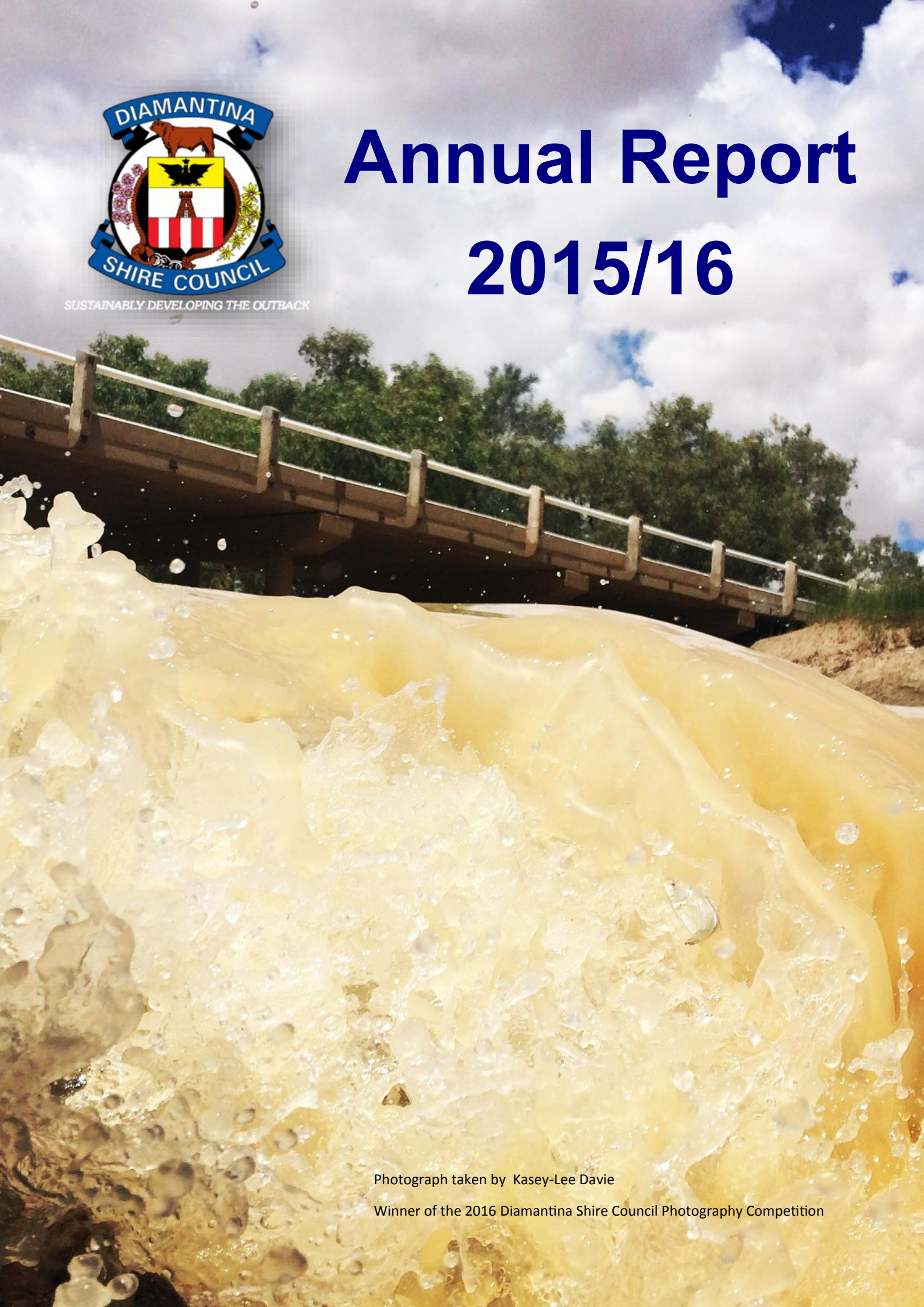
DIAMANTINA SHIRE COUNCIL

SUSTAINABLY DEVELOPING THE OUTBACK

Annual Report 2015/16



Photograph taken by Kasey-Lee Davie

Winner of the 2016 Diamantina Shire Council Photography Competition

Diamantina History

The origin of the name Diamantina starts back in 1862, when a river that starts north-west of Longreach some thousand kilometres from this Shire was discovered by the explorer John McKinley in April 1882. He named it Mueller Creek after the noted botanist Baron Von Mueller.

Some years later in 1886, the river was rediscovered and renamed the Diamantina by William Landsborough, thereby honouring Lady Diamantina Roma Bowen, the wife of the first Governor of Queensland, Sir George Ferguson Bowen.

The name Diamantina was conferred in 1943 to a River Class Frigate that was being built by Walker Bros at Maryborough Queensland for the Royal Australian Navy, (which was decommissioned in 1980). In 2000 a new HMAS Diamantina was launched. This vessel is a Huon Class Minehunter fitted with the latest system technologies.

The Training Ship 'Diamantina' was officially launched in 2008 and is based in Brisbane.

The Shire's logo is interesting as it bonds all the Diamantina with the remote outback and the connection to the cattle industry. Originally the Shire's logo featured a lone bull. As the years progressed Council, seeing the crest of HMAS Diamantina and that of Lady Diamantina Roma Bowen requested the use of both to form a new logo for the Diamantina Shire.

Originally this request was denied, however Council being persistent was later granted permission to combine both crests to create the crest of the Diamantina Shire.

DIAMANTINA SHIRE COUNCIL

SUSTAINABLY DEVELOPING THE OUTBACK

DIAMANTINA

WHOEVER LEADS PROTECTS

Photograph taken by Makayla Gilby

Category Winner of the 2016 Diamantina Shire Council Photography Competition

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Photograph taken by Rhonda Heslin

Category Winner of the 2016 Diamantina Shire Council Photography Competition

Welcome to the Diamantina Shire

This Annual Report of the Diamantina Shire Council is for the period 1 July 2015 to 30 June 2016

It profiles the Diamantina Shire and reports on the activities undertaken by Council during the year and aims to provide the reader with a record of Council's performance during the financial year.

The Report contains information on Council's objectives, achievements, short and long-term challenges and demonstrates Council's commitment to reporting to the Diamantina community in an open, accurate and transparent manner.

This report meets Diamantina Shire Council's statutory obligations under the *Local Government Act 2009* and the *Local Government Regulation 2012.*

Copies of this publication can be obtained by contacting the Council Administration Centre on (07) 4746 1202 or by visiting Council's website at www.diamantina.qld.gov.au

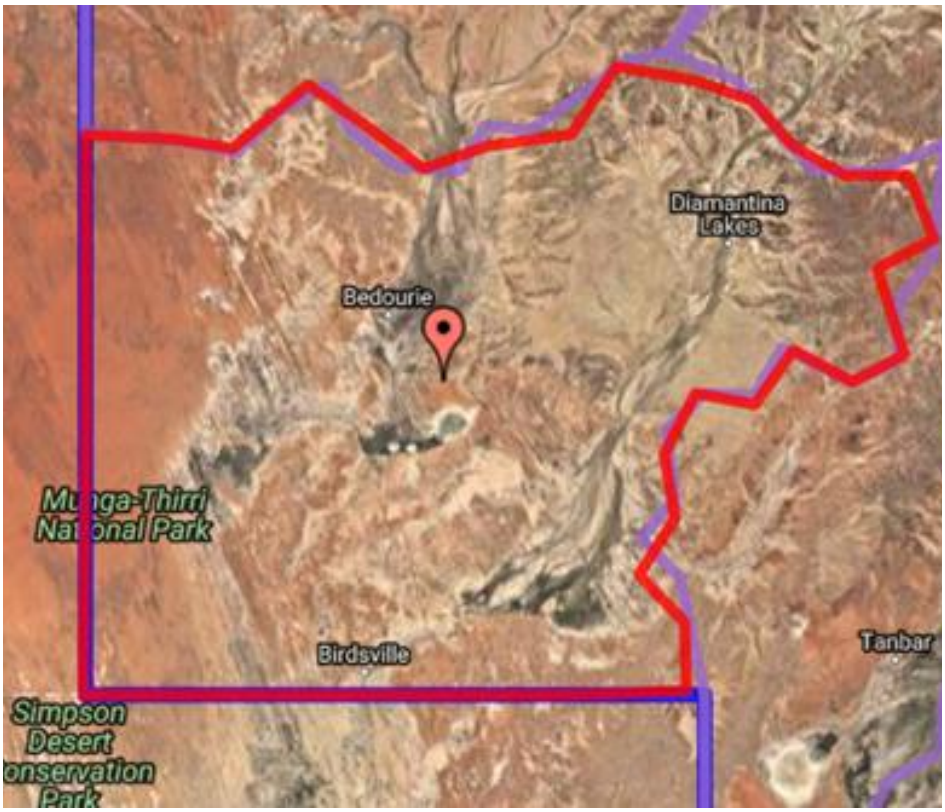
We welcome your feedback on this Report, which can be provided in writing to the address below:

DIAMANTINA SHIRE COUNCIL

17 Herbert Street
BEDOURIE QLD 4829

Shire Profile

The Diamantina Shire covers almost 95,000 km^2, which is larger than Tasmania and twice the size of Denmark! It is the second largest Local Government area in Queensland but yet has the second smallest population.



Located in the far western corner of Queensland, the Diamantina Shire borders the Northern Territory and South Australia. It is part of the "Channel Country", an area of Western Queensland that is renowned for some of the best grazing land in Australia. During infrequent floods, rivers and streams stretch across the channel country like fingers which flow south into Lake Eyre in South Australia. It is home to the mighty Diamantina and Georgina Rivers and Eyre Creek which form the backbone of the Shire.

In their wake, the floods leave vast plains of rejuvenated land that sustains cattle, wildlife and an abundance of wildflowers. To the west lies the arid Simpson Desert, the world's largest area of parallel sand dunes, attracting thousands of four-wheel-driving travellers each year intent on conquering the 1200 sand dunes.

The Diamantina Shire is home to 14 beef-producing pastoral properties, some of which are still managed by descendants of the region's early settlers. Many of these stations are certified to produce organic beef that is exported throughout the world. Along with beef production, tourism is the life blood of Diamantina Shire.

The Diamantina Shire's three towns are Birdsville, Bedourie and Betoota.

Bedourie, the Shire's administration centre, boasts many modern amenities including a historic hotel, motel, roadhouse, caravan-park, unique desert golf course, outdoor flood lit tennis courts, community centre, Health Clinic, School and arguably the town's premier facility an aquatic centre with an artesian hot spa. Bedourie, meaning 'dust storm', was first established as a Cobb & Co coach stop and watering point for drovers on the north-south stock route. The town's water, sourced directly from the great artesian basin, is celebrated as being Australia's best.

Shire Profile

The iconic town of Birdsville lies12 kilometres north of the Qld/SA border. Pre-federation, the town was a tolling point for the drovers transporting cattle between the colonies. At that time, Birdsville was a thriving town of approximately 300 people that boasted three hotels, a blacksmith store, cordial factory, market gardens and police and custom facilities. After federation, in 1901, tolls were abolished and the town fell into decline.

However in recent decades, Birdsville has grown to meet the demands of the growing domestic tourism industry and is now home to a historic and charismatic hotel, one of Australia's only licenced bakeries, two service stations, caravan-park, hardware store, steel fabricator and a number of tourism operators.

The famous Birdsville Races, held on the first weekend of September annually, attract over 7000 visitors to the town and is known nationally as "the Melbourne Cup of the Outback".

The Shire's third town, Betoota, has an official population of zero and is therefore Australia's smallest town. Also originally a Cobb & Co rest stop, Betoota, all but disappeared after the last horse-drawn Cobb & Co coach service ran in 1924. However, Sigmund (Simon/Ziggy) Remienko, a Polish immigrant who had been working as a grader driver in nearby Boulia, bought the Betoota Hotel in 1953. He lived in and managed the hotel, which was a popular fuel and rest stop for outback travellers, until his retirement in 1997 when he closed the hotel doors, but continued to live there as Betoota's sole resident until his death in 2004. Despite its population, Betoota hosts an annual gymkhana and race meeting that attracts visitors from all over Australia as well as pastoral workers from surrounding properties.

The Diamantina Shire's unique events, such as the Simpson Desert Racing Carnival, Bedourie Pig and Camel Races, Birdsville Bronco Branding, numerous rodeos, camp drafts and gymkhanas draw large crowds of outback locals and urban travellers alike. More recently we have seen the advent of new events such as the Big Red Run and the Big Red Bash both of which are held at the Shire's iconic Big Red sand dune near Birdsville. These events are attracting a new wave of travellers to the Shire.

Attractions like the Simpson Desert's majestic dunes, historic buildings, rare species of flora and fauna, uninterrupted horizons and bright night skies ensure that the Diamantina is a diverse and memorable travel destination for all visitors.

Our Council

Diamantina Shire Council was established on 31 March 1903 after the previous Diamantina Divisional Board was abolished. It administers Local Government within the Shire, as required by the *Local Government Act 2009*. Council provides public municipal and rural services, is responsible for local planning and policy, fosters regional social and economic development, and maintains a significant road construction and maintenance business.

Our Mission

Diamantina Shire Council's mission is to serve and advocate on behalf of the Shire community and to provide residents and visitors with continually improving services and infrastructure, which is socially, economically and environmentally sustainable, in order to further enhance quality of life.

Our Core Values

Innovation and Continuous Improvement

Council and staff seek to overcome challenges and take advantage of opportunities through commitment to innovation. Through innovative thinking and constant review of our practices and approach we are continually improving our performance and service delivery.

Quality

Council is committed to ensuring quality output by providing the organisation with resources which facilitate excellence in performance, commitment and service delivery.

Accountability

Council has a responsibility to the residents and ratepayers of the Shire to be inclusive and responsive to their views and needs and to communicate effectively.

Teamwork

We recognise the importance of maintaining a creative and responsive work environment in which the community, councillors, management and staff, work constructively together in a spirit of teamwork, trust and loyalty.

Democratic Governance

Diamantina Shire Council comprises of five elected Councillors including the Mayor. At Local Government elections every four years, voters elect four Councillors and a Mayor for the Shire.

As defined in the *Local Government Act 2009*, our Councillors represent the interests of the community. They facilitate communication between the community and the Council and participate in the Shire's decision making processes, translating the community's needs and aspirations into the future of our Shire to ensure that the Diamantina is the best place to live, visit, work and do business.

The Mayor, Councillors, Local Government employees and any other person with a responsibility within Local Government must act in accordance with the principles outlined in the *Local Government Act 2009* ensuring:

- Transparent and effective processes and decision making in the public interest
- Sustainable development and management of assets and infrastructure and effective service delivery
- Democratic representation social inclusion and meaningful community engagement as well as good governance of and by Local Government
- Ethical and legal behaviour of Councillors and Local Government employees

MEETINGS OF COUNCIL

Council's ordinary meetings are usually held on the third Monday of every month. Meetings commence at 9.00am and are held at the Council Administration Centre, Herbert Street, Bedourie, with one meeting a year held in Birdsville at the Birdsville Community Hall.

A Message from our Mayor

Again in the 2015/16 financial year the council focus has been on keeping the shire and its workforce sustainable. The year started off with things still drier than average and our workforce was just about at a bare minimum, but into this calendar year the season turned and so did council fortunes with some flood damage coming available. While shire road flood damage is of little benefit to the council with the present guidelines, the main road flood damage has helped keep our workforce going.

Our two main drivers are to continue improving communications and the condition of our roads, in particular pushing towards sealed access to our towns.

To this end all the agreements for the Optic Fibre project have been signed and it is now full steam ahead. I'm sure the very many people that have been driving this project for some ten years would be having one great sigh of relief. We are also working on getting the last bit of seal on the Boulia-Bedourie road done. Diamantina Shire was fortune enough to get some construction work on this project, doing some earthworks.

In councils determination to improve our towns, Birdsville has seen footpaths, kerbing and landscaping centre medians continue along the main street. Council committed to upgrading the Bedourie pool, building a short stay accommodation complex in Graham St, Birdsville and an upgrade to the Birdsville Caravan Park. With the last two projects, it is hoped they will encourage "accommodation supplied" type bus groups which will be able to spend a few extra nights in town, thus stimulating the local economy. It is also visualized that this may also encourage small conferences to Birdsville.

March saw the Local Government elections held. I had the honour of being re-elected on an increased majority, and I feel privileged and humble to represent the Shire for another four years. The elections saw two sitting councillors retire and they were replaced by Bev Maunsell and Doug Cooms. I congratulate and welcome the two new councillors, along with the returning councillors, Steve Cramer and Don Rayment. I also take this opportunity to thank the two retiring councillors, Garth Tully and Jody Barr, for their help and dedication. Garth Tully retires after serving an unbroken term of some 26 years as councillor, the last 4 years as Deputy Mayor. This is a mammoth effort and I congratulate him on a job well done.

