

# Annual Report 2016/17



SUSTAINABLY DEVELOPING THE OUTBACK







## *About this Report*

This Annual Report of the Diamantina Shire Council is for the period 1 July 2016 to 30 June 2017

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 1202 or by visiting Council's website at [www.diamantina.qld.gov.au](http://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

# *Contents*

A Message from our Mayor	4
A Message from our CEO	5
Our Vision, Mission, Goals and Values	6
2016-17 Highlights	7
Community Financial Report	8
Our Shire	13
Our Council	15
Our People	18
Our Community	21
Our Goals	24
Compliance Reporting	34
Financial Statements	37



# A Message from our Mayor

The year 2016/17 started out as a challenging one, both financially and physically, but as the year progressed things did improve with a number of 'firsts'.

It was a very historic year with Diamantina joining the 21<sup>st</sup> century when Bedourie and Birdsville were connected by optic fibre to the rest of the world and Bedourie got mobile phones coverage. This was the culmination of a project put together by Diamantina and Barcoo shires, with the help of Telstra, which took some 12 years to bring to fruition. Funding for the project was a partnership between Diamantina and Barcoo Shires, Telstra, Federal Government and the Queensland Government. It is very refreshing to see so many tiers of government working together for a common good. There were many people involved in the project, too many to mention, and I thank them for their hard work over many years.

The year was also historic for the fact that Bedourie was finally linked to the north by a bitumen sealed road with the completion of the 'missing link' at Marion Downs Station. This will bring huge economic and social benefits to the Shire.

During the year we had our fair share of dignitaries visit. The Prime Minister, Malcom Turnbull, did a flying visit along with Senator Nash and our federal member David Littleproud to inspect the laying of optic fibre cable. Then on Melbourne Cup day, the Queensland Governor, Paul de Jersey with wife Kaye, came to both Bedourie and Birdsville.

Diamantina was also successful with some awards during the year. At the Outback Qld Tourism Association Awards, Diamantina was 2<sup>nd</sup> in the Local Government Award for Tourism and received the Award for Best Accredited Visitor Centre. With the Barcoo Shire, we won the Award for Excellence in Community Shaping for the Optic Fibre project from the Local Government Managers Association (Qld).

Council also launched the book 'Diamantina Remembers', published to highlight the local men and women from the shire who volunteered for service during the first World War. We as a nation should never forget those who went to fight for King and Country, many of whom did not return.

Some of the projects the shire completed or commenced in the year included: the Birdsville Lodge Accommodation \$2.8M, upgrading of the caravan park and public showers \$2.1M, started the Bedourie pool refurbishment \$1.4M, finished stage 2 of the Birdsville Streetscape. Out on the roads the shire did a \$700,000 realignment of the Bedourie-Windorah road around Number 3 bore, sealed the dirt section at Devils Grid on the Birdsville-Bedourie road, and spent \$1.8M sealing an 8km section of the Big Red Road.

We were also fortunate enough to receive \$1.1M for Work for Queensland project, which was allocated upgrading and repairing roads in the northern part of the shire and installing a columbarium at both town cemeteries. NDRRA was approved for damaged sustained to assets in 2016 totalling \$3.6M of which \$2.2M was spent on the Adria Downs Road.

2016 saw one of the wettest winters on record which played havoc with both council's works program and our social calendar. Following on from having the Big Red Bash shifted to Birdsville due to wet weather, all three race meetings were affected or put in doubt due to rain. The resilience shown by the council staff and clubs was remarkable and it is a credit to them that they all went off without too much disruption. The wet weather put all our works programs back so some of the things planned were postponed, but rain does everyone some good in the end, including graziers, tourism industry and council. I for one would never complain about too much rain. All in all Diamantina had a full, eventful and busy year, and we came out of the year on a good footing.



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

Geoff Morton  
Mayor





# A Message from our CEO

I am pleased to provide a report on Councils operations for the 2016/17 financial year.

Council's primary focus has been to ensure its core operations are delivered whilst finalising some bigger construction projects. This has been made possible through significant grants and subsidies being provided by governments to undertake these projects. Whilst Councils financial position is sound, it will always depend upon significant ongoing financial support from external sources. I would like to thank the Queensland and Australian governments for their ongoing funding support across various departments. The support and understanding of their staff is appreciated.

A small restructure to the Council staff structure during the year realigned it with the council priorities in the areas of infrastructure and tourism. Staff turnover and the recruitment of suitably skilled and experienced staff continues to be an issue for Council. This year, Deputy Chief Executive Officer, Tony Beynon, Assets and Project Services Coordinator, Harin Karra and Tourism Coordinator, Barbara Mason all departed with Jessica Greenaway commencing in the role of Tourism and Events Manager in June. We did fill a number of positions in our finance and administration teams, particularly stores and payroll, stabilising this area. Of the 55 FTE employees, only 30 of them had been with council for more than 1 year. This will continue to be an ongoing issue however, I am confident that vacancies in senior roles will fill in due course.

This year has highlighted the great skills and determination of our council staff under trying conditions. Roadwork crews have completed 14km of new bitumen road and many kilometres of gravel sheeting and grading. Our multi-skill crew renewed and constructed kerb and channel, footpaths, signage and many more. Our facilities crew spent many hot months putting in and connecting underground services in the Birdsville Lodge and Birdsville Caravan Park projects. Parks staff have improved the liveability and appearance of our towns and often fly under the radar. Our workshop staff have kept our machinery on the road involving many km of travel. . Administration staff have been involved in the procurement of a new Business Enterprise System which will be implemented in March 2018. This will result in significant efficiencies over time across the organisation as we embrace our new digital age. Tourism staff have again provided great customer service to the thousands of visitors who flock to our area. Council staff have never done many of these projects and their enthusiasm to give it a go is commendable.

This year all Council assets, excluding land were revalued in accordance with relevant legislation and accounting standards. This was a mammoth job and thanks go to Gerhard van der Walt of Mead Perry Group for his tireless dedication to this task. His efforts in this area and in the preparation of the annual financial statements saw little rework required to get the tick off from the Qld Audit Office. This work now underpins our desire to implement asset management plans for all asset classes.

I would like to thank the Mayor and Councillors for their support during the year, of not only me, but of all employees in general. They are passionate about the Diamantina Shire and their enthusiasm is infectious. This is evident in the great community events that are held in the shire each year, well supported by locals and businesses. It is a feather in the cap of the event organisers to pull together well run events with the help of some enthusiastic volunteers.

This Annual Report highlights Councils commitment to being a responsible, transparent and forward thinking organisation that is working hard for its community and I commend it to you.



Diamantina Shire Council Annual Report 16/17





# 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.

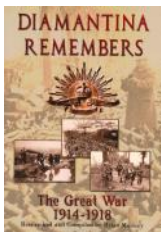


*Right—4G mobile tower being erected in Bedourie June 2017*





# 2016-17 Highlights



## Diamantina Remembers Launch

On ANZAC Day 2017 Council launched *Diamantina Remembers*, a book telling the story of those from the shire who enlisted in The Great War 1914—1918 and their families.

## Optic Fibre & 4G Mobile

After 12 years of hard work and lobbying by both Barcoo and



Diamantina Shire Council's, funding for the Optic Fibre project was finalised and Telstra began work laying the cable. Council's determination and financial commitment has been instrumental in getting this project off the ground.

## Mobile Phones in Bedourie

In May 2017 mobile phones were turned on for the first time in Bedourie.



## OQTA Award

Cr Steve Cramer, Cr Bev Maunsell and Barb Mason, Tourism Coordinator accepted the Local Government Award for Tourism.

## Birdsville Lodge

In May 2017 the Birdsville Lodge opened its doors for business.



## Birdsville Streetscape



Work continued this year on completing the Birdsville Streetscape.

## Big Red Road Overtaking Opportunity

Completed in June 2017, this pave and seal project improves visibility and safety on 8km of the highly trafficked road to the Simpson Desert and Big Red Sandhill.



## Eyre Development Road Devils Grid Pave & Seal

This project sealed a notorious 6.8km section of rough gravel road between Birdsville and Bedourie.

## Safety



In April, Council achieved 70.1% in our Local Government Safety Audit which saw us retain accreditation with the Department of Transport and Main Roads. Traffic Management Registration scheme until 2019. It also demonstrates Council's commitment to employee safety.

## Bitumen Road to Bedourie

With the sealing of the Marion Downs missing link, Bedourie has a sealed road to Boulia.





# 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

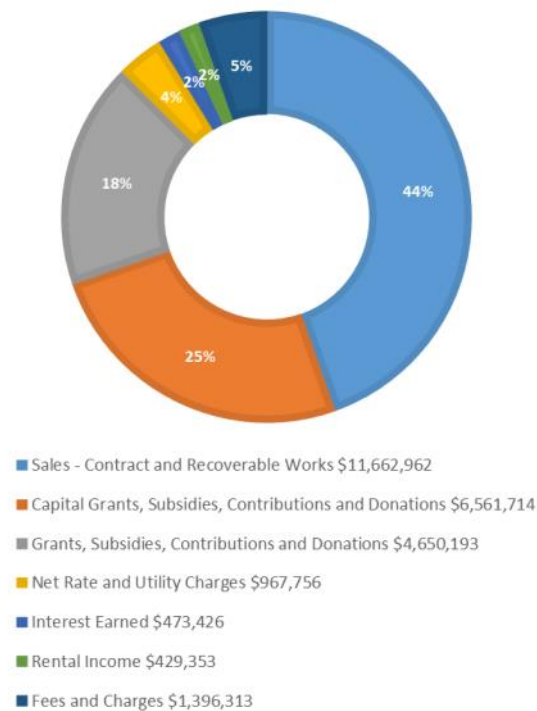
## Statement of Comprehensive Income

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:

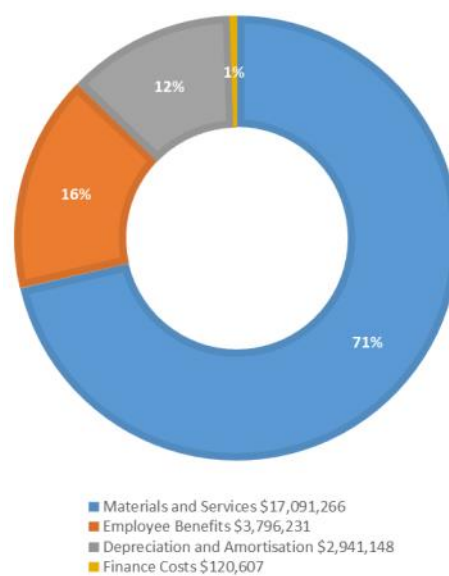
	\$
<b>What we have earned (revenue)</b>	
Recurrent Revenue	19,732,045
Capital Revenue	6,561,714
<b>Total Revenue</b>	26,293,759
<b>What we have spent (expenses)</b>	
Recurrent Expenses	23,949,252
Capital Expenses	54,291
<b>Total Expenses</b>	24,003,543
<b>Net Result</b>	2,290,216

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.

