

**Annual Report
2015/2016**



Cloncurry Shire Council

Administration Office

38-46 Daintree Street, Cloncurry QLD 4824

Phone 4742 4100
Fax 4742 1712
Email council@cloncurry.qld.gov.au
Website www.cloncurry.qld.gov.au

All mail to

PO Box 3
Cloncurry QLD 4824

Table of Contents

4	History of Cloncurry
5	About Cloncurry
6	Mayoral Report
8	Elected Members
10	Former Elected Members
12	Snapshot of Achievements and Celebrations
13	Chief Executive Officer Report
14	Performance Highlights
16	Corporate Structure
17	Community Financial Report
24	Corporate Services Report
27	Works and Environmental Services Report
31	Community Development Report
35	Statutory Requirements
	Annexure A – Financial Statements
	Annexure B – Councillors Reimbursement of Expenses and Provision of Facilities Policy

Welcome

Welcome to the 2015/2016 Annual Report of 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 is required to meet legislative obligations in relation to producing an Annual Report for each Financial Year.

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

History of Cloncurry

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

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

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

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

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

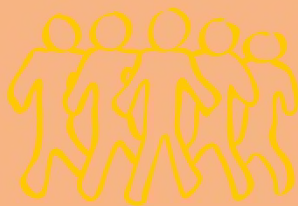
About Cloncurry

Founded
1867

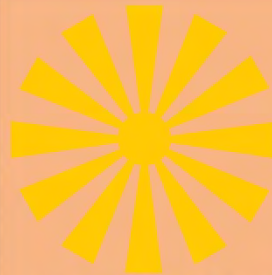


Area
48,116.9km sq.

Population
3,351



Median Age
35.3 years



Average Daily Temperature
18.1° C to 32.2° C



Average Rainfall
425mm each year

Median Total Personal Income
\$889 per week

Median Rent
\$300 per week

Data based on ABS and ASGS, July 2014



Mayoral Report

A message from Mayor Greg Campbell

I am proud to present the Mayoral Report on the 2015/2016 performance of Council.

During the 2015/2016 year we saw the local government elections take place which resulted in a significant change in office with all five Councillor positions being newly elected.

I would like to formally and sincerely thank the previous Councillors for their contribution to the Shire of Cloncurry; notably Andrew Daniels and Bob McDonald.

Andrew Daniels – former Mayor

Andrew held the office of Mayor from 2008 to 2016. Andrew has led the Council through a phase of tremendous capital growth, highlighted this year by the completion of the \$8.77 million upgrade to the Cloncurry Airport.

Bob McDonald

Bob joined the Cloncurry Shire Council as a Councillor in 1976 and had 40 years of service to the Shire until his retirement from Local Government this year. Mayors, Councillors and staff during his time of service, have gratefully received Bob's stewardship and direction.

Council has unveiled an Honour Board to recognise our past Mayors, Councillors and Chief Executive Officer's. Being an elected official is not an easy job and is often far from what people expect it to be. All those listed on the board have been part of making Council what it is today and I am sure we are united in the aim of making the Cloncurry Shire a great place to be.

I have mentioned the upgrade at the airport briefly, the upgrade included several projects both air side and public side including Apron and Taxiway strengthening and sealing, reseal of the runway, major structural expansion to the terminal, check-in and baggage collection areas and also to the entrance, and car parking areas.

There have also been major upgrades at the Recreation Grounds, including electrical upgrades. All of the lighting has been replaced to meet Australian standards and the brand new 'Eddie Lee' field, at a cost of \$1.35 million. I thank Glencore Ernest Henry Mine and the State Government for their assistance with this project.

Council has been successful in securing \$1 million in funding to go towards a \$2.3 million upgrade at the Saleyards. Work will be to reduce dust from the yards, improve the workability and overall safety for the stock and the users. This project will be undertaken in the 2016/2017 financial year.

Council allocated \$125,000 to general maintenance and cleaning the plaques at the cemetery. Council will continue to work to ensure the Cemetery is a respectful place for our friends and loved ones.

The past year has witnessed significant use of Council facilities, with a record number of events held in the Community Precinct. Council has continued to support a large number of community groups and events including, but not limited to; Queensland Country Women's Association (QCWA), Cloncurry Show, Cloncurry Merry Muster Festival, Cloncurry Stockman's Challenge, Quamby Rodeo, Flinders Medical Centre, PCYC, Cloncurry and District Race Club and School Chaplaincy Program.

The Cloncurry Shire Council has been and will continue to focus on delivering value for money services to the residents of our Shire.

I am looking forward to next year. Council will begin a strategic change from being very heavily capital orientated to consolidate our good works position to ensure our assets are maintained to an acceptable standard and to ensure we have the capacity to pay for that maintenance moving into the future. We will start to focus on our road and utility assets in a more planned and structured approach.

I am very positive about the future and I see the Cloncurry Shire being critical to the continued economic success of the region.

Greg Campbell

Mayor

Elected Members

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

2016-2020

Mayor Greg Campbell



Mayor Greg Campbell proudly calls Cloncurry home and was first elected as Mayor in 2016.

Councillor Campbell has vast Council experience having previously been a Councillor for a term between 2004 and 2008 and Deputy Mayor from 2008 to 2012.

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

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

Mayor Campbell is committed to ensuring Council's spending is cost effective and that local businesses are supported. Sealing of rural roads and improving the town's water supply will also continue to be a priority of Mayor Campbell's.

Deputy Mayor Dane Swalling



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

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

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

Councillor Vicky Campbell



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

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

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

Councillor Brad Rix



Councillor Brad Rix moved to Cloncurry in 2011 with his wife and two children to take the position of Senior Sergeant in Charge of the Cloncurry Police Station. His wife Heidi is the Sergeant in Charge of the Cloncurry PCYC.

Councillor Rix has been a part of the Queensland Police Service for 25 years. Councillor Rix and his family enjoy living in Cloncurry because of the relaxed, safe and secure lifestyle and the opportunity to really get involved in the community.

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

Councillor Damien McGee



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

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

Former Elected Members

The former Council members served from May 2012 to April 2016 and are listed below.

2012-2016

Mayor Andrew Daniels



Councillor Daniels was born and bred in Cloncurry, and was first elected as Mayor in 2008. Andrew is a grazier and a businessman. 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 passion about Cloncurry and opportunities that the Shire offers was evident during his time in office.

While in the role of Mayor, Andrew worked to develop major infrastructure projects in the Shire which included securing of the town's water supply, the Cloncurry Community Precinct and major industrial, sport and recreation facilities. Andrew committed his time 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



Councillor McDonald was a Councillor since 1976. He is a rurally based and lives at Brightlands Station in the southern part of the Shire. As a grazier in the Shire, he has a particular interest in the road networks, being the Shire, State and the National Highways. He saw transport generally as integral for the future of the Shire, especially rail. He also views partnerships with the major mining companies as a valuable way forward for the development of the Shire.

Bob 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 McDonald retired from Council in 2016, after an honourable 40 years of service.

Councillor Keith Douglas



Councillor Douglas served four terms on Cloncurry Shire Council between 1994 and 2008 and again from 2012 to 2016. During those years, he gained extensive knowledge of Local Government Acts and procedures.

While he has owned and operated an auctioneering business and cattle grazing property for many years, his workload is flexible and he was always committed to being available to serve in his position as a Councillor. Keith's talent on Council was his approachability and willingness to listen. He focused strongly on planning for the future, and setting up infrastructure which will benefit people living in the Cloncurry Shire, both now and for many years ahead.

Councillor Jane McMillan



Councillor McMillan was a Councillor from 2012 to 2016. From July 2016 Councillor McMillan acted as Mayor to assist with the smooth running of the Council in Mayor Daniels absence. She was born and raised in Warwick and moved to Cloncurry in 1992 to continue a career in nursing.

Jane was a very community orientated Councillor, being involved in education, sporting activities, health and business life in Cloncurry.

During her time on Council, Jane worked part-time as a registered nurse at the Cloncurry Hospital, and assisted her husband with the running of Corella Park Station.

Councillor Colin Ferguson



Councillor Ferguson was on Council from 2012 to 2016. He 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 Colin and his wife purchased the local saddler shop and have been in business since.

Colin and his wife 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. Colin has also been involved with the Stockman's Challenge.

Snapshot of Achievements and Celebrations

July 2015	National Tree Day
August 2015	St Joseph's Junior Secondary Official Opening Wingate North Queensland Bursary Awards
September 2015	John Flynn Place Interactive Exhibit Installation
October 2015	Agforce State Conference Dr David Harvey Sutton Reunion Water Treatment Plant Open Day
November 2015	95 th Anniversary of Qantas Cloncurry Christmas Festival Ramsay Street Upgrade Remembrance Day
December 2015	Saleyards lay down area sealing works
January 2016	Australia Day Awards
February 2016	Bob McDonald Recognition of Service
March 2016	Harmony Day
April 2016	2016-2020 Councillors Inducted
May 2016	Dajarra Community BBQ Reopening of the Gun Club
June 2016	Bubs Day Out RFDS Car Rally

Chief Executive Officer Report

A message from Ben Milligan

The 2015/2016 financial year has seen great development and social infrastructure implemented. Over the past year Council has continued to meet the objectives to ensure our towns are well serviced, our natural resources are used widely, and our local economy is diverse and strong and the Local Government/administration works collaboratively with the community to achieve our aspirations.

I would like to thank my predecessor David Neeves for his contribution during the 2015/2016 year.

Projects during 2015/2016 include:

- Airport upgrade works
- Recreation grounds upgrade
- John Flynn Place upgrade
- Sealing works on Ramsay Street
- Saleyards lay down area
- Garden settlement road asphalt
- Curry Kids Early Learning Centre outdoor area upgrade

These achievements are a testament to the previous Council and administration.

There were also major events that were significant to the community which included the Dr David Harvey Sutton Reunion, 95th Anniversary of Qantas and Councillor Bob McDonald's recognition of 40 years of service.

The Cloncurry Shire Council is committed to supporting local community groups and events. A significant project in 2015/2016 was the Gun Club Upgrade which Council sponsored \$30,000 towards.

Ben Milligan

Chief Executive Officer

Performance Highlights

Council is delivering on the vision for the region captured in the Corporate Plan 2015-2020. These desired outcomes form the basis of the organisation's annual Operational Plan 2015-2016. A selection of achievements is highlighted throughout this Annual Report.

Co-ordinated Infrastructure and Services

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

- Cloncurry Airport upgrades for terminal, apron, taxiway and runway reseal completed.
- Lobbied State and Federal Government to invest royalties back into the communities from which they are generated.
- Completion of annual sealing and re-sealing programs.
- Completion of Flood Damaged Assets program.
- Completion of TIDS and Roads to Recovery projects.



The new airport entrance

Diverse and Robust Economy

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

- Planning for future investment in Saleyards infrastructure.
- Sealing works completed in the Saleyards.
- Increased tourist numbers through Cloncurry Unearthed Visitor Information Centre.



Preparing to unload cattle at the Saleyards

Innovative Communities

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

- Works commenced on kiosk at the Equestrian Centre.
- Landscaping and additional shade structure at the Curry Kids Early Learning Centre.
- Fun and exciting school holiday programs.
- Involvement with Cloncurry Youth Attainment Network.

Sustainable Population Growth

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

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

Integrated Natural Resources and Environmental Management

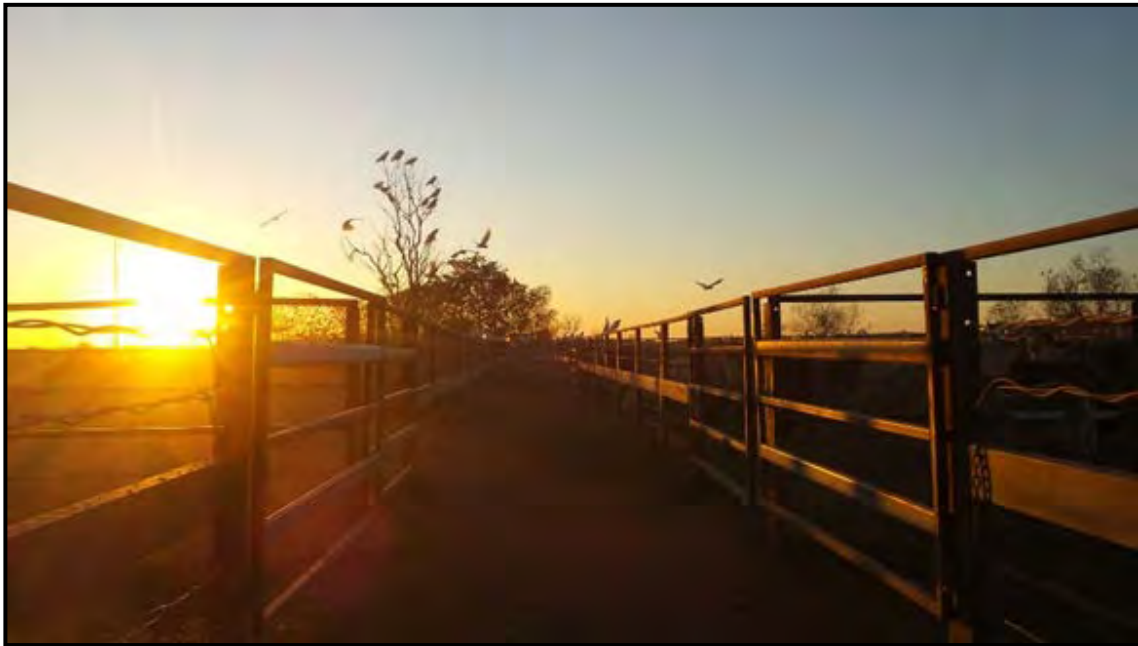
Our natural resources are used wisely to ensure the ongoing protection of cultural heritage, environmental values and landscape amenity.

- Review of Animal Control Program.
- Compliance with statutory obligations for waste and recycling.
- Compliance with statutory obligations for environmental health.
- Investment in animal control baiting program.

