



2010/2011

# Annual Report



Cloncurry Shire Council  
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Front Page:  
Rotary Lookout, looking towards Mt Leviathan

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# Welcome

**Welcome to the 2010/2011 Annual Report of the Cloncurry Shire Council. This report highlights Council's achievements over the past 12 months.**

**Council has legal requirements under the *Local Government Act 1993* to produce an Annual Report for each financial year.**

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



# History of Cloncurry Shire

*'The Friendly Heart of the Great North West'*

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

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

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

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

Cloncurry is a rural town, which derives its main income from the mining and pastoral industries. The town itself is nestled on the banks of the Cloncurry River and is home to approximately 3800 people. Cloncurry also provides a full range of community facilities, including schooling to year 12, hospital and medical facilities. Chinaman Creek Dam, situated approximately 3km from the town centre, provides the town's water supply. However many residents supplement household supplies during summer months with private bores. The Cloncurry river catchment area begins in the Selwyn Ranges and flows into the Flinders River where it continues on to empty into the Gulf of Carpentaria. The average annual rainfall is 500mm, with the heaviest falls being experienced between December and March. Cloncurry is noted for having Australia's highest recorded temperature in 1889.

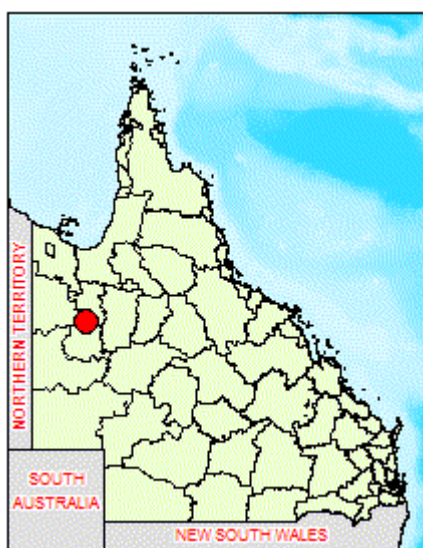
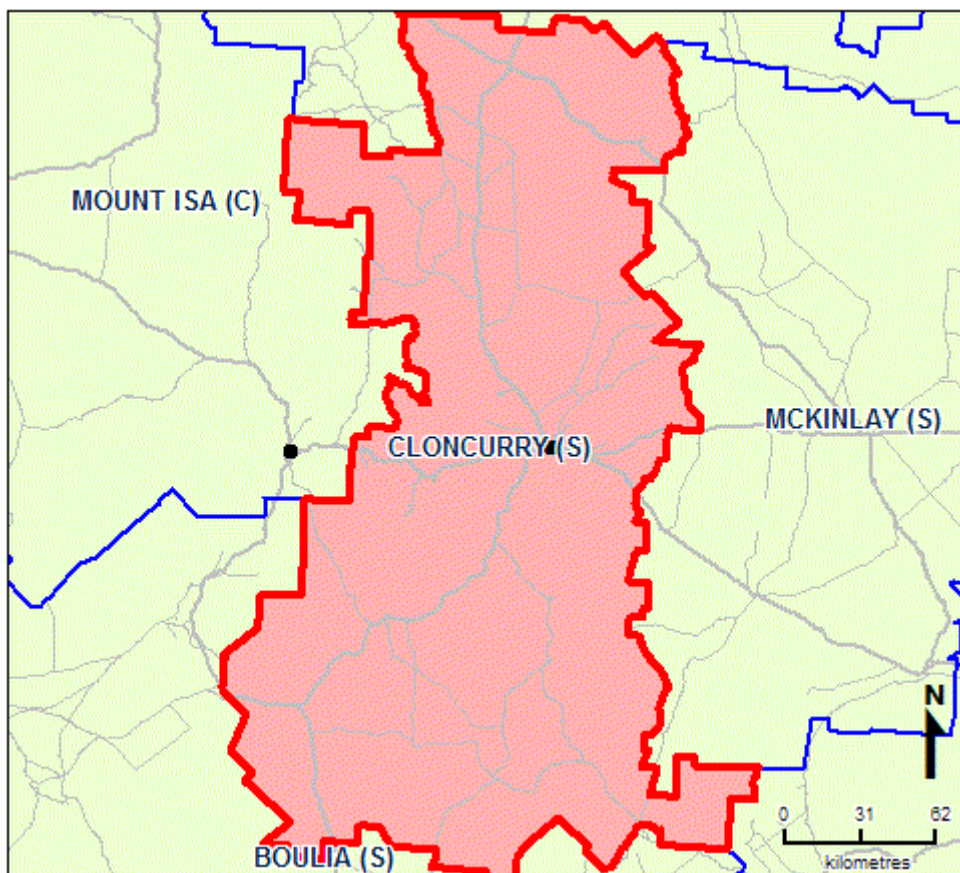


**The Royal Flying Doctor Service  
began in Cloncurry in May 1928**



# Shire Profile

Map of Cloncurry Shire



## LEGEND

- SELECTED REGION
- — LOCAL GOVERNMENT AREA BOUNDARY
- — Road Network
- Cities/Towns

**Established: 1884**

**Area: 48113.3 km<sup>2</sup> (18,576.6 sq m)**

**Elevation: 200 m**

**Mean Annual Rainfall: 476.6**

## ESTIMATED RESIDENT POPULATION

As at 30 June 2010, the estimated resident population of Cloncurry Shire Local Government Area (LGA) was 3,384 persons, or 0.1 per cent of the state's population. The average annual growth rate in Cloncurry Shire LGA between 2005 and 2010 was -0.3 per cent, compared with 2.5 per cent for the state.

**Table 1 Estimated resident population by local government area, Cloncurry Shire, 2005, 2009 and 2010p**

Local government area	Estimated resident population as at 30 June			Average annual growth rate	
	2005	2009	2010p	2005–2010p (a)	2009–2010p
	— number —			%	%
Cloncurry (S)	3,441	3,380	3,384	–0.3	0.1
Queensland	3,994,858	4,424,767	4,513,850	2.5	2.0
Region as % of Qld	0.1	0.1	0.1	..	..

p = preliminary .. = not applicable

C = City S = Shire R = Regional Council T = Town AC = Aboriginal Council IC = Island Council

(a) Average annual

growth rate. Note:

Based on ASGC

2011.

Data for local government areas (2011) are derived from concorded population-based statistical local area data (ASGC 2006).

Source: Australian Bureau of Statistics, *Regional Population Growth, Australia*, 2009-10, cat. no. 3218.0 and unpublished data

## POPULATION BY AGE

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

**Table 2 Estimated resident population by age, by local government area, Cloncurry Shire, 30 June 2010p**

Local government area	Population by age									
	0–14		15–24		25–44		45–64		65+	
	number	%	number	%	number	%	number	%	number	%
Cloncurry (S)	772	22.8	590	17.4	962	28.4	820	24.2	240	7.1
Queensland	901,542	20.0	644,985	14.3	1,278,876	28.3	1,121,066	24.8	567,381	12.6
Region as % of Qld	0.1	..	0.1	..	0.1	..	0.1	..	0.0	..

p = preliminary .. = not applicable

C = City S = Shire R = Regional Council T = Town AC = Aboriginal Council IC = Island Council

Note: Based on ASGC 2011.

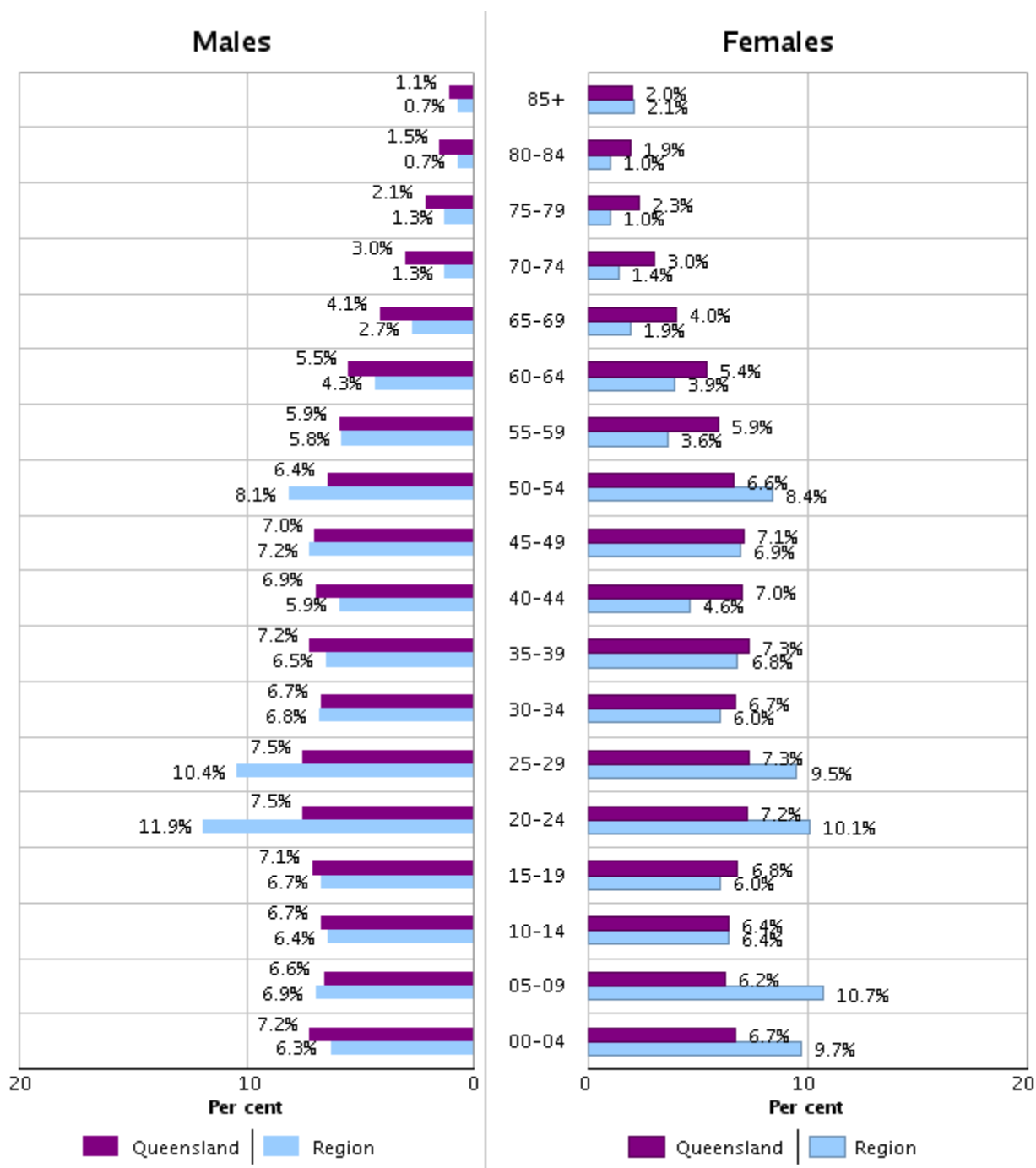
Data for local government areas (2011) are derived from concorded population-based statistical local area data (ASGC 2006).

Source: Australian Bureau of Statistics, *Population by Age and Sex, Regions of Australia*, 2010, cat. no. 3235.0



The following figure highlights the differences in age groups between Cloncurry Shire and Queensland as at 30 June 2010.

**Figure 2 Population by age group and sex, Cloncurry Shire and Queensland, 30 June 2010p**



p = preliminary

Note: Based on ASGC 2011.

Source: Australian Bureau of Statistics, *Population by Age and Sex, Regions of Australia*, 2010, cat. no. 3235.0  
 rce: A

Average  
annual  
growth rate

## EMERGENCY SERVICES, SCHOOLS AND HOSPITALS

As at 30 June 2010, in Cloncurry Shire Local Government Area there were 2 police stations, 2 ambulance stations, 1 fire station, 3 schools and 2 hospitals. Cloncurry Shire contained 0.6 per cent of Queensland's police stations, 0.8 per cent of Queensland's ambulance stations, 0.4 per cent of Queensland's fire stations, 0.2 per cent of Queensland's schools and 0.7 per cent of Queensland's hospitals.

**Table 23 Emergency services, schools and hospitals by local government area, Cloncurry Shire, 30 June**

2  
0  
1  
0

Local government area	Police stations (a)	Ambulance stations	Fire stations (b)	Schools (c)	Hospitals (d)
	— number —				
Cloncurry (S)	2	2	1	3	2
Queensland	340	262	243	1,734	271
Region as % of Qld	0.6	0.8	0.4	0.2	0.7

. . = not applicable

C = City S = Shire  
Island Council

R = Regional Council

T = Town

AC = Aboriginal Council

IC =

(a) Does not include Police Beats.

(b) Does not include Rural Fire Brigade.

(c) Includes both private and public schools.

(d) Includes both private and public hospitals. Excludes public dental

and psychiatric facilities. Note: Based on ASGC 2011.

Source: Queensland Police, Department of Community Safety, Department of Education and Training, Queensland Health

## SCHOOL STUDENTS

In 2009, 79.2 per cent of students attending a school in Cloncurry Shire Local Government Area (LGA) attended a government school and 20.8 per cent attended a non-government school. The corresponding percentages for Queensland were 67.5 per cent of school students attended government schools and 32.5 per cent attended non-government schools.

There were 250 students attending a government primary school (years 1 to 7) in Cloncurry Shire and 101 students attending a non-government primary school. In secondary school (years 8 to 12) there were 134 government students and 0 non-government students.

**Table 13 School students by local government area (a)(b)(c), Cloncurry Shire, 2009**

Local government area	Government school students			Non-government school			school students
	students		Total (d)	Total		Total (d)	
	Primary	Secondary		Primary	Secondary		
	(Years 1–7)	(Years 8–12)		(Years 1–7)	(Years 8–12)		
— number —	— number —			— number —			number
Cloncurry (S)	250	134	384	101	0	101	485
Queensland	308,597	172,726	484,615	128,204	105,169	233,373	717,988
Region as % of Qld	0.1	0.1	0.1	0.1	0.0	0.0	0.1

C = City      S = Shire      R = Regional Council      T = Town      AC = Aboriginal Council      IC = Island Council

(a) The statistics are collected in August each year.

(b) Based on school location instead of student's place of usual residence. (c) All student numbers are based on full-time students.

(d) Includes prep year and pre-school students, and ungraded and special school students.

Note: Based on ASGC 2011.

Data for local government areas (2011) are derived from concorded population-based statistical local area data (ASGC 2006).

Source: Queensland Department of Education, *Schools Census*, unpublished data

## Mayor and Councillors 2008 - 2012

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

### Mayor Andrew Daniels



Andrew was elected as Mayor in March 2008 and with the support of his wife and family has made the job of Mayor more enjoyable and easier to handle.

Cr Daniels is a grazier and a businessman, prior to being elected as Mayor he lived and worked on their local properties and at the family Stock and Station Agent business.

He has faced many challenges as Mayor which includes securing funding from the State Government to provide Cloncurry with a secure future for water supply and creating infrastructure for the Shire.

Cr Daniels hopes to make the town more prosperous than it has been in the past. His vision is to make Cloncurry the transport hub of the North West as Cloncurry is the most diverse community in Australia, being one of the largest mineral and beef producing towns in Australia.

Phone: (07) 4742 4100

Email: [mayor@cloncurry.qld.gov.au](mailto:mayor@cloncurry.qld.gov.au)

### Deputy Mayor Greg Campbell



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

Cr Campbell is married with two young sons. His purpose of being on Council is to see the Shire prosper. Infrastructure, planning and the environment are key aspects of this. He believes in properly maintained assets.

He wants to encourage local businesses to expand and welcomes new industries to move to Cloncurry.

Cr Campbell has been involved in numerous events and committees over the years and instigated stocking Barra in Chinaman Creek Dam and Lake Corella.

Phone: 0419 774 077

Email: [crcampbell@cloncurry.qld.gov.au](mailto:crcampbell@cloncurry.qld.gov.au)

### Cr Colin Ferguson



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

After having a few jobs around the district which included two years working for the Shire Council as the Stock Route Supervisor, in 1995 Cr Ferguson and his wife purchased the local saddlery shop and have been in business since.

During this time they have brought three children up in Cloncurry supporting numerous sporting organisations in the process. They have been involved in the Curry Merry Muster Festival since they have been in Cloncurry. Cr Ferguson has also been involved with the Stockman's Challenge in a small way.

