



SUSTAINABLY DEVELOPING THE OUTBACK

Annual Report 2018/19





About this Report

This Annual Report of the Diamantina Shire Council is for the period 1 July 2018 to 30 June 2019

It profiles the Diamantina Shire and reports on the activities undertaken by Council 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 1600 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



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A Message from our Mayor

It's a pleasure to present the Annual Report for Diamantina Shire Council for the 2018/19 year.

Following consultation with the community, Council adopted a new corporate plan for the 5 year period from 2019-2024. The new corporate plan sets council and staff new goals in providing services to the community following consultation. The cost of living in the shire is the greatest issue for residents and will be at the forefront of councils deliberations in coming years.

Changes to the Local Government Act 2009 resulting from the Belcarra Review has seen greater emphasis placed on the conduct of Councillors. Further changes to the rules around elections later in the year will add increased record keeping burdens on candidates at local government elections.

Flooding in 2019 has turned the outlook around for not only the grazing industry but the tourism industry. Flood country has been transformed into a sea of green allowing stations to hold stock rather than destocking. This has been a saviour for all properties. Thankfully the shire was not as negatively impacted by the floods as areas further to our north, rather receiving the benefit of the runoff. The Diamantina catchment experienced a rare event where 2 major floods flowed right through the system. The first was likened to an inland Tsunami with water moving more quickly than anticipated and rising quickly. This was the 5th highest flood since records began. A slightly smaller flood followed a month later. The Georgina/Eyre Creek catchment experienced a beneficial flood also, with this flood eventually closing the Desert crossing to the west of Birdsville. This year has really shown the channel country in all of its glory.

With flood water entering Lake Eyre, this year's tourist numbers were up, particularly through air charters using Birdsville as a base.

Council continues to upgrade the road network within the shire where funds allow and additional funding has been received from the Department of Main Roads for extra grading following the Big Red Bash each year.

Volunteering within the shire is extremely high, enabling community groups to prepare and deliver their events during the year and allowing them to showcase the unique experiences that are available within the Diamantina Shire. The Big Red Bash continues to attract larger numbers which Birdsville and the Council continue to welcome with open arms whilst acknowledging the challenges that a population influx by a factor of 90 creates.

Council is attempting to improve communication with its residents on a regular basis kicking off with community barbeques early in 2019. The master planning of parks and Town Hall in Birdsville commenced with stakeholder engagement meetings and this input will be included in the preparation of final plans which are expected later in the year.

The Drought Communities Program Extension funded by the Australian Government has allowed Council to upgrade many community facilities that would not otherwise receive funding from Council or through normal grant programs. The DCP program has been most welcome in a year where council financials have been sound.



A handwritten signature in blue ink, appearing to read 'G. Morton'.

Geoff Morton
Mayor

A Message from our CEO

This year has been a year of consolidation for Council's operations.

Along with 44 other Queensland Council's, Diamantina Shire is considered financially unsustainable. This is due to Council's ongoing reliance on external sources of funding to renew and replace its assets and fund day to day operations. Prudent management of council's financial affairs is an ongoing requirement given Council's circumstances and this is not expected to change into the foreseeable future. During the year, internal auditors were appointed and the review of asset management plans were commenced.

There is no doubt it is challenging for a council where the budget limits the resources available to council but the expectations of its residents are increasing. The grants and subsidies that council receives have conditions attached which vary from grant to grant. Some require a contribution from council, other don't allow wages of council staff working on the project to be reimbursed. Irrespective, we are grateful for the continued support from the Queensland and Australian Governments.

Like any organisation, Council's success is dependent upon the skill, perseverance and dedication of its employees. We are fortunate to have improved stability within our administrative and community services functions which means that we have been able to not only ensure council's compliance with ongoing legislative changes impacting on it but also improve its management of its assets. It has again been difficult to attract and retain skilled plant operators, truck drivers and labourers to fill vacancies as they arise. This is a similar experience to most western Queensland councils. Ongoing investment has been made in mobile camp accommodation and other vehicles to ensure that employees are able to live in modern facilities while away from home.

Flooding and closed roads in the 2019 caused delays to various projects as materials and contractors were unable to get to sites. It is a credit to all staff that many projects were completed during the year include the completion of flood damage restoration works, RMPC maintenance work for main roads, Works for Qld funded road resheeting program, various Drought Communities program projects, kerb and channel construction and associated sealing of Herbert Street Bedourie and kerb and channel of Eyre & Timor Streets Bedourie, Stage 3 & 4 streetscaping Birdsville and Bedourie Pool fibreglassing.

Council has a desire to retain its heritage values. The Pise' house in Bedourie was restored using Drought Communities funding and was a credit to the expert contractors engaged by Council. Funding was also approved for the restoration of the Birdsville Courthouse.

The roll out of the Synergysoft enterprise system continues to provide staff with some challenges in various areas but has enabled opportunities for managing areas of council which it didn't have the tools to do before. Future years will see continued enhancements in the in the software and therefore better administration of council's operations.

It has again been a pleasure to lead the Council workforce in the delivery of council program to the community.

Happy reading.

Leon Love
CEO



Our Vision, Mission, and Core Values

Vision

Diamantina, a friendly, growing and safe Shire of community minded residents, provides our outback community with all-weather access by bitumen road, state of the art health, education, communication and transport services with the necessary infrastructure to promote sustainable private commercial enterprise and significant levels private housing ownership while preserving our unique culture.

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.

2018-19 Highlights

Betoota Racetrack Developments



Jardine Street Playground Roof



Allans Yards Culvert Replacements



2018-19 Highlights

Bedourie Race Track Yards Development



Bedourie Pool renovation



Adelaide Street Roadworks



Community Financial Report

The purpose of the Community Financial Report is to give community members a plain English, easy to follow summary of Council's Financial Statements in accordance with Section 179 of *Local Government Regulation 2012*. The Council's annual financial statements are part of the annual report and should be viewed for more detailed financial information.

Council's Financial Statements must be certified by both the Mayor and the Chief Executive Officer as "presenting fairly" the Council's financial results for the year. They are also required to be adopted by Council—ensuring both responsibility and ownership of the Financial Statements by management and elected representatives.

In addition, Council's Financial Statements are audited by the Queensland Audit Office. The auditor provides an audit report which gives an opinion on whether the Financial Statements fairly present Council's financial performance and position.

This report focuses on:

- ◆ Statement of Comprehensive Income
- ◆ Statement of Financial Position
- ◆ Statement of Changes in Equity
- ◆ Statement of Cash Flows
- ◆ Measures of Financial Sustainability

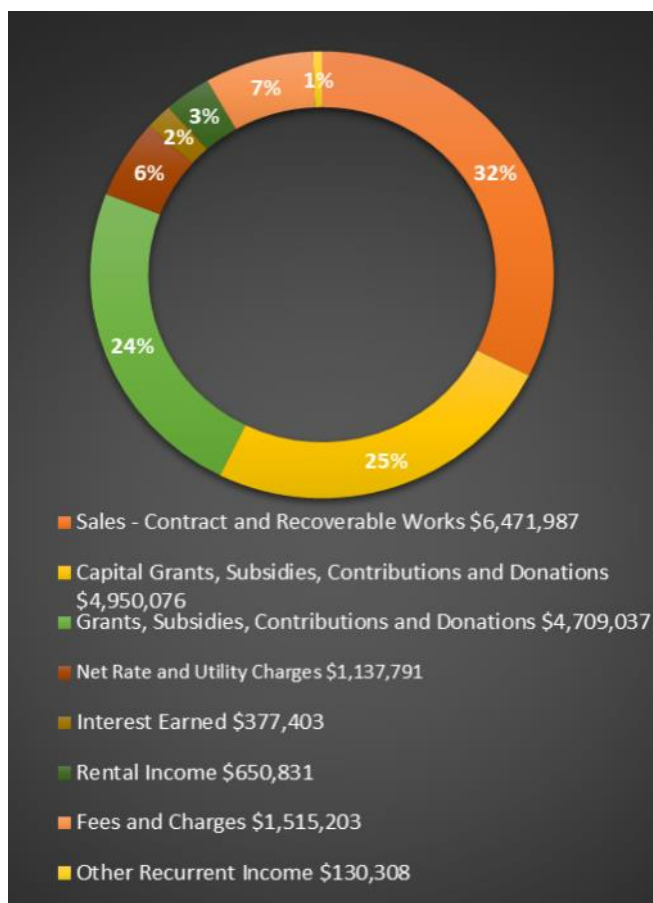
Statement of Comprehensive Income

The Statement of Comprehensive Income is often referred to as the Profit and Loss statement. This statement shows what Council has earned (revenue) and what costs Council has incurred (expenses) during the year. In summary, Council's result for the reporting period was:

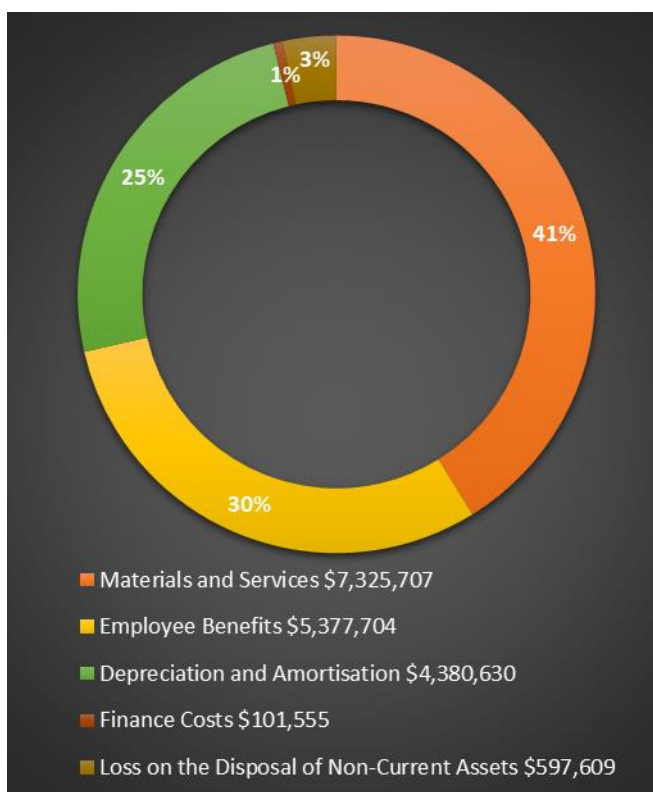
	\$
What we have earned (revenue)	
Recurrent Revenue	14,992,561
Capital Revenue	4,950,076
Total Revenue	19,942,637
What we have spent (expenses)	
Recurrent Expenses	17,185,596
Capital Expenses	597,609
Total Expenses	17,783,204
Net Result	2,159,432

The net result does not necessarily represent surplus cash funds available for general use as certain income items are restricted to specific use.

What we have earned



What we have spent



Community Financial Report

Statement of Financial Position

The Statement of Financial Position is often referred to as the Balance Sheet. The statement 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.

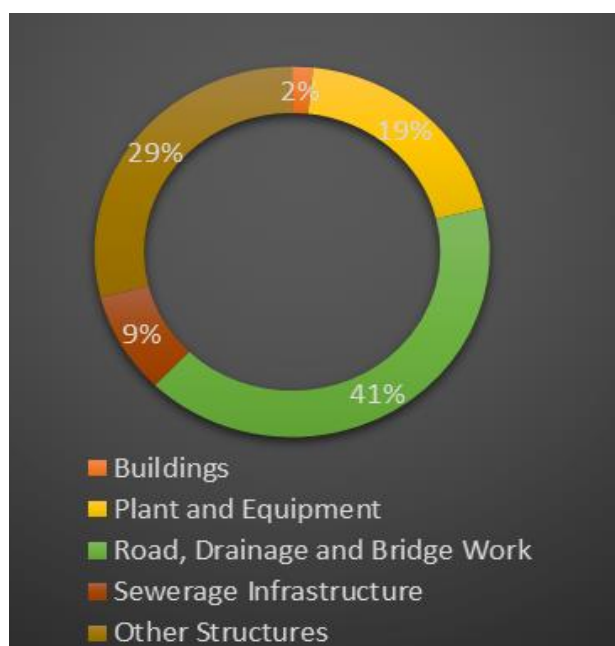
What do our assets consist of?	%	\$
Cash and cash equivalents	9.93	16,531,923
Trade and other receivables	1.45	2,407,496
Inventories	0.77	1,289,755
Property, plant and equipment	87.84	146,193,395
TOTAL ASSETS		166,422,569

What do we own?

Council's major asset class is Property, plant and equipment, making up 88% of Council's assets.

What did we spend on assets?

A significant amount of Council's activities is focussed on the maintenance, upgrade and construction of fixed assets to ensure there is adequate infrastructure services for community use. This year Council spent \$5,824,838 to renew, upgrade and build new assets for the community. The graph below shows how the money was spent in different asset classes.

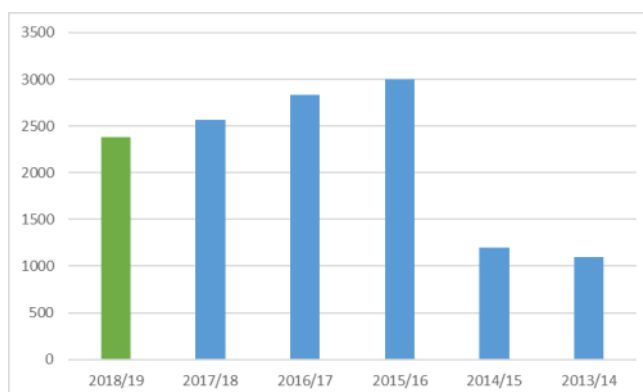


What do we owe?

With debt repayments amounting to \$185,017 for the year, Council's debt at June 30, 2019 totalled \$2,384,937. 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. No new borrowings were made during the year.

What do our liabilities consist of?	%	\$
Trade and other payables	33.98	1,594,624
Borrowings	62.37	2,384,937
Provisions	3.65	229,937
TOTAL LIABILITIES		4,209,498

Changes in Council debt over the last six years:



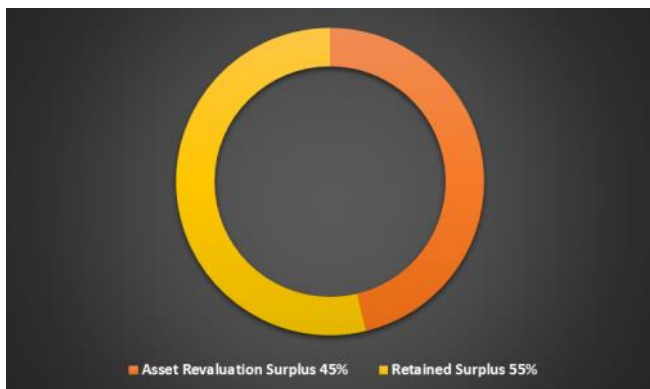
Statement of Changes in Equity

The difference between assets and liabilities is the total community equity or the net wealth of Council. The statement shows the overall 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. At 30 June 2019 this was an amount of \$162M (ie Assets \$166M less Liabilities \$4M).