Collaborative Government and Strong Leadership

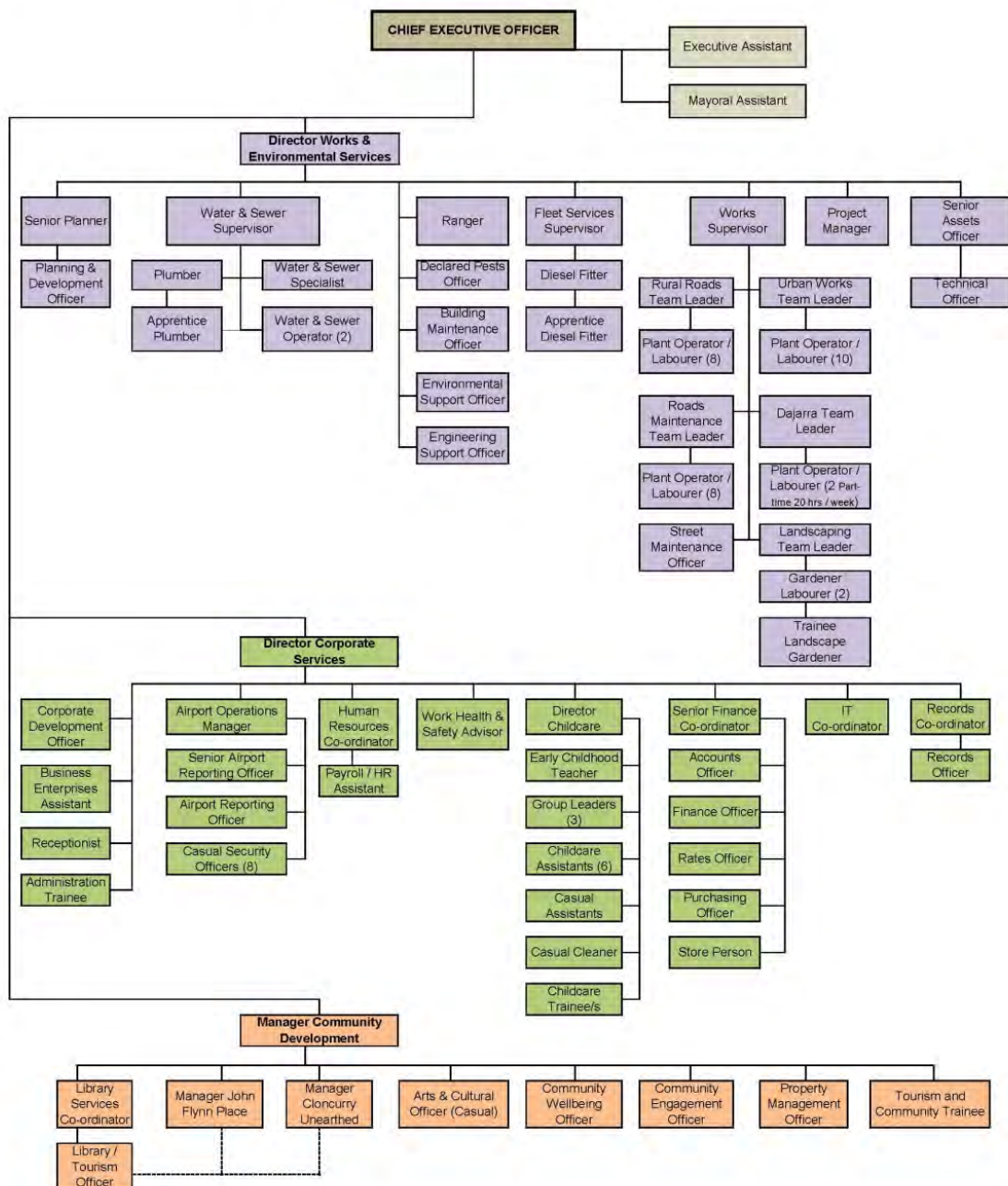
Our Local Government is proactive and identifies opportunities to work collaboratively with local residents to create livable communities and build a sustainable future.

- Review and implement Corporate and Operational Plans.
- Review and implement Disaster Management Plan.
- Positive Internal and External Audits.
- Achievement of acceptable Sustainability Ratios.



Corporate Structure

CLONCURRY SHIRE COUNCIL ORGANISATIONAL STRUCTURE



David Neeves
Chief Executive Officer

Adopted on 18 November 2014
Resolution No. 13.141118
Version 3 - Supersedes No. 02.131203

Community Financial Report

Section 184 of the *Local Government Regulation 2012* requires Council to prepare a Community Financial Report which summarises Council's financial performance and position for the reporting period 1 July 2015 to 30 June 2016.

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

To obtain a full appreciation of the Council's overall financial performance and financial position, the Community Financial Report should be read in conjunction with the Audited Annual Financial Statements for the period 1 July 2015 to 30 June 2016.

A Snapshot of the Financial Year 2015/2016

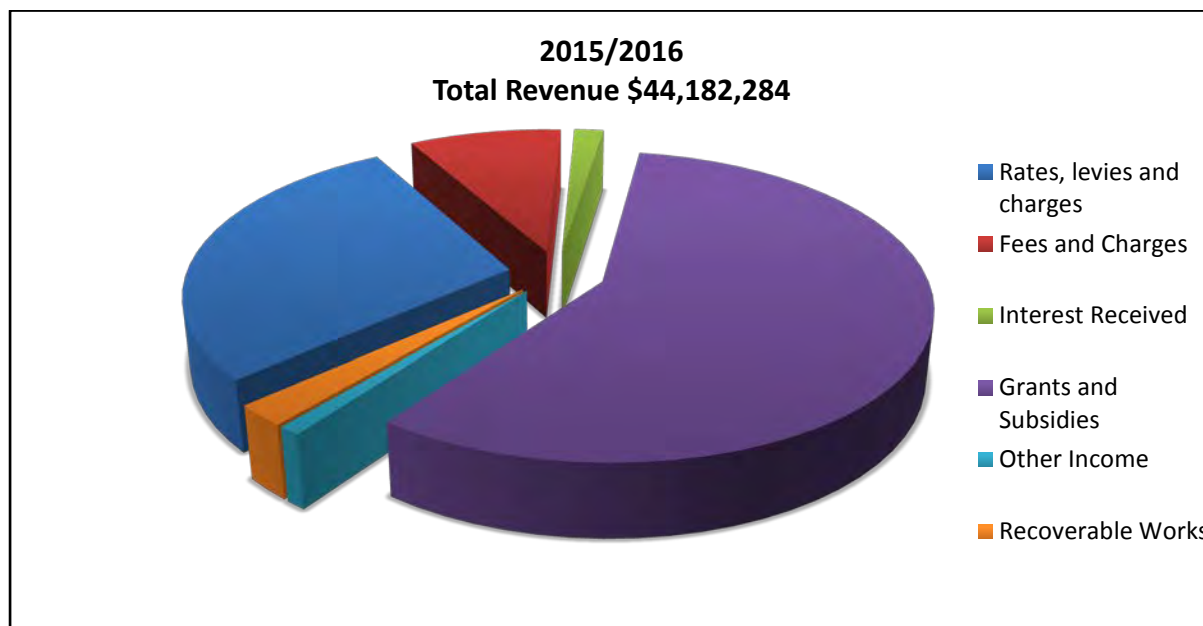
Cloncurry Shire Council has performed strongly in the 2015/2016 financial year. Overall, revenues have increased at a higher level than increases in expenditure which has resulted in a net result of \$18,137,797 and comprehensive income (after asset revaluations) of \$11,211,090. Council successfully grew its total assets from \$302,499,116 in 2014/2015 to \$313,916,561 in 2015/2016 while at the same time keeping its liabilities consistent.

Below is a summary of Cloncurry Shire Council's financial statements for the year ended 30 June 2016.

Income Statement		Balance Sheet	
Income		Assets	
Operating Revenue	\$24,681,146	Current Assets	\$28,720,878
Capital Revenue	\$19,501,138	Non-Current Assets	\$285,195,684
Total Income	\$44,182,284	Total Assets	\$313,916,561
Expenses		Liabilities	
Recurrent Expenses	\$6,549,680	Current Liabilities	\$3,843,839
Capital Expenses	\$148,005	Non-Current Liabilities	\$12,086,607
Total Expenses	\$26,044,487	Total Liabilities	\$297,986,115
Net Result		Equity	
Net Result	\$18,137,797	Reserves	\$86,213,234
Decrease-Asset Reval Reserve	\$6,926,706	Retained Surplus	\$211,772,881
Total Comprehensive Income	\$11,211,090	Total Community Equity	\$297,986,115

Revenue – where did the money come from?

Council received \$44,182,284 in revenue and other income for the 2015/2016 financial year. Total revenue has increased by \$4,183,286 between this financial year and last financial year.



Grants and Subsidies

Grants and subsidies contribute the majority of Council's revenue. For the year ended 30 June 2016 revenue sourced from grants and subsidies totalled \$25,464,220, which represents 58% of total revenue. Grants and subsidies flow to Council from various entities, including State and Federal Governments.

Rates, levies and charges

Rates, levies and charges include the levy for general rates, as well as charges for the provision of the following services as appropriate; water, sewer and refuse collection. The value of rates, levies and charges was \$3,940,444 which equates to 29% of the Shire's total revenue.

Services revenue - Recoverable works

A secondary source of income for Council is Services Revenue. Services revenue was \$1,007,017, which was 2% of total revenue. This includes revenue from the Department of Transport and Main Roads contracts such as the Road Maintenance Performance Contract as well as recoverable works revenue.

Interest Income

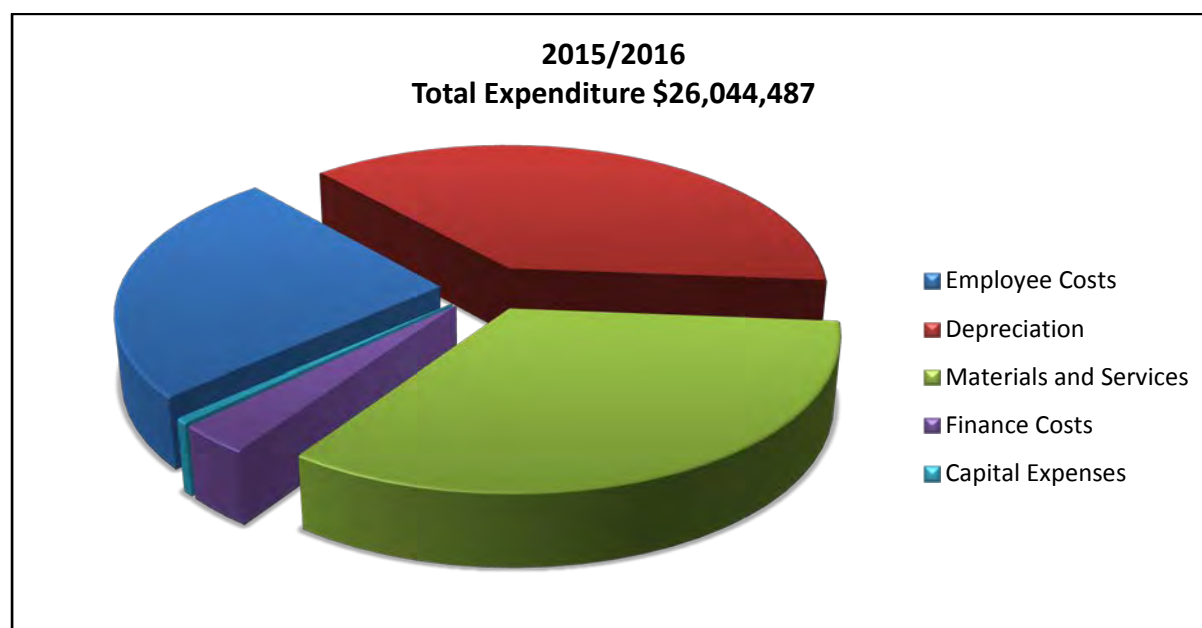
Council received \$755,027 of interest in the 2015/2016 financial year which was \$212,246 less than the previous year due to the low interest rates available in the financial markets.

Other Income

Consists of revenue from rental of council owned and maintained properties, this revenue stream has increased as a result of the purchase of St Andrews Garden Settlement.

Expenses – where was the money spent?

Council's total expenditure for the 2015/2016 financial year was \$26,044,487. This is an increase of \$1,164,791 as compared with the previous prior financial year.



Materials and Services

Material and services costs are the second largest expense item for Council. For the year ended 30 June 2016 these costs totalled \$8,679,825. The main items of material and services include; infrastructure operations and maintenance costs of \$2,770,447, community services costs of \$1,780,743, corporate and management services costs of \$1,549,236 and business services costs of \$1,512,155.

Depreciation

Depreciation is an accounting method of allocating the cost of an asset over its useful life. Useful lives will vary depending on the type of asset. As depreciation costs are applied against the majority of assets it forms the largest cost to Council. For the year ended 30 June 2016 depreciation costs totalled \$9,845,083.

Employee Benefits

Employee benefits are the third largest cost to Council. For the year ended 30 June 2016 it totalled \$8,679,825 which consists of staff wages and salaries, leave entitlements and superannuation, as well as Councillor's remuneration.

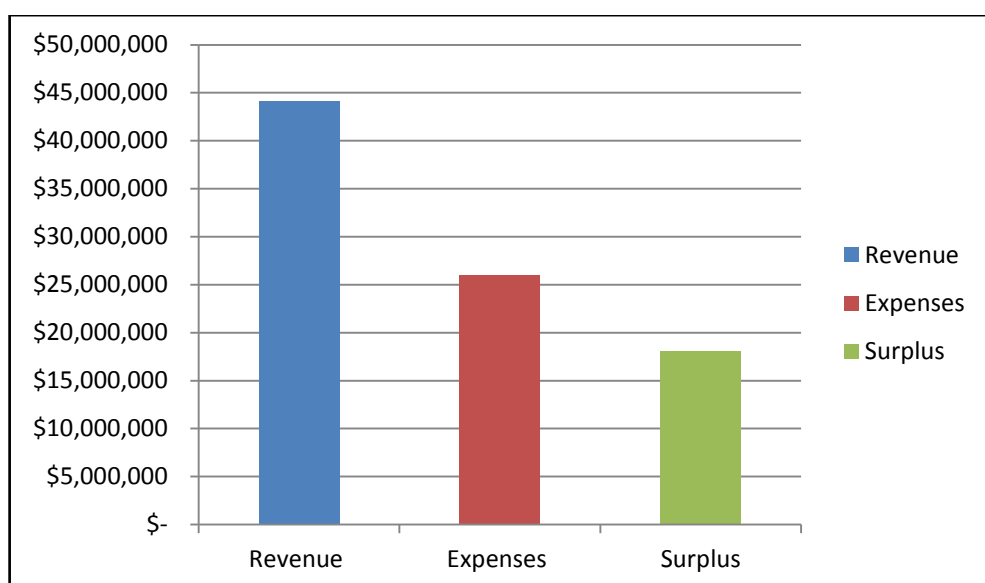
Finance Costs

Finance costs for the year ended 30 June 2016 was \$821,895.