The council continues to support tourism to the extent that no other council does. This is a vital industry to Diamantina Shire and as such council spent some $1 million supporting local businesses through tourism promotion. The council has also continued to provide resources and financial help to all the events held in the shire. The two big ticket items being the Birdsville Races and the Big Red Bash.

The Big Red Bash had to be held in Birdsville due to unseasonal wet conditions at Big Red, and I am proud of the way the council staff responded to the challenges this brought with it.

Diamantina Shire was privileged to host the Western Queensland Local Government Association conference in Bedourie. The event was a huge success with some 150 attendees. A great feather in Diamantina's cap.

It is the employees that make this Shire work, and I thank every one of them for their hard work and support. They are the ones who deliver all the services we receive, and sometimes take for granted. I know the whole community appreciates their effort.

Geoff Morton

Mayor

Our Council

Mayor Cr Geoff Morton

Geoff is a fourth generation grazier of Roseberth Station on which the town of Birdsville sits. He is the second of four children and the only son to Lyle and Phyllis Morton. Born in 1954 Geoff attended primary school by correspondence until year four, after which he attended boarding school at Scotch College Melbourne until finishing Year 12. Following his education, Geoff returned to Roseberth Station and took over the management of the station after his father's retirement in 1991. Married to Bev, they have two sons – Kerry and Stephen. Kerry assists with the management of Roseberth Station and is raising his own family in the Diamantina Shire.

Geoff is now in his seventh term as a Diamantina Shire Councillor having been involved in Council since 1980. Prior to being elected as Mayor Geoff served two terms as Deputy Mayor. Geoff is heavily involved in the Diamantina Shire community and is President of the Betoota Race Club.

Deputy Mayor Cr Steve Cramer

Born in Glen Innes, NSW, in 1976 to Philip and Moira Cramer, Steve is the third of four children. Steve completed primary school at Glen Innes State School before attending secondary schooling at Glen Innes High School. On leaving school, Steve attended Longreach Agricultural College and went on to work at S. Kidman & Co.'s Sandringham Station as a ringer. At Sandringham Station he met Jeena Kleinschmidt who came to work as a governess. After Sandringham they moved to Peak Crossing while Steve worked in the stockyards at the meatworks at Dinmore and broke in horses on the side. When Steve and Jeena married in 1999, they re-joined S. Kidman & Co and moved to Morney Plains, Windorah as Head Stockman for 18 months, then up to Ruby Plains Outstation Sturt Creek, in the Kimberleys of North Western Australia. After seven years running Sturt, Steve was relocated to Glengyle Station in December, 2007. Steve and Jeena have four children - Cody, Bridey, Beau and Jack. This is Cr Steve Cramer's second term as Councillor.

Cr Don Rayment

Councillor Don Rayment was re-elected in 2016 for his second term on the Diamantina Shire Council. However Local Government is not new to Don as he served two terms on the Winton Shire Council. At the time he was one of the youngest Councillors elected to the Winton Shire.

Born in Brisbane and raised in the Diamantina Shire by parents Charlie and Pauline Rayment on Kurran Station, Don is second eldest son, with three brothers and one sister,

Since finishing school he has been employed in the rural industry undertaking contract mustering, yard building and fencing. Don spent ten years contract mustering for MDH around Winton and Boulia and also did a stint as Rural Protection Officer/Rural Lands Officer with Department of Natural Resources and Local Government bodies. Don & Judy shifted to the Diamantina Shire in 2005 to manage the organic cattle property Adria Downs Birdsville.

Our Council

Cr Doug Cooms

Born in Charters Towers and raised in the Winton, Boulia and Mt Isa districts by parents Bev and Bruiser Cooms. Doug has one elder brother John and a youngest sister Nerida. Doug spent his early schooling years in the Winton Boulia districts and completed his junior schooling in Mt Isa before attending boarding school at Mt Carmel College in Charters Towers.

Doug and his now wife Tracy left Boulia in their late teens and moved to Townsville where Doug worked for an earthmoving Company throughout Queensland for seven years. From there Doug and Tracy moved to the Darling Downs and brought a small farm outside Crows Nest and later on Oakey where they raised their two girls Shahn and Jasmine. In 1989 Doug joined the cement and concrete industry where he worked for 22 years mostly in the technical division throughout the Darling Downs and Central Queensland.

In 2011 Doug and Tracy had an opportunity to move back to the bush to invest in and manage the Simpson Desert Oasis Roadhouse in Bedourie. During the past 5 your Doug has been an active member of numerous community events and clubs.

Cr Bev Maunsell

Born in Pittsworth to parents, Flora and Vince Barr, farmers and dozer contractors at Captains Mountain. Bev was the third child of six children having a set of twins older and a set younger. Her father purchased a farm at Ackland, and later properties in the Meandarra area, where she grew up.

Bev attended Concordia College in Toowoomba and on completion of Secondary Education continued employment at a Drapery & Manchester store in Meandarra until she secured a position on the Windorah Telephone Exchange.

She married Graham Maunsell in Toowoomba in 1966 and her eldest, Jeffrey, was born in Toowoomba prior to moving to Brisbane where Tanya and Toni were born. Fourth child Raelene arrived in Charleville in 1977 shortly after leaving Currawilla Station. Bev's husband passed away in January 1996.

Bev was employed at Jundah State School for 22 years as a Teacher Aide, was on various Committees, and also served as a Councillor on Barcoo Shire Council for a Term before moving to Diamantina Shire in 2000 to commence employment with life long friend Robbie Dare and wife Del.

This is Cr Bev Maunsells first term as Councillor.

Councillor Remuneration Schedule

The following details payments received by elected members for performing the role of Councillor along with details of resolutions made relating to Councillor remuneration.

At the Council Ordinary meeting held on 16 February 2015, the following resolution was adopted:

Minute No. 2015.02.16-OM-11
Moved by Cr Barr and Seconded by Cr Cramer
'That Council adopt the remuneration level for the Mayor, Deputy Mayor and Councillors as per the Category 1 level contained in the remuneration schedule published in the Queensland government Gazette vol. 367, No.74 on 5 December 2014 to apply from 1 July 2015 ie, Mayor $78,899 , Deputy Mayor $33,813 and Councillor $24,046.'

Councillor Remuneration and Attendance 2015/16

Councillor	Ordinary Meetings Attended	Remuneration	Expenses Reimbursed (Vehicle/Plane use)	Superannuation Contribution	Total
Cr G Morton	12	$77,493	$15,062	$8,679	$101,234
Cr G Tully *	8	$28,177	$78	$3,985	$32,240
Cr J Barr *	5	$15,029	$1,206	$1803	$18,038
Cr S Cramer	12	$23,670	$467	$2840	$26,977
Cr D Rayment	12	$22,042	$3,241	$2645	$27,928
Cr D Cooms **	3	$4008	-	$241	$4,249
Cr B Maunsell **	3	$4008	-	$381	$43,89
Total		**$174,427**	**$20,054**	**$20,574**	**$215,055**

There was no overseas travel made by a Councillor or employee in an official capacity during 2015/16.

Councillors were provided with home office and suitable ICT support including Laptop, iPad and for the Mayor a mobile telephone.

* Crs Tully and Barr did not seek re-election at the Local Government Election held in March 2016.

** Crs Cooms and Maunsell were elected to Council at the Local Government Election held in March 2016.

Expenses Reimbursement

The *Local Government Regulation 2012* requires councils to adopt a policy in relation to expenses reimbursement and to report expenses reimbursed and facilities provided to each councillor during the financial year. All facilities provided to councillors are detailed in the Expenses Reimbursement - Councillors Policy set out hereunder as required by section 250(1) of the *Local Government Regulation 2012*.

At the Council Ordinary meeting held on 9 May 2016, the following resolution was adopted:

Minute No. 2016.05.09-OM-10
Moved by Cr Rayment and Seconded by Cr Cooms
'That Council adopt the Expense Reimbursement – Councillors Policy with the following amendments:
Clause 2.5 – insert at end ', and can travel in Council vehicles if seats are available.'; and
Clause 2.1.4 – Replace $200/hr with $300/hr.'

Policy No: 11

Expense Reimbursement - Councillors Policy

CONTROL:

Policy Type:	Statutory
Authorised by:	Council
Head of Power:	Local Government Regulation 2012 – Section 250
Responsible Officer:	Chief Executive Officer
Adopted / Approved:	May 9 2016, Minute No. 2016.05.09-OM-10
Last Reviewed:	9 May 2016
Review:	June 2017 Note: This Policy is reviewed annually and should be included with Council's
Version	2

1.0 INTRODUCTION

1.1 PURPOSE:

The purpose of this policy is to meet the requirements of the Local Government Act 2009 and ensure that clear and concise instruction is available for the reimbursement of Councillor expenses.

1.2 POLICY OBJECTIVES:

This Policy will ensure accountability and transparency in the reimbursement of expenses incurred, or to be incurred, by the Mayor, Deputy Mayor and Councillors. This Policy will also ensure that elected members are provided with reasonable facilities to assist them in carrying our council business.

1.3 COMMENCEMENT OF POLICY:

This Policy will commence on adoption. It replaces all other specific Expense Reimbursement – Councillors Policies of Council (whether written or not).

1.4 SCOPE:

This policy applies to all Councillors, including the Mayor.

2.0 POLICY

2.1 POLICY STATEMENT:

Council will meet or reimburse the cost of, or pay allowances to cover the cost of expenses and facilities provision which are necessary and required by elected members for conducting the business of Council. Allowable expenses and facilities to be provided by Council are limited to those contained within Section 3 of this Policy.

3.0 STANDARDS AND PROCEDURES

3.1 KEY PRINCIPLES

To ensure that all Councillors have the facilities and other support necessary to undertake council business

To ensure compliance with community expectations and statutory requirements relating to the payment or reimbursement of legitimate expenses and provision of facilities for Councillors while carrying out their duties and responsibilities as elected representatives of the Diamantina Shire Council.

3.2 SPECIFIC AND STANDARD

3.2.1 Expenses Categories

3.2.1.1 Conferences, Meetings and Workshops

Where Council resolves Councillors are required to attend conferences or workshops to either deliver a paper or as a delegate of Council, Council will meet the cost or reimburse expenses associated with attending the event since participation is part of the business of Council.

3.2.1.2 Professional Development - Mandatory Training

Where Council resolves that all Councillors are to attend training courses or workshops for skills development related to a Councillor's role, Council will meet the cost or reimburse the total costs of the course.

Note: Some examples of this training are Councillor Induction, Code of Conduct, Meeting Procedures and Legislative Obligations.

3.2.1.3 Professional Development - Discretionary Training

Where Council gives approval for a Councillor to attend a conference, workshop or training to improve skills relevant to their role as a Councillor, other than mandatory training as above, up to a limit of $1000 per Council term.

3.2.1.2 Travel Expenses (including taxi, parking and public transport)

Councillors are entitled to be reimbursed to be reimbursed for all travel costs when representing Council on Council business.. In some cases this may involve interstate and overseas travel. If Councillors travel using their own private vehicles or planes an allowance can be claimed based on log book details to substantiate the relevance of the travel to Council business.

The amount reimbursed will be the actual amount (or equivalent mileage/plane hours) expended by the Councillor.

The vehicle allowance will be in accordance with RACQ vehicle operating costs as recorded on its web site.
http://www.racq.com.au/cars-and-driving/cars/owning-and-maintaining-a-car/car-running-costs

The hourly rate claimable for a Cessna plane is $300 per hour.

Where a council vehicle is available to be used by the Councillor for council business and the Councillor chooses to use their own private vehicle, the Councillor is not entitled to claim travel costs associated with the use of their own private vehicle.

All approved Councillor travel will be booked and paid by Council. Economy class flights are to be used where possible. Airline tickets purchased are not transferrable.

3.2.1.3 Hospitality Expenses

Elected members may have occasion to incur hospitality expenses while conducting Council business apart from official civic receptions organised by Council. The Mayor, in particular, may require additional reimbursement when entertaining dignitaries outside of official events.

Councillors are entitled to claim reimbursement of expenses incurred to entertain dignitaries to the following annual limit per financial year (Mayor $4000, Councillors $500) to entertain dignitaries.

3.2.1.4 Accommodation

Elected members may need to stay away overnight while attending to Council business. Councillors are entitled to stay in a motel/hotel accommodation (4 star or equivalent as available) when it is considered necessary to attend to Council business. When attending conferences, Councillors should take advantage of the package provided by conference organisers and therefore stay in the recommended accommodation.

In all other cases the Chief Executive Officer will authorise reasonable accommodation arrangements. In these instances, Council will meet the cost of or reimburse legitimate accommodation costs.

Where accommodation is provided outside the region, Council will pay for reasonable dry-cleaning costs.

3.2.1.5 Meals and Incidental Expenses

On ordinary or special Council meeting days, Councillors will be provided with a breakfast burger, lunch and dinner (if the meeting continues past 6pm)

Councillors are entitled to be reimbursed for meal expenses incurred when travelling or attending Council business outside the region and where it is not included with the accommodation booking. Councillors are entitled to require accommodation within the shire where due to travel distances they need to arrive the night before a meeting or stay overnight following a meeting to manage fatigue.

Councillors may charge costs to Council issued credit card or claim for the reimbursement of each actual cost per meal when travelling for business related purposes.

Alternatively, Councillors may claim a daily meal allowance based on the latest Australian Tax Office ruling for reasonable travel expenses for the town in which they are staying. Councillors may only claim a meal allowance where they have personally incurred a cost for the meal.

Reasonable alcoholic beverages are able to be included only with the evening meal in addition to the meal cost.

3.3 MAKING CLAIMS

When seeking reimbursement for expenses, elected members must complete and sign a Councillors Fees and Expenses Claim form and provide receipts for allowable expenses together with details of the Council business that the expenses relate to.

Expenses claims or reimbursement requests which comply with the requirements of this policy should be forwarded to the Chief Executive Officer.

Councillors are responsible for ensuring that they do not make claims in excess of allowable limits. Failure to comply with this policy, falsifying claims or logbooks or the misuse of facilities may represent Official Misconduct and be referred to the Crime and Misconduct Commission.

Claims must be presented within 3 months of incurring the expense and claims will be paid on a monthly basis.

3.4 CANCELLATION OF PROFESSIONAL DEVELOPMENT, TRAVEL OR ACCOMMODATION

If a Councillor, wishes to cancel travel or accommodation previously planned and booked by the Council, then the Councillor will advise their support staff as soon as possible to maximise the opportunity to recover expenses paid on their behalf.

3.5 PROVISION OF FACILITIES

Council will provide and meet operational costs of facilities which are deemed necessary and required to assist Councillors in their role.

When determining the facilities to be provided, Council has considered what are reasonable requirements and standards for an individual Councillor. If a Councillor chooses a higher standard of facility than that prescribed by Council, any difference in cost must be met by the Councillor personally. Ownership of any facilities provided remains with Council.

3.5.1 Administrative Tools and Access to Council Office Amenities

Council are entitled to use the following facilities:- :

a) At Council administration Centre – office space, Council meeting rooms, landline telephone, internet;
b) Secretarial support;
c) Stationery;
d) Publications – copies of the Act and other legislation, books, journals considered necessary; and
e) Any other administrative necessities which Council considers necessary to meet the business of Council.

3.5.2 Home Office

Councillors will be provided, upon request with a laptop computer or equivalent and multi-function printer for council use.

3.5.3 Maintenance Costs of any Council Owned Equipment

Council will cover all ongoing maintenance costs associated with Council owned equipment to ensure it is operating for optimal professional use.

3.5.4 Name Badge and Uniform

Council will provide each elected member with a name badge and Councillor uniform (2 x shirts/blouse). This may include any safety equipment such as overalls, safety helmets or glasses as required by a Councillor in their role.

3.5.5 Vehicle

Council will provide a Council owned vehicle (including fuel) for official business as required from time to time.

Elected members are authorised reasonable private use of Council-owned vehicles when on Council business, on the condition that they reimburse Council for any private use at the adopted mileage allowance rate.

3.5.6 Telecommunications

3.5.6.1 Telecommunications Allowance

All Councillors will receive a telecommunications allowance of $50 per month towards the cost of their private fixed telephone and mobile phone calls.

3.5.6.2 Mobile Phone:

The Mayor will be provided with a Council mobile phone handset.

3.5.6.3 Internet Access

The Mayor will be provided with hardware to enable 3G to be received at his home office with data costs payable by Council. The Mayor will be provided with a mobile 3G data device for business purposes.

Councillors living in Bedourie will be provided with access to Councils WiFi network at Councils cost for business purposes.

Councillors who reside in satellite only areas will be entitled to claim $50 per month towards the cost of satellite data. Where this cost is not incurred by the councillor, the property owner may claim this amount from Council by forwarding a tax invoice.

3.5.7 Legal Costs and Insurance Cover

Council may by resolution, agree to cover costs incurred through any inquiry, investigation, hearing or legal proceedings into the conduct of a Councillor, or arising out of, or in connection with the Councillor's performance of his/her civic functions.

