



SUSTAINABLY DEVELOPING THE OUTBACK

Annual Report 2017/18





About this Report

This Annual Report of the Diamantina Shire Council is for the period 1 July 2017 to 30 June 2018

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

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

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

Copies of this publication can be obtained by contacting the Council Administration Centre on (07) 4746 1600 or by visiting Council's website at www.diamantina.qld.gov.au

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

DIAMANTINA SHIRE COUNCIL
17 Herbert Street
BEDOURIE QLD 4829





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A Message from our Mayor

The year 2017/18 was, by any standards, a challenging one financially with funds hard to source. Diamantina is at a disadvantage in that it only has a general rate base of \$715,000, so is heavily reliant on external funding such as grants and flood damage. Even if the shire were to double its rates it would have little impact on our bottom line and our ability to fund projects. With the reporting period being so dry there was little flood damage restoration money around and the dry weather only hastened the deterioration of the roads.

While last year I believe I described that year as a historic year, this year can be described as a year of consolidation, with council finishing many projects already started.

This included things such as the Birdsville Streetscape Stage 3 and 4, where \$250,000 was spent. We also were able to finish off the Birdsville Caravan Park refurbishment and the Birdsville Lodge, where the council have contributed \$2.2 million to the combined project. It was with much pleasure that I was involved in the opening of these 2 projects.

On the roads, new works included sealing of the Bloodwood section on the Bedourie Windorah road for over \$1,000,000, the sealing of the section around the Birdsville Racecourse costing \$800,000, and the Work for Queensland road works in the northern eastern parts of the shire totalling \$1 million dollars.

It was with some fanfare that Boulia and Diamantina shires came together to open the last remaining sealing project on the Boulia to Bedourie road following the completion of the sealing project on the missing link at Marion Downs.

Other projects included the roof over the outdoor area at the Bedourie Community Centre (\$250,000). Work also started on the \$1.5 million refurbishment of the Bedourie Aquatic Centre and a Management Plan was completed for the Mud Hut in Bedourie..

Governor General, Peter Cosgrove, visited Birdsville during the races and it was my privilege, along with my wife, to host the Governor General and his wife as I showed them around town and on to the races, where they presented the Birdsville Cup to the winners. I was also able to meet with the Prime Minister at the time, Malcom Turnbull, in Boulia while he was doing a tour of drought effected areas.

We were also very fortunate to be able to host the Queens Baton as it passed through Birdsville on its way to the Commonwealth Games on the Gold Coast. It was a very successful promotion of Birdsville and what it has to offer. The shire put on a very entertaining fun day for all and sundry.

Diamantina was also able to get a grant from the Australia government to prepare an Economic Development Strategy. This is a wonderful opportunity for the whole community to get behind this and have a say in the future of Diamantina. Of course if nothing is done then nothing changes, and while there may some major road blocks ahead the main one is our dwindling population.

I think I would consider 2017/18 to be a good solid year where the budget ended up about balanced.



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

Geoff Morton
Mayor

A Message from our CEO

I am pleased to provide a report on Council's operations for the 2017/18 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 Council's financial position is sound, it is reliant on 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.

Staff turnover and the recruitment of suitably skilled and experienced staff continues to be an issue for Council. This year we have been fortunate to recruit Cassie White as Deputy Chief Executive Officer and Kurt Ball as Strategic Services Coordinator generally seeing a stable administration workforce. Our outside crews have been much more volatile with high turnover in the areas of MC truck drivers and grader operators. A review of exit interviews does not reveal a pattern explaining departures. Only 11 of the 56 employees have been with Council more than 5 years.

This year has highlighted the great skills and determination of our council staff under trying conditions.

Roadwork crews have completed 12.1km of new bitumen road and 40km of gravel resheeting and many hundreds of kilometres of grading. With ongoing staff vacancies they have done this with limited resources and many staff have stepped up to take on multiple roles on job sites and perform supervisory roles.

Our civil crew undertakes a broad range of tasks and included construction of kerb, channel and medians in Birdsville, installed 4 flood cameras, installed many signs, fences, grids, pipes and culverts, and batched all concrete used by Council and others.

Our facilities maintenance crew oversees building construction and maintenance and associated utilities with many hot months putting in connecting underground services in the Birdsville Caravan Park and Birdsville sewer upgrade projects, depot sheds, pool refurbishment, house maintenance etc.

Parks staff have improved the liveability and appearance of our towns and often fly under the radar when it comes to assisting community groups prepare for their events. Many positive comments are received from tourists as to the neat, tidy and clean appearance of our towns, all due to their efforts.

Our workshop staff have provided a stable platform for the rest of the crews to keep on working. They work long hours and travel many hours to keep our machinery on the road.

Finance and Administration staff have been deeply involved in the implementation of a new Business Enterprise System which went 'live' from March 2018. This involved significant preparatory work in terms of data cleansing and set up of the new system. Despite some teething issues and much frustration at times, the stage 1 of the system being primarily financial, has bedded down and will result in significant efficiencies over time across the organisation as we embrace our new digital age. Our financial statements have been signed off by the Queensland Audit Office without qualification, which is testament to the Finance team and Gerhard van der Walt of Mead Perry Group.

Tourism and community staff have again provided great customer service to the thousands of visitors who flock to our area. Their patience is to be commended and they have heard just about every question that could be asked about the shire. There has been great feedback regarding our playgroup coordinators who each week facilitate play based learning for our smaller residents.

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.

This Annual Report highlights Council's commitment to being a responsible, transparent and forward thinking organisation and I commend it to you.



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

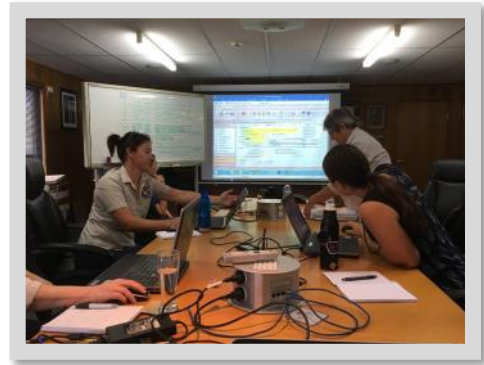
We recognise the importance of maintaining a creative and responsive work environment in which the community, councillors, management and staff, work constructively together in a spirit of teamwork, trust and loyalty.

2017-18 Highlights

Financial System—Synergy Soft

After the completion of a joint tendering and selection process five Councils (Diamantina, Longreach, Boulia, Winton and Barcoo) purchased Synergy Soft as our new finance system. We have implemented the core finance modules, including Debtors, Creditors, Purchase Orders, Payroll and Rates. Further modules will gradually be adopted including Customer Services, Online Timesheets, Asset Management and Workshop Maintenance.

Our administration and finance team have faced many challenges during this process and are to be congratulated on its success.



Bedourie Aquatic Centre

Funded by: Department of Housing and Public Works, Get Playing Plus Program and Council

Much of the work on the Bedourie Aquatic Centre has been completed with the new roof over the pool, a new state of the art filtration system, and landscaped grounds.



Bedourie Community Centre

Funded by:

- Department of Infrastructure, Local Government and Planning, Local Government Grants and Subsidies Program; and
- Federal Department of Infrastructure and Regional Development, Drought Communities Program;
- Department of Education and Training, Small Assets Grant; and
- Council

The roof over the Bedourie Community Centre has provided much needed shade to our many community events and the beautifully stencilled slab creates a safe and comfortable space.



2017-18 Highlights

Birdsville Sewer Upgrade

Funded by:

- Department of Infrastructure, Local Government and Planning, Local Government Grants and Subsidies Program; and
- Department of State Development, Building our Regions
- Council

The upgrade to the Birdsville sewer system has begun with the run heading west from the Caravan park completed .



Birdsville Caravan Park Upgrades

Funded by:

- Department of Infrastructure, Local Government and Planning, Local Government Grants and Subsidies Program; and
- Federal Department of Infrastructure and Regional Development, Drought Communities Program;
- Council

The capacity to cater for the influx of visitors at Big Red Bash and Birdsville Races has been improved with extra facilities at the Caravan Park including 16 more powered sites and a camp kitchen.



Birdsville Streetscape Stage 3 & 4

Funded by:

- Department of Infrastructure, Local Government and Planning, Local Government Grants and Subsidies Program; and
- Council

Residents and visitors can now enjoy the transformation



including safe pedestrian walkways and beautiful gardens.

Flood Monitoring Cameras

Funded by:

- Department of Infrastructure, Local Government and Planning, Local Government Grants and Subsidies Program; and
- Council

Four flood monitoring cameras have been installed, greatly improving Council's ability to keep the community and visitors aware of flooding quickly and efficiently.