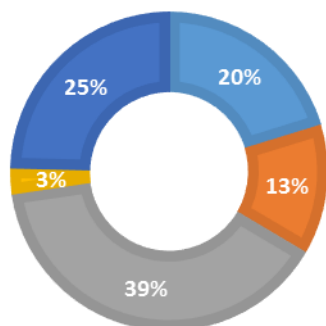
### What do we own

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

What do our assets consist of?	%	\$
Cash and cash equivalents		17,205,954
Trade and other receivables		1,018,948
Inventories		1,552,027
Property, plant and equipment		138,859,943
<b>TOTAL ASSETS</b>		<b>158,636,871</b>

### 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 \$9,806,778 to renew, upgrade and build new assets for the community. The graph below shows how the money was spent in



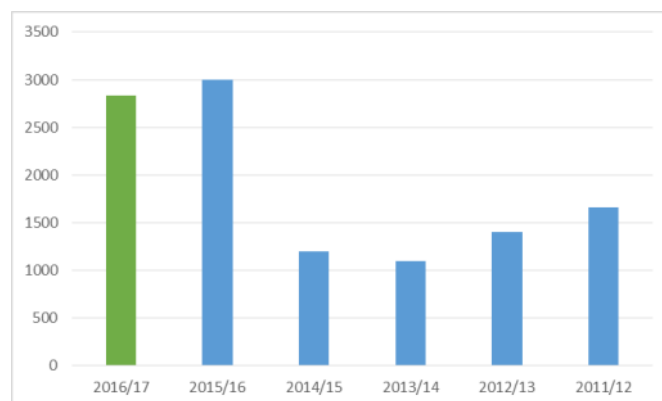
different asset classes.

### What do we owe

With debt repayments amounting to \$246,826 for the year, Council's debt at June 30, 2017 totalled \$2,829,659. 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		1,438,654
Borrowings		2,829,659
Provisions		114,566
<b>TOTAL LIABILITIES</b>		<b>4,382,879</b>

Changes in Council debt over the last six years:



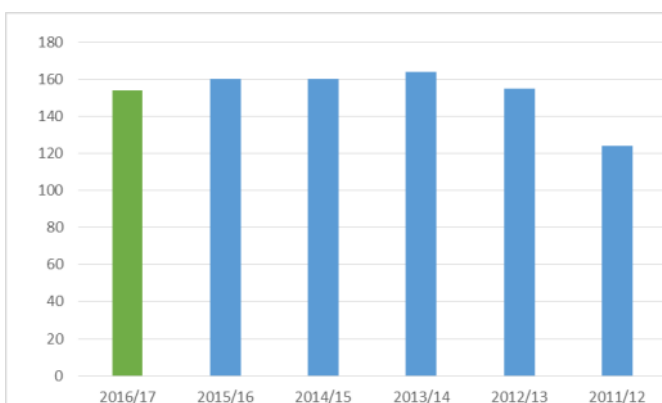


# Community Financial Report

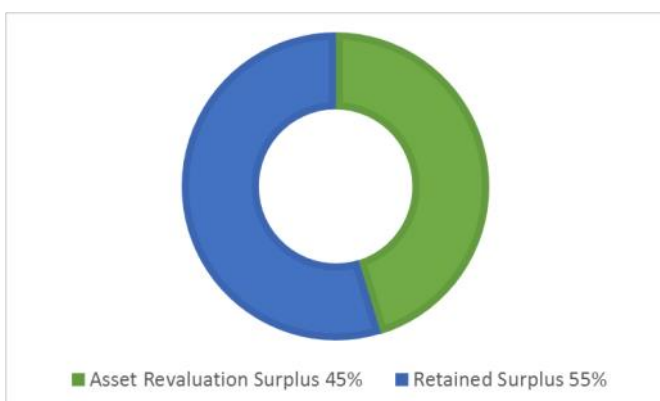
## Statement of Changes in Equity

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 2017 this was an amount of \$154M (ie Assets \$158M 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 show in the graph below.



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 \$17,205,954 it is important to note that \$1,228,086 is restricted as reserves for specific purposes, such as future capital works.

Cash at Beginning	\$20,565,823
Inflow from Operating Activities	(\$369,899)
Inflow from Investing Activities	(\$2,743,144)
Inflow from Financing Activities	(246,826)
CASH AT END	\$17,205,954

## 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:

$$\frac{\text{Capital Expenditure on Replacement of Assets (Renewals)}}{\text{Depreciation Expenditure}}$$

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.



# Community Financial Report

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 treatment plants; roads, bridges and drainage; buildings and land improvements; landfills and dump sites; parks, gardens, pools and sporting fields; airports, and other community assets.

We are consistently reaching our target ratio of greater than 90%, indicating we are sufficiently maintaining, replacing or renewing our existing infrastructure.



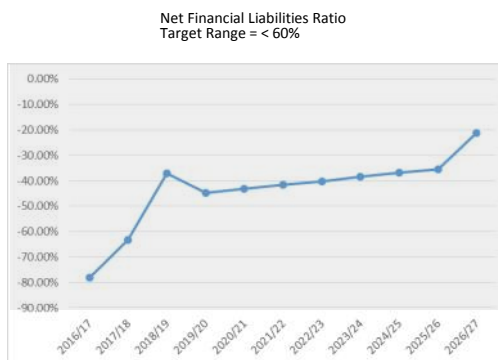
## Net Financial Liabilities Ratio

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:

$$\frac{\text{Total Liabilities} - \text{Current Assets}}{\text{Total Operating Revenue (excluding Capital Items)}}$$

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.

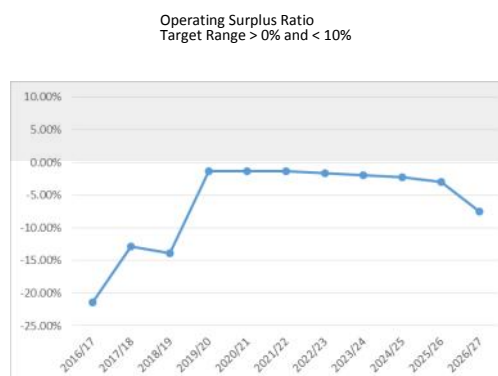


## Operating Surplus Ratio

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:

$$\frac{\text{Operating Result or Net Result (excluding Capital Items)}}{\text{Total Operating Revenue (excluding Capital Items)}}$$

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.





# Community Financial Report

## Five Years at a Glance – A Financial Snapshot

Financial Year	2016/17	2015/16	2014/15	2013/14	2012/13
Net Rate & Charges	\$967,756	\$918,693	\$862,850	\$765,431	\$736,162
Total Revenue	\$26,293,759	\$21,688,940	\$19,654,954	\$36,518,634	\$59,948,958
Total Expenses	\$24,003,543	\$22,010,719	\$21,680,276	\$26,871,054	\$36,077,198
Net Result	2,290,216	(\$321,779)	(\$2,025,322)	\$9,647,580	\$23,871,759
Capital Additions	\$9,733,792	\$4,913,147	\$2,926,315	\$14,963,063	\$16,244,524
Debt Repayment	\$246,826	\$428,338	\$348,560	\$332,874	\$313,649
Loan Balance	\$2,829,659	\$3,076,485	\$1,169,493	\$1,085,552	\$1,418,426
Total Assets	\$158,636,871	\$163,865,117	\$162,345,130	\$164,034,545	\$156,032,411
Total Liabilities	\$4,382,880	\$4,209,451	\$2,367,686	\$2,031,779	\$3,223,475
Total Equity	\$154,253,992	\$159,655,666	\$159,977,444	\$162,002,766	\$152,808,936
Reserves	\$1,228,086	\$3,135,874	\$3,135,874	\$3,135,874	\$2,030,814
Depreciation Expense	\$2,941,148	\$2,963,034	\$2,933,130	\$2,998,665	\$3,201,463

### Summary

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



# Our Shire

## Our Location

The Diamantina Shire covers almost 95,000 km<sup>2</sup>, 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.

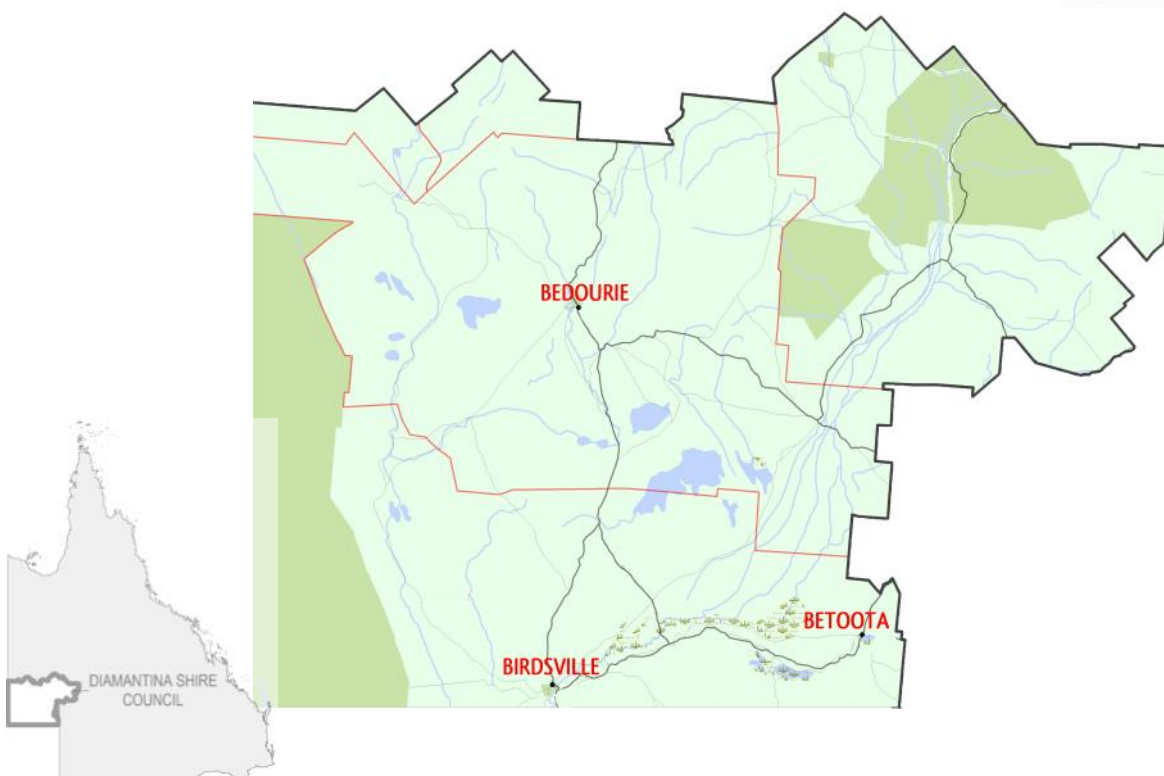
Some years later in 1886, the river was rediscovered and renamed the Diamantina by William Landsborough, thereby honouring Lady Diamantina Roma Bowen, the wife of the first Governor of Queensland, Sir George Ferguson Bowen.