Net Result – Revenue minus expenditure

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

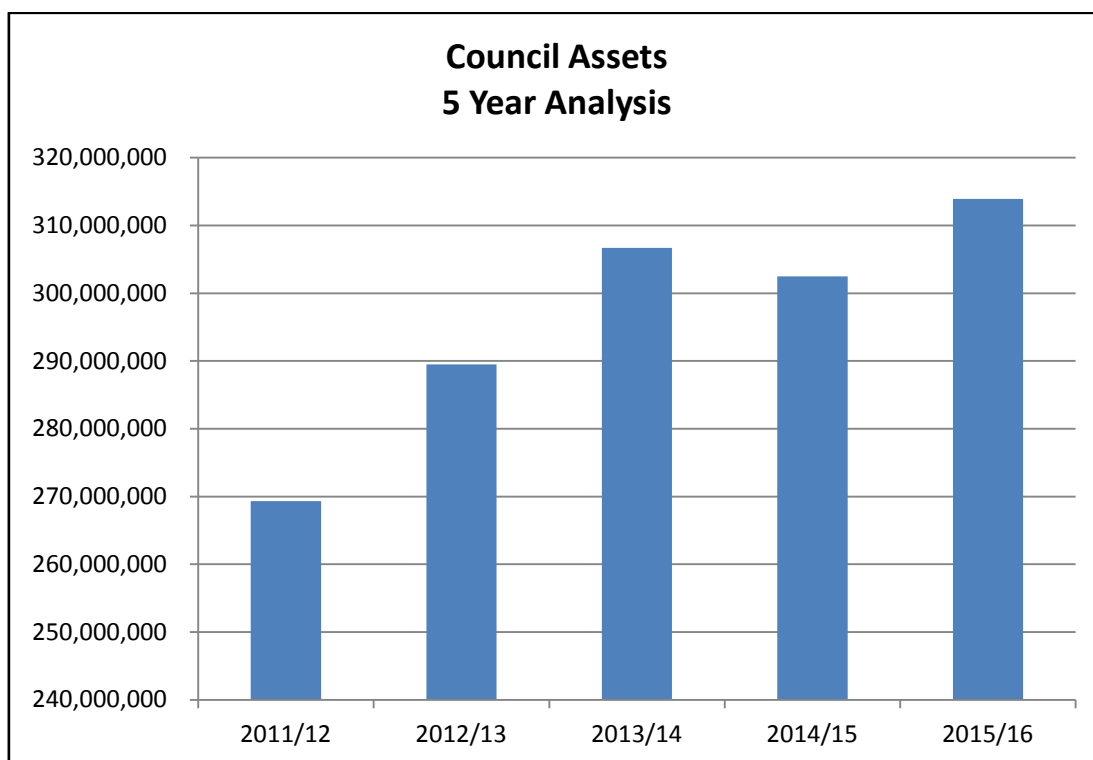
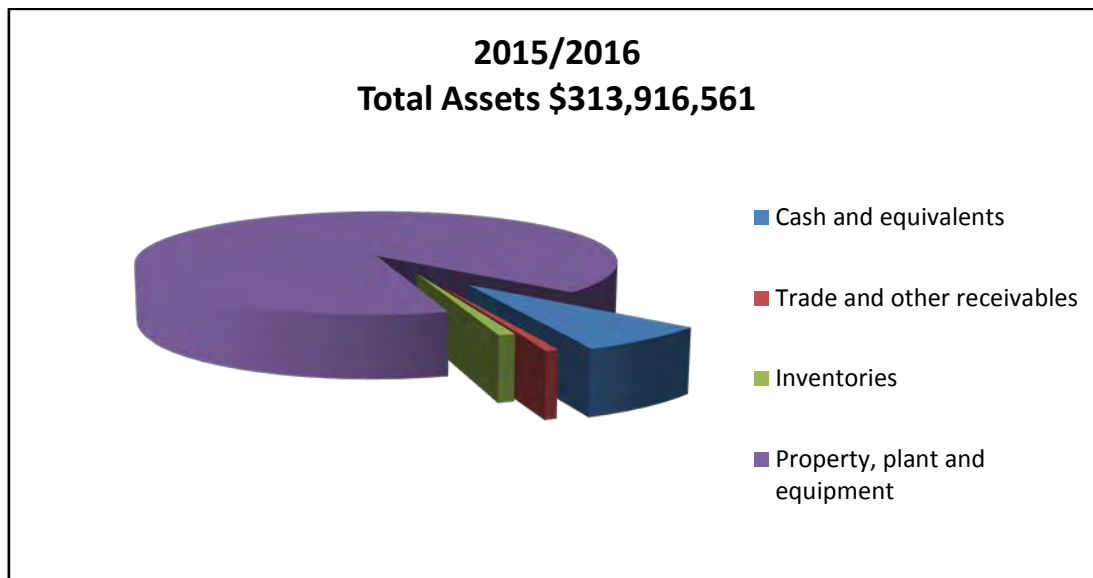
For 2015/2016 the surplus was \$18,137,797. This is represented in the Financial Performance Summary below.



Assets - What We Own?

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

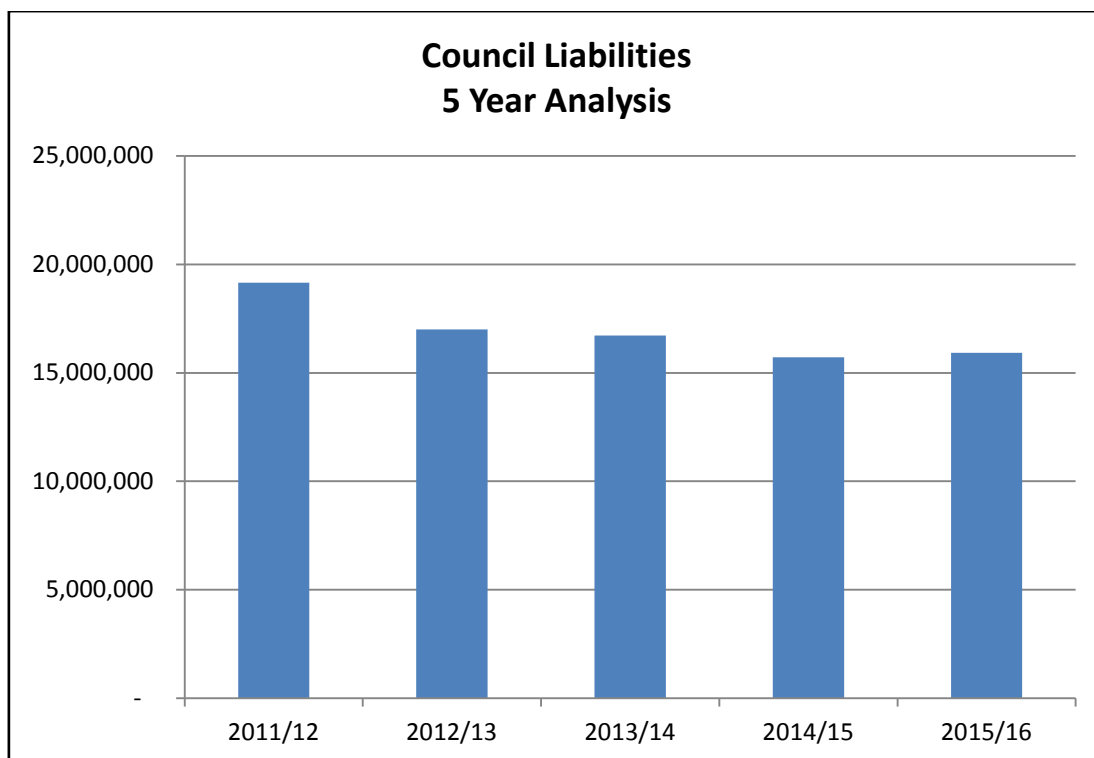
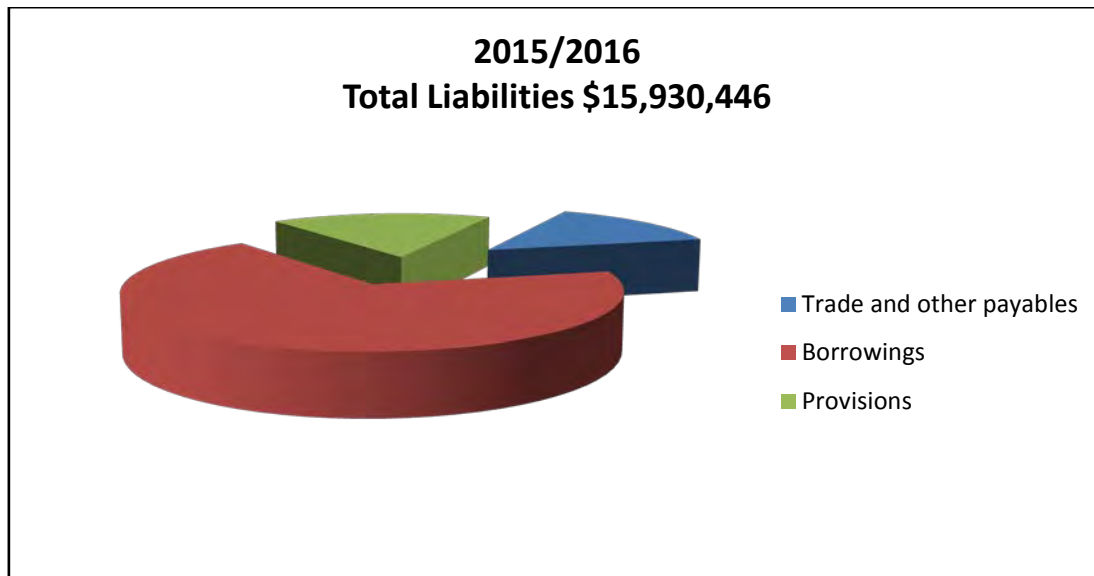
For the year ended 30 June 2016 the value of Council's assets was \$313,916,561 of which \$28,720,878 was current assets and \$285,195,684 was non-current assets.



Liabilities - What We Owe?

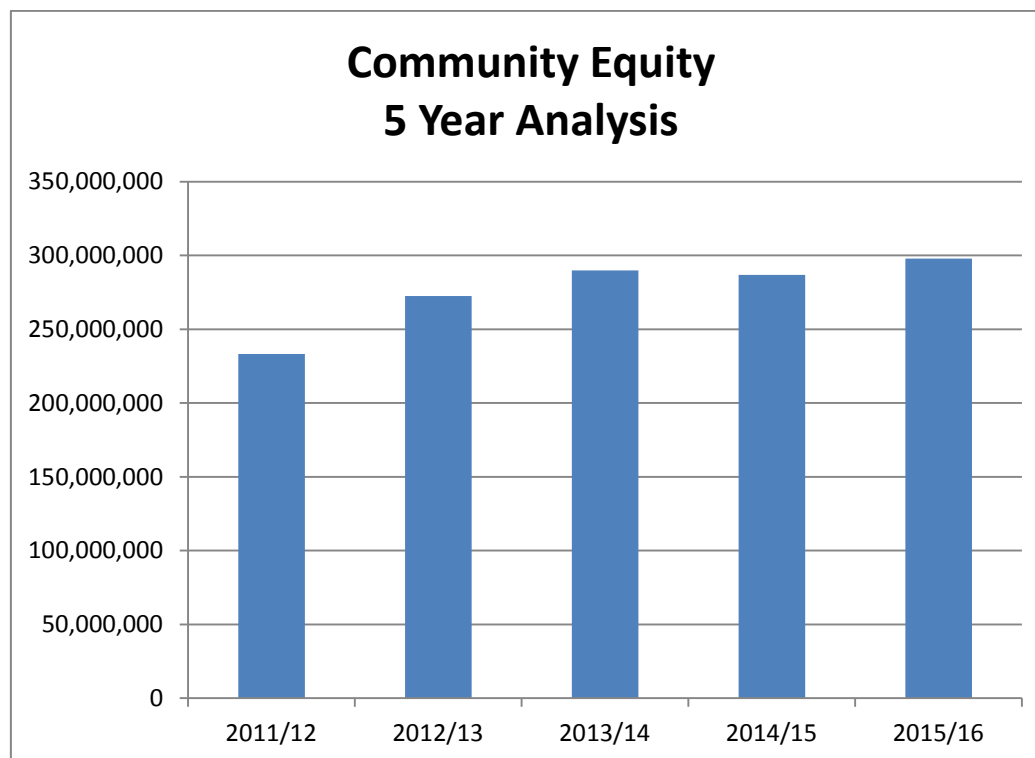
Community Liabilities are mainly comprised of borrowings, monies owed to suppliers and provisions to meet employee entitlements such as long service leave and annual leave.

For the year ended 30 June 2016 total liabilities totalled \$15,930,446 which are split into current liabilities of \$3,843,839 and non-current liabilities of \$12,086,607.



Community Equity – Council’s net worth

Council’s community equity is defined as its net worth – what we own, less what we owe. Cloncurry Shire Council’s community equity as at 30 June 2016 was \$297,986,115.



Measures of Financial Sustainability

The Audited Financial Statements which support this Community Financial Report (refer Annexure A), indicate that the Council has performed well in the 2015/2016 Financial Year and has finished with a strong financial position. Council concluded the year with a net positive cash flow and Council has sufficient funding to cover its present and future obligations into the foreseeable future.

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

Financial Sustainability Ratios

Indicator	2015/16 Ratio	Target	Description
Asset sustainability ratio	122%	Greater than 90%	The extent to which infrastructure assets are being renewed as they reach the end of their useful lives.
Operating surplus ratio	-5%	Between 0% – 10%	The extent to which revenues raised cover operational expenses.
Net financial liabilities ratio	-52%	Not greater than 60%	An indicator of the extent to which the net financial liabilities of Council can be serviced by its operating revenues.

Corporate Services Report

The Corporate Services Directorate encompasses all Council owned businesses, namely Cloncurry Airport, Curry Kids Early Learning Centre and the Cloncurry Saleyards. Corporate Services also oversees the corporate functions of Council; finance, information technology, human resources, records, customer service, corporate governance, workplace health and safety, land acquisitions and sales and cemetery administration.

Airport

Passenger numbers through the Cloncurry Airport in 2015/2016 was 48,835 passengers, which is 2,147 passengers less than the prior year.

The past twelve months have been a busy time for the Airport with construction of the new terminal building and major works being undertaken on the airside on the apron, taxiway and runway.

Construction of the upgrade of the Airport terminal, estimated at \$2.5 million, commenced during 2015/2016, with partial funding under the Royalties for Regions Program to the value of \$500,000. Works also commenced airside with upgrades to the apron, drainage and aircraft parking bays.

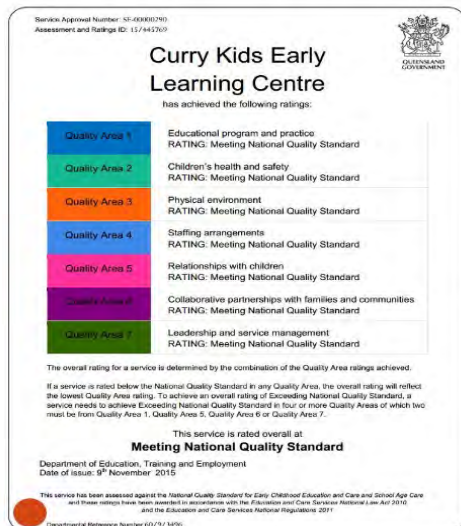
The Airside works included strengthening and correction of the Runway. Royalties for the Regions awarded Council \$800,000 to assist with this \$5.8 million project. Council is focussed on enhancing the services and facilities of the Cloncurry Airport and providing the necessary upgrades to enhance the passenger experience for business, leisure and FIFO travellers.



Sealing works being undertaken on the apron and taxiway as part of the Cloncurry Airport Upgrade project.

Curry Kids Early Learning Centre

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



In November 2015, the Department of Education, Training and Employment certified the service provided at Curry Kids Early Learning Centre as meeting National Quality Standard in seven areas: Educational program and practice, Children's health and safety, Physical Environment, Staffing arrangements, Relationships with children, Collaborative partnerships with families and communities and Leadership and service management.

This was a good achievement for the centre.

Quotations for design and landscaping works to the entrance to the Centre were called in March 2016 with works being completed by June 2016. Project costs were \$62,350. The scope of works included seating/decking around an existing tree, concreted play area for ball games, turf and gardens to give street appeal, and pool style fencing from entrance to side to create new entry point.



Curry Kids entrance prior to outdoor upgrade



A new and improved outdoor look for Curry Kids

Saleyards

Cattle numbers through the saleyards in 2015/2016 were down from the previous year with 230,417 head utilising the facility. This was a decrease of 94,557 head from 2014/2015. This is attributed to both economic and environmental factors.



During the year Council continued with works to weld and repair the yards and loading ramps. Council also completed the major works at the Saleyards which included road sealing and dust suppression.

Council successfully secured funding under the Building our Regions program to undertake a major upgrade of the Saleyards. The project will cost \$2.3million in total, with \$1 million funded by the State and the remainder by Council. The planning stage has been completed for the major refurbishment of the facility which includes extensive dust suppression works, refurbished loading ramps, renovation of the dip area, resurfacing of laneways and rebuilding of yards which will be completed during the 2016/2017 financial year.



Cemetery

Council has begun planning for the next two portions at the lawn cemetery; portion two is nearing capacity. Council has moved towards a new smaller portion to the north of portion two. Planning and design of this section will commence in the 2016/2017 financial year. These works will include drainage solutions, concrete pathways, irrigation, landscaping and shaded areas.

Works and Environmental Services Report

Throughout the 2015/2016 financial year Council has maintained, renewed, upgraded and constructed public infrastructure.