Community Financial Report

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

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

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

This report focuses on:

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

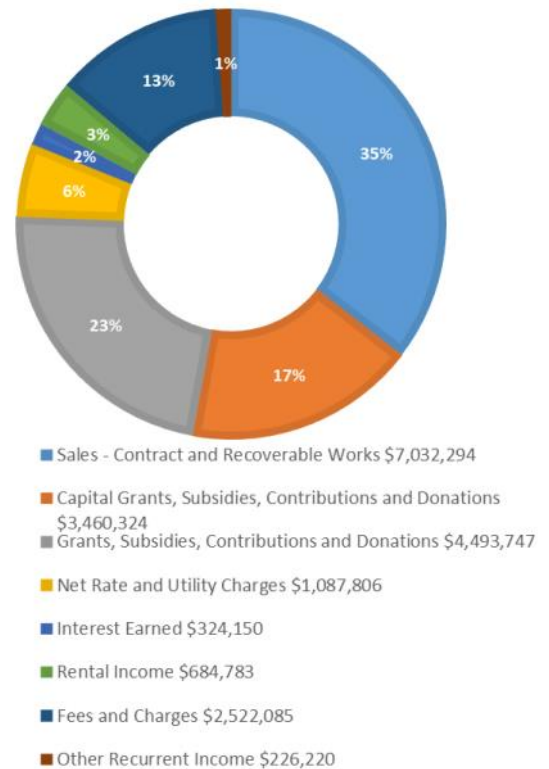
Statement of Comprehensive Income

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

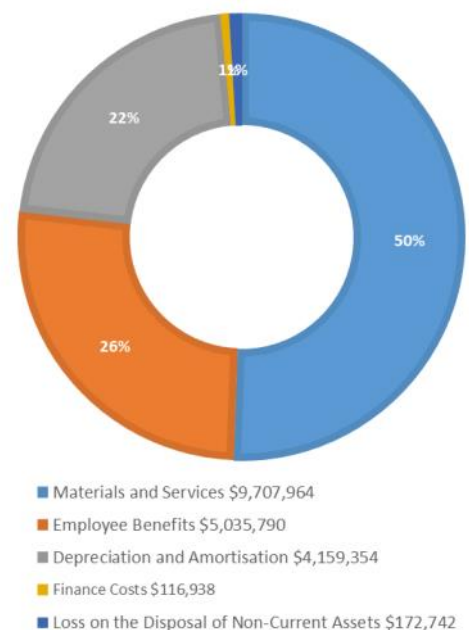
	\$
What we have earned (revenue)	
Recurrent Revenue	16,371,085
Capital Revenue	3,460,324
Total Revenue	<u>19,831,409</u>
What we have spent (expenses)	
Recurrent Expenses	19,020,046
Capital Expenses	172,742
Total Expenses	<u>19,172,788</u>
Net Result	<u>638,621</u>

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.

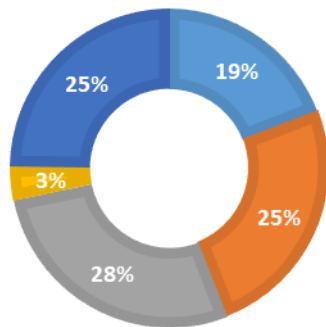
What do we own?

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	9.90	15,746,732
Trade and other receivables	0.96	1,533,101
Inventories	0.84	1,335,193
Property, plant and equipment	88.29	140,397,946
TOTAL ASSETS		159,012,973

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 \$6,260,280 to renew, upgrade and build new assets for the community. The graph below shows how the money was spent in different asset classes.

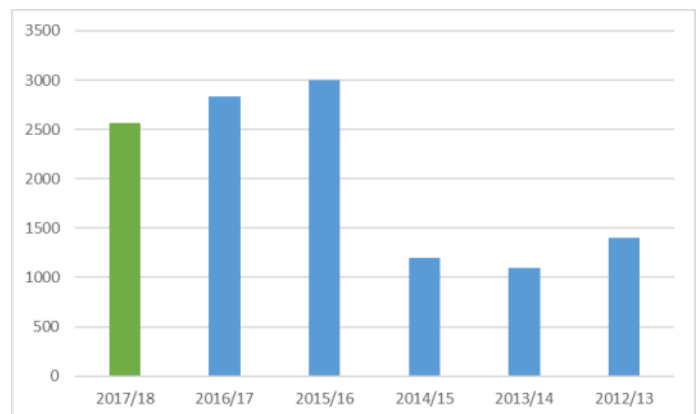


What do we owe?

With debt repayments amounting to \$259,705 for the year, Council's debt at June 30, 2018 totalled \$2,569,953. Council continues to manage its debt responsibly, electing only to borrow further after taking into account the economic conditions of the period, with the view that the borrowing will provide a benefit to future generations. No new borrowings were made during the year.

What do our liabilities consist of?	%	\$
Trade and other payables	33.98	1,399,910
Borrowings	62.37	2,569,953
Provisions	3.65	150,496
TOTAL LIABILITIES		4,120,360

Changes in Council debt over the last six years:



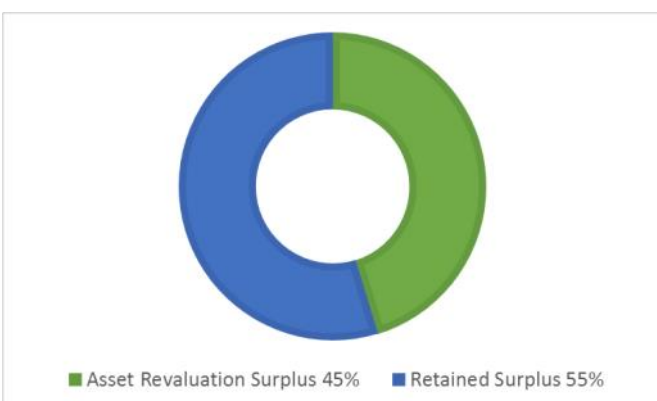
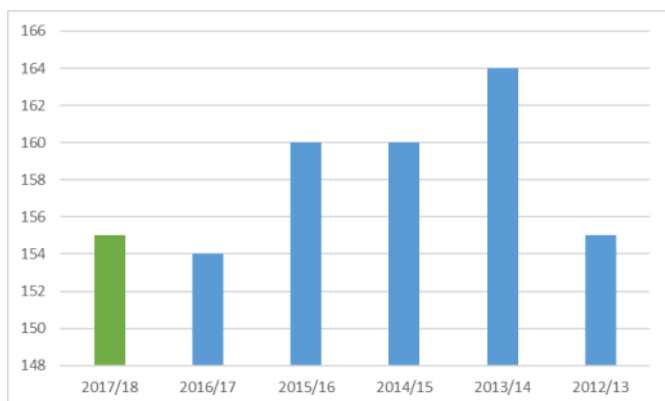
Community Financial Report

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 2018 this was an amount of \$155M (ie Assets \$159M 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 \$15,746,732 it is important to note that \$510,000 is restricted as reserves for specific purposes, such as future capital works.

Cash at Beginning	\$17,205,954
Inflow from Operating Activities	1,210,259
Inflow from Investing Activities	(\$2,409,775)
Inflow from Financing Activities	(259,705)
CASH AT END	\$15,746,732

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.

Target Range = > 90%
Council's Result = 79.1%

Comment: Given Council's limited own source income, council struggles to fund the renewal of its assets.

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.

Target Range = < 60%
Council's Result: -88.5%

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

Operating Surplus Ratio

This ratio (expressed as a percentage) is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes. The formula used to calculate the ratio is:

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

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.

Target Range > 0% and < 10%
Council's Result: -16.2%

Comment: Council does not raise surplus revenue to meet future operational or capital requirements over the long term.

Community Financial Report

Five Years at a Glance – A Financial Snapshot

Financial Year	2017/18	2016/17	2015/16	2014/15	2013/14
Net Rates & Charges	\$1,087,806	\$967,756	\$918,693	\$862,850	\$765,431
Total Revenue	\$19,831,409	\$26,293,759	\$21,688,940	\$19,654,954	\$36,518,634
Total Expenses	\$19,192,788	\$24,003,543	\$22,010,719	\$21,680,276	\$26,871,054
Net Result	\$638,621	2,290,216	(\$321,779)	(\$2,025,322)	\$9,647,580
Capital Additions	\$6,260,280	\$9,733,792	\$4,913,147	\$2,926,315	\$14,963,063
Debt Repayment	\$259,705	\$246,826	\$428,338	\$348,560	\$332,874
Loan Balance	\$2,569,954	\$2,829,659	\$3,076,485	\$1,169,493	\$1,085,552
Total Assets	\$159,012,973	\$158,636,871	\$163,865,117	\$162,345,130	\$164,034,545
Total Liabilities	\$4,120,360	\$4,382,880	\$4,209,451	\$2,367,686	\$2,031,779
Total Equity	\$154,892,613	\$154,253,992	\$159,655,666	\$159,977,444	\$162,002,766
Reserves	\$510,000	\$1,228,086	\$3,135,874	\$3,135,874	\$3,135,874
Depreciation Expense	\$4,159,354	\$2,941,148	\$2,963,034	\$2,933,130	\$2,998,665

Summary

In conclusion, Council's financial position is sound, subject to ongoing funding from external sources, particularly with road works. This would ensure the continued viability of our programs so that we can meet the needs of our diverse communities. Given the increasing requirements with which we must comply, the trend of reducing subsidies and grants, and 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.

Council's focus will be on renewing assets in priority to creating new assets unless new assets are revenue generating and maximising revenue from available sources.

Our Shire

Our Location

The Diamantina Shire covers almost 95,000 km², which is larger than Tasmania and twice the size of Denmark! It is the second largest Local Government area in Queensland but yet has the second smallest population.