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. Despite its population, Betoota hosts an 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 development, and maintains a significant road construction and maintenance business and tourism enterprises.

## *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. Prior to being elected as Mayor Geoff served two terms as Deputy Mayor. Geoff is heavily involved in the Diamantina Shire community and is President of the Betoota Race Club.





# 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 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 Birdsville.



**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 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 years 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 18 December 2015, the following resolution was adopted:

**Minute No. 2015.12.18-OM-16**

**Moved by Cr Morton and Seconded by Cr Cramer**

**'That Council apply a 2% increase to the current annual salaries to apply from 1 July 2016 resulting in the following annual salaries:**

**Mayor \$80,477**

**Deputy Mayor \$34,489**

**Councillor \$24,527'**

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 (Vehicle/Plane use)	Superannuation Contribution	Allowances	Total
Cr G Morton	12	\$80,346	\$18,493	\$9,641	\$450	\$108,930
Cr S Cramer	12	\$34,433	\$103	\$4,132	\$450	\$39,118
Cr D Rayment	11	\$22,443	\$2,414	\$2,693	\$450	\$28,000
Cr D Cooms	12	\$24,487	-	\$2,326	\$500	\$27,313
Cr B Maunsell	12	\$23,465	-	\$2,229	\$500	\$26,194
Total		\$185,174	\$21,010	\$21,021	\$2,400	\$229,555

## 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 15 May 2017, where the following resolution was adopted:

**Minute No. 2017.05.15-OM-14**

**Moved by Cr Cramer and Seconded by Cr Rayment**

**'That Council adopt the Expense Reimbursement – Councillors Policy as presented.'**





# Our People

## Executive Leadership Team



*Chief Executive Officer*  
**Leon Love**

Leon joined Council in October 2013 and has extensive experience in Queensland local government having worked in various Councils over the past 26 years from the darling downs to the gulf. Leon first CEO role was at the age of 27.

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

Leon would like to see a big flood across the shire to see the country emerald green and fully stocked in contrast to the predominately dry conditions experienced over the past 4 years.

Married to Allison, together they have five children who love nothing more than to get back to Bedourie during breaks from school/university in Toowoomba.



*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.



*Tourism and Event Manager*  
**Jessica Greenaway**

Jess joined Council as Tourism and Events Manager in 2017, bringing with her eight (8) years 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. As her career evolved Jess has gained experience across a number of services delivery areas including Community services, Libraries, Aged and Disability services, Visitor and Accommodation services, Sport and recreation, Research, Finance, and Municipal services.

Before joining Diamantina Shire Council, Jess worked at East Arnhem Regional Council in the Northern Territory, where her role focused predominantly on revenue growth, financial management, and corporate planning. Since joining the industry, she has had three children, and graduated from the University of Southern Queensland with a Bachelor of Business. Throughout her career she has been an active member of the Local Government Professional Association (LGPA) and currently sits on the LGPA National Workforce Development Committee.

Jess lives in Birdsville with her partner and three children, two of whom attend Birdsville State School. She is continuing her studies externally, completing a Master of Business Administration and Master of Professional Accounting, and hopes to someday become a Local Government Chief Executive Officer in regional Australia.



*Deputy Chief Executive Officer*  
**Tony Beynon**

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

Tony resigned from this position in December 2016 and the position is currently vacant.



# 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.

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

- ◆ CPR and First Aid Courses
- ◆ Blue and White Cards
- ◆ Grader, Loader, Roller, Backhoe, Tracked Front End Loader Certificate Training
- ◆ Certificate 3 in Horticulture, Civil Construction (Plant Operation and Road Construction).
- ◆ Working at Heights
- ◆ Forklift High Risk Licence
- ◆ Implement Traffic Management Plan

Partnerships with various external organisations including RAPAD Skilling, Queensland Agricultural Training College and Life International are maintained.

## Emotional Assistance Program

The Emotional Assistance Program was again offered to all employees and immediate family members of employees the Diamantina Shire Council. The emotional assistance program

provides access to a clinical psychologist both over the phone and face to face. Introduced in the 2009/2010 financial year, the program has been accessed by various staff members throughout the year and provides support for employees and their immediate families, assisting with the reduction of negative effects of stress that can arise within the workplace and community.

## Recruitment and selection

In October, Council adopted a Recruitment and Selection Policy which seeks to provide guidance and assistance to all managers and supervisors who are involved in recruitment, selection and promotion of employees. It outlines the principles and procedures that are to be followed in the recruitment and selection process and is designed to ensure that recruitment standards are consistent, appropriate and free from discrimination or bias.

Recruiting and selecting suitable employees who exhibit the necessary level of skills and ability is integral to the success of Diamantina Shire Council.

## 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.

Council acknowledges that older staff may be interested in furthering their skills and they will be encouraged to apply for these positions.

Areas of study include qualifications in Business Administration, Tourism, Horticulture, Civil Construction, and Diesel Mechanics

In 2016 we had one employee successfully complete a Certificate IV in Business Administration.





# 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. Various health initiatives and programmes have been supported by Council with employees being given time to attend during work hours.

Council continues to meet the cost of influenza vaccinations for those staff that are ineligible for a free vaccination. It also maintains membership of the Paraplegic Benefit Fund and Corporate BUPA membership to assist with the cost of health insurance.

Safe Plan III continues to guide the development of our safety system as we strive for zero injuries in the workplace. We have seen about a 50% reduction in preventable incidents from last year.

A significant amount of the operational work we do is on or near roadways. In 2016-17, our focus has been on ensuring this work is undertaken safely. An external audit is conducted on our safety system annually and this year we achieved a benchmark score of 70.1%. Critically this saw us achieve accreditation with the Department of Transport and Main Roads and allowed us to renew our Traffic Management Registration until 2019.

## Staff Statistics at a Glance

		2015/16	2014/15	2013/14	2012/13	2011/12
	Staff @ 30/6/17 excluding casuals	Number of Employees (excluding casuals) who worked for Council during the year.				
Inside Staff	13	18	39	32	36	43
Outside Staff	35	35	46	47	47	39
Total	48	53	85	79	83	82
Gender						
Executive/Senior Management						
> Male	2	3	3	3	4	5
> Female	1	0	0	0	1	2
Elected Members						
> Male	4	4	5	5	5	7
> Female	1	1	0	0	1	1
Total Employees						
> Male	31	38	46	49	54	44
> Female	17	23	39	30	29	38
Other Statistics						
Aboriginal & Torres Strait Islander employees	17	17	19	23	26	23
Disabled employees	0	0	0	0	0	0
Staff Turnover	46%	37%	31%	44%	31%	35%



# Our Community

## Australia Day Awards

Every two years, Council presents Australia Day Awards to citizens and groups who have made noteworthy contributions to their local community. The venue for the Australia Day Awards ceremony alternates between Bedourie and Birdsville. This year the ceremony was held in Bedourie with awards being presented in the following categories:

### Citizen of the Year Award

Persons over the age of 26 as at 26 January 2017, who have made a noteworthy contribution during the current year and/or given outstanding service to the local community over a number of years.



Trevor Stewart, Citizen of the Year

### Seniors Sports Person / Administrator Award

Persons over the age of 18 as at 26 January 2017, who have a noteworthy record of achievement in sport, or have made a significant contribution to sport as a coach, official or administrator.

### Junior Sports Award

Persons under the age of 18 as at 26 January 2017, who have a noteworthy record of achievement in sport, or have made a significant contribution to sport as a coach, official or administrator.

### Community Event of the Year

An event held in the council area which has made a noteworthy contribution to the cultural life of the local community or is an outstanding achievement in cultural activity/ies.



Kathi Tully, Sports Administrator of the Year

## Our Recipients



2015 Anzac Day Centennial Celebrations (presented to Bedourie Golf and Leisure Club, Bedourie Amateur Race Club, Bedourie P&C, and Diamantina Shire Council)



Clara Jansen, Junior Sports Person of the Year, (presented to Leanne Hohnke-Jansen on behalf of her daughter Clara)



# Our Community

## Our Events

### *Betoota Horse and Motorbike Gymkhana*

Supported by: RAPAD Community Drought Fund and Council

Event Date: April



### *Splash n Arts Camp*

Supported by: RAPAD Drought Communities, RADF and Council

Event Date: November



### *Queensland Music Festival*

Supported by: RADF and Council

Date: July



### *Bedourie Campdraft, Rodeo, Gymkhana and Bronco Branding*

Supported by: RAPAD Community Drought Fund and Council

Event Date: July



### *Bedourie Races*

Supported by: RAPAD Community Drought Fund and Council

Event Date: September



### *Bedourie Camels & Pig Races*

Supported by: Council

Event Date: July





# Our Community

## Our Events

### Channel Country Rugby League Nines

Supported by: RAPAD Community Drought Fund and Council  
Event Date: June



### Birdsville Gymkhana and Bikekhana

Supported by: RAPAD Community Drought Fund and Council  
Event Date: June



### Birdsville Bronco Branding, Rodeo and Campdraft

Supported by: RAPAD Community Drought Fund and Council  
Event Date: May



### Betoota Races

Supported by: RAPAD Community Drought Fund and Council  
Event Date: June



### Bedourie Bikes and Bulls

Supported by: RAPAD Community Drought Fund and Council  
Event Date: April



### Big Red Bash

Supported by: Council  
Event Date: June



# 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.

## 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.

### 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.

Dealing with the 99.8 degrees heat of the bore water in Birdsville.

The future replacement of the 112 year old bore in Bedourie.

The cost of meeting legislative compliance.

## Our Achievements

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

Ongoing control of mimosa on Main Roads.

Council continues to replace inefficient electrical appliances and lighting to reduce electricity use.

Council has gained support for the continuation of the GAB bore capping program.

Installation of solar power lighting to Birdsville Lodge Carpark.

## Our Achievements

Secured funding under the Local Government Grants and Subsidy program to renew 5 switchboards at sewer pump stations in Bedourie and Birdsville.

Secured funding under the Building our Regions program to upgrade sewer mains in Birdsville to support demands of major events.

Upgraded the northern sewer main from pump station 1 through the Birdsville Caravan Park to a larger diameter.

Commenced acquisition of land on which CED ponds are located.

Completed air-scouring of water mains in Bedourie & Birdsville.



# 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 financial 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.



### Our Achievements

Application for funding for preservation plan for Mud Hut approved.

