordinary travelling public) in rooms, suites, or caravan sites specifically built or provided for this purpose. Land within this category is commonly known as "workers accommodation", "single persons quarters", "work camps", "accommodation village" or "barracks".

A rate of 100.00 cents in the dollar, with a minimum rate of \$5,250.00 to apply.

Category 42 - Intensive Accommodation 51 – 100 person

All land, as described in Rate Category 41, capable of accommodating 51 persons to 100 persons.

A rate of 100.00 cents in the dollar, with a minimum rate of \$10,500.00 to apply.

Category 43 - Intensive Accommodation 101 – 300 person

All land, as described in Rate Category 41, capable of accommodating 101 persons to 300 persons.

A rate of 100.00 cents in the dollar, with a minimum rate of \$21,000.00 to apply.

Category 44 - Intensive Accommodation 301 – 500 person

All land, as described in Rate Category 41, capable of accommodating 301 persons to 500 persons.

A rate of 100.00 cents in the dollar, with a minimum rate of \$42,000.00 to apply.

Category 45 - Intensive Accommodation 501 -1,000 persons

All land, as described in Rate Category 41, capable of accommodating 501 persons to 1,000 persons.

A rate of 100.00 cents in the dollar, with a minimum rate of \$84,000.00 to apply.

Category 46 - Intensive Accommodation 1,001+ persons

All land, as described in Rate Category 41, capable of accommodating 1,001 persons or more.

A rate of 100.00 cents in the dollar, with a minimum rate of \$168,000.00 to apply.

Mining Categories:

Category 50 - Mining Lease <50 employees & <20,100m²

Mining Leases issued within the Council area that have an area of less than 20,100m² (2.01ha) and have less than 50 employees.

A rate of 154.5000 cents in the dollar, with a minimum rate of \$775.00 to apply.

Category 51 - Mining Leases <50 employees & >20,101m² <40,000m²

Mining Leases issued within the Council area that have an area of 20,101m² (2.01ha) or more, but less than 40,000m² (40ha) and have less than 50 employees.

A rate of 515.6520 cents in the dollar, with a minimum rate of \$2,750.00 to apply.

Category 52 - Mining Leases <50 employees & >40,001m² <5,000,000m²

Mining Leases issued within the Council area that have an area of 40,001m² (40ha) or more but less than 5,000,000m² (500ha) and have less than 50 employees.

A rate of 130.9700 cents in the dollar, with a minimum rate of \$5,250.00 to apply.

Category 53 - Mining Leases <50 employees & <1,000ha

Mining Leases issued within the Council area that have an area of 500ha or more but less than 1,000ha and have less than 50 employees.

A rate of 276.7280 cents in the dollar, with a minimum rate of \$5,250.00 to apply.

Category 54 - Mining Leases <50 employees & >1,001ha & UCV <\$30,000

Mining Leases issued within the Council area that have an area of 1,001ha or more, have an UCV of less than \$30,000 and have less than 50 employees.

A rate of 619.1260 cents in the dollar, with a minimum rate of \$5,250.00 to apply.

Category 55 - Mining Leases <50 employees & >1,001ha & UCV >\$30,000

Mining Leases issued within the Council area that have an area of 1,001ha or more, have an UCV of \$30,000 or more and have less than 50 employees.

A rate of 84.1860 cents in the dollar, with a minimum rate of \$5,250.00 to apply.

Category 56 - Mining Leases 51 – 100 employees

Mining Leases issued within the Council area that have from 51 to 100 employees.

A rate of 9.6060 cents in the dollar, with a minimum rate of \$95,000.00 to apply.

Category 57 - Mining Leases > 101 – 300 employees

Mining Leases issued within the Council area that have from 101 to 300 employees.

A rate of 742.0960 cents in the dollar, with a minimum rate of \$170,000.00 to apply.

Category 58 - Mining Leases > 301 – 1,000 employees

Mining Leases issued within the Council area that have from 301 to 1,000 employees.

A rate of 141.3900 cents in the dollar, with a minimum rate of \$525,000.00 to apply.

Category 59 - Mining Leases 1,001+ employees

Mining Leases issued within the Council area that have 1,001 + employees.

A rate of 200.00 cents in the dollar, with a minimum rate of \$1,050,000.00 to apply.

Category 61 - Mining Claim

All Mining Claims issued within the Council area.

Category 62 - Term Lease >1,000ha <10,000ha

All Term Leases with an area of 1,000ha or more but less than 10,000 ha in size and having a land use code of:

40 - Extractive

94 – Vacant Rural Land

A rate of 2.8460 cents in the dollar, with a minimum rate of \$5,250.00 to apply.

Category 63 - Term Lease >10,001ha

All Term Leases with an area of 10,001ha or more and having a land use code of:

40 - Extractive

94 – Vacant Rural Land

A rate of 205.0650 cents in the dollar, with a minimum rate of \$5,250.00 to apply.

Utility Charges:

Council operates the following undertakings, which will be funded by a utility charge for each service provided:

- Cleansing Service
- Water Supply Schemes
- Sewerage Schemes

Cleansing (Waste) Charges:

The Waste charge shall apply to the Waste Collection areas. See Schedule “C”.

The purpose of the waste charging system is to fund the collection, operation and maintenance of the Refuse Collection Service performed within the Council.

The objects of the waste charging system are:-

- To provide residents and staff with details of applicable charges associated with the waste service.
- To distribute costs equitably, where practical, by ensuring that individual customers pay for the cost of the service they use.
- To generate sufficient and stable income for the complete operation of the garbage function.
- Provide a charging mechanism for Commercial/Industrial premises electing not to use a waste collection service, however to recognise the use of refuse tip facilities.

The annual waste charge will be set by resolution of Council when adopting its annual budget. The regular service provided shall be on the basis of one 240 litre wheelie bin service per week. Each service shall be equal to one (1) unit and each additional service equal to one (1) unit.

The general function will contribute an amount determined by Council to the waste function, on an annual basis, in recognition of the costs associated with the provision of the refuse tip for those residents of the Shire that do not contribute to the waste service via one of the above categories.

Given the size of the town and the refuse tip, it is not considered economical to employ a person to collect tip fees to better reflect the user pay system.

In accordance with Section 94 of the *Local Government Act 2009*, Council levy cleansing (waste) charges. The following cleansing (waste) charges are to be levied for the 2012/13 financial year for the Cloncurry and Dajarra refuse service areas:-

(a) Domestic/Commercial/Industrial – 1 bin & 1 collection per week (where more than 1 bin is serviced, the charge is multiplied per number of bins)	\$283.7087
(b) Commercial/Industrial - 5 bins & 2 collections weekly	\$2,555.52
(c) Commercial/Industrial - 5 bins & 3 collections weekly	\$3,396.712
(d) Commercial/Industrial - 5 bins & 4 collections weekly	\$4,235.242
(e) Commercial/Industrial - 5 bins & 5 collections weekly	\$5,073.772
(f) Front lift bins:	

1 - 660 Litre plastic front lift bin - per lift	\$14.52
2 - 1,100 Litre plastic front lift bin - per lift	\$24.20
3 - 1,500 Litre Galvanised front lift bin - per lift	\$33.00
4 - 3,000 Litre Galvanised front lift bin - per lift	\$66.00

Water Charges:

In accordance with Section 94 of the *Local Government Act 2009* Council has adopted water charges as follows on all properties connected to the water reticulation and treatment scheme or vacant land with access to the water reticulation and treatment scheme. The following charges are to be levied for 2011/12 financial year:-

- (a) An annual water charge of \$45.9425 per unit be made and levied on each parcel of land in the Cloncurry water area, in accordance with the number of units shown on the attached Schedule "A".
- (b) An excess water charge of \$2.0585 per kilolitre for consumption in excess of 800 kilolitres per property, as recorded by a operating meter, or based on average consumption for a specific period if meter faulty.
- (c) An annual water charge of \$45.9425 per unit be made and levied on each parcel of land in the Dajarra and Kajabbi water area, in accordance with the units shown on the attached Schedule "B".
- (d) An annual water charge of \$463.4385 be made and levied for each property connected to the Malbon water supply.

Water Demand Management

In accordance with the *Local Government Act 2009* and the *Water Supply (Safety and Reliability) Act 2008* Council intends to introduce metering to all water connections in the Cloncurry Water Supply in 2011/12 which will include all residential and commercial/business premises as part of its Water Demand Management practice.

Sewerage Charges:

In accordance with Section 94 of the *Local Government Act 2009* Council has adopted sewerage charges as follows on all properties connected to the sewerage reticulation and treatment scheme or vacant land with access to the sewerage reticulation and treatment scheme. The following charges are to be levied for the 2011/12 financial year:-

- a) An annual sewerage charge of \$21.0650 per unit, be made and levied on each parcel of land in the Cloncurry sewerage area, in accordance with the number of units shown on the attached Schedule "A".
- b) An annual sewerage charge of \$18.1940 per unit be made and levied on each parcel of land in the Dajarra sewerage area in accordance with the number of units shown on the attached Schedule "B".

Special Rates and Charges:

Palmer Street, Cloncurry

In accordance with Section 94 of the *Local Government Act 2009* the following special charge will be made on the assessment identified to provide for the separate benefit to such land.

In relation to assessment 00663-00000-000, Council has approved that the old pump station at 13 Palmer Street be removed and a new pump station and fence installed. The total cost of these works will be in the order of \$46,350.00. Council will undertake maintenance to such works.

Given that the work that is required will specially benefit such land, Council will, commencing with the 2011/2012 financial year, levy a separate charge on land at 13 Palmer Street Cloncurry being Assessment No. 00663-00000-000 for such works. The special charge shall be \$3,978.75 to be made annually for a period of 20 years to cover the cost of providing this service. This will cover the interest and redemption costs to service such capital outlay by Council. Council will own and operate this pump station at its cost. If such infrastructure in the future services more than this property, Council shall amend the separate charge accordingly in accordance with the changed circumstances.

Overall Plan

In relation to assessment 00663-00000-000, Council has approved that the old pump station at 13 Palmer Street be removed and a new pump station and fence installed. The total cost of these works will be in the order of \$46,350.00 Council will undertake maintenance to such works.

The Special Charge shall be \$3,978.75 to be made annually for a period of 20 years to cover the cost of providing this service. This will cover the interest and redemption costs to service such capital outlay by Council. Council will own and operate this pump station at its cost. If such infrastructure in the future services more than this property, Council shall amend the separate charge accordingly in accordance with the changed circumstances.

Annual Implementation

Assessment No. 00663-00000-000 - Special Charge of \$3,978.75 to be made annually for a period of 20 years starting for the 2011/12 financial year as set out in the 2011/12 Revenue Statement.

Mine Access Roads

In accordance with Section 94 of the *Local Government Act 2009* , the following special charges be made and levied on the assessments identified hereunder in accordance with the overall implementation plan for each of the roads as included:-

(i) Duchess/Phosphate/Trekalano Road

- (a) In respect of assessment no. 01319-30000-000 recorded in the name of Southern Cross Fertilizers Pty Ltd, a special charge of \$90,000; and
- (b) In respect of assessment no. 01280-30000-000 recorded in the name of Ivanhoe (Osborne) Pty Ltd, a special charge of \$135,000.

(ii)

Activity	Annual Allowance \$
Overall Plan Description of service Bitumen Reseal of Duchess/ Phosphate/ Trekalano Road total kilometres - 51 Total cost of work	900,000
Annual Implementation Plan Bitumen Reseal (annual allowance for reseal in four years, commencing 2008/09 – reduces to \$80,000 per annum after then)	225,000
Total	225,000

Allocation Assessment 01319-30000-000 – 40%	90,000
Allocation Assessment 01280-30000-000 – 60%	135,000

When Rates and Charges must be paid:

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

Discount for Prompt Payment of Rates and Charges:

In accordance with Section 64 of the Local Government (Finance, Plans and Reporting) Regulation 2010 a discount of 10% be allowed on the levy for the current year general rates if full payment (of current and any overdue rates, charges and interest) is received by 5:00pm on the date shown on the rate notice as the (due date) last day for discount be allowed, being 31 days from issue. The purpose of this discount is to encourage the prompt payment of the relevant rates and charges. Discount will only apply to general rates and charges and will not be allowed on the State Government's Fire Services Levy, excess water charges, or special rates.

Also for clarification purposes, a payment of the full net levy amount, which is deposited by electronic means to the Council's bank account or its appointed agents prior to close of business (ie the payment has been credited to the Council's bank account or received by its appointed agents by close of business) on the due date specified on the Rate Notice, will attract the discount specified.

Discount will not be allowed on payments received after the close of business on the due date applicable to each instalment unless the Council is satisfied that payment was not made by the close of business on the due date because of circumstances for which the Council was responsible. The Council will not grant discount where a payment was lodged before the close of business on the due date but the transfer of the funds into the Council's financial institution or agent was not received by the close of business on the due date due to a delay by the payer's financial institution or their agent.

Discount disallowed on the first instalment is not eligible for allowance even if payment is made by the close of business on the specified due date of the second instalment.

No discount will be allowed if, after payment of current rates/charges, overdue rates remain on the land.

Rebate of Rates to Pensioners:

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 dwelling place. 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.

Interest:

Pursuant to the provisions of Section 67 of the Local Government (Finance, Plans and Reporting) Regulation 2010 Council will charge interest on all overdue rates and charges, including special and separate rates, at the maximum rate provided for by the Regulation.