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

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

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

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

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

Our History

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

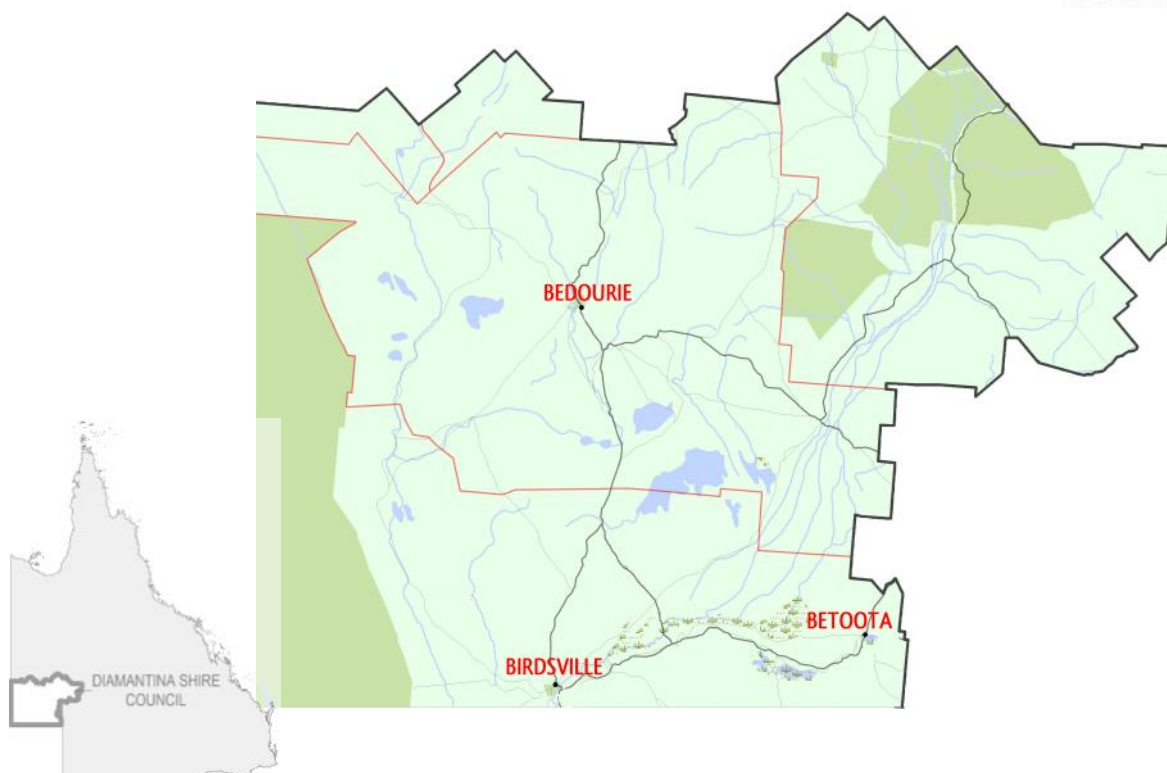
Some years later in 1886, the river was rediscovered and renamed the Diamantina by William Landsborough, thereby honouring Lady Diamantina Roma Bowen, the wife of the first Governor of Queensland, Sir George Ferguson Bowen.

The name Diamantina was conferred in 1943 to a River Class Frigate that was being built by Walker Bros at Maryborough Queensland for the Royal Australian Navy, (which was decommissioned in 1980). In 2000 a new HMAS Diamantina was launched.

Originally the Shire's logo featured a lone bull. As the years progressed Council, seeing the crest of HMAS Diamantina and that of Lady Diamantina Roma Bowen requested the use of both to form a new logo for the Diamantina Shire.

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

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



Our Shire

Our Towns

Bedourie, the Shire's administration centre, boasts many modern amenities including a community centre, Health

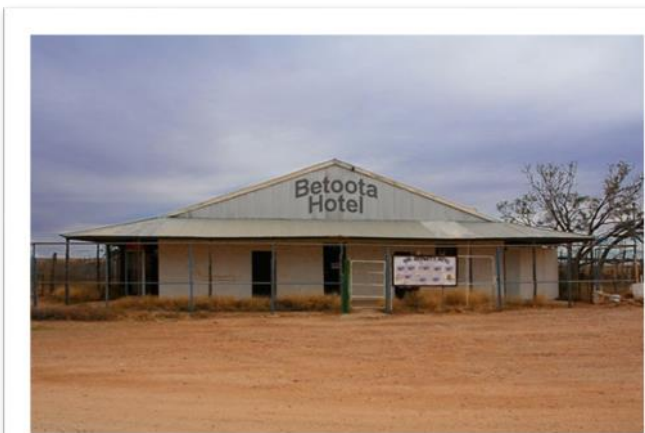


Clinic, School, historic hotel, motel, roadhouse, caravan-park, unique desert golf course, flood lit tennis courts, and arguably the town's premier facility an aquatic centre with an artesian hot spa. The town has a great potable water supply from the great artesian basin.

Bedourie, meaning 'dust storm', was first established as a Cobb & Co coach stop and watering point for drovers on the north-south stock route. The town's water, sourced directly from the great artesian basin, is celebrated as being Australia's best.

Bedourie has a population of approximately 100 people.

Betoota, has an official population of zero and is therefore Australia's smallest town. Also originally a Cobb & Co rest



stop, Betoota, all but disappeared after the last horse-drawn Cobb & Co coach service ran in 1924.

However, Sigmund (Simon/Ziggy) Remienko, a Polish immigrant who had been working as a grader driver in nearby Boulia, bought the Betoota Hotel in 1953. He lived in and managed the hotel, which was a popular fuel and rest stop for outback travellers, until his retirement in 1997 when he closed the hotel doors, but continued to live there as Betoota's sole resident until his death in 2004.

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

Birdsville, lies 12 kilometres north of the SA border. Pre-federation, the town was a tolling point for the drovers



transporting cattle between the colonies. At that time, Birdsville was a thriving town of approximately 300 people that boasted three hotels, a blacksmith store, cordial factory, market gardens and police and custom facilities. After federation, in 1901, tolls were abolished and the town fell into decline.

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

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

Birdsville's population is approximately 100.

Our Council



Diamantina Shire Council was established on 31 March 1903 after the previous Diamantina Divisional Board was abolished. It administers Local Government within the Shire, as required by the *Local Government Act 2009*. Council provides a range of community services, is responsible for local planning and policy, fosters social and economic 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. He is serving his second term as Mayor. Prior to being elected as Mayor Geoff served two terms as Deputy Mayor. Geoff is heavily involved in the Diamantina Shire community and only recently stood down as the President of the Betoota Race Club after 32 years of service.

Our Council



Deputy Mayor
Councillor Steve Cramer
Elected: 2011

Born in Glen Innes, NSW, in 1976 to Philip and Moira Cramer, Steve is the third of four children. Steve completed primary school at Glen Innes State School before attending secondary schooling at Glen Innes High School. On leaving school, Steve attended Longreach Agricultural College and went on to work at S. Kidman & Co.'s Sandringham Station as a ringer.

At Sandringham Station he met Jeena Kleinschmidt who came to work as a governess. After Sandringham they moved to Peak Crossing while Steve worked in the stockyards at the meatworks at Dinmore and broke in horses on the side. When Steve and Jeena married in 1999, they re-joined S. Kidman & Co and moved to Morney Plains, Windorah as Head Stockman for 18 months, then up to Ruby Plains Outstation Sturt Creek, in the Kimberleys of North Western Australia.

After seven years running Sturt, Steve was relocated to Glengyle Station in December, 2007. Steve and Jeena have four children - Cody, Bridey, Beau and Jack.



Councillor 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 16 January 2017, the following resolution was adopted:

Minute No. 2017.01.16-OM-11

Moved by Cr Morton and Seconded by Cr Cramer

'That: Annual Remuneration levels be set as follows from 1 July 2017:

Mayor \$82,087

Deputy Mayor \$35,178

Councillor \$25,018

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

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

Councillor	Ordinary Meetings Attended	Remuneration	Expenses Reimbursed	Superannuation Contribution	Communication Allowance	Travel Allowance	Total
Cr G Morton	12	\$81,952	\$536	\$9,834	\$500	\$32,326*	\$125,148
Cr S Cramer	10	\$35,121	-	\$4,214	\$450	\$95	\$39,880
Cr D Rayment	12	\$24,977	-	\$2,997	\$450	\$1,515	\$29,939
Cr D Cooms	12	\$26,000	-	\$2,991	\$500	-	\$28,991
Cr B Maunsell	11	\$24,957	-	\$2,866	\$450	-	\$28,273
Total		\$193,007	\$536	\$22,902	\$1,850	\$33,936	\$252,231

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 25 June 2018, where the following resolution was adopted:

Minute No. 2018.06.25-OM-5

Moved by Cr Cooms and Seconded by Cr Maunsell

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

Our People



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 the country respond after a big flood in contrast to the predominately dry conditions experienced over the past 5 years. The unique and diverse landscapes make the Diamantina an enjoyable place to work.

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.



Tourism and Event Manager

Jessica Greenaway

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

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

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

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



Deputy Chief Executive Officer

Cassie White

Cassie joined the Diamantina Shire and Bedourie community in January 2018, accompanied by her partner Mick and 2yo daughter Isla.

Cassie hosts 17 years industry experience, is an Associate CPA member and holds a Bachelor of Commerce with a dual degree in Advanced Accounting and Management Law. In early 2018 Cassie was recognised by the LGMA as one of the most successful young members of Local Government and is an active member and advocate with the LGFP as the Junior Vice President.