Events within the shire continue to be well supported by Council.

Cultural Heritage clearances obtained from traditional owners as required.

Council joined the Wanglamadle Native Title Claim

### 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

Council continues to review its Human Resources Policy for employees resulting in payments and benefits well above the relevant award provisions.

Rates increases have been kept at CPI.

Removed the Tourism Levy applied to businesses reducing their operating costs.

The availability of ADSL2+ broadband and 4G mobile coverage in Bedourie and Birdsville will reduce cost of living and improve utilisation of existing devices.





# 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 environment and lack of volunteers has made the viability of community gardens difficult.

Large events add additional pressure on the Birdsville landfill.



### Our Achievements

Stage 2 of the Birdsville Streetscape has been completed.

Anzac Park Birdsville has had additional turf areas established.

Additional gardens have been constructed in Bedourie.



### 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 and dependent of weather conditions.

Long term freight company servicing the shire from the East discontinued their freight service meaning residents, businesses and Council needed to find alternate freight arrangements from the east.

### Our Achievements

Council has continue to attend Qld Transport stakeholder meetings representing community interests with RPT contracts.

Council does not impose landing fees for RPT services.

A regular weekly freight service from Mt Isa has been secured.

Options for freight from the east have been accessed from Quilpie and Brisbane.

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



# 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

Non Action by the Department of Housing regarding Council proposal to acquire community housing stocks has prevented council from offering housing for sale.

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 Achievements

Council will auction vacant residential and industrial land in Birdsville and Bedourie in July and September 2017 respectively.

### 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

Community groups continue to be supported by Council in a variety of ways.





# 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.

### Our Achievements

Council has met with Mt Isa police representatives to express its concern regarding police officer vacancies and absences.

Crime within the communities remains low.

The local disaster management plan has been reviewed and LDMG has met in accordance with legislative requirements.



- 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 which a significant risk to local events and business sustainability.

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

### Our Achievements

Completion of Optic Fibre project has resulted in significant economic benefits to business in the shire, especially during large tourism events, through maintaining digital connectivity.

The completion of Birdsville Lodge will increase accommodation stock in Birdsville.

Continued investment in tourism promotion.

Major events continue to grow in popularity.



# 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.

The unemployment rate within the shire is very low.

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

MOU agreed with Central West Health Board regarding health assets in the shire.

CWHS undertaking a review in the model of care to be provided to the shire.

Pharmacy operates from both clinics.

Improved telecommunications allow enhanced health services to be provided.

Ambulance services continue to support local events.

Backup generators installed at Bedourie and Birdsville Clinics.





# 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 sporting fields and facilities with the life of items such as tennis nets reduced significantly.

Our small population means that playing team sport is difficult.

#### Our Achievements

Council completed the construction of the gym building in Bedourie which was funded in part by the Department of Sport and Recreation \$80000.



Additional effort went into improving the condition of sports ovals.

Council has assisted clubs maintain their facilities to the standard they consider appropriate.

### 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

Finalisation of The Connecting Remote Communities Optic Fibre Project.



#### Our Achievements

Bedourie and Birdsville connected with Optic Fibre cable allowing access to ADSL2+ broadband for residents.

4G mobile coverage in Bedourie and Birdsville

Council entered into agreement with Telstra for GWIP solution to allow connection of Birdsville office to Bedourie Administration Centre.



# 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 a willing to invest in tourism initiatives.

Tourist numbers are dependent on road conditions.

#### Our Achievements

Qld Tourist Centre Association best Qld Tourism Information Centre Award

Outback Queensland Tourism Association—Local Government Award

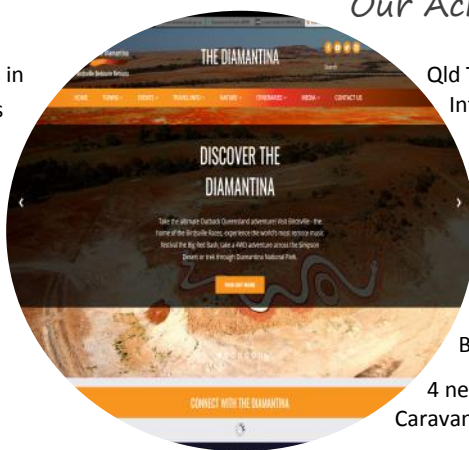
New tourism website launched for shire

New Birdsville Caravan Park website launched

16 new public showers installed for event use in Birdsville.

4 new 2 bedroom cabins constructed in Birdsville Caravan Park

Supported hosting of Birdsville Race Club and Big Red Bash during periods of wet weather.



### 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

Preliminary Census figures show a small increase in shire population.

### 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

Pave and Seal 6.8km of Eyre Developmental Road at 'Devils Grid'.

8km section of Big Red Road paved and sealed utilising Council, Roads to recovery and Community Resilience Funds and Tourism Funding

All RMPC funding used

NDRRA funding secured for damage to road assets.

Airports have accreditation requirements for RPT licence.

Roads graded as required.



# Our Goals

## Goal 3: Economic (continued)

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

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

#### Our Challenges

The introduction of the Planning Scheme 2016 as of 1 July 2017 will mean additional transitional expense for Council.

#### Our Achievements

Council has assessed its desire to develop a new planning scheme in accordance with the Planning Act 2016 in cooperation with RAPAD councils.

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

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

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



#### Our Achievements

Council has been an active member in RAPAD, ORRG, ORWG, OQTA.

Council worked closely with the Barcoo Shire Council to deliver the Optic Fibre project.

Council worked closely with RAPAD skilling to deliver training to employees

Council participated in ORWG Air scouring project.

Council led the instigation of the BESPOC project being 5 councils

### 3.6 Council leadership delivers Growing And Diversified Industries Which Provide Ample Employment Opportunities To Shire Residents

#### 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 Achievements

Council has undertaken initiatives to improve tourism opportunities within the shire including Birdsville Lodge.

Funding sought to review our Economic Development Plan





# 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 Relief & Recovery Arrangements (NDRRA) works

### Our Challenges

Uncertainty around future NDRRA funding model and Main Roads funding gives less assurance of future plant utilisation. This does not give Council confidence in investing in additional plant.



### Our Achievements

Council replaced the following plant and machinery:

- 14M Grader
- 2 x 30000L Water Tankers
- 3 x 4WD Utilities, 3 x 4WD wagons
- Vacuum trailer
- 3000 litre diesel trailers
- Step Deck Trailer
- 2 Flattop semi trailers
- 4t double drum roller
- Golf Cart (for Birdsville Caravan Park)

In addition Council refurbished the CAT RM500 stabiliser and CAT 627G scraper.

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

Funding secured from LGGSP to construct a shade roof on northern side of Bedourie Community Centre.

Columbariums procured for each Cemetery using Works for Qld funding.

Maintenance undertaken at council facilities as required.

New Gym building constructed in Bedourie

Refurbishment of Bedourie Aquatic Centre commenced including new filtration and shade.

Machinery carport constructed at Birdsville Depot.

Shade structures procured for Bedourie Depot

Lights renewed at Birdsville Tennis Courts



# 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 continue to be an issue for Council.

Ability to attract and retain suitably qualified staff is an ongoing issue.

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

Unqualified Audit received.

Asset revaluation completed.

New Business enterprise System procured and to be live stage 1 as at March 2018.

Our ability to continue to provide services to the community and meeting contractual obligations despite our challenges.

Desert Yarns newsletter produced each month.

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

Risk Framework and Risk Register and Business Continuity Plan reviewed and adopted.

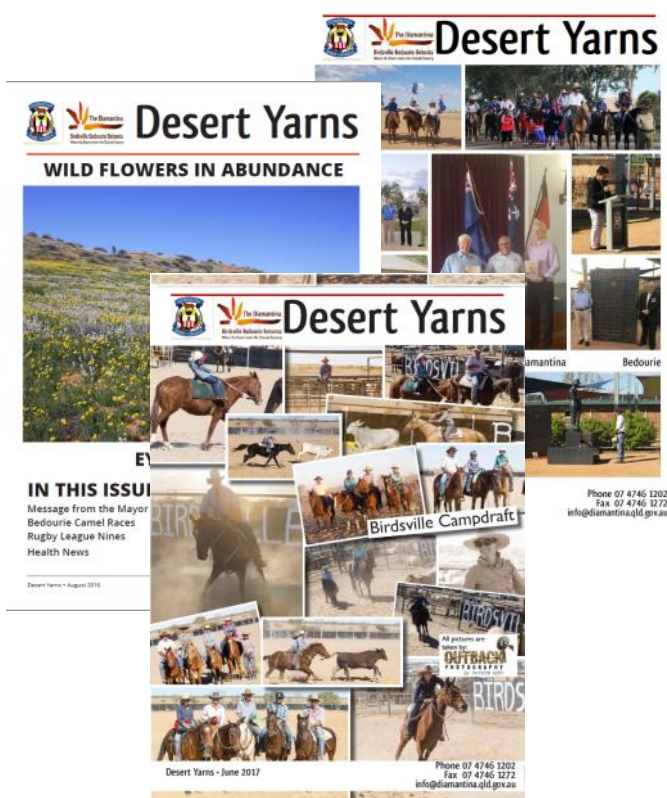
Staff training undertaken with Certificate 3 Operational Works offered to all new construction staff.

1 trainee and 1 apprentice offered work with 1 trainee graduating.

Completed necessary transition to new Industrial Awards.

Quality Assurance Program for roadworks recertified.

Council received a bronze award for Safety following an external audit of its workplace safety system.



# Compliance Reporting

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

## *Councillor Disciplinary Action s180(2) and (4) and s181 LGA 2009*

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

## *Complaints about Conduct or Performance of a Councillor s176 LGA 2009*

There were no complaints lodged regarding Councillor conduct during 2016/2017.

## *Administrative Action Complaints s187 LGR 2012*

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

## *Overseas Travel s188 LGR 2012*

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

Organisation	Event	Contribution
Bedourie Amateur Race Club	Bedourie Races	68,371
Bedourie Golf & Leisure Club	Bedourie Pig & Camel Races Bikes and Bulls	24,379 8,231
Bedourie Gymkhana Club	Bedourie Camp Draft, Gymkhana, Rodeo and Bronco Branding	16,862
Betoota Race Club Inc.	Betoota Races Insurance	14,312
Betoota Social Club	Betoota Gymkhana	6,566 2,424
Birdsville Race Club Inc.	Birdsville Races	14,631
Bedourie State School P&C	Christmas Tree and Children's breakup	1,210
Windorah State School	Sports Camp	962
Birdsville Social Club	Birdsville Gymkhana Birdsville Bronco Branding	2,664 5,668
Born to Run	Big Red Run and Big Red Bash	50,254
Desert Rivers Development Board	Insurance for various events	3,111

## *Expenditure on Grants to Community Organisations s189 LGR 2012*

During the financial year, Council incurred expenditure, in the form of cash, labour and machinery hire, on grants to community organisations:

## *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.





# Compliance Reporting

## *Expenditure and Action Relating to Joint Ventures s190(1)(d)(i) LGR 2012*

Diamantina Shire Council did not enter into any joint venture agreements during the 2016/2017 financial year.