For the 2011/12 financial year, any outstanding balances at the close of the discount period will incur interest at the rate of 11% per annum compounding daily.

Payment of Overdue Rate by Instalments:

To assist ratepayers in meeting their rate responsibilities, Council may accept applications for payment of overdue rates and utility charges by instalments from property owners who can demonstrate a genuine financial hardship, provided that such payment plan will provide that all rates and charges are paid within the financial year in which the application is made. Each application will be assessed on its merits.

Interest will continue to be charged on overdue rates and utility charges which are subject to an instalment payment plan. The applicant must comply with the terms of the instalment plan agreed to, as default will result in Council requiring immediate full payment of future instalments.

Pro Rata Rates and Charges:

In respect of any rates that are applicable in respect to part only of the year ending June 30 2012, the amount payable in respect thereof shall be assessed and charged on a pro-rata basis, with the pro-rata rate or charge to be included in the next rate notice issue.

Concessions from General Rates:

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 54 of the Local Government (Finance, Plans and Reporting) Regulation 2010. Further details are included in Council Donations to Community Organisations Policy.

Assessments Exempt of General Rates:

<u>Assessment Number</u>	<u>Owner Name</u>	<u>Property Address</u>
00002-00000-000	Cloncurry Pony Club	Zingari Road Cloncurry
00005-00000-000	Cloncurry Golf & Sports Club Inc.	Sir Hudson Fysh Drive Cloncurry
00006-00000-000	Cloncurry Golf & Sports Club Inc.	Sir Hudson Fysh Drive Cloncurry
00152-00000-000	Roman Catholic Diocese of Townsville	17 George Street Cloncurry
00288-00000-000	Department of Emergency Services	44 Scarr Street Cloncurry
00321-00000-000	Trustees of the Returned Services (RSL)	15 Scarr Street Cloncurry
00341-00000-000	Assemblies of God Church	38 Ramsay Street Cloncurry
00737-00000-000	Girl Guides Association	73 Uhr Street Cnr Cloncurry
00823-00000-000	Scout Association of Australia	49 Seymour Street Cloncurry
00981-00000-000	Department of Health	8-12 Matheson Street Dajarra
00982-00000-000	Roman Catholic Diocese of Townsville	8 Matheson Street Dajarra
00999-50000-000	Dajarra Sports Club (Also exempt from Service Charges)	Luck Street Dajarra
01022-00000-000	The Uniting Church in Australia	McKellar Street Duchess

General:

The rates and charges are to be levied in equal half-yearly instalments, by the issue of six monthly rate notices:- July to December 2011 and January to June 2012.

The extent physical and social infrastructure costs for new development are to be funded by charges for the development.

In accordance with Chapter 8 Infrastructure of the *Sustainable Planning Act 2009*, Council intends to apply conditions to a development approval requiring land, works or a contribution to the cost of providing infrastructure.

Operating capability

The operating capability of Council is to be maintained through the adoption of the 2011/12 budget and this Revenue Statement. No significant increase or decrease in Council's operating capability is expected.

Funding of depreciation and other non-cash expenses

Depreciation and other non-cash expenses are funded to the extent of Council's capabilities. Depreciation and other non-cash expenses are fully funded for the 2011/12 financial year.

Schedule “A”

Schedule of Chargeable Units:- Cloncurry Water and Sewerage

Description of Building Premises	Water Units	Sewerage Units
Additional pedestals / urinals – per pedestal	-	5
Ambulance Brigade	40	20
Australia Post	40	40
Bakery	60	40
Bank	60	60
Barrack Camp		
Up to 10 person capacity	40	40
11 to 15 person capacity	60	60
Over 15 person capacity	80	80
Batching Plant	200	-
Bowls Club	60	40
Boy Scouts	20	20
Butcher	60	60
Cabins, - Caravan Parks, Mining Camps, Hospital etc	10	10
Café, Milk Bar etc including Café attached to motel	60	40
Caravan on private land	20	-
Caravan Park per site (to represent 70% occupancy rate per annum)	7	7
Cemetery	100	-
Church	30	30
Cloncurry Aerodrome Reserve	200	-
Cold Store	60	40
Commercial and Industrial Premises not included in this schedule	60	40
Council depot / Workshop	40	40
Council Offices	100	80
Court House	150	150
Dentist	60	40
Depot	40	40
Doctor’s Consulting Room / Surgery	60	60
Dwelling – one pedestal only	20	20
Ergon Storage Depot	60	60
Fire Brigade (ex dwelling)	60	60
Florence Clarke Park	120	80
Fuel Depot	60	60
Garage / Service Station	50	50
Girl Guides	20	-
Hall	40	20
Hospital	600	480
Hotel	220	220
Iceworks & Water	220	40
John Flynn Place	140	100
Kindergarten, Day Care Centre	40	40
Laundromat	220	60
Licence Restaurant	60	40
Main Roads Department Office	250	250
Main Roads Department Workshop & Store	500	100
Mary Kathleen Park	200	100
Maternal & Child Welfare	60	60
Motels (per unit)	10	10
Motor Dealer Depot	60	40
Multiple Dwelling (per unit)	20	20

Description of Building Premises	Water Units	Sewerage Units
Office 1 – 5 persons	40	40
Office 6 – 10 persons	60	60
Pensioner Cottage	10	10
Picture Theatre / Café	60	60
Police Station and Barracks	260	200
Powerhouse	40	-
Queensland Rail (all buildings excluding dwellings) – assessment 470- & 471-	1000	1000
Racecourse	120	20
Recreational Complete (Suzy's Gym) CM 21.09.2010	40	40
Recreation Reserve	200	100
Saleyards	200	20
School (Private or Denominational)	100	100
School (State or High or Pre)	500	300
SES Building	20	20
Sewerage Treatment Plant	40	40
Shire Hall / Supper Room / Library	180	140
Shop – Single	40	40
Shop – Group of 2-4	80	60
Slaughter House / Abattoir	200	-
Soil Testing Laboratory	100	80
Stables	40	-
Supermarket (ex butcher shop)	200	150
Swimming Pool (Council)	200	80
Telstra Exchange, Line Depot	100	80
Tennis Court, including Clubhouse	40	40
Transport Depot	60	40
Vacant land – Connected	20	10
Vacant Land – Not Connected	10	10
Veterinary Surgery	40	40
Warehouse	60	40
William Presley Place	220	200
Workshop	60	50

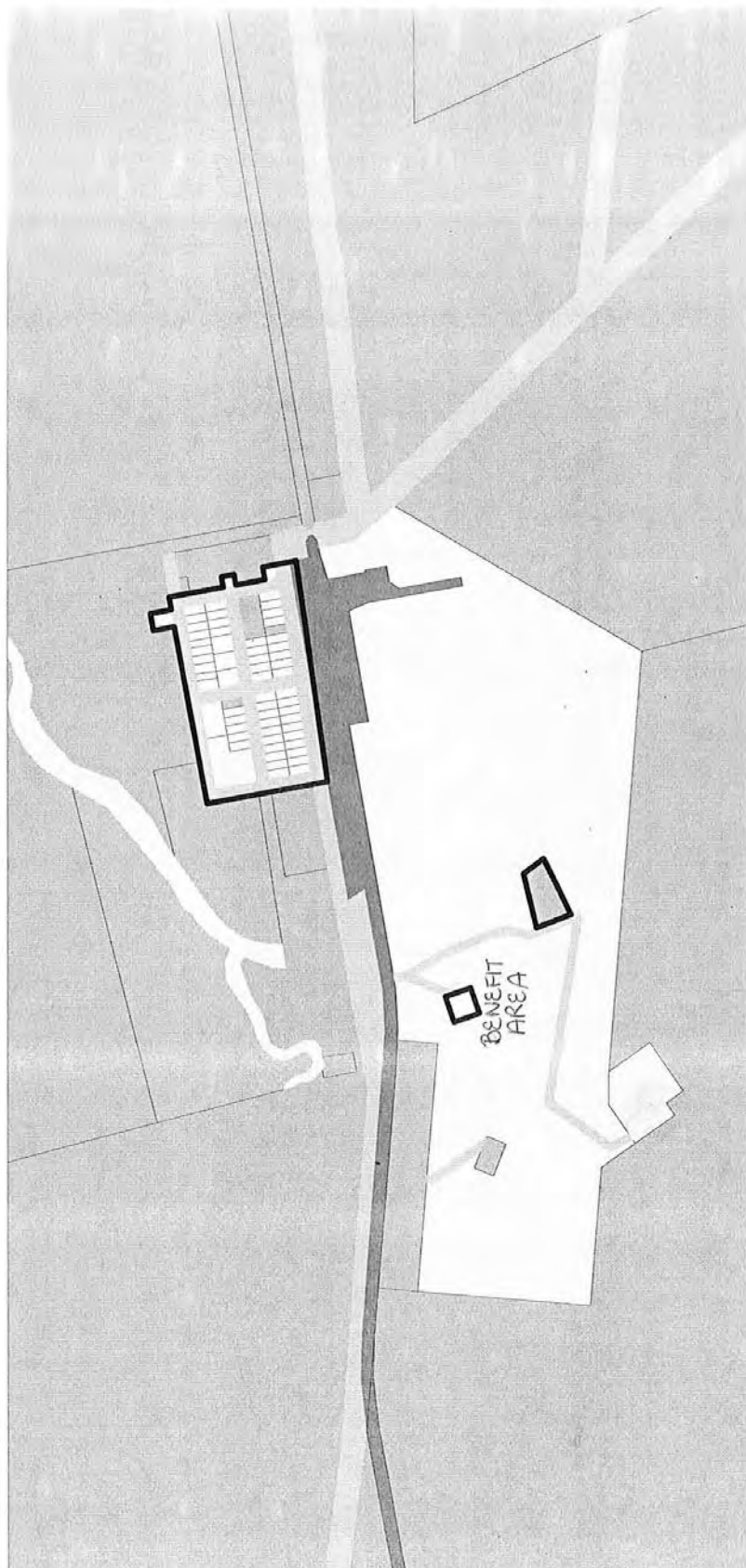
Schedule “B”

Schedule of Chargeable Units:- Kajabbi Water Supply and Dajarra Sewerage & Water Supply

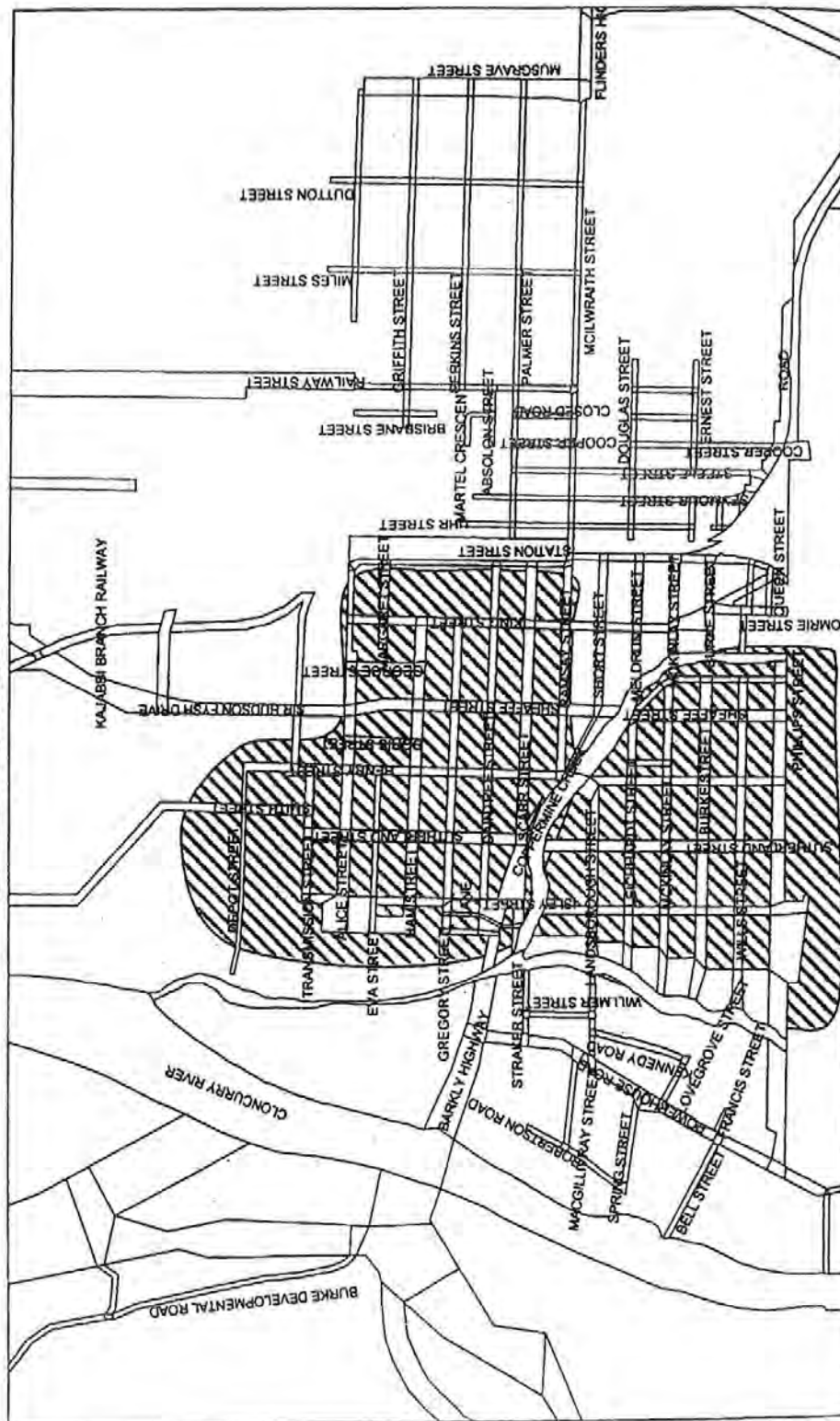
Description of Building Premises	Water Units	Sewerage Units
Church	30	30
Commercial / Industrial (not elsewhere included)	60	40
Dwelling with single pedestal	20	20
Dwelling with more than one pedestal / urinal – per pedestal	-	5
Hall – Community	40	40
Hotel	60	60
Market Garden	60	-
Police Station	40	40
Roadhouse, Motel complex	100	100
State School	160	160
Toilet Block	40	40
Vacant land – Connected	20	10
Vacant Land – Not Connected	10	10