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



Infrastructure Manager

Trevor Stewart

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

In 1996 he became Works Overseer before leaving the Shire in July 2001 to work for a civil construction company in Toowoomba. One of Trevor's biggest achievements when working for the company was being made foreman in charge of the civil works on the multi-story carpark at the Brisbane International Airport.

Trevor returned in 2011 as Works Manager.

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

Our People

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

Training and development

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

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

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
- ◆ Automotive Airconditioning
- ◆ Electrical Test and Tag
- ◆ Implement Traffic Management Plan and Control Traffic with Stop/Slow Bat
- ◆ Drug and Alcohol Testing

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

Employee Assistance Program

The Employee Assistance Program was again offered to all employees and immediate family members of employees the Diamantina Shire

Council. The program provides access to a clinical psychologist both over the phone and face to face. Introduced in the 2009/2010 financial year, the program has been accessed by various staff members throughout the year and provides support 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

Council has a Recruitment and Selection Policy which provides 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. This year we employed two young locals in trainee positions and had one employee successfully complete a Certificate III in Parks And Gardens and another successfully complete a Certificate III in Civil Construction.

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



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. Wellbeing initiatives are high on the agenda for Council as it is crucial that we consider employee wellbeing as a core initiative.

Council will once again 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.

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

Complacency – one of the biggest challenges for the health, safety and wellbeing of employees is complacency, not just in relation to DSC employees work behaviour but also to members of the public that may put our employees at risk due to complacency behind the wheel.

Staff Statistics at a Glance

	2017/18	2016/17	2015/16
Staff excluding casuals			
Inside Staff	19	13	18
Outside Staff	38	35	35
Total	57	48	53
Gender			
Executive/Senior Management			
> Male	2	2	3
> Female	2	1	0
Elected Members			
> Male	4	4	4
> Female	1	1	1
Total Employees			
> Male	37	31	38
> Female	16	17	23
Other Statistics			
Aboriginal & Torres Strait Islander employees	18	17	17
Employees with a disability	0	0	0
Staff Turnover	48%	46%	37%

Our Community

Queens Baton Relay

Council was proud to have Birdsville selected to as a Celebration Community for the Queens Baton Relay.



Anzac Day

Anzac Day commemorative services were held in both towns.



NAIDOC Week 2017—Our Language Matters

With the support of Council NAIDOC Week 2017 was celebrated in Birdsville.



Guinness World Record Star Gaze

It's official, on 23 May 2018 Birdsville became part of Guinness World record history.



Citizenship Ceremony

Bedourie welcomes a new Aussie, Michelle O'Toole.



Clean up Australia Day

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

(michelle D to provide Bedourie photo)



Our Community

Remembrance Day

Remembrance Day was commemorated in both towns.



Bedourie Golf Day

Even flies couldn't keep our avid golfers from the Bedourie Golf Day.



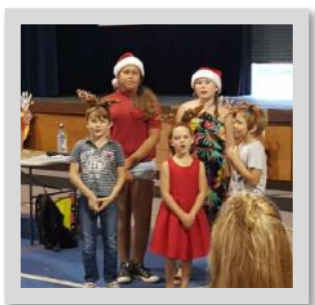
Christmas Lights Competition

The annual Christmas Lights Competition was held, with \$1000 in prize money distributed to the winners.



Christmas Parties

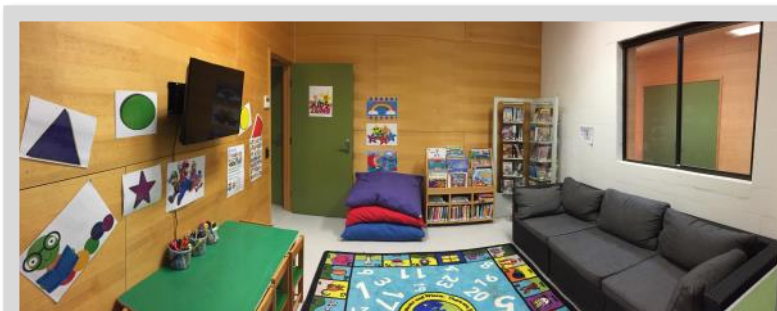
In accordance with Council Community Christmas Event Policy financial support was provided to the P&C Associations in each town to help with the costs of entertainment, hospitality and gifts for the children at the Christmas party in each town.



Our Community

Library Services

Library Services continue to be delivered in Birdsville and Bedourie as part of the Rural Libraries Queensland. Two exchanges were conducted at each of the libraries to provide new and relevant library materials. A small amount of funding provided by State Library of Queensland was used to update the Children's corner of the Birdsville Library. Library activities included movies, story time sessions and book week celebrations.



Children Services

Council delivered playgroup services in Birdsville and Bedourie, with valuable funding provided by the Department of Education. The service was provided free to both residents and visitors alike in both Bedourie and Birdsville. The service provides activities for children from birth to 8 years old with the aim of improving child development and readiness for school, while also providing support to parents and carers through access to services and information, and improved engagement with their children.



Speech pathologist Lucy Griffin visited Birdsville playgroup and ran a workshop on "Talking and Listening with your child: sounds, words, play and what to expect". Nutritional information was also provided to parents/carers and children about the importance of a healthy balanced diet.

Both playgroups have collaboratively worked with local schools on ideas to coordinate transition programs and strategies to be better prepare children for their transition into kindy. Playgroup has also incorporated weekly library visits to build relationships with families and our local library and emphasise importance and fun of early childhood reading.



Our Community

Our Community Grants

In 2017/18 Diamantina Shire delivered its annual Community Grants Program. Cash funding and in-kind support was provided to eligible individuals, not-for-profit groups and other organisations, for projects and events that provided local community benefit within Diamantina Shire. Support through the Community Grants Program is offered in the following categories;

- Regional Arts Development Fund Grants
- Community Drought Support Grants (Department of Communities, Disability Services and Seniors)
- Sponsorship and donations

Close to \$94,850 in cash and \$154,910 in in-kind support was approved to these projects and events through the community grant program on behalf of Council and our funding partner, the Queensland Government. These included:

Splash n Arts Camp

Supported by: RADF and Council
Event Date: November



Bedourie Campdraft, Rodeo, Gymkhana and Bronco Branding

Supported by: Community Drought Support and Council
Event Date: July



Bedourie Camels & Pig Races

Supported by: Community Drought Support and Council
Event Date: July



Channel Country Rugby League Nines

Supported by: Community Drought Support and Council



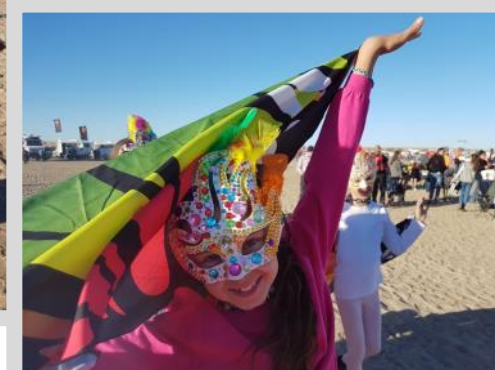
Our Community

Our Community Grants

The Storey Players

Supported by: Community Drought Support and Council

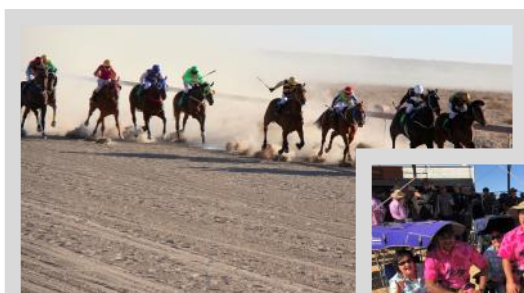
Event Date: July



Bedourie Races

Supported by: Community Drought Support and Council

Event Date: September



Our Community

Our Community Grants

Birdsville Bike and Horse Gymkhana

Supported by: Community Drought Support and Council

Event Date: June

All Birdsville Gymkhana pictures kindly provided by Lorraine Kath, Outback Photography