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

Diamantina Shire Council did not make a change to a tender during the 2016/2017 financial year.

## *Registers kept by Council s190 (1)(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

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

Diamantina Shire Council made no concession of rates or charges for the 2016/2017 financial year.

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

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

As required by the *Local Government Act 2009* and the *Local Government Regulation 2012*, the Internal Audit function to be undertaken by Messrs O'Reagan & Partners is to:-

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

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 Council meeting it was resolved to not have one.

## *Summary of Investigation Notices under s49 for Competitive Neutrality Complaints s190 (1)(i)*

There were no competitive neutrality complaints received during 2016/2017.

## *Responses on QCA Recommendations on Competitive Neutrality Complaints s190 (1)(j)*

There were no responses on competitive neutrality complaints received during 2016/2017.

## *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.

## *Executive Remuneration s201 LGA*

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

## *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 2017, Council has processed no right to information applications. This Annual Report satisfies the requirements of section 21 of the Act.





## *Financial Report*

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 2017**



**FINANCIAL REPORT**

For the Year Ended 30 June 2017

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**Note**

**Table of Contents**

**Statement of Comprehensive Income**

**Statement of Financial Position**

**Statement of Changes in Equity**

**Statement of Cash Flows**

**Notes to the Financial Statements**

1	Significant Accounting Policies
2	Analysis of Results by Function
3	Revenue Analysis
4	Grants, Subsidies and Contributions
5	Employee Benefits
6	Materials and Services
7	Capital Expenses
8	Cash and Cash Equivalents
9	Trade and Other Receivables
10	Inventories
11	Property, Plant and Equipment
12	Fair Value Measurement
13	Trade and Other Payables
14	Borrowings
15	Asset Revaluation Surplus
16	Commitments For Expenditure
17	Contingent liabilities
18	Superannuation
19	Transactions with Related Parties
20	Trust Funds
21	Reconciliation of Net Result for the Year to Net Cash Inflow (Outflow) From Operating Activities
22	Events After the Reporting Period
23	Financial Instruments

**Management Certificate**

Independent Audit Report (General Purpose Financial Statements)

Current Year Financial Sustainability Statement & Certificate of Accuracy

Independent Audit Report (Current Year Financial Sustainability Statement)

Long Term Financial Sustainability Statement & Certificate of Accuracy

# DIAMANTINA SHIRE COUNCIL

## Statement of Comprehensive Income

For the Year Ended 30 June 2017

	Note	30 June 2017	30 June 2016
		\$	\$
<b>INCOME</b>			
<b>Revenue</b>			
<b>Recurrent Revenue</b>			
Rates, levies and charges	3(a)	967,756	918,693
Fees and charges		1,396,313	916,406
Rental income		429,353	612,610
Interest received	3(b)	473,426	602,606
Sales revenue		11,662,962	13,229,202
Other income		152,042	173,160
Grants, subsidies, contributions and donations	4(a)	4,650,193	3,239,727
		<u>19,732,045</u>	<u>19,692,404</u>
<b>Capital Revenue</b>			
Grants, subsidies, contributions and donations	4(b)	6,561,714	1,996,536
		<u>6,561,714</u>	<u>1,996,536</u>
<b>Total Revenue</b>		<u>26,293,759</u>	<u>21,688,940</u>
<b>TOTAL INCOME</b>		<u>26,293,759</u>	<u>21,688,940</u>
<b>EXPENSES</b>			
<b>Recurrent Expenses</b>			
Employee benefits	5	(3,796,231)	(4,343,268)
Materials and services	6	(17,091,266)	(14,526,334)
Finance costs		(120,607)	(122,717)
Depreciation	11	(2,941,148)	(2,963,034)
		<u>(23,949,252)</u>	<u>(21,955,353)</u>
<b>Capital Expenses - Loss on disposal of capital assets</b>	7	<u>(54,291)</u>	<u>(55,366)</u>
<b>TOTAL EXPENSES</b>		<u>(24,003,543)</u>	<u>(22,010,719)</u>
<b>NET RESULT</b>		<u>2,290,216</u>	<u>(321,779)</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not be reclassified to net result</b>			
Decrease in asset revaluation surplus	15	(10,533,859)	-
<b>Total Other Comprehensive Income for the Year</b>		<u>(10,533,859)</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>(8,243,643)</u>	<u>(321,779)</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 2017

	Note	30 June 2017	30 June 2016
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	8	17,205,954	20,565,823
Trade and other receivables	9	1,018,948	1,734,919
Inventories	10	1,552,027	1,287,285
Other financial assets		-	6,320
		<u>19,776,928</u>	<u>23,594,347</u>
<b>Total Current Assets</b>		<u>19,776,928</u>	<u>23,594,347</u>
<b>Non-Current Assets</b>			
Other financial assets		-	11,840
Inventories	10	-	860,500
Property, plant and equipment	11	<u>138,859,943</u>	<u>139,398,430</u>
<b>Total Non-Current Assets</b>		<u>138,859,943</u>	<u>140,270,770</u>
<b>TOTAL ASSETS</b>		<u>158,636,871</u>	<u>163,865,117</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	13	1,438,654	949,477
Borrowings	14	<u>263,222</u>	<u>248,140</u>
<b>Total Current Liabilities</b>		<u>1,701,877</u>	<u>1,197,617</u>
<b>Non-Current Liabilities</b>			
Borrowings	14	2,566,437	2,828,345
Long service leave		<u>114,566</u>	<u>183,489</u>
<b>Total Non-Current Liabilities</b>		<u>2,681,003</u>	<u>3,011,834</u>
<b>TOTAL LIABILITIES</b>		<u>4,382,880</u>	<u>4,209,451</u>
<b>NET COMMUNITY ASSETS</b>		<u>154,253,992</u>	<u>159,655,666</u>
<b>COMMUNITY EQUITY</b>			
Asset revaluation surplus	15	69,823,643	80,357,503
Retained surplus		<u>84,430,349</u>	<u>79,298,163</u>
<b>TOTAL COMMUNITY EQUITY</b>		<u>154,253,992</u>	<u>159,655,666</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 2017

	Asset Revaluation Surplus \$	Retained Surplus \$	Total \$
<b>Balance at 1 July 2016</b>	80,357,503	79,298,163	159,655,666
<b>Opening balance adjustments</b>			
Assets not previously recognised	-	2,064,491	2,064,491
Plant Revaluation Surplus moved to Retained Surplus	(777,478)	777,478	-
<b>Net result for the year</b>	-	2,290,216	2,290,216
Other comprehensive income for year			
Increase/(decrease) in asset revaluation surplus	(9,756,382)	-	(9,756,382)
<b>Total comprehensive income for year</b>	(9,756,382)	2,290,216	(7,466,166)
<b>Balance as at 30 June 2017</b>	69,823,643	84,430,348	154,253,991

<b>Balance at 1 July 2015</b>	80,357,503	79,619,942	159,977,445
<b>Net result</b>	-	(321,779)	(321,779)
Other comprehensive income for year			
Increase in asset revaluation surplus	-	-	-
<b>Total comprehensive income for year</b>	-	(321,779)	(321,779)
<b>Balance as at 30 June 2016</b>	80,357,503	79,298,163	159,655,666

The opening balance of the Retained Surplus on 1 July 2016 have been increased due to additional assets not previously recognised, as well as the movement of the Plant Revaluation Surplus to Retained Earnings. For the Assets not previously recognised further information can be obtained from the Asset Movement Note at Note 1.J and Note 11. For the Plant Revaluation Surplus moved to Retained Surplus further information can be obtained from Note 15.

*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 2017

		30 June 2017	30 June 2016
	Note	\$	\$
<b>Cash flows from operating activities :</b>			
Receipts from customers		16,788,934	17,044,480
Payments to suppliers and employees		(22,591,198)	(20,727,445)
		(5,802,264)	(3,682,965)
Interest received		473,426	602,606
Rental income		429,353	612,610
Non capital grants and contributions		4,650,193	3,239,727
Borrowing costs		(120,607)	(81,111)
<b>Net cash inflow/(out flow) from operating activities</b>	21	(369,899)	690,867
<b>Cash flows from investing activities:</b>			
Payments for property, plant and equipment		(9,733,792)	(4,913,147)
Proceeds from sale of property, plant and equipment		428,934	500,262
Grants, subsidies, contributions and donations		6,561,714	1,996,536
<b>Net cash inflow/(outflow) from investing activities</b>		(2,743,144)	(2,416,349)
<b>Cash flows from financing activities:</b>			
Proceeds from borrowings	14	-	2,300,000
Repayment of borrowings		(246,826)	(428,338)
<b>Net cash inflow/(out flow) from financing activities</b>		(246,826)	1,871,662
<b>Net increase/(decrease) in cash and cash equivalents held</b>		(3,359,869)	146,180
Cash and cash equivalents at beginning of financial year		20,565,823	20,419,643
<b>Cash and cash equivalents at end of financial year</b>	8	17,205,954	20,565,823

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 2017

### 1 Significant Accounting Policies

#### 1.A Basis of Preparation

These general purpose financial statements are for the period 1 July 2016 to 30 June 2017. They have been prepared in accordance with the Local Government Act 2009 and the Local Government Regulation 2012.

They comply with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). Council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS). Therefore in some instances these financial statements do not comply with IFRS. The main impacts are the offsetting of revaluation and impairment gains and losses within a class of assets, and the timing of the recognition of non-reciprocal grant revenue.

These financial statements have been prepared under the historical cost convention except where stated otherwise.

#### 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

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies. Diamantina Shire Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. Council applies standards and interpretations in accordance with their respective commencement dates.

This year Council has applied AASB 124 *Related Party Disclosures* for the first time. As a result Council has disclosed more information about related parties and transactions with those related parties. This information is presented in note 19.

Some Australian Accounting Standards and Interpretations have been issued but are not yet effective. Those standards have not been applied in these financial statements. Council will implement them when they are effective. The standards that are expected to have a material impact upon council's future financial statements are:

<u>Standard and impact</u>	<u>Date Council will apply the standard</u>
<b>AASB 9 Financial instruments</b>	1 July 2018
This replaces AASB 139 <i>Financial Instruments: Recognition and Measurement</i> , and it will change the classification, measurement and disclosure of financial assets. As a result Council will measure its financial assets at fair value. Council does not expect to experience any material impact arising from this standard.	
<b>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</b>	1 July 2019

AASB 15 will replace AASB 118 *Revenue*, AASB 111 *Construction Contracts* and a number of interpretations. AASB 2016-8 provides Australian requirements and guidance for not for profit entities in applying AASB 9 and AASB 15 while AASB 1058 will replace AASB 1004 *Contributions*. Together they contain a comprehensive and robust framework for the recognition, measurement and disclosure of income, including revenue from contracts with customers. Council is still reviewing whether there will be any material impact(s) arising from these changes.