This community equity consists of an asset revaluation reserve and retained surpluses. The community ownership in the infrastructure and services council provides to the community has been steady over the last five years as shown in the graph below.

Community Financial Report

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 the community.



Statement of Cash Flows

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. This differs from the earlier reports as “non-cash items”, such as depreciation are excluded. While our current cash balance is \$16,531,923 it is important to note that \$1,024,524 is restricted as reserves for specific purposes, such as future capital works.

Cash at Beginning	\$15,746,732
Inflow from Operating Activities	\$1,632,669
Inflow from Investing Activities	(\$662,461)
Inflow from Financing Activities	(\$185,017)
CASH AT END	\$16,531,923

Measures of Financial Sustainability

The financial sustainability statement and the associated measures (ratios) provide evidence of Council’s ability to continue operating and provide an acceptable level of service and infrastructure to the community both now and into the future. Section 169 (5) of the *Local Government Regulation 2012* outlines the three measures of financial sustainability on which Council must report as being:

- ◆ Asset Sustainability Ratio
- ◆ Net Financial Liabilities Ratio
- ◆ Operating Surplus Ratio.

Asset Sustainability Ratio

This ratio (expressed as a percentage) is an approximation of the extent to which the infrastructure assets managed by a local government are being replaced as these reach the end of their useful lives. The target is greater than 90% per annum (on average over the long term). The formula used to calculate the ratio is:

Capital Expenditure on Replacement of Assets (Renewals)

Depreciation Expenditure

Capital expenditure on replacement of assets (renewals) is an indicator of the extent to which the infrastructure assets are being replaced. Depreciation Expenditure represents an estimate of the extent to which the infrastructure assets have been consumed in a period. Infrastructure Assets refer to those significant, long-life assets that provide ratepayers with access to social and economic facilities and services. Examples include: water and sewerage, roads, buildings, parks, pools and airports.

Target Range = > 90%

Council’s Result = 90.9%

Comment: Given Council’s limited own source income, council cannot fully fund the renewal of its assets without external funding.

Community Financial Report

Net Financial Liabilities Ratio

This ratio (expressed as a percentage) is an indicator of the extent to which the net financial liabilities of a local government can be serviced by its operating revenues. The target is less than 60% per annum (on average over the long term). The formula used to calculate the ratio is:

Total Liabilities - Current Assets

Total Operating Revenue (excluding Capital

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.

Target Range = < 60%

Council's Result: -106.9%

Comment: Council continues to be able to service its current debt. Current Loans have funded the Birdsville Lodge Construction, Birdsville Airport Runway resealing and Telecommunications infrastructure.

Operating Surplus Ratio

This ratio (expressed as a percentage) 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 formula used to calculate the ratio is:

Net Result (excluding Capital Items)

Total Operating Revenue (excluding Capital Items)

The target is between 0% and 10% per annum (on average over the long term). 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.

Target Range > 0% and < 10%

Council's Result: -14.6%

Comment: Council is not raising sufficient revenue to meet future operational or capital requirements over the long term.

Community Financial Report

Five Years at a Glance - A Financial Snapshot

Financial Year	2018/19	2017/18	2016/17	2015/16	2014/15
Net Rates & Charges	\$1,137,791	\$1,087,806	\$967,756	\$918,693	\$862,850
Total Revenue	\$19,942,637	\$19,831,409	\$26,293,759	\$21,688,940	\$19,654,954
Total Expenses	\$17,783,204	\$19,192,788	\$24,003,543	\$22,010,719	\$21,680,276
Net Result	\$2,159,432	\$638,621	2,290,216	(\$321,779)	(\$2,025,322)
Capital Additions	\$5,824,838	\$6,260,280	\$9,733,792	\$4,913,147	\$2,926,315
Debt Repayment	\$185,017	\$259,705	\$246,826	\$428,338	\$348,560
Loan Balance	\$2,384,937	\$2,569,954	\$2,829,659	\$3,076,485	\$1,169,493
Total Assets	\$166,422,569	\$159,012,973	\$158,636,871	\$163,865,117	\$162,345,130
Total Liabilities	\$4,209,498	\$4,120,360	\$4,382,880	\$4,209,451	\$2,367,686
Total Equity	\$162,213,071	\$154,892,613	\$154,253,992	\$159,655,666	\$159,977,444
Reserves	\$1,024,524	\$510,000	\$1,228,086	\$3,135,874	\$3,135,874
Depreciation Expense	\$4,380,630	\$4,159,354	\$2,941,148	\$2,963,034	\$2,933,130

Summary

Council's financial position is sound but is reliant on ongoing funding from external sources, particularly with road works. Council, like any organisation, must prioritise its requirements so as to ensure the long-term sustainability and viability of the organisation.

Council's focus will be on renewing assets in priority to creating new assets unless new assets are revenue generating or reduce operating expenditure.

Our Shire

Our Location

The Diamantina Shire covers almost 95,000 km², 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 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.

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.

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.

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

Our 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 McKinlay. He named it Mueller Creek after the noted botanist Baron Von Mueller.

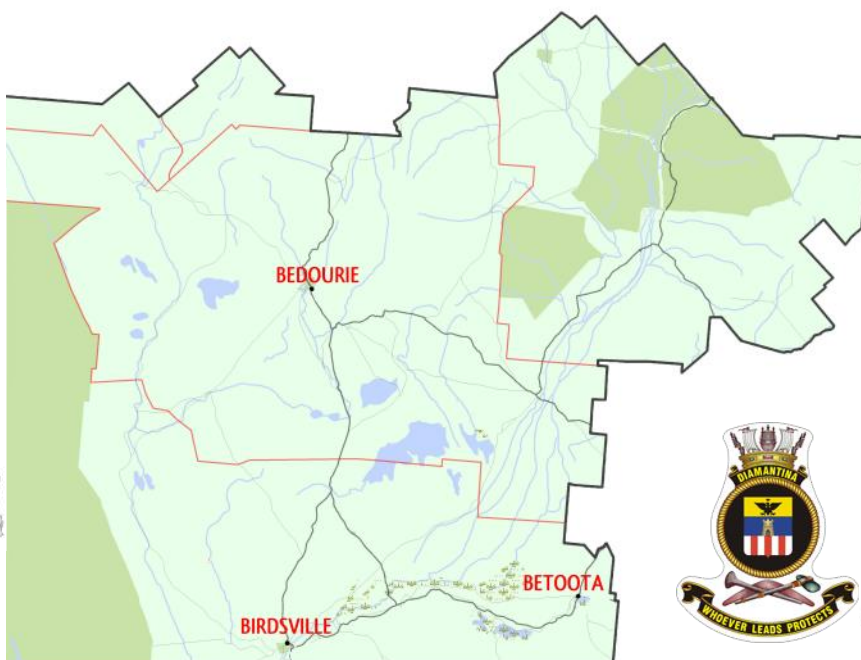
Some years later in 1886, the river was rediscovered and renamed the Diamantina by William Landsborough, thereby honouring Lady Diamantina Roma Bowen, the wife of the first Governor of Queensland, Sir George Ferguson Bowen.

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.

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.

A bronco branding rope replaced the naval rope, and a bull was placed on top of the crest instead of the ship. Wildflowers from the Shire were incorporated to create a colourful and unique crest which you see today, with the Shire motto "Sustainably Developing the Outback".



Our Shire

Our Towns

Bedourie, the Shire's administration centre, boasts many modern amenities including a community centre, Health Clinic, School, historic hotel, motel, roadhouse, caravan-park, unique desert golf course, flood lit tennis courts, and arguably the town's premier facility an aquatic centre with an artesian hot spa. The town has a great potable water supply from the great artesian basin.



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.

Bedourie has a population of approximately 100 people.

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.

The hotel now has a chance at a new burst of life with Get Stuffed Outback Events Pty Ltd, purchasing it in 2018. The town continues to host the annual gymkhana and race meeting that attracts visitors from all over Australia.

Birdsville, lies 12 kilometres north of the 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 times, Birdsville has grown to meet the demands of the growing domestic tourism industry and is now home to a historic and charismatic hotel/motel, one of Australia's only licenced bakeries, two service stations, tourist park, budget accommodation, hardware store, steel fabricator and a number of tourism operators.

Birdsville hosts the iconic Birdsville Races and Big Red Bash each year.

Birdsville's population is approximately 100.

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 a range of community services, is responsible for local planning and policy, fosters social and economic

The elected Council's responsibilities

Diamantina Shire Council comprises of five elected Councillors including the Mayor. Elections are held every 4 years, the most recent being in March 2016.

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.



Mayor

Councillor Geoff Morton

Geoff is a fourth generation grazier of Roseberth Station within 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. He is serving his second term as Mayor. Prior to being elected as Mayor Geoff served two terms as Deputy Mayor. Geoff is heavily involved in the Diamantina Shire community and only recently stood down as the President of the Betoota Race Club after 32 years of service.

Our Council



Deputy Mayor
Councillor Steve Cramer
Elected: 2011

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.



Councillor Bev Maunsell
Elected: 2016

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.



Councillor Don Rayment
Elected: 2012

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, 130 k north west of Birdsville. Their 6 adult children and grandchildren (7 at present) are regular visitors from various places within Queensland.



Councillor Doug Cooms
Elected: 2016

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 year Doug has been an active member of numerous community events and clubs.

Our Council

Councillor Remuneration and Attendance

At the Council Ordinary meeting held on 21 February 2018, the following resolution was adopted:

Minute No. 2018.02.21-OM-11

Moved by Cr Morton and Seconded by Cr Cramer

“That Council:

1. adopt the following remuneration levels from 1 July 2018:

- **Mayor \$83,934**
- **Deputy Mayor \$35,970**
- **Councillor \$25,581**

In accordance with section 186 of the *Local Government Regulation 2012*, the following table details:

- the number of meetings attended by each Councillor;
- the total remuneration, including superannuation contributions, paid to each councillor; and
- the expenses reimbursed under the Expense Reimbursement—Councillors Policy

Councillor	Ordinary Meetings Attended	Remuneration	Expenses Reimbursed	Superannuation Contribution	Communication Allowance	Travel Allowance	Total
Cr G Morton	11	\$90,775	-	\$10,893	\$600	\$23,703	\$125,971
Cr S Cramer	12	\$38,901	-	\$4,668	\$600		\$44,169
Cr D Rayment	11	\$26,643	-	\$3,197	\$600	\$2,839	\$33,279
Cr D Cooms	12	\$27,666	-	\$3,320	\$600	-	\$3,920
Cr B Maunsell	12	\$27,666	-	\$3,320	\$600	-	\$31,586
Total		\$183,985		\$25,398	\$3,000	\$26,542	\$238,925

Councillor Expense Reimbursement

In accordance with section 250 of the *Local Government Regulation 2012*, Council must have an Expenses Reimbursement Policy for Councillors. The objective of this policy is to ensure the payment of legitimate and reasonable expenses incurred by Councillors for carrying out their duties and responsibilities, and to provide facilities to Councillors for those purposes. It provides clear and concise instruction on what expenses can be reimbursed to Councillors. The full policy is available on our [website](#).

This policy was reviewed and amended at the Council Ordinary meeting held on 20 May 2019, where the following resolution was adopted:

Minute No. 2019.05.20-OM-15

Moved by Cr Cramer and Seconded by Cr Rayment

‘That Council adopt the Expense Reimbursement – Councillors Policy as presented.’

Our People



Chief Executive Officer

Leon Love

Leon joined Council as CEO in October 2013 and has extensive experience in Queensland local government having worked in

various Councils over the past 28 years in Toowoomba, Roma, Normanton and Mundubbera.

Assisting Council to maintain and improve the communities infrastructure and services in a sustainable way is Leon's key focus in addition to seeing the continued sealing of Main Roads.

The unique and diverse landscapes and friendly residents make the Diamantina an enjoyable place to live and work.

Married to Allison, together they have five children who love nothing more than to get back to Bedourie.



Tourism and Event Manager

Jessica Greenaway

Jess joined Council in 2017, bringing with her industry experience from large metropolitan, remote and regional Councils from across Australia.

Born and raised in Brisbane, she travelled extensively throughout Australia before joining Local Government in 2010, in Kalgoorlie, Western Australia. From here her passion for local government only grew as she learned the vital role Councils' played in shaping regional communities.

Jess brings to this role experience across a number of service delivery areas including Tourism and Event, Community services, Libraries, Aged and Disability services, Visitor and Accommodation services, Children and youth services, Sport and recreation, Research, Finance, and Municipal services.

Jess holds a Bachelor of Business and is currently studying a Masters of Business Administration. Jess lives in Birdsville with her partner and three children, two of whom attend Birdsville State School.



Deputy Chief Executive Officer

Cassie White

Cassie joined the Diamantina Shire and Bedourie community in January 2018, accompanied by her partner Mick and daughter Isla.

Cassie hosts 18 years industry experience, is an Associate CPA member and holds a Bachelor of Commerce with a dual degree in Advanced Accounting and Management Law. In early 2018 Cassie was recognised by the LGMA as one of the most successful young members of Local Government and is an active member and advocate with the LGFP as the Junior Vice President.

Cassie has a passion for remote and rural Local Governments and enjoys the challenges and learning experiences that come with rural and remote placements. Prior to joining DSC Cassie successfully ran her own local government financial consulting business for 5 years before making the lifestyle change and transitioning back to employment within local government.



Infrastructure Manager

Trevor Stewart

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. One of Trevor's biggest achievements when working for the company was being made foreman in charge of the civil works on the multi-story carpark at the Brisbane International Airport.

Trevor returned in 2011 as Works Manager.

He has three children, two of whom went to primary school in both Bedourie and Birdsville.

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 is committed to learning and development and promotes study assistance as well as assistance with course fees to all employees. It aims to spend approximately 4% of its pure wages and salary expense on staff training. Individual training needs are identified as part of the Performance Review process.

All new outside employees are offered the opportunity to complete a Certificate III in Civil Construction.