The Big Red Rumble

Supported by: RADF and Council

Event Date: July



Birdsville Bronco Branding, Rodeo and Campdraft

Supported by: Community Drought Support and Council

Event Date: May



Bedourie Anzac Day Bingo

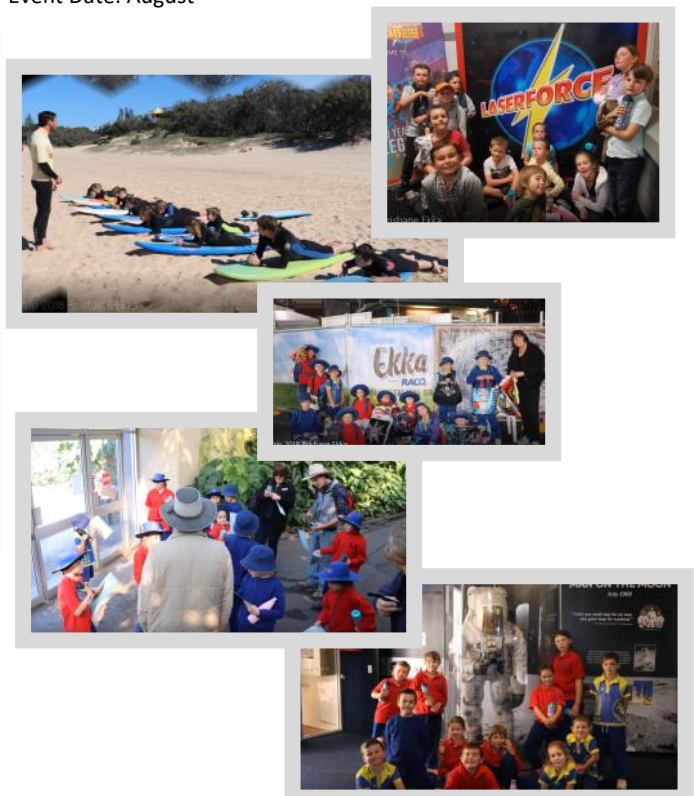
Supported by: Council

Event Date: April

Bedourie and Birdsville Schools EKKA Trip

Supported by: Community Drought Support

Event Date: August



Our Community

Our Community Grants

Birdsville BMX Track Upgrade

Supported by: Community Drought Support and Council

Bedourie Community Cultural Night

Supported by: Council

Betoota Races

Supported by: RAPAD Community Drought Fund and Council

Event Date: August



School Holiday Dance/Drama Workshop

Supported by: RADF and Council

Event Date: December

Road Safety School

Supported by: Community Drought Support

Our Major Events

Birdsville Races

The Shire's most famous event is bigger and better every year.



Big Red Bash

The Bash continues to grow from year to year and Council is proud to provide support.



Our Goals

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

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

The following is a summary of what Council has achieved against its Corporate Plan and Operational Plan during 2017/18.

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



Our Achievements

Council is participating in the development of a Regional Plan with RAPAD and stakeholders.

Agforce and RAPAD are funding a wild dog coordinator for the region.

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 lobby for the continuation of the GAB bore capping program.

Solar lights installed in the Birdsville Lodge car park. Further opportunities for using solar lighting in the shire continue to be identified as funds allow.

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 decommissioning of the geothermal plant in Birdsville by Ergon.

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

Our Achievements

Council invited tenders for the drilling of three bores, one being the Bedourie Town Bore, and the other two being strategically placed bores for road construction purposes. Funding for these bores is being sourced from DTMR and others.

Birdsville Sewer upgrade from the Caravan Park heading west towards the Bakery has been completed. Five sewer pump switchboards have been renewed using LGGSP funds.

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

Our Goals

Goal 2: Social

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

2.1.1 Effective management of cultural heritage and native title.

2.1.2 Financially viable and strongly supported traditional social events.

2.1.3 Identification of aboriginal sites of significance.

2.1.4 Preservation of historical sites and artefacts.

Our Challenges

Without Council support, traditional events are not financially viable.

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

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

Our Achievements

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

Cultural Heritage clearances obtained from traditional owners as required.

Council has registered as a respondent to 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.

A review of the rates and utility charges, conducted in close consultation with the business community, has resulted in changes being adopted in the 18/19 budget which will benefit businesses and the community.

The road between Boulia and Bedourie has been completely sealed and was officially opened in September. Council is now progressing a proposal to seal the Bedourie Birdsville road.



Our Goals

Goal 2: Social (continued)

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

2.3.1 Recognition through the tidy town's awards.

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

2.3.3 Planned streetscape development

2.3.4 Effective waste management

Our Challenges

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

Large events add additional pressure on the Birdsville landfill.



Our Achievements

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

Stage 3 and 4 of the Birdsville Streetscape has been completed utilising funds from Roads to Recovery and LGGSP.

The Town Services teams continue to work hard to create green areas and gardens in our towns.

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

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

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

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

Our Challenges

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

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

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.

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

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

Council is planning to complete a review of Procurement practices including freight options next year.

Council has participated in the preparation of a Regional Transport Plan for Central West Qld.

Our Goals

Goal 2: Social (continued)

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

2.5.1 Private home ownership continues to increase

Our Challenges

Banks continue to be reluctant to lend to remote areas

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

2.6 A Motivated and Involved Community

2.6.1 Active and well-resourced community groups

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

Our Challenges

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

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

Our Achievements

Auctions of vacant residential and industrial land were conducted in Birdsville and Bedourie in July and September 2017 respectively with five residential allotments being sold in Birdsville.

Council continues to work with the Department of Housing to resolve the future arrangements for the ownership and management of Community Housing properties.

Our Achievements

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

School holiday programs were delivered in both communities, highlights included Things that bite and sting session and Laser Tag.

A review of the Youth Council Terms of Reference was undertaken, however the Youth Council did not operate during this period.



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

Crime within the communities remains very low.

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

Council continues to support staff to become members of the SES or Rural Fire Brigade.



Council replaced the Bedourie SES vehicle.

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

2.8.1 Economic development plan goals have been achieved

Our Challenges

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

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

Our Achievements

Council secured funding through the Building Better Regions Fund to prepare an Economic Development Strategy with community consultation in progress.



Our Goals

Goal 2: Social (continued)

2.9 Full Employment

2.9.1 The employment rate maintained at more than 95%

Our Challenges

High staff turnover continues to be an issue.

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

Our Achievements

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

The unemployment rate within the shire is very low.

For the few people that are unemployed Council continues to operate two Centrelink access points where residents and visitors are able to access a variety of Centrelink services and information using the telephone, fax and photocopier. This year, new fax and internet equipment was installed at both access points.

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

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

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

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

2.10.4 Quality health infrastructure that meets community needs

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

Our Challenges

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

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

Our Achievements

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

Council has been working closely with Central West Hospital and Health Service to continue to improve health services.

Council provides housing for clinic staff.

A limited pharmacy operates from both clinics.

Ambulance services continue to support local events.

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

Council is negotiating the lease of clinic buildings by CWHHS.



Our Goals

Goal 2: Social (continued)

2.11 Quality Sporting Facilities

2.11.1 Well maintained, quality sporting facilities which meet community needs with additional facilities as appropriate for the communities.

Our Challenges

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

Our small population means that playing team sport is difficult.



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 Achievements

The Gym building in Bedourie has been completed and Council expects the Gym to open to the public next year. As the Gyms in both towns are unsupervised Council has been working closely with our insurers and a legal company to ensure legal obligations are met and risks to users of the Gyms are minimised.

A new watering system for the Bedourie sports oval has been installed.

Council continues to provide funding to clubs for capital works on the three race tracks, Birdsville bronco branding yards and the Bedourie Golf Club.

A refurbishment of the Bedourie Aquatic Centre has almost been completed.

Our Challenges

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

Our Achievements

Council has started investigating technologies available to provide free WIFI to visitors which will help to improve their experience in the shire and greater region.

Research is underway into collaboration and video conferencing technologies to be used to create efficiencies within Council and between Birdsville and Bedourie.

Council has Invested in hardware and software to improve connectivity between Birdsville and Bedourie and outlying works sites such as depots.

Our Goals

Goal 3: Economic

3.1 A Major And Sustainable Tourism and Events Industry

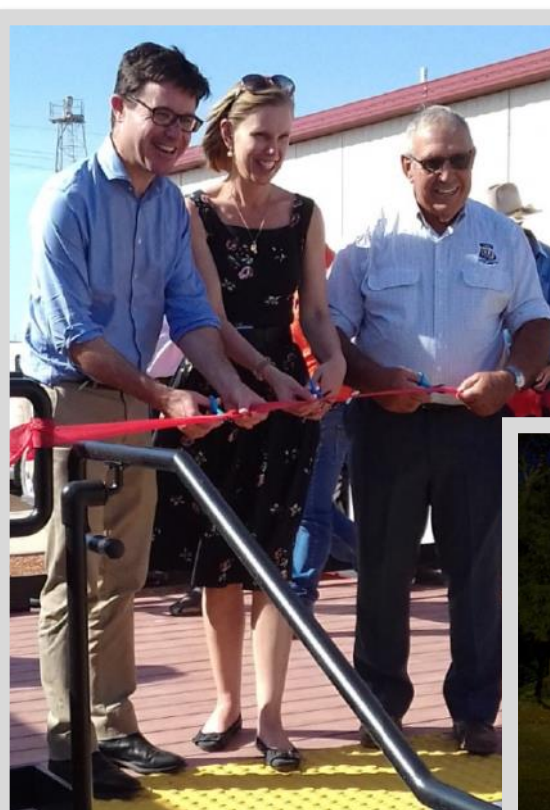
3.1.1 Well Planned Tourism Initiatives

Our Challenges

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

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

Tourist numbers are dependent on road conditions.



Our Achievements

The Tourism Plan will be reviewed as part of the preparation of the Economic Development strategy.

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

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

A Conservation Management Plan for the Bedourie Mut Hut has been completed and funding to complete the refurbishment required is being sought.

Upgrades to the Birdsville Caravan Park continued with 16 new powered sites, with water and waste disposal , completed.

In November, Council was delighted to have our local member David Littleproud MP, visit Birdsville to open the Birdsville Caravan Park project and the Birdsville Short Stay Village Project (Birdsville Lodge)



3.2 A Growing Population

3.2.1 The Population Of The Shire Continues To Increase

Our Challenges

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

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

Our Achievements

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

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

Our Goals

Goal 3: Economic

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

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

3.3.2 Airports and Services that meet community requirements

3.3.3 All Main Roads in Shire are Bitumen sealed

Our Challenges

Limited funding to upgrade and seal Main Roads.