Councillors are included in its Workers compensation coverage (LGW) that provides for the level of benefits substantially the same as for the employee of council with the exception that elected members cannot bring a common law damages action against council under the Workers Compensation and Rehabilitation Act 2003.

Council has included Councillors under its Professional Indemnity Policy (LGM) to be covered under Council insurance policies while attending council business.

3.6 SPOUSE/PARTNER ARRANGEMENTS

Council is not responsible for making arrangements to cater for situations where a spouse or partner accompanies the Councillor to events. Partners of Councillors may accompany Councillors to events at their own cost and can travel in a council vehicle if a seat is available.

4.0 REFERENCE AND SUPPORTING INFORMATION

4.1 DEFINITIONS

To assist in interpretation, the following definitions shall apply:

Word / Term	Definition
Council	means Diamantina Shire Council.
Council Business	Council Business is defined as activities conducted on behalf of, and approved by, Council where a Councillor is required to undertake certain tasks to satisfy legislative requirements or achieve business objectives for the Council. Council business should result in a benefit being achieved either for the local government and/or the local community. This includes: • Preparing for, attending and participating in Council Meetings, committee meetings, workshops, deputations and inspections. • Preparing for and attending meetings of associated bodies (i.e. LGAQ, RAPAD etc); • Attending civic ceremonies and community events such as representing Council at Anzac Day ceremonies or opening a school fete, where they have been formally invited in their capacity as Councillor to undertake the official duty; • Attending public meetings, annual meetings or presentation dinners where invited as a Councillor; • Attending meetings of community groups where invited to speak about Council programs or initiatives; • Private meetings with constituents (residents, ratepayers, community groups, developers etc), where arranged through official council channels and details of discussions are documented in official records or diaries.

4.2 RELATED POLICIES, LEGISLATION AND DOCUMENTS:

Links to supporting documentation
Local Government Regulation 2012 – Section 250

4.3 VERSION CONTROL:

Previous Version Number	Adopted/Approved Date
Version 1 - Original	October 20 2014, Minute No. 2014.10.20-OM-15

Chief Executive Officers Report

The 2015/16 year has seen Diamantina Shire emerge from a significant drought following regular rainfall commencing in January 2016. This has certainly lifted the spirits of residents and the optimism of businesses and contractors.

Council primary focus has been to ensure its core operations continue to be delivered. Given its very small own source revenue base through general rates, Council made the decision to use available grants and subsidies to invest in accommodation infrastructure which would be a catalyst for further economic development in Birdsville. This additional accommodation (4 cabins at the caravan park and 50 ensuited rooms in Graham Street) will not only provide additional accommodation during major events such as Birdsville Races, Big Red Run and Big Red Bash, but will allow Birdsville to host other events such as rallies, conferences and bus tours.

Whilst our workforce continues to shrink in response to the continued reduction in road funding, we consider that we punch above our weight in delivering projects to our communities.

In 2015/16 we have seen:-

- Completion of Stage 1 and 2 of the Birdsville Streetscape project resulting in new kerb and channel, footpaths, median strips and landscaping undertaken from the Clinic to Birdsville Hotel;
- Completion of the Betoota Bypass on the Birdsville – Windorah Road;
- Completion of the realignment at 'Marion Downs' on the Bedourie-Boulia Road
- Completion of sealing of the Big Red Road from the Birdsville town grid to the Outside Track;
- Finalised plans and tenders for the upgrade the Birdsville Caravan Park and for the development of a 50 room accommodation complex in Graham Street Birdsville;
- Council hosted the Western Queensland Local Government Association annual conference in Bedourie in May;
- A new Council elected following the local government elections in March 2016;
- Signed a contract with Telstra for the construction and installation of optic fibre to Bedourie and Birdsville allowing high speed internet and 4G mobile.
- Continue to improve the efficiency of Council operations.

Our events continue to attract vast crowds which is a testament to the organisational ability of their executive committees and to the unique part of the world in which we live.

In September 2015, Adrie den Ronden was tragically killed in a single vehicle accident whilst at work. Adrie was a valued member of our works team in his role as Overseer and his death had a profound effect on the town and the workforce. On behalf of Council, I wish Maggie all the best for her move from the Shire back to the Gold Coast.

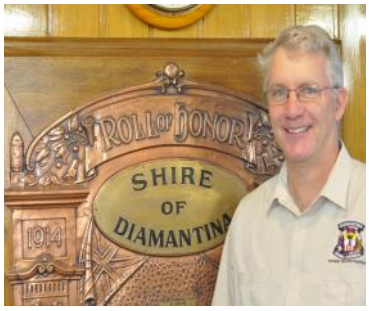
I wish to acknowledge Garth Tully and Jody Barr who did not seek re-election as councillors at the elections in March 2016. Garth in particular has put in 26 years of continuous service as a Councillor to the Diamantina Shire which is rare these days. I wish them both well in their 'retirement'. I welcome new Councillors Bev Maunsell and Doug Cooms and am sure they will enjoy their learning curve as they take on their new role. I am sure that re-elected Mayor Geoff Morton and Councillors Steve Cramer and Don Rayment will take them under their wing and show them the ropes.

Leon Love
Chief Executive Officer

Executive Staff

Council has a very experienced senior executive team whose profiles are set out below.

Leon Love - Chief Executive Officer



Leon joined Council in October 2013 and has extensive experience in Queensland local government having worked in various Councils over the past 24 years including 9 years as Chief Executive Officer at Bungil Shire Council, (now part of Maranoa Regional Council). Prior to joining Council he worked in various senior positions at the Toowoomba Regional Council.

The vast and diverse landscapes of the Diamantina Shire are intriguing to Leon and he hopes to see a big flood soon, as it has been relatively dry during his time so far. The people are very genuine and the Shire is like a big extended family who look out for each other which you don't find in most places. Leon's goal is to improve the telecommunications and road networks in the shire and to ensure the Council and its residents do not get left behind the rest of Australia.

Born and raised in Mundubbera, Leon completed high school at Toowoomba Grammar School and graduated with a Bachelor of Business from the University of Southern Queensland. He and his wife, Allison have five children, who love nothing more than to get back to Bedourie during breaks from their schooling in Toowoomba.

Tony Beynon - Deputy Chief Executive Officer

Tony joined the Diamantina Shire in May 2015 as Deputy Chief Executive Officer. He comes to the Shire after a long career in Local Government, having worked at Gold Coast City Council and Mornington Peninsula Shire Council in Victoria.

Tony has fallen in love with the Diamantina country and can be seen most weekends travelling throughout the Shire taking in the magnificent scenery. Tony is committed to serving the community and his goal is to provide excellent customer service to all who deal with Council.

Married to Lizzie, they have one son Darcy who visited dad during school holidays. Show and tell back on the Gold Coast had a very distinctive outback Diamantina flavour. Tony was born and raised in Melbourne, holds a Master's Degree in Business Administration as well as a Bachelor of Business

Trevor Stewart - Infrastructure Manager

Trevor started with the Diamantina Shire Council in January 1983 as a labourer and plant operator then became Works Foreman 1992.

In 1996 he became Works Overseer before leaving the Shire in July 2001 to work for a civil construction company in Toowoomba. Trevor returned in 2011 as Infrastructure Manager.

He has three children, two of whom went to primary school in both Bedourie and Birdsville. One of Trevor's biggest achievements when working for the company in Toowoomba was being made foreman in charge of the civil works on the multi-story carpark at the Brisbane International Airport.

Compliance Reporting

The following pages list all other information that is required to be included in the Annual Report by the *Local Government Act 2009 '(LGA)'* or the *Local Government Regulation 2012.'(LGR)'*

COUNCILLOR DISCIPLINARY ACTION s180(2) and (4) and s181 LGA 2009
There have been no actions under section 180(2) and (4) and section 181 of the Act during the 2015/2016 financial year resulting in orders or recommendations.

COMPLAINTS ABOUT CONDUCT OR PERFORMANCE OF A COUNCILLOR s176 LGA 2009
There were no complaints lodged regarding Councillor conduct during 2015/2016.

ADMINISTRATIVE ACTION COMPLAINTS s187 LGR 2012
(1) (a) Administrative action complaints encompass all complaints made to Council about its administrative actions. Council is committed to dealing fairly with all complaints in a timely manner and at the local level where possible.
(b) The complaints management process comprises an initial assessment undertaken by Council's Complaints Officer, referral following consideration by the CEO for a comprehensive assessment and remedial action as appropriate.
(c) Complaints against the Chief Executive Officer are referred to the Mayor in accordance with Council's policy.
(d) During the period under review and the previous financial year there were no administrative action complaints received.

EXPENDITURE ON GRANTS TO COMMUNITY ORGANISATIONS s189 LGR 2012
During the 2015/2016 financial year, Council support, in the form of cash, labour and machinery was provided to the following organisations:

Organisation	Event	Contribution
Bedourie Amateur Race Club	Bedourie Races	$29,209
Bedourie Golf & Leisure Club	Moving Club House Golf Day Rugby League 9's Bedourie Pig & Camel Races	$4,320 $443 $4,049 $10,188
Bedourie Gymkhana Club	Bedourie Camp Draft, Gymkhana, Rodeo and Bronco Branding	$23,953
Betoota Race Club Inc.	Betoota Races Insurance	$23,609 $2,558
Betoota Social Club	Betoota Gymkhana	$5,659
Birdsville Race Club Inc.	Birdsville Races	$280,068
North Qld Helicopter Service	Donation	$5,037
Bedourie State School P&C	Christmas Tree and Children's breakup	$2,639
Birdsville State School P&C	Christmas Tree	$1,426
Birdsville Social Club	Birdsville Gymkhana Birdsville Bronco Branding	$4,460 $22,178
Born to Run	Big Red Run and Big Red Bash	$99,893
Queensland Health	Dental Van Relocation	$761
Desert Rivers Development Board	Insurance for various events	$2,698
Bedourie State School	Splash & Arts – Kitchen Cabinet Splash & Arts camp	$109 $4,816

RESERVES AND CONTROLLED ROADS s118 LGR 2012
Diamantina Shire Council has control of:
- 9,523.71ha of land classified as reserves under the Land Act 1994; and
- 621kms of road that is not owned by council but is in its control.

EXPENDITURE AND ACTION RELATING TO JOINT VENTURES s190(1)(d)(i) LGR 2012
Diamantina Shire Council did not enter into any joint venture agreements during the 2015/2016 financial year.

CHANGES TO TENDERS s190(1)(e) LGR 2012
Diamantina Shire Council did not make a change to a tender during the 2015/2016 financial year.

REGISTERS KEPT BY COUNCIL s190 (i)(f) LGR 2012
Assets Register
Register of Roads
Register of Land Records
Register of Delegations by Council
Register of Interests for Employees and Councillors
Register of Local and Subordinate Local Laws
Register of Cost Recovery Fees

RATES AND CHARGES CONCESSIONS s190 (1)(g) LGR 2012
Diamantina Shire Council made no concession of rates or charges for the 2015/2016 financial year.

INTERNAL AUDIT FUNCTION s190(1)(h) LGR 2012
Diamantina Shire Council as a Category 3 Council is required to establish an Internal Audit Committee to operate from 1 July 2014.

Council appointed Messrs O'Reagan & Partners to provide Council with internal audit services for the period 1 July 2014 to 30 June 2017.

As required by the *Local Government Act 2009* and the *Local Government Regulation 2012,* the Internal Audit function to be undertaken by Messrs O'Reagan & Partners is to:-
a. Prepare an Internal Audit Plan; and
b. Carry out an internal audit; and
c. Prepare a progress report for the internal audit; and
d. Assess compliance with the internal audit plan.

As a Category 3 Council, the Diamantina Shire Council formed its Audit Committee during the period with meetings held on 15 September 2015 and 27 June 2016.

Legislative requirements for Audit Committees include:
- 3 to 6 members
- 1 or 2 Councillors
- 1 member with significant experience and skills in financial matters
- Chief Executive Officer may not be a member
- Must meet twice per year.

As at 30 June 2016 the Audit Committee membership comprised:
- Cr Don Rayment (Chairman)
- Cr Steve Cramer (Deputy Mayor)
- Tony Beynon (Deputy Chief Executive Officer)

The Chief Executive Officer and other observers attend the Committee meetings as required.

SUMMARY OF INVESTIGATION NOTICES UNDER s49 FOR COMPETITIVE NEUTRALITY COMPLAINTS s190 (1)(i)
There were no competitive neutrality complaints received during 2015/2016.

RESPONSES ON QCA RECOMMENDATIONS ON COMPETITIVE NEUTRALITY COMPLAINTS s190 (1)(j)
There were no responses on competitive neutrality complaints received during 2015/2016.

REPORTING REQUIREMENTS: PUBLIC SECTOR DISCLOSURE ACT 2010 s30
There were no disclosures received or referred under Part 2 during the reporting period.

EXECUTIVE REMUNERATION s201 LGA
Total remuneration paid to Executive employees was as follows:
Package Value $100,000—$200,000—1 employee
Package Value $200,000—$300,000—2 employees

Our People

Diamantina Shire Council has had a busy year in regards to human resource management and improving our overall operations in regards to people management. Significant work has gone into the recruitment of staff as well as training and development of existing employees.

TRAINING AND DEVELOPMENT

Council has a commitment to learning and development and promotes study assistance as well as assistance with course fees to all employees.

Council has prepared a comprehensive training matrix to ensure that training is managed in a structured way and staff and community members are provided with regular relevant training courses.

Certificate and general training courses were provided in the following fields:-

- Chainsaw training
- Health & Safety Representative Courses
- Blue and White Card
- Grader, Front End Loader, Roller, Skid Steer, Backhoe, Stabiliser Certificate Training
- Certificate 3 in Horticulture, Civil Construction (Plant Operation and Road Construction).

The Shire continued to partner with external organisations in the development of the skills and training of its staff and community by entering into Agreements with RAPAD Skilling, Queensland Agricultural Training College and Life International.

EMOTIONAL ASSISTANCE PROGRAM

The Emotional Assistance Program was again offered to all employees and immediate family members of employees the Diamantina Shire Council. The emotional assistance program provides access to a clinical psychologist both over the phone and face to face. Introduced in the 2009/2010 financial year, the program has been accessed by various staff members throughout the year and provides support for employees and their immediate families, assisting with the reduction of negative effects of stress that can arise within the workplace and community.

ANTI-DISCRIMINATION and EQUAL EMPLOYMENT OPPORTUNITY (EEO)

Council continued to monitor its Anti-Discrimination and Equal Employment Opportunity Policy to meet legislation and workplace requirements and remains committed to providing equal employment opportunities in the workplace.

Purpose

The aim of this policy is to:

- provide an environment where employees and others in the workplace are treated fairly and with respect, and are free from unlawful discrimination, harassment, vilification and bullying.
- ensure that when employment decisions are made, they are based on merit, not on irrelevant attributes or characteristics that an individual may possess. Council also tries to create a work environment which promotes good working relationships.

Objective

The objective of this policy is to ensure that Council maintains a fair, equitable and professional working environment for its employees and that decisions in respect to employment are based on merit.

Staff Statistics at a Glance

	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11
	Staff @ 30/6/16 excluding casuals	Number of Employees (excluding casuals) who worked for Council during the year.				
Inside Staff	18	39	32	36	43	42
Outside Staff	35	46	47	47	39	49
Total	53	85	79	83	82	91
Executive/Senior Management						
> Male	3	3	3	4	5	4
> Female	0	0	0	1	2	0
Elected Members						
> Male	4	5	5	5	7	4
> Female	1	0	0	1	1	1
Total Employees						
> Male	38	46	49	54	44	57
> Female	23	39	30	29	38	34
Aboriginal & Torres Strait Islander employees	17	19	23	26	23	30
Disabled employees	0	0	0	0	0	0
Staff Turnover	37%	31%	44%	31%	35%	36%

Funded Programs

Diamantina Shire Council delivers a variety of services to the residents of the shire and constructs new projects from time to time. These activities may be funded by federal or state government grants or subsidies either in part or full. Diamantina Shire Council would like to acknowledge the following funding bodies for projects and activities funded in the 2015/2016 financial year.