Schedule "C"

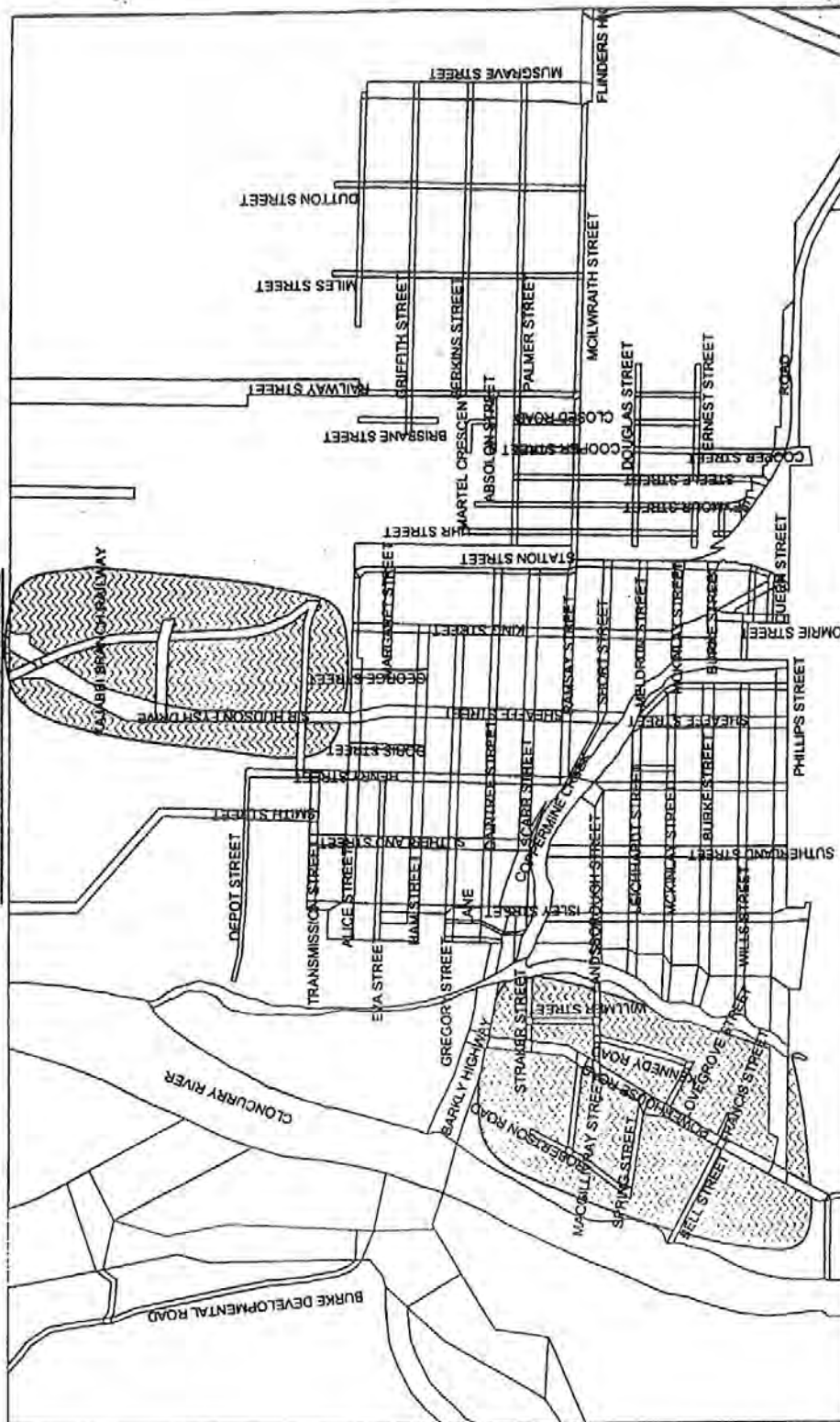
DAJARRA WASTE BENEFIT COLLECTION AREA 



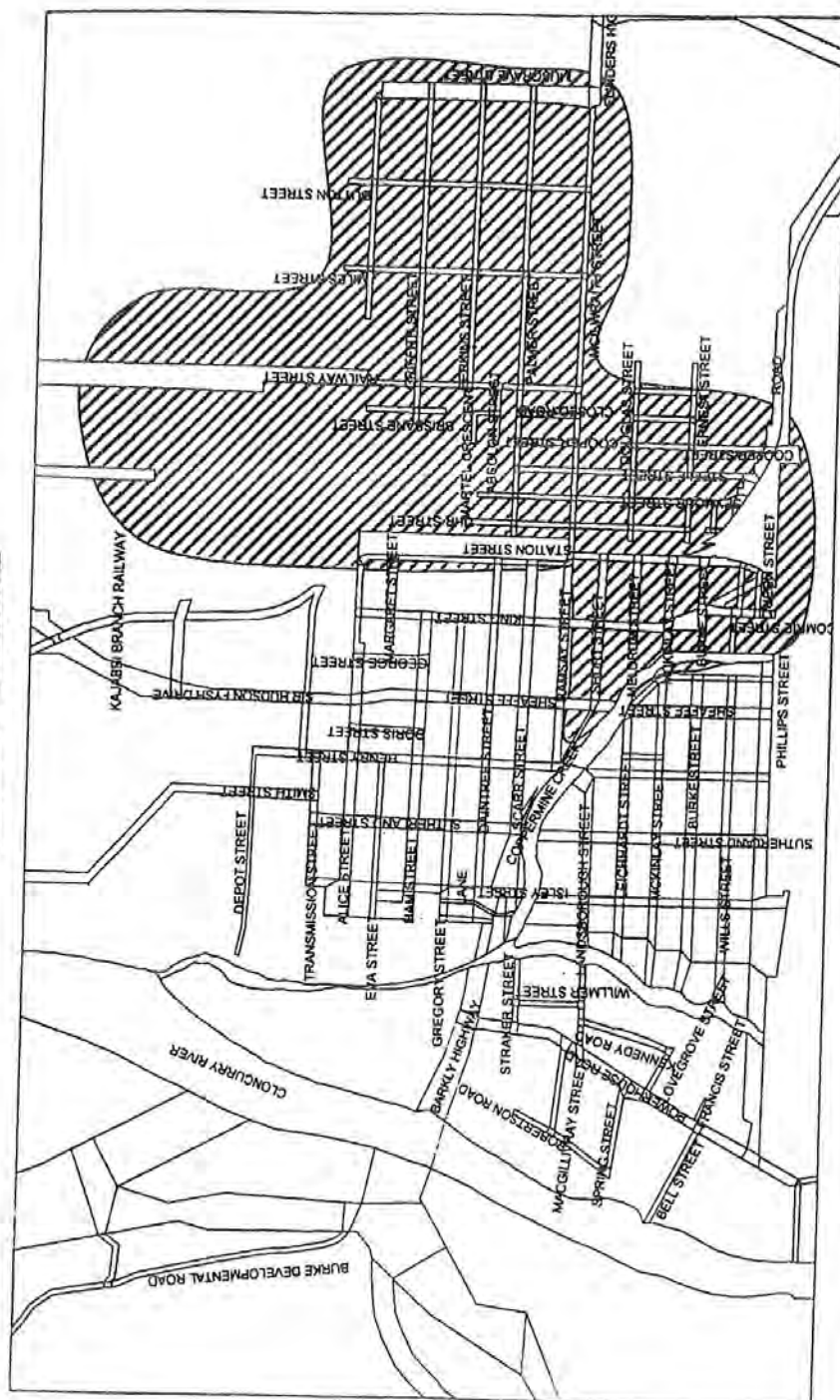
TUESDAY MORNING



WEDNESDAY MORNING



THURSDAY MORNING



Arrangements and Contracts with other Local Governments

Section 119(1)(c) of the Local Government (Finance, Plans and Reporting) Regulation 2010 requires Council to report details of action taken for, and expenditure on, a service, facility or activity:

- supplied by another local government under an agreement for conducting a joint government activity; and
- for which the local government made and levied a special rate or charge for the financial year.

Council has no matters to report under this section.

Invitations to Tenderer's to change their Tender

Section 119(1)(d) of the Local Government (Finance, Plans and Reporting) Regulation 2010 requires Council to list the number of invitations to change tenders as per Section 177(7) Changes to Tenders

No action was taken by Council during the 2011/12 financial year.

Registers and Public Documents

Council is required by section 119(1)(e) of the Local Government (Finance, Plans and Reporting) Regulation 2010 to detail the list of registers kept by Council.

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 Interest of each Councillor
- Register of Interest of Councillors Related Persons
- Regulatory Fees and Charges
- Revenue Statement
- Local Laws Register
- Register of Roads
- Policy Register

Other information available to the public can be downloaded electronically from Council's website, www.cloncurry.qld.gov.au

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

Internal Audit

Council is required by section 119(1)(g) of the Local Government (Finance, Plans and Reporting) Regulation 2010 to report on the internal audit for the year.

A range of control measures were considered in establishing the audit internal methodology and undertaking the internal audit. Care was taken not to duplicate the audit undertaken by the external auditors. Risks relating to financial audit matters therefore were not covered except where the items interfaced with a risk area identified in the methodology.

Systems, processes, separation of duties, documentation, notifications, policy development procedures and use of technology were all considered as part of the control measures that might be appropriately used by Council to reduce a range of risks.

Council has implemented improvements and risk reduction in a few areas of concern raised in the previous report. However progress on resolving the matters have slowed due to the need to recruit a CEO. The Deputy CEO has not been able to address the deficiencies while acting in the CEO role.

A number of policies have been reviewed however the procurement policy should be reviewed with urgency.

The disaster management and continuity plan development is still a major concern and is increasing Council's risk. Council needs to put resources into these two plans with some urgency.

The Council website does not list all the required information. The auditor has provided suggestions of what information needs to be uploaded with urgency and a checklist, resources, responsibilities and a performance mechanism should be developed to ensure this is up to date at all times.

It is also suggested that the community plan be completed with urgency so that the corporate and operational plan documentation be improved and adopted for the next budget. These documents are critical to the performance and jurisdiction of the Council's operations and therefore should hold keen focus from the Council. The development of these documents provides an early opportunity for the new Council to participate in their strategic planning role.

Summary of all Rebates and Concessions Allowed in Relation to Rates

Refer to Revenue Statement

Code of Conduct, Complaints and Breaches

Council has an 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.

Councillors Code of Conduct

Total number of order and recommendations made under section 180(2) and (4) of the <i>Local Government Act 2009</i>	Nil
Total number of orders made under Section 181 of the <i>Local Government Act 2009</i>	Nil
The name of each Councillor in relation for whom an order or recommendation was made under Section 180 of the <i>Local Government Act 2009</i> or an order made under Section 181 of the <i>Local Government Act 2009</i>	Nil
A description of the conduct of inappropriate conduct engaged in by each Councillor (relating to the above)	Nil
A summary of the order or recommendation made for each Councillor (from above)	Nil
The number of complaints about the conduct or performance of Councillors assessed as frivolous or vexatious under section 177(4) of the <i>Local Government Act 2009</i>	Nil
The number of complaints referred to the department's Chief Executive under Section 177(5)(a) of the <i>Local Government Act 2009</i>	Nil
The number of complaints referred to the Mayor under Section 177(5)(b) of the <i>Local Government Act 2009</i>	Nil
The number of complaints referred to the department's Chief Executive under Section 177(6) of the <i>Local Government Act 2009</i>	Nil
The number of complaints assessed by the Chief Executive Officer as being about official misconduct	Nil
The number of complaints heard by a conduct review panel	Nil
The number of complaints heard by the tribunal	Nil
The number of complaints dealt with by the Chief Executive Officer under Section 177(8) of the <i>Local Government Act 2009</i>	Nil

No breaches or alleged breaches of the Code of Conduct for Councillors were reported from 1 July 2011 to 30 June 2012.

No complaints were received through Council's General Complaints process relating to alleged breaches by Councillors.

Administrative action complaints

Under Section 115 (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 governments performance in resolving complaints under the process.