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

Funding ongoing costs of operating 2 RPT airports.



Our Achievements

Council dedicated \$1 million of funding from Works for Queensland to the maintenance of shire roads including Springvale to Boulia Shire Boundary, Springvale to Diamantina Lakes and Diamantina Lakes to Winton Shire Boundary.

Flood monitoring cameras have been installed at 4 locations: Diamantina River (Monkira), Browns Creek (Betoota), Georgina River (Marion) and Gilmore Creek (Cacoory).

Completion of pave and seal of Birdsville Development Road adjacent to Birdsville Race Course.

Airports have accreditation requirements for RPT licence met.

NDRRA restoration works completed for 2015 & 2016 events.

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 new Planning Act 2016 required Council to prepare a new planning scheme.

Our Achievements

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

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

Our Goals

Goal 3: Economic (continued)

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

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

Our Challenges



Our Achievements

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

Council worked closely with RAPAD skilling to deliver training to employees

Council continues to be a leader within the BESPOC project being 5 councils procuring a new Business Enterprise System. The system has now been implemented (Stage 1) and we have worked closely with Longreach Regional Council throughout the process.

Staff and Councillors from Boulia, Diamantina and Barcoo attending QTC business Case and project evaluation training in Bedourie.

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 continues to undertake tourism initiatives and source funding for initiatives such as the Birdsville Courthouse refurbishment.

Community consultation on our Economic Development strategy is being conducted and a draft prepared.

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



Our Goals

Goal 3: Economic (continued)

3.7 Council is recognised as the sole road construction provider in the shire

3.7.1 Maintain a profitable plant operation

3.7.2 Council owns and operates a quality plant fleet

3.7.3 Council maintains its sole invitee status for all Department of Main Roads (DMR) and Natural Disaster 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.

Attracting suitably qualified and experienced workshop staff can be problematic.



Our Achievements

Council replaced the following plant and machinery:

5 x Box trailers for the crews

1 x Enclosed tradesman trailer for the Civil crew

2 x VMS Sign Trailers

2 x Ferris zero turn mowers

1 x CAT 259D Skid steer for Bedourie P&G

1 x CAT 140M Grader for the Construction crew

1 x Double Cab Hilux to replace SES ute

1 x Single cab Plumbers ute with Service body

1 x Toyota Prado for Infrastructure Manager

2 x CAT Rollers – These were units we had on hire, which we brought outright.

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



Our Achievements

Maintenance undertaken at council facilities as required.

Refurbishment of Bedourie Aquatic Centre near completion including new filtration and shade.

Shade structures installed at the Bedourie and Birdsville Cemeteries through Works for Qld funding.

Council housing maintained and refurbished as required.



Our Goals

Goal 4: Governance

4.1 A sustainable and effective organisation

4.1.1 A quality, effective and motivated workforce.

4.1.2 Best practice Corporate Governance.

4.1.3 Effective knowledge management systems and policies in place.

4.1.4 Long term financial sustainability.

4.1.5 Quality administration and service which meets customer needs.

4.1.6 Effective community engagement.

Our Challenges

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

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

Our Achievements

New Business Enterprise System procured and implemented.

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

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

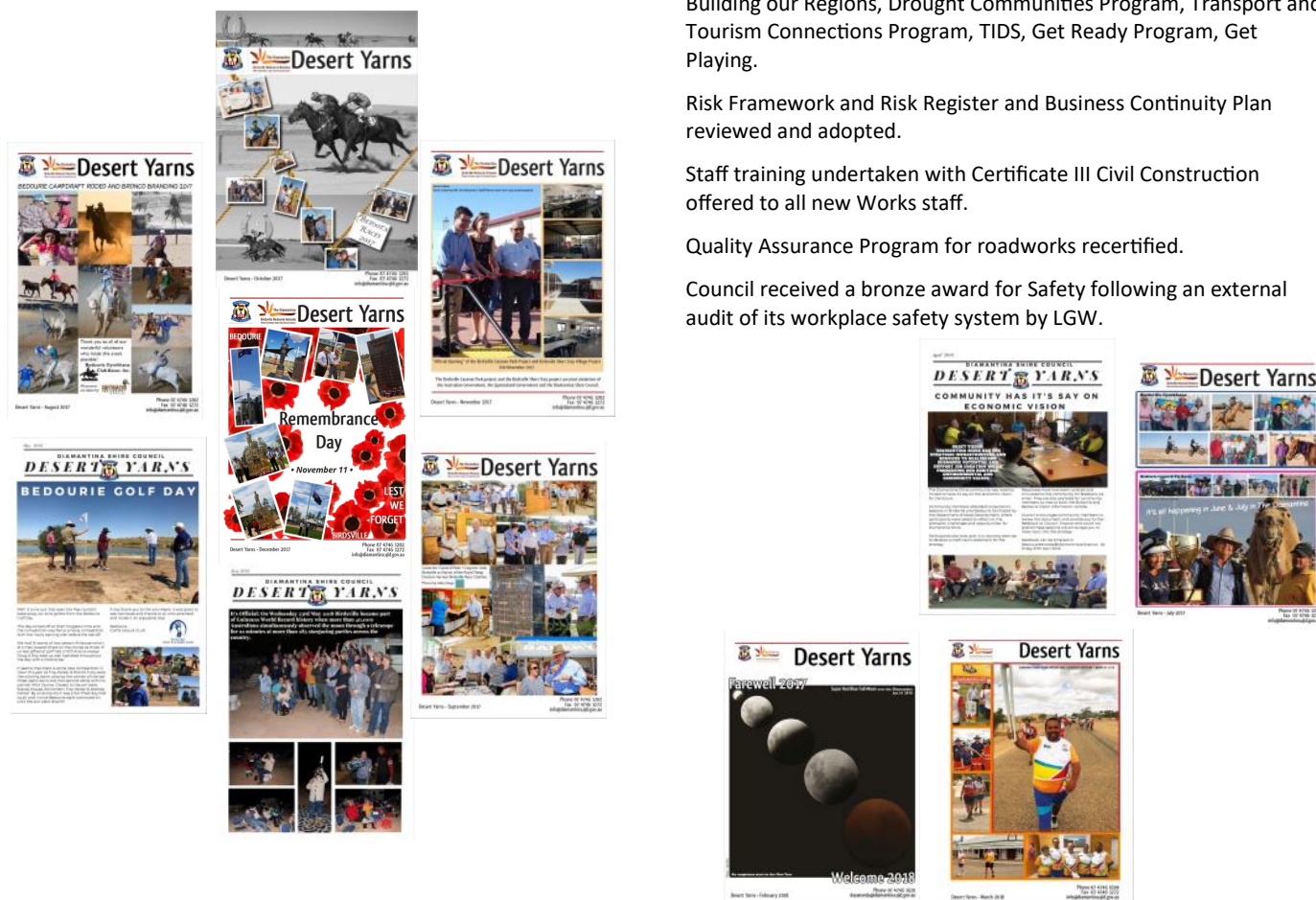
External Funding has been maximised this year with significant funding through LGGSP, Roads to Recovery, Works for Queensland, Building our Regions, Drought Communities Program, Transport and Tourism Connections Program, TIDS, Get Ready Program, Get Playing.

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

Staff training undertaken with Certificate III Civil Construction offered to all new Works staff.

Quality Assurance Program for roadworks recertified.

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



Compliance Reporting

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

Councillor Conduct

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

Section of the Local Government Act	Type of order or complaint	Number
180(2) and (4)	Orders and recommendations made about misconduct	1
181(2)	Orders made for inappropriate conduct	0
176C(2)	Complaints about Councillor conduct or performance for which no further action was taken	0
176C(3)(a)(i)	Complaints referred to the department's Chief Executive about inappropriate conduct of the Mayor or Deputy Mayor	1
176C(3)(a)(ii) or (b)(i)	Complaints referred to the Mayor about inappropriate conduct by a Councillor other than the Mayor or Deputy Mayor	0
176C(4)(a)	Complaints about misconduct referred to the department's Chief Executive	0
176C(4)(b)	Complaints about misconduct referred to the regional conduct review panel or the tribunal	1
176C(5)	Complaints assessed by the Chief Executive Officer as being about corrupt conduct	0
176C(6)	Complaints about another matter	0

Councillor Morton was found to have engaged in misconduct for using his Council email account for personal business. The orders as part of the decision notice were:

1) That Councillor Morton make an admission of error about the use of his Council email account for personal business and that the admission of error is to be made by him to a General meeting of the council in open session within 30 days of the receipt of a copy of this determination; and
2) That Councillor Morton be counselled by an appropriately qualified IT person about how not to repeat the misconduct. In particular, the counselling should focus on ensuring Councillor Morton knows how to send personal emails from his phone without using the Council server and that he limits his use of the Council's resources to Council business.

Administrative Action Complaints s187 LGR 2012

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

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

There were no competitive neutrality complaints received during 2017/2018.

Responses on QCA Recommendations on Competitive Neutrality Complaints s190 (1)(i)

There were no responses on competitive neutrality complaints received during 2017/2018.