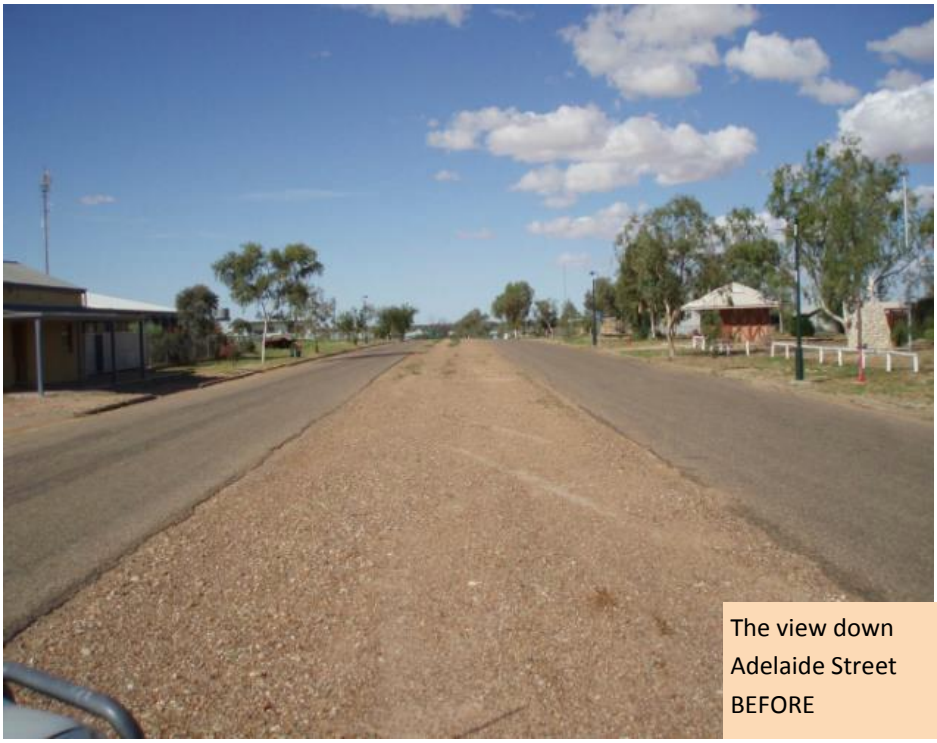
Australian Government		
Department	**Funding Program**	**Project**
Department of Infrastructure and Regional Development	Roads to Recovery Program	The resealing of various roads and the construction of the Simpson Desert Access Road at Birdsville
Department of Social Services	Access Point Program	Provision of Access Point Services in Bedourie and Birdsville
Department of Social Services	Families and Communities Programme, Strengthening Communities	Broadband for Seniors—Provide information technology services to seniors
Queensland Government		
Department of Science, Information Technology, Innovation & Arts (Arts Qld)	Regional Arts Development Funds (RADF)	Supports the development of the arts in the shire.
Department of Communities, Child Safety and Disability Services (through RAPAD)	Drought Communities Fund	Redistributed to various community groups to enhance events supporting drought affected communities
Department of Community Safety	State Emergency Service Annual Local Government Subsidy	Funds provided to support SES in Bedourie and Birdsville
Department of Infrastructure, Local Government, and Planning	General Purpose Financial Assistance Grant and Identified Road Grant	Supports the general operations of Council
YWCA Queensland	Queensland Women's Week	International Women's Day event guest speaker, catering and venue hire.
Department of Education and Training	Skilling Queenslanders for Work First Start Program 2015/16	Completed Employ one fulltime trainee for up to 12 months under the First Start Program
Department of Natural Resources Sport & Planning	Get Playing (Get in the Game) program	Completed Bedourie Aquatic Centre heat exchanger
Department of the Premier and Cabinet	Queensland Anzac Centenary Grants Program	Completed To erect memorial walls in Birdsville and Bedourie to recognise service men and women from the shire.
Department of the Premier and Cabinet	Queensland Anzac Centenary Grants Program	Research and write a book detailing the involvement of Shire residents in World War 1 and II

Funded Programs

Queensland Government		
Department	**Funding Program**	**Project Status**
Department of Infrastructure, Local Government and Planning	2014-15 Local Government Grants & Subsidies Program	Completed Birdsville Streetscape Stage 1 Adelaide Street between Vaughan Street and Frew Street
Department of Infrastructure, Local Government, and Planning	2014-15 Local Government Grants & Subsidies Program	Completed A generator has been installed to provide emergency power supply to the Bedourie Administration Centre
Department of Local Government, Community Recovery and Resilience	2014-15 GraffitiSTOP Funding Program	Completed To provide Graffiti Management related activities.
Department of Infrastructure, Local Government, and Planning	2015-16 Local Government Grants and Subsidies Program	Overtaking Opportunity on the Birdsville Simpson Desert National Park Road. Work has been deferred until 2016-17.
Department of Infrastructure, Local Government, and Planning	2015-16 Local Government Grants and Subsidies Program	Birdsville Short Stay Accommodation Village. Contract for supply and installation of units signed, offsite unit construction started, earthworks commenced.
Department of Transport and Main Roads	Discretionary TIDS Subsidy	Completed Stage 2 Birdsville Streetscape
Department of Infrastructure, Local Government, and Planning	2014-15 Get Ready Queensland Base Grant	Completed Provide Personal Fire Safety Cases for storage of important personal documents.
Department of Infrastructure, Local Government, and Planning	2015-16 RACQ Get Ready Queensland	Completed Preparation and distribution of 'What If' packs to all shire residents.
Queensland Reconstruction Authority	Flood Recovery & Reconstruction	The restoration of flood damage on shire roads
Department of Education, Training and Employment	Early Childhood Education & Care Funding	Funds provided to support Playgroups in Bedourie and Birdsville
State Library of Queensland	Service Level Agreement	*First 5 Forever* Family literacy program
State Library of Queensland	Service Level Agreement	Library Materials and Equipment
Museums & Galleries Queensland and State Library of Queensland	2016 Heritage Leaders Workshop Bursary Program	Completed Grants Officer and Projects Officer attend Heritage Leaders Workshop

BIRDSVILLE STREETSCAPE

In November 2015 Council completed Stage 1 of the Birdsville Streetscape Project. The objective of the project was to make the streets in Birdsville more appealing both aesthetically and practically for locals and tourists. This involved the redevelopment of Adelaide Street including the construction of footpaths, kerb and channelling, and median strip garden beds.



The view down Adelaide Street BEFORE

Prior to the upgrade Adelaide Street had no all-weather footpaths, a dirt median strip and poor drainage which forced pedestrians off the dirt footpaths and onto the road.

The success of this project is obvious to anyone walking down Adelaide street and has completely transformed the town. Not only is the town looking magnificent but many of the safety issues have been addressed through better:

- water management with the kerb and channeling;
- traffic control with the median strip preventing drivers from making intermittent U-turns;
- access for community services, businesses and amenities through concreted footpaths.

All the work on the project was performed by Council employees from the Infrastructure Department. They worked hard during some very hot and dry weather to bring the project in on time.

The total project cost of $468,000 (ex GST) was funded as follows:

- $78,350 from a 2014-15 Local Government Grants and Subsidies program grant
- $389,9650 from Council

Council is looking forward to completing further stages of the project over the coming years to finish the transformation of Birdsville.

The view down Adelaide Street AFTER

BIRDSVILLE STREETSCAPE

Assessment of Local and Regional Issues

Arts and Cultural Development

The Diamantina Shire has a rich and unique culture that has developed over the years with influences from both its Aboriginal and European residents. The recognition, identification and preservation of this culture is at the forefront of the Council's actions and planning. This includes the identification and preservation of both Aboriginal and European sites of significance and the maintenance of culturally significant practices through events such as bronco branding, camp drafting, gymkhanas and the annual celebration of NAIDOC week.

The strategies that have been identified in Council's corporate plan deliver these outcomes including the development of plans for community club facility development and historical site preservation.

Disaster Mitigation and Management

As the only government body with significant staff and equipment resources in the area, the council has always had a major involvement in disaster mitigation and management. Due to the nature of the Channel Country, the Council actively manages the risks involved in and responds to accidents, fires, flooding events and asset restoration.

The restoration of flood damage on both Council and State controlled roads is a significant part of Council's works operations. It is therefore vital that Council is proactive in its mitigation and management planning to ensure that assets are protected and more importantly that restoration funding continues to be made available. To this end council has included a strategy in its corporate plan to ensure that disaster management plans are maintained and are up to date.

Economic Development

Diamantina Shire Council continues to work collaboratively with cattle and tourism business operators, industry peak bodies, representative groups and the community to identify and grow economic development opportunities. Sealed roads and the ongoing push for optic fibre connection from Boulia to Birdsville, including the provision of 4G technology, will provide the tools for ongoing and secure economic development.

Environmental Management

The protection and sustainability of the unique Channel Country environment has been a priority for Council for many years. The Integrated Environmental Management System (IEMS) addresses the potential environmental risks associated with the operation of Council's environmentally relevant activities and sets out Council's position for compliance with environmental legislation as well as setting the strategy for achieving best practice in environmental management.

Infrastructure

The sealing of the road network remains a major priority for Council and it is committed to the contribution of funds for works, research and lobbying to ensure that significant progress continues to be made. These issues and the required infrastructure needs for the growing communities will be included in Asset Management Plans which will ensure that infrastructure is well planned, managed and funded.

Public Health Management

Diamantina Shire Council is in the unusual position of not only providing the standard environmental health services delivered by local government, but also of facilitating primary health care services in Bedourie and Birdsville. The operation of these clinics was transferred to Central West Health from 1st July, 2014 with Council retaining ownership of the buildings. This partnership has removed a significant burden from Council and the professionalism of the Executive and staff of the Central West Health Service is appreciated.

Community Development and Human Services

Council's most recent corporate plan emphasises an increased focus on community development and human services. Through initiatives such as community event coordination, a community assets development plan, funding community events, the Diamantina communities continue to develop, and the Council is able to provide services that build social capital and improve the quality of life of residents.

Housing

Council has put significant effort into housing in recent years and this has addressed many of the problems faced by the community. The demand for housing in 2015/16 has waned as employment levels have reduced which now sees many houses vacant. Council has elected not to continue to participate in the management of Community housing but has instead sought approval from the Queensland Government to acquire the 14 community housing properties at no cost, so that Council can continue to manage them for the benefit of the community. This request has proven to be a difficult one for the Department who has still to make a decision.

Population

Diamantina Shire Council continues to work toward the identified population targets set out in the corporate and community plans. We aim to grow the Diamantina Shire population in a sustainable manner.

Inextricably linked to economic development, employment growth and the development of infrastructure including community services and housing, Diamantina Shire Council is well progressed in realising the objective of an increased and sustainable population.

Performance What we Achieved

Diamantina Shire Council began a comprehensive community engagement process in February 2009, which involved community surveys and public consultation meetings to develop a long term Community Plan, five year Corporate Plan and annual Operational Plan. The 2014-2019 Corporate Plan was reviewed in early 2014 and, following community consultation, was adopted on 17th March, 2014.

Diamantina Shire Council undertakes a wide range of roles that are not traditionally carried out by Local Government in Queensland and therefore its corporate response to the community vision is broad, addresses a wide range of issues and is based on the delivery of outcomes that will move the community closer to its long term goals and vision.

The following is a summary of what Council has achieved against what it said it would do in its annual operational plan for the year in review.

Environment		
Guaranteed Quality Water Supply and Waste Water Treatment.		
Outcome	Strategies to achieve this goal	Progress and Achievements
Waste Supply and Waste Water Sustainability	Maintain water and waste water infrastructure in accordance with SAMPs	Continue to review waste water SAMP based on in pipe camera survey undertaken in April 2014 and other inspections
		Funding has been included in the 2015/16 budget for operational and capital works
Social		
A community which is Actively Maintaining Practices which ensures Environmental Sustainability.		
Outcome	Strategies to achieve this goal	Progress and Achievements
Further Development of Green Energy Opportunities	Actively encourage and promote renewable energy use within the shire.	Discussions with Ergon Energy have indicated that there is limited opportunities to install solar power on council buildings as the surplus power generated cannot be fed back into the grid. Their advice is to wait until battery technology improves before considering this further.
The Pest Animals/Plant status of the Shire is Improved	Maintain currency of relevant pest animal and plants management plans.	RAPAD CWPMG is finalising its pest management plan and once complete, DSC's Pest Management Plan will be reviewed to ensure it is in accordance with this document.
Effective Animal Control within Communities	Ensure that local laws and other legislation are applied as required to ensure that effective animal control is maintained within towns.	Relevant Staff have undertaken 'Authorised Persons' training and training in conducting investigations.
Protection of the Great Artesian Basin	Maintain up to date information on scientific developments with respect to the GAB.	GAB committee information has been provided to Councillors as it's received.
	Maintain membership of the great artesian basin committee.	GABC membership has been maintained.

Performance What we Achieved

Towns which are Attractive, Green and Clean with a Community that takes Pride in their Homes and Towns.		
Outcome	Strategies to achieve this goal	Progress and Achievements
Recognition Through Tidy Towns Awards	Maintain membership of KABC and nominate annually	Membership has been renewed and Tidy Towns nominations submitted.
Viable Community Fruit and Vegetable Gardens are Operating in Birdsville and Bedourie	Encourage the voluntary operation of community gardens within both towns.	Birdsville community garden remains open for use. Approval has been given to the Bedourie community to establish a community garden behind the mud hut. No on ground work has commenced as yet and it appears that interest has waned.
Effective Waste Management	Implement the Shire Waste Management strategy	Litter fencing has been erected in both towns and areas established for the segregation of waste for reuse.
A Community that Recognises the Value of Preserving the Unique Culture of the Area.		
Financially Viable and Strongly Supported Traditional Social Events	Maintain support in accordance with Council's grants to community organisations policy.	The Community Grants Policy has been reviewed and adopted by Council
Identification of Aboriginal Sites of Significance	Liaise with aboriginal groups to identify sites of significance	Council staff had training on cultural heritage obligations on start-up day. Clearances have been obtained as required
A Community With Affordable Access To The Full Range Of Transport Services And Facilities.		
A Reliable, Regular Air Service at Prices Comparable to Brisbane to Mt Isa Costs	Encourage use of the subsidies passenger air services	REX service level has been consistent with no issues reported. REX has made additional flights available between Birdsville/Bedourie and Mt Isa at a cheaper rate.
	Maintain a high standard of airport facilities in both towns	Airports are compliant with CASA requirements
A weekly Freight Service at Prices Comparable to Brisbane to Mt Isa Freight Costs	Maintain bi-annual preferred freight supplier arrangements for Council and community freight	The performance of current suppliers has been monitored. Freight from Mt Isa has improved with regular weekly deliveries. Freight from Brisbane via Quilpie is every 3 thereabouts. Freight from Adelaide has been used and is a reliable fortnightly service.
A Community With High Private Home Ownership In Which All Residents Are Appropriately Housed.		
Private Home Ownership Continues to Increase	Continue to make suitable housing stock available for private purchase	Council will investigate housing to be deemed surplus and made available for sale at the cessation of Long Term Community Housing contracts with the Qld Government. This will enable the total pool of housing to be considered for future need.
	Negotiate the acquisition of community housing stock from Queensland Government at nil cost	Negotiations are ongoing
	Investigate options for rent to buy incentives or the disposal of housing with a long term lease back option. (DHA)	Options will be discussed in conjunction with the surplus housing stock investigation.