Council's infrastructure consists of:

- Gravel Roads 1,445 km
- Sealed Roads 170 km
- Water Mains 8.3 km [Supply], 40 km [Reticulation], 9 Pump Stations
- Sewer Mains 26.2 km, 9 Pump Stations
- Water Treatment Plant at Cloncurry
- Sewerage Treatment Plant at Cloncurry, and Dajarra

Maintenance and Operational Works

For 2015/16 Council spent the following on maintaining and operating Council's infrastructure

- Town Street \$726,835
- Parks and Gardens \$333,840
- Rural Roads \$1,168,105
- Water \$1,691,030
- Sewer \$376,252
- Landfill Sites \$135,233

Capital Works

Capital projects undertaken by Council this financial year include

- Water and Sewerage Projects \$1.43 million
- Recreation Ground Redevelopment \$1.35 million
- Saleyards \$675 thousand
- Cemetery \$125 thousand



It was all hands on deck to complete the Eddie Lee Field



Council also allocated funds to a re-seal program of a selection of both rural roads (\$105,000) and town streets (\$200,000). Reseals were completed on:

- Sedan Dip Road
- Duchess Phosphate Road
- Alice Street
- Dutton Street
- Palmer Street
- Station Street



Councillors and staff at Saint Andrews Garden Settlement

In addition to Council's funded programs and projects, Council undertakes works on behalf of the Department of Transport and Main Roads, including specific road projects and the Road Maintenance Performance Contracts [RMPC] for Cloncurry to Dajarra Road and Ramsay Street.

Council also receives funding for road projects under the State's Transport Infrastructure Development Scheme [TIDS] (contributions to 50%) and the federally funded Roads to Recovery Program [R2R]. Funding received under both these programs was higher than previous years allowing Council to undertake the following projects:

- **Sedan Dip Road:** Formation and seal of a total of approximately 6.5km.
- **Ramsay Street Upgrades:** In conjunction with the upgrade works undertaken by TMR, Council spent a further \$506,410 on upgrades to Ramsay Street.
- **Airport Access Road:** To complement the capital works being undertaken to upgrade Cloncurry's airport terminal and apron, Council upgraded the access road in front of the terminal, incorporating drainage works and parking upgrades. \$209,934 was received from R2R, \$350,000 from TIDS funding and \$141,000 allocated from Council's cash reserves.



Sealing works on Station Street



Sealing works at Sedan Dip

National Disaster Relief and Recovery Arrangement (NDRRA)

This financial year severe weather caused considerable damage to the rural road network and minor damage in town. Due to the severity of the weather a natural disaster event was proclaimed which enabled Council to access funds under the Natural Disaster Relief and Recovery Arrangements. Damage to the transport network was estimated at \$9,981,936, which apart from \$52,358 is fully recoverable from the Queensland Reconstruction Authority, who administers the NDRRA in Queensland.

Under the funding conditions, Council has two years to complete the works.

Council has now completed the works remaining from the 2014 Flood Damage Program as well as all of the works associated with the 2015 event.

Land Use Planning

After more than two years of public consultation, drafting, and discussions with State Government Departments, Council new Planning Scheme came into effect on 15 February 2016.

The following applications were received for the 2015/2016 financial year

- 14 Development Application lodged
- 39 Building Applications (1 x residential dwelling, 6 x commercial buildings, 32 x other)
- 2 Plumbing Applications

Environmental Health

Inspections have been carried out on all licenced food businesses. Overall, businesses are improving and are committed to achieving compliance with the Food Act.

Compliance officers have been dealing with Local Laws matters as they arise. Council is committed to educating the community on logistics relating to the laws and enforcement thereof.

Council are conducting an Overall Waste Strategy to incorporate best practice processes for our landfill sites and for compliance with the Department of Environment and Heritage Protection's requirements.

The Ranger continues to perform regular patrols of the town area for the purpose of minimising the number of wandering dogs.

A total of 1,239 dogs and cats were registered with Council during the 2015/2016 period. This is an increase in registrations from the previous year with its total being 1,011 registrations.

Throughout the 2015/2016 year, weed control activities were carried out with the implementation of biological bugs being distributed to high infestation areas as well as poison tactics for Mesquite, Rubbervine, Coral Cactus, Calotrope, Prickly Acacia, Parthenium and Parkinsonia. High infestation areas for these pests are along the Cloncurry River and within the Chainman Creek Dam Reserve.

During the 2015/2016 year, 14 rural properties participated in two rounds of coordinated baiting programs which seek to reduce the population of wild dogs and feral pigs within the shire.



Calotrope



Parkinsonia

Community Development Report

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

In the 2015/2016 financial year, the strategic direction of Community Development sought to encourage social wellbeing and to foster opportunities for community growth and development.

Social wellbeing and community resilience

Dr David Harvey Sutton, Doctors and Nurses Reunion

Council remained committed to celebrating local achievements and recognising locals who have contributed and continue to contribute to the social wellbeing of our community. This commitment was celebrated by the Dr David Harvey Sutton reunion hosted by Council in October 2015. The celebration was to officially dedicate the Dr David Harvey Sutton Gallery and celebrate our doctors and nurses that serve a great role in the community.

The Harvey Sutton family returned to Cloncurry for the weekend celebrations, along with many nurses who enjoyed a weekend of good food and good company, with the highlight being the official dedication of the gallery in the presence of his family. This was a moving dedication with many community members coming along to enjoy the event.



Bubs Day Out

Celebrating the hardworking mum and carers in the community was the focus of the 2016 Bubs Day Out. The free event was held at Mary Kathleen Park with morning tea, pamper tent for mums and information from key groups. The event held in June 2016 aimed to support and inspire mums and carers.

Harmony Day

The Cloncurry Harmony Day celebration was held on 22 March 2016 to celebrate our cultural diversity. The day brought all cultures together to enjoy food, market stalls, art display and show. A movie night was also held during the celebration.



Australia Day

2016 Australia Day Celebrations commenced with a citizenship ceremony followed by awards presented to winning recipients. The winners were as follows:

- Citizen of the Year – Jeremy Grimm
- Young Citizen of the Year – Sharlene Hill
- Dave Watt Memorial Junior Sports Award – Cade Ferguson
- Senior Sports Award – Kit Rix
- Sports Administrator Award – Edwina Shepherd
- Cultural Award – Margaret Hughes
- Achievement Award – Sarah Harvey
- Achievement Award – Rachael Palfreyman
- Achievement Award – Frances Gray
- Achievement Award – Jan Schneekloth



Celebrations were followed by lawns bowls at the Cloncurry Bowls Club and a dive in movie to celebrate Australia Day.



Christmas Festival

The 2015 Cloncurry Christmas Festival was held in November with carols by candlelight, a visit by Santa and special performances by local community members. The Christmas Festival is Council's thank you to the community and to bring everyone together in the Christmas Spirit. The festival also involves Christmas markets, special ballooning workshop, a senior's lunch and a visit to Dajarra to spread the Christmas cheer.



RFDS Car Rally

The Royal Flying Doctor Service (RFDS) Car Rally rolled into Cloncurry in June 2016 as part of their charity run, travelling 3500km to raise money for the RFDS. Council hosted a dinner for the car rally and breakfast to see off the travellers as they continued their journey raising money for RFDS.

Growth and Development

Recreation Grounds Redevelopment

2015/2016 was a major year for the Recreation Grounds redevelopment, with both lighting and electrical and the construction of a new field.

Cloncurry Shire Council completed an upgrade of lighting and electrical at the Cloncurry Recreation Grounds. This project had been identified as a priority due to the aging existing infrastructure and new infrastructure required due to pressure of users on the current infrastructure.



Laying turf at Eddie Lee Field

The Project included improvements to power for use by the show, with new water and power bollards installed and more wide spread throughout the grounds. The lighting is now safe and reliable and provides sporting teams and event users with training and game mode options, these options reduce the overall power supply required to run the facility. All the switchboards were upgraded and are now safe and provide consistent and reliable access to power.

The new football field was also constructed in the location of the old rodeo arena and camping area. This field has lighting and underground irrigation. The field is a full size field which will support soccer, rugby league and rugby union. The field was constructed in 2015, with final works and field settling in 2016. A kiosk structure will be constructed in the 2016/2017 financial year to complement the new field.

Council would like to thank both Glencore Ernest Henry Mine and Cannington Mine for their funding contributions towards this project.

Equestrian Centre

The Equestrian Centre continues to enjoy improvements to the grounds, with funding secured from the Queensland Tourism Infrastructure Fund for a shed to be located on the mound for use by events. This was constructed in May and June in time for the Cloncurry Stockman's Challenge event. The upgrade included a bar, cold room, power and water access and location of PA for rodeo arena. This infrastructure will be essential for all events hosted at the grounds.

General Community

A new PA system was installed at the Cloncurry Swimming Pool. This has been an asset for Swimming Carnivals and general users at the pool to improve safety and provide some entertainment for pool users.

The cold room at the Racecourse also enjoyed an upgrade with new walls installed to divide the alcohol section from food section, with a new compressor installed. This has improved the efficiency of the system and ensures the beverages are cold for those who use the facility for their events.



Mayor Greg Campbell, Cr Dane Swalling, Cr Brad Rix and Cr Vicky Campbell with the children of Dajarra State School

Statutory Requirements

The following information includes the legislative disclosure requirements of the *Local Government Act 2009* and related regulations for the 2015/2016 Annual Report.

Local Government Act 2009

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

During the period Council did not conduct any beneficial enterprises.

Section 45 requires the Annual Report to:

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

During the period Council operated the following business activities:

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

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

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

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

Council has no significant business activities, therefore not applicable.

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

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

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

Salary Band	Number of Employees
\$100,000 - \$200,000	2
\$200,000 - \$300,000	1
\$300,000 - \$400,000	1

Local Government Regulation 2012

s183 Financial Statements

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

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

Refer to Annexure A of this report.

s184 Community Financial Report

As presented on page 17 of this report.

s185 Particular Resolutions

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

a. Expenses Reimbursement Policy

9.3 Review of Councillor Reimbursement of Expenses and Provision of Facilities Policy

Moved: Cr McMillan

Seconded: Cr Ferguson

- 1. That Council adopt the Councillor Reimbursement of Expenses and Provision of Facilities Policy, COR 1001 version 2; and**
- 2. That the Locality Allowance be paid pro-rata from the date of adoption.**

CARRIED: 15.151215

b. Valuation of non-current physical assets

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

Reserves and Controlled Roads

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

The total length of roads in the Shire is 2279km, of which 759.75km is not owned by Council (that is State Controlled roads).

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

s186 Councillors

Councillor Remuneration

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

Councillor Attendance and Remuneration Schedule

			Meeting Attendance	
Name	Remuneration	Superannuation Contributions	Special Meeting	General Meetings
Previous Council				
Cr Andrew Daniels (Mayor)	\$73,263	\$0	0	2
Cr Bob McDonald (Deputy Mayor)	\$36,632	\$0	0	14
Cr Jane McMillan	\$42,267	\$0	0	19
Cr Colin Ferguson	\$36,632	\$0	0	14
Cr Keith Douglas	\$36,632	\$0	0	14
Current Council				
Cr Greg Campbell (Mayor)	\$24,421	\$0	1	5
Cr Dane Swalling (Deputy Mayor)	\$14,089	\$0	1	5
Cr Brad Rix	\$12,210	\$0	1	5
Cr Vicky Campbell	\$12,210	\$0	1	5
Cr Damien McGee	\$12,210	\$0	1	5

Councillor Expenses and Facilities Schedule

Name	Mobile devices/ IPad	Phone Allowance*	Council Vehicle	Locality Allowance*	Expenses reimbursed*
Previous Council					
Cr Andrew Daniels (Mayor)	✓	✓	✓	\$0	
Cr Bob McDonald (Deputy Mayor)	✓	\$450		\$762	
Cr Jane McMillan	✓	\$450		\$444	\$1,088
Cr Colin Ferguson	✓	\$450		\$14	\$544
Cr Keith Douglas	✓	\$450		\$832	
Current Council					
Cr Greg Campbell (Mayor)	✓	✓	✓	N/A	
Cr Dane Swalling (Deputy Mayor)	✓	\$150		N/A	
Cr Brad Rix	✓	\$150		N/A	
Cr Vicky Campbell	✓	\$150		N/A	
Cr Damien McGee	✓	\$150		N/A	

*Figures exclude GST

Code of Conduct, Complaints and Breaches

Under Section 186 (d), (e), (f) of the *Local Government Regulation 2012* Council is required to report on details on complaints and taking disciplinary action. Council has 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 of the Councillors	Nil
A summary of the order or recommendation made for each Councillor	Nil
The number of complaints about the conduct or performance of Councillors for which no further action was taken under section 176C(2) of the Act	Nil
The number of complaints referred to the department's Chief Executive under Section 176C(3)(a)(i) of the <i>Local Government Act 2009</i>	Nil
The number of complaints referred to the Mayor under Section 176C(3)(a)(i) of the <i>Local Government Act 2009</i>	Nil
The number of complaints referred to the department's Chief Executive under Section 176C(4)(a) 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 to which section 176C(6) of the <i>Local Government Act 2009</i> applied	Nil

No breaches or alleged breaches of the Code of Conduct for Councillors were reported from 1 July 2015 to 30 June 2016.

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

s187 Administrative action complaints

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

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

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

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

Year	Administrative Complaints received	Administrative Complaints resolved	Administrative Complaints not resolved
2014/2015	4	4	0
2015/2016	4	3	1

s188 Overseas Travel undertaken by Councillors or Employees

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

No overseas travel was taken by any Councillors or employees on behalf of the Cloncurry Shire Council in the year ending 30 June 2016.

s189 Grants or Discretionary Funds to Community Organisations

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

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

Total expenditure incurred on grants to community organisations by Cloncurry Shire Council during the year ended 30 June 2016 was \$142,812. An additional grant of \$96,939 received from Department of Communities, Child Safety and Disability Services under the Community Drought Support Program was disbursed to community groups.

The Mayor and Councillors did not have any discretionary funds to allocate to community organisations in 2015/2016.

Community Donations and Sponsorships

Community Group	Purpose	Donation (\$)
St Joseph's School	Christmas Donation	\$53
Kindergarten	Art Auction	\$315
Cloncurry State School	Francis McCalman Bursary	\$105
Scouts	Donation	\$1,873
Team Olivia Border Ride	Donation	\$291
Friends of John Flynn Place	Donation	\$1,050
Dajarra State School	Donation	\$158
St Andrews Anglican Church	Stained glass window donation	\$10,500
Queensland Police Service	Child Safety Program	\$1,239
Flinders Medical Centre	Rental Assistance	\$100,560
Dajarra	Softball equipment	\$1,668
Care Flight Group Limited	NQ Rescue Helicopter	\$15,000
Cloncurry State School	Chaplaincy support	\$10,000
Total		\$142,812

All figures are rounded to the nearest dollar

In Kind Support to Community Organisations

The total expenditure incurred on in kind support to community organisations during the year ended 30 June 2016 was \$63,707.