Expenditure on Grants to Community Organisations s189 LGR 2012

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

Organisation	Event	Contribution
Bedourie Amateur Race Club	Bedourie Races	\$5,144
Bedourie Golf & Leisure Club	Bedourie Pig & Camel Races	\$7,875
	Bikes and Bulls	\$315
	Rugby Nines	\$2,326
	Golf Day	\$581
Bedourie Gymkhana Club	Bedourie Camp Draft, Gymkhana, Rodeo and Bronco Branding	\$6,798
	Insurance	\$2,210
Betoota Race Club Inc.	Betoota Races	\$734
	Insurance	\$2,822
Betoota Social Club	Betoota Gymkhana	\$8,035
	Insurance	\$2,890
Birdsville Race Club Inc.	Birdsville Races	\$295,143
Bedourie State School P&C	Christmas Tree and Children's breakap	\$1,649
	Splash and Arts Camp	\$4,293
	ANZAC Day Bingo	\$831
Windorah State School	Sports Camp	\$187
Birdsville Social Club	Birdsville Gymkhana	\$8,117
	Birdsville Bronco Branding	\$9,533
	Big Red Bash Catering	\$1,393
	Insurance	\$1,726

Identifying Significant Business Activities s45 LGA 2009

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

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

Compliance Reporting

Overseas Travel s188 LGR 2012

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

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 2017/2018 financial year.

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

Diamantina Shire Council did not make a change to a tender during the 2017/2018 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
Register of Complaints against Councillors

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

Diamantina Shire Council made no concession of rates or charges for the 2017/2018 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. This arrangement was extended to 30 June 2018 with an onsite visit conducted in August 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:-

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

The Local Government Remuneration and Discipline Tribunal Report 2016 re-categorised Diamantina Shire Council from a Category 3 to a Category 1 Council. This meant an Internal Audit Committee was no longer required and at the March 2017 Council meeting it was resolved to not have one. Council has continued to operate without an Internal Audit Committee during the 17/18 financial year to the satisfaction of the External Auditors.

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

The total remuneration packages payable in 2017-18 to executive employees is \$972,367.

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 2018, Council has processed one right to information application. This Annual Report satisfies the requirements of section 21 of the Act.

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.



Financial Statements

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



SUSTAINABLY DEVELOPING THE OUTBACK

DIAMANTINA SHIRE COUNCIL

ANNUAL FINANCIAL STATEMENTS

For the Year Ended 30 June 2018

FINANCIAL REPORT

For the Year Ended 30 June 2018

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DIAMANTINA SHIRE COUNCIL

Statement of Comprehensive Income

For the Year Ended 30 June 2018

		30 June 2018	30 June 2017
	Note	\$	\$
INCOME			
Revenue			
Recurrent Revenue			
Rates, levies and charges	3(a)	1,087,806	967,756
Fees and charges		2,522,085	1,396,313
Rental income		684,783	429,353
Interest received	3(b)	324,150	473,426
Sales revenue	3(c)	7,032,294	6,669,815
Other income		226,220	152,042
Grants, subsidies and contributions	4(a)	4,493,747	4,650,193
		<u>16,371,085</u>	<u>14,738,899</u>
Capital Revenue			
Grants, subsidies and contributions	4(b)	3,460,324	6,561,714
		<u>3,460,324</u>	<u>6,561,714</u>
Total Revenue		<u>19,831,409</u>	<u>21,300,612</u>
TOTAL INCOME		<u>19,831,409</u>	<u>21,300,612</u>
EXPENSES			
Recurrent Expenses			
Employee benefits	5	(5,035,790)	(3,796,231)
Materials and services	6	(9,707,964)	(12,098,119)
Finance costs		(116,938)	(120,607)
Depreciation	11	(4,159,354)	(2,941,148)
		<u>(19,020,046)</u>	<u>(18,956,105)</u>
Capital Expenses - Loss on disposal of capital assets	7	<u>(172,742)</u>	<u>(54,291)</u>
TOTAL EXPENSES		<u>(19,192,788)</u>	<u>(19,010,396)</u>
NET RESULT		<u>638,621</u>	<u>2,290,216</u>
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to net result			
Decrease in asset revaluation surplus		-	(10,533,859)
Total Other Comprehensive Income for the Year		<u>-</u>	<u>(10,533,859)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>638,621</u>	<u>(8,243,643)</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 2018

		30 June 2018	30 June 2017
	Note	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	8	15,746,732	17,205,954
Trade and other receivables	9	1,533,101	1,018,948
Inventories	10	1,335,193	1,552,027
Total Current Assets		<u>18,615,027</u>	<u>19,776,928</u>
Non-Current Assets			
Property, plant and equipment	11	140,397,946	138,859,943
Total Non-Current Assets		<u>140,397,946</u>	<u>138,859,943</u>
TOTAL ASSETS		<u>159,012,973</u>	<u>158,636,871</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	12	1,399,910	1,335,908
Borrowings	13	188,243	263,222
Long Service Leave		88,567	102,747
Total Current Liabilities		<u>1,676,721</u>	<u>1,701,877</u>
Non-Current Liabilities			
Borrowings	13	2,381,710	2,566,437
Long service leave		61,929	114,566
Total Non-Current Liabilities		<u>2,443,639</u>	<u>2,681,003</u>
TOTAL LIABILITIES		<u>4,120,360</u>	<u>4,382,880</u>
NET COMMUNITY ASSETS		<u>154,892,613</u>	<u>154,253,992</u>
COMMUNITY EQUITY			
Asset revaluation surplus	14	69,823,643	69,823,643
Retained surplus		85,068,970	84,430,349
TOTAL COMMUNITY EQUITY		<u>154,892,613</u>	<u>154,253,992</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 2018

	Asset Revaluation Surplus \$	Retained Surplus \$	Total Equity \$
Balance at 1 July 2017	69,823,643	84,430,348	154,253,992
Opening balance adjustments			
Assets not previously recognised	-	-	-
Plant Revaluation Surplus moved to Retained Surplus	-	-	-
Net result for the year	-	638,621	638,621
Other comprehensive income for year			
Increase/(decrease) in asset revaluation surplus	-		-
Total comprehensive income for year	-	638,621	638,621
Balance as at 30 June 2018	69,823,643	85,068,970	154,892,613

Balance at 1 July 2016	80,357,503	79,298,163	159,655,666
Opening balance adjustments			
Assets not previously recognised		2,064,491	2,064,491
Plant Revaluation Surplus moved to Retained Surplus	(777,478)	777,478	0
Net result for the year	-	2,290,216	2,290,216
Other comprehensive income for year			
Increase/(decrease) in asset revaluation surplus	(9,756,382)	-	(9,756,382)
Total comprehensive income for year	(9,756,382)	2,290,216	(7,466,165)
Balance as at 30 June 2017	69,823,643	84,430,349	154,253,992

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 2018

		30 June 2018	30 June 2017
	Note	\$	\$
Cash flows from operating activities :			
Receipts from customers		10,567,961	10,075,571
Payments to suppliers and employees		(14,743,444)	(15,894,350)
		(4,175,483)	(5,818,779)
Interest received		324,150	473,426
Rental income		684,783	429,353
Non capital grants and contributions		4,493,747	4,650,193
Borrowing costs		(116,938)	(120,607)
Net cash inflow/(out flow) from operating activities	19	<u>1,210,259</u>	<u>(386,414)</u>
Cash flows from investing activities:			
Payments for property, plant and equipment		(6,260,280)	(9,717,277)
Proceeds from sale of property, plant and equipment		390,181	428,934
Grants, subsidies, contributions and donations		3,460,324	6,561,714
Net cash inflow/(outflow) from investing activities		<u>(2,409,775)</u>	<u>(2,726,629)</u>
Cash flows from financing activities:			
Repayment of borrowings	13	(259,705)	(246,826)
Net cash inflow/(out flow) from financing activities		<u>(259,705)</u>	<u>(246,826)</u>
Net increase/(decrease) in cash and cash equivalents held		<u>(1,459,222)</u>	<u>(3,359,869)</u>
Cash and cash equivalents at beginning of financial year		17,205,954	20,565,823
Cash and cash equivalents at end of financial year	8	<u><u>15,746,732</u></u>	<u><u>17,205,954</u></u>

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Significant Accounting Policies

1.A Basis of preparation

These general purpose financial statements are for the period 1 July 2017 to 30 June 2018 and have been prepared in compliance with the requirements of the *Local Government Act 2009*, the *Local Government Regulation 2012*, Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB).

These general purpose financial statements comply with all accounting standards and interpretations issued by the AASB that are relevant to Council's operations and effective for the current reporting period. These statements do not comply with International Financial Reporting Standards as Council is a not-for-profit entity. The main impacts are the offsetting of revaluation and impairment gains and losses within a class of assets, and the timing of the recognition of non-reciprocal grant revenue.

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

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

1.B Constitution

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

1.C New and revised Accounting Standards

Standards that are not yet effective

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

AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities and AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities (effective from 1 January 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, and AASB 1058 will replace AASB 1004 *Contributions*. Together they contain a comprehensive and robust framework for the recognition, measurement and disclosure of revenue from contracts with customers.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

Council is still reviewing the way that revenue is measured and recognised to determine the materiality of impacts arising from this standard. Early indications are that the biggest likely impact of this standard may be on advance payments for disaster/flood events, and only when none or limited restoration work was completed by financial year-end. For the year under review this eventuality did not exist and there would thus not have been any impact if the accounting standard was effective for 30 June 2018.