Following is a selection of the training undertaken this year with a significant investment in safety training:-

- ◆ Stabiliser Induction
- ◆ Basic Library operations and STEM Library programming
- ◆ Synergy Soft
- ◆ First Aid
- ◆ Procurement rules and guidelines
- ◆ Supervisor Safety
- ◆ National Heavy Vehicle ‘
- ◆ Magiq
- ◆ SES Road Crash and Rescue
- ◆ Dogging
- ◆ Airport Reporting Officer

A strong partnership with RAPAD Skilling was maintained with competencies in various plant being completed.

Isiah Coulthard and Jock McDonald were entered in the Queensland Training Awards with Isiah making it to the top five in the Vocational Student of the Year and the Aboriginal and Torres Strait Islander Student of the Year. Jock was the winner of the Central Queensland Regional Vocational Student of the Year Award.

Employee Assistance Program

The Employee Assistance Program was again offered to all employees and their immediate family. The 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 and assistance with the reduction of negative effects of stress that can arise within the workplace and community.

Recruitment and selection

Recruiting and retaining skilled staff continues to be a challenge but Council actively funding and implementing ideas to reduce the cost of living and make working in the shire more attractive.

Trainee and apprenticeship program

DSC is committed to maintaining a skilled workforce and providing opportunities to local residents to increase their potential employment opportunities. Wherever possible DSC will recruit local residents as trainees and apprentices to enhance skill development in the shire and to skill up potential long-term employees. This year we employed one young local in as the Administration Officer—Trainee and another young local successfully completed a Certificate III in Parks and Gardens. Our Apprentice Diesel Mechanic resigned but we will be recruiting for a new one in the near future. We also currently have a young Operational Works Trainee completing a Certificate III in Civil Construction (Plant Operation).

Council acknowledges that older staff may be interested in furthering their skills and they are also encouraged to apply for trainee or apprentice positions.

Vocational Student of the Year

Proudly sponsored by SDS Training



Regional winner: Jock McDonald

Qualification: Certificate III in Civil Construction

Training provider: RAPAD Skilling

Employer: Diamantina Shire Council

Having worked in the farming industry for most of his life, Jock McDonald had a vast skills set, but no recognised qualification. Completing his Certificate III in Civil Construction has enabled Jock to convert his lifetime of experience onto paper, improving his job prospects and future career growth in the civil construction and engineering industries. He is an ambassador for the opportunities of mature-age VET.

Our People

Diversity and Inclusion

Council is committed to preventing discrimination and adhering to equal opportunity principles. Our Anti-Discrimination and Equal Opportunity Policy is a key part of all new employees and contractors induction. All our employees have a right to work in an environment free from discrimination.

Safety and Wellbeing

Council is committed to the health, safety and wellbeing of its employees with wellbeing initiatives being actively implemented.

Complacency is one of the biggest challenges for the health, safety and wellbeing of our employees. We are developing and implementing initiatives to establish a culture of safety first to bring safety and wellbeing to the forefront in everything we do.

Influenza vaccinations were again offered to staff and their immediate family, and membership of the Paraplegic Benefit Fund and Corporate BUPA was maintained.

Leading on from the Safe plan III score of 70.1% we have commenced a major review of the WHS Management System in order to identify and implement improvement opportunities so that we are positioned to achieve the Gold Standard on our next external audit.

We are currently establishing a new database for all incidents, hazards and near misses in order for us to be able to carry out timely reporting with quality of data available. We have increased the level of investigations being conducted in relation to injuries and other incidents to ensure root cause/s and contributing factors are established so that we can implement effective control measures. This database will also enable us to identify trends and enable preventive measures to be identified and established.



	2018/19	2017/18	2016/17
Staff excluding casuals			
Inside Staff	20	19	13
Outside Staff	31	38	35
Total	51	57	48
Gender			
Executive/Senior Management			
> Male	2	2	2
> Female	2	2	1
Elected Members			
> Male	4	4	4
> Female	1	1	1
Total Employees			
> Male	30	37	31
> Female	21	16	17
Other Statistics			
Aboriginal & Torres Strait Islander employees	14	18	17
Employees with a disability	0	0	0
Staff Turnover	43%	48%	46%

Our Community

Australia Day Awards

Congratulations to all our Australia Day Award recipients.



ANZAC Day

Anzac Day commemorative services were held in each town.



Cleanup Australia Day

Once again our proud residents have volunteered their time to keep our towns tidy.



Bedourie Golf Day

As always good fun was had by all at our annual golf day.



Our Community

Bedourie Pig & Camel Races

Another successful year for the Pig and Camel races.



Ringers Ride 4 a Cure

Council was proud to support this amazing ride to raise money for cancer research.



Images kindly supplied by Lorraine Kath

Bedourie Family Games Night

Good to see the community enjoying themselves.



Bedourie SES Flood Resupply

Bedourie being resupplied during the floods.



Our Community

Library Services

Library Services continue to be delivered in Birdsville and Bedourie as part of Rural Libraries Queensland. In 2018/2019 two exchanges were conducted at each of the libraries to provide new and relevant library materials. Library events and activities included movies, story time sessions, national simultaneous storytime and book week celebrations.

In 2018/19 valuable funding provided by State Library of Queensland, and Department of Education was used to update the Children's corner of the Bedourie Library. The library now boasts a fully functional toy library complete with new child size lounge, mat and floor cushions, as well as some great new STEAM resources to encourage our children to explore and create.

As part of Rural Libraries Queensland Council has been able to provide a number of E-Resources for library users. The added benefit of this is that users do not need to leave the comfort of their home to access these resources. These services have been particularly useful for residents who live out of town, where the tyranny of distance may limit access to more conventional library resources. E-resources available included Lynda.com training and video tutorials, Kanopy streaming platform, e-books, as well as junior e-resources such as Story box and Animalia narrated eBooks and National Graphics for Kids.



Children Services

The Department of Education provided funding to the Diamantina Shire Council in 2018/2019 to deliver Early Years Services (EYS) through Child Focused Activities and Groups funding stream. In 2018/2019 Council delivered 17 hour per week, per community, of child focused activities in both Birdsville and Bedourie through the delivery of local playgroups. The service, available free to both residents and visitors alike, targets children from birth to 8 years old and aims to:

- Improve child development
- Improve readiness for school
- Increase parent/carers awareness of engagement with their child/children's development
- Increase parental capabilities
- Increase connection and access to the right services at the right time for parents/careers and their children.

These outcomes were achieved in 2018/2019 through strong community participation in playgroup programs that provided focused child development activities specific to the needs of each community. The services was also able to increase parental engagement by organising extra events such as National Simultaneous Story Time, Celebrating National Families week and Naidoc Week.

During this reporting period the service were able to maintain and in many cases further developed existing partnerships with the local schools, health care providers, and community libraries. These partnership are an important part of the program delivery and support the outcomes of the Early Years Services Funding Category Guidelines. The community is central to the delivery of this services and in 2018/19 the services delivered an activity that centered around "Community Helpers". The unit included visits from members of the community to talk about how they help the community, this included nurses, tow truck drivers, airport staff, and council employees.

In 2018/19 the services invested in professional development of children services staff with two employees enrolled in Certificate 3 in Early Childhood education and Care. Professional development of staff ensure high service delivery standards are maintained by our skill team of facilitators.

Our Community

School readiness is a major focus of the service. This year the service worked collaboratively with the local school on ideas to coordinate transition programs and strategies to be better prepare children for their transition into kindy, including visits from teachers and school orientation activities. The services delivered a wide range of educational activities focused on school readiness and skills development such as counting skills, name writing, storytelling and STEAM activities, cutting, pasting, drawing and colouring activities.

Children participated in regular library visits and story time to prepare children for literacy and improve concentration and listening skills. They also got active through physical activities such as waking to the library, running, dance, ball skills, obstacle courses and interactive games. Children attending playgroup were given the opportunity to interact with other children as well as adults, enabling them to develop their confidence and communication skills. This year children also learnt empathy through sharing with others, role play and mat time which gave them the opportunity to share their ideas and views and respect others.

As part of the services focus on wellbeing, children enjoyed a visit from the dietitian who provided nutritional information and discussed the importance of a healthy balanced diet. The service also welcomed a visit from a speech therapist who provided support and advice to parents and caregivers. Furthermore the child health nurse provided information to support the health and wellbeing of children and families, and conducted eye testing and fun oral health activities.

Lastly the services was able to emphasize with parents and carers the importance and fun of early childhood reading through regular visits to the library. These visits fostered relationships with families and our local library to support the development of early literacy skills at home. This also included the implementation of a toy library to extend the reach of the service by providing take home resources for children and their families.



Our Community

Our Community Grants

In March 2019 Council approved a revised Community Grants Policy and guidelines . A budget of \$160,000 was allocated for in-kind support and \$22,000 in cash from RADF and Council. The cash grants approved were:

\$7,000 to the Bedourie State School for the Splash n Arts Camp 2019

\$5,300 to the Betoota Race Club for entertainment at the Betoota Races

\$4,150 to the Bedourie Branch of the Sporting Shooters Association for an Acrylic Painting Workshop

\$3,000 to the Birdsville Social Club for entertainment at the Birdsville Campdraft Rodeo and Bronco Branding

\$2,550 to the Bedourie Gymkhana Club for the Bedourie Campdraft and Rodeo.

Council continues to be extremely generous in providing in-kind support to all events in the shire including major support for the Birdsville Races.

Bedourie Campdraft, Rodeo and Gymkhana Betoota Races

Supported by: RADF and Council

Event Date: July

Supported by: RADF and Council

Event Date: September



Images kindly supplied by Lorraine Kath

Birdsville Bike and Horse Gymkhana

Supported by: RADF and Council

Event Date: June

Acrylic Art Workshop

Supported by: RADF and Council



Our Goals

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

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 its Corporate Plan and Operational Plan during 2018/19.

Goal 1: Environment

1.1 A community which is actively maintaining practices which ensures environmental sustainability.

1.1.1 Further development of green energy opportunities

1.1.2 The pest animals/plant status of the Shire is improved

1.1.3 Effective animal control within communities

1.1.4 Protection of the great artesian basin

Our Challenges

The size of the shire makes it near impossible to efficiently manage dispersed pest plants and animals.

Two capped Stock Route artesian bores have significant leaks which will require significant investment from the Queensland Government to repair.

No further ability to connect solar power into the micro-grid in either Bedourie or Birdsville.

Our Achievements

Council has supported RAPADs lobbying work in pushing solar generation.

Continue to participate in the Central West Regional Pest Management Group (CWRPMG).

Successful in receiving \$150,000 grant from the Federal Government for weed control on shire roads. A Pest and Compliance Officer position has been created and filled to complete this work, and equipment required has been purchased.

Council continues to offer a \$30 bounty for dingo scalps and pay for the cost of a plane to assist coordinated aerial baiting campaigns.

Strong lobbying has resulted in the Federal Government providing further funding for GAB capping.

1.2 Guaranteed quality water supply and waste water treatment.

1.2.1 Water supply and sewerage Sustainability

Our Challenges

Maintaining a water and sewer network in Birdsville that needs to support the major events held in the town with 8000 people compared to the normal population of 100 people.

Low revenue generated from non council sources to fund water and sewer maintenance and renewal.



Our Achievements

Council engaged Water Drill Australia to drill a bore on the Birdsville Windorah Road a new Bedourie Town Bore.

Acquisition of land on which the Bedourie CED ponds are located is finalised.

Sewer main upgrades in Birdsville continued and were completed.

Our Goals

Goal 2: Social

2.1 A community that recognises the value of preserving the unique culture of the area.

2.1.1 Effective management of cultural heritage and native title.

2.1.2 Financially viable and strongly supported traditional social events.

2.1.3 Identification of aboriginal sites of significance.

2.1.4 Preservation of historical sites and artefacts.

Our Challenges

Without Council support, traditional events are not financially viable.

Increasing regulation by bodies such as Qld Racing are putting pressure on Council and clubs to upgrade race track venues to a minimum standard at significant cost.

Finding adequate volunteers is an ongoing issue in a small community.

Our Achievements

Traditional events within the shire are well supported by Council, Community Drought funding and RADF funding. Major events such as Big Red Bash and the Birdsville Races continue to underpin the tourist season.

Cultural Heritage clearances obtained from traditional owners as required.

A conservation management plan, funded by the Queensland Government, was prepared for the Kidman's Mud Hut resulting in extensive refurbishment work completed under the Federal Drought Communities Program. The Mud Hut has now been registered in the Queensland Heritage Register.

Funding from the Queensland Government has been secured to refurbish the Birdsville Courthouse.



2.2 A Community Where The Cost Of Living Is Comparable To The South East Of The State

2.2.1 The cost of living in the Shire is reduced

Our Challenges

The cost of living in the shire is predominately related to the cost of food and fuel which is controlled by businesses within the shire.

Business and residents rely on road freight to get goods into the shire which is expensive.

Low population in both towns do not provide economies of scale.

The 7 month tourist season impacts the viability of businesses.

Our Achievements

A number of strategies to reduce the cost of living have been identified by Council including reducing electricity costs through installation of insulation and solar power. Council will partially fund these initiatives through the 2019-20 budget and seek external funding as required.

Our Goals

Goal 2: Social (continued)

2.3 Towns Which Are Attractive, Green And Clean With A Community That Takes Pride In Their Homes And Towns

2.3.1 Recognition through the tidy town's awards.

2.3.2 Viable community Fruit and Vegetable gardens are operating in Birdsville and Bedourie

2.3.3 Planned streetscape development

2.3.4 Effective waste management

Our Challenges

The harsh environment and lack of volunteers has made the viability and maintenance of community gardens difficult.

Large events add additional pressure on the Birdsville landfill.

Limitations on our ability to take advantage of Queensland Government Container Recycling programme.



Our Achievements

Council continues to support Clean up Australia Day in both towns.

Anembo Consultants have been engaged to prepare Master Plans for Jardine St Park, Anzac Park and the Community Hall in Birdsville. These Master Plans will provide a vision that Council can work towards implementing as funds become available.

Council will support the establishment of a community garden with the location to be determined by the community as part of the master planning process.

Council continues to meet its obligations under the Environmental Protection Act for its gravel pits, landfills and sewerage evaporation ponds.

2.4 A Community With Affordable Access To The Full Range Of Transport Services And Facilities.

2.4.1 A reliable, regular air service at prices comparable to Brisbane to Mt Isa costs.

2.4.2 A weekly freight service at prices comparable to Brisbane to Mt Isa freight costs.

Our Challenges

Unsealed roads from the east and south makes freight difficult, expensive and dependent of weather conditions.