Community Group	In Kind Support (\$)
Quamby Rodeo	\$3,578
Cloncurry & District Race Club	\$415*
Cloncurry Merry Muster	\$8,966*
Stockman's Challenge	\$7,504*
Cloncurry Show	\$8,086*
Rockhana Gem & Mineral Festival	\$615
Dajarra Rodeo	\$3,032*
Burke & Wills Campdraft	\$7,021*
Country Women's Association	\$178
Breast Friends Day	\$298
Refund of Hire Fees	\$290
Cloncurry Guns Club	\$574
C150 event	\$1,033
ICPA	\$2,016
Emirates Melbourne Cup Trophy Tour	\$1,598
Opti-Minds	\$1,148
CYAT	\$287
Cloncurry Tri Club	\$1,060
RFDS Car Rally	\$16,008
Total	\$63,707

All figures are rounded to the nearest dollar

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

s190 Other Contents

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

(a)	The Chief Executive Officer's assessment of the local government's progress towards implementing its 5-year corporate plan and annual operational plan;	Refer pg 13-15
(b)	Particulars of other issues relevant to making an informed assessment of the local government's operations and performance in the Financial Year; <ul style="list-style-type: none">• Message from CEO• Community Financial Report• Corporate Services Report• Works and Environmental Services Report• Community Development Report	Refer Reports
(c)	An annual operations report for each commercial business unit;	Not applicable
(d)	Details of any action taken for, and expenditure on, a service, facility or activity; (i) Supplied by another Local Government under an agreement for conducting a joint government activity; and (ii) For which the Local Government levied special rates or charges for the Financial Year;	Refer below Refer below
(e)	The number of invitations to change tenders under section 228(7) during the Financial Year;	Refer below
(f)	A list of the registers kept by the local government;	Refer below
(g)	A summary of all concessions for rates and charges granted by the local government;	Refer below
(h)	The report on the internal audit for the Financial Year;	Refer below
(i)	A summary of investigation notices given in the Financial Year under section 49 for competitive neutrality complaints;	Not applicable
(j)	The local government's responses in the Financial Year on the QCA's recommendations on any competitive neutrality complaints under section 52(3).	Not applicable

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

Council has no commercial business units to report on.

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

Council has no matters to report under this section.

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

Palmer Street, Cloncurry

In accordance with Section 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 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 was \$46,350. 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 was \$46,350 and 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 2011/2012 Financial Year as set out in the 2011/2012 Revenue Statement. The final Special Charge will be levied in the 2030/2031 Financial Year.

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:

Duchess/Phosphate/Trekelano Road

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

Overall Plan

Activity	Annual Allowance \$
Description of service Bitumen Reseal of Duchess/ Phosphate/ Trekelano Road total kilometres - 53 @ forecast cost of \$45,000 per km in 2023/2024 Total cost of work	\$ 2,385,000
Annual Implementation Plan 2015/2016	\$315,000
Remaining 9km @\$35,000/km less \$80,000 collected 2014/2015 financial Year	-\$80,000
Bitumen Reseal (annual allowance for reseal in eight years, commencing 2016/2017 – increase to \$298,125 per annum up to and including 2023/2024.	\$298,125
Total for 2015/2016	\$235,000

Annual Implementation

Year	Assessment Annual Allocation	01319-30000-000 40%	01280-30000-000 60%	Total
0	2015/2016	\$94,000	\$141,000	\$235,000
1	2016/2017	\$119,250	\$178,875	\$298,125
2	2017/2018	\$119,250	\$178,875	\$298,125
3	2018/2019	\$119,250	\$178,875	\$298,125
4	2019/2020	\$119,250	\$178,875	\$298,125
5	2020/2021	\$119,250	\$178,875	\$298,125
6	2021/2022	\$119,250	\$178,875	\$298,125
7	2022/2023	\$119,250	\$178,875	\$298,125
8	2023/2024	\$119,250	\$178,875	\$298,125

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

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

There were nil instances during 2015/2016 financial year where persons who had submitted a tender to Council were invited to change their tenders.

s190 (f) Registers and Public Documents

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

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

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

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

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

The Revenue Policy is available for viewing at www.cloncurry.qld.gov.au

7.0 REVENUE POLICY

Moved: Cr McMillan

Seconded: Cr Douglas

That in accordance with Section 193 of the *Local Government Regulation 2012*, Council adopts the Revenue Policy as presented for 2015-2016.

CARRIED: 05.150623

Rebate of Rates to Pensioners (as per Revenue Statement)

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

Concession from General Rates (as per Revenue Statement)

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

10.0 REVENUE STATEMENT

Moved: Cr Douglas

Seconded: Cr McDonald

That in accordance with Section 172 of the *Local Government Regulation 2012*, the Cloncurry Shire Council's 2015-2016 Revenue Statement as amended is adopted.

CARRIED: 08.150623

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

The internal audit for the 2015/2016 Financial Year was undertaken by LGAQ over two onsite visits in October 2015 and June 2016. The matters that have been addressed since this time have resulted in a lower risk profile for Council in relation to those matters (based on number of items).

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

These are:

- *Review the adequacy and effectiveness of the Business Continuity Plan;*
- *Review Corporate Plan to ensure adequate measurable performance indicators;*
- *Management of Council's delegation management process;*
- *Review Council's rating strategies and practices surrounding it;*
- *Review Risk Management and related practices.*

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

Council received no complaints under s49 in 2015/2016 financial year.

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

Council received no complaints under s49 in 2015/2016 financial year and was therefore not required to provide any responses.

Annexure A – 2015/2016 Audited Financial Statements

Cloncurry Shire Council

Financial Statements



for the year ended 30 June 2016

Cloncurry Shire Council

Financial statements

For the year ended 30 June 2016

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 - 9
2 Analysis of results by function	10-11
3 Revenue analysis	12
4 Grants, subsidies and contributions	13
5 Capital income/(expenses)	13
6 Employee benefits	13
7 Materials and services	14
8 Finance costs	14
9 Depreciation	14
10 Cash and cash equivalents	14
11 Short term investments	15
12 Trade and other receivables	15
13 Inventories held for sale	15
14 Land held for development and sale	15
15 Property, plant and equipment	16-17
16 Fair Value Measurements	18-22
17 Trade and other payables	23
18 Borrowings	23
19 Provisions	23
20 Asset revaluation surplus	24
21 Commitments for expenditure	24
22 Contingent liabilities	24
23 Superannuation	25
24 Operating lease income	26
25 Trust funds	26
26 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities	26
27 Events after the reporting period	26
28 Financial instruments	27-29
Management Certificate	30
Independent Auditor's Report	31-32

Cloncurry Shire Council
Statement of Comprehensive Income
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3(a)	12,595,194	11,898,465
Fees and charges	3(b)	3,940,444	4,533,446
Rental income	3(c)	420,383	359,395
Interest received	3(d)	755,027	967,273
Sales revenue	3(e)	1,007,017	1,133,054
Grants, subsidies and contributions	4(a)	5,963,082	5,977,400
		<u>24,681,146</u>	<u>24,869,032</u>
Capital revenue			
Grants, subsidies and contributions	4(b)	19,501,138	12,129,966
Total revenue		<u>44,182,284</u>	<u>36,998,998</u>
Total income		<u>44,182,284</u>	<u>36,998,998</u>
Expenses			
Recurrent expenses			
Employee benefits	6	(6,549,680)	(6,438,598)
Materials and services	7	(8,679,825)	(9,657,789)
Finance costs	8	(821,895)	(813,498)
Depreciation	9	(9,845,083)	(7,821,806)
		<u>(25,896,482)</u>	<u>(24,731,691)</u>
Capital expenses	5	(148,005)	(107,024)
Total expenses		<u>(26,044,487)</u>	<u>(24,838,715)</u>
Net result		<u>18,137,797</u>	<u>12,160,283</u>
Other comprehensive income			
Items that will not be reclassified to net result			
Increase / (decrease) in asset revaluation surplus	20	(6,926,706)	(14,651,712)
Total other comprehensive income for the year		<u>(6,926,706)</u>	<u>(14,651,712)</u>
Total comprehensive income for the year		<u>11,211,090</u>	<u>(2,491,429)</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 2016

	Note	2016 \$	2015 \$
Current assets			
Cash and cash equivalents	10	23,486,336	15,452,281
Short term investments	11	-	8,000,000
Trade and other receivables	12	2,232,421	2,367,012
Inventories	13	3,002,121	3,258,557
Total current assets		<u>28,720,878</u>	<u>29,077,849</u>
Non-current assets			
Property, plant and equipment	15	285,195,684	273,421,266
Total non-current assets		<u>285,195,684</u>	<u>273,421,266</u>
Total assets		<u>313,916,561</u>	<u>302,499,116</u>
Current liabilities			
Trade and other payables	17	2,283,566	1,810,457
Borrowings	18	576,859	526,917
Provisions	19	983,413	988,389
Total current liabilities		<u>3,843,839</u>	<u>3,125,763</u>
Non-current liabilities			
Borrowings	18	10,330,548	10,900,422
Provisions	19	1,756,060	1,597,906
Total non-current liabilities		<u>12,086,607</u>	<u>12,598,328</u>
Total liabilities		<u>15,930,446</u>	<u>15,724,091</u>
Net community assets		<u>297,986,115</u>	<u>286,775,024</u>
Community equity			
Asset revaluation surplus	20	86,213,234	93,139,940
Retained surplus		211,772,881	193,635,084
Total community equity		<u>297,986,115</u>	<u>286,775,024</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 2016

	Note	Asset revaluation surplus 20	Retained Surplus	Total
		\$	\$	\$
Balance as at 1 July 2015		93,139,940	193,635,084	286,775,024
Net result			18,137,797	18,137,797
Other comprehensive income for the year				
Decrease in asset revaluation surplus		(6,926,706)	-	(6,926,706)
Total comprehensive income for the year		(6,926,706)	18,137,797	11,211,091
Balance as at 30 June 2016		86,213,234	211,772,881	297,986,115
Balances as at 1 July 2014		107,791,652	182,180,026	289,971,678
Correction of error			(705,225)	(705,225)
Net result			12,160,283	12,160,283
Other comprehensive income for the year				
Increase in asset revaluation surplus		(14,651,712)	-	(14,651,712)
Total comprehensive income for the year		(14,651,712)	12,160,283	(2,491,429)
Balance as at 30 June 2015		93,139,940	193,635,084	286,775,024

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 2016

	Note	2016	2015
		\$	\$
Cash flows from operating activities			
Receipts from customers		20,808,966	16,260,997
Payments to suppliers and employees		(16,948,860)	(16,969,431)
		3,860,106	(708,434)
Interest received		755,027	967,273
Rental income		383,571	359,395
Non capital grants and contributions		5,570,252	5,977,400
Borrowing costs		(821,895)	(813,498)
Net cash inflow (outflow) from operating activities	26	9,747,062	5,782,136
Cash flows from investing activities			
Payments for property, plant and equipment		(28,871,013)	(20,158,204)
Investment in term deposits		8,000,000	(8,000,000)
Proceeds from sale of property plant and equipment		176,800	157,727
Grants, subsidies, contributions and donations		19,501,138	12,129,966
Net cash inflow (outflow) from investing activities		(1,193,075)	(15,870,511)
Cash flows from financing activities			
Net Repayment of borrowings		(519,932)	(2,379,893)
Net cash inflow (outflow) from financing activities		(519,932)	(2,379,893)
Net increase (decrease) in cash and cash equivalents held		8,034,056	(12,468,268)
Cash and cash equivalents at the beginning of the financial year		15,452,280	27,920,547
Cash and cash equivalents at the end of the financial year	10	23,486,336	15,452,280

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

Significant accounting policies

1 (a) Basis of preparation

These general purpose financial statements are for the period 1 July 2015 to 30 June 2016 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*. Consequently, these financial statements have been prepared in accordance with all Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board.

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

Recurrent/capital classification

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

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

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

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

1 (b) Statement of Compliance

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

1 (c) Constitution

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

1 (d) 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 (e) Currency

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

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

At the date of authorisation of the financial report, AASB 9 *Financial Instruments* and AASB 2015-6 *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities* are the only new accounting standards with a future application date that are expected to have a material impact on council's financial statements.

From 1 July 2016 AASB 124 *Related Party Disclosures* will apply to council, which means that council will disclose more information about related parties and transactions with those related parties.

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

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

1 (g) 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 (n) and Note 16
Impairment of property, plant and equipment - Note 1 (m)
Provisions - Note 1 (u) and Note 19
Contingent liabilities - Note 22

1 (h) Revenue

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

Rates, levies and charges

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

Grants, subsidies and contributions

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

Non-cash contributions

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

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

Sales revenue

Sale of goods is recognised when the significant risks and rewards of ownership are transferred to the buyer, generally when the customer has taken undisputed delivery of the goods.

The Council generates revenues from a number of services including child care, contracts for road maintenance and construction, earthworks and from the operation of the Cloncurry Airport. Revenue is measured at the fair value of consideration received or receivable in relation to that activity. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed.

Fees and charges

Fees and charges are recognised upon unconditional entitlement to the funds. Generally this is upon lodgement of the relevant applications, documents or invoices, issuing of the infringement notice or when the service is provided.

1 (i) Financial assets and financial liabilities

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

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

Financial assets

Cash and cash equivalents (Note 10)
Short term investments (Note 11)
Receivables - measured at amortised cost (Note 12)

Financial liabilities

Payables - measured at amortised cost (Note 17)
Borrowings - measured at amortised cost (Note 18)

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

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

All other disclosures relating to the measurement and financial risk management of financial instruments are included in Note 28.

1 (j) Receivables

Trade receivables are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase price / contract price. Settlement of these amounts is required within 30 days from invoice date.

The collectability of receivables is assessed periodically and if there is objective evidence that Council will not be able to collect all amounts due, the carrying amount is reduced for impairment. The loss is recognised in finance costs.

All known bad debts were written-off at 30 June. Subsequent recoveries of amounts previously written off in the same period are recognised as finance costs in the Statement of Comprehensive Income. If an amount is recovered in a subsequent period it is recognised as revenue.

Because Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, Council does not generally impair any rate receivables. This does not however apply where the rateable property is land with negligible value.

1 (k) Land held by Council for resale

Land acquired by Council with the intention of reselling (with or without further development) is classified as inventory. This land is valued at the lower of cost or net realisable value. As an inventory item, this land held for resale is treated as a current asset. Proceeds from the sale of this land will be recognised as sales revenue on the signing of a valid unconditional contract of sale Note 14.

1 (l) Property, plant and equipment

Each class of property, plant and equipment is stated at amortised cost or fair value. Items of plant and equipment with a total value of less than \$5,000, and infrastructure assets and buildings with a total value of less than \$10,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

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

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

Acquisition of assets

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

Capital and operating expenditure

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

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

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

Valuation

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

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

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

An analysis performed has indicated that, on average, the variance between an indexed asset value and the valuation by an independent valuer when performed is not significant and the indices used by Council are sound. Further details in relation to valuers, the methods of valuation and the key assumptions used are disclosed in Note 16.

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.

Details of valuer and methods of valuations are disclosed in Note 16.

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

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.

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

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

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

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The condition assessments performed as part of the annual valuation process for assets measured at depreciated current replacement cost are used to estimate the useful lives of these assets at each reporting date. Details of the range of estimated useful lives for each class of asset are shown in Note 15.

1 (m) Impairment of non-current assets

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

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

1 (n) Leases

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

1 (o) 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 (p) Liabilities - employee benefits

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

Annual leave

A liability for annual leave is recognised. Amounts expected to be settled within 12 months (the current portion) are calculated on current wage and salary levels and includes related employee on-costs. Amounts not expected to be settled within 12 months (the non-current portion) are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values if considered material. This liability represents an accrued expense and is reported in Note 17 as a payable. As council does not have an unconditional right to defer this liability beyond 12 months annual leave is classified as a current liability.

Superannuation

The superannuation expense for the reporting period is the amount of the contribution the Council makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in Note 23.

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 19 as a provision.

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

1 (q) Borrowings and borrowing cost

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

In accordance with the *Local Government Regulation 2012* Council adopts an annual debt policy that sets out Council's planned borrowings for the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times. All borrowing costs are expensed in the period in which they are incurred. No borrowing costs are capitalised on qualifying assets.

1 (r) Asset Revaluation Surplus

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

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

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

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

1 (s) Rounding and comparatives

The financial statements have been rounded to the nearest \$1.

1 (t) 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 25.

1 (u) Taxation

Council is exempt from Commonwealth taxation except for Fringe Benefits Tax and Goods and Services Tax ("GST").