Performance What we Achieved

A Motivated And Involved Community.		
Outcome	Strategies to achieve this goal	Progress and Achievements
Active and Well Resourced Community Groups	Maintain support in accordance with Council's Community Grants policy.	Funds continue to be provided in the budget for Community grants for community events.
	Assist community groups to access grant funding.	Support has been provided upon request to community groups for assistance with grant applications.
The Shire's Youth are Actively Involved in the Community	Continue to support the Youth Council.	Funds have been provided for the continuation of youth council operations. The CDO continues to assist the Youth Council administration and programs. The Youth Council has conducted a review into their operations.
	Continue to facilitate skills development activities for youth	Youth activities continue to be supported.
A Safe and Crime Free Community.		
The Community Remains Safe and Crime Free	Continue to support police and emergency services in the Shire	Funds have been provided within the 2015/16 budget for emergency services activities within the shire
The Community Remains Safe and Crime Free	Maintain engagement with regional police service to ensure that police stations are staffed at all times, community needs are understood and policing is effective.	The Mayor attends the Regional Managers Meetings which provides an opportunity to liaise with senior Police. The DDC & LDMG meetings also provide an opportunity to liaise with Senior Police from this district.
The Community Remains Safe and Crime Free	Maintain Local Disaster Management Plans	The Disaster Management Plan is regularly reviewed in accordance with legislative requirements.
Full Employment.		
The Employment Rate Maintained at More Than 95%	Make Council training activities available to community members if appropriate	Training opportunities have been offered to residents and properties within the shire when available.
	Facilitate the establishment of family day care opportunities	Ekindy support has been provided. The State Government took over the coordination of eKindy in 2016.
Fully Operational Medical and Pharmacy Facilities Run by Quality Service Providers that Provide Appropriate and Affordable Access to on site GP's and other Specialist Medical Care		
A Community that is Fully Aware of and Responsible to Primary Health Care Needs	Implement health issues awareness activities in the workforce	Staff have been provided with information on programs run by Qld Health/RFDS staff including Lighten Up.
	Subsidise the cost of Council's bus for groups wishing to access specialist medical services.	The Council Bus continues to be available to the community for use for approved activities.
	Lobby State health to provide half yearly dental visits	CWHHS understand the need for regular dental visits and are investigating options to provide 6 month services. Council continues to assist the movement of the dental van through the shire.
	Ensure the maintenance of visits by specialist health services. (cardio, ENT etc)	Specialists including a Cardiologist have continued to visit the shire

Outcome	Strategies to achieve this goal	Progress and Achievements
Services are Provided for our Aged, Youth and Children as Appropriate	Facilitate the provision of play group services	Playgroup services continue to be provided at Bedourie and Birdsville in line with the funding agreement.
	Facilitate opportunities for Youth	Support has been provided to the Wet Fest in Birdsville
Quality Health Infrastructure that meets Community Needs	Construct mortuary and storage facilities at the Birdsville health clinic	Qld Health have identified the need to improve mortuary facilities in both towns however further discussion has not been held.
Ambulance Services Throughout The Shire and at Community Events are Retained	Continue to ensure that QAS provide ambulance services to community events.	QAS has liaised well with community event organisers to provide support for events
Quality Sporting Facilities.		
Well Maintained, Quality Sporting Facilities which meet Community Needs with Additional Facilities as Appropriate for the Communities	Council require all clubs to submit their club development plans.	Work continues on improvements at Birdsville Race Track, Birdsville Bronco Yards and Bedourie Race Track. Development Plans have not been prepared at this stage
Communication Access Comparable with South East Queensland		
Fibre Optic Cable (Including Mobile Phone Towers) is Connected From Boulia to Birdsville	In conjunction with Barcoo Shire continue to Lobby Federal Government to fund 50% of the cost of the Barcoo Diamantina Telecommunication Project with the balance funded from State Government and Council.	In cooperation with Barcoo Shire, funding has been received from the Federal and State governments towards the installation of optic fibre. Agreements are have been signed with the funding bodies and Telstra. An MOU has been signed with Barcoo Shire Council. The project is expected to be completed in 2016-17.
Economic		
Land and Infrastructure Development that Facilitates and meets the Needs of the Growing communities.		
Town Planning Scheme which will Meet Community Needs and Growth into the Future	Regularly review the town planning scheme and ensure development applications are assessed in accordance with the scheme.	Council has decided not to levy infrastructure charges in accordance with the amended Sustainable Planning Act
A Major and Sustainable Tourism and Events Industry		
Well Planned Tourism Initiatives	Implement the tourism development plan (including events)	A review of the Tourism Plan is being undertaken by consultant Anita Clark
	Carry out a review of level of Council support for tourism and events.	A review of the support provided for the Big Red Bash was undertaken and a report provided to Council.
A Transport Network Maintained in Line with the Rest of the State.		
A Well Maintained Shire Road Network which meets the needs of the Road Users	Carry out works in line with works program	Funds have been provided for road construction and maintenance. Additional funding has been secured through the 2015-16 Community Resilience Fund for constructing a sealed overtaking opportunity on the Big Red Road.

Performance What we Achieved

Outcome	Strategies to achieve this goal	Progress and Achievements
All Main Roads in the Shire are Bitumen Sealed	Lobby State and Federal Government for road network improvement in line with Councils 20 year main roads improvement strategy.	Opportunities to increase the sealed road network have been taken including through the ORRTG, LGAQ resolutions to annual conference, offers to contribute funding to DTMR projects, and submissions to natural disaster recovery review. Successful lobbying resulted in $4M being allocated
	Contribution up to 50% of costs to the sealing of main roads in line with budget constraints.	Offers were made to contribute $500,000 to finish the sealing of the missing links between Bedourie and Boulia however this was not required.
Council is a Leader in the Region which Supports Regional Co-Operation, Resource Sharing and Partnerships		
Council Continue to Lead the Region in Co-operation and Resource Sharing	Cooperate with neighbouring Shires in resource sharing activities where mutually beneficial.	Regular discussions occur at officer level including the sharing of machinery and the 3 way tourism alliance.
	Participate in regional resource sharing and cooperation initiatives with other Councils where appropriate	Participation in ORRTG, RAPAD and ORWG continues to identify resource sharing opportunities
Council Leadership deliver Growing and Diversified Industries which provide ample Employment Opportunities to Shire Residents.		
An Economic Development Plan in place which Enables New Businesses to be Developed	Identify and actively market available land stocks	Identification of available land stocks with be undertaken following the completion of the Bedourie Subdivision and in conjunction with the review of housing stocks so that an auction can be held concurrently.
Council is Recognised as the Sole Road Construction Provider in the Shire		
Maintain a Profitable Plant Operation	Review plant hire rates and performance periodically	Mead Perry Group undertook a full review of plant hire rates and methodology in August 2015. New Plant hire rates have been adopted based on hourly & km rates rather than daily rates. Monthly Plant performance has been below budget forecast due to reduced works programs.
Council Owns and Operates a Quality Plant Fleet	Carry out plant changeover in accordance with plant replacement program	The plant replacement program has been funded in the 2015/16 with more than 95% of items replaced or under way. A significant number of underutilised plant was sold at the clearing sale on September.
Council Maintains its Sole Invitee Status for all DMR and NDRRA Works	Lobby Federal and State to ensure NDRRA works are offered to Council on priority	The CEO continues to liaise with QRA officers regarding DSC's position in relation to flood damage restoration on shire roads and the special circumstances which exist.
Sustainable Quality Council Assets which meet Community Needs.		
Well Maintained Council and Community Assets with Additional Facilities as Appropriate for the Communities	Implement assets management plan	Asset Management Plans will be reviewed in conjunction with asset revaluations to take place later in 2016

Outcome	Strategies to achieve this goal	Progress and Achievements
	Review Council service levels and benchmark against industry standards	A formal review has not commenced however staff have been encouraged to review how they undertake work so that they are doing work that needs to be done and when it needs to be done to be more efficient.
	Seek funding assistance for the development of new or renewal of facilities in line with the prioritised program as finance allows.	Funding has been approved for a new gym building in Bedourie, additional amenities, camp kitchen and underground power at Birdsville Caravan Park and a 50 room Short stay accommodation in Birdsville with all receiving significant external funding.
Governance		
A Sustainable and Effective Organisation		
A Quality, Effective and Motivated Workforce	Conduct regular performance appraisals for all staff.	Performance review process has been reviewed and a new approach implemented. Staff have been trained in undertaking performance reviews with all reviews have been completed.
	Promote the employment and development of local residents.	All vacant positions are advertised locally. An Administration Officer - Trainee commenced in January 2016
	Maintain work practices in line with the Workplace Health & Safety Legislation.	Resources have been committed to ensure that Council's safety score increases substantially.
	Implement practices across the organisation, which are in line with Council quality assurance system.	Works undertaken on the Marion Downs job have been undertaken in accordance with QA system
	Review Councils attraction and retention strategy for Staff	Review of current policies has been undertaken and a new HR policy adopted by Council. Mead Perry Group has been engaged to review the relativities of Senior staff packages.
Best Practice Corporate Governance	Maintain high standard of ethical conduct.	Mead Perry Group has completed ethical conduct training in line with legislative requirements
	Provide sufficient resources to facilitate effective governance.	Funding has been provided in the 2015/16 budget. The Audit Committee is meeting its commitments under the Act.
	Support the separation of roles between Council and Management.	Information on training and conference opportunities is provided to Councillors
	Provide adequate support and development opportunities to ensure that corporate skills and knowledge are current and leading edge.	Deputy CEO attended the Local Government Finance Professionals Conference, Assets masterclass and Tropical Workshop
	Develop and maintain a Risk Management Plan.	The Workplace Health & Safety System is being reviewed.
Effective Knowledge Management Systems and Policies in Place	Maintain an effective records management system which complies with legislative requirements.	The EDRMS (Infoxpert) has been restructured to meet legislative requirements
	Maintain an effective information management system.	Refresher training has been held for staff this year in Infoxpert and PCS.

Outcome	Strategies to achieve this goal	Progress and Achievements
	Develop, implement and maintain strategic IT plan.	Servers have been upgraded to ensure stability. Telstra has provided Council with ICT consultancy to the value of $15,000 at no cost. This ICT consultancy will provide a long-term ICT Roadmap and form a basis for the Strategic IT Plan.
Long Term Financial Sustainability	Maintain up to date and compliant financial management and reporting systems.	An unqualified audit report was received for 2014/15
	Fund depreciation in line with Council's revenue policy and provide for asset replacement in line with asset management plans.	The budget provided funding for a significant capital renewal program greater than depreciation expense
	Ensure that grant and subsidy income is maximised.	Council has been successful in receiving funding from the following programs: ◊ 2015 Drought Community Program • $900,000 Birdsville Short Stay Accommodation Village • $500,000 Birdsville Caravan Park Upgrade • $100,000 Bedourie Community Centre Upgrade ◊ 2015 Building our Regions – Regional Infrastructure Fund • $500,000 Birdsville Caravan Park Upgrade ◊ 2015-16 Community Resilience Fund • $350,000 Big Red Overtaking Opportunity ◊ 2015-16 Local Government Grants and Subsidies Program • $601,500 Birdsville Short Stay Accommodation Village ◊ Queensland Anzac Centenary Grants Program • $24,585 Diamantina Remembers
	Maximise internal/external revenue sources.	Introduction of a special rate for tourism promotion for businesses in Birdsville and Bedourie
	Continue to apply the Code of Competitive Conduct to nominated Council business activities.	Council's financial reporting is in line with statutory requirements
Quality Administration and Service which meets Customer Needs	Ensure enquiries and customer requests are satisfactorily dealt with in a timely, appropriate manner.	Enquiries are referred to the relevant officer for actioning however with high staff turnover, it not possible as yet to guarantee that no enquiries fall through the cracks
Effective Community Engagement	Develop and improve communications tools including Council website, community noticeboard, rates newsletter, annual report etc.	This will commence once the tourism website is complete

Community Financial Report

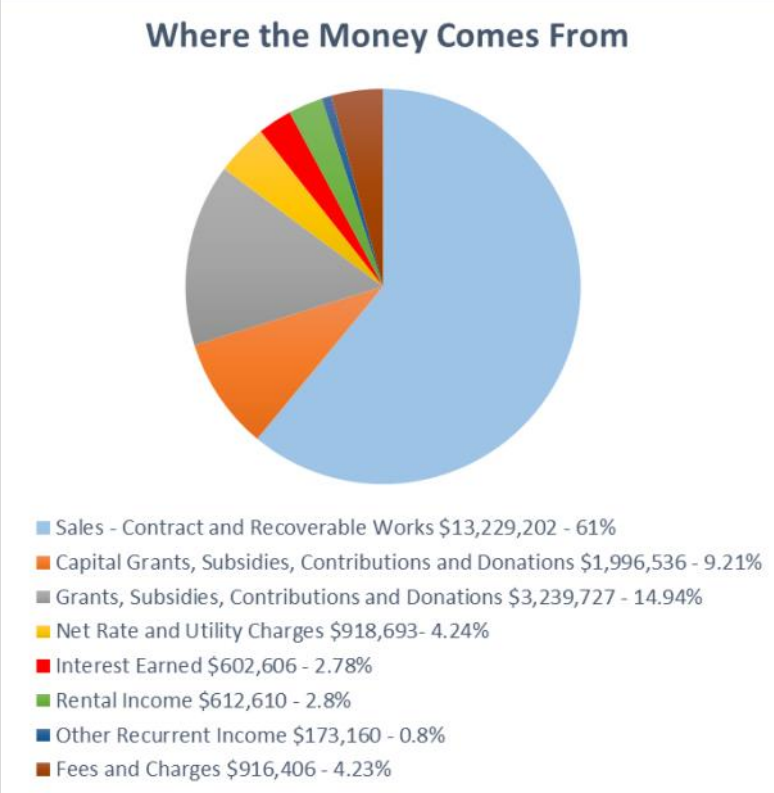
This report is intended to take complex financial information and report it in simple terms so that interested members of the community can gain a more informed understanding of Council's financial performance and financial position for the year. The Council's annual financial statements are part of the annual report and should be viewed for more detailed financial information.

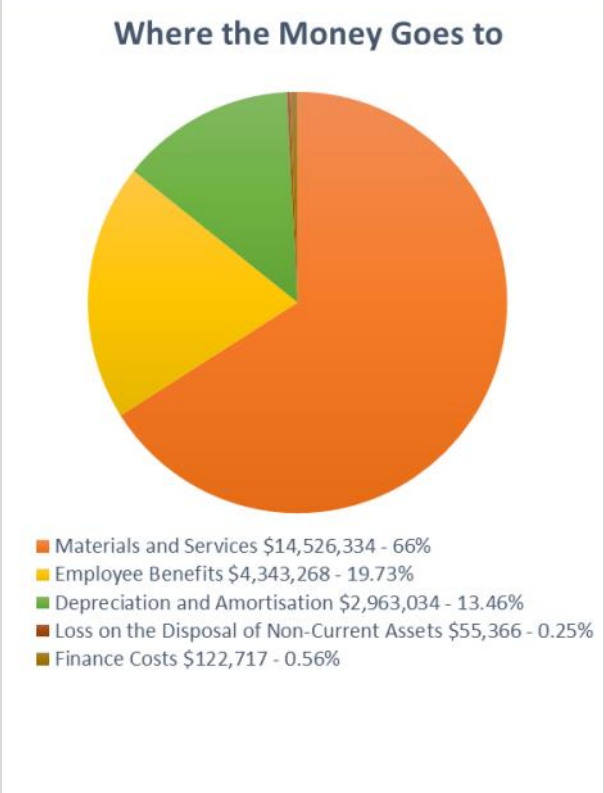
COUNCIL'S FINANCIAL PERFORMANCE

The Income Statement reflects how we take the money we receive in our day to day operations and spend it to provide the level of services the community expects from our organisation. This year Council's total revenue amounted to $21.69 million and total expenses $22 million, returning an operating deficit of $321,000. Cash balances increased by $150,000 to $20.5 million.

Five Years at a Glance - A Financial Snapshot

Financial Year	2015/16	2014/15	2013/14	2012/13	2011/12
Net Rate & Charges	$918,693	$862,850	$765, 431	$736,162	$642,858
Total Revenue	$21,688,940	$19,654,954	$36,518,634	$59,948,958	$42,853538
Total Expenses	$22,010,719	$21,680,276	$26,871,054	$36,077,198	$44,729,941
Net Result	($321,779)	($2,025,322)	$9,647,580	$23,871,759	($1,875,503)
Capital Additions	$4,913,147	$2,926,315	$14,963,063	$16,244,524	$7,016,467
Debt Repayment	$428,338	$348,560	$332,874	$313,649	$300,539
Loan Balance	$3,076,485	$1,169,493	$1,085,552	$1,418,426	$1,732,075
Total Assets	$163,865,117	$162,345,130	$164,034,545	$156,032,411	$132,544,442
Total Liabilities	$4,209,451	$2,367,686	$2,031,779	$3,223,475	$4,670,739
Total Equity	$159,655,666	$159,977,444	$162,002,766	$152,808,936	$127,873,703
Reserves	$3,135,874	$3,135,874	$3,135,874	$2,030,814	$1,907,314
Depreciation Expense	$2,963,034	$2,933,130	$2,998,665	$3,201,463	$2,810,874





OPERATING DEFICIT $321,000

Community Financial Report

COUNCIL'S FINANCIAL POSITION

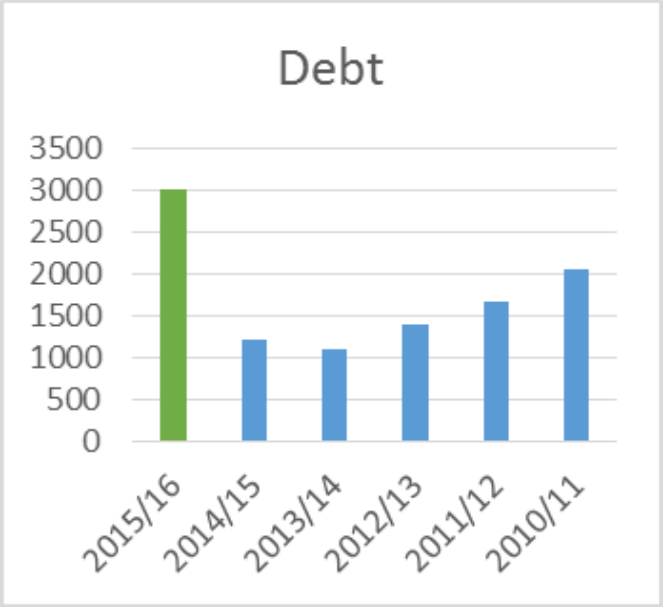
The balance sheet measures what Council owns and owes at the end of the financial year.
The result of these two components determines the net wealth of Council, which is therefore the net wealth of the community.