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### Cr Bob McDonald



Cr McDonald is a rural based Councillor and lives at Brightlands Station in the southern part of the Shire.

He has been on Council since 1976.

As a grazier in the Shire, he has a particular interest in the road network, both Shire and State, and the National Highway.

He sees as very important, transport generally, especially rail for the future of the Shire.

He also views partnerships with the major mining companies as a valuable way forward for the development of the Shire.

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

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## Cr Lynne Vernon



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

Cr Vernon's portfolio is Communities and Facilities, there are many exciting challenges that lie ahead in these 2 sections of Council, the main challenge is the beautification of the Town Centre in Cloncurry and then flowing onto the other communities in our Shire.

Cloncurry, Dajarra, Kajabbi, Duchess, Malbon are steeped in history, all the residents of these towns and sidings within our great Shire, need to step up with pride and showcase their history so that visitors to our great Shire can grasp the magnitude of the forebears of our land, from the Mitakoodi, Kalkadoon, Pitta Pitta and the Walluwarra people to mention only a few, to the great pioneering days when Dajarra was the largest Cattle Rail Transport Hub and Cloncurry was the centre of it all, Mining, Transport, Cattle Industry, we have it all and this should be showcased.

Cr Vernon enjoys a close working relationship with Community Members, Businesses, Elders, also our Justice Association, Night Patrol and our Bowls Club. She is a sponsor of our Junior Rugby League and Swimming Club. She also enjoys a position of Director of the Lions Club Board, and a member of the Historical Society. Cr Vernon also serves on the board of Community Housing as Chairperson and also serves the RADF Committee. She serves on many and varied committee's within the community.

Cr Vernon has been an advocate for all members of her Communities prior to her election in March 2008 and will continue even after her term or terms of office are completed.

Phone: 0409 264 420

Email: [crvernon@cloncurry.qld.gov.au](mailto:crvernon@cloncurry.qld.gov.au)



Anzac Day 2011  
March down Scarr  
Street

## A Message from the Mayor

2011 has been another busy year.

Our events throughout the year have really taken on a new standard in professionalism and character. Cloncurry's Show, Rodeo and Stockman's Challenge have all had to face massive hurdles with the live export ban being put in place. These events survival revolves around the rural industry and this impact flowed through to the competitors, supporters and organisers. Thanks to all supporters, volunteers and the community; in general these events were all very well attended and turned out to be as big as ever.

Our Quamby and Dajarra Rodeos were also great events. The race club also has had desirable crowds and provided great entertainment throughout the year.

All throughout the year we've certainly held our own in the North West with quality gatherings.

The community projects have finally started moving; Council has had a huge responsibility to attract good companies to come and build these projects and also to get them to understand that we want them to become part of our community.

This year we will also see major infrastructure happening underneath the surface with new water mains, sewerage lines going in and the new \$3M water treatment plant which should give us clean water 99.9% of the time for the next 20 years. These projects are part of the big picture with, I believe, Cloncurry on the edge of another boom.

Council's strategic planning has been phenomenal with the development of a Community Plan and a Land Use and Transport Infrastructure Plan. Included in these developments are the industrial estate and heavy vehicle bypass.

All in all 2011 has been a good year, I feel that the staff morale is high and Council has really started to set higher benchmarks. I would like to thank all the staff for the ongoing support and the Councillors for being very fair in their judgements.

Cr Andrew Daniels  
Mayor



## A Message from the Chief Executive Officer

I write this on behalf of my predecessor, Mr Graham King.

The past year has seen another year of sound financial management with Council ending the year with a record cash balance of \$13M. It has been another year of stable administration with Council able to plan and implement important Council initiatives with a stable and productive workforce.

This year has seen the commencement of a number of projects, a summary of which follows:

- Land Use and Transport Plan
- Swimming Pool Upgrade
- Hospital Admin Centre
- Robertson Park
- Kerb & Channel Stage 1 & 2

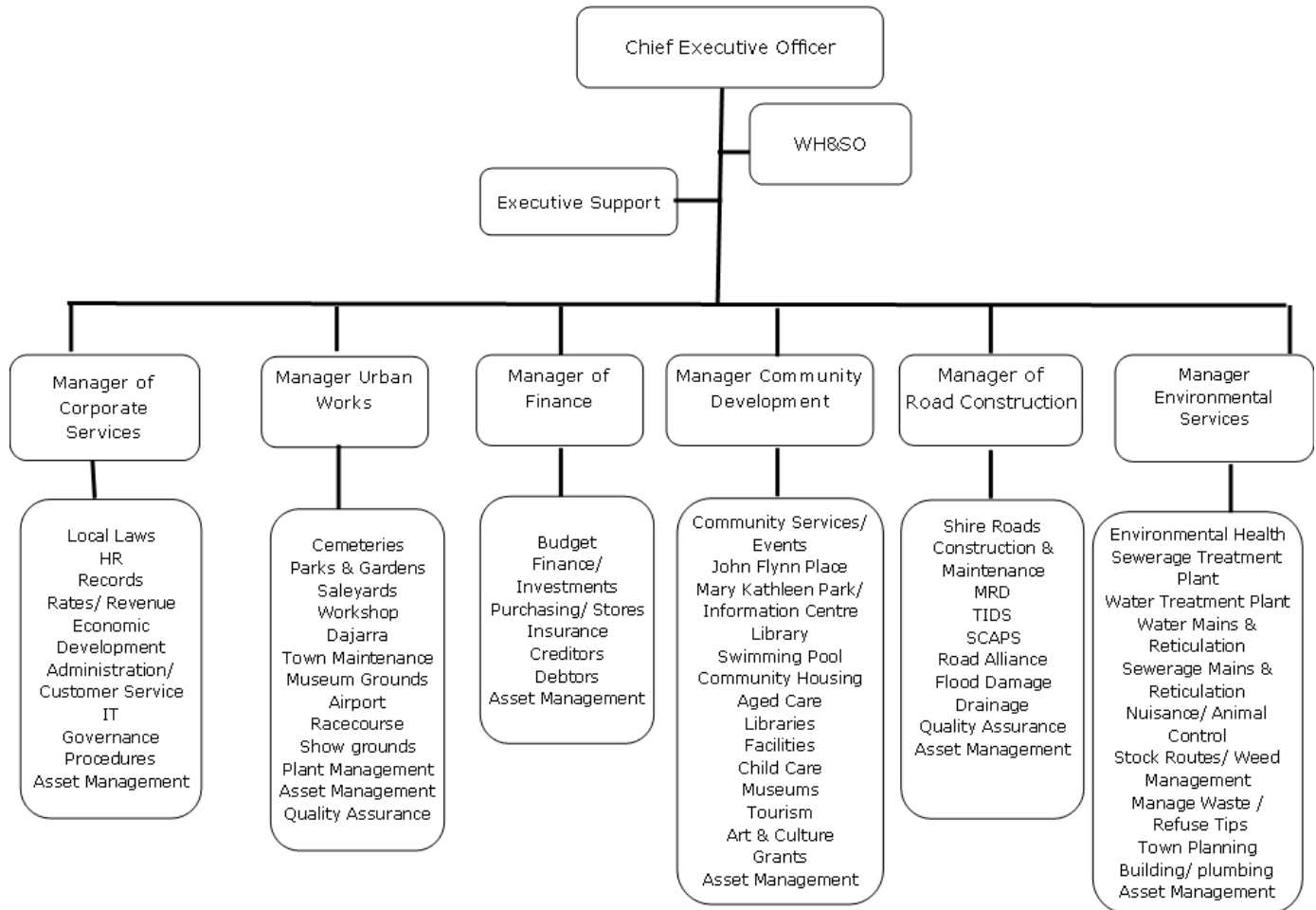
Council has continued to progress a number of major projects including the Community Precinct, Council's Industrial Land Estate, the Cloncurry Multi-user Transport Load-out Facility and the Heavy Vehicle Bypass Road.

Over the last 12 months Council has ensured that its overall strategic planning framework is increased with the development of the Cloncurry Shire Council Community Plan.

I would like to thank the Mayor and councillors for their leadership and support, and also thank the management team and all staff for their assistance and commitment to their roles over the past twelve months.

Joanne Green  
Acting Chief Executive Officer

# Corporate Structure



## Community Development

Community Development involves the management and delivery of Tourism, Museums, Sport and Recreation, Community facilities, Major community based projects, Cloncurry Multifunctional Child Care, Libraries, Swimming Pool, Community events, Area promotion, Housing and sourcing funding to deliver new initiatives. 2010/2011 has seen many positive steps to the continued enhancement of infrastructure and services that benefit the community and our visitors. We have included a few from 2010/2011 financial year.

### Tourism and Museums

Cloncurry has again experienced an increase in visitors for 2010/2011. The Cloncurry Visitor Information Centre numbers were 9,998 and John Flynn Place Museum & Art Gallery saw 5,936 through their doors.

John Flynn Place received funding to upgrade the Art Gallery, this was used to line the walls and improve the aesthetics of the Gallery area. Council also committed capital to air-condition the main area of the museum to improve the visitor experience, especially in summer. A number of art exhibitions and activities have taken place and this has added to the community benefit. 2010/2011 also saw the introduction of 'free admission for locals' to both museum and this has made it more assessable to the community.



Council continues to be committed to Regional Tourism which involves membership with North West Outback Queensland Tourism Authority (Overlanders Way) and the Outback Queensland Tourism Authority. These memberships ensure Cloncurry has maximum regional, state and national exposure to visitors.

### Swimming Pool

The Cloncurry Swimming Pool has continued to see some major improvements through funding by the State Government with the installation of the solar heating this will allow for an extended season and offer aquatic activities for longer.

### Community Projects - Cloncurry Community Precinct & Robertson Park

Council took to the community at a community Information Evening the Cloncurry Community Precinct Concept Plan, which included a presentation from the Architect on the concept design, questions about the project and an opportunity to view the concept design in detail. In March 2011, the Developed Design was presented to the community; this has evolved from the concept plan presented in November 2010. The Developed Design had more detail and is the final stage of Design before documentation is prepared for Tender and construction begins. Council is committed to delivering this important community infrastructure project for Cloncurry.

Robertson Park is the first of the town's major beautification projects planned for Cloncurry, this space will complement the future Ramsay Street development; however each space will have its own unique features. The project is a partnership between Ernest Henry Mining as part of the Xstrata North Queensland Community Partnership Program and Cloncurry Shire

Council. The space will cater for those walking from Eastern end of Cloncurry to rest before continuing to or from town, or those enjoying a walk around town. The space will also provide information about Cloncurry, it is envisaged the path winding through the space will be designed with stories and history from Cloncurry and the area.

### **Community Housing Partnership**

Council and St Andrews Garden Settlement continue their partnership to deliver proactive Community Housing for the local community. In 2008 the partnership began and it has created some positive results for both groups. The Department continues to work with the community to continue the delivery of positive and strong community initiatives for all sectors of the community. 2011/2012 will see a continuation of identifying and working with the community to initiate programs, services, infrastructure and events that will ensure Cloncurry remains the Heart of the Great North West.

### **Library Services**

The Cloncurry library continued operating at Charlotte Scott House in preparation for the demolition of the old library and supper room. This is the first stage in the Cloncurry Community Precinct which will involve the building of a new Library, Gallery, community open space and meeting/function rooms in 2011/2012.

### **Community Events**

The Department has also been involved with some wonderful events; these events bring both economic and social benefits to the community. This saw the first Christmas Festival in Cloncurry for a number of years, the community came out to support the event and it was a great way to bring the community together before the holiday season. Australia Day celebrations are always a popular event to kick off the New Year, in 2011 this was celebrated with an award ceremony and wonderful participation and motivational talks from our Australia Day Ambassador. Another highlight was the inaugural Curry Feast which was a celebration of all things great for Cloncurry and the North West as part of the Queensland Government's Queensland Week celebrations.



# Environmental Health, Water & Sewerage Services

## WATER SERVICES

### Cloncurry

2010-2011 has been an eventful year in the water area. The lake Julius pipeline was connected and is in use delivering 2 mega-litres per week to the residence of Cloncurry. This raw water source is an important part of Cloncurry's drinking water scheme. Council has planned and implemented the construction of a third water treatment cell at the water treatment plant. This cell will give Council the capacity to carry out a planned maintained program to ensure that the water quality is kept at a high acceptable standard.

Current works for the new cell are at:

#### New Cell

- Currently under construction and ¾ completed - the next inspection for 8 December.
- All preliminary works have been completed
- Preparing for site preparation and slab pour
- Cost to date \$59,410
- Expected completion cost \$3M

#### Land

- Surveyed and the application has been lodged with DERM for resumption
- Land Resumption cost to date \$3,000
- Land Resumption expected cost \$13,000

#### Fluoride Project

- Fluoride has been pressed upon by the State Government and this is going to be very costly to the Cloncurry Community due to the nature of the product and electrical upgrades required to operate the dosing facility
- Estimated Cost \$125,000
- Application has been lodged with DIP with the preliminary design
- Water from Lake Julius is high in PH and will affect the fluoride – so extra treatment is required.

#### New Operations Building

- 20% designed due to the fluoridisation requirement
- Current Scada system is being analysed and might require total upgrade – Cost unknown

Council has implemented a training regime for the water treatment staff to ensure that staff have the skills and knowledge that is required to operate the Cloncurry facility.

Council implemented a mains replacement program which is ongoing to ensure that the worst effected mains are being replaced. There has been a 500 meters section of mains replaced in Ramsay Street.

Council has commenced metering this street and plans to have this complete by the end of December 2011.

#### New Mains

- Daintree to Industrial Estate completed
- Cost \$917,876
- Daintree to Ramsay Street
- To commence early next year
- Cost \$400,000

#### Metering

- 65% completed in Ramsay Street
- 160 meters already replaced out of the 250 to replace on the domestic retic.
- Cost to date \$14,000

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

#### **Dajarra**

Water is a major issue in Dajarra as the bore water is high in mineral content and is very hard on pumps and infrastructure. Several bore pumps and high lift pumps have been changed out. Council holds at least 2 spare pumps on hand. The lift line was upgraded from gal pipe to 110 poly line. This is very effective. A new bore was put down to replace school bore. This bore has been commissioned and is operating. A new pipe line is planed from this bore to pump into the low level tank. This will assist in stabilising the water supply for Dajarra. Council is working with Incitec pivot to build a dam at Dajarra for water supply services.

#### **Kajabbi**

The water supply provided is of poor water quality. A new bore has been put down and Council is awaiting power connection to commission this facility. The new bore will provide better quality water for the town ship. Council has repaired services after fires in the area of Kajabbi.

### **SEWERAGE SERVICES**

#### **Cloncurry**

2010 -2011 has seen some problems develop in the integrity of the mains network. Council relined 498 meters of main. This was a major project due to flood damage. Council has engaged Inter flow to camera and clean 8 kilometres of drains to assess the worst effected arrears so that they may be relined according to the requirements of urgency. Road crossings and built over sewers are of very high priority to be addressed under this project.

Total budget \$400,000.00.

Council has implemented a liquid CL2 dosing system at the treatment plant. An automotive trash rack has been implemented in 2010. This system is operating well and has considerably reduced the work place health and safety risk to operators.

## **Dajarra**

Dajarra sewerage system has been operating well since the upgrade of the number 1 pump station.

## **ENVIRONMENTAL HEALTH**

Inspections have been carried out on all licensed businesses. On the whole businesses are compliant. There have been few changes in legislation which have impacted on operations in this area. Some of the big changes were to the Local Government Act and the introduction of the Animal Management (Cats and Dogs) Act. Local Laws are going through the stages of being up dated and this will impact on the future operations of this department. A lot of work has been improved the control of wandering animals and general control of nuisance related issues. Improvements have been made in chemical storage, control tools and infrastructure. Implementation of weed control programs and the employment of a Pests Officer to carry out the works identified in Council's Pest Management Plan. Council has made significant changes which are improving compliance across the Environmental section.

## **Cemeteries**

Good budgets were set for the improvement of the Cemeteries throughout the Cloncurry Shire. A new website is being developed thanks to funding and a lot of work done by the Historical Society. The development of the website will assist with general Cemetery inquiries and the availability of information on the Cemetery records. 55 trees were planted at the Cloncurry lawn Cemetery. An irrigation system using recycled water has been introduced into the gardens of the lawn Cemetery.