1 (v) Restoration provision

Refuse dump restoration
Quarry Rehabilitation

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

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

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2016

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. Includes strategic and operational planning, risk management, legal and admin support.

Finance and information

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

Community services

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

This function includes:

Libraries

Entertainment venues

Public health services including vaccination clinics

Environmental licenses and approvals

Planning and development

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

Transport infrastructure

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

Waste management

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

Water infrastructure

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

Sewerage infrastructure

Protects and supports the health of our community by sustainably managing sewerage infrastructure.

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2016

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 2016

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

Year ended 30 June 2015

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net Result	Assets
	Recurring		Capital			Recurring	Capital				
	Grants	Other	Grants	Other							
	2015	2015	2015	2015							
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Corporate governance	-	59,080	-	-	59,080	329,031	107,024	436,055	(269,951)	(376,975)	-
Finance and information	3,494,414	8,442,189	-	-	11,936,603	3,245,530	-	3,245,530	8,691,073	8,691,073	42,178,670
Community services	728,028	4,617,196	389,695	-	5,734,919	11,621,472	-	11,621,472	(6,276,248)	(5,886,553)	61,785,770
Planning & development	700	133,877	-	-	134,577	456,562	-	456,562	(321,985)	(321,985)	214,246
Transport infrastructure	1,754,258	1,923,184	11,590,271	-	15,267,713	4,934,236	-	4,934,236	(1,256,794)	10,333,477	149,812,975
Waste management	-	654,083	-	-	654,083	733,840	-	733,840	(79,757)	(79,757)	1,560,074
Water infrastructure	-	2,304,469	150,000	-	2,454,469	2,767,869	-	2,767,869	(463,400)	(313,400)	38,506,453
Sewerage infrastructure	-	757,554	-	-	757,554	643,152	-	643,152	114,402	114,402	8,440,928
Total	5,977,400	18,891,632	12,129,966	-	36,998,998	24,731,692	107,024	24,838,716	137,340	12,160,282	302,499,116

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
3 Revenue analysis			
(a) Rates, levies and charges			
General rates		9,516,696	9,050,585
Separate rates		238,979	83,979
Water		2,299,698	2,254,066
Sewerage		774,354	752,143
Waste management		630,382	593,480
Gross rates, levies and charges		13,460,109	12,734,252
Less: Discounts		(853,348)	(824,869)
Less: Pensioner remissions		(11,568)	(10,919)
		<u>12,595,194</u>	<u>11,898,465</u>
(b) Fees and charges			
Saleyard - weighing		243,365	431,311
Saleyard - dipping		615,273	736,388
Saleyard - tick free		-	110,701
Airport fees & charges		2,184,431	2,320,205
Childcare fees & charges		433,844	392,807
Water connection fees		23,764	31,401
Other fees and charges		439,767	510,633
		<u>3,940,444</u>	<u>4,533,446</u>
(c) Rental income			
Rental - Commercial		420,383	359,395
		<u>420,383</u>	<u>359,395</u>
(d) Interest received			
Interest received from cash balances		659,715	910,600
Interest from overdue rates and utility charges		95,312	56,673
		<u>755,027</u>	<u>967,273</u>
(e) Sales revenue			
Sale of services			
Contract and recoverable works		882,940	855,642
Private works		124,077	277,412
Total sales revenue		<u>1,007,017</u>	<u>1,133,054</u>

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

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
4 Grants, subsidies and contributions			
(a) Recurrent			
Commonwealth general purpose grants		5,285,556	4,322,789
State government subsidies and grants		268,942	1,654,611
Contributions & Donations		408,584	-
		<u>5,963,082</u>	<u>5,977,400</u>
(b) Capital			
State government subsidies and grants - flood damage		15,478,551	2,712,170
State government subsidies and grants		3,772,587	9,417,796
Contributions & Donations		250,000	-
		<u>19,501,138</u>	<u>12,129,966</u>
Conditions over contributions			
Contributions recognised as income during the reporting period and which were obtained on the condition that they be expended in a manner specified by the contributor but had not been expended at the reporting date			
Non-reciprocal grants for expenditure on services		-	-
Non-reciprocal grants for expenditure on infrastructure		7,161,846	57,085
		<u>7,161,846</u>	<u>57,085</u>
Contributions recognised as income during a previous reporting period that were obtained in respect of the current reporting period:			
Non-reciprocal grants for expenditure on services		-	-
Non-reciprocal grants for expenditure on infrastructure		57,085	2,882,378
		<u>57,085</u>	<u>2,882,378</u>
5 Capital income/(expenses)			
Gain / (loss) on disposal of non-current assets			
Proceeds from the sale of property, plant and equipment		176,800	157,728
Less: Book value of property, plant and equipment disposed of		(324,805)	(264,752)
		<u>(148,005)</u>	<u>(107,024)</u>
6 Employee benefits			
Total staff wages and salaries		5,878,475	5,543,831
Councillors' remuneration		300,566	293,809
Annual and long service leave entitlements		1,333,114	1,059,797
Superannuation	23	721,973	634,725
		<u>8,234,128</u>	<u>7,532,162</u>
Other employee related expenses		-	39,958
		<u>8,234,128</u>	<u>7,572,120</u>
Less: Capitalised employee expenses		(1,684,450)	(1,133,522)
		<u>6,549,679</u>	<u>6,438,598</u>
Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties.			
Total Council employees at the reporting date:			
Elected members		5	5
Administration staff		49	61
Depot and outdoors staff		56	58
Total full time equivalent employees		<u>110</u>	<u>124</u>

As disclosed in Note 7 below and additional \$818,569 of employee expenses in the 2015 financial year has been treated as capitalised employee expenses.

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
		2016	2015
7 Materials and services			
Audit of annual financial statements		82,535	69,661
Infrastructure Operations and Maintenance		2,770,447	2,371,906
Business Services (Saleyards, Airport, Private Works)		1,512,155	1,704,540
Community Services (Childcare, Public Facilities, Tourism)		1,780,743	2,682,581
Refuse and Environmental Services		938,101	643,193
Corporate and Management Services		1,549,236	848,273
Other Materials and Services		46,608	1,337,633
		<u>8,679,825</u>	<u>9,557,789</u>

During the 2016 financial year Council revised its grouping of Material and Services line items. These revisions have been applied against the 2015 balances. A review of capitalised expenditure for the 2015 Financial year also revealed that \$818,569 of Materials and Services capitalised when these were actually payroll costs. These amounts have been adjusted in the 2015 Materials and Services, and Employee Benefits balances.

8 Finance costs			
Finance costs charged by Queensland Treasury Corporation		662,125	813,418
Bank charges		26,900	11,851
Impairment of debts / (reversal)		132,870	(11,771)
		<u>821,895</u>	<u>813,498</u>

9 Depreciation			
Buildings		1,476,625	1,456,478
Plant and equipment		619,522	620,588
Road, drainage and bridge network		5,617,942	4,024,023
Water		1,006,126	793,776
Sewerage		333,508	270,493
Other structures		791,360	656,449
Total depreciation	15	<u>9,845,083</u>	<u>7,821,807</u>

10 Cash and cash equivalents			
Cash at bank and on hand		348,506	472,029
Deposits at call		23,137,829	14,980,252
Balance per Statement of Cash Flows		<u>23,486,336</u>	<u>15,452,281</u>

Council's cash and cash equivalents are subject to a number of external restrictions that limit amounts available for discretionary or future use. These include:

Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:

Unspent government grants and subsidies	7,161,846	57,085
Total unspent restricted cash	<u>7,161,846</u>	<u>57,085</u>

Cash and cash equivalents includes cash on hand, all cash and cheques receipted but not banked at the year end, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Term deposits in excess of three months are reported as short term investments.

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
11 Short term investments			
Term deposits		-	8,000,000
		-	8,000,000
12 Trade and other receivables			
Current			
Rateable revenue and utility charges		1,058,213	521,730
Trade receivables		1,353,499	1,929,731
less: impairment or Provision for doubtful debts		(179,291)	(84,450)
		2,232,421	2,367,012
Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on other debtors.			
13 Inventories held for sale			
Trading stock		38,935	29,898
		38,935	29,898
Inventories held for distribution			
Plant and equipment stores		214,931	210,519
		214,931	210,519
Land held for development and sale			
Land held for resale	14	2,748,256	3,018,140
		2,748,256	3,018,140
Total inventories		3,002,121	3,258,557
14 Land held for development and sale			
Opening balance		3,018,140	3,018,140
Less: Cost of development land sold		(269,884)	-
		2,748,256	3,018,140
Classified as			
Current		2,748,256	3,018,140

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2016

15 Property, plant and equipment

30 June 2016

Basis of measurement

Asset values

Opening gross value as at 1 July 2015

Movements Between Classes Opening

Internal Transfers

Additions

Disposals

Revaluation adjustment to asset revaluation surplus

Transfers between classes

Closing gross value as at 30 June 2016

Note	Land	Buildings	Plant and equipment	Road, drainage and bridge network	Water	Sewerage	Other Structures	Work in progress	Total
	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
	19,519,962	46,996,195	10,338,293	185,465,413	55,973,896	16,742,668	27,622,484	13,994,489	376,653,400
	-	69,300	47,156	-	-	-	(116,456)	-	-
	-	-	-	-	-	-	(1,560,075)	1,560,075	-
	-	-	-	-	-	-	-	28,871,016	28,871,016
5	(7,290)	-	(661,353)	-	-	-	-	-	(668,643)
20	(2,757,772)	2,110,293	-	(3,050,568)	566,108	206,788	540,700	-	(2,384,451)
	-	5,272,240	716,554	24,296,492	1,172,050	345,800	3,883,560	(35,686,696)	-
	16,754,900	54,448,028	10,440,651	206,711,337	57,712,054	17,295,256	30,370,213	8,738,884	402,471,322

Accumulated depreciation and impairment

Opening balance as at 1 July 2015

Movements Between Classes Opening

Depreciation provided in period

Depreciation on disposals

Revaluation adjustment to asset revaluation surplus

Accumulated depreciation as at 30 June 2016

	-	15,682,598	4,286,659	47,313,058	17,819,449	8,416,324	9,714,049	-	103,232,137
	-	26,567	-	-	-	-	(26,567)	-	-
9	-	1,476,825	619,522	5,617,942	1,006,126	333,508	791,360	-	9,845,083
5	-	-	(343,837)	-	-	-	-	-	(343,837)
20	-	1,844,982	-	2,190,447	148,522	128,211	230,094	-	4,542,256
	-	19,030,772	4,562,344	55,121,448	18,974,097	8,878,043	10,708,936	-	117,275,640

Total written down value as at 30 June 2016

Range of estimated useful life in years

16,754,900	35,417,256	5,878,307	151,589,889	38,737,957	8,417,213	19,661,277	8,738,884	285,195,684
Land : Not depreciated.	20-60	2 - 20	5 - 300+	20 - 60	20 - 60	20 - 40	-	-

Additions Comprise:

Other additions

Renewals

New

Total additions

\$	\$	\$	\$	\$	\$	\$	\$	\$
-	3,186,684	-	-	-	-	-	-	3,186,684
-	918,676	669,398	7,175,438	851,800	345,800	2,089,424	-	12,050,536
-	1,166,880	47,156	13,210,436	320,250	-	1,794,137	-	16,538,859
-	5,272,240	716,554	20,385,874	1,172,050	345,800	3,883,560	-	31,776,079

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2016

15 Property, plant and equipment (continued)

30 June 2015

Basis of measurement

Asset values

Opening gross value as at 1 July 2014

Additions

Disposals

Revaluation adjustment to asset revaluation surplus

Transfers between classes

Closing gross value as at 30 June 2015

Note	Land	Buildings	Plant and equipment	Road, drainage and bridge network	Water	Sewerage	Other Structures	Work in progress	Total
	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
	19,787,700	45,180,400	10,077,723	198,549,235	51,746,723	16,818,851	22,566,820	9,164,427	373,901,879
	-	-	-	-	-	-	1,560,075	20,158,204	21,718,279
5	-	(310,000)	(426,864)	-	-	-	-	-	(736,864)
20	(1,978,770)	1,309,100	-	(16,961,465)	(778,322)	(302,113)	481,679	-	(18,229,891)
	1,711,032	806,695	687,434	3,877,643	5,005,495	225,930	3,013,910	(15,328,142)	-
	19,519,962	46,996,195	10,338,293	185,465,413	55,973,896	16,742,668	27,622,484	13,994,489	376,653,403

Accumulated depreciation and impairment

Opening balance as at 1 July 2014

Depreciation provided in period

Depreciation on disposals

Revaluation adjustment to asset revaluation surplus

Accumulated depreciation as at 30 June 2015

9	-	14,042,800	3,852,984	48,243,372	16,552,020	7,989,631	8,779,815	-	99,460,622
5	-	1,456,478	620,588	4,024,023	793,776	270,493	656,449	-	7,821,806
20	-	(285,200)	(186,912)	-	-	-	-	-	(472,112)
	-	468,520	-	(4,954,337)	473,652	156,200	277,786	-	(3,578,178)
	-	15,682,598	4,286,659	47,313,058	17,819,449	8,416,324	9,714,049	-	103,232,137

Total written down value as at 30 June 2015

Range of estimated useful life in years

19,519,962	31,313,597	6,051,634	138,152,355	38,154,448	8,326,344	17,908,437	13,994,489	273,421,266
Land : Not depreciated,	20-60	2-20	5-300	20 - 60	20 - 60	20 - 40	-	-

Additions Comprise:

Other additions

Renewals

Landfill restorations and gravel pit rehabilitation

Total additions

\$	\$	\$	\$	\$	\$	\$	\$	\$
-	71,349	687,434	14,185,890	88,311	-	160,445	-	15,193,429
1,711,032	1,144,330	-	-	1,015,551	109,077	984,785	-	4,964,775
-	-	-	-	-	-	1,560,075	-	1,560,075
1,711,032	1,215,680	687,434	14,185,890	1,103,862	109,077	2,705,305	-	21,718,279

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2016

16 Fair Value Measurements

(a) Recognised fair value measurements

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

Property, plant and equipment

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

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

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

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in note 18 is provided by the Queensland Treasury Corporation and represents the contractual undiscounted cash flows at balance date (level 2).

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

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

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

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

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

The table presents the Council's assets measured and recognised at fair value at 30 June 2016.

Council

	Note	Level 2		Level 3		Total	
		(Significant other observable inputs)		(Significant unobservable inputs)			
		\$	\$	\$	\$	\$	\$
		2016	2015	2016	2015	2016	2015
Recurring fair value measurements							
Land	15	16,754,900	19,519,962	-	-	16,754,900	19,519,962
Buildings							
- Commercial buildings	15	-	-	30,957,474	29,790,835	30,957,474	29,790,835
- Residential buildings	15	821,883	1,522,763	3,637,900	-	4,459,783	1,522,763
Road, drainage and bridge network	15	-	-	151,589,889	138,152,366	151,589,889	138,152,366
Water	15	-	-	38,737,956	38,154,436	38,737,956	38,154,436
Sewerage	15	-	-	8,417,212	8,326,343	8,417,212	8,326,343
Other structures	15	-	-	19,661,276	17,908,436	19,661,276	17,908,436
		17,576,783	21,042,725	253,001,707	232,332,416	270,578,490	253,375,141

There were no transfers between levels during the year.

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

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2016

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

Council obtains independent valuations at least every 3-5 years for all asset classes. A comprehensive valuation of land assets was undertaken by Australis Asset Advisory Service at 30 June 2016 due to large fluctuations in local land values greater than ten percent. An Indexation of Water and Sewerage, Other and Buildings was carried out at 30 June 2016. Road assets were indexed by Australis Asset Advisory Service at 30 June 2016 including extra analytical work due to wide spread flood damage. In general, if a valuation is not completed in a financial year, a desktop indexation assessment is completed.