What do our assets consist of?		
Cash and cash equivalents	12%	$20,565,823
Trade and other receivables	1%	$1,734,919
Inventories	1%	$1,287,285
Non-current assets held for	1%	$872,340
Property, plant and equip-	85%	$139,398,430
TOTAL ASSETS		**$163,865,117**

What do our liabilities consist of?		
Trade and other payables	22.5%	$949,477
Borrowings	73%	$3,076,485
Provisions	4.5%	$183,489
TOTAL LIABILITIES		**$4,209,451**

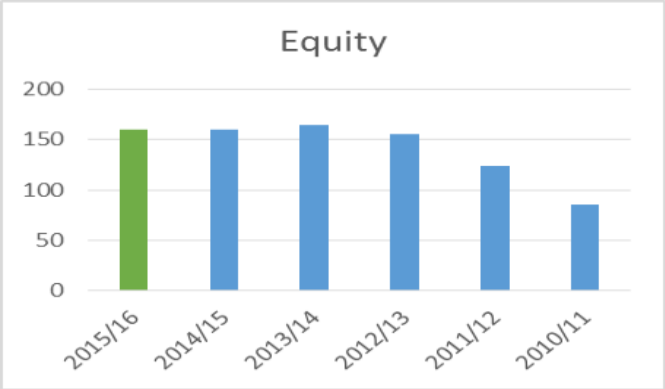
OUR DEBT

With debt repayments amounting to $348,559 for the year, Council's debt at June 30, 2016 totalled $3,076,485. Council continues to manage its debt responsibly, electing only to borrow further after taking into account the economic conditions of the period, with the view that the borrowing will provide a benefit to future generations. New borrowings for the year were for the Optic Fibre $1.55M and Birdsville Caravan Park Upgrade $750,000.



CHANGES IN EQUITY

This statement measures the change in our net wealth and considers such items as retained earnings, re-valuations of our asset base and reserves held for future capital works
The community ownership in the infrastructure and services council provides to the community is growing steadily. A portion of community wealth is cash backed by an appropriate level of reserves held to plan for future projects, which, with financial planning, can place less reliance on loan borrowing in meeting the needs of



OUR CASH POSITION

The statement of cash flow identifies how we received and spent our money during the year, resulting in what cash is available at the end of the year.

Cash at Beginning	$20,419,643
Inflow from Operating Activities	$690,867
Inflow from Investing Activities	$2,416,349
Inflow from Financing Activities	$187,662
CASH AT END	**$20,565,823**

While our current cash balance is $20,565,823 it is important to note that $3,135,874 is restricted as reserves for specific purposes, such as future capital works.

SUMMARY

In conclusion, Council's financial position is sound ensuring continued viability of our programs so that we can continue to meet the needs of our diverse community. Given the increasing requirements with which we must comply and the trend of reducing subsidies and grants, and proposed changes to NDRRA requirements, Council, like any organisation, must prioritise its requirements so as to ensure the long-term sustainability and viability of the organisation.

RELEVANT MEASURES OF FINANCIAL SUSTAINABILITY

As outlined in section 178 *Local Government Regulation 2012* it is a requirement for council to display relevant measures of financial sustainability for the financial year to which the statement relates. A local government's long-term financial sustainability statement must state the relevant measures of financial sustainability for the nine financial years following the year to which the statement relates and an explanation of the local government's financial management strategy that is consistent with the long-term financial forecast.

Ratio	2015/16 *Actual*	2016/17 *Budget*	2017/18 *Budget*	2018/19 *Budget*	2019/20 *Budget*	2020/21 *Budget*	2021/22 *Budget*	2022/23 *Budget*	2023/24 *Budget*	2024/25 *Budget*	2025/26 Budget
Operating Surplus Ratio	-11.5%	-2.3%	-12.9%	-13.9%	-1.3%	-1.3%	-1.3%	-1.6%	-1.9%	-2.3%	-3.0%
Net Financial Liabilities Ratio	-98.4%	-63%	-63.3%	-37%	-44.7%	-43.1%	-41.5%	-40.2%	-38.5%	-36.8%	-35.6%
Asset Sustainability Ratio	41.6%	337.7%	162.6%	165.8%	166.2%	165.9%	165.0%	163.6%	161.7%	159.6%	157.1%

Operating Surplus Ratio

This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes. The operating surplus ratio is the operating surplus (deficit) expressed as a percentage of total operating revenue. A positive ratio indicates that surplus revenue is available. This may be used to support the funding of capital expenditure or used to offset past or future operating deficits. If the surplus is not required for this purpose in a particular year, it can be held to support future capital expenditure funding as a financial asset, used to offset past deficit funding or, where possible, used to reduce current debt levels.

Net result divided by total operating revenue. Expressed as a percentage. Target Ratio = Between 0 - 10%

Net Financial Liabilities Ratio

This is an indicator of the extent to which the net financial liabilities of a local government can be serviced by its operating revenues. A ratio greater than zero (positive) indicates that total financial liabilities exceed current assets. These net financial liabilities must be serviced using available operating revenues. A positive value less than 60 per cent indicates the local government has the capacity to fund the financial liabilities and appears to have the capacity to increase its loan borrowings if required. A positive value greater than 60 per cent indicates the local government has limited capacity to increase its loan borrowings. A ratio less than zero (negative) indicates that current assets exceed total liabilities and therefore the local government appears to have significant financial capacity and the ability to increase its loan borrowings if necessary.

Total liabilities less current assets divided by total operating revenue. Expressed as a percentage. Target Ratio = Less than

Asset Sustainability Ratio

This is an approximation of the extent to which the infrastructure assets managed by the local government are being replaced as these reach the end of their useful lives. Depreciation expense represents an estimate of the extent to which the infrastructure assets have been consumed in a period.

Capital expenditure on renewals (replacing assets that the local government already has) is an indicator of the extent to which the infrastructure assets are being replaced.

This ratio indicates whether a local government is renewing or replacing existing non-financial assets at the same rate that its overall stock of assets is wearing out.

Capital expenditure on the replacement of assets (renewals) divided by depreciation expense. Expressed as a percentage. Target Ratio = Greater than 90%

DIAMANTINA

SHIRE COUNCIL

SUSTAINABLY DEVELOPING THE OUTBACK

SUSTAINABLY DEVELOPING THE OUTBACK

DIAMANTINA SHIRE COUNCIL

ANNUAL FINANCIAL STATEMENTS

For the Year Ended 30 June 2016

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DIAMANTINA SHIRE COUNCIL

Statement of Comprehensive Income

For the Year Ended 30 June 2016

	Note	30 June 2016	30 June 2015
		$	$
INCOME			
Revenue			
Recurrent Revenue			
Rates, levies and charges	3(a)	918,693	862,850
Fees and charges		916,406	425,356
Rental income		612,610	569,599
Interest received	3(b)	602,606	695,963
Sales revenue		13,229,202	10,474,561
Other income		173,160	235,109
Grants, subsidies, contributions and donations	4(a)	3,239,727	3,244,597
		19,692,404	16,508,035
Capital Revenue			
Grants, subsidies, contributions and donations	4(b)	1,996,536	3,146,919
Capital income		-	-
		1,996,536	3,146,919
Total Revenue		21,688,940	19,654,954
TOTAL INCOME		21,688,940	19,654,954
EXPENSES			
Recurrent Expenses			
Employee benefits	5	(4,343,268)	(5,111,682)
Materials and services	6	(14,526,334)	(13,238,858)
Finance costs		(122,717)	(83,997)
Depreciation	11	(2,963,034)	(2,933,130)
		(21,955,353)	(21,367,667)
Capital Expenses - Loss on disposal of capital assets	7	(55,366)	(312,608)
TOTAL EXPENSES		(22,010,719)	(21,680,275)
NET RESULT		(321,779)	(2,025,321)
OTHER COMPHRENSIVE INCOME			
Items that will not be reclassified to net result			
Increase in asset revaluation surplus		-	-
Total Other Comprehensive Income for the Year		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(321,779)	(2,025,321)

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

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DIAMANTINA SHIRE COUNCIL

Statement of Financial Position

As at 30 June 2016

	Note	30 June 2016	30 June 2015
		$	$
ASSETS			
Current Assets			
Cash and cash equivalents	8	20,565,823	20,419,642
Trade and other receivables	9	1,734,919	1,479,521
Inventories	10	1,287,285	1,598,693
Other financial assets		6,320	6,322
		23,594,347	23,504,178
Total Current Assets		23,594,347	23,504,178
Non-Current Assets			
Other financial assets		11,840	11,840
Inventories	10	860,500	860,500
Property, plant and equipment	11	139,398,430	137,968,612
Total Non-Current Assets		140,270,770	138,840,952
TOTAL ASSETS		163,865,117	162,345,130
LIABILITIES			
Current Liabilities			
Trade and other payables	13	949,477	1,005,974
Borrowings	14	248,140	381,746
Total Current Liabilities		1,197,617	1,387,720
Non-Current Liabilities			
Borrowings	14	2,828,345	787,747
Long service leave		183,489	192,219
Total Non-Current Liabilities		3,011,834	979,966
TOTAL LIABILITIES		4,209,451	2,367,686
NET COMMUNITY ASSETS		159,655,666	159,977,444
COMMUNITY EQUITY			
Asset revaluation surplus	15	80,357,503	80,357,503
Retained surplus		79,298,163	79,619,942
TOTAL COMMUNITY EQUITY		159,655,666	159,977,445

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

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DIAMANTINA SHIRE COUNCIL

Statement of Changes in Equity

For the Year Ended 30 June 2016

	Asset Revaluation Surplus $	Retained Surplus $	Total $
Balance at 1 July 2015	80,357,503	79,619,942	159,977,445
Net result	-	(321,779)	(321,779)
Total comprehensive income for year	-	(321,779)	(321,779)
Balance as at 30 June 2016	80,357,503	79,298,163	159,655,666
Balance at 1 July 2014	80,357,503	81,645,263	162,002,766
Net result	-	(2,025,321)	(2,025,321)
Total comprehensive income for year	-	(2,025,321)	(2,025,321)
Balance as at 30 June 2015	80,357,503	79,619,942	159,977,445

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

QAO
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DIAMANTINA SHIRE COUNCIL

Statement of Cash Flows

For the Year Ended 30 June 2016

	Note	30 June 2016	30 June 2015
		$	$
Cash flows from operating activities :			
Receipts from customers		17,044,480	16,459,875
Payments to suppliers and employees		(20,727,445)	(20,354,012)
		(3,682,965)	(3,894,137)
Interest received		602,606	695,965
Rental income		612,610	569,599
Non capital grants and contributions		3,239,727	3,244,597
Borrowing costs		(81,111)	(83,997)
Net cash inflow / (outflow) from operating activities	20	690,867	532,027
Cash flows from investing activities:			
Payments for property, plant and equipment		(4,913,147)	(2,926,315)
Proceeds from sale of property, plant and equipment		500,262	627,878
Grants, subsidies, contributions and donations		1,996,536	3,146,919
Net cash inflow / (outflow) from investing activities		(2,416,349)	848,482
Cash flows from financing activities:			
Proceeds from borrowings	14	2,300,000	432,500
Repayment of borrowings		(428,338)	(348,560)
Net cash inflow / (outflow) from financing activities		1,871,662	83,940
Net increase in cash and cash equivalents held		146,180	1,464,449
Cash and cash equivalents at beginning of financial year		20,419,643	18,955,194
Cash and cash equivalents at end of financial year	8	20,565,823	20,419,643

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

QAO
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1 Significant Accounting Policies

1.A Basis of Preparation

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

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

Recurrent/capital classification

Revenue and expenditure are presented as "recurrent" or "capital" in the Statement of Comprehensive Income on the following basis:
Capital Revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets.

The following transactions are classified as either "Capital Income" or "Capital Expenses", depending on whether they result in accounting gains or losses:
- disposal of non-current assets
- revaluations of property, plant and equipment

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

The financial statements were authorised for issue on the date it was submitted to the Auditor General for final signature. This is the date the management certificate is signed.
The Council uses the Australian Dollar as its functional currency and its presentation currency.
Amounts included in the financial statements have been rounded to the nearest $1. Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

1.B Statement of Compliance

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

1.C Constitution

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

1.D Adoption of New and Revised Accounting Standards

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies. Diamantina Shire Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. Council applies standards and interpretations in accordance with their respective commencement dates, with the exception of AASB 2015-7-13 Fair Value Measurements which has been early adopted and provides relief for non-for-profit public sector entities from making previously required disclosures, primarily the disclosure of quantitative information about the significant unobservable inputs used in fair value measurements and the sensitivity of certain fair value measurements to changes in unobservable inputs is no longer required.

Council is still reviewing the impact of AASB 15 which is effective from 1 January 2017, and which will replace AASB 118 Revenue, AASB 111 Construction Contracts and a number of interpretations. It contains a comprehensive and robust framework for the recognition, measurement and disclosure of revenue from contracts wtih customers. To date no impact had been identified.

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1.D Adoption of New and Revised Accounting Standards (Continued)

From 1 July 2016 AASB 124 Related Party Disclosures will apply to Council. This means that council will disclose more information about related parties and tranactions with those related parties. Council is currently preparing for this change by identifying related parties. Related parties will include the Mayor, councillors and some council staff. In addition, the close family members of those people and any organisations that they control or are associated wtih will be classified as related parties.

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

1.E Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

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

Valuation and depreciation of property, plant and equipment - Note 1.L and Note 11 and 12.
Long Service Leave - Note 1.N
Contingent Liabilities - Note 17

1.F Revenue

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 it is received, otherwise rates are recognised at the commencement of the rating period.

Grants and Subsidies
Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them.

Unspent non-reciprocal capital grants are subject to internal restrictions that have been placed on councils's cash and cash equivalents as disclosed in Note 8.

Rental Income
Rental revenue from other property is recognised on an accruals basis as it falls due.

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

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

The Council generates revenues from a number of services including contracts for road and earthworks. Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. Contract revenue and associated costs are recognised by reference to the stage of completion of the contract activity at the reporting date. Revenue is measured at the fair value of consideration received or receivable in relation to that activity. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed.

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

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1.G Financial Assets and Financial Liabilities

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

Diamantina 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.H)
Receivables - measured at amortised cost (Note 1.I)
Leases - measured at present value of future lease payments (Note 1.K)

Financial Liabilities
Payables - measured at amortised cost (Note 1.M)
Borrowings - measured at amortised cost (Note 1.O)

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

1.H Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, all cash and cheques receipted but not banked at 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.I 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.

All known bad debts were written-off at 30 June 2016. Subsequent recoveries of amounts previously written off in the same period are recognised as finance costs in the Statement of Comprehensive Income. If an amount is recovered in a subsequent period it is recognised as revenue.

Because Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, Council does not impair any rate receivables.

1.J 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.

Land acquired by Council 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. As an inventory item, this land held for resale is treated as a current asset for the portion expected to be sold in next 12 months. The balance is reflected as Non-Current. Proceeds from the sale of this land will be recognised as sales revenue on the signing of a valid unconditional contract of sale.

1.K Other Financial Assets

Finance Lease as Lessor
During the years 2001 to 2008 Council entered into finance lease arrangements for the sale of land and houses in Bedourie and Birdsville.

Where Council enters into a finance lease, Council recognises an asset equal to the present value of the minimum lease payments receivable. Lease assets are reduced by repayments of principal received. The interest components of the lease payments received are recognised as finance income.

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1.L Property, Plant and Equipment

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

The classes of property, plant and equipment recognised by the Council are:
- Land
- Buildings
- Plant and Equipment
- Roads, Drainage and Bridge Network
- Water Infrastructure
- Sewerage Infrastructure
- Other Structures
- Work in Progress

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

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 is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.

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

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

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

Valuation
Land, buildings and all infrastructure assets are measured on the revaluation basis, at fair value, in accordance with *AASB116 Property, Plant and Equipment and AASB 13 Fair Value Measurement.* Other plant and equipment and work in progress are measured at cost.

Non-current physical assets measured at fair value are revalued where required so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by comprehensively revaluing these assets at least once every five years. This process involves the valuer physically sighting a representative sample of Council assets across all classes and making their own assessment of the condition of the assets at the date of inspection.

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Property, Plant and Equipment (continued)

In the intervening years, Council use external engineers to assess the condition and cost assumptions associated with all infrastructure assets, other structures and buildings, the results of which are considered in combination with an appropriate cost index for the region. Together these are used to form the basis of a management valuation for buildings, other structures and infrastructure asset classes in each of the intervening years. Council assesd the assumptions taking into account a review of additions, deletions and changes in assumptions such as useful life, residual value and condition rating.

An analysis performed by management has indicated that, on average, the variance between an indexed asset value and the valuation by an independent valuer when performed is not significant and the indices used by Council are sound. Further details in relation to valuers, the methods of valuation and the key assumptions used are disclosed in Note 12.

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 that 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.

Capital Work in Progress

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

Depreciation

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

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use.

Where assets have separately identifiable 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.

Depreciation methods and estimated useful lives of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The condition assessments performed as part of the annual valuation process for assets measured at depreciated current replacement cost are used to estimate the useful lives of these assets at each reporting date. Details of the range of estimated useful lives for each class of asset are shown in Note 11.