## Community Financial Report

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

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

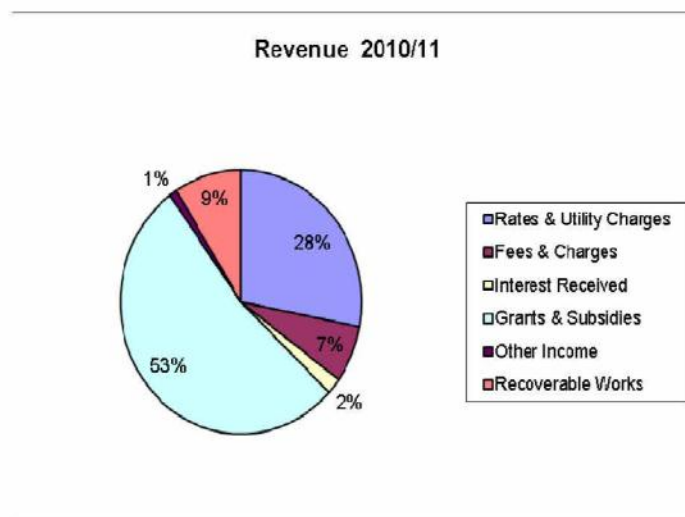
To obtain a full appreciation of the Council's overall financial performance and financial position, the Community Financial Report should be read in conjunction with the Audited Annual Financial Statements for the period 1 July 2010 to 30 June 2011.

### Income Statement (Income and Expenses)

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

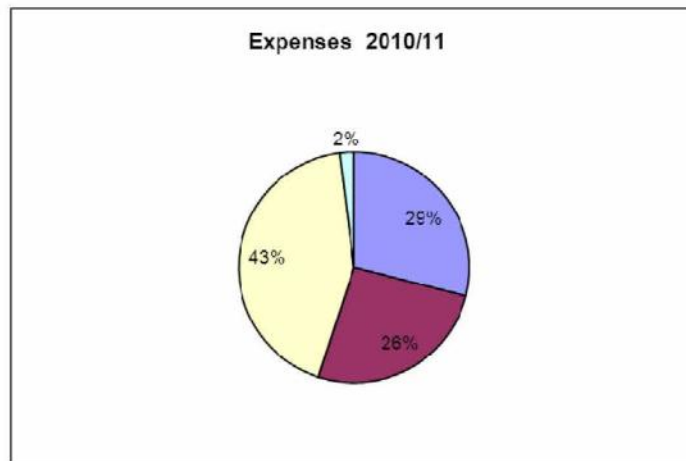
#### Where does Council get its funds?

<b>Total Income</b>	<b>\$31,905,453</b>
Rates & Utility Charges	\$ 8,920,820 (28%)
Fees & Charges	\$ 2,108,130 (7%)
Interest Received	\$ 748,294 (2%)
Grants & Subsidies	\$17,313,096 (53%)
Other Income	\$ 90,048 (1%)
Recoverable Works	\$ 2,725,065 (9%)



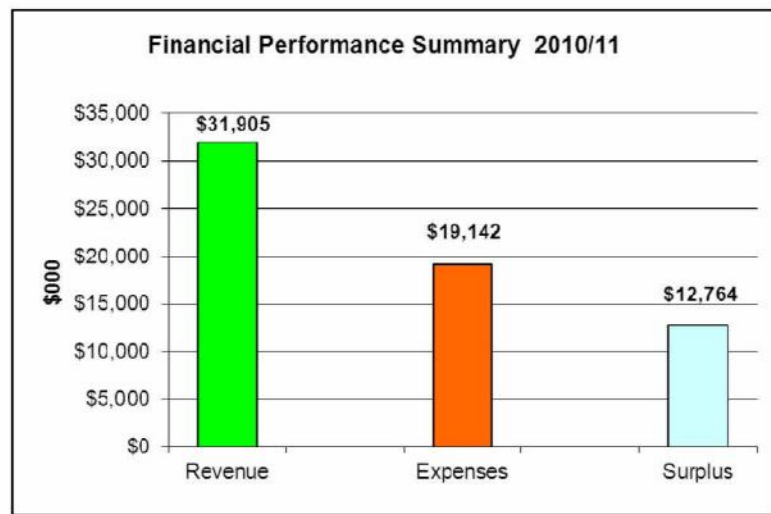
### Where does Council spend its funds?

<b>Total Expenses</b>	<b>\$19,141,542</b>	
Employee Costs	\$ 5,547,680	(29%)
Depreciation	\$ 5,057,339	(26%)
Materials & Services	\$ 8,163,511	(43%)
Finance Costs	\$ 373,012	( 2%)



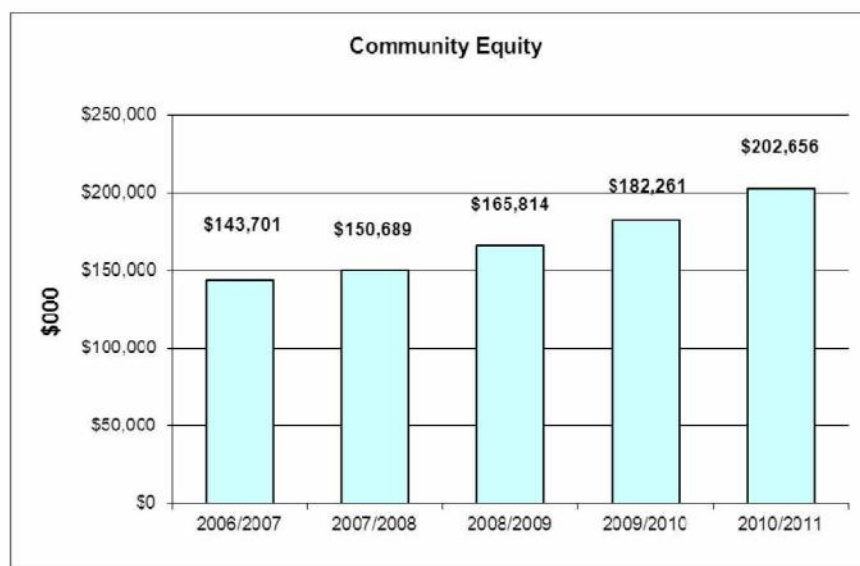
## The Surplus

The difference between the revenue and the expenses represents the surplus. For 2010-2011 the surplus was \$12,763,911. This is represented in the Financial Performance Summary below.



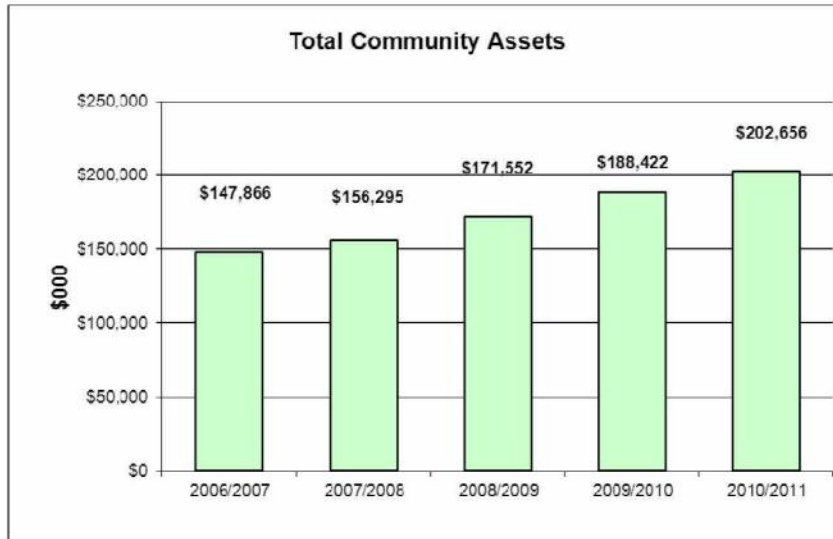
### The Balance Sheet

This is a snapshot of Council's financial position at 30 June 2011. It shows a summary of our assets and liabilities at the end of the financial year. The difference between 'what we own' (assets) and 'what we owe' (liabilities) is called Community Equity (Net Assets) and is a measure of the wealth of the community.



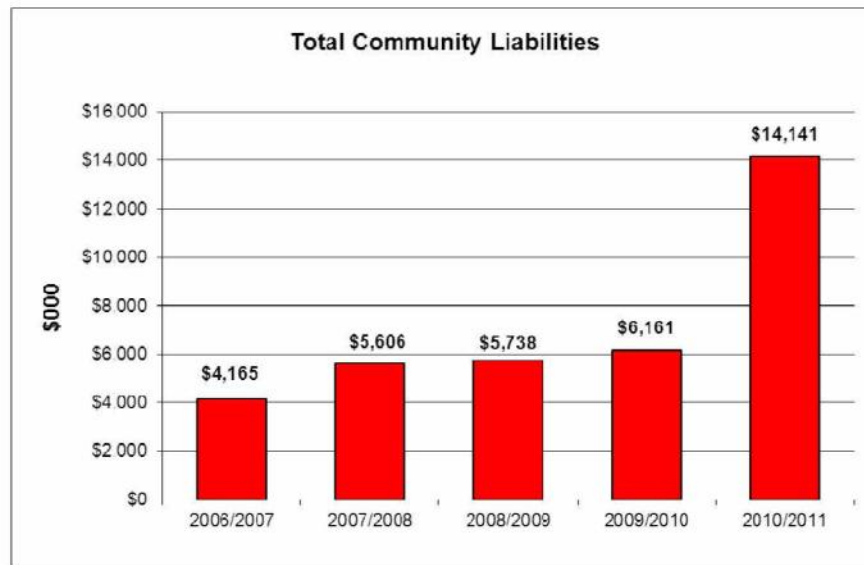
## What we own

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



### What we owe

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

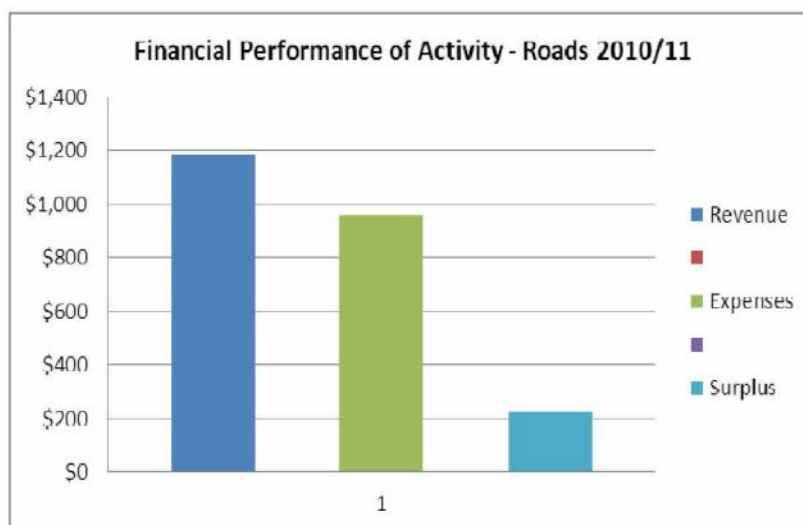


### National Competition Policy

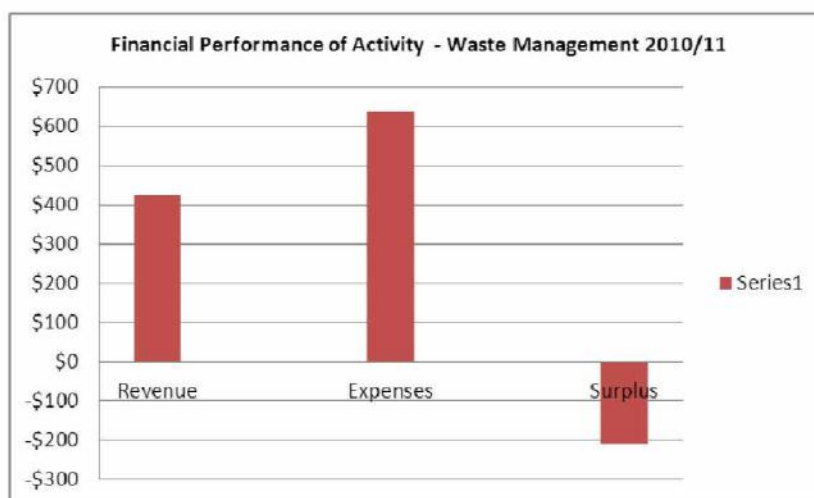
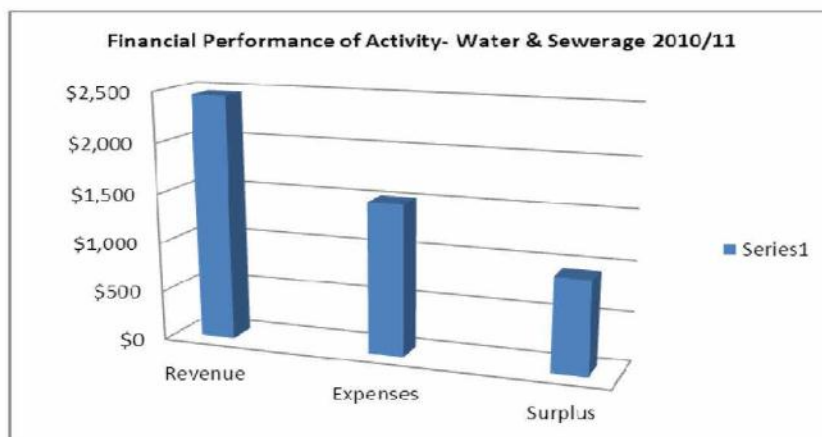
The community service value is determined by Council, and represents an activities cost(s) which would not be incurred if the primary objective of the activities was to make a profit. The Council provides funding from general revenue to the business activity to cover the cost of providing non-commercial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

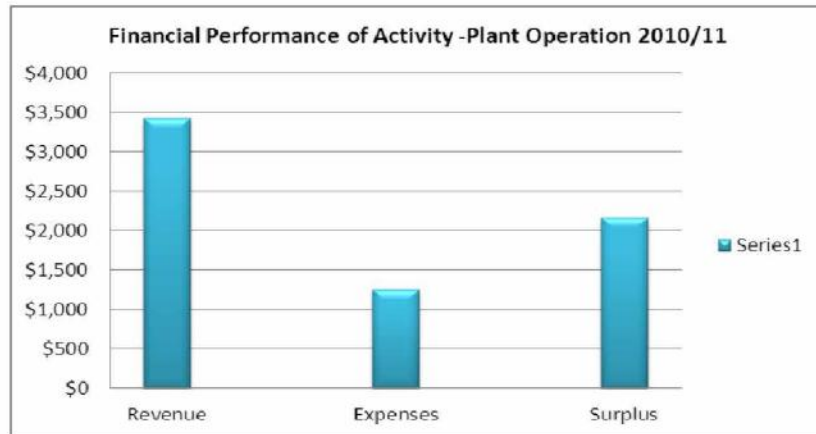
#### Financial performance of activities subject to competition reforms:

	Roads	Water and sewerage	Waste management	Plant operations
	2011 \$	2011 \$	2011 \$	2011 \$
Revenue for services provided to the Council	1,183,468	-	-	3,435,844
Revenue for services provided to external clients	-	2,457,953	426,728	-
Community service obligations	-	-	-	-
	1,183,468	2,457,953	426,728	3,435,844
Less : Expenditure	957,913	1,515,691	636,241	1,264,379
Surplus/(deficiency)	225,555	942,262	(209,513)	2,171,465









# Statutory Requirements

## Transitional Expenses Reimbursement Policy for Local Government Councillors

### Commencement

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

### Background

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

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

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

### Purpose

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

### Definition

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

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

## **Scope of the transitional policy**

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

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

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

## **Statement of Principles**

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

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

## **Payment of Expenses**

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

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

## **Expense Categories**

### **Professional Development**

A local government will reimburse expenses incurred for:

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

### **Travel as Required to Represent Council**

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

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

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

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

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

### **Travel bookings**

All councillor travel approved by council will be booked and paid for by council.

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

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

### **Travel transfer costs**

Any travel transfer expenses associated with councillors travelling for council approved business will be reimbursed.

Example: Trains, taxis, buses and ferry fares

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

### **Private vehicle usage**

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

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

### **Accommodation**

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

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

### **Meals**

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

- the councillor incurs the cost personally and
- the meal was not provided:
  - ❖ within the registration costs of the approved activity/event

- ❖ during an approved flight.