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

Complaints

The following is an overview of the complaints attended to by Council during the reporting period as required by Section 115 of the Local Government (Finance, Plans and Reporting) Regulation 2010.

Council has extracted this information from Council's External Service Request register:

All Animal Complaints	233
Health – Mosquito	4
Health – Water	105
Overgrown Allotments	42
Roads – Roadworks and Maintenance	31
Roads – Drainage	10
Rubbish	18
Frivolous or Vexatious Complaint	0

Overseas Travel undertaken by Councillors or Employees

No overseas travel was taken by any Councillors or Employees on behalf of the Cloncurry Shire Council in the year ending 30 June 2012.

Grants to Community Organisations

Council is required by section 117 of the Local Government (Finance, Plans and Reporting) Regulation 2010 to provide a summary of the expenditure for the financial year on grants to community organisations. 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 during the year ended 30 June 2012 was \$37,545.59.

The Mayor and Councillors did not have any discretionary funds to allocate for grants to community organisations in 2011-2012.

Community Donations

Community Group	Donation
Cloncurry State School	\$105
Breast Friends Day	\$525
Community Health – Pit Stop	\$2171.59
Dajarra Fete	\$525
Australia Day	\$525
NQ Rescue Helicopter	\$15,000
State School Chaplaincy	\$10,000
Total	\$28,851.59

Community Sponsorship

Community Group	Sponsorship
Cloncurry State School	\$105
Ernest Henry Memorial Art Show	\$2100
Cloncurry Show	\$5250
Qld Police Legacy Scheme	\$1239
Total	\$8,694

In Kind Support to Community Organisations

The total expenditure incurred on in kind support to community organisations during the year ended 30 June 2012 was \$13,024.25.

Community Group	In Kind
Cloncurry Merry Muster	\$1592.39
Stockmans Challenge	\$2923.23
Cloncurry Show	\$7038.27
Rockhana Gem & Mineral Festival	\$35.73
Dajarra Rodeo	\$860.78
Burke & Wills Campdraft	\$573.85
Total	\$13,024.25

Reserves and Controlled Roads

As required under Section 118 of the Local Government (Finance, Plans and Reporting) Regulation 2010, Council has the control of

- 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 2279km, of which 723.78km is not owned by Council.

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

Shareholder Delegates

In accordance with reporting requirements under Section 119(1)(i) of the Local Government (Finance, Plans and Reporting) Regulation 2010, Council did not operate any corporate entities during the 2011/12 year.

Significant Business Activities

Council's significant business activities include the Cloncurry Saleyards and the Cloncurry Aerodrome.

Remuneration of Senior Contract Employees

In accordance with Section 201 of the *Local Government Act 2009*, total remuneration packages paid to senior contract employees are:

- 1 Senior contract employee with a total remuneration package in the range of >\$150,000
- 3 Senior contract employees with a total remuneration package in the range of \$120,000-\$149,000
- 2 Senior contract employees with a total remuneration package in the range of \$100,000-\$119,000
- 3 Senior contract employees with a total remuneration package in the range of <\$100,000

Workplace Reform and Equal Employment Opportunity

Council's Equal Employment Opportunity (EEO) Policy is part of the strategy to ensure that the workplace is equitable, efficient and achieving Council's goals. Cloncurry Shire Council uses its EEO principles and policy in the employment and induction of new staff.

CLONCURRY SHIRE COUNCIL



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

Cloncurry Shire Council
PO Box 3
19-21 Scarr Street
Cloncurry Queensland 4824
Telephone (07) 47424100 Facsimile: (07) 4742 1712
E-mail: council@cloncurry.qld.gov.au Website: www.cloncurry.qld.gov.au

CLONCURRY SHIRE COUNCIL

Financial statements

For the year ended 30 June 2012

Table of contents

Page Number

Statement of Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to the financial statements	
1 Significant accounting policies	5 - 17
2 Analysis of results by function	18 - 19
3 Revenue analysis	20
4 Grants, subsidies, contributions and donations	20
5 Capital income/(expenses)	20
6 Employee benefits	21
7 Materials and services	21
8 Finance costs	21
9 Depreciation and amortisation	22
10 Cash and cash equivalents	22
11 Trade and other receivables	22
12 Inventories	22
13 Property, plant and equipment	23 - 25
14 Trade and other payables	26
15 Borrowings	26
16 Provisions	26 - 27
17 Asset revaluation surplus	27
18 Retained surplus/(deficiency)	27
19 Reserves	28
20 Commitments for expenditure	28
21 Contingent liabilities	29
22 Superannuation	29 - 30
23 Operating lease income	30
24 Trust funds	30
25 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities	30
26 Events after the reporting period	30
27 Financial instruments	31 - 33
28 National Competition Policy	34
Management Certificate	35
Independent Auditor's Report	36 - 38

CLONCURRY SHIRE COUNCIL
Statement of Comprehensive Income
For the year ended 30 June 2012

	Note	Council	
		2012 \$	2011 \$
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3(a)	9,659,442	8,920,820
Fees and charges	3(b)	2,618,273	2,062,180
Rental income	3(c)	154,292	124,473
Interest received	3(d)	1,310,765	748,294
Sales revenue	3(e)	2,778,737	1,690,961
Grants, subsidies, contributions and donations	4(a)	8,211,751	13,466,837
		<u>22,733,260</u>	<u>27,013,565</u>
Capital revenue			
Grants, subsidies, contributions and donations	4(b)	7,711,273	4,880,363
Total revenue		<u>30,444,533</u>	<u>31,893,928</u>
Capital income	5	-	11,525
Total income		<u>30,444,533</u>	<u>31,905,453</u>
Expenses			
Recurrent expenses			
Employee benefits	6	(5,586,240)	(5,547,660)
Materials and services	7	(8,419,330)	(8,163,511)
Finance costs	8	(736,355)	(373,012)
Depreciation and amortisation	9	(7,652,792)	(6,057,339)
		<u>(22,395,717)</u>	<u>(19,141,542)</u>
Capital expenses	5	(96,604)	-
Total expenses		<u>(22,493,321)</u>	<u>(19,141,542)</u>
Net result		<u>7,951,212</u>	<u>12,763,911</u>
Other comprehensive income			
Increase / (decrease) in asset revaluation surplus	17	-	7,631,130
Total other comprehensive income for the year		<u>-</u>	<u>7,631,130</u>
Total comprehensive income for the year		<u>7,951,212</u>	<u>20,395,041</u>

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

CLONCURRY SHIRE COUNCIL
Statement of Financial Position
as at 30 June 2012

	Note	Council	
		2012 \$	2011 \$
Current assets			
Cash and cash equivalents	10	23,202,198	27,068,781
Trade and other receivables	11	2,882,018	1,433,331
Inventories	12	213,870	149,949
Total current assets		<u>26,298,086</u>	<u>28,652,061</u>
Property, plant and equipment	13	203,472,951	188,144,781
Total non-current assets		<u>203,472,951</u>	<u>188,144,781</u>
Total assets		<u>229,771,037</u>	<u>216,796,842</u>
Current liabilities			
Trade and other payables	14	3,814,711	1,647,161
Borrowings	15	527,845	713,566
Provisions	16	270,850	220,952
Total current liabilities		<u>4,613,206</u>	<u>2,581,679</u>
Non-current liabilities			
Trade and other payables	14	121,543	104,282
Borrowings	15	14,342,776	11,368,581
Provisions	16	86,038	86,038
Total non-current liabilities		<u>14,550,357</u>	<u>11,558,901</u>
Total liabilities		<u>19,163,563</u>	<u>14,140,580</u>
Net community assets		<u>210,607,474</u>	<u>202,656,262</u>
Community equity			
Asset revaluation surplus	17	52,649,259	52,649,259
Retained surplus	18	153,939,575	145,130,477
Reserves	19	4,018,640	4,876,526
Total community equity		<u>210,607,474</u>	<u>202,656,262</u>

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

CLONCURRY SHIRE COUNCIL
Statement of Changes in Equity
For the year ended 30 June 2012

	Asset revaluation surplus	Retained Surplus	Reserves	Total
Note	17	18	19	
	\$	\$	\$	\$
Balance as at 1 July 2011	52,649,259	146,130,477	4,876,526	202,656,262
Net operating surplus	-	7,951,212	-	7,951,212
Other comprehensive income for the year	-	-	-	-
Total comprehensive Income for the year	-	7,951,212	-	7,951,212
Transfers to and from reserves				
Transfers to reserves	-	(3,709,669)	3,709,669	-
Transfers from reserves	-	4,567,555	(4,567,555)	-
Total transfers to and from reserves	-	857,886	(857,886)	-
Balance as at 30 June 2012	52,649,259	153,939,575	4,018,640	210,607,474
Balance as at 1 July 2010	45,018,129	133,662,583	3,580,509	182,261,221
Net operating surplus	-	12,763,911	-	12,763,911
Other comprehensive income for the year				
Increase in asset revaluation surplus	7,631,130	-	-	7,631,130
Total comprehensive Income for the year	7,631,130	12,763,911	-	20,395,041
Transfers to and from reserves				
Transfers to reserves	-	(4,077,611)	4,077,611	-
Transfers from reserves	-	2,781,594	(2,781,594)	-
Total transfers to and from reserves	-	(1,296,017)	1,296,017	-
Balance as at 30 June 2011	52,649,259	145,130,477	4,876,526	202,656,262

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 2012

		Council	
	Note	2012	2011
		\$	\$
Cash flows from operating activities			
Receipts from customers		13,607,765	13,141,460
Payments to suppliers and employees		(13,284,968)	(13,516,693)
		322,797	(375,233)
Interest received		1,310,765	748,294
Rental income		154,292	124,473
Non capital grants and contributions		6,211,751	13,466,837
Borrowing costs		(736,355)	(373,012)
Net cash inflow (outflow) from operating activities	25	<u>7,263,250</u>	<u>13,591,359</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(21,855,653)	(9,446,676)
Proceeds from sale of property plant and equipment		226,273	11,525
Grants, subsidies, contributions and donations		7,711,273	4,880,363
Net cash inflow (outflow) from investing activities		<u>(13,918,107)</u>	<u>(4,556,790)</u>
Cash flows from financing activities			
Proceeds from borrowings		3,500,000	8,520,000
Repayment of borrowings		(711,726)	(811,872)
Net cash inflow (outflow) from financing activities		<u>2,788,274</u>	<u>7,708,128</u>
Net increase (decrease) in cash and cash equivalent held		<u>(3,865,583)</u>	<u>16,742,697</u>
Cash and cash equivalents at the beginning of the financial year		27,068,781	10,326,084
Cash and cash equivalents at end of the financial year	10	<u>23,202,198</u>	<u>27,068,781</u>

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

CLONCURRY SHIRE COUNCIL
Notes to the financial statements
For the year ended 30 June 2012

1 Significant accounting policies

1.A Basis of preparation

These general purpose financial statements are for the period 1 July 2011 to 30 June 2012 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government (Finance, Plans and Reporting) Regulation 2010*. 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 the revaluation of certain non-current assets.

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 Basis of consolidation

Council has no controlled entities.

1.D Constitution

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

1.E Date of authorisation

The financial statements were authorised for issue on the date they were submitted to the Auditor-General for final signature. This is the date the management certificate is signed.

1.F Currency

The Council uses the Australian dollar as its functional currency and its presentation currency.

1.G 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. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

CLONCURRY SHIRE COUNCIL
Notes to the financial statements
For the year ended 30 June 2012

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

**Effective for annual report
periods beginning on or
after:**

AASB 9 <i>Financial Instruments</i> (December 2009)	1 January 2015
AASB 10 <i>Consolidated Financial Statements</i>	1 January 2013
AASB 11 <i>Joint Arrangements</i>	1 January 2013
AASB 12 <i>Disclosure of interests in other entities</i>	1 January 2013
AASB 13 <i>Fair Value Measurement</i>	1 January 2013
AASB 119 <i>Employee benefits</i> (completely replaces existing standard)	1 January 2013
AASB 127 <i>Separate Financial Statements</i> (replaces the existing standard together with AASB 10)	1 January 2013
AASB 128 <i>Investments in Associates and Joint Ventures</i> (replaces the existing standard)	1 January 2013
AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i>	1 July 2013
2009-11 <i>Amendments to Australian Accounting Standards arising from AASB 9</i> (December 2009)	1 January 2015
AASB 2010-2 <i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i>	1 July 2013
AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i> (December 2010)	1 January 2013
AASB 2010-8 <i>Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets</i>	1 January 2012
AASB 2010-10 <i>Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters</i>	1 January 2013
AASB 2011-2 <i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements</i>	1 July 2013
AASB 2011-3 <i>Amendments to Australian Accounting Standards – Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments</i>	1 July 2012
AASB 2011-4 <i>Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements</i>	1 July 2013
AASB 2011-6 <i>Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements</i>	1 July 2013
AASB 2011-7 <i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards</i>	1 January 2013
AASB 2011-8 <i>Amendments to Australian Accounting Standards arising from AASB 13</i>	1 January 2013
AASB 2011-9 <i>Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income</i>	1 July 2012
AASB 2011-10 <i>Amendments to Australian Accounting Standards arising from AASB 119</i> (September 2011)	1 January 2013
AASB 2011-11 <i>Amendments to AASB 119</i> (September 2011) arising from Reduced Disclosure Requirements	1 July 2013
AASB 2011-12 <i>Amendments to Australian Accounting Standards arising from Interpretation 20</i> (AASB 1)	1 January 2013
AASB 2011-13 <i>Amendments to Australian Accounting Standard – Improvements to AASB 1049</i>	1 July 2012
Interpretation 20 <i>Stripping Costs in the Production Phase of a Surface Mine</i>	1 January 2013

CLONCURRY SHIRE COUNCIL
Notes to the financial statements
For the year ended 30 June 2012

AASB 9 Financial Instruments (effective from 1 January 2015)

AASB 9, which replaces AASB 139 *Financial Instruments: Recognition and Measurement*, is effective for reporting periods beginning on or after 1 January 2015 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.