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 Diamantina Shire Council currently does not have any such 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.M Payables

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

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1.N Liabilities - Employee Benefits

Annual Leave

A liability for annual leave is recognised. Amounts expected to be settled within 12 months (the current portion) are calculated on current wage and salary levels and includes related employee on-costs. Amounts not expected to be settled within 12 months (the non-current portion) are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values. This liability represents an accrued expense and is reported in Note 13 as a payable.

As council does not have an unconditional right to defer this liability beyond 12 months annual leave is classified as a current liability.

Superannuation

The superannuation expense for the reporting period is the amount of the contribution the Council makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in Note 18.

Long Service Leave

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

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

1.O Borrowing and Borrowing Costs

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

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

All borrowing costs are expensed in the period in which they are incurred.

1.P Retained Surplus

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

1.Q 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.

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2 (a) Components of Council Functions

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

Governance

The objective of corporate governance is for Council to be open, accountable, transparent and deliver value for money community outcomes. This function includes strategic and operational planning, risk management, legal and administrative support. The Mayor, Councillors and Chief Executive Officer are included in corporate governance.

Community Services

The goal of community services is to ensure Diamantina Shire Council is a healthy, vibrant, contemporary and connected community. Community services provides well managed and maintained community facilities, and ensures the effective delivery of cultural, health, welfare, environmental and recreational services.
This function includes:
Libraries
Entertainment venues
Public health services including vaccination clinics
Tourism

Works

The objective of the Works program is to ensure the community is serviced by a high quality and effective road network, sustainable water and sewerage services. The function provides and maintains transport infrastructure, including the maintenance and provision of the drainage network. Includes road construction and maintenance, depots, plant operation and maintenance, water and sewerage.

Environment, Health and Planning

This function facilitates the shires growth and prosperity through well planned and quality development. The objective of planning and development is to ensure the Diamantina Shire is well designed, efficient and facilitates growth yet also preserves the character and natural environment of the Shire. This function includes activities and services related to towns, neighbourhood and regional planning, and management of development approval processes. Includes health and building, animal control, cemeteries, public conveniences, aerodromes, parks and gardens, reserves, stock routes, refuse collections and disposal, caravan parks, television facilities, radio, and street lighting.

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2 Analysis of Results by Function

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

Year Ended 30 June 2016

Functions	Gross Program Income				Total Income	Gross Program Expenses		Total Expenses	Net Result From Recurrent Operations	Net Result	Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
	2016 $	2016 $	2016 $	2016 $	2016 $	2016 $	2016 $	2016 $	2016 $	2016 $	2016 $
Governance	2,329,470	1,255,189	-	-	3,584,659	(3,344,802)	(55,366)	(3,400,168)	239,857	184,491	28,533,733
Community Services	283,375	910,627	-	-	1,194,002	(2,761,265)	-	(2,761,265)	(1,567,262)	(1,567,262)	18,808,997
Works	626,882	13,304,134	1,996,536	-	15,927,552	(13,295,142)	-	(13,295,142)	635,874	2,632,410	89,516,859
Environment, Health and Planning	-	982,726	-	-	982,726	(2,554,145)	-	(2,554,145)	(1,571,419)	(1,571,419)	27,005,528
Total Council	**3,239,727**	**16,452,676**	**1,996,536**	**-**	**21,688,940**	**(21,955,353)**	**(55,366)**	**(22,010,719)**	**(2,262,950)**	**(321,779)**	**163,865,117**

Year Ended 30 June 2015

Functions	Gross Program Income				Total Income	Gross Program Expenses		Total Expenses	Net Result From Recurrent Operations	Net Result	Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
	2015 $	2015 $	2015 $	2015 $	2015 $	2015 $	2015 $	2015 $	2015 $	2015 $	2015 $
Governance	2,251,120	1,445,227	(2)	-	3,696,344	(3,587,928)	(312,609)	(3,275,319)	108,419	421,026	28,764,465
Community Services	296,595	714,024	9,091	-	1,019,710	(3,058,142)	-	(3,058,142)	(2,047,523)	(2,038,432)	19,135,369
Works	626,882	10,541,392	2,675,190	-	13,843,464	(11,975,858)	-	(12,601,077)	(1,432,803)	1,242,387	88,258,959
Environment, Health and Planning	70,000	562,797	462,640	-	1,095,437	(2,745,740)	-	(2,745,740)	(2,112,943)	(1,650,303)	26,186,335
Total Council	**3,244,597**	**13,263,439**	**3,146,919**	**-**	**19,654,955**	**(21,367,667)**	**(312,609)**	**(21,680,277)**	**(5,484,850)**	**(2,025,322)**	**162,345,129**

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	Note	30 June 2016 $	30 June 2015 $
3 Revenue Analysis			
(a) Rates, Levies and Charges			
General rates		706,001	676,566
Water		194,263	166,426
Sewerage		52,899	50,764
Garbage charges		51,713	49,021
Tourism Levy		19,118	-
Total rates and utility charge revenue		1,023,994	942,777
Less: discounts		(105,301)	(79,927)
Net rates, levies and charges		918,693	862,850
(b) Interest Earned			
Interest from rates and charges		22,872	32,539
Interest earned from cash deposits		579,734	661,119
Interest finance lease assets		-	2,305
		602,606	695,963
4 Grants, Subsidies and Contributions			
(a) Recurrent			
State Government grants		3,239,727	3,063,611
Commonwealth Government grants		-	180,986
Total recurrent revenue		3,239,727	3,244,597
(b) Capital			
State Government subsidies and grants		1,996,536	3,046,919
Commonwealth Government grants		-	100,000
Total capital revenue		1,996,536	3,146,919
5 Employee Benefits			
Total staff wages and salaries		3,601,168	4,226,110
Councillors' remuneration		205,236	183,770
Annual, sick and long service leave entitlements		121,807	182,425
Superannuation	18	413,240	430,704
		4,341,451	5,023,009
Other employee related expenses		134,482	162,554
		4,475,933	5,185,563
Less: capitalised employee expenses		(132,665)	(73,881)
		4,343,268	5,111,682

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

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	Note	30 June 2016 $	30 June 2015 $

5 Employee Benefits (Continued)

Total Council employees at the reporting date:	2016	2015
Elected members	5	5
Administration staff	17	26
Depot and outdoors staff	36	34
Total full time equivalent employees	58	65

6 Materials and Services

Administration supplies and consumables	2,697,976	2,058,825
Area promotion and events	1,266,770	1,383,316
Audit services	44,330	47,253
CED scheme	30,396	34,137
Community and Council housing expenses	357,324	460,367
Council depots	430,404	427,541
Donations paid	41,662	20,614
DTMR Contract Works	5,385,471	3,798,910
Environmental health, pest and animal management	28,596	64,387
Halls and public conveniences	96,465	99,885
Health service expenses	61,769	105,742
NDRRA Restoration Expenses	459,390	307,049
Other community services	74,585	94,466
Parks, gardens and reserves	514,717	601,648
Planning and development	22,045	36,652
Plant operation	1,269,491	1,550,547
Racecourses, swimming pools, aerodromes, caravan parks	657,058	620,866
Private Works	51,882	40,463
Repairs and maintenance	537,237	337,984
Shire road and street network	303,276	925,064
Waste management	92,246	60,040
Water supply	103,244	163,102
	14,526,334	13,238,858

7 Capital Expenses

Gain (loss) on the disposal of non-current assets

Proceeds from the sale or write down of non-current assets	500,262	627,878
Less: book value of non-current assets disposed of	(555,628)	(940,486)
	(55,366)	(312,608)

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	Note	30 June 2016 $	30 June 2015 $
8 Cash and Cash Equivalents		**2016**	**2015**
Cash at bank and on hand		740,729	1,414,575
Deposits at call		19,825,094	19,005,067
Balance per Statement of Cash Flows		20,565,823	20,419,642
Internally imposed expenditure restrictions at reporting date (previously disclosed as reserves):			
Elections		10,000	10,000
Employee entitlements		247,023	247,023
Asset revaluation		20,500	20,500
Building Maintenance		100,000	100,000
Housing maintenance		251,730	251,730
Birdsville Airport		100,000	100,000
Bedourie Airport		100,000	100,000
Road Construction		60,000	60,000
Recreational facilities		765,000	765,000
House Purchase		10,000	10,000
Plant replacement		1,067,884	1,067,884
Water infrastructure		172,735	172,735
CED infrastructure		66,966	66,966
Waste Management		54,036	54,036
Other capital projects		60,000	60,000
Diamantina Health Service Reserve		50,000	50,000
Total internally imposed restrictions		3,135,874	3,135,874
Total unspent restricted cash for capital and recurrent projects		3,135,874	3,135,874

9 Trade and Other Receivables

Current		
Rateable revenue and utility charges	209,788	200,038
Other debtors	1,464,092	1,236,940
Less provision for impairment	(51,607)	(10,000)
Prepayments	105,195	45,092
Accrued revenue	7,451	7,451
	1,734,919	1,479,521

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.

Movement in accumulated impairment losses (other debtors) is as follows:

Opening balance 1 July 2015	10,000	10,000
Additional Impairements Recognised	41,607	-
Closing balance 30 June 2016	51,607	10,000

Ageing of past due receivables and the amount of any impairment is disclosed in the following table:

Financial Assets	30 June 2016 $	30 June 2015 $
Not past due	1,385,045	1,150,549
Past due 31-60 days	21,453	4,296
Past due 61-90 days	2,923	13,548
More then 90 Days	3,064	58,547
Impaired	51,607	10,000
Total	**1,464,092**	**1,236,940**

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	Note	30 June 2016 $ 2016	30 June 2015 $ 2015
10 Inventories			
Current			
Inventories held for distribution:			
Stores and raw materials		1,084,786	1,396,193
Land held for resale		202,500	202,500
		1,287,286	1,598,693
Non Current			
Land held for resale		860,500	860,500
		860,500	860,500

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11 Property, Plant and Equipment	Land	Buildings	Plant and Equipment	Road, Drainage and Bridge Network	Water Infrastructure	Sewerage Infrastructure	Other Structures	WIP	Total
30 June 2016									
Basis of Measurement	*Fair Value*	*Fair Value*	*Cost*	*Fair Value*	*Fair Value*	*Fair Value*	*Fair Value*	*Cost*	
Asset Values	$	$	$	$	$	$	$	$	$
Opening gross value as at 1 July 2015	2,188,900	37,965,501	14,714,564	87,224,739	5,676,697	3,292,434	16,965,913	2,200,760	170,229,508
Additions at cost	-	-	1,509,639	-	-	-	-	3,388,552	4,898,191
Disposals	-	-	(1,362,534)	-	-	-	-	-	(1,362,534)
Transfer between classes	1,354,318	-	205,998	2,334,034	188,434	188,434	564,886	(4,836,104)	-
Closing gross value as at 30 June 2016	3,543,218	37,965,501	15,067,667	89,558,773	5,865,131	3,480,868	17,530,799	753,208	173,765,165
Accumulated Depreciation and Impairment									
Opening balance as at 1 July 2015	-	7,521,436	6,491,023	11,608,526	2,365,556	1,273,683	3,000,673	-	32,260,897
Depreciation provided in period	-	556,519	1,102,628	788,598	75,280	35,004	405,005	-	2,963,034
Depreciation on disposals	-		(857,195)					-	(857,195)
Accumulated depreciation as at 30 June 2016	-	8,077,955	6,736,456	12,397,124	2,440,836	1,308,687	3,405,678	-	34,366,736
Written down value 30 June 2016	3,543,218	29,887,546	8,331,211	77,161,649	3,424,295	2,172,181	14,125,121	753,208	139,398,430
Range of estimated useful life in years	Not Depreciated	10 - 140 yrs	1 - 50 yrs	2 - unlimted yrs	25 - 65 yrs	35 - 90 yrs	6 - 60 yrs		
Additions comprise:	$	$	$	$	$	$	$	$	$
Renewals	-	-	1,627,394	773,879	-	-	-	-	2,401,273
Other additions	283,634	-	88,243	1,560,155	-	-	564,886	-	2,496,918
Total additions	283,634	-	1,715,637	2,334,034	-	-	564,886	-	4,898,191

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11 Property, Plant and Equipment (continued)

30 June 2015	Land	Buildings	Plant and Equipment	Road, Drainage and Bridge Network	Water Infrastructure	Sewerage Infrastructure	Other Structures	WIP	Total
Basis of Measurement	*Fair Value*	*Fair Value*	*Cost*	*Fair Value*	*Fair Value*	*Fair Value*	*Fair Value*	*Cost*	
Asset Values	$	$	$	$	$	$	$	$	$
Opening gross value as at 1 July 2014	2,212,900	37,905,772	15,178,734	86,910,302	5,676,697	3,292,434	16,121,769	1,628,142	168,926,750
Additions at cost	-	-	673,419	-	-	-	-	2,252,896	2,926,315
Disposals	(24,000)	-	(1,137,589)	(22,275)	-	-	(439,693)	-	(1,623,557)
Transfer between classes	-	59,729	-	336,712	-	-	1,283,837	(1,680,278)	-
Closing gross value as at 30 June 2015	2,188,900	37,965,501	14,714,564	87,224,739	5,676,697	3,292,434	16,965,913	2,200,760	170,229,508
Accumulated Depreciation and Impairment									
Opening balance as at 1 July 2014	-	6,967,490	5,973,016	10,828,710	2,291,016	1,239,337	2,711,269	-	30,010,838
Depreciation provided in period	-	553,946	994,208	781,129	74,540	34,346	494,961	-	2,933,130
Depreciation on disposals	-	-	(476,201)	(1,313)	-	-	(205,557)	-	(683,071)
Accumulated depreciation as at 30 June 2015	-	7,521,436	6,491,023	11,608,526	2,365,556	1,273,683	3,000,673	-	32,260,897
Written down value 30 June 2015	2,188,900	30,444,065	8,223,541	75,616,213	3,311,141	2,018,751	13,965,240	2,200,760	137,968,612
Written down value 30 June 2014	2,212,900	30,938,282	9,205,718	76,081,592	3,385,681	2,053,097	13,410,500	1,628,142	138,915,913
Range of estimated useful life in years	Not Depreciated	10 - 140 yrs	1 - 50 yrs	2 - unlimted yrs	25 - 65 yrs	35 - 90 yrs	6 - 60 yrs		

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12 Fair Value Measurement

(i) Recognised fair value measurement

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

Property Plant & Equipment

- Land
- Buildings
- Road, drainage and bridge network
- Water infrastructure
- Sewerage infrastructure
- Other infrastructure assets

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

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

Council borrowings are measured at amortised cost with interest recognised in profit and loss when incurred. The fair value of borrowings in Note 14 is provided by Queensland Treasury Corporation and represents the contractual undiscounted cash flows at balance date (Level 2).

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

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

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

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

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

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

	Note	Level 3 (Significant unobservable inputs)	Total	Level 3 (Significant unobservable inputs)	Total
Recurring fair value measurements		**2015**	**2015**	**2016**	**2016**
Land	11	2,188,900	2,188,900	3,542,218	3,542,218
Buildings	11	30,444,065	30,444,065	29,887,546	29,887,546
Road, drainage & bridge network	11	75,616,213	75,616,213	76,955,071	76,955,071
Water infrastructure	11	3,311,141	3,311,141	3,424,295	3,424,295
Sewerage infrastructure	11	2,018,751	2,018,751	2,172,181	2,172,181
Other	11	13,965,240	13,965,240	14,522,718	14,522,718
		128,082,052	128,082,052	130,504,029	130,504,029

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12 Fair Value Measurement (continued)

There are no transfers between levels 1 and 2 during the year, nor between levels 2 and 3.

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

Specific valuation techniques used to value Council assets comprise:

Land (level 3)

Land fair values at 30 June 2016 were determined by independent valuers AssetVal effective 30th June 2014. Level 2 & 3 valuation inputs were used to value land in freehold title as well as land used for special purposes, which is restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.

No index was applied for the year ended 30th June 2016 to land as the movement in recent land sales has not resulted in an increase in land values. Land classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less cost to sell at the time of reclassification.

Buildings (level 3)

Current replacement cost (CRC)

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

There is no market for most Council's buildings as these are held to provide essential services to the community. Accordingly, the fair value of all such buildings is measured at written down current replacement costs (CRC). The fair value of council and community housing has also been measured at written down CRC.

The last comprehensive valuation was completed in 2009 by Propell National Valuers. The fair value of buildings as at 30th June 2012 was independently determined by Opus International Consultants (PCA) Pty Ltd, using a "desktop" approach. This approach determined that "Rawlinsons" base rates increased to reflect the "Area Factor" of 150% was appropriate in determining fair value. The Area Factor is the cost of undertaking construction in more remote areas.