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

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

No alcohol will be paid for by Council

### **Incidental allowance**

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

### **Additional Expenses for Mayor**

#### **Hospitality**

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

#### **Provision of Facilities**

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

#### **Private use of council owned facilities**

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

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

## **Facilities Categories**

### **Administrative tools**

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

Administrative tools include:

- office space and meeting rooms
- computers
- stationery
- access to photocopiers
- printers
- facsimile machines
- publications
- use of council landline telephones and internet access in council offices.

Secretarial support may also be provided for mayors and councillors.

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

### **Maintenance costs of Council Owned Equipment**

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

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

### **Name Badge and Safety Equipment for Councillors**

A local government may provide councillors with:

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

### **Use of Council Vehicles on Council Business**

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

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



## **Telecommunication Needs – Mobile Devices**

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

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

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

## **Insurance cover**

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

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

## **Fuel costs**

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

## **Car Parking Amenities**

Councils are to provide councillors with:

- car parking at the local government office premises and / or
- reimbursement of parking costs paid by councillors’ while attending to official council business.

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

### **4. Councillor Remuneration Policy**

#### **Resolution:**

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

**Moved: Cr McDonald**

**Seconded: Cr Campbell**  
**CARRIED**

# Councillor Remuneration

## Confirmed Minutes of the Ordinary Meeting of Council 1 February 2011

Local Government Association of QLD – Councillor Remuneration

<b>Moved: Cr McDonald</b>		<b>Seconded: Cr Ferguson</b>
<b>That Council adopt the following levels of remuneration as set out in the Local Government Remuneration and Discipline Tribunal Report 2010, being applicable from 1 January 2011:</b>		
<b>Mayor</b>	<b>\$73,590</b>	
<b>Deputy Mayor</b>	<b>\$40,140</b>	
<b>Councillor</b>	<b>\$33,450</b>	
<b>CARRIED: 19.110201</b>		

Amended Remuneration Schedule as at 1 January 2011

Category	Remuneration Range determined (% of \$130,540 – rate payable to Member of Queensland Legislative Assembly (See Note 2)		Remuneration Range (p.a) (in \$ rounded to nearest \$10) (See Note 3 & 4)
Category 2	Mayor	47.5 - 55	\$63,560 - \$73,590
	Deputy Mayor	22.5 - 30	\$31,110 - \$40,140
	Councillor	17.5 - 25	\$23, - \$32,640

Note 2: - The monetary amounts shown are per annum figures which apply from 1 January 2011.

Note 3: - The monetary amounts shown are per annum figures. If an elected representative only serves for part of a calendar year they are only entitled to a pro-rata payment to reflect the portion of the year served.

## REMUNERATION TO COUNCILLORS FOR 2010-2011

NAME	COUNCILLOR ALLOWANCE	MAYOR & DEPUTY ALLOWANCE	SUPERANNUATION CONTRIBUTIONS	SPECIAL MEETING	GENERAL MEETINGS
<b>Mayor</b>					
Councillor Andrew Daniels		\$72,670.98		4	21
<b>Councillors</b>					
Councillor Robert McDonald	\$33,045.00			4	21
Councillor Greg Campbell		\$39,650.18	\$4,758.00	4	22
Councillor Colin Ferguson	\$33,045.00			3	22
Councillor Lynne Vernon	\$33,045.00			2	14
<b>Total</b>	<b>\$99,135</b>	<b>\$112,321.16</b>			



Cloncurry Recreational Grounds

## Policies

### Borrowing Policy

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Item: 2010/11 Borrowing Policy

**Section:** Administration

**Policy No.:** TBA

**Resolution No.:** 14.100720

**File No.:** TBA

**Date of Policy:** 20 July 2010

**Procedure Applicable:** No

**Category:** Budget

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In accordance with section 55 of the Local Government Finance Standard 2005, it is Council's intention to borrow only for growth/enhancement capital expenditure and commercial debt structures for its commercial business units. The authority to borrow is drawn from section 34 of the Statutory bodies Financial Arrangements Act 1982.

Capital expenditure for the organisation is categorised into two different aspects:- growth/enhancement and refurbishment. Borrowings required for growth/ enhancement projects are calculated on a net basis. Net basis being the total value of those projects less any external funding such as developers cash contributions, donations, grants and subsidies. In addition to these external funding sources, Council may determine that growth/ enhancement projects be funded, in part or in full, from existing cash reserves or other available cash surplus. The final determination of the borrowing requirements is based on an assessment of existing debt levels and the requirement to maintain a prudent level of cash for operating purposes, other liabilities and Reserves.

All borrowings, including existing loan balances, are on a principal and interest basis and have a maximum term of maturity of 15 years.

Loan borrowings allocated to the Cloncurry water supply are for infrastructure projects required to meet projected growth within the Shire. A strategic objective of the Cloncurry water supply is to achieve a capital structure in line with commercial industry benchmarks.

Loan borrowings allocated to other Council Departments are for growth/enhancement related projects and are required to meet the increasing service needs of Council's customers and the Cloncurry community.

All external borrowings are from the Queensland Treasury Corporation (QTC). The rate of payment is dependent upon market conditions and other principles agreed to between QTC and Council.

The overall loans debt position of Council for 2010/11 is an increase of \$12.002 million.

## Revenue Policy

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Item: 2010/11 Revenue Policy

**Section:** Administration

**Policy No.:** Admin01

**Date of Policy:** 27 July 2010

**Resolution No.:** 18.100727

**Procedure Applicable:** No

**Category:** Budget

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### (i) Background

Section 513A of the *Local Government Act 1993* requires that a Revenue Policy is prepared and adopted in enough time before the start of a financial year to allow preparation and adoption of a budget for the financial year consistent with the policy.

In accordance with section 12 of the *Local Government Finance Standard 2005* the policy must contain details of the principles applied for the following:-

- (a) making and levying of rates and charges
- (b) exercising the Council's powers to grant rebates and concessions
- (c) recovery of unpaid amounts of rates and charges

### (ii) Policy

The purpose of this revenue policy is to set out the principles used by Council in 2010/11 for:

- (a) The making of rates and charges;
- (b) The levying of rates and charges;
- (c) The recovery of rates and charges; and
- (d) Applying concessions for rates and charges

Council's overall revenue policy is to raise sufficient revenue to meet its obligations and provide an acceptable level of service within legal requirements and responsibilities, and its risk assessment of its duty of care. In apportioning the revenue to be raised from each sector, Council will consider the services provided in general, specific services provided and the ability to pay.

Council has over the years developed an acceptable apportionment of the rate burden based on the stated principles, and it is expected this basis will generally continue. If however new activities commence which change the above, then those activities will be assessed and modified within the above principles.

**(a) Principles Used for the Making of Rates and Charges**

In general Council will be guided by the principle of user pays in the making of rates and charges so as to minimise the impact of rating on the efficiency of the local economy.

Council will also have regard to the principles of:-

- ⇒ transparency in the making of rates and charges;
- ⇒ having in place a rating regime that is simple and inexpensive to administer;
- ⇒ equity by taking account of the different levels of capacity to pay within the local community; and
- ⇒ flexibility to take account of changes in the local economy.

In general the setting of rates and charges will be based on the principle of user pays, so as to minimise the impact of rating on the efficiency of the local economy. When setting rates and charges, Council has taken into consideration factors that have an impact on the users/ratepayers ability to pay, including rural trends and economic conditions.

Council has adopted differential rating. Council will set a rate based on the unimproved value of the land as provided annually by the Department of Natural Resources and Water for a number of rating categories. This valuation is then multiplied by the rate in the dollar as set by Council to arrive at the annual rate charge. A minimum rural rate and a minimum differential rate will also be set to allow for reasonable costs of additional services provided to areas where valuations are reasonably low compared to the benefits provided.

All regulatory fees and charges (Inspections, Licences, Dog Registrations etc.) set by Council are subsidised at a rate which in Council's opinion reflects the ability of the users capacity to pay. Commercial fees and charges are based on a cost recovery system with a minimal profit margin and Council absorbing the impact of GST where applicable. Where possible, charges or part thereof for social and infrastructure costs will be passed onto any development or subdivision as a method of cost recovery.

All private works carried out by Council staff and plant will be completed on a full cost recovery basis plus a minimum 10% margin.

**(b) Principles Used for the Levying of Rates and Charges**

In levying rates and charges, Council will apply the principles of:

- ⇒ making clear what is the Council's and each ratepayers' responsibility to the rating system;
- ⇒ making the levying system simple and inexpensive to administer;
- ⇒ timing the levy of rates and charges to take into account the financial cycle of local economic activity, in order to assist smooth running of the local economy; and
- ⇒ equity through flexible payment arrangements for ratepayers with a lower capacity to pay.

Council issues rates twice yearly – covering the periods July to December and January to June.

Council offers a discount on rates paid within 31 days from the issue date of the rates notice. Discount is available on all rates and utility charges with the exception of the special rates and special charges.

To be eligible for the discount, all arrears are required to be paid in full. Council offers discount to ratepayers as an incentive for timely payments.

**(c) Principles Used for the Recovery of Rates and Charges**

Council will exercise its rate recovery powers in order to reduce the overall rate burden on ratepayers. It will be guided by the principles of:-

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

Council is to enforce a strict debt recovery procedure. Failure by users/ratepayers to meet their financial obligations to Council will result in Council exercising its recovery powers to reduce the overall burden to other users/ratepayers.

Interest will be charged on all rates notices which have not been paid by the end of the 31 day discount period from the date of issue of the rates notice. Interest on all overdue rates is being charged at a rate of 8% per annum compounded daily.

Council has an option available for ratepayers to enter into a payment arrangement with Council to pay outstanding rates. The only acceptable form of arrangement to pay overdue rates will be through approval by the Chief Executive Officer.

The acceptance of a cheque and the issue of a receipt is conditional on collection of the proceeds, and therefore until collection no credit is to be given or implied. In the result of a cheque being dishonoured, all costs incurred by Council as a result of this, will be billed to the payer.

**(d) Applying Concessions for Rates and Charges**

In considering the application of concessions, Council will be guided by the principles of:-

- ⇒ equity by having regard to the different levels of capacity to pay within the local community,

- ⇒ the same treatment for ratepayers with similar circumstances;
- ⇒ transparency by making clear the requirements necessary to receive concessions, and
- ⇒ flexibility to allow Council to respond to local economic issues.

Council recognises that different people in the community have different capacities to formally meet their financial obligations to Council. For example Council offers ratepayers who hold a current Pension Concession Card and ratepayers who hold a Repatriation Health Care Card, a class concession rates subject to application to Council. Consideration may also be given by Council to granting a class concession in the event that all or part of the local government area is declared a natural disaster area by the State Government.



## Revenue Statement 2010/11

Adopted by Council 27 July 2010

As required by Section 520A of the *Local Government Act 1993* and Section 56 of the *Local Government Finance Standard 2005*, this Revenue Statement incorporates for the 2010/11 financial year the following:-

- (a) an outline and explanation of the revenue raising measures adopted, including an outline and explanation of:-
  - (i) the rates and charges to be made and levied in the financial year; and
  - (ii) the rebates and concessions to be granted in the financial year;
- (b) whether the local government has made a resolution limiting the increases in rates and charges;
- (c) the extent to which physical and social infrastructure costs for new development are to be funded by charges for the development;
- (d) whether the operating capability of the local government is to be maintained, increased or decreased and, if it is to be increased or decreased, the extent to which it is to be increased or decreased; and
- (e) whether depreciation and other non-cash expenses are to be fully funded.

The Revenue Statement is an explanatory statement, which accompanies the budget, outlining and explaining the revenue measures in the budget. The Revenue Statement provides an overview of the revenue raising measures which Council has implemented in order to fund the provision of services for the financial year.

Council's overall revenue policy is to raise sufficient revenue to meet its obligations and provide an acceptable level of service within legal requirements and responsibilities, and its risk assessment of its duty of care. In apportioning the revenue to be raised from each sector, Council will consider the services provided in general, specific services provided and the ability to pay.

Council has over the years developed an acceptable apportionment of the rate burden based on the stated principles, and it is expected this basis will generally continue. If however new activities commence which change the above, then those activities will be assessed and modified within the above principles.

⇒ ***Outline and explanation of the revenue raising measures adopted, including an outline and explanation of the rates and charges to be made and levied in 2010/11 and the rebates and concessions to be granted in 2010/11***

### 1. Categories and Criteria Used For Rating

In accordance with Section 967 of the *Local Government Act 1993* Council will set a minimum general rate to ensure that all ratepayers bear an equitable share of the burden of providing the services and administration costs of the Council.

A minimum rural rate and a minimum differential rate will be set for each category to allow for reasonable costs of additional services provided to areas where valuations are reasonably low compared to the benefits provided.

## **2. Differential General Rating**

In accordance with Section 963 of the *Local Government Act 1993* Council will levy differential rates for the 2010/11 financial year for the criteria adopted by Council and at the rates as detailed below. The basic reason for applying the different rating categories is to spread the costs of the provision of Council's services generally on a capacity to pay basis.

The criteria adopted by Council for the levying of differential general rates are:-

- (a) A rate for all areas outside the towns of Cloncurry, Dajarra, Kajabbi, other towns and Mining based on the unimproved value of land provided by the State Government Valuer. All such land is listed in differential rating categories 20 - 27 and is classified as a rural rate.
- (b) A rate for the town areas of Cloncurry, Dajarra, Kajabbi and other towns based on the unimproved value of land as provided annually by the State Government Valuer. All such land is listed in rate categories 1 - 5, 10 - 13, 15, and 40 - 45. These categories include Residential (Cloncurry and other towns), Commercial (Cloncurry and other towns), Transformer sites, Religious, Clubs and Schools and Mining Accommodation.
- (c) A rate for the Mining categories based on the unimproved value of land as provided annually by the State Government Valuer. All such land is listed in rate categories 50 - 56.
- (d) A rate for the Industrial, Extractive and Loading Facilities categories based on the unimproved value of land as provided annually by the State Government Valuer. All such land is listed in rate categories 30 - 35.
- (e) A rate for land leased at the Cloncurry Aerodrome. Such land is listed in rate category 14.

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

### **Residential Categories:**

#### **Category 1 – Cloncurry Residential <1 HA**

Land in the Parish of Cloncurry, which is not otherwise categorised, is less than 1.0 Hectare in size and to which the following primary land use codes apply:

- 01 & 02 – Vacant, Single Unit Dwelling
- 04 & 05 – Large Home Site Dwelling/Vacant
- 06 – Outbuildings
- 72 – Section 25 Valuations

A rate of 3.444 cents in the dollar, with a minimum rate of \$450.00 to apply.

#### **Category 2 – Other Residential <1 HA**

Land outside of the Parish of Cloncurry, which is not otherwise categorised, is less than 0.75 Ha in size and to which the following primary land use codes apply:

- 01 & 02 – Vacant, Single Unit Dwelling
- 04 & 05 – Large Home Site Dwelling/Vacant
- 06 – Outbuildings

72 – Section 25 Valuations

A rate of 3.4440 cents in the dollar, with a minimum rate of \$400.00 to apply.

**Category 3 – Cloncurry Residential >1 HA**

Land in the Parish of Cloncurry, which is not otherwise categorised, is 1.0 hectare or greater in size and to which the following primary land use codes apply:

01 & 02 – Vacant, Single Unit Dwelling

04 & 05 – Large Home Site Dwelling/Vacant

06 – Outbuildings

72 – Section 25 Valuations

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

**Category 4 – Other Residential >1 HA**

Land outside of the Parish of Cloncurry, which is not otherwise categorised, is 1.0 hectare or greater in size and to which the following primary land use codes apply:

01 & 02 – Vacant, Single Unit Dwelling

04 & 05 – Large Home Site Dwelling/Vacant

06 – Outbuildings

72 – Section 25 Valuations

A rate of 3.4440 cents in the dollar, with a minimum rate of \$450.00 to apply.

**Category 5 – Multi Residential**

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

03 – Multi unit dwelling (flats)

07 - 09 – Guest house/private hotel, Building Units, Group Title

21 – Residential Institutions (Non-Medical Care)

A rate of 6.7500 cents in the dollar, with a minimum rate of \$750.00 to apply.

## **Commercial Categories:**

### **Category 10 – Shopping Centre**

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

14 – Shops – Main Retail (CBD)

A rate of 7.2940 cents in the dollar, with a minimum rate of \$25,000.00 to apply.

### **Category 11 – Retail, Commercial business – Cloncurry**

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

10 – 13 – Retail Business/Comm

15 – 20 – Retail Business/Comm

22 – 27 – Retail Business/Comm

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

96 – 99 – General Uses

A rate of 8.1000 cents in the dollar, with a minimum rate of \$750.00 to apply.