Providing sustainable and adequate work to freight companies to ensure ongoing and reliable service.

Our Achievements

REX passenger numbers are slowly increasing and lobbying continues with REX to implement communities fares.

D&E continue to provide a freight service from Mt Isa. Emerald Refrigerated Logistics continues to provide a fortnightly service to Bedourie from Brisbane via Boulia.

Birdsville Transport continues to provide a regular service to Birdsville from Adelaide.

A review of Procurement practices has been undertaken with the recommendations being gradually implemented.

Our Goals

Goal 2: Social (continued)

2.5 A Community With High Private Home Ownership In Which All Residents Are Appropriately Housed

2.5.1 Private home ownership continues to increase

Our Challenges

Banks continue to be reluctant to lend to remote areas

A transient population that is not inclined to financially commit to a long term stay in the shire.

2.6 A Motivated and Involved Community

2.6.1 Active and well-resourced community groups

2.6.2 The Shire's youth are actively involved in the community

Our Challenges

Youth numbers are predominately at boarding school which prevents meaningful discussions to resolve or implement holiday programs.

Staff vacancies have meant reduced interaction with youth in the shire.

Our Achievements

Following the auctions held in 2017, five blocks of residential land were sold. A further auction will be held in the future.

Negotiations are continuing with the Bedourie Aboriginal Corporation with regard to their houses.

Council agreed to enter into an agreement with Department of Housing for ongoing management of the community housing stock outside of the national housing framework

Our Achievements

Community groups continue to be supported by Council in a variety of ways through funding and assistance with grant application preparation.

Council's grants officer has forwarded information on various grant programs to community groups for their information and has assisted where possible.



A series of fun activities were developed by Tourism Officers in Bedourie for a group of students from Mt Isa School of the Air.

A poppy making workshop in Birdsville.

Our Goals

Goal 2: Social (continued)

2.7 A Safe and Crime Free Community

2.7.1 The Community remains safe and crime free

Our Challenges

The absence of local police from either of our towns means that coverage is provided from the other town. This results in a reduction in QGAP services and inability to attend to emergencies in two locations at once during a significant period during the year.

Transient population creates difficulty in ensuring SES and Rural Fire Brigade have well trained and sufficient members.

Our Achievements

Crime within the communities remains very low.

Council continues to support the SES with Jock McDonald appointed as Local Controller and Thomas Higgs as Deputy Local Controller. The new SES Storm/RAR Trailer was received in Bedourie.

Council continues to liaise with the OICs in Bedourie and Birdsville on issues as they arise.

The Local Disaster Management Group met in response to the flooding in early 2019.



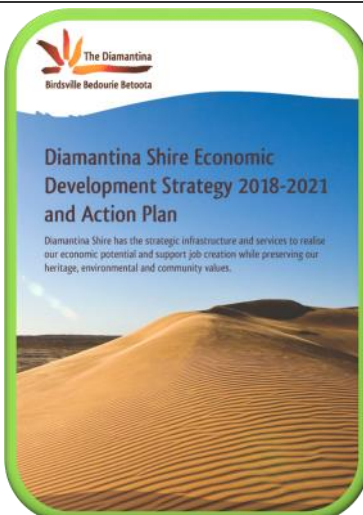
2.8 A Well-Coordinated and Cooperative Group Of Businesses and Individuals That Deal With The Public Which Successfully Promotes The Community

2.8.1 Economic development plan goals have been achieved

Our Challenges

Weather conditions impact on unsealed roads and events, and present a significant risk to local events and business sustainability.

Businesses within the shire have different levels of engagement with tourism development.



Our Achievements

An Economic Development Strategy has been adopted by Council and is available on our website.

Our Goals

Goal 2: Social (continued)

2.9 Full Employment

2.9.1 The employment rate maintained at more than 95%

Our Challenges

High staff turnover continues to be an issue.

Council's location is not a preferred destination for job seekers.

Our Achievements

Council continues to recruit staff as required with a focus in offering local residents suitable roles within Council, particularly youth.

The unemployment rate within the shire is very low.

Council continues to operate two Centrelink access points where residents and visitors are able to access a variety of Centrelink services and information using the telephone, fax and photocopier.

2.10 Fully Operational Medical And Pharmacy Facilities Run By Quality Service Providers That Provide Appropriate And Affordable Access To On Site GPs And Other Specialist Medical Care

2.10.1 A community that is fully aware of and responsive to primary health care needs

2.10.2 Establish a partnership with Central West Hospital and Health Board to provide a quality health service

2.10.3 Services are provided for our Aged, Youth and Children as appropriate

2.10.4 Quality health infrastructure that meets community needs

2.10.5 Ambulance Services throughout the Shire and at Community Events are retained

Our Challenges

Patient transport is problematic when patients are flown out to receive medical treatment.

Retention of health professionals is an issue for RFDS resulting in some scheduled clinics being cancelled.

Our Achievements

Council continues to support and promote health initiatives in the shire and within its workforce.

North and West Remote Health (NWRH) continue to visit and provide physiotherapy, dietitian, podiatry, exercise physiology and occupational therapist services.

The RFDS Dental Service has provided much needed access to dental treatment in a state of the art 18 wheel semi-trailer.

A limited pharmacy operates from both clinics.

Ambulance services continue to support local events.

Initial discussions have started regarding the possibility of upgrading the morgue facilities in each town.

Council is negotiating the lease of clinic buildings by CWHHS.



Our Goals

Goal 2: Social (continued)

2.11 Quality Sporting Facilities

2.11.1 Well maintained, quality sporting facilities which meet community needs with additional facilities as

Our Challenges

Our harsh weather conditions make it difficult to maintain outdoor sporting fields and facilities.

Our small population means that playing team sport is difficult.

Our Achievements

The Bedourie Gym opened at the end of 2018.

New gym equipment was purchased for both the Bedourie and Birdsville gyms funded under the Federal Drought Communities fund.



2.12 Communication Access Comparable with South East Queensland

2.12.1 Fibre Optic cable (including mobile phone towers) is connected from Boulia to Birdsville

Our Challenges

To adopt the new technologies now available to the community and Council.

Our Achievements

As part of the Outback Hubs RAPAD initiative Council allocated budget towards the installation of Zoom Room facilities in the Birdsville and Bedourie Boardrooms. These facilities will be available to the community and will be capable of screen sharing, recording meetings, and providing meeting transcripts.

Our Goals

Goal 3: Economic

3.1 A Major And Sustainable Tourism and Events Industry

3.1.1 Well Planned Tourism Initiatives

Our Challenges

Two major events have caused two peaks in the tourist season with a drop in numbers outside of these event times.

Not all businesses have a customer service focus or are willing to invest in tourism initiatives.

Tourist numbers are dependent on road conditions.

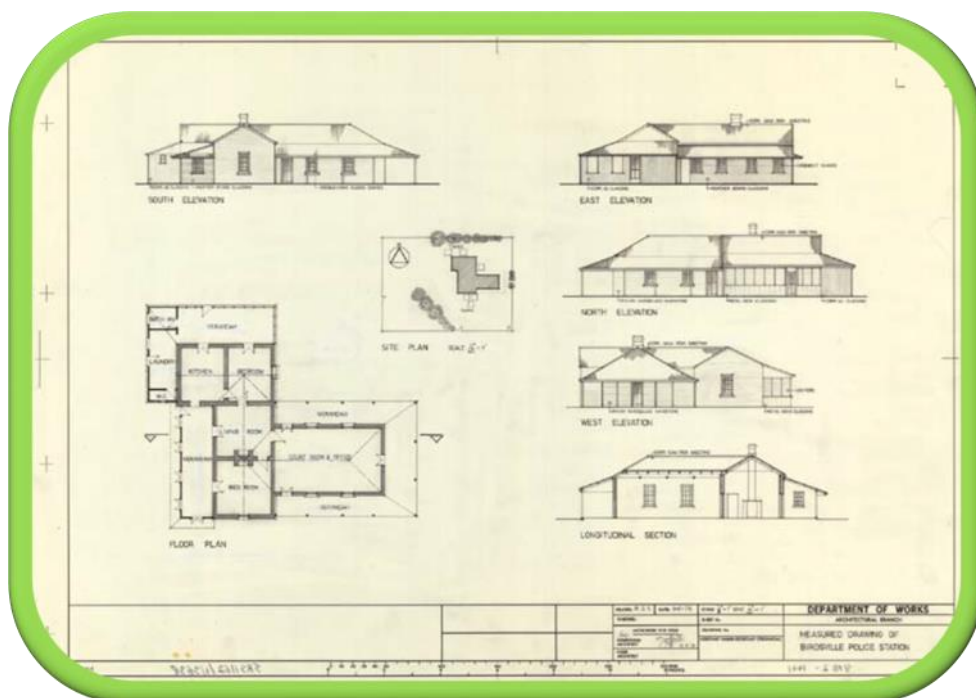
Our Achievements

Council continues to retain membership of the Outback Queensland Tourism Association.

Council ensures the shire is represented at various tourism shows around the country.

Funding has been sourced for the refurbishment of the Birdsville Courthouse to develop it as an important tourist attraction.

Council has been successful in securing funds under the Outback Tourism Infrastructure fund for a project to develop and install hologram technology. The hologram will deliver a history of the courthouse and make it into a popular tourist attraction.



3.2 A Growing Population

3.2.1 The Population Of The Shire Continues To Increase

Our Challenges

People are unwilling to relocate to the shire without a job to go to and with the Council being the major employer, Council must have external funding to enable this to occur.

Retaining people in the shire is difficult given limitations of schooling, health, cost of living and family needs.

Our Achievements

Council has attracted some quality staff with families to senior roles in the last year.

A major focus of the new Economic Development strategy will be to reverse population decline.

Our Goals

Goal 3: Economic

3.3 A Transport Network Maintained In Line With The Rest Of The State

3.3.1 A well maintained Shire road network which meets the needs of the road user

3.3.2 Airports and Services that meet community requirements

3.3.3 All Main Roads in Shire are Bitumen sealed

Our Challenges

Limited funding to upgrade and seal Main Roads.

Traffic to/from 2 major events causing significant deterioration in standard of Main Roads resulting in requirement for additional maintenance around this time, resulting in limited maintenance for balance of year.

Funding ongoing costs of operating 2 RPT airports.

Our Achievements

With severe flooding in the shire early in 2019, much of our road network is in need of repair. A badly deteriorated section at Thogamorra Creek was fixed. Other ongoing repairs have been completed as funding has allowed.

Waddi Tree Pave and Seal work completed on Eyre Developmental Road

Work continues on the development of a business plan for the complete bitumen sealing of the Bedourie—Birdsville road.

Bedourie airport runway had cracks sealed, surface rejuvenated and linemarked.

Herbert Street Bedourie widened with kerb and channel.

Sections of Timor and Eyre Street Bedourie kerb and channel renewed and constructed.



3.4 Land And Infrastructure Development That Facilitates and Meets The Needs Of The Growing

3.4.1 Town Planning scheme which will meet community needs and growth into the future

Our Challenges

The introduction of the new Planning Act 2016 required Council to prepare a new planning scheme.

Our Achievements

Council accepted an offer from the Department of State Development to assist in the preparation of the new Planning Scheme.

Development applications have been assessed in accordance with planning scheme provisions.

Our Goals

Goal 3: Economic (continued)

3.5 Council Is A Leader In The Region Which Supports Regional Co-Operation, Resource Sharing and

3.5.1 Council continue to lead the region in co-operation and resource sharing

Our Challenges

Resistance to sharing and committing funds to regional bodies.

Ability for diverse councils to agree on shared goals.

Our Achievements

Council has been an active member of the Remote Area Planning and Development Board (RAPAD), Outback Regional Road Group (ORRG), RAPAD Water Sewerage Alliance (RAPADWSA), OQTA.

Council worked closely with RAPAD skilling to deliver training to employees.

Council continues to be a member of the Outback Queensland Tourism Association (OQTA) and supports staff and Councillors to attend the annual OQTA Awards. The Big Red Bash took out the 2018 Festival and Events category.

3.6 Council leadership delivers Growing And Diversified Industries Which Provide Ample Employment

3.6.1 An economic development plan in place which enables new businesses to be developed

3.6.2 Support sustainability of the cattle industry

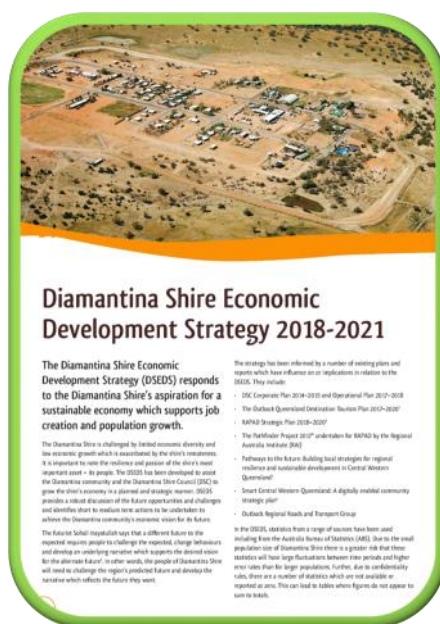
Our Challenges

The shires isolation and low population do not allow for many business opportunities.

Our Achievements

The Economic Development Strategy 2018-21 has been prepared and is available on our website..

Council continues to support the cattle industry by ensuring our roads are in the best condition possible within budgetary constraints.



Our Goals

Goal 3: Economic (continued)

3.7	Council is recognised as the sole road construction provider in the shire
3.7.1	Maintain a profitable plant operation
3.7.2	Council owns and operates a quality plant fleet
3.7.3	Council maintains its sole invitee status for all Department of Main Roads (DMR) and Natural Disaster

Our Challenges

Attracting suitably qualified and experienced workshop staff can be problematic.

Staff turnover reduces utilisation machine impacting plant profitability.



Our Achievements

Chain of Responsibility awareness training undertaken with staff.

Synergy Soft Workshop being setup and schedule for implementation in July 2019.

Recertification of Quality System and Traffic Control accreditation.

Council purchased the following plant and machinery:

4x4 Workshop Truck

Grader

Water tankers

Diesel tanks x 3

Forklift

2 x 4WD Wagons

2 x 4WD Utes

16 person camp



3.8	Sustainable Quality Council Assets Which Meet Community Needs
3.8.1	Well maintained Council and Community assets with additional facilities as appropriate for the communities

Our Challenges

Limited resources result in delays in maintenance of assets where competing priorities associated with grant funded projects consume resources.