## DIAMANTINA SHIRE COUNCIL

### Notes to the Financial Statements

For the Year Ended 30 June 2017

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

##### AASB 16 Leases

1/07/2019

Leased items will need to be included in the Statement of Financial Position when this standard comes into effect. A lease liability will initially be measured at the present value of the lease payments to be made over the lease term, while a corresponding right-of-use asset will also be recognised over the lease term. As Council does not normally enter into lease agreements the expectation is that this change will have minimal or no impact on Council.

#### 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 and depreciation of property, plant and equipment - Note 1.J and Notes 11 and 12.

Long Service Leave - Note 1.L

Contingent Liabilities - Note 17

#### 1.E Revenue

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

##### Rates and Levies

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

##### Grants and Subsidies

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

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

##### Rental Income

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

##### Interest

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

##### Sales Revenue

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

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

##### Fees and Charges

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

## DIAMANTINA SHIRE COUNCIL

### Notes to the Financial Statements

For the Year Ended 30 June 2017

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#### 1.F Financial Assets and Financial Liabilities

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

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

##### Financial Assets

Cash and cash equivalents (Note 1.G)

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

##### Financial Liabilities

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

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

#### 1.G Cash and Cash Equivalents

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

#### 1.H Receivables

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

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

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

#### 1.I Inventories

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

Inventories held for distribution are:

- Goods to be supplied at no, or nominal charge, and
- Goods to be used for the provision of services at no, or nominal charge.

These goods are valued at cost, adjusted when applicable, for any loss of service potential.

Land acquired by Council with the intention of reselling it (with or without further development) is classified as inventory. This land is valued at the lower of cost or net realisable value. As an inventory item, this land held for resale is treated as a current asset for the portion expected to be sold 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 2017

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#### 1.J Property, Plant and Equipment

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

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

- Land
- Buildings
- Plant and Equipment
- Roads, Drainage and Bridge Network
- Water Infrastructure
- Sewerage Infrastructure
- Other Structures
- Work in Progress

##### Land under Roads

Land under 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 statements.

##### Acquisition of Assets

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

Property, plant and equipment, received in the form of contributions, are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.

##### Asset movement note

As part of ongoing asset data improvements, additional assets not previously recognised were identified and brought to account. This resulted in a net adjustment of \$2,064,491 - Note 11.

If the amounts disclosed above as assets not previously recognised had been accounted for properly in the past, they would have been recorded in determining the net position in previous years which would be included in equity this year.

Consequently, Council have adjusted these against the opening balance in the Statement of Changes in Equity. Given the total adjustment was immaterial to both equity and property, plant and equipment balances, Council has not adjusted any of the comparative figures or completed the prior period error disclosure as required under AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

##### Capital and Operating Expenditure

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

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



## DIAMANTINA SHIRE COUNCIL

### Notes to the Financial Statements

For the Year Ended 30 June 2017

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#### 1.J Property, Plant and Equipment (continued)

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

##### Valuation

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

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

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 there is an indication of movement the relevant assets may be revalued by indexation or as per desktop valuation, as appropriate and as dictated by the circumstances.

Buildings, Roads Drainage & Bridge Network, Water Infrastructure, Sewerage Infrastructure and Other Structures asset classes were comprehensively valued by Australis Asset Advisory Group with effective date 30 June 2017.

Any revaluation increment arising on the revaluation of an asset is credited to the appropriate class of the asset revaluation surplus, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds that balance, if any, in the revaluation surplus to that asset class.

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

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

##### Capital Work in Progress

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

##### Depreciation

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

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

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

## DIAMANTINA SHIRE COUNCIL

### Notes to the Financial Statements

For the Year Ended 30 June 2017

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#### 1.J Property, Plant and Equipment (continued)

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.

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

#### 1.K Payables

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

#### 1.L Liabilities – Employee Benefits

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 that will be paid when the liability is expected to be settled and includes related on-cost.

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

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

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

#### 1.M Borrowing and Borrowing Costs

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

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

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

#### 1.N Rounding and comparatives

Amounts included in the financial statements have been rounded to the nearest \$1. As a result totals may be impacted by the rounding.

#### 1.O 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.

## **DIAMANTINA SHIRE COUNCIL**

Notes to the Financial Statements  
For the Year Ended 30 June 2017

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### **2 Analysis of Results by Function**

#### **2(a) Components of Council Functions**

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

##### **Governance**

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

##### **Community Services**

The goal of community services is to ensure Diamantina Shire Council is a healthy, vibrant, contemporary and connected community. Community services provides well managed and maintained community facilities, and ensures the effective delivery of cultural, health, welfare, environmental and recreational services.

This function includes:

Libraries

Entertainment venues

Public health services including vaccination clinics

Tourism

##### **Works**

The objective of the Works program is to ensure the community is serviced by a high quality and effective road network, sustainable water and sewerage services. The function provides and maintains transport infrastructure, including the maintenance and provision of the drainage network. 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 2017

### 2 Analysis of Results by Function (continued)

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

Year Ended 30 June 2017

Year Ended 30 June 2017

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							
	2017 \$	2017 \$	2017 \$	2017 \$							
Governance	3,630,462	1,450,131	-	-	5,080,593	(4,744,759)	(54,291)	(4,799,050)	335,834	281,543	24,896,191
Community Services	102,961	406,552	-	-	509,513	(1,815,336)	-	(1,815,336)	(1,305,823)	(1,305,823)	16,736,828
Works	900,270	12,020,888	5,360,800	-	18,281,958	(14,851,245)	-	(14,851,245)	(1,930,087)	3,430,714	91,533,220
Environment, Health and Planning	16,500	1,204,281	1,200,914	-	2,421,695	(2,537,912)	-	(2,537,912)	(1,317,131)	(116,217)	25,470,632
Total Council	4,650,193	15,081,853	6,561,714	-	26,293,759	(23,949,253)	(54,291)	(24,003,543)	(4,217,207)	2,290,216	158,636,871

Year Ended 30 June 2016

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

## DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements  
For the Year Ended 30 June 2017

	Note	30 June 2017 \$	30 June 2016 \$
<b>3 Revenue Analysis</b>			
<b>(a) Rates, Levies and Charges</b>			
General rates		769,246	706,001
Water		201,474	194,263
Sewerage		54,801	52,899
Garbage charges		54,634	51,713
Tourism Levy		-	19,118
Total rates and utility charge revenue		1,080,155	1,023,994
Less: discounts		(112,399)	(105,301)
Net rates, levies and charges		967,756	918,693
<b>(b) Interest Earned</b>			
Interest from rates and charges		26,202	22,872
Interest earned from cash deposits		447,224	579,734
		473,426	602,606
<b>4 Grants, Subsidies and Contributions</b>			
<b>(a) Recurrent</b>			
State Government grants		4,650,193	3,239,727
Total recurrent revenue		4,650,193	3,239,727
<b>(b) Capital</b>			
State Government subsidies and grants		6,561,714	1,996,536
Total capital revenue		6,561,714	1,996,536
<b>5 Employee Benefits</b>			
Total staff wages and salaries		3,478,131	3,601,168
Councillors' remuneration		207,739	205,236
Annual, sick and long service leave entitlements		136,563	121,807
Superannuation	18	378,650	413,240
		4,201,083	4,341,451
Other employee related expenses		148,445	134,482
		4,349,528	4,475,933
Less: capitalised employee expenses		(553,297)	(132,665)
		3,796,231	4,343,268
Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties.			
Total Council employees at the reporting date:			
Elected members		5	5
Administration staff		18	17
Depot and outdoors staff		32	36
Total full time equivalent employees		55	58

## DIAMANTINA SHIRE COUNCIL

### Notes to the Financial Statements

For the Year Ended 30 June 2017

	Note	30 June 2017 \$	30 June 2016 \$
<b>6 Materials and Services</b>			
Administration supplies and consumables		3,499,801	2,697,976
Area promotion and events		1,087,030	1,266,770
Audit services		43,315	44,330
CED scheme		60,399	30,396
Community and Council housing expenses		234,995	357,324
Council depots		422,420	430,404
Donations		68,772	41,662
DTMR Contract Works		4,641,349	5,385,471
Environmental health, pest and animal management		68,383	28,596
Halls and public conveniences		75,361	96,465
Health service expenses		39,262	61,769
NDRRA Restoration Expenses		2,814,021	459,390
Other community services		34,092	74,585
Parks, gardens and reserves		587,966	514,717
Planning and development		39,979	22,045
Plant operation		1,257,005	1,269,491
Racecourses, swimming pools, aerodromes, caravan parks		820,095	657,058
Private Works		294,235	51,882
Repairs and maintenance		722,546	537,237
Shire road and street network		146,234	303,276
Waste management		59,257	92,246
Water supply		74,749	103,244
		<u>17,091,266</u>	<u>14,526,334</u>
<b>7 Capital Expenses</b>			
<b>Gain (loss) on the disposal of non-current assets</b>			
Proceeds from the sale or write down of non-current assets		428,934	500,262
Less: book value of non-current assets disposed of		<u>(483,225)</u>	<u>(555,628)</u>
		<u>(54,291)</u>	<u>(55,366)</u>
<b>8 Cash and Cash Equivalents</b>			
Cash at bank and on hand		2,437,494	740,729
Deposits at call		<u>14,768,460</u>	<u>19,825,094</u>
Balance per Statement of Cash Flows		<u>17,205,954</u>	<u>20,565,823</u>
Internally imposed expenditure restrictions at reporting date:			
Unspent government grants and subsidies		1,228,086	-
Future Capital Works		-	1,388,737
Future Asset Replacement		-	1,067,884
Future Recurrent Expenditure		-	679,253
Total unspent restricted cash for capital and recurrent projects		<u>1,228,086</u>	<u>3,135,874</u>



# DIAMANTINA SHIRE COUNCIL

## Notes to the Financial Statements For the Year Ended 30 June 2017

	Note	30 June 2017 \$	30 June 2016 \$
<b>9 Trade and Other Receivables</b>			
<b>Current</b>			
Rateable revenue and utility charges		240,915	209,788
Other debtors		700,075	1,464,092
Less provision for impairment		(35,091)	(51,607)
Prepayments		84,558	105,195
Accrued revenue		28,492	7,451
		<u>1,018,948</u>	<u>1,734,919</u>

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

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

Opening balance 1 July 2016	51,607	10,000
(Decrease)/Increase in Impairments Recognised	(16,516)	41,607
Closing balance 30 June 2017	<u>35,091</u>	<u>51,607</u>

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

	30 June 2017 \$	30 June 2016 \$
<b>Financial Assets</b>		
Not past due	731,005	1,455,864
Past due 31-60 days	5,752	21,453
Past due 61-90 days	-	2,924
More than 90 Days	232,724	201,091
Impaired	35,091	51,607
<b>Total</b>	<u>934,390</u>	<u>1,629,724</u>

<b>10 Inventories</b>	<b>2017</b>	<b>2016</b>
<b>Current</b>		
Inventories held for distribution:		
Stores and raw materials	1,260,027	1,084,786
Land held for resale	292,000	202,500
	<u>1,552,027</u>	<u>1,287,286</u>
<b>Non Current</b>		
Land held for resale	-	860,500
	<u>-</u>	<u>860,500</u>

Land held for resale to the value of \$698,000 has been absorbed into the Land asset class during 2016/17.