### **Category 12 – Retail, Commercial business - Other**

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

10 – 13 – Retail Business/Comm

15 – 20 – Retail Business/Comm

22 – 27 – Retail Business/Comm

42 – 49 – Special Uses (excluding 48 - Sports clubs/Facilities)

96 – 99 – General Uses

A rate of 19.8380 cents in the dollar, with a minimum rate of \$750.00 to apply.

### **Category 13 – Transformer Sites**

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

91 – Transformers

A rate of 7.2950 cents in the dollar, with a minimum rate of \$750.00 to apply.

### **Category 14 – Airport Leases**

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

A rate of 6.7500 cents in the dollar, with a minimum rate of \$750.00 to apply.

### **Category 15 – Religious, Clubs etc.**

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

41 – Child Care excluding Kindergarten

48 - 59 – Special Uses (excluding 49 – Caravan Park)

A rate of 5.3000 cents in the dollar, with a minimum rate of \$400.00 to apply

## **Rural Categories:**

### **Category 20 – Rural Land <\$1,000,000 UCV – Cloncurry**

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

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

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

85 – 95 – Other rural uses (excludes 89 – Animal Special and 91 – Transformers) A rate of 8.1270 cents in the dollar, with a minimum rate of \$360.00 to apply.

### **Category 21 – Rural Land \$1,000,000 + <\$5000,000.00 UCV – Cloncurry**

All land, in the Parish of Cloncurry, which is not otherwise categorised, has a UCV of \$100,000 or more but less than \$500,000 and has the same land use code as identified in Differential Category 20.

A rate of 8.1270 cents in the dollar, with a minimum rate of \$360.00 to apply.

### **Category 22 – Rural Land <\$5,000,000 UCV – Other**

All land, outside the Parish of Cloncurry, which is not otherwise categorised, is less than \$500,000 UCV and has the same land use code as identified in Differential Category 20.

A rate of 8.1270 cents in the dollar, with a minimum rate of \$360.00 to apply.

### **Category 23 – Rural Land - \$500,000 + <\$750,000 UCV**

All land, which is not otherwise categorised, has a UCV of \$500,000 or more but less than \$750,000 and has the same land use code as identified in Differential Category 20. A rate of 8.1270 cents in the dollar, with a minimum rate of \$360.00 to apply.

### **Category 24 – Rural Land - \$750,000 + <\$1,000,000 UCV**

All land, which is not otherwise categorised, has a UCV of \$750,000 or more but less than \$1,000,000 and has the same land use code as identified in Differential Category 20.

A rate of 8.1270 cents in the dollar, with a minimum rate of \$360.00 to apply.

### **Category 25 – Rural Land - \$1,000,000 + <\$3,000,000 UCV**

All land, which is not otherwise categorised, has a UCV of \$1,000,000 or more but less than \$3,000,000 and has the same land use code as identified in Differential Category 20.

A rate of 8.1270 cents in the dollar, with a minimum rate of \$360.00 to apply.

### **Category 26 – Rural Land - \$3,000,000 + <\$6,000,000 UCV**

All land, which is not otherwise categorised, has a UCV of \$3,000,000 or more but less than \$6,000,000 and has the same land use code as identified in Differential Category 20.

A rate of 8.1270 cents in the dollar, with a minimum rate of \$360.00 to apply.

### **Category 27 – Rural Land - \$6,000,000 + UCV**

All land, which is not otherwise categorised, has a UCV of \$3,000,000 or more but less than \$6,000,000 and has the same land use code as identified in Differential Category 20.

A rate of 8.1270 cents in the dollar, with a minimum rate of \$360.00 to apply.

## **Industrial Categories:**

### **Category 30 - Industrial, Transport and Storage <4000m<sup>2</sup>**

All Land, which is not otherwise categorised, is less than 4,000m<sup>2</sup> in size to which the following primary land use codes apply or should apply:

28 -36 – Transport & Storage, Industrial

37 – Noxious/offensive industry (include abattoir)

89 – Animal Special

A rate of 7.3100 cents in the dollar, with a minimum rate of \$500.00 to apply.

### **Category 31 - Industrial, Transport and Storage 4000+ m<sup>2</sup>**

All land, which is not otherwise categorised, is 4,000m<sup>2</sup> or greater in size to which the following primary land use codes apply or should apply:

28 -36 – Transport & Storage, Industrial

37 – Noxious/offensive industry (include abattoir)

89 – Animal Special

A rate of 7.3100 cents in the dollar, with a minimum rate of \$750.00 to apply.

### **Category 32 - Extractive < 100 Ha**

All land, which is not otherwise categorised, is less than 100 hectares in size to which the following land use code applies or should apply:

40 – Extractive

A rate of 20.0000 cents in the dollar, with a minimum rate of \$20,000.00 to apply.

### **Category 33 - Extractive 100+ Ha**

All land, which is not otherwise categorised, is 100 hectares or more in size to which the following land use code applies or should apply:

40 – Extractive

A rate of 20.0000 cents in the dollar, with a minimum rate of \$75,000.00 to apply.

### **Category 34 - Loading Facility < 100Ha**

All land, of less than 100 hectares, which is not otherwise categories, is used by a mine or extractive industry as a loading facility.

A rate of 20.0000 cents in the dollar, with a minimum rate of \$20,000.00 to apply.

### **Category 35 - Loading Facility > 100Ha**

All land, of greater than 100 hectares which is not otherwise categories, is used by a mine or extractive industry as a loading facility.

A rate of 20.0000 cents in the dollar, with a minimum rate of \$50,000.00 to apply.

## **Intensive Businesses & Industries Categories:**

### **Category 40 - Intensive Accommodation 15 – 50 person**

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

A rate of 10.0000 cents in the dollar, with a minimum rate of \$5,000.00 to apply.

### **Category 41 - Intensive Accommodation 51 – 100 person**

Land, as described in Rate Category 40, capable of accommodating 51 persons to 100 persons.

A rate of 10.0000 cents in the dollar, with a minimum rate of \$10,000.00 to apply.

### **Category 42 – Intensive Accommodation 101 – 300 person**

Land, as described in Rate Category 40, capable of accommodating 101 persons to 300 persons.

A rate of 10.0000 cents in the dollar, with a minimum rate of \$20,000.00 to apply.

### **Category 43 – Intensive Accommodation 301 – 500 person**

Land, as described in Rate Category 40, capable of accommodating 301 persons to 500 persons.

A rate of 10.0000 cents in the dollar, with a minimum rate of \$40,000.00 to apply.

### **Category 44 – Intensive Accommodation 501 -1,000 persons**

Land, as described in Rate Category 40, capable of accommodating 501 persons to 1,000 persons.

A rate of 10.0000 cents in the dollar, with a minimum rate of \$80,000.00 to apply.

### **Category 45 - Intensive Accommodation 1,001 + persons**

Land, as described in Rate Category 40, capable of accommodating 1,001 persons or more.

A rate of 10.0000 cents in the dollar, with a minimum rate of \$160,000.00 to apply.

## **Mining Categories:**

### **Category 50 – Mining Lease <50 employees &<2.01 Ha**

Mining Leases issued within the Council area that have an area of less than 2.01 ha and has less than 50 employees

A rate of 18.1810 cents in the dollar, with a minimum rate of \$750.00 to apply.

### **Category 51 – Mining Leases <50 employees &<40Ha**

Mining Leases issued within the Council area that have an area of 2.01 ha or more, but less than 40 ha and has less than 50 employees

A rate of 198.5280 cents in the dollar, with a minimum rate of \$2,500.00 to apply.

### **Category 52 – Mining Leases <50 employees &>40Ha**

Mining Leases issued within the Council area that have an area of 40 ha or greater and has less than 50 employees

A rate of 188.7940 cents in the dollar, with a minimum rate of \$5,000.00 to apply.

### **Category 53 – Mining Leases 51 – 100 employees**

Mining Leases issued within the Council area that have from 51 to 100 employees A rate of 866.487 cents in the dollar, with a minimum rate of \$90,000.00 to apply.

### **Category 54 – Mining Leases > 101 – 300 employees**

Mining Leases issued within the Council area that have from 101 to 300 employees A rate of 100.3940 cents in the dollar, with a minimum rate of \$160,000.00 to apply.

### **Category 55 – Mining Leases > 301 – 1,000 employees**

Mining Leases issued within the Council area that have from 301 to 1,000 employees A rate of 149.4080 cents in the dollar, with a minimum rate of \$500,000.00 to apply.

### **Category 56 - Mining Leases 1,000 + employees**

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

A rate of 200.0000 cents in the dollar, with a minimum rate of \$1,000,000.00 to apply.

### **Category 60 – Mining Claims**

All Mining Claims issued within the Council area.



## **Utility Charges:**

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

- Cleansing Service
- Sewerage Schemes
- Water Supply Schemes

## **Cleansing (Waste) Charges:**

The Waste charge shall apply to the Waste collection Areas. See Schedule “C”.

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

The objects of the Waste charging system are:-

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

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

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

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

In accordance with Section 94 of the *Local Government Act 2009*, Council levy Cleansing (Waste) Charges. The following cleansing (waste) charges are to be levied for the 2010/11 financial year for the Cloncurry and Dajarra refuse service areas:-

- |   |            |
|---|------------|
| (a) Domestic/Commercial/Industrial – 1 bin & 1 collection per week (where more than 1 bin is serviced, the charge is multiplied per number of bins) | \$257.917  |
| (b) Commercial/Industrial - 5 bins & 2 collections weekly   | \$2,323.20 |
| (c) Commercial/Industrial - 5 bins & 3 collections weekly   | \$3,087.92 |
| (d) Commercial/Industrial - 5 bins & 4 collections weekly   | \$3,850.22 |
| (e) Commercial/Industrial - 5 bins & 5 collections weekly   | \$4,612.52 |

### **Water Charges:**

In accordance with Section 94 of the *Local Government Act 2009* Council has adopted water charges as follows on all properties connected to the water reticulation and treatment scheme or vacant land with access to the water reticulation and treatment scheme. The following charges are to be levied for 2010/11 financial year:-

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

### **Water Demand Management**

In accordance with the Local Government Act 2009 and the Water Supply (Safety and Reliability) Act 2008 Council intends to introduce metering to all water connections in the Cloncurry Water Supply in 2010/11 which will include all residential and commercial/business premises as part of its Water Demand Management practice.

### **Sewerage Charges:**

In accordance with Section 94 of the *Local Government Act 2009* Council has adopted sewerage charges as follows on all properties connected to the sewerage reticulation and treatment scheme or vacant land with access to the sewerage reticulation and treatment scheme. The following charges are to be levied for the 2010/11 financial year:-

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

### **Separate Charges:**

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

In relation to assessment 00663-00000-000, Council has approved that the old pump station at 13 Palmer Street be removed and a new pump station and fence installed. The total cost of these works will be in the order of \$47,064. 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 Separate Charge shall be \$4,181 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.

### **Special Rates:**

#### **Mine Access Roads**

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

#### **(i) Duchess/Phosphate/Trekalano Road**

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

⇒ Implementation Plan

Activity	Annual Allowance
Bitumen Reseal (annual allowance for reseal in four years – reduces to \$80,000 per annum after then)	\$ 225,000
Total	225,000
Allocation Assessment 01319-30000-000 – 40%	90,000
Allocation Assessment 01280-30000-000 – 60%	135,000

### **When Rates and Charges must be paid:**

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

### **Discount for Prompt Payment of Rates and Charges:**

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

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

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

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

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

### **Rebate of Rates to Pensioners:**

At Council's discretion, a rebate of 20% (to a maximum of \$180 per annum) of the gross rates and charges levied may be granted to aged, widowed, invalid or other pensioners who are eligible to receive the State Government Pensioner Rate Subsidy. They must reside on the land in question and use it only as their dwelling place. The land in question must not be used for any other purpose such as for commercial or agricultural purposes. This rebate/concession compliments the subsidy that is offered under the State Government's Pensioner Rate Subsidy Scheme.

### **Interest:**

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

For the 2010/11 financial year, any outstanding balances at the close of the discount period will incur interest at the rate of 11% per annum compounding daily.

### **Payment of Overdue Rate by Instalments:**

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

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

### **Pro Rata Rates and Charges:**

In respect of any rates that are applicable in respect to part only of the year ending June 30 2011, the amount payable in respect thereof shall be assessed and charged on a pro-rata basis, with the pro-rata rate or charge to be included in the next rate notice issue.

### **Concessions from General Rates:**

Council will upon written application, consider the remission of whole or part of the general rate levied upon entities or organisations who meet the criteria detailed in Section 54 of the Local Government (Finance, Plans and Reporting) Regulation 2010. Further details are included in Council Donations to Community Organisations Policy.

### **Assessments Exempt of General Rates:**

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

### **General:**

The rates & charges are to be levied in equal half-yearly instalments, by the issue of six monthly rate notices: - July to December 2010 and January to June 2011.

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

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

### **Operating capability**

The operating capability of Council is to be maintained through the adoption of the 2010/11 budget and this Revenue Statement. No significant increase or decrease in Council's operating capability is expected.

### **Funding of depreciation and other non-cash expenses**

Depreciation and other non-cash expenses are funded to the extent of Council's capabilities. Depreciation and other non-cash expenses are fully funded for the 2010/11 financial year.

## SCHEDULE “A”

### SCHEDULE OF CHARGEABLE UNITS:- CLONCURRY WATER AND SEWERAGE

Description of Building Premises	Water Units	Sewerage Units
Additional pedestals / urinals – per pedestal	-	5
Ambulance Brigade (including dwelling)	60	40
Australia Post	40	40
Bakery	60	40
Bank	60	60
Barrack Camp		
Up to 10 person capacity	40	40
11 to 15 person capacity	60	60
Over 15 person capacity	80	80
Batching Plant –		
Small	100	-
Large	200	-
Bowls Club	60	40
Boy Scouts	20	20
Building Depot	40	40
Butcher	60	60
Cabins, Caravan Parks	10	10
Café, Milk Bar etc. including Café attached to motel	60	40
Caravan on private land	20	-
Caravan Park per site (to represent 70% occupancy rate per annum)	7	7
Cemetery	100	-
Church	30	30
Cloncurry Aerodrome Reserve	200	-
Cold Store	60	40
Commercial and Industrial Premises not included in this schedule	40	40
Council depot / Workshop	40	40
Council Offices	100	80
Court House	150	150
Dentist	60	40
Doctor’s Consulting Room / Surgery	60	60
Dwelling – one pedestal only	20	20
Ergon Storage Depot	60	60
Fire Brigade (ex dwelling)	60	60
Florence Clarke Park	120	80
Fuel Depot	60	60
Garage / Service Station	50	50
Girl Guides	20	-
Gymnasium	40	40
Hall	40	20
Hospital	600	480
Hotel	220	220
Hostel / Boarding House	40	40
Iceworks	220	40
Indoor Cricket Centre	60	60
John Flynn Place	140	100

<b>Description of Building Premises</b>	<b>Water Units</b>	<b>Sewerage Units</b>
Kindergarten, Day Care Centre	40	40
Laundromat	100	60
Licence Restaurant	60	40
Main Roads Department Office	250	250
Main Roads Department Workshop & Store	500	100
Mary Kathleen Park	200	100
Maternal & Child Welfare	60	60
Motels (per unit)	10	10
Motor Dealer Depot	40	40
Multiple Dwelling (per unit)	20	20
Office 1 – 5 persons	40	40
Office 6 – 10 persons	60	60
Pensioner Cottage	10	10
Picture Theatre / Café	60	60
Police Station and Barracks	260	200
Powerhouse	40	-
Queensland Rail (all buildings excluding dwellings)	2000	1000
Racecourse	120	20
Recreation Reserve	200	100
Saleyards	200	20
School (Private or Denominational)	100	100
School (State or High or Pre)	500	300
SES Building	20	20
Sewerage Treatment Plant	40	40
Shire Hall / Supper Room / Library	180	140
Shop – Single	40	40
Shop – Group of 2-4	80	60
Slaughter House / Abattoir	200	-
Soil Testing Laboratory	100	80
Stables	40	-
Storage Depot	40	40
Supermarket (ex butcher shop)	200	150
Swimming Pool (Council)	200	80
Telstra Exchange, Line Depot	100	80
Tennis Court, including Clubhouse	40	40
Transport Depot	40	40
Vacant land – Connected	20	10
Vacant Land – Not Connected	10	10
Veterinary Surgery	40	40
Warehouse	60	40
William Presley Place	220	200
Workshop	50	50



## **SCHEDULE “B”**

### **SCHEDULE OF CHARGEABLE UNITS:- KAJABBI WATER SUPPLY AND DAJARRA SEWERAGE & WATER SUPPLY**

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

## Other Statutory Information

### **Special Rate Activities**

Refer Revenue Statement.