Extreme weather conditions reduce the life of council assets.

The lack of suitable tradesman result in additional cost and time delays in completing projects.

Our Achievements

Maintenance undertaken at council facilities as required.

Refurbishment of Bedourie Aquatic Centre completed and fibreglass lining installed.

Council housing maintained and refurbished as required.

Our Goals

Goal 4: Governance

4.1 A sustainable and effective organisation

4.1.1 A quality, effective and motivated workforce.

4.1.2 Best practice Corporate Governance.

4.1.3 Effective knowledge management systems and policies in place.

4.1.4 Long term financial sustainability.

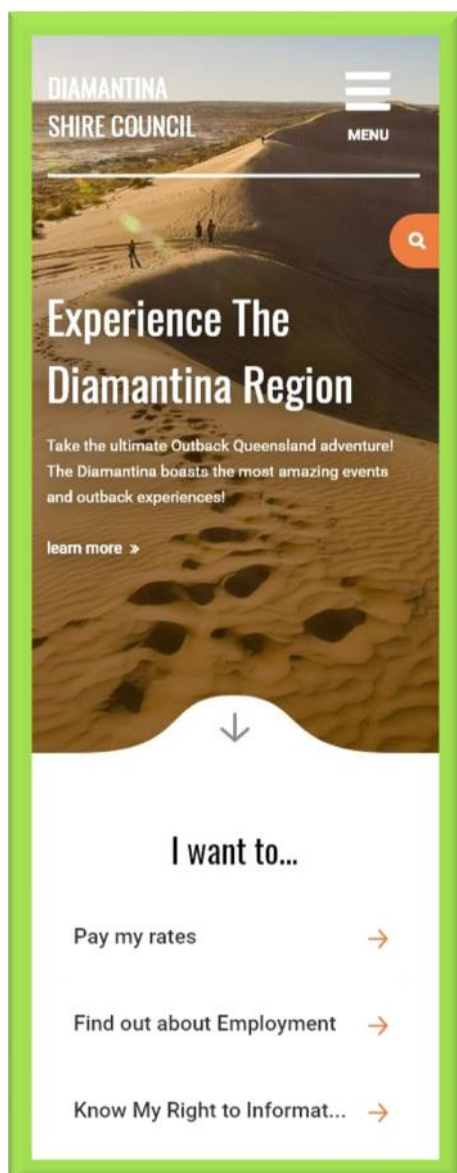
4.1.5 Quality administration and service which meets customer needs.

4.1.6 Effective community engagement.

Our Challenges

Staff turnover continues to be an issue for Council as is our ability to attract and retain suitably qualified staff.

The long term financial sustainability of Council is dependant upon the ongoing financial support of the Queensland and Australian governments and in particular ongoing roadworks.



Our Achievements

A Safety and Quality Coordinator has been appointed and will begin reviewing our safety and quality systems.

Performance reviews of staff are ongoing.

A high level of investment in staff training and ensuring skills and knowledge are maintained. All new Infrastructure staff are offered the opportunity to complete a Certificate III Civil Construction.

Quality Assurance Program for roadworks recertified.

An Information Technology Policy has been reviewed and adopted which will form the basis of an IT Plan.

Council's Corporate, Tourism and Caravan Park websites currently being redeveloped by Peak Services.

Implementation of the Synergy Soft software suite has continued with the core Financials including General Ledger, Stores, Debtors, Creditors, and Rates and Properties fully implemented.

External Funding has been maximised this year with significant funding through LGGSP, Roads to Recovery, Works for Queensland, Building our Regions, Drought Communities Program, TIDS, Get Ready Program, Get Playing.

Desert Yarns newsletter produced each month. The newsletter is a free service and provides valuable information to the community.

Community engagements have been undertaken for the 2019-2024 Corporate Plan, Birdsville Master Plans, Central Western Queensland Digital Connectivity Project.

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 Conduct

The local government Act 2009 provides a framework for assessing complaints about the conduct or performance of Councillors. Under the Act, each complaint is required to be assessed to determine whether its is about misconduct, inappropriate conduct, corrupt conduct, or another matter. If the complaint is not frivolous, vexatious or lacking in substance, it is then referred to the appropriate individual, panel or tribunal for further action. Orders and complaints about Councillors during the year are shown in the table below.

Section of the Local Government Act	Type of order or complaint	Number
180(2) and (4)	Orders and recommendations made about misconduct	0
181(2)	Orders made for inappropriate conduct	0
176C(2)	Complaints about Councillor conduct or performance for which no further action was taken	0
176C(3)(a)(i)	Complaints referred to the department's Chief Executive about inappropriate conduct of the Mayor or Deputy Mayor	0
176C(3)(a)(ii) or (b)(i)	Complaints referred to the Mayor about inappropriate conduct by a Councillor other than the Mayor or Deputy Mayor	0
176C(4)(a)	Complaints about misconduct referred to the department's Chief Executive	0
176C(4)(b)	Complaints about misconduct referred to the regional conduct review panel or the tribunal	0
176C(5)	Complaints assessed by the Chief Executive Officer as being about corrupt conduct	0
176C(6)	Complaints about another matter	0

Public Sector Ethics Disclosures

Pursuant to the provisions of the *Public Sector Ethics Act 1994*, Council is required to report on actions taken regarding implementation of the legislation. During the reporting period, Council provided training and education to its workforce through inductions of new staff members, together with re-inductions of all existing staff. Council supports its ongoing procedures and practices to ensure employees abide by and embrace the principles of the legislation. Council's Code of Conduct is provided to all new employees upon commencement and is provided to all of Council if and when it is reviewed.

Right to Information Act 2009

Council is an agency under the *Right to Information Act 2009*. Members of the public may make application to Council under this legislation to access documents. People wishing to access documents under this Act must make application in writing to the Chief Executive Officer, including an application fee. During the twelve months to the 30 June 2019, Council received no right to information applications but one from the previous year was finalised. This Annual Report satisfies the requirements of section 21 of the Act.

Identifying Significant Business Activities s45 LGA 2009

As required under Section 45 of the Local Government Act 2009, listed in the following table are business activities conducted during the year. None of these activities were deemed "significant" according to the Local Government Regulation 2012. It was resolved by Council not to apply the code of competitive conduct to any business activities.

Business Activity	Significant	Pre-scribed	Competitive Neutrality Principle Applied	Conducted in Previous Financial Year
Birdsville Caravan Park	No	Yes	No	Yes
Building Certification	No	No	No	Yes
Birdsville Lodge	No	No	No	No
Roads Operation	No	No	No	Yes
Aerodromes	No	No	No	Yes
Bedourie Caravan Park	No	No	No	Yes
Water Supply and Sewerage	No	No	No	Yes
Waste Management	No	No	No	Yes

Executive Remuneration s201 LGA 2009

Total remuneration paid to Executive employees was as follows:

Package Value \$200,000—\$300,000—3 employees

Package Value \$300,000—\$400,000—1 employee

The total remuneration packages payable in 2018-19 to executive employees is \$1,027,164.

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.

Administrative Action Complaints s187 LGR 2012

Administrative action complaints encompass all complaints made to Council about its administrative actions. Complaints against the Chief Executive Officer are referred to the Mayor in accordance with Council's policy. During the period under review and the previous financial year there were no administrative action complaints received.

Compliance Reporting

Overseas Travel s188 LGR 2012

No Councillors or employees undertook overseas travel in an official capacity during the financial year.

Expenditure on Grants to Community

Organisations s189 LGR 2012

Councillors do not have a discretionary expenditure fund. Council incurred expenditure, in the form of cash, hall hire, labour and machinery hire, on grants to community organisations:

Organisation	Event	Contribution
Bedourie Amateur Race Club	Bedourie Races	\$4,819
Bedourie Golf & Leisure Club	Bedourie Pig & Camel Races	\$4,939
	Bikes and Bulls	\$1,687
	Rugby Nines	\$481
Bedourie Gymkhana Club	Bedourie Camp Draft, Gymkhana Insurance	\$10,404 \$3,829
Betoota Race Club Inc.	Betoota Races Insurance	\$39,360 \$2,822
Betoota Social Club	Betoota Gymkhana	\$17,030
Birdsville Race Club Inc.	Birdsville Races	\$305,000
Bedourie State School P&C	Splash and Arts Camp	\$5,545
	ANZAC Day Bingo	\$530
	Cultural Night	\$344
Birdsville Social Club	Birdsville Gymkhana	\$9,991
	Birdsville Bronco Branding	\$9,991
	Birdsville New Years Eve Party	\$465
	Insurance	\$2,076

Expenditure and Action Relating to Joint Ventures and Special Rates s190(1)(d)(i)(ii) LGR 2012

Council did not enter into any joint venture agreements or levy any special rates during the 2018/2019 financial year.

Changes to Tenders s190(1)(e) LGR 2012

Council made one change to a tender during the 2018/2019 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 Delegations by Chief Executive Officer
Register of Interests for Employees and Councillors
Register of Local and Subordinate Local Laws
Register of Cost Recovery Fees
Register of Complaints against Councillors

Rates and Charges Concessions s190 (1)(g) LGR 2012

Diamantina Shire Council made no concession of rates or charges for the 2018/2019 financial year.

Internal Audit Function s190(1)(h) LGR 2012

Council undertook a procurement process to appoint new internal auditors for the period 1 July 2019 to 30 June 2022. Walsh Accounting were appointed and made a preliminary visit to Council in March.

As required by the Local Government Act 2009 and the Local Government Regulation 2012, the Internal Audit function to be undertaken is to:-

- Prepare an Internal Audit Plan; and
- Carry out an internal audit; and
- Prepare a progress report for the internal audit; and
- Assess compliance with the internal audit plan.

The Local Government Remuneration and Discipline Tribunal Report 2016 re-categorised Diamantina Shire Council from a Category 3 to a Category 1 Council. This meant an Internal Audit Committee was no longer required and at the March 2017 Council meeting it was resolved to not have one. Council has continued to operate without an Internal Audit Committee during the 18/19 financial year to the satisfaction of the External Auditors.

Summary of Investigation Notices under s49 for Competitive Neutrality Complaints s190 (1)(i) LGR 2012

There were no competitive neutrality complaints received during 2018/2019.

Responses on QCA Recommendations on Competitive Neutrality Complaints s190 (1)(j) LGR 2012

There were no responses on competitive neutrality complaints received during 2018/2019.

Financial Statements

Financial Statements are formal records of an organisation's financial performance and activities. They provide a comprehensive overview of our current financial position. As a local government agency, we are committed to transparent reporting on our financial performance throughout the year against the delivery of our Corporate Plan Goals and operational deliverables.



SUSTAINABLY DEVELOPING THE OUTBACK

DIAMANTINA SHIRE COUNCIL

ANNUAL FINANCIAL STATEMENTS

For the Year Ended 30 June 2019

FINANCIAL REPORT

For the Year Ended 30 June 2019

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Current Year Financial Sustainability Statement & Certificate of Accuracy

Independent Audit Report (Current Year Financial Sustainability Statement)

Unaudited Long Term Financial Sustainability Statement & Certificate of Accuracy

DIAMANTINA SHIRE COUNCIL

Statement of Comprehensive Income

For the Year Ended 30 June 2019

	Note	30 June 2019	30 June 2018
		\$	\$
INCOME			
Revenue			
Recurrent Revenue			
Rates, levies and charges	3(a)	1,137,791	1,087,806
Fees and charges		1,515,203	1,361,935
Rental income		650,831	684,783
Interest received	3(b)	377,403	324,150
Sales revenue	3(c)	6,471,987	7,032,294
Other income		130,308	226,220
Grants, subsidies and contributions	4(a)	4,709,037	4,493,747
		<u>14,992,561</u>	<u>15,210,935</u>
Capital Revenue			
Grants, subsidies and contributions	4(b)	4,950,076	4,620,474
		<u>4,950,076</u>	<u>4,620,474</u>
Total Revenue		<u>19,942,637</u>	<u>19,831,409</u>
TOTAL INCOME		<u>19,942,637</u>	<u>19,831,409</u>
EXPENSES			
Recurrent Expenses			
Employee benefits	5	(5,377,704)	(5,035,790)
Materials and services	6	(7,325,707)	(9,707,964)
Finance costs		(101,555)	(116,938)
Depreciation	11	(4,380,630)	(4,159,354)
		<u>(17,185,596)</u>	<u>(19,020,046)</u>
Capital Expenses	7	<u>(597,609)</u>	<u>(172,742)</u>
TOTAL EXPENSES		<u>(17,783,204)</u>	<u>(19,192,788)</u>
NET RESULT		<u>2,159,432</u>	<u>638,621</u>
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to net result			
Increase in asset revaluation surplus	14	5,161,026	-
Total Other Comprehensive Income for the Year		<u>5,161,026</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>7,320,458</u>	<u>638,621</u>

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

DIAMANTINA SHIRE COUNCIL

Statement of Financial Position

As at 30 June 2019

	Note	30 June 2019	30 June 2018
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	8	16,531,923	15,746,732
Receivables	9	2,407,496	1,533,101
Inventories	10	1,289,755	1,335,193
Total Current Assets		<u>20,229,173</u>	<u>18,615,027</u>
Non-Current Assets			
Property, plant and equipment	11	146,193,395	140,397,946
Total Non-Current Assets		<u>146,193,395</u>	<u>140,397,946</u>
TOTAL ASSETS		<u>166,422,569</u>	<u>159,012,973</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	12	1,594,624	1,399,910
Borrowings	13	195,185	188,243
Long Service Leave		142,992	88,567
Total Current Liabilities		<u>1,932,800</u>	<u>1,676,721</u>
Non-Current Liabilities			
Borrowings	13	2,189,752	2,381,710
Long service leave		86,945	61,929
Total Non-Current Liabilities		<u>2,276,697</u>	<u>2,443,639</u>
TOTAL LIABILITIES		<u>4,209,498</u>	<u>4,120,360</u>
NET COMMUNITY ASSETS		<u>162,213,071</u>	<u>154,892,613</u>
COMMUNITY EQUITY			
Asset revaluation surplus	14	74,984,669	69,823,643
Retained surplus		87,228,402	85,068,970
TOTAL COMMUNITY EQUITY		<u>162,213,071</u>	<u>154,892,613</u>