Specific valuation techniques used to value Council assets comprise:

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

The fair values of land and residential buildings were determined by an independent valuer, Asset Val, as at 30 June 2014. Level 2 valuation inputs were used to value freehold land as well as land used for special purposes, which is restricted in use under current zoning rules. Sales prices of comparable land sites and residential buildings in close proximity were adjusted for differences in key attributes, such as property size. The most significant inputs into this valuation approach are property size and price per square meter. The fair values of land was comprehensively valued and residential buildings were indexed by Australis Asset Advisory Service as at 30 June 2016. Indexation rates were assessed to reflect market movements.

(b)(ii) Non-residential buildings and Other structures (level 2 and 3)

A comprehensive valuation of Council's non-residential buildings and other structures asset classes was undertaken by Asset Val as at 30 June 2014 using the Cost Approach (Depreciated Replacement Cost) method. The fair values of buildings and other structures was indexed by Australis Asset Advisory Service. Indexation rates were assessed to reflect market movements, review of producer price indexes and building cost indices.

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

Current replacement cost

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

Accumulated depreciation

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

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

In determining the level of accumulated depreciation the asset has been disaggregated into significant components which exhibit useful lives. Allowance has been made for the typical asset life cycle and renewal treatments of each component, residual value at the time the asset is considered to be no longer available for use and the condition of the asset.

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2016

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

Valuation information applicable to all infrastructure asset classes below

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

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

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

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

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

Road and bridge network

Current replacement cost

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

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

Accumulated depreciation

In determining the level of accumulated depreciation, the assets were disaggregated into significant components which exhibited different useful lives and based on those useful lives applicable and observable in North West Queensland. Estimated useful lives are disclosed in Note 15.

Sensitivity of valuation to unobservable inputs

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

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2016

Water and Sewerage infrastructure

Current replacement cost

Current replacement cost was calculated based on expected replacement costs. In all cases the assets were disaggregated into different components to ensure a reliable measure of cost and service capacity and deterioration of estimated remaining life.

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

Consistent with roads, drainage and bridge network assets, it was assumed that environmental factors such as soil type, climate and topography are consistent across each segment and that each segment is designed and constructed to the same standard and uses a consistent amount of labour and materials. Where assets are located underground and physical inspection is not possible, the age, size and type of construction material together with the current and planned maintenance records are used to determine the fair value. Construction estimates were determined on a similar basis to roads, drainage and bridge network assets.

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

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

Factors taken into account in determining replacement costs included:

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

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

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

Accumulated depreciation

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

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2016

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

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

(c) Valuation processes

Council's valuation policies and procedures are set by the executive management team which comprises the Chief Executive Officer, Corporate Services Director and the Corporate Development Officer. They are reviewed annually taking into consideration an analysis of movements in fair value and other relevant information. Council's current policy for the valuation of property, plant and equipment is set out in Note 1 (f)

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
17 Trade and other payables			
Current			
Creditors and accruals		1,683,750	953,521
Annual leave		523,820	538,269
Other entitlements		75,997	118,667
		<u>2,283,566</u>	<u>1,610,457</u>
18 Borrowings			
Current			
Loans - Queensland Treasury Corporation		576,859	526,917
		<u>576,859</u>	<u>526,917</u>
Non-current			
Loans - Queensland Treasury Corporation		10,330,548	10,900,422
		<u>10,330,548</u>	<u>10,900,422</u>
Loans - Queensland Treasury Corporation			
Opening balance at beginning of financial year		11,427,339	13,807,232
Net repayments		(519,932)	(2,379,893)
Book value at end of financial year		<u>10,907,407</u>	<u>11,427,339</u>
The QTC loan market value at the reporting date was \$13,441,045.66. This represents the value of the debt if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts.			
19 Provisions			
Current			
Refuse restoration		623,600	680,000
Long service leave		359,813	308,389
		<u>983,413</u>	<u>988,389</u>
Non-current			
Gravel pits rehabilitation		940,300	940,300
Refuse restoration		645,000	645,000
Long service leave		170,760	112,606
		<u>1,756,060</u>	<u>1,697,906</u>
Details of movements in provisions			
Long service leave			
Balance at beginning of financial year		420,995	420,249
Long service leave entitlement arising		134,885	50,035
Long service entitlement paid		(25,307)	(49,289)
Balance at end of financial year		<u>530,573</u>	<u>420,995</u>
Gravel pits rehabilitation			
Balance at beginning of financial year		940,300	-
Recognition of provision		-	940,300
Balance at end of financial year		<u>940,300</u>	<u>940,300</u>
Refuse restoration			
Balance at beginning of Financial year		1,325,000	-
Recognition of provision		-	1,325,000
Balance at end of financial year		<u>1,325,000</u>	<u>1,325,000</u>

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
20 Asset Revaluation Surplus			
Movements in the asset revaluation surplus were as follows:			
Balance at beginning of financial year		93,139,940	107,791,652
Net adjustment to non-current assets at end of period to reflect a change in current fair value.			
Land		(2,757,772)	(1,978,770)
Buildings		396,787	840,579
Road, drainage and bridge network		(5,242,442)	(12,007,128)
Water		283,642	(1,251,974)
Sewerage		80,004	(458,313)
Other structures		313,074	203,894
Net movement for the year		(6,926,706)	(14,651,712)
Balance at end of financial year		86,213,234	93,139,940
Asset revaluation surplus analysis			
The closing balance of the asset revaluation surplus comprises the following asset categories:			
Land		8,261,270	11,019,042
Buildings		15,947,852	15,551,065
Road, drainage and bridge network		30,189,241	35,431,683
Water		21,828,348	21,544,706
Sewerage		4,883,609	4,803,605
Other structures		5,102,913	4,789,839
		86,213,234	93,139,940
21 Commitments for expenditure			
Operating leases			
Minimum lease payments in relation to non-cancellable operating leases are as follows:			
Within one year		350,123	72,767
One to five years		460,246	146,411
Later than five years		-	-
		810,369	219,178
Contractual commitments at end of financial year but not recognised in the financial statements are as follows:			
Garbage collection contract		1,471,140	1,685,680
		1,471,140	1,685,680

22 Contingent liabilities

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

Local Government Mutual

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

As at 30 June 2016, 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 \$157,788.

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2016

23 Superannuation

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

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

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

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

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

To ensure the ongoing solvency of the Regional DBF, the scheme's trustee can vary the rate of contributions from relevant local government employers subject to advice from the scheme's actuary. As at the reporting date, no changes had been made to prescribed employer contributions which remain at 12% of employee assets and there are no known requirements to change the rate of contributions.

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

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

There are currently 68 councils contributing to the Regional DBF plan and any changes in contribution rates would apply equally to all 68 councils. Cloncurry Shire Council made less than 4% of the total contributions to the plan in the 2015-16 financial year.

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

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

The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of employees was:

Note	2016 \$	2015 \$
6	721,973	634,725

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
24 Operating lease income			
Council's minimum operating lease receipts are as follows:			
Not later than one year		67,133	72,424
One to five years		31,200	165,101
Later than five years		264,590	265,821
		<u>362,923</u>	<u>503,346</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.

25 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

	163,971	154,167
	<u>163,971</u>	<u>154,167</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.

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

Net result	18,137,797	12,160,283
Non-cash items:		
Depreciation and amortisation	9,845,083	7,821,806
Correction of error	-	(2,265,300)
	<u>9,845,083</u>	<u>5,556,506</u>
Investing and development activities:		
Net (profit)/loss on disposal of non-current assets	148,005	107,024
Capital grants and contributions	(19,501,138)	(12,129,966)
	<u>(19,353,133)</u>	<u>(12,022,942)</u>
 (Increase)/ decrease in receivables	 134,591	 (1,303,967)
(Increase)/decrease in inventory	256,436	4,827
Increase/(decrease) in payables	673,109	(878,618)
Increase/(decrease) in other provisions	53,178	2,266,046
	<u>1,117,314</u>	<u>88,288</u>
 Net cash inflow from operating activities	 <u>9,747,060</u>	 <u>5,782,136</u>

27 Events after the reporting period

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

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2016

28 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 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 and agriculture, there is a concentration in these two sectors.

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

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

Council's maximum exposure to credit risk is disclosed in Notes 10,11,12 and 23.

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2016

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

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

30 June 2015 Receivables - other	Fully performing	Past due			Total
		Less than 30 days	30-60 days	61-90 days	
	\$	\$	\$	\$	\$
Receivables	343,568	-	425,958	267,138	1,036,664
Less impairment	-	-	-	(38,204)	(38,204)
Net receivables	343,568	-	425,958	228,934	998,460

Liquidity risk

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

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

The following table sets out the liquidity risk of financial liabilities held by the Council in a format as it might be provided to management. The amounts disclosed in the maturity analysis represent the contractual undiscounted cash flows at balance date.

Cloncurry Shire Council
Notes to the financial statements
For the year ended 30 June 2016

	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
2016					
Trade and other payables	1,683,750	-	-	1,683,750	1,683,750
Loans - QTC	1,198,787	4,795,148	10,219,216	16,213,151	10,907,407
	<u>2,882,537</u>	<u>4,795,148</u>	<u>10,219,216</u>	<u>17,896,901</u>	<u>12,591,157</u>
2015					
Trade and other payables	953,521	-	-	953,521	953,521
Loans - QTC	1,184,664	4,738,659	9,191,282	15,114,605	11,427,339
	<u>2,138,185</u>	<u>4,738,659</u>	<u>9,191,282</u>	<u>16,068,126</u>	<u>12,380,860</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.

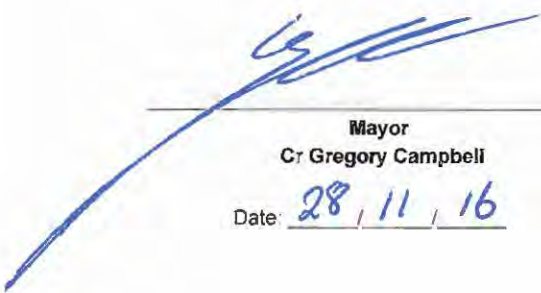
CLONCURRY SHIRE COUNCIL
Financial statements
For the year ended 30 June 2016

Management Certificate
For the year ended 30 June 2016

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

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

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



Mayor
Cr Gregory Campbell

Date: 28 / 11 / 16



Chief Executive Officer
Mr Ben Milligan

Date: 28 / 11 / 16

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 2016, 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 certificates 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 Regulation 2012*, 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 gives a true and fair view and 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 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.

Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

- (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 2015 to 30 June 2016 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

C G STRICKLAND CA
(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
Brisbane

Cloncurry Shire Council

30 June 2016

Current Year Financial Sustainability Statement

Certificate of Accuracy - for the Current Year Financial Sustainability Statement

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

Cloncurry Shire Council
Current-year Financial Sustainability Statement
For the year ended 30 June 2016

Measures of Financial Sustainability

Council's performance at 30 June 2016 against key financial ratios and targets

	How the measure is calculated	Actual - Council 2016	Target
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-5%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense	122%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-52%	not greater than 60%

Note 1 - Basis of Preparation


The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2016.



Certificate of Accuracy
For the year ended 30 June 2016

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

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



Mayor
Cr Gregory Campbell

Date: 28, 11, 16



Chief Executive Officer
Mr Ben Milligan

Date: 28, 11, 16

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Cloncurry Shire Council

Report on the Current-Year Financial Sustainability Statement

I have audited the accompanying current-year financial sustainability statement, which is a special purpose financial report of Cloncurry Shire Council for the year ended 30 June 2016, comprising the statement and explanatory notes, and certificates given by the Mayor and Chief Executive Officer.

The Council's Responsibility for the Current-Year Financial Sustainability Statement

The Council is responsible for the preparation and fair presentation of the current-year financial sustainability statement in accordance with the *Local Government Regulation 2012*. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation and fair presentation of the statement that is accurately calculated and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the current-year financial sustainability statement 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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. 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 statement.

My responsibility is to form an opinion as to whether the statement has been accurately calculated based on the Council's general purpose financial report. My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the Council's future sustainability.

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

Opinion

In accordance with s.212 of the *Local Government Regulation 2012*, in my opinion, in all material respects, the current-year financial sustainability statement of Cloncurry Shire Council, for the year ended 30 June 2016, has been accurately calculated.

Emphasis of Matter – Basis of Accounting

Without modifying my opinion, attention is drawn to Note 1 which describes the basis of accounting. The current-year financial sustainability statement has been prepared in accordance with the *Financial Management (Sustainability) Guideline 2013* for the purpose of fulfilling the Council's reporting responsibilities under the *Local Government Regulation 2012*. As a result, the statement may not be suitable for another purpose.

Other Matters - Electronic Presentation of the Audited Statement

Those viewing an electronic presentation of this special purpose financial report should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



C G STRICKLAND CA
(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
Brisbane

Cloncurry Shire Council

30 June 2016

Long Term Financial Sustainability Statement - Unaudited

Certificate of Accuracy - for the Long Term Financial Sustainability Statement

Cloncurry Shire Council
Long-Term Financial Sustainability Statement
Prepared as at 30 June 2016

			Projected for the years ended										
Measures of Financial Sustainability	Measure	Target	30 June 2016	30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026
Council													
Operating surplus ratio	Net result divided by total operating revenue	Between 0% and 10%	-5%	-1%	9%	6%	6%	6%	7%	7%	7%	8%	8%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	122%	94%	214%	156%	163%	95%	102%	112%	105%	109%	109%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%	-52%	-51%	-49%	-45%	-49%	-39%	-41%	-39%	-40%	-39%	-53%

Cloncurry Shire Council's Financial Management Strategy

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

Certificate of Accuracy
For the long-term financial sustainability statement prepared as at 30 June 2016

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

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



Mayor
Cr Gregory Campbell

Date 28 / 11 / 16



Chief Executive Officer
Mr Ben Milligan

Date 28 / 11 / 16

Annexure B – Councillors Reimbursement of Expenses and Provision of Facilities Policy

	<h1>Cloncurry Shire Council</h1>	<p>POLICY NO.</p> <p>COR 1001</p>
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COUNCILLOR REIMBURSEMENT OF EXPENSES AND PROVISION OF FACILITIES POLICY

1. Objectives

- 1.1. Under Chapter 8 Administration, Part 1 Councillors, Section 250 of the Local Government Regulation 2012, Cloncurry Shire Council must make an expenses reimbursement policy. This policy ensures that the Council's provision of facilities to Councillors is consistent with the Local Government principals and financial sustainability criteria as defined in the *Local Government Act 2009*.
- 1.2. In addition the principles that underpin this policy are:
 - the use of public monies in the public interest by responsible budgeting and accounting;
 - fair and reasonable allocation of Council resources (allowance, facilities and other benefits) to enable all Councillors to conduct the duties of their office;
 - transparent decision-making by public disclosure of policy and resolutions; and
 - accountability for expenditure and use of facilities through full justification and acquittal.
- 1.3. Councillors should not be financially disadvantaged when carrying out their roles, and should be provided with reasonable facilities in accordance with statutory requirements.
- 1.4. Councillors should not receive a private benefit in relation to the provision of facilities and full disclosure through appropriate accountability requirements will be met.

2. Scope

- 2.1. This policy is for the provision of facilities to Councillors for the purpose of discharging their responsibilities and civic duties.
- 2.2. The provision of facilities will be authorised by the Chief Executive Officer.
- 2.3. This policy does not provide for salaries or other forms of Councillor remuneration. Councillor remuneration is determined annually by the Queensland Local Government Remuneration and Discipline Tribunal.