### **Arrangements and Contracts with other Local Governments**

No services, facilities or activities were supplied by another local government under the arrangements entered into under Section 59 of the *Local Government Act 1993* during the 2010/11 financial year.

### **Invitations to Tenderer's to change their Tender**

No action was taken by Council under Section 488 (2) (Changes to Tenders) of the *Local Government Act 1993* during the 2010/11 financial year.

### **Short Listing after Calling for Expressions of Interest**

Section 489 of the *Local Government Act 1993* states that a local government may invite expressions of interest before inviting short listed tenders, if it resolves that it is satisfied that it would be in the public interest to do so.

RPA Architects on behalf of Council publicly invited for expressions of interest for the construction of Stage 1 Community Precinct and subsequently shortlisted for the 2010-2011 financial year.

### **Remuneration of Senior Contract Employees**

In accordance with Section 201 of the *Local Government Act 1993*, total remuneration packages paid to senior contract employees are:

- 1 Senior contract employee with a total remuneration package in the range of >\$200,000
- 2 Senior contract employees with a total remuneration package in the range of \$120,000-\$149,000
- 2 Senior contract employees with a total remuneration package in the range of \$100,000-\$119,000
- 2 Senior contract employees with a total remuneration package in the range of <\$100,000

### **Council Owned Company**

Council is not a shareholder of any company.

### **Significant Business Activities**

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

## **Summary of all Rebates and Concessions Allowed in Relation to Rates**

Refer to Revenue Statement

## **Code of Conduct, Complaints and Breaches**

Council has an established and adopted a Code of Conduct for Councillors and Staff. The Code of Conduct Policy is incorporated into the induction process of new staff.

### **Breaches Against the Code of Conduct**

Total number of code of conduct breaches	Nil
Information on Councillors breaching the code of conduct	Nil
Number of complaints about code of conduct breaches	Nil
Number of recommendations from conduct review panel	Nil
Number of complaints resolved	Nil
Number of complaints to ombudsman	Nil

### **Complaints**

The following is an overview of the complaints attended to by Council during the reporting period.

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

<b>All Animal Complaints</b>	<b>106</b>
<b>Health – Mosquito</b>	<b>0</b>
<b>Health – Water</b>	<b>92</b>
<b>Overgrown Allotments</b>	<b>33</b>
<b>Roads – Roadworks and Maintenance</b>	<b>10</b>
<b>Roads – Drainage</b>	<b>7</b>
<b>Rubbish</b>	<b>11</b>
<b>Frivolous or Vexatious Complaint</b>	<b>1</b>

## **Workplace Reform and Equal Employment Opportunity**

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

### **Overseas Travel undertaken by Councillors or Employees**

No overseas travel was taken by any Councillors or Employees on behalf of the Cloncurry Shire Council in the year ending 30 June 2011.

## **Consultants Employed During 2010/2011**

The following consultants were engaged by Cloncurry Shire Council in the year ending 30 June 2011.

<b>Particulars</b>	<b>Payment (excl. GST)</b>
Engineering	\$195,650.11
Community Precinct	\$ 65,725.00
Industrial Subdivision	\$ 45,922.14
Rates	\$ 3,636.37
Sewer Pump Station	\$ 13,750.00
Water Upgrade	\$ 18,346.67
<b>Total</b>	<b><u>\$343,030.29</u></b>

## **Entertainment and Hospitality Expenditure**

Total expenditure incurred on entertainment and hospitality during the year ending 30 June 2011 was \$3,285.86

## **Advertising Expenditure**

The following expenditure was incurred on advertising for the year ending 30 June 2011.

<b>Particulars</b>	<b>Payment</b>
Recruitment	\$23,161.00
General Advertising	\$ 3,659.00
Public Notification	\$ 2,963.00
Area Promotion	\$ 8,077.00
<b>Total</b>	<b><u>\$37,860.00</u></b>

## **Grants to Community Organisations**

Total expenditure incurred on grants to community organisations during the year ended 30 June 2011 was \$6,175.00

## **In Kind Support to Community Organisations**

The total expenditure incurred on in kind support to community organisations during the year ended 30 June 2011 was \$14,770.00

## **Registers**

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

- Register of Interest of each Councillor
- Register of Interest of Councillors Related Persons
- Minutes of Meetings
- Corporate Plan
- Operational Plan
- Budget
- Annual Report/ Financial Statements
- Fees and Charges
- Revenue Policy
- Revenue Statement
- Subordinate Local Laws

## **Reserves Land Controlled by Council**

The Cloncurry Shire Council has the control of 6697.63ha of parks (including 36.65ha leased to sporting clubs) subject to the provisions of the *Land Act 1994*.

## **Roads Controlled by Council**

The total length of roads in the Shire is 2279km, of which 723.78km is not owned by Council.

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



# **CLONCURRY SHIRE COUNCIL**



## **FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 30 JUNE 2011**

Cloncurry Shire Council  
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# Cloncurry Shire Council

## Financial statements

For the year ended 30 June 2011

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**Cloncurry Shire Council**  
**Statement of Comprehensive Income**  
For the year ended 30 June 2011

	Note	Council	
		2011	2010
		\$	\$
<b>Income</b>			
<b>Revenue</b>			
<b>Recurrent revenue</b>			
Rates, levies and charges	3(a)	8,920,820	8,032,506
Fees and charges	3(b)	2,108,130	1,768,066
Rental income	3(c)	78,523	101,176
Interest received	3(d)	748,294	311,290
Sales revenue	3(e)	2,725,065	1,359,626
Grants, subsidies, contributions and donations	4(a)	12,432,733	9,072,683
		<u>27,013,565</u>	<u>20,645,347</u>
<b>Capital revenue</b>			
Grants, subsidies, contributions and donations	4(b)	4,880,363	1,972,260
<b>Total revenue</b>		<u>31,893,928</u>	<u>22,617,607</u>
<b>Capital income</b>	5	11,525	18,158
<b>Total income</b>		<u>31,905,453</u>	<u>22,635,765</u>
<b>Expenses</b>			
<b>Recurrent expenses</b>			
Employee benefits	6	(5,547,680)	(4,652,940)
Materials and services	7	(8,163,511)	(7,630,816)
Finance costs	8	(373,012)	(239,226)
Depreciation and amortisation	9	(5,057,339)	(5,033,904)
		<u>(19,141,542)</u>	<u>(17,556,886)</u>
<b>Total expenses</b>		<u>(19,141,542)</u>	<u>(17,556,886)</u>
<b>Net operating surplus</b>		<u>12,763,911</u>	<u>5,078,879</u>
<b>Other comprehensive income</b>			
Increase in asset revaluation surplus	18	7,631,130	11,368,380
<b>Total other comprehensive income for the year</b>		<u>7,631,130</u>	<u>11,368,380</u>
<b>Total comprehensive income for the year</b>		<u>20,395,041</u>	<u>16,447,259</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 2011

		Council	
	Note	2011 \$	2010 \$
<b>Current assets</b>			
Cash and cash equivalents	10	27,068,781	10,326,084
Trade and other receivables	11	1,433,331	1,746,482
Inventories	12	149,949	227,123
<b>Total current assets</b>		<u>28,652,061</u>	<u>12,299,689</u>
<b>Non-current assets</b>			
Property, plant and equipment	13	188,144,781	176,122,312
<b>Total non-current assets</b>		<u>188,144,781</u>	<u>176,122,312</u>
<b>Total assets</b>		<u>216,796,842</u>	<u>188,422,001</u>
<b>Current liabilities</b>			
Trade and other payables	14	1,647,161	1,627,374
Borrowings	15	713,566	782,639
Provisions	16	220,952	73,349
<b>Total current liabilities</b>		<u>2,581,679</u>	<u>2,483,362</u>
<b>Non-current liabilities</b>			
Trade and other payables	14	104,282	-
Borrowings	15	11,368,581	3,591,380
Provisions	16	86,038	86,038
<b>Total non-current liabilities</b>		<u>11,558,901</u>	<u>3,677,418</u>
<b>Total liabilities</b>		<u>14,140,580</u>	<u>6,160,780</u>
<b>Net community assets</b>		<u>202,656,262</u>	<u>182,261,221</u>
<b>Community equity</b>			
Asset revaluation surplus	18	52,649,259	45,018,129
Retained surplus	19	145,130,477	133,662,583
Other reserves	20	4,876,526	3,580,509
<b>Total community equity</b>		<u>202,656,262</u>	<u>182,261,221</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 2011

Note	Asset revaluation reserve 18 \$	Retained Surplus 19 \$	Other Reserves 20 \$	Total \$
Balance as at 1 July 2010	45,018,129	133,662,583	3,580,509	182,261,221
Net operating surplus	-	12,763,911	-	12,763,911
Other comprehensive income for the year	-	-	-	-
Increase in asset revaluation surplus	7,631,130	-	-	7,631,130
<b>Total comprehensive income for the year</b>	<b>7,631,130</b>	<b>12,763,911</b>	<b>-</b>	<b>20,395,041</b>
<b>Transfers to and from reserves</b>				
Transfers to other reserves	-	(4,166,300)	4,166,300	-
Transfers from other reserves	-	2,870,283	(2,870,283)	-
Total transfers to and from reserves	-	(1,296,017)	1,296,017	-
<b>Balance as at 30 June 2011</b>	<b>52,649,259</b>	<b>145,130,477</b>	<b>4,876,526</b>	<b>202,656,262</b>
<b>Balance as at 1 July 2009</b>	<b>33,649,749</b>	<b>130,014,568</b>	<b>2,149,645</b>	<b>165,813,962</b>
Net operating surplus	-	5,078,879	-	5,078,879
Other comprehensive income for the year	-	-	-	-
Increase in asset revaluation surplus	11,368,380	-	-	11,368,380
<b>Total comprehensive income for the year</b>	<b>11,368,380</b>	<b>5,078,879</b>	<b>-</b>	<b>16,447,259</b>
<b>Transfers to and from reserves</b>				
Transfers to other reserves	-	(2,880,509)	2,880,509	-
Transfers from other reserves	-	1,449,645	(1,449,645)	-
Total transfers to and from reserves	-	(1,430,864)	1,430,864	-
<b>Balance as at 30 June 2010</b>	<b>45,018,129</b>	<b>133,662,583</b>	<b>3,580,509</b>	<b>182,261,221</b>

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

**Cloncurry Shire Council**

**Statement of Cash Flows**

For the year ended 30 June 2011

	Note	Council 2011 \$	2010 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		13,169,247	13,272,018
Payments to suppliers and employees		(12,464,426)	(13,444,946)
		<u>704,821</u>	<u>(172,928)</u>
Interest received		748,294	311,290
Rental income		78,523	101,176
Non capital grants and contributions		12,432,733	9,072,683
Borrowing costs		(373,012)	(239,226)
<b>Net cash inflow (outflow) from operating activities</b>	26	<u>13,591,359</u>	<u>9,072,995</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(9,448,678)	(7,968,604)
Proceeds from sale of property plant and equipment		11,525	18,158
Grants, subsidies, contributions and donations		4,880,363	1,972,260
<b>Net cash inflow (outflow) from investing activities</b>		<u>(4,556,790)</u>	<u>(5,978,186)</u>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		8,520,000	1,350,000
Repayment of borrowings		(811,872)	(771,129)
Repayments made on finance leases		-	-
<b>Net cash inflow (outflow) from financing activities</b>		<u>7,708,128</u>	<u>578,871</u>
<b>Net increase (decrease) in cash held</b>		<u>16,742,697</u>	<u>3,673,680</u>
Cash at beginning of the financial year		10,326,084	6,652,404
<b>Cash at end of the financial year</b>	10	<u>27,068,781</u>	<u>10,326,084</u>

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

**Cloncurry Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2011

**1 Significant accounting policies**

**1.A Basis of preparation**

These general purpose financial statements for the period 1 July 2010 to 30 June 2011 have been prepared in accordance with Australian Accounting Standards and comply with the requirements of the *Local Government Act 2009* and the *Local Government (Finance, Plans and Reporting) Regulation 2010*.

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

**1.B Statement of compliance**

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

**1.C Basis of consolidation**

Council has no controlled entities.

**1.D Constitution**

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

**1.E Date of authorisation**

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

**1.F Currency**

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

**1.G Adoption of new and revised Accounting Standards**

In the current year Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

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

	Effective for annual report periods beginning on or after:
AASB 9 <i>Financial Instruments</i> (December 2009)	1 January 2013
AASB 124 <i>Related Party Disclosures</i> (December 2009)	1 January 2011
AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i>	1 July 2013
2009-11 <i>Amendments to Australian Accounting Standards arising from AASB 9</i> (December 2009)	1 January 2013
2009-12 <i>Amendments to Australian Accounting Standards in relation to AASB 8 Operating Segments</i> (December 2009)	1 January 2011
2009-14 <i>Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement (Interpretation 14)</i> (December 2009)	1 January 2011
AASB 2010-2 <i>Amendments of Australian Accounting Standards arising from Reduced Disclosure Requirements</i>	1 July 2013

**Cloncurry Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2011

AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	1 January 2011
AASB 2010-5 Amendments to Australian Accounting Standards	1 January 2011
AASB 2010-6 Amendments to Australian Accounting Standards- Disclosures on Transfers of Financial Assets	1 January 2013
AASB 2010-8 Amendments to Australian Accounting Standards-Deferred Tax: Recovery of Underlying Assets	1 January 2012
AASB 2010-9 Amendments to Australian Accounting Standards-Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 July 2011
AASB 2010-10 Further Amendments to Australian Accounting Standards-Removal of Fixed Dates for First-time Adopters	1 January 2013

Management have yet to assess the impact that AASB 9 *Financial Instruments* and 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* is likely to have on the financial statements of Council as it is anticipated that further amendments will occur. Council does not expect to implement the amendments prior to the adoption date of 1 January 2013.

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

**1.H Critical accounting judgements and key sources of estimation uncertainty**

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

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

Valuation of property, plant and equipment - Note 1.R and Note 13  
Impairment of property, plant and equipment - Note 1.U  
Provisions - Note 1.X and Note 16  
Contingencies - Note 22.

**1.I Revenue**

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

Rates and levies

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

Grants and subsidies

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

Where grants are received that are reciprocal in nature, revenue is recognised over the term of the funding arrangements. Council does not currently have any reciprocal grants.

**Cloncurry Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2011

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.

Rental income

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

Interest

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

**1.J Financial assets and financial liabilities**

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

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

Financial assets

Cash and cash equivalents (Note 1.K)

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

Financial liabilities

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

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

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

The fair value of financial instruments is determined as follows:

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

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

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

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

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

**1.K Cash and cash equivalents**

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

**1.L Receivables**

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

The collectability of receivables is assessed periodically and if there is objective evidence that Council will not be able to collect all amounts due, the carrying amount is reduced for impairment. The loss is recognised in finance costs. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

**Cloncurry Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2011

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 has the power to sell an owner's property to recover outstanding rate debts, Council does not impair any rate receivables.

**1.M Inventories**

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

Inventories held for distribution are:

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

**1.N Other financial assets**

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

**1.O Land held for resale**

Land acquired with the intention of reselling it (with or without further development) is classified as inventory. This land is valued at the lower of cost or net realisable value. Inventory items are always treated as current assets.

Profit arising upon sale of land is recognised in the Statement of Comprehensive Income on the signing of a valid unconditional contract of sale.

Council does not have any land held for resale.

**1.P Investments**

Term deposits in excess of three months are reported as investments, with deposits of less than three months being reported as cash equivalents. At 30 June 2011 Council did not have any term deposits in excess of three months.

**1.Q Investment property**

Investment property is property held for the primary purpose of earning rentals and/or capital appreciation. This includes land held by Council for a currently undetermined future use.

Investment property is measured using the fair value model. This means all investment property is initially recognised at cost (including transaction costs) and then subsequently revalued annually at the balance sheet date. Where investment property is acquired at no or nominal cost it is recognised at fair value.