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

DIAMANTINA SHIRE COUNCIL

Statement of Changes in Equity

For the Year Ended 30 June 2019

	Note	Asset Revaluation Surplus \$	Retained Surplus \$	Total Equity \$
Balance at 1 July 2018		69,823,643	85,068,970	154,892,613
Net result for the year		-	2,159,432	2,159,432
Other comprehensive income for year				
Increase/(decrease) in asset revaluation surplus	14	5,161,026	-	5,161,026
Total comprehensive income for year		5,161,026	2,159,432	7,320,458
Balance as at 30 June 2019		74,984,669	87,228,402	162,213,071

Balance at 1 July 2017		69,823,643	84,430,349	154,253,992
Net result for the year		-	638,621	638,621
Other comprehensive income for year				
Increase/(decrease) in asset revaluation surplus		-	-	-
Total comprehensive income for year		-	638,621	638,621
Balance as at 30 June 2018		69,823,643	85,068,970	154,892,613

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

DIAMANTINA SHIRE COUNCIL

Statement of Cash Flows

For the Year Ended 30 June 2019

		30 June 2019	30 June 2018
	Note	\$	\$
Cash flows from operating activities :			
Receipts from customers		8,748,855	9,407,811
Payments to suppliers and employees		(12,751,902)	(14,743,444)
		(4,003,047)	(5,335,633)
Interest received	3(b)	377,403	324,150
Rental income		650,831	684,783
Non capital grants and contributions	4(a)	4,709,037	4,493,747
Borrowing costs		(101,555)	(116,938)
Net cash inflow/(out flow) from operating activities	19	<u>1,632,669</u>	<u>50,109</u>
Cash flows from investing activities:			
Payments for property, plant and equipment	11	(5,824,838)	(6,260,280)
Proceeds from sale of property, plant and equipment	7	212,300	390,181
Grants, subsidies, contributions and donations	4(b)	4,950,076	4,620,474
Net cash inflow/(outflow) from investing activities		<u>(662,461)</u>	<u>(1,249,625)</u>
Cash flows from financing activities:			
Repayment of borrowings	13	(185,017)	(259,705)
Net cash inflow/(out flow) from financing activities		<u>(185,017)</u>	<u>(259,705)</u>
Net increase/(decrease) in cash and cash equivalents held		<u>785,191</u>	<u>(1,459,222)</u>
Cash and cash equivalents at beginning of financial year		15,746,732	17,205,954
Cash and cash equivalents at end of financial year	8	<u><u>16,531,923</u></u>	<u><u>15,746,732</u></u>

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Significant Accounting Policies

1.A Basis of preparation

These general purpose financial statements are for the period 1 July 2018 to 30 June 2019 and have been prepared in compliance with the requirements of the *Local Government Act 2009*, the *Local Government Regulation 2012*, Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB).

These general purpose financial statements comply with all accounting standards and interpretations issued by the AASB that are relevant to Council's operations and effective for the current reporting period. These statements do not comply with International Financial Reporting Standards as Council is a not-for-profit entity. 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.

These financial statements have been prepared under the historical cost convention, except for the following:

- financial assets and liabilities, certain classes of property, plant and equipment which are measured at fair value;
- assets held for sale which are measured at fair value less cost of disposal.

1.B Constitution

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

1.C New and revised Accounting Standards

This year Council has applied AASB 9 Financial Instruments for the first time. AASB 9 replaces AASB 139 and relates to the recognition, classification and measurement of financial assets and financial liabilities. Implementing AASB 9 has resulted in a change to the way council calculates impairment provisions, which are now based on expected credit losses instead of incurred credit losses.

On 1 July 2018 (the date of initial application), council re-assessed the classification, measurement category and carrying amount of each financial instrument in accordance with AASB 9. Council did not detect changes to classification, and thus no changes to measurement categories. Carrying amounts were also unchanged, thus not requiring a change to retained earnings as at 1 July 2018.

Standards that are not yet effective

Council has assessed the impacts and revenue will be recognised in accordance with the following standard:

Some Australian Standards and Interpretations have been issued but are not yet effective. These standards have not yet been applied in these financial statements. Council will implement them when they are effective.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2019

AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities and AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities (effective from 1 July 2019)

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15, and AASB 2016-8. These Standards supersede the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions.

Identifiable impacts at the date of this report are:

Some grants received by the Council will be recognised as a liability, and subsequently recognised progressively as revenue as the Council satisfies its performance obligations under the grant. At present, such grants are recognised as revenue upfront. These include Small Assistance Grant, Regional Arts Development Funding, Outback Tourism Infrastructure Grant, Building Better Regions Grant, Drought Communities Program, Maranoa - Stronger Communities Round 4 Funding, Qld Disaster Resilience Funding, Skilling Queensland Workers, Building Better Regions, Local Government Grants Subsidies Program Funding, Pest & Weed, Works for Queensland and March 2019 Flood Event.

Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral and continue to be recognised as revenue as soon as they are controlled. Council receives several grants from the Federal Government and State Government for which there are no sufficiently specific performance obligations. These include Get Ready Grant, SES Subsidy, National Science Week Grant, and NAIDOC Funding programs. These are expected to continue being recognised as revenue upfront assuming no change to the current grant arrangements.

Prepaid rates will not be recognised as revenue until the relevant rating period starts under AASB 1058. Until that time these receipts will be recognised as a liability (unearned revenue). There will be no impact upon the recognition of fees and charges as all debts fall due when performance obligations have been provided.

Depending on the respective contractual terms, the new requirements of AASB 15 may potentially result in a change to the timing of revenue from sales of the Council's goods and services such that some revenue may need to be deferred to a later reporting period to the extent that the Council has received payment but has not met its associated performance obligations (such amounts would be reported as a liability in the meantime when accounting standard is implemented).

Based on Council's assessment, if Council had adopted the new standards in the current financial year it would have had the following impacts:

- Revenue decrease of \$1,025,404 due to deferral of grant funding and pre-paid rates of \$900 (based on the facts available to Council at the date of assessment). Deferred grant funds are derived from Works for Queensland \$502,061, March 2019 Flood Event \$372,443 and Pest and Weed Control Funding \$150,000.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2019

-There would be an equal reduction in the reported equity as the reduced Revenue will require an increase in recognition of contract liabilities, and statutory receivables.

- Net result would be lower on initial application as a result of decreased revenue. A range of new disclosures will also be required by the new standards in respect of the council's revenue

Transition Method

The Council has elected to apply AASB 15, AASB 1058 and AASB 2016-8 on July 1 using the full retrospective method. Where revenue has been recognised in full under AASB 1004, prior to 1 July 2019, but where AASB 1058 would have required income to be recognised beyond that date, no adjustment is required. Further, Council is not required to restate income for completed contracts that start and complete within a financial year. This means where income under AASB 1004 was recognised in the comparative financial year (i.e. 2018/19), these also do not require restatement.

AASB 16 Leases (effective from 1 July 2019)

The Council has assessed the impacts of the new standard that initial application of AASB 16 will have on its financial statements, and has assessed that the implementation of this standard will have no material impact on the financial outcomes and financial statements of Council. Council will continue to monitor the possible impacts of this accounting standard should it enter into qualifying lessee or lessor arrangements in the future, as well as on an annually basis.

1.D Estimates and Judgements

Where necessary judgements, estimates and assumptions have been used in preparing these financial statements. Those that have a significant effect, or risk of causing an adjustment to Council's assets or liabilities relate to:

Valuation of property, plant and equipment - Note 11

Impairment of property, plant and equipment - Note 11

Depreciation - Note 11

Contingent Liabilities - Note 16

Financial Instruments - Note 21

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2019

1.E Rounding and Comparatives

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1.

In the prior year grant revenue for the Birdsville Caravan Park of \$650,000 and for the Birdsville Lodge \$510,150 was incorrectly classified as Fees and Charges and has now been reclassified as Capital Revenue - Grants, Subsidies and Contributions. This is reflected in Note 4(b)

In the prior year one related party and 3 KMP related transactions had been omitted, this change is reflective in Note 18(b) and comparative figures adjusted to reflect accurate value of transactions with KMP by a total of \$80,586

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

1.F 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.

The Council pays Payroll Tax to the Queensland Government on certain activities.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Analysis of Results by Function

(a) Components of Council Functions

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

Water, Sewerage and Roads & Related 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. It 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. It 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.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Analysis of Results by Function (continued)

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

Year Ended 30 June 2019

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							
	2019	2019	2019	2019							
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governance	2,518,443	1,165,468	533,824	0	4,217,735	(2,622,075)	(577,495)	(3,199,570)	1,061,836	1,018,166	23,648,874
Community Services	170,300	235,325	554,714	0	960,339	(1,356,213)	0	(1,356,213)	(950,588)	(395,874)	18,771,829
Water Works	0	259,728	0	0	259,728	(258,289)	0	(258,289)	1,440	1,440	5,012,445
Sewerage Works	0	61,852	122,152	0	184,004	(104,858)	0	(104,858)	(43,005)	79,147	3,998,307
Roads and Related Works	1,846,866	6,562,885	3,724,311	0	12,134,062	(10,228,911)	(20,114)	(10,249,025)	(1,819,160)	1,885,038	91,974,664
Environment, Health and Planning	173,428	1,998,265	15,075	0	2,186,767	(2,615,250)		(2,615,250)	(443,558)	(428,483)	23,016,450
Total Council	4,709,037	10,283,524	4,950,076	0	19,942,637	(17,185,596)	(597,609)	(17,783,204)	(2,193,035)	2,159,432	166,422,569

Year Ended 30 June 2018

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							
	2018	2018	2018	2018							
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governance	3,202,148	1,323,591	-	-	4,525,739	(3,063,573)		(3,063,573)	1,462,166	1,462,166	22,856,245
Community Services	271,488	322,866	107,615	-	701,969	(1,398,830)	-	(1,398,830)	(804,476)	(696,862)	17,442,088
Water Works	-	243,722	-	-	243,722	(224,327)	-	(224,327)	19,395	19,395	5,123,902
Sewerage Works	-	68,537	209,738	-	278,275	(83,015)	-	(83,015)	(14,478)	195,260	3,571,069
Roads and Related Works	918,000	7,042,309	2,716,731	-	10,677,040	(10,690,570)	(172,742)	(10,863,312)	(2,730,261)	(186,272)	86,358,440
Environment, Health and Planning	102,110	1,716,165	1,586,390	-	3,404,665	(3,559,732)	-	(3,559,732)	(1,741,457)	(155,067)	23,661,230
Total Council	4,493,747	10,717,188	4,620,474	-	19,831,409	(19,020,046)	(172,742)	(19,192,788)	(3,809,111)	638,621	159,012,973

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2019

	30 June 2019	30 June 2018
	\$	\$

3 Revenue

Revenue is recognised at the fair value of the consideration received or receivable, at the time indicated below.

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

(a) Rates, Levies and Charges

Rates are recognised as revenue at the start of the rating period. If a ratepayer pays their rates before the start of the rating period, they are recognised as revenue when they are received.

General rates	896,884	837,777
Water	259,728	243,603
Sewerage	61,852	68,537
Garbage charges	44,500	60,489
Total rates and utility charge revenue	1,262,964	1,210,406
Less: discounts	(125,172)	(122,600)
Net rates, levies and charges	1,137,791	1,087,806

(b) Interest Received

Interest from rates and charges	22,777	14,415
Interest earned from cash deposits	354,626	309,736
	377,403	324,150

(c) Sales Revenue

Main Roads minor works performance contracts	1,642,017	3,966,097
Main Roads road maintenance performance contracts	4,829,970	2,810,593
Other sales revenue	-	255,604
Net sales revenue	6,471,987	7,032,294

Other sales revenue is recognised as income when it is probable that it will be received and the amount is known, otherwise the amount is recognised upon receipt. Rental revenue is recognised as income on a periodic straight line basis over the lease term.

Other income 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 sales revenue from a number of services including contracts for road and earthworks, which in turn are concentrated on various services and contractual agreements with Main Roads Queensland. 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. 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.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2019

30 June 2019	30 June 2018
\$	\$

4 Grants, Subsidies and Contributions

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them, which is usually upon receipt of funds.

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

(a) Recurrent

State Government subsidies and grants	4,175,213	4,493,747
Commonwealth Government subsidies and grants	533,824	
Total recurrent revenue	<u>4,709,037</u>	<u>4,493,747</u>

(b) Capital

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.

State Government subsidies and grants	3,909,057	3,922,780
Commonwealth Government subsidies and grants	1,041,019	697,694
Total capital revenue	<u>4,950,076</u>	<u>4,620,474</u>
Total for Grants, Subsidies and Contributions	<u>9,659,113</u>	<u>9,114,221</u>

5 Employee Benefits

Total staff wages and salaries	4,137,169	4,339,340
Councillors' remuneration	235,024	229,324
Annual, sick and long service leave entitlements	721,492	519,303
Superannuation	478,974	402,381
	<u>5,572,659</u>	<u>5,490,348</u>
Other employee related expenses	234,048	198,632
	<u>5,806,707</u>	<u>5,688,980</u>
Less: capitalised employee expenses	<u>(429,004)</u>	<u>(653,189)</u>
	<u>5,377,704</u>	<u>5,035,790</u>

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

Total Council employees at the reporting date:

Elected members	5	5
Administration staff	21	19
Depot and outdoors staff	32	35
Total full time equivalent employees	<u>58</u>	<u>59</u>

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2019

	30 June 2019	30 June 2018
	\$	\$
6 Materials and Services		
Advertising and Marketing	468,050	847,516
Audit of annual financial statements by the Auditor-General of Queensland	51,151	49,586
Other audit fees - Internal audit and other services	8,480	17,096
Communication and Information technology	363,732	716,856
Community Services	1,328,954	1,203,397
Donations Paid	114,173	78,305
Contract and Recoverable Works	122,693	166,146
Road Maintenance Services	2,656,011	4,111,583
Other Materials and Services	529,659	372,048
Fleet Services	1,461,393	1,778,106
Infrastructure Services	221,410	367,325
	<u>7,325,707</u>	<u>9,707,964</u>
7 Capital Expenses		
Gain (loss) on the disposal of non-current assets		
Proceeds from the sale or write down of non-current assets	212,300	390,181
Less: book value of non-current assets disposed of	(232,414)	(562,923)
	<u>(20,114)</u>	<u>(172,742)</u>
Revaluation decrement		
Revaluation downwards of Land assets	(577,495)	
	<u>(577,495)</u>	
The downwards revaluation of Land assets amounted to \$993,325 in total. This was firstly offset against the Land Asset Revaluation Reserve which totalled \$415,830 with the remainder offset as per this note to the Statement of Comprehensive Income.		
Total capital expenses	<u>(597,609)</u>	<u>(172,742)</u>

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2019

	30 June 2019	30 June 2018
	\$	\$

8 Cash and Cash Equivalents

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

Cash at bank and on hand	1,794,356	3,664,150
Deposits at call	14,737,566	12,082,582
Balance per Statement of Cash Flows	16,531,923	15,746,732

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

Unspent government grants and subsidies	1,024,524	510,000
Total restricted cash	1,024,524	510,000

Trust funds held for outside parties

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012*, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. Funds held in the trust account on behalf of outside parties include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies (e.g. wages) paid into the trust account by the Council. The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements.

Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities	148,679	138,514
	148,679	138,514

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2019

30 June 2019	30 June 2018
\$	\$

9 Receivables

Receivables are amounts owed to Council at year end. They are recognised as the amounts due at the time of sale or service delivery. Settlement is required within 30 days after the invoice is issued.

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.

If an amount is recovered in a subsequent period it is recognised as revenue.

As Council has the power under the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, Council will only impair rate receivables when outstanding debt exceeds unimproved capital values.

Current

Rateable revenue and utility charges	301,562	286,297
	<u>301,562</u>	<u>286,297</u>
Accrued revenue	26,936	22,138
Other debtors	2,114,095	1,271,049
Less loss allowance	(65,436)	(47,221)
	<u>2,075,595</u>	<u>1,245,965</u>
Prepayments	30,339	839
	<u>2,407,496</u>	<u>1,533,101</u>

Interest is charged on outstanding rates at a rate of 8% per annum decreasing from 11% for the prior year. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable. No interest is charged on other Debtors.

Movement in accumulated impairment losses (trade and other receivables) is as follows:

Opening balance 1 July	47,221	35,091
Adjustment to opening balance upon application of AASB 9*	0	0
Impairment adjustment in period	18,215	12,130
Closing balance 30 June	<u>65,436</u>	<u>47,221</u>

*Council applied AASB 9 for the first time this year. As a result Council calculated the impairment of receivables in accordance with AASB 9 for 2019, using a lifetime expected loss allowance. The opening balance of impairment, as at 1 July 2018, has been recalculated using this new methodology and resulting in an opening balance adjustment of \$nil.

10 Inventories

Current

Inventories held for distribution:

Stores and raw materials	1,069,155	1,111,193
Land held for resale	220,600	224,000
	<u>1,289,755</u>	<u>1,335,193</u>

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.

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 within the next 12 months. Proceeds from the sale of this land will be recognised as sales revenue on the signing of a valid unconditional contract of sale.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2019

11(a) Property, Plant and Equipment

30 June 2019

Basis of Measurement

Fair value category

Asset Values

Opening gross value as at 1 July 2018

Revaluation adj. to Comprehensive Income Statement

Revaluation adj. to Capital Expenses

Additions at cost

Disposals

Transfer between classes

Closing gross value as at 30 June 2019

Note	Land	Buildings	Plant and Equipment	Road, Drainage and Bridge Network	Water Infrastructure	Sewerage Infrastructure	Other Structures	WIP	Total
	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
	Level 2	Level 3		Level 3	Level 3	Level 3	Level 3		
	\$	\$	\$	\$	\$	\$	\$	\$	\$
	4,241,218	44,393,838	15,894,254	95,006,049	7,598,673	4,497,254	21,037,002	561,743	193,230,030
14	(415,830)	-	-	5,576,856	-	-	-	-	5,161,025
7	(577,495)	-	-	-	-	-	-	-	(577,495)
	-	-	1,094,499	-	-	-	-	4,730,339	5,824,838
7	-	-	(343,880)	-	-	-	-	-	(343,880)
	171,807	96,310	-	2,320,231	-	497,652	545,030	(3,631,030)	-
	3,419,700	44,490,148	16,644,873	102,903,135	7,598,673	4,994,906	21,582,032	1,661,052.33	203,294,518

Accumulated Depreciation and Impairment

Opening balance as at 1 July 2018

Depreciation provided in period

Accumulated depreciation on disposals

Accumulated depreciation as at 30 June 2019

Written down value 30 June 2019

	-	12,987,634	7,636,660	24,765,763	2,474,770	926,183	4,041,074	-	52,832,084
	-	813,915	950,554	2,010,432	111,457	70,413	423,859	-	4,380,630
7	-	-	(111,591)	-	-	-	-	-	(111,591)
	-	13,801,549	8,475,623	26,776,195	2,586,227	996,597	4,464,933	-	57,101,123
	3,419,700	30,688,599	8,169,250	76,126,941	5,012,445	3,998,309	17,117,099	1,661,052	146,193,395

Range of estimated useful life in years

Not Depreciated	25-100 yrs	1 - 50 yrs	10 - infinite yrs	20-100 yrs	15-150 yrs	10-150 yrs
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Additions comprise:

Renewals

Other additions

Total additions

\$	\$	\$	\$	\$	\$	\$	\$	\$
-	-	64,265	1,929,188	-	497,651	689,547	-	3,180,651
171,807	96,310	1,036,556	391,043	-	-	948,471	-	2,644,187
171,807	96,310	1,100,821	2,320,231	-	497,651	1,638,018	-	5,824,838

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2019

11(b) Property, Plant & Equipment - prior year

30 June 2018

Basis of Measurement

Fair value category

Asset Values

Opening gross value as at 1 July 2017

Revaluation adjustment to Income Statement

Additions at cost

Disposals

Transfer between classes

Closing gross value as at 30 June 2018

Land	Buildings	Plant and Equipment	Road, Drainage and Bridge Network	Water Infrastructure	Sewerage Infrastructure	Other Structures	WIP	Total
Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
Level 2	Level 3		Level 3	Level 3	Level 3	Level 3		
\$	\$	\$	\$	\$	\$	\$	\$	\$
4,241,218	41,546,250	15,541,377	93,354,379	7,302,879	4,290,704	19,449,913	2,377,644	188,104,365
-	-	-	-	-	-	-	-	-
-	-	1,487,488	-	-	-	-	4,772,792	6,260,280
-	-	(1,134,611)	-	-	-	-	-	(1,134,611)
-	2,847,588	-	1,651,669	295,797	206,550	1,587,088	(6,588,693)	-
4,241,218	44,393,838	15,894,254	95,006,048	7,598,677	4,497,254	21,037,002	561,743	193,230,034

Accumulated Depreciation and Impairment

Opening balance as at 1 July 2017

Depreciation provided in period

Accumulated depreciation on disposals

Accumulated depreciation as at 30 June 2018

-	12,239,914	7,335,072	22,794,989	2,367,519	859,454	3,647,472	-	49,244,421
-	747,720	873,273	1,970,775	107,255	66,731	393,600	-	4,159,354
-	-	(571,686)	-	-	-	-	-	(571,686)
-	12,987,634	7,636,660	24,765,763	2,474,774	926,185	4,041,072	-	52,832,089

Written down value 30 June 2018

4,241,218	31,406,204	8,257,595	70,240,285	5,123,902	3,571,069	16,995,929	561,743	140,397,946
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Range of estimated useful life in years

Not Depreciated	25-100 yrs	1 - 50 yrs	10 - infinite yrs	20-100 yrs	15-150 yrs	10-150 yrs
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DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2019

11 Property, Plant and Equipment (continued)

(c) Recognition

Plant and equipment with a total value of less than \$5,000, and infrastructure assets (road, stormwater, bridge, water and sewerage assets), other structures 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.

Replacement of a major component of an asset, in order to maintain its service potential, is treated as the acquisition of a new asset. However, 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.

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 officers 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 rebuild of the full width of the road is treated as capital. Material expenditure that extends the useful life or renews the service potential of the asset is capitalised.

Land under the roads and reserve land which falls under the *Land Act 1994* or the *Land Title Act 1994* is controlled by the Queensland Government pursuant to the relevant legislation. This land is not recognised in these financial statements.

(d) Measurement

Property, plant and equipment assets are initially recorded at cost. Subsequently, each class of property, plant and equipment is stated at cost or fair value (as shown in the table above) less, where applicable, any accumulated depreciation and accumulated impairment loss.

Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including inwards freight, architect's fees and engineering design fees and all other establishment costs. Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of assets are also included in their cost.

(e) Depreciation

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

Land 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.

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

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2019

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The condition assessments performed as part of Council's asset management processes, for assets measured at depreciated current replacement cost may be used to estimate the useful lives of these assets at each reporting date.

(f) Impairment

Property, plant and equipment is assessed for indicators of impairment annually. If an indicator of possible impairment exists, Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

(g) Capital work in progress

The cost of property, plant and equipment being constructed by Council includes the cost of purchased services, materials, direct labour and an appropriate portion of labour on-costs.

(h) Valuation

(i) Valuation Processes

Council's valuation policies and procedures are set by the executive management team which comprises the Chief Executive Officer and the Deputy Chief Executive Officer. They are reviewed annually taking into consideration an analysis of movements in fair value and other relevant information.

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by engaging professionally qualified external valuers or suitably qualified internal staff to determine the fair value for each class of property, plant and equipment assets at least once every 5 years. This process may involve physically sighting a representative sample of Council's assets and making assessments of the condition of the assets at the date of inspection.

In the intervening years, Council will assess the assets by utilising a combination of internal and external sources of information, as appropriate, in a structured manner in order to determine if there has been any potential material movement in the fair value of assets. Where movement is indicated the relevant assets will be revalued by indexation or do a desktop valuation as appropriate.

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

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

There have been no transfers between level 1 and 2 or between level 2 and 3 during the year.

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2019

(ii) Valuation techniques used to derive fair values

Land (level 2 & 3)

Land fair values at 30 June 2019 are as determined by independent valuers AssetVal Pty Ltd effective 30th June 2019. 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 as market evidence is very limited.

	2019	2018
Land	\$	\$
• Observable market - (level 2)	3,419,700	4,241,218
• No observable market - (level 3)	-	-
Total	3,419,700	4,241,218

Buildings (level 3)

The fair value of buildings were determined by independent valuer, Australis Asset Advisory Group, Registered Valuer, as at 30 June 2017. They also performed an indices assessment of this asset class with effective date 30 June 2019 which found no cumulative material movement in value, and as a result no valuation adjustment was undertaken.

As there is very limited market evidence for building inputs, valuation requires significant professional judgement from the valuers. The most significant inputs into this valuation approach was the price per square metre. 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 cost with a modern equivalent asset having similar service potential.

In determining the level of accumulated depreciation the asset has been disaggregated into significant components which exhibit different useful lives. Condition was assessed taking into account both physical characteristics, age, recent repairs or capital works, as well as factors such as functionality, capability, utilisation and obsolescence. Estimates of expired service potential and remaining useful lives were determined on a straight line basis.

	2019	2018
Buildings	\$	\$
• No observable market - (level 3)	30,688,599	31,406,204
Total	30,688,599	31,406,204

Other Structures (level 3)

The fair value of other structures were determined by Australis Asset Advisory Group, Registered Valuer, as at 30 June 2017, at current replacement cost. An indices assessment was also undertaken by Australis Asset Advisory Group as at 30 June 2019 which found no material cumulative movements in value, and as a result no valuation adjustment was undertaken.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2019

Where other structure assets 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. The unit rates (labour and materials) and quantities applied to determine the current replacement cost (CRC) of an asset are based on the full replacement cost, including components that may not need to be replaced. The unit rates were derived from valuer databases and cost curves, scheduled rates for construction of assets or similar assets, published cost guides and supplier quotations and calibrated where applicable. Valuation rates (replacement costs) also allowed for project overheads including survey, environmental and investigation costs, engineering design, planning, and project management.

In determining the level of accumulated depreciation, the asset has been disaggregated into significant components which exhibit different useful lives. Allowance has been made for the consumed or expired future economic benefits of the asset by reference to the useful life and condition of the asset.

Infrastructure assets

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.

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 the 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" or " Incremental Greenfield" assumption for valuations, 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 current replacement cost was determined using methods relevant to the asset class as described under individual asset categories below.

Road and Stormwater network (level 3)

The fair value of the road and stormwater network assets were determined by Australis Asset Advisory Group, Registered Valuer, as at 30 June 2017, at current replacement cost. An indices assessment was also undertaken by Australis Asset Advisory Group as at 30 June 2019 which found cumulative material movements in value (5.87% equating to \$5,576,885), and as a result a respective valuation adjustment was applied.

Council categorises its road and stormwater infrastructure into road and street networks. All assets are then componentised into formation, pavement, seal, kerb & channels and floodways (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each road or street. Council also assumes an asset 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.

In determining the level of accumulated depreciation, the road and stormwater network 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.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2019

Water and Sewerage (level 3)

The fair value of water and sewerage assets were determined by Australis Asset Advisory Group, Registered Valuer, as at 30 June 2017, at current replacement cost. An indices assessment was also undertaken by Australis Asset Advisory Group as at 30 June 2019 which found no cumulative material movements in value, and as a result no valuation adjustment was undertaken.

The water and sewer assets are segregated into active and passive assets. For passive assets (water and sewer mains; water meters) unit rates were applied based on similar recent project costs, unit rate databases, indices, Rawlinson's construction rates and other comparisons. The active assets of treatment, pumping and storage assets were componentised and valued independently, with allowances for complexity, size, function and site factors. Valued cost allowed for project overheads including survey, environmental and investigation costs, engineering design, planning and project management.

In determining the level of accumulated depreciation, the road and stormwater network 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.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements For the Year Ended 30 June 2019

	30 June 2019	30 June 2018
	\$	\$

12 Trade and Other Payables

Creditors are recognised upon receipt of the goods or services ordered as the amount owed. Amounts owing are unsecured and are generally settled on 30 day terms.

Liabilities are recognised for employee benefits such as wages and salaries, sick, annual and long service leave in respect of services provided by the employees up to the reporting date. The liability is calculated using the present value of remuneration rates that will be paid when the liability is expected to be settled and includes related on-costs.

As Council does not have an unconditional right to defer settlement of annual leave beyond 12 months, annual leave is classified as a current liability.

Current

Creditors and accruals	1,256,646	1,066,751
Annual leave	337,978	333,159
	<u>1,594,624</u>	<u>1,399,910</u>

13 Borrowings

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these liabilities are measured at amortised cost at date of reporting. Principal and interest repayments are made quarterly in arrears.

All borrowings are in Australian dollar denominated amounts and carried at amortised cost, interest being expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary between 15 June 2022 to 16 June 2036. There have been no defaults or breaches of the loan agreement during the period.

In accordance with the *Local Government Regulation 2012* Council adopts an annual debt policy that sets out Council's planned borrowings for the next ten 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.