# DIAMANTINA SHIRE COUNCIL

## Notes to the Financial Statements

For the Year Ended 30 June 2017

11 Property, Plant and Equipment	Land	Buildings	Plant and Equipment	Road, Drainage and Bridge Network	Water Infrastructure	Sewerage Infrastructure	Other Structures	WIP	Total
30 June 2017									
<i>Basis of Measurement</i>	<i>Fair Value</i>	<i>Fair Value</i>	<i>Cost</i>	<i>Fair Value</i>	<i>Fair Value</i>	<i>Fair Value</i>	<i>Fair Value</i>	<i>Cost</i>	
<b>Asset Values</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Opening gross value as at 1 July 2016	3,543,218	37,965,501	15,067,667	89,558,773	5,865,131	3,480,868	17,530,799	753,208	173,765,165
Addition of assets not previously recognised at cost	25,000	379,900	-	-	2,152,800	-	895,050	-	3,452,750
Revaluation adjustment to asset revaluation surplus	(73,000)	1,600,409	-	(955,452)	(715,052)	809,836	508,617	-	1,175,359
Addition from Land Held for Sale	746,000	-	-	-	-	-	-	-	746,000
Additions at cost	-	-	1,300,320	-	-	-	-	8,506,458	9,806,778
Disposals	-	-	(841,687)	-	-	-	-	-	(841,687)
Transfer between classes	-	1,600,440	15,077	4,751,058	-	-	515,447	(6,882,022)	-
Closing gross value as at 30 June 2017	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
<b>Accumulated Depreciation and Impairment</b>									
Opening balance as at 1 July 2016	-	8,077,955	6,736,456	12,397,124	2,440,836	1,308,687	3,405,678	-	34,366,736
Accumulated depreciation assets not previously recognised	-	159,250	-	-	935,157	-	268,853	-	1,363,259
Revaluation adjustment to asset revaluation surplus	-	3,457,374	-	9,487,007	(1,085,369)	(485,673)	(441,599)	-	10,931,740
Depreciation provided in period	-	545,334	957,079	910,858	76,896	36,440	414,540	-	2,941,148
Accumulated depreciation on disposals	-	-	(358,463)	-	-	-	-	-	(358,463)
Accumulated depreciation as at 30 June 2017	-	12,239,914	7,335,072	22,794,989	2,367,519	859,454	3,647,472	-	49,244,421
Written down value 30 June 2017	4,241,218	29,306,336	8,206,305	70,559,390	4,935,360	3,431,250	15,802,441	2,377,644	138,859,944
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		
<b>Additions comprise:</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Renewals	-	17,227	1,203,741	2,381,595	-	261,630	450,753	-	4,314,948
Other additions	-	1,967,012	96,579	1,465,876	-	-	1,962,363	-	5,491,830
Total additions	-	1,984,240	1,300,320	3,847,471	-	261,630	2,413,116	-	9,806,778

As a result of the 30 June 2017 revaluation, unsealed roads are now recognised as two components being formation (infinite useful life) and pavement (25-35 years useful life). Previous to the revaluation being performed, council had used residual values ranging from 50% - 90% on pavement to reflect material that could be re-used. The change in estimate has significantly contributed to the \$9,478,007 increase in accumulated depreciation to the roads asset class which was adjusted to the asset revaluation surplus in the year ended 30 June 2017. This change in estimate will also result in a higher depreciation expense in future reporting periods. The expected increase for 2018 is approximately \$1 million.

# DIAMANTINA SHIRE COUNCIL

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 11 Property, Plant and Equipment (continued)

30 June 2016

#### Basis of Measurement

Opening gross value as at 1 July 2015

Additions at cost

Disposals

Transfer between classes

Closing gross value as at 30 June 2016

Land	Buildings	Plant and Equipment	Road, Drainage and Bridge Network	Water Infrastructure	Sewerage Infrastructure	Other Structures	WIP	Total
<i>Fair Value</i>	<i>Fair Value</i>	<i>Cost</i>	<i>Fair Value</i>	<i>Fair Value</i>	<i>Fair Value</i>	<i>Fair Value</i>	<i>Cost</i>	
2,188,900	37,965,501	14,714,564	87,224,739	5,676,697	3,292,434	16,965,913	2,200,760	170,229,508
-	-	1,509,639	-	-	-	-	3,388,552	4,898,191
-	-	(1,362,534)	-	-	-	-	-	(1,362,534)
1,354,318	-	205,998	2,334,034	188,434	188,434	564,886	(4,836,104)	-
3,543,218	37,965,501	15,067,667	89,558,773	5,865,131	3,480,868	17,530,799	753,208	173,765,165

#### Accumulated Depreciation and Impairment

Opening balance as at 1 July 2015

Depreciation provided in period

Depreciation on disposals

Accumulated depreciation as at 30 June 2016

-	7,521,436	6,491,023	11,608,526	2,365,556	1,273,683	3,000,673	-	32,260,897
-	556,519	1,102,628	788,598	75,280	35,004	405,005	-	2,963,034
-	-	(857,195)	-	-	-	-	-	(857,195)
-	8,077,955	6,736,456	12,397,124	2,440,836	1,308,687	3,405,678	-	34,366,736

Written down value 30 June 2016

3,543,218	29,887,546	8,331,211	77,161,649	3,424,295	2,172,181	14,125,121	753,208	139,398,430
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Range of estimated useful life in years

Not Depreciated	10 - 140 yrs	1 - 50 yrs	2 - infinite yrs	25 - 65 yrs	35 - 90 yrs	6 - 60 yrs
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#### Additions comprise:

Renewals

Other additions

Total additions

\$	\$	\$	\$	\$	\$	\$	\$	\$
-	-	1,627,394	773,879	-	-	-	-	2,401,273
283,634	-	88,243	1,560,155	-	-	564,886	-	2,496,918
283,634	-	1,715,637	2,334,034	-	-	564,886	-	4,898,191

**12 Fair Value Measurement****(i) Recognised fair value measurement**

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

**Property Plant & Equipment**

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

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

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

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

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

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

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

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

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

The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2017.

	Note	Level 2 (Significant other observable inputs)		Level 3 (Significant unobservable inputs)		Total	
		2017	2016	2017	2016	2017	2016
<b>Recurring fair value measurements</b>							
Land	11	4,241,218	3,542,218	-	-	4,241,218	3,542,218
Buildings	11	-	-	29,306,337	29,887,546	29,306,337	29,887,546
Road, drainage & bridge network	11	-	-	70,559,391	76,955,071	70,559,391	76,955,071
Water infrastructure	11	-	-	4,935,360	3,424,295	4,935,360	3,424,295
Sewerage infrastructure	11	-	-	3,431,250	2,172,181	3,431,250	2,172,181
Other	11	-	-	15,802,440	14,522,718	15,802,440	14,522,718
		4,241,218	3,542,218	124,034,778	126,961,811	128,275,996	130,504,029



## 12 Fair Value Measurement (continued)

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

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

**Specific valuation techniques used to value Council assets comprise:**

### Land (level 2)

Land fair values at 30 June 2017 are as determined by independent valuers AssetVal effective 30th June 2014, with subsequent acquisitions at cost. Level 2 valuation inputs were used to value land in freehold title as well as land used for special purposes, which is restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.

No index was applied for the year ended 30th June 2017 to land as the movement in recent land sales has not resulted in an increase in land values. Some land classified as held for sale as at 30 June 2016 was re-allocated to the Land asset class for 30 June 2017 due to inactivity in sales.

### Buildings (level 3)

#### *Current replacement cost (CRC)*

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

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

A comprehensive valuation was completed for 30 June 2017 by Australis Asset Advisory Group.

#### *Accumulated Depreciation*

In determining the level of accumulated depreciation allowance has been made for the typical asset life cycle and renewals treatment of each asset. Condition was assessed taking into account both physical characteristics as well as holistic factors such as functionality, capability, utilisation and obsolescence.

The condition assessments were made using a ten point scale with 10 being an extremely poor or failed asset and 0-1 being the equivalent of a new asset. A 1 indicates an asset with a very high level of service potential, while 10 represents an asset close to the end of its useful life.

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

## 12 Fair Value Measurement (continued)

### Infrastructure Assets (level 3)

All Council infrastructure assets were fair valued using written down current replacement cost. The valuation comprises the asset's current replacement cost (CRC) less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

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

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

A comprehensive valuation was completed for 30 June 2017 by Australis Asset Advisory Group.

#### 1(a) Road, drainage and bridge network

##### Roads

###### *Current replacement cost*

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

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

A comprehensive valuation was completed for 30 June 2017 by Australis Asset Advisory Group.

###### *Accumulated Depreciation*

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

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

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

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

## 12 Fair Value Measurement (continued)

### 2(a) Water and Sewerage Infrastructure and Other Structures

#### *Current replacement cost*

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

A comprehensive valuation was completed for 30 June 2017 by Australis Asset Advisory Group.

In order to determine gross replacement cost Australis Advisory Group considered the replacement or reproduction cost of an asset. As such, the nature of the all assets, the nature of available comparative data was taken into consideration along with Greenfield unit rates and project cost assumptions. Observable and unobservable sources were considered including construction guide and handbook data, actual construction cost cost information for similar asset types, combined with discussions and comparisons with local knowledge, experience and outcomes.

#### *Accumulated Depreciation*

In determining accumulated depreciation, assets were subject to a site inspection and then accordingly assessed to determine remaining useful life.