Property that is being constructed or developed for future use as investment property is classified as investment property. Investment property under construction is measured at fair value, unless fair value cannot be reliably determined for an individual property (in which case the property concerned is measured at cost until fair value can be reliably determined).

Gains or losses arising from changes in the fair value of investment property are included in the Statement of Comprehensive Income for the period in which they arise. Investment property is not depreciated and is not tested for impairment.

Council does not have any investment property.

**1.R Property, plant and equipment**

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. Items of plant and equipment with a total value of less than \$5000, and infrastructure assets and buildings with a total value of less than \$10000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

**Cloncurry Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2011

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

Land and improvements  
Buildings  
Other plant and equipment  
Road, drainage and bridge network  
Water  
Sewerage  
Other infrastructure assets  
Work in progress

Acquisition of assets

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

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

Capital and operating expenditure

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

Valuation

Land and improvements, buildings, major plant and all infrastructure assets are measured on the revaluation basis, at fair value, in accordance with AASB116 *Property, Plant and Equipment*. Other plant and equipment and work in progress are measured at cost.

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by comprehensively revaluing these assets at least once every five years, with interim valuations using a suitable index being otherwise performed on an annual basis where there has been a material variation in the index.

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 to that asset class.

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

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

Details of valuers and methods of valuations are disclosed in Note 13

Major plant

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

Council has no major plant.

Capital work in progress

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

Investment property under construction is classified as investment property. Refer to Note 1.Q for further information.



**Cloncurry Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2011

Depreciation

Land is not depreciated as it has an unlimited useful life. Depreciation on other property, plant and equipment 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.

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 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.

The estimated useful lives of property, plant and equipment are reviewed annually. Details of the range of useful lives for each class of asset are shown in Note 13.

Land under roads

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

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

**1.S Intangible assets**

Intangible assets with a cost or other value exceeding \$10000 are recognised as intangible assets in the financial statements, items with a lesser value being expensed.

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

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

Council has no intangible assets.

**1.T Biological assets**

Council has no biological assets.

**1.U Impairment of non-current assets**

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

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

**Cloncurry Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2011

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

There are presently no indicators of impairment of any Council assets.

**1.V Leases**

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

Finance leases

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

Operating leases

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

Council has no finance leases.

**1.W Payables**

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

**1.X Liabilities - employee benefits**

Liabilities are recognised for employee benefits such as wages and salaries, annual leave and long service leave in respect of services provided by the employees up to the reporting date. Liabilities for employee benefits are assessed at each reporting date. Where it is expected that the leave will be paid in the next twelve months the liability is treated as a current liability. Otherwise the liability is treated as non-current.

Salaries and wages

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

Annual leave

A liability for annual leave is recognised. The current portion (based on the expected payment date) is calculated on current wage and salary levels and includes related employee on-costs. The non-current portion is calculated on projected future wage and salary levels and related employee on-costs, discounted to present values. This liability represents an accrued expense and is reported in Note 14 as a payable.

Superannuation

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

Long service leave

12

**Cloncurry Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2011

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value. This liability is reported in Note 16 as a provision.

**1.Y Borrowings and borrowing costs**

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these liabilities are measured at amortised cost.  
All borrowing costs are expensed in the period in which they are incurred. No borrowing costs are capitalised on qualifying assets.

**1.Z Asset revaluation surplus**

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

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

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

When an asset is disposed of, the amount in the reserve in respect of that asset is retained in the asset revaluation surplus.

**1.AA Retained surplus**

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

**1.AB Reserves**

Future capital works reserve

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

Asset replacement acquisition reserve

The Council maintained funds for expenditures required for building.

Unspent capital grants reserve

This reserve represents the unspent portion of non-reciprocal grants received for capital purposes.

Constrained works reserve

This reserve represents contributions received for capital works where the required works have not yet been carried out. Unspent grants received by Council are also placed in this reserve until the obligation is satisfied.

Future recurrent expenditure reserve

This is a cash backed reserve and represents amounts that are accumulated within the Council to meet anticipated future recurrent or operating expenditure needs. In each case the amount relates to a perceived future requirement which is not currently a liability.

**1.AC National competition policy**

The Council has reviewed its activities to identify its business activities. Details of these activities are disclosed in Note 29.

**1.AD Rounding and comparatives**

Amounts included in the financial statements have been rounded to the nearest \$1.

**Cloncurry Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2011

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

**1.AE Trust funds held for outside parties**

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

The monies are disclosed in the notes to the financial statements for information purposes only in Note 25.

**1.AF Taxation**

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

**Cloncurry Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2011

**2(a) Analysis of results by function**

**Components of Council functions**

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

**Corporate governance**

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

**Finance and information**

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

**Community services**

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

This function includes:

Libraries

Entertainment venues

Public health services including vaccination clinics

Environmental licences and approvals.

**Planning and Development**

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

**Environment and Welfare**

Providing the community in all aspects of animal welfare and control.

**Engineering Services**

Providing and maintaining roads and drainage.

**Utilities**

Providing water and supply services.

**Sewerage infrastructure**

Providing sewerage services.

**Cloncurry Shire Council**  
**Notes to the financial statements**  
**For the year ended 30 June 2011**

**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 2011	Gross program income		Elimination of inter-function transactions	Total income		Gross program expenses		Elimination of inter-function transactions	Total expenses		Net result from recurring operations	Net operating surplus		Assets
	Recurring	Capital		2011	2011	Recurring	Capital		2011	2011		2011	2011	
Functions	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Corporate governance	139,866	-	-	139,866	766,865	766,865	-	-	(766,865)	-	-	(626,989)	-	-
Finance and information	10,268,208	-	-	10,268,208	277,101	277,101	-	-	(277,101)	-	-	9,991,107	212,164,155	-
Community services	1,402,458	400,942	-	1,803,400	2,515,740	2,515,740	-	-	(2,515,740)	-	-	(712,340)	1,336,431	-
Planning & development	65,453	-	-	65,453	279,007	279,007	-	-	(279,007)	-	-	(213,554)	137,106	-
Environment and Welfare	83,264	-	-	83,264	374,888	374,888	-	-	(374,888)	-	-	(291,624)	31,929	-
Engineering Services	12,181,162	4,479,422	-	16,660,584	11,789,515	11,789,515	-	-	(11,789,515)	-	-	4,871,069	2,942,820	-
Utilities	2,252,385	-	-	2,252,385	2,479,301	2,479,301	-	-	(2,479,301)	-	-	(226,916)	121,513	-
Sewerage infrastructure	632,293	-	-	632,293	659,125	659,125	-	-	(659,125)	-	-	(26,832)	62,888	-
<b>Total Council</b>	<b>27,025,089</b>	<b>4,880,364</b>	<b>-</b>	<b>31,905,453</b>	<b>19,141,542</b>	<b>19,141,542</b>	<b>-</b>	<b>-</b>	<b>(19,141,542)</b>	<b>-</b>	<b>-</b>	<b>12,763,911</b>	<b>216,796,842</b>	<b>-</b>

Year ended 30 June 2010	Gross program income		Elimination of inter-function transactions	Total income		Gross program expenses		Elimination of inter-function transactions	Total expenses		Net result from recurring operations	Net operating surplus		Assets
	Recurring	Capital		2010	2010	Recurring	Capital		2010	2010		2010	2010	
Functions	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Corporate governance	150,375	-	-	150,375	1,684,741	1,684,741	-	-	(1,684,741)	-	-	(1,534,366)	-	-
Finance and information	8,556,777	-	-	8,556,777	129,737	129,737	-	-	(129,737)	-	-	8,427,040	186,225,506	-
Community services	528,673	607,527	-	1,136,200	1,482,468	1,482,468	-	-	(1,482,468)	-	-	(346,268)	147,378	-
Planning & development	71,714	-	-	71,714	346,927	346,927	-	-	(346,927)	-	-	(275,213)	-	-
Environment & Welfare	43,257	-	-	43,257	336,961	336,961	-	-	(336,961)	-	-	(293,704)	-	-
Engineering Services	8,141,259	1,364,733	-	9,505,992	10,200,881	10,200,881	-	-	(10,200,881)	-	-	(694,889)	1,884,862	-
Utilities	2,584,746	-	-	2,584,746	2,664,275	2,664,275	-	-	(2,664,275)	-	-	(79,529)	151,761	-
Sewerage infrastructure	586,704	-	-	586,704	710,896	710,896	-	-	(710,896)	-	-	(124,192)	12,494	-
<b>Total Council</b>	<b>20,663,505</b>	<b>1,972,260</b>	<b>-</b>	<b>22,635,765</b>	<b>17,556,886</b>	<b>17,556,886</b>	<b>-</b>	<b>-</b>	<b>(17,556,886)</b>	<b>-</b>	<b>-</b>	<b>5,078,879</b>	<b>188,422,001</b>	<b>-</b>

**Cloncurry Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2011

	Note	Council	
		2011 \$	2010 \$
<b>3 Revenue analysis</b>			
(a) <b>Rates, levies and charges</b>			
General rates		6,448,571	5,485,203
Separate rates		225,000	487,418
Water		1,944,619	1,762,720
Sewerage		679,973	633,393
Waste management		452,472	420,962
Total rates and utility charge revenue		9,750,635	8,789,696
Less: Discounts		(818,170)	(745,226)
Less: Pensioner remissions		(11,645)	(11,964)
		<u>8,920,820</u>	<u>8,032,506</u>
(b) <b>Fees and charges</b>			
Saleyard - weighing		162,575	149,315
Saleyard - dipping		358,120	389,637
Saleyard - tick free		8,753	127,276
Airport landing fees		112,099	139,472
Airport - tax		609,899	344,658
Other fees and charges		856,684	617,708
		<u>2,108,130</u>	<u>1,768,066</u>
(c) <b>Rental income</b>			
Property rental		78,523	101,176
		<u>78,523</u>	<u>101,176</u>
(d) <b>Interest received</b>			
Interest received from term deposits		684,237	243,541
Interest from overdue rates and utility charges		64,057	67,749
		<u>748,294</u>	<u>311,290</u>
(e) <b>Sales revenue</b>			
<b>Sale of services</b>			
Contract and recoverable works		2,725,065	1,359,626
		<u>2,725,065</u>	<u>1,359,626</u>
<b>4 Grants, subsidies, contributions and donations</b>			
(a) <b>Recurrent</b>			
General purpose grants		3,160,375	2,606,225
State government subsidies and grants		9,272,358	6,466,458
		<u>12,432,733</u>	<u>9,072,683</u>
(b) <b>Capital</b>			
State government subsidies and grants		4,880,363	1,972,260
		<u>4,880,363</u>	<u>1,972,260</u>
<b>5 Capital income</b>			
<b>Gain / loss on disposal of non-current assets</b>			
Proceeds from the sale of property, plant and equipment		11,525	365,439
Less: Book value of property, plant and equipment disposed of		-	(347,281)
		<u>11,525</u>	<u>18,158</u>
<b>Total capital income</b>		<u>11,525</u>	<u>18,158</u>

**Cloncurry Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2011

Note	Council	
	2011 \$	2010 \$
<b>6 Employee benefits</b>		
Total staff wages and salaries	3,521,682	3,336,252
Councillors' remuneration	229,811	229,090
Annual, sick and long service leave entitlements	883,624	368,254
Superannuation	403,076	369,592
	<u>5,038,193</u>	<u>4,303,188</u>
Other employee related expenses	682,231	451,636
	<u>5,720,424</u>	<u>4,754,824</u>
Less: Capitalised employee expenses	<u>(172,744)</u>	<u>(101,884)</u>
	<u>5,547,680</u>	<u>4,652,940</u>

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

Total Council employees at the reporting date:	2011	2010
Elected members	5	7
Administration staff	38	21
Depot and outdoors staff	55	40
Total full time equivalent employees	<u>98</u>	<u>68</u>

**7 Materials and services**

Audit services	53,235	46,790
Conferences and Deputations	25,154	31,198
Donations and Contributions	15,910	19,798
Bad and Doubtful Debts	3,782	-
Plant Operations	1,086,125	1,030,407
Water Operations	895,853	1,093,366
Sewerage Operations	311,734	348,130
Saleyards Operations	121,219	420,363
Airport Operations	249,496	154,943
Council Housing	159,334	139,894
Other Businesses	183,172	182,181
Other Community Services	1,018,557	298,375
Town Planning	239,921	274,017
Arts Cultural Tourism	7,193	118,573
Environmental Health	220,200	325,048
Refuse Management	548,982	534,126
Engineering	28,184	59,103
Stores	(692,861)	(585,560)
Public Facilities	97,954	470,840
Roads	4,402,580	3,202,297
Private Works	1,570,942	151,304
Insurance	353,151	275,920
Corporate Services	<u>(2,736,306)</u>	<u>(960,297)</u>
	<u>8,163,511</u>	<u>7,630,816</u>



**Cloncurry Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2011

Note	Council	
	2011 \$	2010 \$
<b>8 Finance costs</b>		
Finance costs relating to QTC loans	373,012	239,226
	<u>373,012</u>	<u>239,226</u>
<b>9 Depreciation and amortisation</b>		
<b>Depreciation of non-current assets</b>		
Buildings	681,086	671,917
Other plant and equipment	332,614	331,027
Road, drainage and bridge network	2,649,886	2,612,175
Water	703,661	709,233
Sewerage	255,433	268,265
Other infrastructure assets	434,659	441,287
13	<u>5,057,339</u>	<u>5,033,904</u>
 Total depreciation and amortisation	 <u>5,057,339</u>	 <u>5,033,904</u>
<b>10 Cash and cash equivalents</b>		
Cash at bank and on hand	4,197,833	3,949,335
Deposits at call	22,870,948	6,376,749
Balance per Statement of Cash Flows	<u>27,068,781</u>	<u>10,326,084</u>
Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:		
Unspent government grants and subsidies	4,922,110	2,114,698
Total unspent restricted cash	<u>4,922,110</u>	<u>2,114,698</u>
Cash and deposits at call are held in the Westpac Banking Corporation in normal term deposits and business cheque accounts. The bank currently has Standard & Poor's short term credit rating of A1+ and long term rating of AA.		

**Cloncurry Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2011

Note	Council	
	2011 \$	2010 \$
<b>11 Trade and other receivables</b>		
Current		
Rateable revenue & utility charges	422,822	832,691
Other debtors	1,458,727	1,213,869
Less impairment	(448,960)	(448,959)
Prepayments	742	148,881
	<u>1,433,331</u>	<u>1,746,482</u>

Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on other debtors.  
There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.

**12 Inventories**

<b>Inventories held for sale</b>		
Trading stocks	<u>19,043</u>	<u>32,925</u>
	<u>19,043</u>	<u>32,925</u>
 <b>Inventories held for distribution</b>		
Plant and equipment stores	<u>130,906</u>	<u>194,198</u>
	<u>130,906</u>	<u>194,198</u>
 <b>Total inventories</b>	<u>149,949</u>	<u>227,123</u>

**Cloncurry Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2011

13 Property, plant and equipment

Council - 30 June 2011										
Note	Land and improvements	Buildings	Other plant and equipment	Road, drainage and bridge network	Water	Sewerage	Other infrastructure assets	Work in progress	Total	
	Revaluation	Revaluation	Cost	Revaluation	Revaluation	Revaluation	Revaluation	Cost		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	8,799,066	28,796,460	7,051,859	144,103,756	30,224,551	13,108,404	14,969,676	2,649,442	249,703,214	
	240,000	301,283	189,968	5,319,162	707,669	358,408	124,085	2,208,103	9,448,678	
5				-	-	-	-	-	-	
	(159,166)	(392,043)	40,913	8,671,501	1,419,680	589,188	1,222,039	-	11,392,112	
18	8,879,900	28,705,700	7,282,740	158,094,419	32,351,900	14,056,000	16,315,800	4,857,545	270,544,004	
Closing gross value as at 30 June 2011										
Accumulated depreciation and impairment										
	-	14,547,388	3,654,601	30,088,652	11,935,271	8,281,444	5,173,546	-	73,580,902	
9	-	681,086	332,614	2,649,886	703,661	255,433	434,659	-	5,057,339	
5	-	-	-	-	-	-	-	-	-	
	-	(336,874)	(4,259)	4,274,309	62,088	(78,677)	(155,605)	-	3,760,982	
18	-									
	-	14,891,600	3,982,956	37,012,847	12,601,020	8,458,200	5,452,600	-	82,389,223	
Accumulated depreciation as at 30 June 2011										
Total written down value as at 30 June 2011										
	8,879,900	13,814,100	3,299,784	121,081,572	19,750,880	5,597,800	10,863,200	4,857,545	188,144,781	
	8,879,900	-	2,093,542	72,364,412	-	-	3,844,000	N/A	87,181,854	
	Land: Not depreciated.	40 - 100	2 - 20	5 - 100	20 - 80	20 - 60	20 - 40	-	-	
Range of estimated useful life in years										

[illegible]

**Cloncurry Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2011

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

**Land and improvements**

Land and improvements have been included at current market value as at 30 June 2011 as determined by AssetVal Pty. Ltd., Registered Valuers.