AASB 13 Fair Value Measurement (AASB 13)

AASB 13 applies to reporting periods beginning on or after 1 January 2013. The standard sets out a new definition of "fair value", as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements will apply to all of the Council's assets and liabilities (excluding leases) that are measured and/or disclosed at fair value or another measurement based on fair value. The potential impacts of AASB 13 relate to the fair value measurement methodologies used, and financial statement disclosures made in respect of, such assets and liabilities.

The Council has commenced reviewing its fair value methodologies (including instructions to valuers, data used and assumptions made) for all items of property, plant and equipment measured at fair value to determine whether those methodologies comply with AASB 13. To the extent that the methodologies don't comply, changes will be necessary. While the Council is yet to complete this review, no significant changes are anticipated, based on the fair value methodologies presently used. Therefore, and at this stage, no consequential material impacts are expected for the Council's property, plant and equipment in 2013-14.

AASB 13 will require an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. To the extent that any fair value measurement for an asset or liability uses data that is not "observable" outside the Council, the amount of information to be disclosed will be relatively greater.

Amendments to AASB 101 Presentation of Financial Statements

The AASB 101 Amendments require council to group items presented in other comprehensive income into those that, in accordance with other standards: (a) will not be reclassified subsequently to profit or loss and (b) will be reclassified subsequently to profit or loss when specific conditions are met. It is applicable for annual periods beginning on or after 1 July 2012. The Council's management expects this will change the current presentation of items in other comprehensive income; however, it will not affect the measurement or recognition of such items.

Amendments to AASB 119 Employee Benefits

A revised version of AASB 119 Employee Benefits applies from reporting periods beginning on or after 1 January 2013. The revised AASB 119 is generally to be applied retrospectively.

The revised standard includes changed criteria for accounting for employee benefits as "short-term employee benefits". Had Council applied the revised standard this year annual leave currently classified as a "short-term benefit" would have been reclassified as a "long-term benefit". However, no reported amounts would have been amended as the Council already discounts the annual leave liability to present value in respect of amounts not expected to be settled within 12 months (refer Note 1.X).

The concept of "termination benefits" is clarified and the recognition criteria for liabilities for terminations benefits will be different. If termination benefits meet the timeframe criterion for "short-term employee benefits", they will be measured according to the AASB 119 requirements for "short-term employee benefits". Otherwise, termination benefits will need to be measured according to the AASB 119 requirements for "other long-term employee benefits". Under the revised standard, the recognition and measurement of employer obligations for "other long-term employee benefits" will need to be accounted for according to most of the requirements for defined benefit plans.

The revised AASB 119 also includes changed requirements for the measurement of employer liabilities/assets arising from defined benefit plans, and the measurement and presentation of changes in such liabilities/assets. Council contributes to the Local Government Superannuation Scheme (QLD) as disclosed in note 22. The revised standard will require Council to make additional disclosures regarding the Defined Benefits Fund element of the scheme.

CLONCURRY SHIRE COUNCIL
Notes to the financial statements
For the year ended 30 June 2012

The reported results and position of the Council will not change on adoption of the other pronouncements as they do not result in any changes to the Council's existing accounting policies. Adoption will, however, result in changes to information currently disclosed in the financial statements. The Council does not intend to adopt any of these pronouncements before their effective dates.

1.H 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.R and Note 13
Impairment of property, plant and equipment - Note 1.U
Provisions - Note 1.X and Note 16
Contingencies - Note 21.

1.I Revenue

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

Rates and levies

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 rating period.

Grants and subsidies

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them. An equivalent amount is transferred from retained earnings to the relevant reserve until the funds are expended. Unspent non-reciprocal capital grants are placed in the Unspent capital grants reserve. Council spends all recurrent grants in the year received and therefore Council has not established a reserve for this purpose.

Where grants are received that are reciprocal in nature, revenue is recognised as the various performance obligations under the funding agreement are fulfilled. Council does not currently have any reciprocal grants.

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.

CLONCURRY SHIRE COUNCIL
Notes to the financial statements
For the year ended 30 June 2012

Cash contributions

Developers also pay infrastructure charges for trunk infrastructure, such as pumping stations, treatment works, mains, sewers and water pollution control works. These infrastructure charges are not within the scope of AASB Interpretation 18 because there is no performance obligation associated with them. Consequently, the infrastructure charges are recognised as income when received.

Rental income

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

Interest and dividends

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

Sales revenue

Sale of goods is recognised when the 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, motor vehicle repairs and contracts for road and earthworks. Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. Contract revenue and associated costs are recognised by reference to the stage of completion of the contract activity at the reporting date. 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 or documents, issuing of the infringement notice or when the service is provided.

1.J 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 1.K)

Receivables - measured at amortised cost (Note 1.L)

Financial liabilities

Payables - measured at amortised cost (Note 1.W)

Borrowings - measured at amortised cost (Note 1.Y)

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

The fair value of financial instruments is determined as follows:

The fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximate their carrying amounts and are not disclosed separately.

CLONCURRY SHIRE COUNCIL
Notes to the financial statements
For the year ended 30 June 2012

The fair value of borrowings, as disclosed in Note 15 to the accounts, is determined by reference to published price quotations in an active market and/or by reference to pricing models and valuation techniques. It reflects the value of the debt if the Council repaid it in full at balance date. As it is the intention of the Council to hold its borrowings for their full term, no adjustment provision is made in these accounts.

The fair value of trade receivables approximates the amortised cost less any impairment. The fair value of payables approximates the amortised cost.

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.K Cash and cash equivalents

Cash and cash equivalents includes cash on hand, all cash and cheques received 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.

1.L 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. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

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 impair any rate receivables.

1.M Inventories

Stores are valued at the lower of cost and net realisable value and include, where applicable, direct material, direct labour and an appropriate portion of variable and fixed overheads. Costs are assigned on the basis of weighted average cost.

Inventories held for distribution are:

- goods to be supplied at no or nominal, charge, and
 - goods to be used for the provision of services at no or nominal, charge.
- These goods are valued at cost, adjusted, when applicable, for any loss of service potential.

1.N Other financial assets

Other financial assets are recognised at cost. At present Council does not have any other financial assets.

CLONCURRY SHIRE COUNCIL
Notes to the financial statements
For the year ended 30 June 2012

1.O Non current assets held for sale

Items of property, plant and equipment are reclassified as non-current assets as held for sale when the carrying amount of these assets will be recovered principally through a sales transaction rather than continuing use. Non-current assets classified as held for sale are available for immediate sale in their present condition and management believe the sale is highly probable. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less cost to sell and are not depreciated. On the eventual sale of these assets a gain or loss is recognised.

1.P Investments

Term deposits in excess of three months are reported as investments, with deposits of less than three months being reported as cash equivalents. At 30 June 2012 Council did not have any term deposits in excess of three months.

1.Q Investment property

Council does not have any investment property.

1.R Property, plant and equipment

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. 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 and improvements
- Buildings
- Other plant and equipment
- Road, drainage and bridge network
- Water
- Sewerage
- Other infrastructure assets
- 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.

Property, plant and equipment received in the form of contributions, are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value means the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Capital and operating expenditure

Wage and materials expenditure incurred for the acquisition or construction of assets are treated as capital expenditure. Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity of the non-current asset are expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

CLONCURRY SHIRE COUNCIL
Notes to the financial statements
For the year ended 30 June 2012

Valuation

Land and improvements, buildings, major plant and all infrastructure assets are measured on the revaluation basis, at fair value, in accordance with AASB 116 *Property, Plant & Equipment*. 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 5 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.

An analysis performed by management 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 13.

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.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

Major plant

The Council has determined that plant which has an individual cost in excess of \$150,000 is of high value to the Council. Plant which meets this criteria is major plant if it is prone to a high degree of price fluctuations or in danger of becoming obsolete. The asset class primarily includes specialised earthmoving equipment.

Council has no major plant.

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

Land is not depreciated as it has an unlimited useful life. Depreciation on other property, plant and equipment assets, except 'roads, drainage bridge network', 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. Depreciation on 'roads, drainage and bridge network' assets is calculated using the diminishing value method.

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.

CLONCURRY SHIRE COUNCIL
Notes to the financial statements
For the year ended 30 June 2012

Where assets have separately identifiable 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 13.

Land under roads

Land under roads acquired before 30 June 2008 is recognised as a non-current asset where the Council holds title or a financial lease over the asset. The Council currently does not have any such land holdings.

Land under the road network within the Council area that has been dedicated and opened for public use under the *Land Act 1994* or the *Land Title Act 1994* is not controlled by Council but is controlled by the State pursuant to the relevant legislation. Therefore this land is not recognised in these financial statements.

1.S Intangible assets

Intangible assets with a cost or other value exceeding \$10,000 are recognised as intangible assets in the financial statements, items with a lesser value being expensed.

Expenditure on research activities relating to internally-generated intangible assets is recognised as an expense in the period in which it is incurred.

Costs associated with the development of computer software are capitalised and are amortised on a straight-line basis over the period of expected benefit to Council.

Council has no intangible assets.

1.T Biological assets

The Council has no biological assets.

1.U Impairment of non-current assets

Each non-current physical and intangible asset and group of assets is assessed for indicators of impairment annually. If an indicator of possible impairment exists, the Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

CLONCURRY SHIRE COUNCIL
Notes to the financial statements
For the year ended 30 June 2012

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.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation surplus increase.

1.V 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.

Finance leases

Where Council enters into a finance lease as lessee, Council recognises an asset equal to the lower of fair value of the leased property and the present value of the minimum lease payments. The lease liability is recognised at the same amount. Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are charged as finance costs. The asset is accounted for on the same basis as other assets of the same class. Contingent rentals are written off as an expense in the accounting period in which they are incurred.

Operating leases

Payments made under operating leases are expensed in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

Council has no finance leases.

1.W 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.X 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. Liabilities for employee benefits are assessed at each reporting date. Where it is expected that the leave will be paid in the next twelve months the liability is treated as a current liability. Otherwise the liability is treated as non-current.

Salaries and wages

A liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date. This liability represents an accrued expense and is reported in Note 14 as a payable.

CLONCURRY SHIRE COUNCIL
Notes to the financial statements
For the year ended 30 June 2012

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. This liability represents an accrued expense and is reported in Note 14 as a payable.

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 16 as a provision.

1.Y Borrowings and borrowing costs

Borrowings 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 (Finance, Plans and Reporting) Regulation 2010* 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.Z 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.

CLONCURRY SHIRE COUNCIL
Notes to the financial statements
For the year ended 30 June 2012

1.AA Retained surplus

This represents the amount of Council's net funds not set aside in reserves to meet specific future needs.

1.AB Reserves

Future capital works reserve

This reserve represents amounts set aside for the future capital assets needs of Council.

The amounts reported in this reserve at balance date correspond to the amount of cash (reported within cash and cash equivalents) which has been specifically allocated for this purpose. An amount equivalent to the cash allocated for this purpose is transferred from retained surplus to the future capital works reserve annually. When the Council expends monies on the future capital works, an equivalent amount is transferred out of the future capital works reserve to retained surplus. The Council does not reallocate amounts in this reserve to any other reserve or for any other purpose.

Asset replacement reserve

The Council maintained funds for expenditures required for buildings.

An amount equivalent to the cash allocated for this purpose is transferred from retained surplus to the asset replacement reserve annually. When the Council is required to expend monies on the replacement of these assets, an equivalent amount is transferred out of the asset replacement reserve to retained surplus. The Council does not reallocate amounts in this reserve to any other reserve or for any other purpose.

Constrained works reserve

This reserve represents contributions received for capital works where the required works have not yet been carried out. The amount reported in this reserve at balance date corresponds to the amount of cash (reported within cash and cash equivalents) which has been received in respect of capital works contributions received for specific capital projects. The amounts equivalent to the capital grants received are transferred from retained surplus to the constrained works reserve. When the grant monies are expended on the respective projects, an equivalent amount is transferred out of the constrained works reserve to retained surplus. The Council does not reallocate amounts in this reserve to any other reserve or for any other purpose.

Future recurrent expenditure reserve

This is a cash backed reserve and represents amounts that are accumulated within the Council to meet anticipated future recurrent or operating expenditure needs. The amounts reported in this reserve at balance date correspond to the amount of cash (reported within cash and cash equivalents) that has been allocated for future maintenance expenditure on specific assets such as bridges within the Council area that are repainted once every three years. An amount equivalent to the cash allocated for this purpose is transferred from retained surplus to the future recurrent expenditure reserve annually. When the maintenance is undertaken, an amount equivalent to the maintenance expenditure is transferred out of the future recurrent expenditure reserve to retained surplus. All of the amounts transferred to this reserve relate to a perceived future liability which is not currently a liability. The Council does not reallocate amounts in this reserve to any other reserve.