3. Definitions

- 3.1 **Council Business** – This is official business of a Council as generally described in Chapter 2, Part 1 of the *Local Government Act 2009* conducted on behalf of and approved by Council where a Councillor is required to undertake certain tasks to satisfy legislative requirements or achieve business continuity for the Council. Council business should result in a benefit being achieved either for the Local Government and/or the Local Government area. Participating in a community group event or being a representative on a Board not associated with Council is not regarded as Council Business.
- 3.2 **Expense** – Expenses are payments made by Council to reimburse Councillors for their reasonable expenses incurred or to be incurred when discharging their duties as Councillors. These payments are not regarded as remuneration. The expenses may be either reimbursed to

Councillors or paid direct by Council for something that is deemed a necessary cost or charge when performing their roles.

- 3.3 **Facilities** – Facilities provided by Council to Councillors are the “tools of the trade” required to enable them to perform their duties with relative ease and at a standard appropriate to fulfil their professional role for the community.
- 3.4 **Reasonable** – Council must make sound judgements and consider what is prudent, responsible and acceptable to their communities when determining reasonable levels of facilities and expenditure. The community expects limits and does not want to see excessive use or abuse of public funds.
- 3.5 **Professional development** – includes study tours, attendance at industry workshops, courses, seminars and conferences that improves Councillor’s skills and knowledge relevant to their responsibilities as Councillor.
- 3.6 **Training** – any facilitated learning activity which is considered by Council to be a requirement for Councillors to discharge their duties and responsibilities as Councillors.
- 3.7 **Budget allocation** – the budget allocation for Councillor expenditure will form part of the Corporate Services Department’s budget. Council will approve the upper limit of funding of all forms of professional development, training and representation of Council and attendance at other forms of conferences, workshops and the like in its annual budget or as determined by resolution from time to time.
- 3.8 **Principle Place of Residence** – residence where Councillor resides at least 5 days out of the week.

4. Statement of Principles

4.1 The Policy complies with the Statement of Principles, set out in the Act:

- use of public moneys in the public interest by responsible budgeting and accounting;
- fair and reasonable allocation of Council resources (allowances, facilities and other benefits) to enable all Councillors to conduct the duties of their office;
- transparent decision-making by public disclosure of policy and resolutions; and
- accountability for expenditure and use of facilities through full justification and acquittal.

5. Payment of Expenses

Expenses will be paid to a Councillor through administrative processes approved by the Chief Executive Officer (CEO) subject to:

- the limits outlined in this policy;
- Council endorsement by resolution where required by the policy;
- in the case of reimbursement of expenses production of receipts and tax invoices or evidence that such expenses have been paid is required prior to reimbursement;
- expenses reimbursement must be claimed within one month of such expense having been paid by the Councillor and claims for reimbursement outside this period will not be accepted unless approved by Council; and
- as a rule, Council will raise orders and pay for expenses that can reasonably be determined in advance.

6. Roles and Responsibilities

- 6.1. The Chief Executive Officer is responsible for ensuring this policy is understood and adhered to by the Mayor and Councillors.

7. Policy

The Council will reimburse Councillors for expenses as set out in this policy. Any expenses not provided for by this policy will not be reimbursed without express approval from the Chief Executive Officer.

When considering an application for approval of any matter related to this policy, the Council or the Chief Executive Officer must have regard to any relevant budget allocation.

Expense Categories

7.1 Council Business

The Council will reimburse expenses incurred in undertaking Council business which includes:

- preparing, attending and participating in council meetings, committee meetings, workshops, strategic briefings, deputations and inspections;
- attending civic functions or civic events to perform official duties or as an official Council representative;
- attending public/community meetings, presentation dinners and annual general meetings where invited as a Councillor;
- attending a community event where a formal invitation has been received;
- for the Mayor or a Councillor attending on behalf of the Mayor, representing Council at ordinary meetings, annual general meetings, annual or bi-annual conferences of the North Queensland Local Government Association Branch (NQLGA), Local Government Association of Queensland (LGAQ) and Australian Local Government Association (ALGA) are considered Council business;
- the reasonable expenses incurred by any other Councillor attending these events will be reimbursed only if the Councillor's attendance has been approved by the Council; and
- Council may book and pay for the costs of a partner or spouse accompanying the Councillor provided that such costs are reimbursed within 14 days of the booking or payment by Council, whichever is the later, unless partner attendance has been endorsed by resolution of Council.

7.2 Professional Development

Council will reimburse expenses incurred for Council-approved professional development.

Council will endeavour to ensure all Councillors have equal opportunity to attend conferences, seminars, courses and workshops within the available budget. A register of Councillor attendance and expenditure at professional development events will be developed and made available to Councillors.

A budget for Councillors professional development expenditure will be approved on an annual basis as part of budget deliberations.

7.3 Training

Attendance at the following annual training programs will be approved as part of the annual budget: Councillor induction and orientation programs, the annual Governance for Elected Members (GEM) program facilitated by the LGAQ, programs facilitated by the Department of Infrastructure and Planning and the Australian Institute of Company Directors Diploma Course tailored for Local Government and held in Townsville are considered requirements for Councillors. Councillors' individual training budgets will not be debited for these expenses.

Any additional training programs other than those listed above will require approval from Council or the Chief Executive Officer.

7.4 Travel Expenses

The Council will reimburse local, interstate and overseas travel expenses (e.g. flights, car, accommodation, meals and associated registration fees) deemed necessary to achieve the business of Council and professional development where:

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

Councillors must travel via the most direct route, using the most economical and efficient mode of transport. The amount of the reimbursement will be the actual amount expended by the Councillor.

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, privately owned vehicles or rental vehicles when attending to Council business will be the responsibility of the Councillor incurring the fine.

7.4.1 Flight 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 through Council resolution.

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 accompanying the Councillor). Council may book and pay for the travel costs of a partner or spouse accompanying the Councillor provided that such costs are reimbursed within 14 days of the later of booking or payment by Council.

7.4.2 Travel Transfer Costs – Cabcharge, Public Transport tickets (rail, ferry, bus)

Council will reimburse all reasonable costs associated with Councillors transport needs for taxis or public transport while attending conferences, workshops, or meetings outside the

region. Travel transfer expenses (e.g. trains, buses and ferry fares) associated with travel will be reimbursed on production of original receipts.

7.4.3 Hire Cars

The requirement for a hire car should be identified at the time of seeking Council approval for travel.

Any subsequent need for a hire car must be approved by the Chief Executive Officer.

7.4.4 Private Vehicle Usage

Payment for use of the Councillor's private vehicle on Council business will be reimbursed to the Councillor on a kilometre rate as set out in the Australian Taxation Office allowable deductions for motor vehicles.

A Councillor's private vehicle usage will be reimbursed by Council if the claim for mileage is substantiated with log book details, and:

- the travel is within the local government area and was for Council purposes; or
- the travel has been approved by the Council and the total travel claim does not exceed the cost of the same travel using economy flights plus the cost of taxi transfers. (If the claim does exceed those flight and taxi costs, then the reimbursement will be limited to the value of the flight and taxi costs).

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

The private vehicle is to be covered by either a comprehensive motor vehicle insurance policy or a third party property damage insurance policy and provide certificate of currency when requested. Cloncurry Shire Council will not be liable should a personal insurer not cover a claim whilst a private vehicle is being used for work purposes.

7.4.5 Private Aircraft Use

Where a Councillors private aircraft is used for Council business, the reimbursement of expenses will not exceed the fare of an equivalent domestic flight to that required destination.

7.4.6 Accommodation

All Councillor accommodation for Council business will be booked and paid for by Council.

Accommodation should be selected that provides:

- Council with the best price value; and
- convenience to the conference/meeting.

When attending conferences, Councillors must take advantage of (any cost savings available from) any package provided by conference organisers and, therefore, stay in the recommended accommodation unless prior approval has been granted by Council.

Council may approve alternative accommodation arrangements taking into account the total costs, location, value for money, convenience and traveller safety.

In determining accommodation locations and standards for all Councillors, every effort will be made to minimise the total cost associated with attendance at the event. Travel time to the event, taxi costs, convenience and hotel services will be considered when booking accommodation. When practical and available, accommodation will be arranged within close proximity to the event venue.

One night's accommodation prior to the event will only be approved where travel to the event on the day of commencement is not practical.

All expenses incurred at the accommodation venue other than accommodation and meals must be settled at the time of departure. It is the Councillor's responsibility to seek reimbursement of legitimate expenses upon return. Reimbursement must be sought using a travel expenses claim form and will not be approved without original receipts.

7.4.7 Meals

Councillors will be reimbursed for the actual cost of meals when:

- the Councillor incurs the cost personally;
- the meal was not provided within the registration costs of the approved activity/event/travel; and
- the Councillor can produce original documents sufficient to verify the actual meal cost or a tax invoice.

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

- Breakfast \$25.00
- Lunch \$25.00
- Dinner \$50.00

If a Councillor cannot produce a receipt for a meal they have purchased then a statutory declaration must be completed to claim the reimbursement.

If private accommodation is provided by a relative or friend, then they are entitled to be reimbursed at a rate of \$70/night.

No alcohol will be paid for by Council.

7.4.8 Incidental Expenses

Councillors will be reimbursed for incidental items necessary for travel e.g. newspapers, magazines, and snacks including tea, coffee and drinks.

Incidental expenses will be reimbursed to Councillors after the event on receipt of original receipts.

Where receipts are not available up to \$20 per day may be paid by Council to cover any incidental costs incurred by Councillors required to travel, and who are away from home overnight for official Council business.

7.4.9 Travel Insurance

Council has travel insurance arrangements in place that cover all Councillors on authorised Council business, conferences and courses etc.

7.4.10 Locality Allowance

Council will pay an annual Locality Allowance to Councillors based on 36 return trips as per the ATO income and deductions for business travel based on distance from a Councillors principal place of residence (must reside at least 5 out of seven days) to Cloncurry and return.

The following are the distance allowances for the current Councillors:

Distance Allowance (based on \$0.77/km x distance from residence to Cloncurry and return)		
Name	Kilometres	Annual Allowance (\$)
Cr Daniels	NIL (vehicle supplied)	0
Cr McDonald	110	\$3,049.20
Cr Ferguson	2	\$55.44
Cr Douglas	120	\$3,326.40
Cr McMillan	64	\$1,774.08

In extended periods of approved leave of absence by the Mayor, the Deputy Mayor shall be provided with the Council Vehicle.

7.5 Hospitality Expenses

The Mayor may have occasion to incur hospitality expenses while conducting Council business apart from official civic receptions organised by Council. The Mayor will be reimbursed \$4,000 per annum for hospitality expenses deemed necessary in the conduct of Council business.

Councillors will be reimbursed hospitality expenses deemed necessary in the conduct of Council business and in accordance with the allocated annual budget as approved by the Chief Executive Officer and resolution of Council.

These costs will be reimbursed on presentation of receipts or a tax invoice.

7.6 Provision of Facilities

Councillors will be provided with facilities as set out in this policy. All facilities provided to Councillors remain the property of Council and must be returned to Council when a Councillor's term expires.

7.6.1 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.

7.6.2 Facilities Categories

7.6.2.1 Uniform Entitlement

Councillors will be entitled, upon request, to receive a name badge, a reasonable number of corporate Council branded shirts and all necessary safety equipment to the standard supplied to employees (eg. safety helmet /boots).

Councillors are expected to observe the appropriate Workplace Health and Safety measures when at any workplace. Councillors upon request will also be provided with a uniform identifying Cloncurry Shire Council.

7.6.2.2 Council Office Facilities

Council will provide the following to Councillors:

- facilities such as office space and Council meeting rooms as requested;
- secretarial support for Mayor and limited secretarial support for Councillors;
- laptop and/or tablet;
- use of Council landline telephone and internet access;
- fax and/or scanner;
- stationery;
- access to photocopier, printer and paper shredder
- publications – copies of the Act and other Legislation, books, journals considered necessary; and
- other administrative necessities which Council consider necessary to meet the business of Council.

7.6.2.3 Vehicle Use

There is Council approval of the home garaging by the Mayor of a Council supplied vehicle as determined by Council for Council business purposes.

Councillors may claim reimbursement for business use of their own vehicle. Refer to Private Vehicle Usage – Item 7.4.4 of this Policy or elect to receive a Council vehicle on the following conditions:

- Councillors will be provided with a motor vehicle for Council business where possible;
- fuel for a Council-owned vehicle used for official Council business, will be provided or paid for by Council;
- 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, and set out the terms for the Councillor to reimburse Council for the private use;
- insurance for a Council vehicle is covered by Council.

7.6.2.4 Telecommunication Needs – Mobile Devices

Council approves the provision of necessary telecommunication equipment to be supplied to the Mayor for the purpose of conducting Council business. Such equipment may include mobile telephone, fax, tablet, laptop computer and wireless internet. Council will be responsible for all associated costs.

All other Councillors shall be supplied a tablet on a suitable monthly plan and be paid an annual Telecommunications allowance equal to \$600 annually and paid quarterly towards their telecommunications needs.

Any expenses over the monthly plan will be invoiced to and paid by the relevant Councillor.

Name	Internet Plan Allowance	Mobile Phone Plan Allowance (\$)
Cr Daniels	At cost	At cost
Cr McDonald	\$ 960	\$ 600
Cr Ferguson	\$ 960	\$ 600
Cr Douglas	\$ 960	\$ 600
Cr McMillan	\$ 960	\$ 600

7.6.2.5 Maintenance Costs of Any Council Owned Equipment

Council will be responsible for all ongoing maintenance and reasonable wear and tear costs associated with Council owned equipment to ensure it is operating for optimal professional use.

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

7.6.2.6 Legal Costs and Insurance Cover

Council will insure Councillors in the event of injury sustained while discharging their civic duties. Council will pay the excess for injury claims made by a Councillor resulting from conducting official Council business.

8. Accountability and Reporting

Council is accountable to the community in regards to compliance with this policy. The Local Government Regulation 2012 legislates that Council must maintain a policy providing for payment of reasonable expenses incurred, or to be incurred, by Councillors for discharging their duties and responsibilities as Councillors and provision of facilities to the Councillors for that purpose.

The Local Government Regulation 2012 legislates that Council must in its Annual report detail the expenses incurred by and the facilities provided to each Councillor during the year under the Local Government's Expenses Reimbursement Policy and include a copy of the Local Government's Expenses Reimbursement Policy.

Details are reported in Council's Annual Report and will include:

- the provision of copies of Council resolutions resolving to reimburse expenses to Councillors;
- a copy of this policy;
- the amount of expenses (including travel, professional development, advertising and hospitality) incurred by each individual Councillor;
- details of any overseas travel including Councillor names, destination, purpose and all associated costs.

All claims for expenses reimbursement will only be processed using Council's approved Expenses Reimbursement Claim Form with original receipts attached. No claims will be processed through Council's petty cash system.

The CEO has the authority to approve or reject claims made by Councillors for reimbursement of expenses. All rejected claims shall be provided to the Mayor for information. The CEO has the authority to authorise expenses and to provide facilities in accordance with the policy.

References and Related Documents:

Local Government Regulation 2012

Local Government Act 2009

Income Tax Assessment Act 1997

Mayor & Councillor Expenses Reimbursement Form COR1001-01

Adopted by Council Resolution

POLICY VERSION AND REVISION INFORMATION

Version No.	Date Adopted	Review Date
2	15 December 2015	April 2016

Policy Authorised by: David Neeves

Title: Chief Executive Officer



Cloncurry
Shire Council

P 07 4742 4100

A 38-46 Daintree Street, Cloncurry QLD 4824

E council@cloncurry.qld.gov.au

W cloncurry.qld.gov.au