**Buildings**

Buildings have been included at their written down current replacement cost as valued by AssetVal Pty Ltd. Registered Valuers as at 30 June 2011.

**Other Plant and equipment**

Plant and equipment is measured at original cost less accumulated depreciation.

**Road, Drainage and Bridge Network**

Road and drainage and other infrastructure is included at the written down current replacement cost as at 30 June 2011 as determined by AssetVal Pty. Ltd. Registered Valuers.

**Water**

Water infrastructure is included at the written down current replacement cost as at 30 June 2011 as determined by AssetVal Pty Ltd, Registered Valuers.

**Sewerage**

Water infrastructure is included at the written down current replacement cost as at 30 June 2011 as determined by AssetVal Pty Ltd, Registered Valuers.

**Other Infrastructure Assets**

Water infrastructure is included at the written down current replacement cost as at 30 June 2011 as determined by AssetVal Pty Ltd, Registered Valuers.

**Work In Progress**

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

The most recent comprehensive valuation was performed at 30 June 2009 for all categories of property, plant and equipment carried at fair value. The valuations provided by AssetVal Pty Ltd as at 30 June 2011 are based on "desk-top" valuations.

**Cloncurry Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2011

**14 Trade and other payables**

	Council	
	2011	2010
Note	\$	\$
<b>Current</b>		
Creditors and accruals	1,219,722	1,060,563
Annual leave	333,767	493,350
Other entitlements	93,672	73,461
	<u>1,647,161</u>	<u>1,627,374</u>
<b>Non-current</b>		
Annual leave	104,282	-
	<u>104,282</u>	<u>-</u>

**15 Borrowings**

<b>Current</b>		
Loans - Queensland Treasury Corporation	713,566	782,639
	<u>713,566</u>	<u>782,639</u>
<b>Non-current</b>		
Loans - Queensland Treasury Corporation	11,368,581	3,591,380
	<u>11,368,581</u>	<u>3,591,380</u>
<b>Loans - Queensland Treasury Corporation</b>		
Opening balance at beginning of financial year	4,374,019	3,804,301
Adjustment-Loan	-	(9,153)
Loans raised	8,520,000	1,350,000
Principal repayments	(811,872)	(771,129)
Book value at end of financial year	<u>12,082,147</u>	<u>4,374,019</u>

The QTC loan market value at the reporting date was \$12,093,616. This represents the value of the debt if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts.

**16 Provisions**

<b>Current</b>		
Long service leave	220,952	73,349
	<u>220,952</u>	<u>73,349</u>
<b>Non-current</b>		
Long service leave	86,038	86,038
	<u>86,038</u>	<u>86,038</u>
Details of movements in provisions:		
<b>Long service leave</b>		
Balance at beginning of financial year	159,387	216,874
Long service entitlement arising/(paid)	147,603	(57,487)
Balance at end of financial year	<u>306,990</u>	<u>159,387</u>

**17 Shire capital**  
Council does not report Shire Capital separately.

Cloncurry Shire Council  
Notes to the financial statements  
For the year ended 30 June 2011

Note	Council	
	2011 \$	2010 \$
<b>18</b>		
<b>Asset revaluation surplus</b>		
<b>Movements in the asset revaluation surplus were as follows:</b>		
Balance at beginning of financial year	45,018,129	33,649,749
Net adjustment to non-current assets at end of period to reflect a change in current fair value:		
Land and improvements	(159,166)	2,532,371
Buildings	(55,169)	3,087,547
Other Plant and Equipment	45,172	-
Road, drainage and bridge network	4,397,192	5,222,591
Water	1,357,592	378,175
Sewerage	667,865	(22,094)
Other Infrastructure assets	1,377,644	169,790
Balance at end of financial year	<u>52,649,259</u>	<u>45,018,129</u>
<b>Asset revaluation surplus analysis</b>		
The closing balance of the asset revaluation surplus comprises the following asset categories:		
Land and improvements	2,373,205	2,532,371
Buildings	10,796,175	10,851,344
Plant and equipment	93,596	48,424
Road, drainage and bridge network	25,758,541	21,361,349
Water	9,204,413	7,846,821
Sewerage	2,008,533	1,340,668
Other infrastructure assets	2,414,796	1,037,152
	<u>52,649,259</u>	<u>45,018,129</u>
<b>19</b>		
<b>Retained surplus</b>		
Movements in the retained surplus were as follows:		
Retained surplus/(deficit) at beginning of financial year	133,662,583	130,014,568
Net result attributable to Council	12,763,911	5,078,879
Transfers (to)/ from capital reserves for future capital project funding, or from reserves funds that have been expended:		
Future capital works reserve	-	1,080,175
Asset replacement reserve	(596,619)	45,584
Unspent capital grants reserve	(610,709)	(2,114,699)
Constrained works reserve	-	(441,924)
Transfers (to) recurrent reserves for future project funding, or from reserves funds that have been expended:		
Recurrent expenditure reserve	(88,689)	-
Retained surplus at end of financial year	<u>145,130,477</u>	<u>133,662,583</u>

**Cloncurry Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2011

	Note	Council	
		2011 \$	2010 \$
<b>20 Other reserves</b>			
<b>Reserves held for funding future capital expenditure</b>			
Asset replacement/acquisition reserve		1,306,619	710,000
Unspent capital grants reserve		2,725,408	2,114,699
Constrained works reserve		755,810	755,810
		<u>4,787,837</u>	<u>3,580,509</u>
<b>Reserves held for funding future recurrent expenditure</b>			
Future recurrent expenditure reserve		88,689	-
		<u>88,689</u>	<u>-</u>
<b>Total reserves</b>		<u>4,876,526</u>	<u>3,580,509</u>
<b>Movements in capital reserves:</b>			
<b>Future capital works reserve</b>			
Balance at beginning of financial year		-	1,080,175
Transfer to the retained surplus/capital funds expended in the period		-	(1,080,175)
Balance at end of financial year		<u>-</u>	<u>-</u>
<b>Asset replacement acquisition reserve</b>			
Balance at beginning of financial year		710,000	755,584
Transfer from retained surplus for future expenditure		1,352,203	10,000
Transfer to the retained surplus/capital funds expended in the period		(755,584)	(55,584)
Balance at end of financial year		<u>1,306,619</u>	<u>710,000</u>
<b>Unspent capital grants reserve</b>			
Balance at beginning of financial year		2,114,699	-
Transfer from retained surplus for future expenditure		2,725,408	2,114,699
Transfer to the retained surplus/capital funds expended in the period		(2,114,699)	-
Balance at end of financial year		<u>2,725,408</u>	<u>2,114,699</u>
<b>Constrained works reserve</b>			
Balance at beginning of financial year		755,810	313,886
Transfer from retained surplus for future expenditure		-	755,810
Transfer to the retained surplus/capital funds expended in the period		-	(313,886)
Balance at end of financial year		<u>755,810</u>	<u>755,810</u>
<b>Movements in recurrent reserves:</b>			
<b>Future recurrent expenditure reserve</b>			
Balance at beginning of financial year		-	-
Transfer from retained surplus for future expenditure		88,689	-
Balance at end of financial year		<u>88,689</u>	<u>-</u>



**Cloncurry Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2011

Note	Council	
	2011	2010
	\$	\$
<b>21</b>		
<b>Commitments for expenditure</b>		
<b>Contractual commitments</b>		
Contractual commitments at end of financial year but not recognised in the financial statements are as follows:		
Garbage collection contract (expires 14 September 2013)	311,000	275,000
Zingari Road Upgrade/Mining	675,000	450,000
	<u>986,000</u>	<u>725,000</u>

**22** **Contingent liabilities**

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

**Local Government Mutual**

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

As at 30 June 2011 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

**Local Government Workcare**

The Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there were insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$120,000.

**23** **Superannuation**

The 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 two elements referred to as the Defined Benefits Fund (DBF) and the Accumulation Benefits Fund (ABF). The ABF is a defined contribution scheme as defined in AASB 119. Council has no liability to or interest in the ABF other than the payment of the statutory contributions as required by the *Local Government Act 2009*.

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

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

**Cloncurry Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2011

The audited general purpose financial report of the scheme as at 30 June 2010 (the most recent available) which was not subject to any audit qualification, indicates that the assets of the scheme are sufficient to meet the vested benefits.

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

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

Council has been advised by the trustee of the scheme, following advice from the scheme's actuary, that additional contributions may be imposed in the future at a level necessary to protect the entitlements of DBF members. Under amendments to the *Local Government Act 2009*, the trustee of the scheme has the power to levy additional contributions on councils which have employees in the DBF when the actuary advises such additional contributions are payable - normally when the assets of the DBF are insufficient to meet members' benefits.

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

**24 Operating lease income**

The minimum lease receipts in relation to non-cancellable operating leases are as follows:

	2011	2010
Not later than one year	78,500	78,500
One to five years	314,000	314,000
Later than five years	-	-
	<u>392,500</u>	<u>392,500</u>

The Council leases a number of building 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 period ranging from monthly to 3 years. Lease payments are increased annually to reflect market rentals.

**Cloncurry Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2011

	Note	Council	
		2011 \$	2010 \$
<b>25 Trust funds</b>			
<b>Trust funds held for outside parties</b>			
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities		103,794	74,879
		<u>103,794</u>	<u>74,879</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.			
<b>26 Reconciliation of net operating surplus for the year to net cash inflow (outflow) from operating activities</b>			
Net operating result		12,763,911	5,078,879
Non-cash operating items:			
Depreciation and amortisation		5,057,339	5,033,904
		<u>5,057,339</u>	<u>5,033,904</u>
Investing and development activities:			
Net (profit)/loss on disposal of non-current assets		(11,525)	(18,158)
Capital grants and contributions		(4,880,363)	(1,972,260)
		<u>(4,891,888)</u>	<u>(1,990,418)</u>
Changes in operating assets and liabilities:			
(Increase)/ decrease in receivables		313,151	1,136,726
(Increase)/decrease in inventory		77,174	(39,253)
Increase/(decrease) in payables		124,069	(89,366)
Increase/(decrease) in other provisions		147,603	(57,487)
		<u>661,997</u>	<u>950,630</u>
Net cash inflow from operating activities		<u>13,591,359</u>	<u>9,072,995</u>
<b>27 Events after the reporting period</b>			
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 2011

**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.

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

Risk exposure	Measurement method
Interest rate risk	Sensitivity analysis
Liquidity risk	Maturity analysis
Credit risk	Ageing 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 their 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 its investments with the Queensland Treasury Corporation (QTC) and deposits held with banks or other financial institutions. The QTC Cash Fund is an asset management portfolio that invests with a wide variety of high credit rating counterparties. Deposits are capital guaranteed. Other investments are held with highly rated and regulated banks 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 agricultural and mining, there is also a concentration in the agricultural and mining sector.

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

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

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

	Note	2011 \$	2010 \$
Financial assets			
Cash and cash equivalents	10	27,068,781	10,326,084
Receivables	11	422,822	832,691
Receivables - other	11	1,458,727	1,213,869
		<u>28,950,330</u>	<u>12,372,644</u>

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amounts as indicated.

**Cloncurry Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2011

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

30-Jun-11	Fully performing	Past due			Impaired	Total
		Less than 30 days	30-60 days	61-90 days		
	\$	\$	\$	\$	\$	\$
Receivables - trade	1,016,915	1,016,915	40,174	383,771	(448,960)	991,900
	Fully Performing	0-1 year	1-5 year	Impaired		Total
Receivable - rates	-	349,764	73,058	-		422,822
30-Jun-10	Fully performing	Past due			Impaired	Total
		Less than 30 days	30-60 days	61-90 days		
	\$	\$	\$	\$	\$	\$
Receivables - trade	483,520	483,520	603,586	191,989	(448,959)	830,136
	Fully Performing	0-1 year	1-5 year	Impaired		Total
Receivable - rates	-	398,972	433,719	-		832,691

**Liquidity risk**

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

Council manages its exposure to liquidity risk by maintaining sufficient undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in the Note 15.

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

	0 to 1 year	1 to 5 years	Over 5 years	Total
	\$	\$	\$	\$
<b>2011</b>				
Trade and other payables	1,225,982	-	-	1,225,982
Loans - QTC	1,419,033	4,317,673	14,159,517	19,896,223
	<u>2,645,015</u>	<u>4,317,673</u>	<u>14,159,517</u>	<u>21,122,205</u>
<b>2010</b>				
Trade and other payables	1,060,563	-	-	1,060,563
Loans - QTC	1,050,208	1,757,951	3,713,521	6,521,680
	<u>2,110,771</u>	<u>1,757,951</u>	<u>3,713,521</u>	<u>7,582,243</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.

**Cloncurry Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2011

Unrestricted access was available at balance date to the lines of credit listed below:

	2011	2010
	\$	\$
Bank overdraft facility	Nil	Nil

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

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

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

	Net carrying amount		Surplus		Equity	
	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$
Financial assets	27,068,781	10,326,085	270,688	103,261	270,688	103,261
Financial liabilities	(12,082,147)	(4,374,019)	120,821	(43,740)	120,821	(43,740)
Net total	39,150,928	5,952,066	391,509	59,521	391,509	59,521

**Cloncurry Shire Council**  
**Notes to the financial statements**  
For the year ended 30 June 2011

**29 National Competition Policy**

**Activities to which the code of competitive conduct is applied**

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

(a) Roads business activity:

- (i) the construction or maintenance of state controlled roads for which the local government submits an offer to carry out work in response to a tender invitation, other than through a sole supplier arrangement.
- (ii) submission of a competitive tender for construction or road maintenance on the local government's roads which the local government has put out to tender, or called for by another local government.

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

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

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

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

**Roads**

Water and sewerage

Waste management

Plant operations

**Financial performance of activities subject to competition reforms:**

	Roads	Water and sewerage	Waste management	Plant operations
	2011	2011	2011	2011
	\$	\$	\$	\$
Revenue for services provided to the Council	1,183,468	-	-	3,435,844
Revenue for services provided to external clients	-	2,457,953	426,728	-
Community service obligations	-	-	-	-
	1,183,468	2,457,953	426,728	3,435,844
Less : Expenditure	957,913	1,515,691	636,241	1,264,379
Surplus/(deficiency)	225,555	942,262	(209,513)	2,171,465

**Description of CSO's provided to business activities:**

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

**Cloncurry Shire Council**  
**Financial statements**  
For the year ended 30 June 2011

**Management Certificate**  
For the year ended 30 June 2011

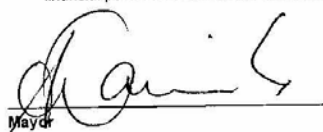
These general purpose financial statements have been prepared pursuant to Section 102 of the *Local Government (Finance, Plans and Reporting) Regulation 2010* (the Regulation) and other prescribed requirements.

In accordance with Section 161 of the Regulation we certify that these general purpose financial statements:

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

in addition we certify that, in our opinion:

- (i) the prescribed requirements of the Local Government Act 2009 and associated Regulations for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out pages 2 to 33, have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board); and
- (iii) the general purpose financial statements present a true and fair view of the Council's financial position as at 30 June 2011 and of its financial performance and cash flows for the financial year ended on that date.

  
Mayor

  
A/ Chief Executive Officer

Date: 30, 11, 11

Date: 30, 11, 11



## 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 2011, 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 (Finance, Plans and Reporting) Regulation 2010*, including compliance with Australian Accounting Standards. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my 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 only be removed 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 2010 to 30 June 2011 and of the financial position as at the end of that year.

#### **Other Matters - Electronic Presentation of the Audited Financial Report**

This auditor's report relates to the financial report of Cloncurry Shire Council for the year ended 30 June 2011. Where the financial report is included on Cloncurry Shire Council's website the Council is responsible for the integrity of Cloncurry Shire Council's website and I have not been engaged to report on the integrity of Cloncurry Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements or otherwise included with the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

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



Graham Coonan  
as Delegate of the Auditor-General of Queensland

Cairns 30 November 2011