1.AC National competition policy

The Council has reviewed its activities to identify its business activities. Details of these activities are disclosed in Note 28.

1.AD 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.

CLONCURRY SHIRE COUNCIL
Notes to the financial statements
For the year ended 30 June 2012

1.AE 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.AF Taxation

Council is exempt from Commonwealth taxation except for Fringe Benefits Tax and Goods and Services Tax ("GST"). The net amount of GST recoverable from the ATO or payable to the ATO is shown as an asset or liability respectively.

CLONCURRY SHIRE COUNCIL
Notes to the financial statements
For the year ended 30 June 2012

2. Analysis of Results by Function

2(a) Components of council functions

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

Corporate governance

This comprises the support functions for the Mayor and Councillors, Council and committee meetings and statutory requirements.

Finance and information

The support functions of Management of the Council's finance, information technology and administration.

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 licences and approvals.

Planning and development

Management of the development of the shire and approval processes for development and building.

Transport infrastructure

Providing and maintaining roads and drainage.

Waste management

Providing refuse collection and disposal services.

Water Infrastructure

Providing water supply services.

Sewerage Infrastructure

Providing sewerage services.

CLONCURRY SHIRE COUNCIL
Notes to the financial statements
For the year ended 30 June 2012

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

Year ended 30 June 2012		Functions															
		Gross program income				Elimination of inter-function transactions		Total income	Gross program expenses		Elimination of inter-function transactions		Total expenses	Net result from recurring operations		Net Result	Assets
		Recurring		Capital													
		Grants	Other	Grants	Other	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2012
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Corporate governance		57,500	15,360	-	-	72,860	847,211	-	-	72,860	847,211	-	-	847,211	(774,351)	(774,351)	11,028,456
Finance and information		2,850,483	8,195,240	-	-	11,045,723	(131,024)	4,589,309	3,062,847	11,045,723	(131,024)	96,504	(34,420)	11,176,747	11,080,143	35,166,986	
Community services		395,211	575,209	3,618,889	-	4,589,309	3,062,847	131,161	588,145	4,589,309	3,062,847	-	-	2,082,427	1,526,482	26,861,265	
Planning & development		-	131,161	-	-	131,161	588,145	-	-	131,161	588,145	-	-	(456,984)	(456,984)	3,814,330	
Transport infrastructure		2,908,557	4,231,011	3,850,631	-	11,030,399	13,907,651	98,958	453,995	11,030,399	13,907,651	-	-	(6,768,083)	(2,877,252)	126,848,882	
Waste management		-	98,958	-	-	98,958	453,995	-	-	98,958	453,995	-	-	(355,037)	(355,037)	-	
Water infrastructure		-	2,579,904	201,553	-	2,781,457	3,008,966	-	-	2,781,457	3,008,966	-	-	(429,062)	(227,509)	20,569,424	
Sewerage infrastructure		-	694,866	-	-	694,866	658,926	-	-	694,866	658,926	-	-	35,740	35,740	5,481,694	
Total Council		6,217,751	16,521,509	7,711,273	-	30,444,533	22,386,717	-	-	30,444,533	22,386,717	96,504	-	336,543	7,951,212	229,771,037	

Year ended 30 June 2011		Functions															
		Gross program income				Elimination of inter-function transactions		Total income	Gross program expenses		Elimination of inter-function transactions		Total expenses	Net result from recurring operations		Net Result	Assets
		Recurring		Capital													
		Grants	Other	Grants	Other	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Corporate governance		7,125	132,741	-	-	139,866	766,865	-	-	139,866	766,865	-	-	766,865	(626,999)	(626,999)	502,550
Finance and information		3,685,443	6,582,765	-	-	10,268,208	277,101	4,589,309	3,062,847	10,268,208	277,101	-	-	9,991,107	9,991,107	37,532,408	
Community services		774,510	627,848	400,942	-	1,803,400	2,515,740	65,453	279,007	1,803,400	2,515,740	-	-	(1,113,252)	(712,340)	26,802,928	
Planning & development		-	65,453	-	-	65,453	279,007	-	-	65,453	279,007	-	-	(213,554)	(213,554)	-	
Transport infrastructure		7,965,565	4,215,607	4,479,422	-	15,660,584	11,789,515	83,264	374,888	15,660,584	11,789,515	-	-	391,547	4,871,086	127,427,634	
Waste management		-	83,264	-	-	83,264	374,888	-	-	83,264	374,888	-	-	(281,624)	(281,624)	11,365	
Water infrastructure		-	2,262,385	-	-	2,262,385	2,479,301	-	-	2,262,385	2,479,301	-	-	(226,916)	(226,916)	19,870,594	
Sewerage infrastructure		-	632,293	-	-	632,293	658,125	-	-	632,293	658,125	-	-	(26,832)	(26,832)	5,649,323	
Total Council		12,432,733	14,592,356	4,880,364	-	31,905,453	19,141,542	-	-	31,905,453	19,141,542	-	-	7,893,547	12,763,911	216,796,842	

CLONCURRY SHIRE COUNCIL
Notes to the financial statements
For the year ended 30 June 2012

Note	Council	
	2012 \$	2011 \$
3 Revenue analysis		
(a) Rates, levies and charges		
General rates	6,970,433	6,448,571
Separate rates	225,000	225,000
Water	2,124,058	1,944,619
Sewerage	748,891	679,973
Waste management	527,221	452,472
Total rates and utility charge revenue	10,595,603	9,750,635
Less: Discounts	(924,223)	(818,170)
Less: Pensioner remissions	(11,938)	(11,645)
	<u>9,659,442</u>	<u>8,920,820</u>
(b) Fees and charges		
Saleyard - weighing	118,540	162,575
Saleyard - dipping	374,854	358,120
Saleyard - tick free	74,908	8,753
Airport landing fees	221,199	112,099
Airport - tax	1,003,036	609,899
Other fees and charges	825,736	810,734
	<u>2,618,273</u>	<u>2,062,180</u>
(c) Rental income		
Property rental	154,292	124,473
	<u>154,292</u>	<u>124,473</u>
(d) Interest received		
Interest received from term deposits	1,254,018	684,237
Interest from overdue rates and utility charges	56,747	64,057
	<u>1,310,765</u>	<u>748,294</u>
(e) Sales revenue		
Sale of services		
Contract and recoverable works	2,778,737	1,690,961
	<u>2,778,737</u>	<u>1,690,961</u>
Total sales revenue	<u>2,778,737</u>	<u>1,690,961</u>
4 Grants, subsidies, contributions and donations		
(a) Recurrent		
General purpose grants	2,968,894	3,178,659
State government subsidies and grants	3,242,857	10,288,278
	<u>6,211,751</u>	<u>13,466,937</u>
(b) Capital		
State government subsidies and grants	6,711,273	3,880,363
Contributions	1,000,000	1,000,000
	<u>7,711,273</u>	<u>4,880,363</u>
5 Capital income/(expenses)		
Gain / (loss) on disposal of non-current assets		
Proceeds from the sale of property, plant and equipment	226,273	11,525
Less: Book value of property, plant and equipment disposed of	(322,877)	-
	<u>(96,604)</u>	<u>11,525</u>
Total capital income/(expenses)	<u>(96,604)</u>	<u>11,525</u>

CLONCURRY SHIRE COUNCIL
Notes to the financial statements
For the year ended 30 June 2012

Note	Council	
	2012 \$	2011 \$
6 Employee benefits		
Total staff wages and salaries	4,226,551	3,521,682
Councillors' remuneration	249,912	229,811
Annual, sick and long service leave entitlements	462,280	883,624
Superannuation	435,751	403,076
	5,374,474	5,038,193
Other employee related expenses	366,306	682,231
	5,740,780	5,720,424
Less: Capitalised employee expenses	(152,540)	(172,744)
	<u>5,588,240</u>	<u>5,547,680</u>
Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties.		
Total Council employees at the reporting date:	2012	2011
Elected members	5	5
Administration staff	66	55
Depot and outdoors staff	37	38
Total full time equivalent employees	<u>108</u>	<u>98</u>
7 Materials and services		
Conference and deputations	12,279	25,154
Donations and contributions	17,542	15,910
Audit of annual financial statements	77,824	53,235
Bad and Doubtful Debts	(289,638)	3,782
Plant Operations	(989,885)	1,086,125
Water Operations	1,251,795	895,853
Sewerage Operations	725,997	311,734
Saleyards Operations	379,814	121,219
Airport Operations	420,455	249,496
Council Housing	149,325	159,334
Other Businesses	92,189	183,172
Other Community Services	1,057,245	1,018,557
Town Planning	499,137	239,921
Art Cultural Tourism	-	7,193
Environmental Health	286,520	220,200
Refuse Management	-	548,982
Engineering	136,109	28,184
Stores (on-cost recoveries)	(1,488,587)	(692,861)
Public Facilities	960,834	97,954
Roads	4,255,348	4,402,580
Private Works	177,685	1,570,942
Insurance	357,541	353,151
Corporate Services	308,801	(2,736,306)
	<u>8,419,330</u>	<u>8,163,511</u>
8 Finance costs		
Finance costs relating to QTC loans	736,355	373,012
	<u>736,355</u>	<u>373,012</u>

CLONCURRY SHIRE COUNCIL
Notes to the financial statements
For the year ended 30 June 2012

Note	Council	
	2012 \$	2011 \$
9 Depreciation and amortisation		
Depreciation of non-current assets		
Land improvements	-	-
Buildings	661,725	661,086
Other plant and equipment	381,641	332,614
Road, drainage and bridge network	5,152,872	2,649,886
Water	720,668	703,661
Sewerage	278,648	255,433
Other infrastructure assets	457,238	434,659
13	<u>7,652,792</u>	<u>5,057,339</u>
Total depreciation and amortisation	<u>7,652,792</u>	<u>5,057,339</u>
10 Cash and cash equivalents		
Cash at bank and on hand	8,471,198	4,197,833
Deposits at call	14,731,000	22,870,948
Balance per Statement of Cash Flows	<u>23,202,198</u>	<u>27,068,781</u>
Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:		
Unspent government grants and subsidies	2,546,640	4,922,110
Total unspent restricted cash	<u>2,546,640</u>	<u>4,922,110</u>
Cash and deposits at call are held in the Westpac Banking Corporation in normal term deposits and business cheque accounts. The bank currently has Standard & Poor's short term credit rating of A1+ and long term rating of AA-.		
11 Trade and other receivables		
Current		
Rateable revenue and utility charges	507,505	422,822
Other debtors	2,533,143	1,458,727
Less impairment	(158,630)	(448,959)
Prepayments	-	742
	<u>2,882,018</u>	<u>1,433,331</u>
Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.		
12 Inventories		
Inventories held for sale		
Trading stocks	10,922	19,043
	<u>10,922</u>	<u>19,043</u>
Inventories held for distribution		
Plant and equipment stores	202,948	130,906
	<u>202,948</u>	<u>130,906</u>
Total inventories	<u>213,870</u>	<u>149,949</u>

CLONCURRY SHIRE COUNCIL
Notes to the financial statements
For the year ended 30 June 2012

13 Property, plant and equipment

Council - 30 June 2012

Note	Land and improvements	Buildings	Other plant and equipment	Road, drainage and bridge network	Water	Sewerage	Other infrastructure assets	Work in progress	Total
	Fair Value \$	Fair Value \$	Cost \$	Fair Value \$	Fair Value \$	Fair Value \$	Fair Value \$	Cost \$	\$
	8,875,900	28,705,700	7,282,740	158,094,419	32,351,900	14,055,000	16,315,800	4,857,545	270,544,004
	-	-	2,051,593	-	-	-	-	21,268,476	23,320,069
	(4,000)	-	(586,846)	-	-	-	-	-	(590,846)
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	383,144	-	5,814,892	516,943	95,324	1,261,163	(8,071,466)	-
	8,875,900	29,088,844	8,747,487	163,909,311	32,868,843	14,151,324	17,576,963	18,054,555	293,273,227

Basis of measurement
Asset values
Opening gross value as at 1 July 2011
Additions
Disposals
Revaluation adjustment to asset revaluation surplus
Revaluation adjustment to income
Assets classified as held for sale
Assets transferred to investment property
Transfers between classes
Closing gross value as at 30 June 2012

Accumulated depreciation and impairment

Opening balance as at 1 July 2011	-	14,891,600	3,982,956	37,012,847	12,601,020	8,458,200	5,452,600	-	82,399,223
Depreciation provided in period	-	661,725	381,641	5,152,872	720,668	278,648	457,238	-	7,552,792
Depreciation on disposals	-	-	(251,739)	-	-	-	-	-	(251,739)
Revaluation adjustment to asset revaluation surplus	-	-	-	-	-	-	-	-	-
Impairment adjustment to asset revaluation surplus	-	-	-	-	-	-	-	-	-
Impairment adjustment to income	-	-	-	-	-	-	-	-	-
Assets classified as held for sale	-	-	-	-	-	-	-	-	-
Assets transferred to investment property	-	-	-	-	-	-	-	-	-
Transfers between classes	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 30 June 2012	-	15,553,325	4,112,858	42,165,719	13,321,688	8,736,848	5,909,838	-	89,800,276