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

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

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

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

#### (ii) Valuation processes

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

# DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements  
For the Year Ended 30 June 2017

	Note	30 June 2017 \$	30 June 2016 \$
<b>13 Trade and Other Payables</b>			
<b>Current</b>			
Creditors and accruals		1,188,333	733,154
Annual leave		250,321	216,323
		<u>1,438,654</u>	<u>949,477</u>
<b>14 Borrowings</b>			
<b>Current</b>			
Loans Queensland Treasury Corporation		263,222	248,140
		<u>263,222</u>	<u>248,140</u>
<b>Non-Current</b>			
Loans Queensland Treasury Corporation		2,566,437	2,828,345
		<u>2,566,437</u>	<u>2,828,345</u>
<b>Queensland Treasury Corporation</b>			
Opening balance		3,076,485	1,169,493
Principal repayments		(246,826)	(393,008)
Loan drawdown's		-	2,300,000
Book value at period end		<u>2,829,659</u>	<u>3,076,485</u>

The QTC loan market value at the reporting date was \$2,770,313. This represents the value of the debt if the Council repaid it at that date. As it is the intention of the Council to hold the debt for its term, no provision is required to be made in these accounts.

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

All borrowings are in \$A denominated amounts and carried at amortised costs, interest being expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 2018 to 2036. There have been no defaults or breaches of the loan agreement during the period.

Principal and interest repayments are made quarterly in arrears.

## 15 Asset Revaluation Surplus

	Balance 1 July 2016	Increases / (Decreases)	Balance 30 June 2017	Balance 30 June 2016
The closing balance of the asset revaluation surplus is comprised of the following asset categories:				
Land	488,830	(73,000)	415,830	488,830
Buildings	12,386,636	(1,856,965)	10,445,905	12,386,636
Plant and Equipment	777,478	(777,478)	-	777,478
Other structures	3,927,933	950,216	4,938,456	3,927,932
Road, drainage and bridge network	60,404,374	(10,442,459)	49,985,375	60,404,373
Water	1,612,653	370,317	1,982,970	1,612,653
Sewerage	759,598	1,295,509	2,055,107	759,597
	<u>80,357,503</u>	<u>(10,533,859)</u>	<u>69,823,643</u>	<u>80,357,499</u>

The above Increases / (Decreases) were the result of valuation considerations for all asset classes, with the exception of Plant and Equipment. The Plant and Equipment Revaluation Surplus were decreased to \$nil as a revaluation reserve should not exist on Plant and Equipment assets as these assets are not revalued. The reserve balance was consolidated with Retained Surplus as an opening balance adjustment.

## 16 Commitments For Expenditure

### Contractual commitments

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

Flood monitoring equipment	83,600	-
Swimming pools and sport facilities	469,314	-
Other community and depot facilities	99,400	-
Graham Street development / Birdsville Lodge	-	2,082,471
Caravan park developments	<u>249,850</u>	<u>1,446,331</u>
	<u>902,164</u>	<u>3,528,802</u>



**17 Contingent Liabilities**

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

Local Government Mutual

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

As at 30 June 2017 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 \$129,267.

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.

**18 Superannuation**

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

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

The scheme has three elements referred to as:

- The City Defined Benefits Fund (CDBF) which covers former members of the City Super Defined Benefits Fund
- The Regional Defined Benefits Fund (Regional DBF) which covers defined benefit fund members working for regional local governments; and
- The Accumulation Benefits Fund (ABF)

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

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

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

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

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

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

## DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements  
For the Year Ended 30 June 2017

The most recent actuarial assessment of the scheme was undertaken as at 1 July 2015. The actuary indicated that "At the valuation date of 1 July 2015, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The next actuarial assessment of the scheme will be made as at 1 July 2018.

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

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

There are currently 65 councils contributing to the Regional DBF plan and any changes in contribution rates would apply to all 65 councils. Diamantina Shire Council made less than 4% of the total contributions to the plan in the 2016-2017 financial year.

		30 June 2017	30 June 2016
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		<u>378,650</u>	<u>413,240</u>

### 19 Transactions with Related Parties

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

#### Transactions with key management personnel (KMP)

KMP include the Mayor, Councillors, Council's Chief Executive Officer and some executive management. The compensation paid to KMP for 2016/17 comprises:

Short-term employee benefits	703,598
Post-employment benefits	71,076
Long-term benefits	10,554
Termination Benefits	-
	<u>785,228</u>

#### Transactions with other related parties

Employee expenses for close family member of key management personnel	4,506
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#### Details of Transactions

Purchases of goods and materials from an entity managed by key management personnel

127,764
<u>132,270</u>

All purchases were at arm's length, on normal terms and conditions and were in the normal course of council's operations. As at 30 June 2017 council owed \$ to the entity.

### 20 Trust Funds

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

Security deposits	139,880	139,980
	<u>139,880</u>	<u>139,980</u>

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements  
For the Year Ended 30 June 2017

	Note	30 June 2017	30 June 2016
		\$	\$
<b>21 Reconciliation of Net Result for the Year to Net Cash Inflow (Outflow) From Operating Activities</b>			
Net result		2,290,216	(321,779)
Non-cash items:			
Depreciation		2,941,148	2,963,034
Investing and development activities :			
Net (profit) loss on disposal of plant and equipment		54,291	55,366
Capital grants and contributions		(6,561,714)	(1,996,536)
		<u>(6,507,423)</u>	<u>(1,941,170)</u>
Changes in operating assets and liabilities :			
(Increase) / decrease in receivables		715,972	(255,396)
(Increase) / decrease in inventory		(264,742)	311,407
(Increase) / decrease in other financial assets		18,160	-
Increase / (decrease) in payables		489,178	(81,313)
Increase / (decrease) in provisions		(68,923)	16,084
		<u>889,645</u>	<u>(9,218)</u>
<b>Net cash inflow from operating activities</b>		<u><u>(386,414)</u></u>	<u><u>690,867</u></u>

**22 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 2017

#### 23 Financial Instruments

Diamantina Shire Council has exposure to the following risks arising from the financial statements:

- credit risk
- liquidity risk
- market risk

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

- Investments in financial assets are only made with Australian banks or Australian financial institutions.
- The Council does not invest in derivatives or other high risk investments.

#### Credit Risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. These obligations arise principally from the Council's investments and receivables from customers.

The following table represents the maximum exposure to credit risk based on the carrying amounts of financial assets at the end of the reporting period:

	Note	Council	
		2017	2016
Financial assets		\$	\$
Cash and cash equivalents	8	17,205,954	20,565,823
Receivables - rates	9	240,915	209,788
Receivables - other	9	700,075	1,464,092
Other financial assets	9	28,492	7,451
<b>Total financial assets</b>		<b>18,175,436</b>	<b>22,247,154</b>

#### Cash and cash equivalents

The Council may be exposed to credit risk through its investments in the QTC Cash Fund and QTC Working Capital Facility. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed. Working Capital Facility deposits have a duration of one day and all investments are required to have a minimum credit rating of "A-", therefore the likelihood of the counterparty having capacity to meet its financial commitments is strong.

#### Trade and other receivables

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 defaults.

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.

Ageing of past due receivables and impairment has been disclosed in Note 9.

#### Liquidity Risk

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

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

The Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities, both long and short term. The following table sets out the liquidity risk in relation to financial liabilities held by the Council. It represents the remaining contractual cashflows (principal and interest) of financial liabilities at the end of the reporting period.



## DIAMANTINA SHIRE COUNCIL

### Notes to the Financial Statements

For the Year Ended 30 June 2017

	0 to 1 year	1 to 5 years	Over 5 years	Total Contractual Cash Flows	Carrying Amount
	\$	\$	\$	\$	\$
<b>2017</b>					
Trade and Other Payables	1,438,654	-	-	1,438,654	1,438,654
Loans QTC	352,708	1,073,427	2,190,544	3,616,680	2,829,659
	1,791,363	1,073,427	2,190,544	5,055,334	4,268,313
<b>2016</b>					
Trade and Other Payables	949,477	-	-	949,477	949,477
Loans QTC	305,560	970,247	703,243	1,979,050	3,076,485
	1,255,037	970,247	703,243	2,928,527	4,025,962

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

#### Market risk

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

#### Interest Rate Risk

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

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

## DIAMANTINA SHIRE COUNCIL

### ANNUAL FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

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### MANAGEMENT CERTIFICATE

For the Year Ended 30 June 2017

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 27, 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: 11 / 10 / 2017

  
\_\_\_\_\_  
Chief Executive Officer

Leon Love

Date: 11 / 10 / 17

## INDEPENDENT AUDITOR'S REPORT

To the Councillors of Diamantina Shire Council

### Report on the Audit of the Financial Report

#### Opinion

I have audited the financial report of Diamantina Shire Council.

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2017, 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 2017, 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 certificate given by the Mayor and 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 2017, 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.

## **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 2017:

- 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.

  
D A STOLZ  
as delegate of the Auditor-General



Queensland Audit Office  
Brisbane



## DIAMANTINA SHIRE COUNCIL

### Current Year Financial Sustainability Statement

For the Year Ended 30 June 2017

Measures of Financial Sustainability		How the Measure is Calculated	Actual	Target
Council's Performance at 30 June 2017 against any key financial ratio's and targets:				
Operating Surplus Ratio	Net Result (excluding capital items) divided by total operating revenue (excluding capital items)		-21.37%	Between 0% and 10%
Asset Sustainability Ratio	Capital Expenditure on the replacement of assets (Renewals) divided by depreciation expense		156.81%	Greater than 90%
Net Financial Liabilities Ratio	Total liabilities less current assets divided by total operating revenue (Excluding Capital Items)		-78.02%	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 2017.

#### CERTIFICATE OF ACCURACY For the year ended 30th June 2017

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: 11 / 10 / 2017

  
\_\_\_\_\_  
Chief Executive Officer  
Leon Love

Date: 11 / 10 / 17





# 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 for the year ended 30 June 2017, 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 2017 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 2017, 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 and long-term financial 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
- 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.

  
D A STOLZ  
as delegate of the Auditor-General



Queensland Audit Office  
Brisbane

Long Term Financial Sustainability Statement  
For the Year Ended 30 June 2017

Financial Sustainability	How the Measure is Calculated	Target	Actual	Projected for the years ended									
			30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027
Operating Surplus Ratio	Net Result (excluding capital items) divided by total operating revenue (excluding capital items)	Between 0% and 10%	(21.4)%	(1.3)%	(8.7)%	(8.0)%	(7.8)%	(7.8)%	(7.5)%	(7.8)%	(7.7)%	(7.8)%	(7.6)%
Asset Sustainability Ratio	Capital Expenditure on the replacement of assets (Renewals) divided by	Greater than 90%	155.1%	124.3%	95.9%	97.8%	99.3%	100.5%	101.3%	101.7%	105.2%	106.5%	102.3%
Net Financial Liabilities Ratio	Total liabilities less current assets divided by total operating revenue (Excluding Capital Items)	Not Greater than 60%	(78.0)%	(54.6)%	(69.6)%	(54.2)%	(49.2)%	(44.1)%	(39.2)%	(34.2)%	(28.9)%	(28.2)%	(21.3)%

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 2017

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

Date: 16 / 10 / 2017

Chief Executive Officer  
Leon Love

Date: 11 / 10 / 17