Accumulated Depreciation

In determining the level of accumulated depreciation allowance has been made for the typical asset life cycle and renewals treatment of each asset, residual value at the time the asset is considered to be no longer available for use and the condition of the asset. Condition was assessed taking into account both physical characteristics as well as holistic factors such as functionality, capability, utilisation and obsolescence.

The condition assessments were made using a five point scale with 1 being the lowest and 5 being the highest. A 5 indicates an asset with a very high level of service potential, 1 represents an asset at the end of it's useful life.

The Current Replacement Cost (CRC) at 31st March 2016 was reviewed by Council's consulting engineer George Bourne Associates, Stuart Bourne RPQ using the ABS Producers' Price Index "Building Construction Qld" which was 2.9% (2013 1.70%; 2014 2.10% and 2015 4.6%). Given the minimal effect in the Building Construction Qld index of 2.9% and cumulative of 10.3%, no further valuation adjustment was considered necessary at 31st March 2016. Council has determined that the CPI increase is not material and has not been applied due to the fact that a full revaluation will be carried out in 2016/2017.

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12 Fair Value Measurement (continued)

While the unit rates based on square metres can be supported by market evidence (level 2), useful life, pattern of consumption and asset condition that are used to calculate accumulated depreciation comprise unobservable inputs (level 3). Where these other inputs are significant to the valuation the overall valuation has been classified as level 3.

Infrastructure Assets (level 3)

All Council infrastructure assets were fair valued using written down current replacement cost. The valuation comprises the asset's current replacement cost (CRC) less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Council's Consulting engineer, George Bourne Associates, Stuart Bourne RPQ first determined the gross cost of replacing the full service potential of the asset and then adjusted this amount to take account of the expired service potential of the asset.

CRC was measured by reference to the lowest cost at which the gross future economic benefits of the asset could currently be obtained in the normal course of business. Where existing assets were over designed, had excess capacity, or were redundant an adjustment was made so that the resulting valuation reflected the cost of replacing the existing economic benefits based on an efficient set of modern equivalent assets to achieve required level of service output within the Council's planning horizon.

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

1(a) Road, drainage and bridge network - calculation of current replacement cost

Roads

Current replacement cost

Council categorises its road infrastructure in roads and street networks. All roads and streets are then componentised into formation, pavement and seal (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each road or street. Council also assumes a road is designed and constructed to the same standards and uses a consistent amount of labour and materials.

CRC was calculated by reference to asset linear area specifications, estimated labour and material inputs, service costs, and overhead allocations. Council also assumes that all raw materials can be sourced locally. For internal construction estimates, materials and services prices were based on existing supplier contract rates or supplier price lists.

The last full valuation of road infrastructure was undertaken effective 30th June 2012 by Opus International Consultants (PCA) Pty Ltd.

CRC at 31 March 2016 was reviewed by Council's consulting engineer, George Bourne Associates, Stuart Bourne RPQ using the ABS Producers' Price Index "Roads and Bridges Construction - Queensland (3101) which was 1.9% (2014 1.95% and 2015 -1.6%). Given the minimal effect index of the Road and Bridge Construction index of 1.9% and cumulative of 3.9%, no further valuation adjustment was considered necessary at 31st March 2016, no revaluation has been processed for 30th June 2016. A full revaluation of roads and associated infrastructure is planned in 2016/2017.

Accumulated Depreciation

In determining the level of accumulated depreciation, roads were disaggregated into significant components which exhibit different lives. Straight line depreciation method has been used to calculate accumulated depreciation based on the age of each road.

Estimated useful lives are disclosed in Note 11. Condition was assessed using the same assessment as identified for buildings.

1(b) Road, drainage and bridge network - Sensitivity of valuation to unobservable inputs

As detailed above, Council's roads, drainage and bridge network has been valued using written down current replacement cost. This method utilitises a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made with the greatest care, and based upon years of experience, different judgements could result in a different valuation. The most significant unobservable inputs include standard material usage quantities, condition rating useful life, and remaining useful life.

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12 Fair Value Measurement (continued)

2(a) Water, Sewerage and Other Infrastructure - Calculation of current replacement cost

Current replacement cost

There is no market for Council's infrastructure assets as these are held to provide essential services to the community. Accordingly the fair value of all infrastructure is measured at written down CRC.

Water, sewerage and other infrastructure fair values were determined by independent valuers, Opus International Consultants (PCA) Pty Ltd effective 30th June 2012. CRC was calculated based on expected replacement costs. In all cases assets were disaggregated to component level to ensure a reliable measure of cost and service capacity and deterioration of estimated remaining life.

Opus International Consultants (PCA) Pty Ltd cost models were derived from the following sources:
- Building Price Index tables
- Rawlinson's Rates for building and construction
- Queensland Treasury asset revaluation index
- Comparison with industry rates
- Opus International Consultants cost databases
- International Infrastructure Management Manual

CRC at 31st March 2016 was reviewed by Council's consulting engineer, George Bourne Associates, Stuart Bourne RPQ using the ABS Producers' Price Index "Building Construction Qld" which was 2.9% (2013 1.70%; 2014 2.10% and 2015 4.6%). Given the minimal effect in the Building Construction Qld index of 2.9% and cumulative of 10.3%, no further valuation adjustment was considered necessary at 31st March 2016. The Council has determined that the CPI increase is not material and has not been applied due to the fact that a full revaluation will be carried out in 2016/2017.

Accumulated Depreciation

In determining accumulated depreciation, assets were either subject to a site inspection or an assessment to determine remaining useful life. Where site inspections were not conducted (ie for passive assets and active assets for which no site inspections were undertaken), the remaining useful life was calculated on an age basis after taking into consideration current and planned maintenance records.

2(b) Water, Sewerage and Other Infrastructure - Sensitivity of valuation to unobservable inputs

The method used to value councils' water, sewerage and other infrastructure assets utilises a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made with the greatest care, and based upon years of experience, different judgements could result in a different valuation. The most significant unobservable inputs include standard material useage quantities, condition rating useful life, and remaining useful life.

(i) Changes in Fair Value Measurements using significant unobservable inputs (level 3)

The changes in level 3 assets with recurring fair value measurement are detailed in Note 11 Property Plant and Equipment. There have been no transfers between Level 1, 2 or 3 measurements during the year.

(ii) Valuation processes

Council's valuation policies and procedures are set by the executive management team which comprises the Chief Executive Officer, Deputy Chief Executive Officer and Works Manager. They are reviewed annually taking into consideration an analysis of movements in fair value and other relevant information. Council's current policy for the valuation of property, plant and equipment (recurring fair value measurements) is set out in note 1L. Non-recurring fair value measurements are made at the point of reclassification by a registered valuer.

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	Note	30 June 2016	30 June 2015
		$	$
13 Trade and Other Payables			
Current			
Creditors and accruals		733,154	754,932
Annual leave		216,323	251,042
		949,477	1,005,974
14 Borrowings			
Current			
Loans Queensland Treasury Corporation		248,140	381,746
		248,140	381,746
Non-Current			
Loans Queensland Treasury Corporation		2,828,345	787,747
		2,828,345	787,747
Queensland Treasury Corporation			
Opening balance		1,169,493	1,085,552
Principal repayments		(393,008)	(348,559)
Loan drawdown's		2,300,000	432,500
Book value at period end		3,076,485	1,169,493

The QTC loan market value at the reporting date was $3,154,342. This represents the value of the debt if the Council repaid it at that date. As it is the intention of the Council to hold the debt for its term, no provision is required to be made in these accounts.

No assets have been pledged as security by the Council for any liabilities, however all loans are guaranteed by the Queensland Government.

All borrowings are in $A denominated amounts and carried at amortised costs, interest being expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 2016 to 2035. There have been no defaults or breaches of the loan agreement during the period.

Principal and interest repayments are made quarterly in arrears.

15 Asset Revaluation Surplus

The closing balance of the asset revaluation surplus is comprised of the following asset categories:

Land	488,830	488,830
Buildings	12,386,636	12,386,636
Plant and Equipment	777,482	777,482
Other structures	3,927,932	3,927,932
Road, drainage and bridge network	60,404,373	60,404,373
Water	1,612,653	1,612,653
Sewerage	759,597	759,597
	80,357,503	80,357,503

16 Commitments For Expenditure

Contractual commitments

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

Design, Supply and Installation of Prefabricated Buildings:		
Graham Street Development	2,082,471	-
Birdsville Caravan Park Development	1,329,365	-
Bedourie Caravan Park Development	116,966	-
	3,528,802	-

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17 Contingent Liabilities

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

Local Government Mutual

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

As at 30 June 2016 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare:

The Diamantina Shire Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is $141,414.20.

Department Housing and Public Works

Diamantina Shire Council has a Capital Funding Agreement with the Department of Housing and Public Works under the Social Housing Programs for 12 properties in Bedourie and Birdsville. Under the Agreement, Council acquires a portion of equity in each property each year. Council then has the option of either paying out the Contingent Liability amount or pooling equity on a particular property to acquire full ownership.

Birdsville Caravan Park

Council has a potential contingent liabiity associated with the cessation of the lease of the Birdsville Caravan Park in the range of $0 to $670,000.

18 Superannuation

The Diamantina Shire Council contributes to the Local Government Superannuation Scheme (Qld) (the scheme). The scheme is a Multi-employer Plan as defined in the Australian Accounting Standard AASB 119 *Employee Benefits*.

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

The scheme has three elements referred to as:
- The City Defined Benefits Fund (CDBF) which covers former members of the City Super Defined Benefits Fund
- The Regional Defined Benefits Fund (Regional DBF) which covers defined benefit fund members working for regional local governments; and
- The Accumulation Benefits Fund (ABF)

The ABF is a defined contribution scheme as defined in AASB 119. Council has no liability to or interest in the ABF other than the payment of the statutory contributions as required by the Local Government Act 2009.

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

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

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

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

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

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The most recent actuarial assessment of the scheme was undertaken as at 1 July 2015. The actuary indicated that "At the valuation date of 1 July 2015, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfacoty financial position as at the valuation date."

In the 2015 actuarial report the actuary has recommended no change to the employer contribution levels at this time.

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

There are currently 72 councils contributing to the Regional DBF plan and any changes in contribution rates would apply to all 72 councils. Diamantina Shire Council made less then 4% of the total contributions to the plan in the 2015-2016 financial year.

The next actuarial investigation will be made as at 1 July 2018.

	Note	30 June 2016 $	30 June 2015 $
The amount of superannuation contributions paid by Diamantina Shire Council to the superannuation scheme in this period for the benefit of employees was:	5	413,240	430,704

19 Trust Funds

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

Security deposits	139,980	222,742
	139,980	222,742

The Diamantina Shire Council performs only a custodial role in respect of these monies. These funds cannot be used by the Council.

20 Reconciliation of Net Result for the Year to Net Cash Inflow (Outflow) From Operating Activities

Net result	(321,779)	(2,025,321)
Non-cash items:		
Depreciation	2,963,034	2,933,130
Investing and development activities :		
Net (profit) loss on disposal of plant and equipment	55,366	312,608
Net loss (profit) on disposal of land, buildings and other structures	-	-
Capital grants and contributions	(1,996,536)	(3,146,919)
	(1,941,170)	(2,834,311)
Changes in operating assets and liabilities :		
Decrease (Increase) in receivables	(255,396)	2,201,023
(Increase) decrease in inventory	311,407	(1,919)
Decrease (Increase) in other financial assets	-	7,457
(Decrease) Increase in payables	(81,313)	224,565
(Decrease) Increase in provisions	16,084	27,403
	(9,218)	2,458,529
Net cash inflow from operating activities	690,867	532,027

21 Events After the Reporting Period

There were no material adjusting events after reporting date.

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22 Financial Instruments

Liquidity Risk

Liquidity risk is the risk that the Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Diamantina Shire Council is exposed to liquidity risk through its normal course of business and through its borrowings with QTC.

The following table sets out the liquidity risk in relation to financial liabilities held by the Council. It represents the remaining contractual cashflows (principal and interest) of financial liabilities at the end of the reporting period, excluding the impact of netting agreements:

	0 to 1 year $	1 to 5 years $	Over 5 years $	Total Contractual Cash Flows $	Carrying Amount $
2016					
Trade and Other Payables	949,477	-	-	949,477	949,477
Loans QTC	305,560	970,247	703,243	1,979,050	1,979,050
	1,255,037	970,247	703,243	2,928,527	2,928,527
2015					
Trade and Other Payables	1,005,974	-	-	1,005,974	1,005,974
Loans QTC	381,746	632,217	155,529	1,169,492	1,169,492
	1,387,720	632,217	155,529	2,175,466	2,175,466

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

Market risk

Market risk is the risk that changes in market prices, such as interest rates, that will affect the Council's income or the value of its holdings of financial instruments.

Interest Rate Risk
Diamantina Shire Council is exposed to interest rate risk through its borrowings from the Queensland Treasury Corporation.

The Council has access to a mix of variable and fixed rate funding options through QTC so that interest rate risk exposure can be minimised.

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Management Certificate
For the year ended 30 June 2016

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

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

(i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and

(ii) the general purpose financial statements, as set out on pages x to x, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year'.

Mayor
Name Cr Geoff Morton

Date: 20 / 10 / 16

Chief Executive Officer
Name Leon Love

Date: 20 / 10 / 16

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INDEPENDENT AUDITOR'S REPORT

To the Mayor of *Diamantina Shire Council*

Report on the Financial Report

I have audited the accompanying financial report of *Diamantina Shire Council*, which comprises the statement of financial position as at *30 June 2016*, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and certificates given by the Mayor and Chief Executive Officer.

The Council's Responsibility for the Financial Report

The Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Local Government Act 2009* and *Local Government Regulation 2012*, including compliance with Australian Accounting Standards. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Independence

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

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

Opinion

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

(a) I have received all the information and explanations which I have required; and

(b) in my opinion -

  (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and

  (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of *Diamantina Shire Council* for the financial year 1 July *2015* to 30 June *2016* and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

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

QUEENSLAND
24 OCT 2016
AUDIT OFFICE

D A STOLZ FCPA
(as delegate of the Auditor-General of Queensland)

Queensland Audit Office
Brisbane

DIAMANTINA SHIRE COUNCIL

Current Year Financial Sustainability Statement
For the Year Ended 30 June 2016

Measures of Financial Sustainability	How the Measure is Calculated	Actual	Target
Council's Performance at 30 June 2016 against any key financial ratio's and targets:			
Operating Surplus Ratio	Net Result (excluding capital items) divided by total operating revenue (excluding capital items)	**(11.5)%**	Between 0% and 10%
Asset Sustainability Ratio	Capital Expenditure on the replacement of assets (Renewals) divided by depreciation expense	41.60%	Greater than 90%
Net Financial Liabilities Ratio	Total liabilities less current assets divided by total operating revenue (Excluding Capital Items)	**(98.4)%**	Not Greater than 60%

Note 1 - Basis of Preparation

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

QAO
certified statements

Certificate of Accuracy

For the year ended 30 June 2016

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

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

Mayor
Name Cr Geoff Morton

Date: 20 / 10 / 16

Chief Executive Officer
Name Leon Love

Date: 20 / 10 / 16

QAO
certified statements

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Diamantina Shire Council

Report on the Current-Year Financial Sustainability Statement

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

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

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

Auditor's Responsibility

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

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

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

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

Independence

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

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

Opinion

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

Emphasis of Matter – Basis of Accounting

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

Other Matters - Electronic Presentation of the Audited Statement

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

QUEENSLAND
24 OCT 2016
AUDIT OFFICE

D. Stolz

D A STOLZ FCPA
(as delegate of the Auditor-General of Queensland)

Queensland Audit Office
Brisbane

Long Term Financial Sustainability Statement
For the Year Ended 30 June 2016

Measures of Financial Sustainability	How the Measure is Calculated	Target	Actual 30 June 2016	Projected for the years ended 30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026
Operating Surplus Ratio	Net Result (excluding capital items) divided by total operating revenue (excluding capital items)	Between 0% and 10%	(11.5)%	(23.0)%	(12.9)%	(13.9)%	(1.3)%	(1.3)%	(1.3)%	(1.6)%	(1.9)%	(2.3)%	(3.0)%
Asset Sustainability Ratio	Capital Expenditure on the replacement of assets (Renewals) divided by depreciation expense	Greater than 90%	41.6%	337.7%	162.6%	165.8%	166.2%	165.9%	165.0%	163.6%	161.7%	159.6%	157.1%
Net Financial Liabilities Ratio	Total liabilities less current assets divided by total operating revenue (Excluding Capital Items)	Not Greater than 60%	(98.4)%	(63.0)%	(63.3)%	(37.0)%	(44.7)%	(43.1)%	(41.8)%	(40.2)%	(38.5)%	(36.8)%	(35.6)%

Diamantina Shire Council's Financial Management Strategy

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

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

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

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

Mayor
Name Cr Geoff Morton

Date: 20 / 10 / 16

Chief Executive Officer
Name Leon Love

Date: 20 / 10 / 16