Total written down value as at 30 June 2012

Total written down value as at 30 June 2012	8,875,900	13,535,519	4,634,629	121,743,592	19,547,155	5,414,476	11,667,125	18,054,555	203,472,951
Residual value	8,875,900	-	2,965,568	67,869,727	-	-	3,844,000	-	83,555,195
Range of estimated useful life in years	Land: Not depreciated.	40 - 100	2 - 20	5 - 100	20 - 60	20 - 60	20 - 40	-	-

CLONCURRY SHIRE COUNCIL
Notes to the financial statements
For the year ended 30 June 2012

13 Property, plant and equipment

Council - 30 June 2011	Note	Land and Improvements	Buildings	Other plant and equipment	Road, drainage and bridge network	Water	Sewerage	Other infrastructure assets	Work in progress	Total
		Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
		\$	\$	\$	\$	\$	\$	\$		\$
Basis of measurement										
Asset values										
Opening gross value as at 1 July 2010		8,799,066	28,796,460	7,051,859	144,103,756	30,224,551	13,108,404	14,989,676	2,649,442	249,703,214
Additions		240,000	301,283	189,968	5,319,162	707,669	358,408	124,085	2,208,103	9,448,678
Disposals		-	-	-	-	-	-	-	-	-
Revaluation adjustment to asset revaluation surplus	17	(159,166)	(392,043)	40,913	8,671,501	1,419,680	589,188	1,222,039	-	11,392,112
Transfers between classes		-	-	-	-	-	-	-	-	-
Closing gross value as at 30 June 2011		8,879,900	28,705,700	7,282,740	158,084,419	32,351,900	14,056,000	16,315,800	4,857,545	270,544,004
Accumulated depreciation and impairment										
Opening balance as at 1 July 2010		-	14,547,388	3,654,601	30,088,652	11,835,271	8,281,444	5,173,546	-	73,530,902
Adjustment to opening value		-	-	-	-	-	-	-	-	-
Depreciation provided in period	9	-	681,086	332,614	2,649,886	703,661	255,433	434,659	-	5,057,339
Depreciation on disposals		-	-	-	-	-	-	-	-	-
Revaluation adjustment to asset revaluation surplus	17	-	(336,874)	(4,259)	4,274,309	62,088	(78,677)	(155,605)	-	3,760,962
Revaluation adjustment to income		-	-	-	-	-	-	-	-	-
Impairment adjustment to asset revaluation surplus		-	-	-	-	-	-	-	-	-
Impairment adjustment to income		-	-	-	-	-	-	-	-	-
Assets classified as held for sale		-	-	-	-	-	-	-	-	-
Assets transferred to investment property		-	-	-	-	-	-	-	-	-
Transfers between classes		-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 30 June 2011		-	14,891,600	3,982,956	37,012,847	12,601,020	8,458,200	5,452,600	-	82,389,223
Total written down value as at 30 June 2011		8,879,900	13,814,100	3,299,784	121,081,572	19,750,880	5,597,800	10,863,200	4,857,545	188,144,781
Residual value		8,879,900	-	2,093,542	72,364,412	-	-	3,844,000	-	87,181,854
Range of estimated useful life in years		Land: Not depreciated.	40 - 100	2 - 20	5 - 100	20 - 80	20 - 60	20 - 40	-	-

CLONCURRY SHIRE COUNCIL
Notes to the financial statements
For the year ended 30 June 2012

- 13 Property, plant and equipment valuations were determined by reference to the following:

Land and improvements

Land and improvements were last revalued to market value as at 30 June 2011 by AssetVal Pty Ltd, Registered Valuers.

Management's assessment of Land and land improvement values at 30 June 2012 referenced land indices from AssetVal Pty Ltd. This was determined by management to be the most appropriate Index and resulted in no restatement of carrying values of land assets being necessary. Management determined that existing carrying values materially reflect market value as at 30 June 2012

Buildings

Buildings were last revalued to written down current replacement cost by AssetVal Pty Ltd, Register Valuers as at 30 June 2011.

Management's assessment of Buildings values at 30 June 2012 referenced building indices from AssetVal Pty Ltd. This was determined by management to be the most appropriate Index and resulted in no restatement of carrying values of building assets being necessary. Management determined that existing carrying values materially reflect market value as at 30 June 2012

Other plant and equipment

Other plant and equipment is measured at original cost less accumulated depreciation.

Infrastructure

Water and sewerage infrastructure was last revalued to written down current replacement cost as at 30 June 2011 by AssetVal Pty Ltd, Registered Valuers.

Management's assessment of Water and Sewerage Infrastructure values at 30 June 2012 referenced water and sewerage indices from AssetVal Pty Ltd. These were determined by management to be the most appropriate Index and resulted in no restatement of carrying values of water and sewerage assets being necessary. Management determined that existing carrying values materially reflect written down current replacement cost as at 30 June 2012

Road, drainage and bridge network

Road, drainage and bridge network were last revalued to written down current replacement cost as at 30 June 2011 by AssetVal Pty Ltd, Register Valuer.

Management's assessment of road, drainage and bridge network values at 30 June 2012 referenced road indices from AssetVal Pty Ltd. These were determined by management to be the most appropriate Index and resulted in no restatement of carrying values of road, drainage and bridge network assets being necessary. Management determined that existing carrying values materially reflect written down current replacement cost as at 30 June 2012

Other Infrastructure Assets

Other Infrastructure was last revalued to written down current replacement cost at 30 June 2011, by AssetVal Pty Ltd, Registered Valuer.

Management's assessment of Other Infrastructure values at 30 June 2012 referenced other infrastructure indices from AssetVal Pty Ltd. These were determined by management to be the most appropriate Index and resulted in no restatement of carrying values of water and sewer assets being necessary. Management determined that existing carrying values materially reflect written down current replacement cost as at 30 June 2012

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.

The most recent comprehensive valuations were performed at 30 June 2005 for land and improvements and other infrastructure assets, and at 30 June 2007 for all other categories of property, plant and equipment carried at fair value. The valuations provided by AssetVal Pty Ltd as at 30 June 2011 are based on "desk top" valuations. This desktop valuation involved management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual values and condition ratings since the last respective comprehensive valuation. It did not involve the valuer conducting a physical inspection of the assets to confirm the accuracy of the information and assumptions provided by management.

CLONCURRY SHIRE COUNCIL
Notes to the financial statements
For the year ended 30 June 2012

	Council	
	2012	2011
Note	\$	\$
14 Trade and other payables		
Current		
Creditors and accruals	3,387,020	1,219,722
Annual leave	356,468	333,767
Other entitlements	71,223	93,672
	<u>3,814,711</u>	<u>1,647,161</u>
Non-current		
Annual leave	121,543	104,282
	<u>121,543</u>	<u>104,282</u>
15 Borrowings		
Current		
Loans - Queensland Treasury Corporation	527,645	713,566
	<u>527,645</u>	<u>713,566</u>
Non-current		
Loans - Queensland Treasury Corporation	14,342,776	11,368,581
	<u>14,342,776</u>	<u>11,368,581</u>
Loans - Queensland Treasury Corporation		
Opening balance at beginning of financial year	12,082,147	4,374,019
Loans raised	3,500,000	8,520,000
Principal repayments	(711,726)	(811,872)
Book value at end of financial year	<u>14,870,421</u>	<u>12,082,147</u>
The QTC loan market value at the reporting date was \$15,935,546. 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.		
16 Provisions		
Current		
Long service leave	270,850	220,952
	<u>270,850</u>	<u>220,952</u>
Non-current		
Long service leave	86,038	86,038
	<u>86,038</u>	<u>86,038</u>

CLONCURRY SHIRE COUNCIL
Notes to the financial statements
For the year ended 30 June 2012

Note	Council	
	2012 \$	2011 \$
Details of movements in provisions:		
Long service leave		
Balance at beginning of financial year	306,990	159,387
Long service leave entitlement arising/paid	49,898	147,603
Balance at end of financial year	<u>356,888</u>	<u>306,990</u>
17 Asset revaluation surplus		
Movements in the asset revaluation surplus were as follows:		
Balance at beginning of financial year	52,649,259	45,018,129
Net adjustment to non-current assets at end of period to reflect a change in current fair value:		
Land and improvements	-	(159,166)
Buildings	-	(55,169)
Other Plant, and Equipment	-	45,172
Road, drainage and bridge network	-	4,397,192
Water	-	1,357,592
Sewerage	-	667,865
Other infrastructure assets	-	1,377,644
Balance at end of financial year	<u>52,649,259</u>	<u>52,649,259</u>
Asset revaluation surplus analysis		
The closing balance of the asset revaluation surplus comprises the following asset categories:		
Land and Improvements	2,373,205	2,373,205
Buildings	10,796,175	10,796,175
Other Plant, and Equipment	93,596	93,596
Road, drainage and bridge network	25,758,541	25,758,541
Water	9,204,413	9,204,413
Sewerage	2,008,533	2,008,533
Other Infrastructure assets	2,414,796	2,414,796
	<u>52,649,259</u>	<u>52,649,259</u>
18 Retained surplus/(deficiency)		
Movements in the retained surplus were as follows:		
Retained surplus/(deficit) at beginning of financial year	145,130,477	133,662,583
Net result attributable to Council	7,951,212	12,763,911
Transfers (to)/ from capital reserves for future capital project funding, or from reserves funds that have been expended:		
Asset replacement reserve	734,819	(596,619)
Future capital works reserve	1,825,408	(610,709)
Constrained works reserve	(1,481,859)	-
Transfers (to) recurrent reserves for future project funding, or from reserves funds that have been expended:		
Recurrent expenditure reserve	(220,282)	(88,689)
Retained surplus at end of financial year	<u>153,939,575</u>	<u>145,130,477</u>

CLONCURRY SHIRE COUNCIL
Notes to the financial statements
For the year ended 30 June 2012

Note	Council	
	2012 \$	2011 \$
19 Reserves		
Reserves held for funding future capital expenditure		
Asset replacement reserve	572,000	1,306,619
Unspent capital grants reserve	900,000	2,725,408
Constrained works reserve	2,237,669	755,810
	<u>3,709,669</u>	<u>4,787,837</u>
Reserves held for funding future recurrent expenditure		
Future recurrent expenditure reserve	308,971	88,689
	<u>308,971</u>	<u>88,689</u>
Total reserves	<u>4,018,640</u>	<u>4,876,526</u>
 Movements in capital reserves:		
Asset replacement reserve		
Balance at beginning of financial year	1,306,619	710,000
Transfer from retained surplus for future expenditure	572,000	1,352,203
Transfer to the retained surplus/capital funds expended in the period	(1,306,619)	(755,584)
Balance at end of financial year	<u>572,000</u>	<u>1,306,619</u>
 Future capital works reserve		
Balance at beginning of financial year	2,725,408	2,114,699
Transfer from retained surplus for future expenditure	900,000	2,725,408
Transfer to the retained surplus/capital funds expended in the period	(2,725,408)	(2,114,699)
Balance at end of financial year	<u>900,000</u>	<u>2,725,408</u>
 Constrained works reserve		
Balance at beginning of financial year	755,810	755,810
Transfer from retained surplus for future expenditure	2,237,669	-
Transfer to the retained surplus/capital funds expended in the period	(755,810)	-
Balance at end of financial year	<u>2,237,669</u>	<u>755,810</u>
 Movements in recurrent reserves:		
Future recurrent expenditure reserve		
Balance at beginning of financial year	88,689	-
Transfer from retained surplus	220,282	88,689
Balance at end of financial year	<u>308,971</u>	<u>88,689</u>
20 Commitments for expenditure		
Contractual commitments		
Contractual commitments at end of financial year but not recognised in the financial statements are as follows:		
Garbage collection contract (expires 14 September 2013)	366,450	311,000
Mine access roads	900,000	675,000
	<u>1,266,450</u>	<u>986,000</u>

CLONCURRY SHIRE COUNCIL
Notes to the financial statements
For the year ended 30 June 2012

21 Contingent liabilities

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

Local Government Mutual

The 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 2011 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 \$120,000.

22 Superannuation

The Council contributes to the Local Government Superannuation Scheme (Old) (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 two elements referred to as the Defined Benefits Fund (DBF) 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*.

The DBF is a defined benefit plan as defined in AASB119. The Council is not able to account for the 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.

Any amount by which either fund is over or under funded would only affect future benefits and contributions to the 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.

The audited general purpose financial report of the scheme as at 30 June 2011 (the most recent available) which was not subject to any audit qualification, indicates that the assets of the scheme are sufficient to meet the vested benefits.

The most recent actuarial assessment of the scheme was undertaken as at 1 July 2009. The actuary indicated that "the DBF is in a very modest financial position with regard to the net asset coverage of vested liabilities. Investment returns will be volatile under the required investment strategy, particularly over short periods. The DBF therefore needs sufficient reserves to be able to withstand a reasonable range of such influences. Because the DBF is now running down and cash flows are negative, the VBI (vested benefit index) should not be allowed whenever possible to retreat below 100%. Once below 100%, benefits drawn reduce the available assets for remaining members and hence the net asset coverage of vested benefits declines further.

In order to withstand a one in ten 'low return' outcome, the DBF would need reserves of the order of 8% to 10% having regard to the investment strategy adopted. Given the current position of the DBF, such reserve can essentially only eventuate from either excess investment returns over salary increases or additional employer contributions."