Current

Loans Queensland Treasury Corporation	195,185	188,243
	<u>195,185</u>	<u>188,243</u>

Non-Current

Loans Queensland Treasury Corporation	2,189,752	2,381,710
	<u>2,189,752</u>	<u>2,381,710</u>

Queensland Treasury Corporation

Opening balance	2,569,954	2,829,659
Principal repayments	(185,017)	(259,706)
Book value at period end	<u>2,384,937</u>	<u>2,569,954</u>

The QTC loan market value at the reporting date was \$2,553,428. 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.

Unsecured borrowings are provided by the Queensland Treasury Corporation.

The Council does not have a bank overdraft facility.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2019

14 Asset Revaluation Surplus

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

Increases and decreases on revaluation are offset within a class of assets. Where a class of assets is decreased on revaluation, that decrease is offset first against the amount remaining in the asset revaluation surplus in respect of that class. Any excess is treated as an expense. This happened to the Land asset class during this financial year where the total revaluation decrement exceeded the Land revaluation reserve. The excess amount was expensed as per Note 7.

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

Movements in the asset revaluation surplus were as follows:

	Balance 1 July 2018	Increases / (Decreases)	Balance 30 June 2019	Balance 30 June 2018
The closing balance of the asset revaluation surplus is comprised of the following asset classes:				
Land	415,830	(415,830)	-	415,830
Buildings	10,445,905	-	10,445,905	10,445,905
Other Structures	4,938,456	-	4,938,456	4,938,456
Road, drainage and bridge network	49,985,375	5,576,856	55,562,231	49,985,375
Water	1,982,970	-	1,982,970	1,982,970
Sewerage	2,055,107	-	2,055,107	2,055,107
	<u>69,823,643</u>	<u>5,161,026</u>	<u>74,984,669</u>	<u>69,823,643</u>

15 Commitments For Expenditure

Contractual commitments

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

Swimming pools and sport facilities	-	162,423
Other community and depot facilities including management services	439,305	57,882
Information Technology and Accounting and Management System	147,400	200,000
Asset management	87,762	-
Plant acquisitions	714,142	-
Water infrastructure	<u>1,213,658</u>	<u>-</u>
	<u>2,602,267</u>	<u>420,305</u>

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements For the Year Ended 30 June 2019

16 Contingent Liabilities

Details and estimates of maximum amounts of contingencies and agreements 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 2019 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 \$155,848.

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. It would not be practical to make an assessment of the potential financial impact of this contingent liability as any future liability would be dependent on the market value of the property at the time of disposal to the council.

17 Superannuation

Council contributes to the LGIASuper Regional Defined Benefits Fund (the scheme), at the rate of 12% for each permanent employee who is a defined benefit member. This rate is set in accordance with the LGIASuper trust deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the Local Government Act 2009.

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

Any amount by which the scheme is over or under funded may affect future benefits and result in a change to the contribution rate, but has not been recognised as an asset or liability of the Council.

Technically Diamantina Shire Council can be liable to the scheme for a portion of another local governments' obligations should that local government be unable to meet them. However the risk of this occurring is extremely low and in accordance with the LGIASuper trust deed changes to council's obligations will only be made on the advice of an actuary.

The last completed actuarial assessment of the scheme was undertaken as at 1 July 2018. The actuary indicated that "At the valuation date of 1 July 2018, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

No changes have been made to prescribed employer contributions which remain at 12% of employee assets and there are no known requirements to change the rate of contributions.

The next triennial review is not due until 1 July 2021.

The most significant risks that may result in LGIASuper increasing the contribution rate, on the advice of the actuary, are:

Investment risk - The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.

Salary growth risk - The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements For the Year Ended 30 June 2019

There are currently 72 councils contributing to the Regional Defined Benefits Fund plan and any changes in contribution rates would apply to all 72 councils. Diamantina Shire Council made less than 4% of the total contributions to the plan in the 2018-2019 financial year.

		30 June 2019	30 June 2018
	Note	\$	\$
The amount of superannuation contributions paid by Diamantina Shire Council to the superannuation scheme in this period for the benefit of employees was:	5	478,974	402,381

18 Transactions with Related Parties

Council did not have any subsidiaries, transactions with associates or transactions with joint ventures.

(a) Transactions with key management personnel (KMP)

KMP include the Mayor, Councillors, Council's Chief Executive Officer, Deputy Chief Executive Officer, Infrastructure Manager and Tourism and Events Manager. The compensation paid to KMP for 2018/19 comprises:

Short-term employee benefits	1,040,689	736,606
Post-employment benefits	97,037	72,200
Long-term benefits	22,286	10,045
	<u>1,160,011</u>	<u>818,851</u>

(b) Transactions with other related parties

Other related parties include the close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members. Close family members include a spouse, child and dependent of a KMP or their spouse. Details of transactions between Council and other related parties are disclosed below.

(i) All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with the Award for the job they perform. The council employs 58 staff of which 4 are close family members of key management personnel.

Employee expenses for close family member of key management personnel (4 employees)	126,111	90,275
Purchases of materials and services from other related parties	91,430	22,623
	<u>217,540</u>	<u>112,898</u>

(ii) The Council purchased the following material and services from entities that are controlled by members of key management personnel. All purchases were at arm's length and were in the normal course of council operations:

Details of materials and services purchased

Transport services	12,708	-
Accounting and information technology consulting	23,238	15,840
Cleaning services	1,218	2,610
Tours sold at a commission on behalf of local touring supply entity	54,266	4,173
	<u>91,430</u>	<u>22,623</u>

(c) Transactions with related parties

Purchases of goods and materials from an entity managed by key management personnel or related party of KMP

119,597	129,364
<u>119,597</u>	<u>129,364</u>

All purchases were at arm's length, on normal terms and conditions and were in the normal course of council's operations.

(d) Outstanding balances

There were no material balances outstanding at the end of the reporting period in relation to transactions with related parties.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements For the Year Ended 30 June 2019

	30 June 2019	30 June 2018
	\$	\$
19 Reconciliation of Net Result for the Year to Net Cash Inflow (Outflow) From Operating Activities		
Net result	2,159,432	638,621
Non-cash items:		
Depreciation	4,380,630	4,159,354
Land revaluation decrement	577,495	
Investing and development activities :		
Net loss on disposal of plant and equipment	20,114	172,742
Capital grants and contributions	(4,950,076)	(4,620,474)
	<u>(4,929,962)</u>	<u>(4,447,732)</u>
Changes in operating assets and liabilities :		
Increase in receivables	(874,395)	(514,154)
Decrease in inventory	45,438	216,833
Increase in payables	194,714	49,823
Increase / (decrease) in provisions	79,316	(52,637)
	<u>(554,927)</u>	<u>(300,135)</u>
Net cash inflow from operating activities	<u><u>1,632,669</u></u>	<u><u>50,109</u></u>

20 Events after the Reporting Period

There were no material adjusting events after reporting date.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2019

21 Financial Instruments

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

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

The Council minimised its exposure to financial risk in the following ways:

- Investments in financial assets are only made where those assets are with a bank or other financial institution in Australia.
- The Council does not invest in derivatives or other high risk investments.
- When the Council borrows, it borrows from the Queensland Treasury Corporation (QTC) unless another financial institution can offer a more beneficial rate, taking into account any risk. Borrowing by the Council is constrained by the provisions of the Statutory Bodies Financial Agreements Act 1982.

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

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

Credit Risk

Credit risk exposure refers to the situation where the Council may incur financial loss as a result of another party to a financial instrument failing to discharge their obligations.

In the case of rate receivables, the Council has the power to sell the property to recover any defaulted amounts. In effect this power protects the Council against credit risk in the case of these debts.

In other cases, the Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

The Council is exposed to credit risk through its investments with the QTC and deposits held with banks or other financial institutions. The QTC Cash Fund is an asset management portfolio that invests with a wide variety of high credit rating counterparties. Deposits are capital guaranteed. Other investments are held with highly rated and regulated banks and whilst not capital guaranteed, the likelihood of a credit failure is remote.

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

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

The following table represents the Council's maximum exposure to credit risk:

	Note	2019 \$	2018 \$
Financial assets			
Cash and cash equivalents	8	16,531,923	15,746,732
Receivables - rates	9	301,562	286,297
Receivables - other	9	2,114,095	1,271,049
Other financial assets	9	26,936	22,138
Total		18,974,515	17,326,216

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2019

Past, due or impaired

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

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

	2019	2018
	\$	\$
Fully Performing	1,529,570	1,217,021
Past due 31-60 days	3,378	6,104
Past due 61-90 days	1,145	2,986
More than 90 days	908,500	353,372
Impaired	(65,436)	(47,221)
Total	2,377,157	1,532,263

Liquidity Risk

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

The Council manages its exposure to liquidity risk by maintaining sufficient undrawn facilities, both short and long term, to cater for unexpected volatility in cash flow. These facilities are disclosed in the borrowings note 13. There are no additional facilities or lines of credit available.

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

	0 to 1 year	1 to 5 years	Over 5 years	Total Contractual Cash Flows	Carrying Amount
	\$	\$	\$	\$	\$
2019					
Trade and Other Payables	1,594,624	-	-	1,594,624	1,594,624
Loans QTC	268,357	878,735	1,848,523	2,995,614	2,384,937
	1,862,981	878,735	1,848,523	4,590,238	3,979,561
2018					
Trade and Other Payables	1,399,910	-	-	1,399,910	1,399,910
Loans QTC	268,357	993,047	2,002,567	3,263,971	2,569,954
Totals	1,668,267	993,047	2,002,567	4,663,882	3,969,864

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

Interest rate risk

The Council is exposed to interest rate risk through its borrowings from the QTC and investments held with financial institutions.

The risk in borrowing is effectively managed by borrowing from financial institutions which provide access to a mix of floating and fixed funding sources such that the desired interest rate risk exposure can be constructed. Interest rate risk in other areas is minimal.

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

DIAMANTINA SHIRE COUNCIL

ANNUAL FINANCIAL STATEMENTS

For the Year Ended 30 June 2019

MANAGEMENT CERTIFICATE

For the Year Ended 30 June 2019

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 1 to 29, present a true and fair view, in accordance with the Australian Accounting Standards, of the Council's transaction for the financial year and financial position at the end of the year.

Mayor

Geoff Morton

Date: 16 / 9 / 19

Chief Executive Officer

Leon Love

Date: 16 / 9 / 19

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Diamantina Shire Council

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Diamantina Shire Council (the council).

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2019, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the management certificate given by the Mayor and the Chief Executive Officer.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

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

Other information

Other information comprises the information included in Diamantina Shire Council's annual report for the year ended 30 June 2019, but does not include the financial report and my auditor's report thereon. At the date of this auditor's report, the other information was the current year financial sustainability statement and long-term financial sustainability statement.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the current year financial sustainability statement.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the council for the financial report

The council is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards, and for such internal control as the council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The council is also responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the council or to otherwise cease operations of the council.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.

- Conclude on the appropriateness of the council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2019:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.



25 September 2019

Carolyn Dougherty
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

DIAMANTINA SHIRE COUNCIL

Current Year Financial Sustainability Statement

For the Year Ended 30 June 2019

Measures of Financial Sustainability - How the measure is calculated		Actual	Target
Council's Performance at 30 June 2019 against any key financial ratio's and targets:			
Operating Surplus Ratio	Net Result (excluding capital items) divided by total operating revenue (excluding capital items)	(14.6)%	Between 0% and 10%
Asset Sustainability Ratio	Capital Expenditure on the replacement of assets (Renewals) divided by depreciation expense	90.9%	Greater than 90%
Net Financial Liabilities Ratio	Total liabilities less current assets divided by total operating revenue (Excluding Capital Items)	(106.9)%	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 2019.

CERTIFICATE OF ACCURACY For the year ended 30th June 2019


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

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



Mayor
Geoff Morton

Date: 16 / 9 / 19



Chief Executive Officer
Leon Love

Date: 16 / 9 / 19

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Diamantina Shire Council

Report on the current year financial sustainability statement

Opinion

I have audited the accompanying current year financial sustainability statement of Diamantina Shire Council (the council) for the year ended 30 June 2019 comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with section 212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Diamantina Shire Council for the year ended 30 June 2019 has been accurately calculated.

Basis of opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the current year financial sustainability statement* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the statement in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

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

Emphasis of matter – basis of accounting

I draw attention to Note 1 which describes the basis of accounting. The current year financial sustainability statement has been prepared in accordance with the Financial Management (Sustainability) Guideline 2013 for the purpose of fulfilling the council's reporting responsibilities under the Local Government Regulation 2012. As a result, the statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Other Information

Other information comprises the information included in Diamantina Shire Council's annual report for the year ended 30 June 2019, but does not include the current year financial sustainability statement and my auditor's report thereon. At the date of this auditor's report, the other information was the general purpose financial statements, the long-term financial and sustainability statement.

My opinion on the current year financial sustainability statement does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the general purpose financial report.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the council for the current year financial sustainability statement

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

Auditor's responsibilities for the audit of the current year financial sustainability statement

My objectives are to obtain reasonable assurance about whether the current year financial sustainability statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement.

My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the council's future sustainability.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



25 September 2019

Carolyn Dougherty
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Unaudited Long Term Financial Sustainability Statement
Prepared as at 30 June 2019

Measures of Financial Sustainability	How the Measure is Calculated	Target	Actual	Projected for the years ended									
			30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029
Operating Surplus Ratio	Net Result (excluding capital items) divided by total operating revenue (excluding capital items)	Between 0% and 10%	(14.6)%	(14.2)%	(3.9)%	(3.3)%	(2.7)%	(2.4)%	(2.1)%	(1.9)%	(1.7)%	(1.7)%	(1.4)%
Asset Sustainability Ratio	Capital Expenditure on the replacement of assets (Renewals) divided by depreciation expense	Greater than 90%	90.9%	179.0%	80.3%	82.4%	84.2%	85.9%	87.4%	88.5%	89.4%	87.2%	88.0%
Net Financial Liabilities Ratio	Total liabilities less current assets divided by total operating revenue (Excluding Capital Items)	Not Greater than 60%	(106.9)%	(49.6)%	(51.3)%	(50.5)%	(49.7)%	(49.1)%	(48.9)%	(48.9)%	(48.9)%	(50.6)%	(52.4)%

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 2019

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

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

Mayor
Geoff Morton

Chief Executive Officer
Leon Love

Date: 16 / 9 / 19

Date: 16 / 9 / 19