Council has been advised by the trustee of the scheme, following advice from the scheme's actuary, that additional contributions may be imposed in the future at a level necessary to protect the entitlements of DBF members. 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 DBF when the actuary advises such additional contributions are payable - normally when the assets of the DBF are insufficient to meet members' benefits.

The next actuarial investigation was to be made as at 1 July 2012.

29

CLONCURRY SHIRE COUNCIL
Notes to the financial statements
For the year ended 30 June 2012

		Council	
	Note	2012 \$	2011 \$
The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of employees was:	6	435,751	403,076
23 Operating lease income			
The Council has leased the Big Window to an operator. The minimum lease receipts are as follows:			
Not later than one year		51,903	78,500
One to five years		207,612	314,000
Later than five years		-	-
		<u>259,515</u>	<u>392,500</u>
The Council leases a number of buildings and lots of land under operating leases. The airport leases typically run for a period of 20 years, with an option to renew the lease after that date. Other leases typically run for periods ranging from monthly to 3 years. Lease payments are increased annually to reflect market rentals.			
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		117,142	103,794
		<u>117,142</u>	<u>103,794</u>
The Council performs only a custodial role in respect of these monies. As these funds cannot be used by the Council, they are not brought to account in these financial statements.			
25 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities			
Net result		7,951,212	20,395,041
Non-cash items:			
Depreciation and amortisation		7,652,792	5,057,339
Revaluation adjustments		-	(7,631,130)
		<u>7,652,792</u>	<u>(2,573,791)</u>
Investing and development activities:			
Net (profit)/loss on disposal of non-current assets		96,604	(11,525)
Capital grants and contributions		(7,711,273)	(4,880,363)
		<u>(7,614,669)</u>	<u>(4,891,888)</u>
Changes in operating assets and liabilities:			
(Increase)/decrease in receivables		(1,448,687)	313,151
(Increase)/decrease in inventory		(63,921)	77,174
Increase/(decrease) in payables		736,625	124,069
Increase/(decrease) in other provisions		49,898	147,603
		<u>(726,085)</u>	<u>661,997</u>
Net cash inflow from operating activities		<u>7,263,250</u>	<u>13,591,359</u>
26 Events after the reporting period			
There were no material adjusting events after the balance date.			

30

CLONCURRY SHIRE COUNCIL
Notes to the financial statements
For the year ended 30 June 2012

27 Financial Instruments

Cloncurry Shire Council's activities expose it to a variety of financial risks including interest rate 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's measures risk exposure using a variety of methods as follows:

Risk exposure	Measurement method
Credit risk	Ageing analysis
Liquidity risk	Maturity analysis
Interest rate 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.

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 remote.

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, there is also a concentration in the mining sector.

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.

CLONCURRY SHIRE COUNCIL
Notes to the financial statements
For the year ended 30 June 2012

Council's maximum exposure to credit risk is as follows:

	Note	Council	
		2012	2011
Financial assets		\$	\$
Cash and cash equivalents	10	23,202,198	27,068,781
Receivables - rates	11	507,505	422,822
Receivables - other	11	2,533,143	1,458,727
		<u>26,242,846</u>	<u>28,950,330</u>

The following represents an analysis of the age of the Council's financial assets that are either fully performing, past due or impaired:

Council					
30-Jun-12	Fully performing	Past due			Total
		Less than 30 days	30-60 days	61-90 days	
	\$	\$	\$	\$	\$
Receivables	1,858,623	99,428	40,496	534,586	2,533,143
Less impairment	-	-	-	(6,675)	(6,675)
Net Receivables	<u>1,858,623</u>	<u>99,428</u>	<u>40,496</u>	<u>527,921</u>	<u>2,526,468</u>
30/06/2012	Fully performing	Past due			Total
Receivable - rates		0-1 year	1-5 year	Impaired	
	\$	\$	\$	\$	\$
Receivables	-	297,681	209,824	-	507,505
Less impairment	-	-	-	(151,955)	(151,955)
Net Receivables	<u>-</u>	<u>297,681</u>	<u>209,824</u>	<u>(151,955)</u>	<u>355,550</u>
Council					
30-Jun-11	Fully performing	Past due			Total
		Less than 30 days	30-60 days	61-90 days	
	\$	\$	\$	\$	\$
Receivables	1,034,781	39,048	1,126	383,771	1,458,727
Less impairment	-	-	-	(448,959)	(448,959)
Net Receivables	<u>1,034,781</u>	<u>39,048</u>	<u>1,126</u>	<u>(65,188)</u>	<u>1,009,768</u>
30/06/2011	Fully performing	Past due			Total
Receivable - rates		0-1 year	1-5 year	Impaired	
	\$	\$	\$	\$	\$
Receivables	-	349,764	73,058	-	422,822
Less impairment	-	-	-	-	-
Net Receivables	<u>-</u>	<u>349,764</u>	<u>73,058</u>	<u>-</u>	<u>422,822</u>

Liquidity risk

Liquidity risk refers to the situation where the Council may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The 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 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:

CLONCURRY SHIRE COUNCIL
Notes to the financial statements
For the year ended 30 June 2012
Council

	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
2012					
Trade and other payables	3,387,020	-	-	3,387,020	3,387,020
Loans - QTC	1,352,393	5,400,646	16,744,926	23,497,965	14,870,421
Loans - other	-	-	-	-	-
Finance leases	-	-	-	-	-
	<u>4,739,413</u>	<u>5,400,646</u>	<u>16,744,926</u>	<u>26,884,985</u>	<u>18,257,441</u>

2011					
Trade and other payables	1,219,722	-	-	1,219,722	1,219,722
Loans - QTC	1,419,038	4,317,673	14,159,517	19,896,228	12,082,147
	<u>2,638,760</u>	<u>4,317,673</u>	<u>14,159,517</u>	<u>21,115,950</u>	<u>13,301,869</u>

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.

Interest rate risk

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.

The Council does not undertake any hedging of interest rate risk.

The following interest rate sensitivity analysis is based on a report similar to that which would be provided to management, depicting the outcome to profit and loss should there be a 1% increase in market interest rates. The calculations assume that the rate would be held constant over the next financial year, with the change occurring at the beginning of that year. It is assumed that interest rates on overdue rates would not change. If the rates decreased by 1% the impact would be equal in amount in the reverse direction.

Council

	Net carrying amount		Surplus		Equity	
	2012	2011	2012	2011	2012	2011
	\$	\$	\$	\$	\$	\$
Financial assets	23,202,198	27,068,781	232,022	270,688	232,022	270,688
Financial liabilities	(14,870,421)	(12,082,147)	(148,704)	(120,821)	(148,704)	(120,821)
Net total	<u>8,331,777</u>	<u>14,986,634</u>	<u>83,318</u>	<u>149,867</u>	<u>83,318</u>	<u>149,867</u>

CLONCURRY SHIRE COUNCIL
Notes to the financial statements
For the year ended 30 June 2012

28 National Competition Policy

Activities to which the code of competitive conduct is applied

A "business activity" of a local government is divided into two categories :

(a) Roads business activity:

(i) the construction or maintenance of state controlled roads for which the local government submits an offer to carry out work in response to a tender invitation, other than through a sole supplier arrangement.

(ii) submission of a competitive tender for construction or road maintenance on the local government's roads which the local government has put out to tender, or called for by another local government.

(b) Other business activity, previously referred to as type three activities, means the following:

(i) trading in goods and services to clients in competition with the private sector, or

(ii) the submission of a competitive tender in the local government's own tendering process in competition with others for the provision of goods and services to its self. Excluded activities are (a) library services, and (b) an activity or part thereof prescribed by legislation.

Local government may elect to apply a Code of Competitive Conduct (CCC) to their identified business activities. This requires the application of full cost pricing, identifying the cost of community service obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity. The application of the CCC to the roads business activity is compulsory.

The CSO value is determined by Council, and represents an activities cost(s) which would not be incurred if the primary objective of the activities was to make a profit. The Council provides funding from general revenue to the business activity to cover the cost of providing non-commercial community services or costs deemed to be CSOs by the Council.

Roads
Water and sewerage
Waste management
Plant operations

Financial performance of activities subject to competition reforms:

	Roads	Water and sewerage	Waste management	Plant operations
	2012	2012	2012	2012
	\$	\$	\$	\$
Revenue for services provided to the Council	1,228,375	2,924,699	551,424	1,987,954
Revenue for services provided to external clients	-	-	-	-
Community service obligations	-	-	-	-
	1,228,375	2,924,699	551,424	1,987,954
Less : Expenditure	1,011,913	2,858,836	788,248	1,380,352
Surplus/(deficiency)	216,462	65,863	(236,824)	607,602

Description of CSOs provided to business activities:

Activities	CSO description	Actual
Water and sewerage	For providing free services to public areas	\$ -

Cloncurry Shire Council
Financial statements
For the year ended 30 June 2012

Management Certificate
For the year ended 30 June 2012

These general purpose financial statements have been prepared pursuant to Section 102 of the *Local Government (Finance, Plans and Reporting) Regulation 2010* (the Regulation) and other prescribed requirements.

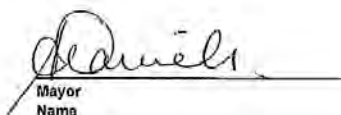
A comprehensive valuation of Council's 'road, drainage and bridge network' asset class has not been undertaken since June 2007. Consequently, we were unable to conclude whether any adjustments might have been found necessary in respect of recorded or unrecorded road, drainage and bridge network assets included in property, plant and equipment, and the elements making up the statement of comprehensive income, statement of changes in equity and statement of cash flows.

In accordance with Section 151 of the Regulation we certify that, except for the possible effects of the matter described in the preceding paragraph, these general purpose financial statements:

- (i) have been prepared in accordance with the relevant accounting documents; and
- (ii) accurately reflect the local government's financial performance and position for the financial year.

In addition we certify that, except for the possible effects of the matter described in the above paragraph, in our opinion:

- (i) the prescribed requirements of the *Local Government Act 2009* and associated Regulations for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 2 to 34, have been prepared in accordance with Australian accounting standards (including Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board); and
- (iii) the general purpose financial statements present a true and fair view of the Council's financial position as at 30 June 2012 and of its financial performance and cash flows for the financial year ended on that date.



Mayor
Name

Date: 27, 02, 2013



Chief Executive Officer
Name

Date: 27, 02, 2013

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Cloncurry Shire Council

Report on the Financial Report

I have audited the accompanying financial report of Cloncurry Shire Council, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certificate given by the Mayor and Chief Executive Officer.

The Council's Responsibility 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 prescribed accounting requirements identified in the *Local Government Act 2009* and *Local Government (Finance, Plans and Reporting) Regulation 2010*, including compliance with Australian Accounting Standards. The Council's responsibility also includes 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.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

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

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Basis for Qualified Opinion

As identified in Note 1.R to the financial statements, the Council measures its infrastructure assets at fair value in accordance with AASB 116 *Property, Plant and Equipment*. Note 1.R identifies that the Council engages independent professionally qualified valuers to determine the fair value of the assets at least once every five years. This process involves the valuer physically sighting a representative sample of the assets and making their own assessments of the condition of the assets.

While Note 13 to the financial statements identifies that the Roads, Drainage and Bridge Network asset class was revalued by an independent valuer as at 30 June 2011, this was only based on 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. It does not involve the valuer conducting a physical inspection of the assets to confirm the accuracy of the information and assumptions provided by management.

As a valuation involving the physical inspection of the Council's assets was last performed by an independent valuer in relation to Roads, Drainage and Bridge Network assets as at 30 June 2007, the Council was unable to provide sufficient appropriate evidence to support that the stated carrying amounts of this asset class did not differ materially from their fair value at the end of the reporting period in accordance with AASB 116 *Property, Plant and Equipment*. Management have also stated in the Management Certificate that they were unable to conclude whether any adjustments might have been necessary in relation this asset class, to ensure the assets were reported at their fair values.

As a consequence, I am unable to and do not express an opinion on the total written down value of Road, Drainage and Bridge Network assets of \$121,743,592 (2011: \$121,081,572), reported in Note 13; the associated depreciation expense of \$5,152,872 (2011: \$2,649,886), reported in Note 9; and the increment in the asset revaluation surplus of \$nil (2011: \$4,397,192), for the Road, Drainage and Bridge Network asset class as reported in Note 17. The impact of these issues on the financial report is unable to be quantified due to the absence of reliable data.

Qualified Opinion

In accordance with s.40 of the *Auditor-General Act 2009*, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs above –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of Cloncurry Shire Council for the financial year 1 July 2011 to 30 June 2012 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of Cloncurry Shire Council for the year ended 30 June 2012. Where the financial report is included on Council's website the Council is responsible for the integrity of the website and I have not been engaged to report on the integrity of the website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements or otherwise included with the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

These matters also relate to the presentation of the audited financial report in other electronic media including CD Rom.



K JOHNSON FCA
As delegate of the Auditor-General of Queensland



Queensland Audit Office
Brisbane



Contacting Council

Location	38-46 Daintree Street, Cloncurry Qld 4824
Postal	PO Box 3, Cloncurry Qld 4824
Phone	07 4742 4100
Facsimile	07 4742 1712
Email	council@cloncurry.qld.gov.au
Website	www.cloncurry.qld.gov.au