1.D Estimates and Judgements

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

Valuation of property, plant and equipment - Note 11
Impairment of property, plant and equipment - Note 11
Depreciation - Note 11
Contingent Liabilities - Note 16

1.E Rounding and Comparatives

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

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period. In this financial year plant revenue was considered to be an internal revenue for the first time, which also necessitated de-recognising revenue and the corresponding expense in the comparative figures. Internal revenue of \$4,993,147 was moved from sales revenue and netted off against the corresponding expense account (materials and services) in the statement of comprehensive income .

In order to reflect the gross movement of annual, sick and long service leave entitlements the comparative expense was increased by \$329,688 which was reallocated from total staff wages & salaries - see Note 5.

1.F Taxation

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

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Analysis of Results by Function

(a) Components of Council Functions

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

Governance

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

Community Services

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

This function includes:

Libraries

Entertainment venues

Public health services including vaccination clinics

Tourism

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 2018

2 Analysis of Results by Function (continued)

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

Year Ended 30 June 2018

Functions	Gross Program Income						Total Income	Gross Program Expenses		Total Expenses	Net Result From Recurrent Operations	Net Result	Assets
	Recurrent			Capital				Recurrent	Capital				
	Grants	Other		Grants	Other								
	2018	2018	\$	2018	\$	2018	2018	\$	2018	\$	2018	\$	2018
Governance	3,202,148		1,323,591		-		4,525,739		(3,063,573)		1,462,167		22,856,245
Community Services	271,488		322,866		107,615		701,969		(1,398,830)		(804,476)		17,442,088
Water Works	-		243,722		-		243,722		(224,327)		19,395		5,123,902
Sewerage Works	-		68,537		209,738		278,275		(83,015)		(14,478)		3,571,069
Other Works	918,000		7,042,309		2,716,731		10,677,040		(10,690,570)		(2,730,260)		86,358,440
Environment, Health and Planning	102,110		2,876,315		426,240		3,404,665		(3,559,732)		(581,307)		23,661,230
Total Council	4,493,747		11,877,339		3,460,324		19,831,409		(19,020,046)		(2,648,960)		159,012,973

Year Ended 30 June 2017

Functions	Gross Program Income						Total Income	Gross Program Expenses		Net Result From Recurrent Operations	Net Result	Assets
	Recurrent			Capital				Recurrent	Capital			
	Grants	Other		Grants	Other							
	2017	2017	2017	2017	2017	2017	2017	2017	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
Water Works	-	211,027	-	-	-	211,027	(166,561)	-	(166,561)	44,466	44,466	5,024,595
Sewerage Works	-	59,271	67,320	-	-	126,591	(371,941)	-	(371,941)	(312,670)	(245,350)	3,431,251
Other Works	900,270	6,757,444	5,293,480	-	-	12,951,193	(9,319,596)	-	(9,319,596)	(1,661,883)	3,631,598	83,077,374
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	10,088,706	6,561,714	-	-	21,300,612	(18,956,106)	(54,291)	(19,010,397)	(4,217,207)	2,290,216	158,636,871

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

	Note	30 June 2018 \$	30 June 2017 \$
3 Revenue			
Revenue is recognised at the fair value of the consideration received or receivable, at the time indicated below.			
(a) Rates, Levies and Charges			
Rates are recognised as revenue at the start of the rating period. If a ratepayer pays their rates before the start of the rating period, they are recognised as revenue when they are received.			
General rates		837,777	769,246
Water		243,603	201,474
Sewerage		68,537	54,801
Garbage charges		60,489	54,634
Total rates and utility charge revenue		1,210,406	1,080,155
Less: discounts		(122,600)	(112,399)
Net rates, levies and charges		1,087,806	967,756
(b) Interest Earned			
Interest from rates and charges		14,415	26,202
Interest earned from cash deposits		309,736	447,224
Net interest received		324,150	473,426
(c) Sales Revenue			
Main Roads minor works performance contracts		3,966,097	3,607,503
Main Roads road maintenance performance contracts		2,288,663	2,701,110
Other sales revenue		777,534	361,202
Net sales revenue		7,032,294	6,669,815

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

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

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 sales revenue from a number of services including contracts for road and earthworks, which in turn are concentrated on various services and contractual agreements with Main Roads Queensland. Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. Contract revenue and associated costs are recognised by reference to the stage of completion of the contract activity at the reporting date. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

	Note	30 June 2018 \$	30 June 2017 \$
4 Grants, Subsidies and Contributions			
Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them.			
Where grants are received that are reciprocal in nature, revenue is recognised as the various performance obligations under the funding agreement are fulfilled. Council does not currently have any reciprocal grants.			
(a) Recurrent			
State Government grants		4,493,747	4,650,193
Total recurrent revenue		<u>4,493,747</u>	<u>4,650,193</u>
(b) Capital			
Capital revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets.			
State Government subsidies and grants		3,460,324	6,561,714
Total capital revenue		<u>3,460,324</u>	<u>6,561,714</u>
Total for Grants, Subsidies and Contributions		<u><u>7,954,071</u></u>	<u><u>11,211,907</u></u>
5 Employee Benefits			
Total staff wages and salaries		4,339,340	3,148,443
Councillors' remuneration		229,324	207,739
Annual, sick and long service leave entitlements		519,303	466,251
Superannuation	18	402,381	378,650
		<u>5,490,348</u>	<u>4,201,083</u>
Other employee related expenses		198,632	148,445
		<u>5,688,980</u>	<u>4,349,528</u>
Less: capitalised employee expenses		<u>(653,189)</u>	<u>(553,297)</u>
		<u><u>5,035,790</u></u>	<u><u>3,796,231</u></u>
Councillor remuneration represents salary, and other allowances paid in respect of carrying out of their duties. Council increased staff numbers in the last quarter of 2017 with the increased staff numbers maintained for the full 2018 year.			
Total Council employees at the reporting date:			
Elected members		5	5
Administration staff		19	18
Depot and outdoors staff		<u>35</u>	<u>32</u>
Total full time equivalent employees		<u><u>59</u></u>	<u><u>55</u></u>

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

	Note	30 June 2018 \$	30 June 2017 \$
6 Materials and Services			
Advertising and Marketing		847,516	1,087,030
Audit services		66,681	43,315
Communication and Information technology		716,856	705,561
Community Services		1,203,397	1,365,701
Donations Paid		78,305	68,772
Contract and Recoverable Works		166,146	294,235
Road Works		4,111,583	5,079,493
Other Materials and Services		372,048	1,027,473
Fleet Services		1,778,106	1,979,551
Infrastructure Services		367,325	446,987
		<u>9,707,964</u>	<u>12,098,119</u>
7 Capital Expenses			
Gain (loss) on the disposal of non-current assets			
Proceeds from the sale or write down of non-current assets		390,181	428,934
Less: book value of non-current assets disposed of		<u>(562,923)</u>	<u>(483,225)</u>
		<u>(172,742)</u>	<u>(54,291)</u>

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

		30 June 2018	30 June 2017
	Note	\$	\$

8 Cash and Cash Equivalents

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

Cash at bank and on hand		3,664,150	2,437,494
Deposits at call		12,082,582	14,768,460
Balance per Statement of Cash Flows		<u>15,746,732</u>	<u>17,205,954</u>

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

Unspent government grants and subsidies		510,000	1,228,086
Total restricted cash		<u>510,000</u>	<u>1,228,086</u>

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

Trust funds held for outside parties

Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities		138,514	139,880
		<u>138,514</u>	<u>139,880</u>

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

		30 June 2018	30 June 2017
	Note	\$	\$

9 Receivables

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

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

All known bad debts were written-off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue.

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

Current

Rateable revenue and utility charges		286,297	240,915
		<u>286,297</u>	<u>240,915</u>
Accrued revenue		22,138	28,492
Other debtors		1,271,049	700,075
Less impairment		<u>(47,221)</u>	<u>(35,091)</u>
		<u>1,245,965</u>	<u>693,475</u>
Prepayments		839	84,558
		<u>1,533,101</u>	<u>1,018,948</u>

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

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

Opening balance 1 July	35,091	51,607
(Decrease)/increase in Impairments Recognised	<u>12,130</u>	<u>(16,516)</u>
Closing balance 30 June	<u>47,221</u>	<u>35,091</u>

10 Inventories

Current

Inventories held for distribution:

Stores and raw materials	1,111,193	1,260,027
Land held for resale	<u>224,000</u>	<u>292,000</u>
	<u>1,335,193</u>	<u>1,552,027</u>

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

Land acquired by Council with the intention of reselling it (with or without further development) is classified as inventory. This land is valued at the lower of cost or net realisable value. As an inventory item, this land held for resale is treated as a current asset for the portion expected to be sold within the next 12 months. Proceeds from the sale of this land will be recognised as sales revenue on the signing of a valid unconditional contract of sale.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

11(a) Property, Plant and Equipment 30 June 2018

Basis of Measurement

Asset Values

Opening gross value as at 1 July 2017

Additions at cost

Disposals

Transfer between classes

Closing gross value as at 30 June 2018

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

Accumulated Depreciation and Impairment

Opening balance as at 1 July 2017

Depreciation provided in period

Accumulated depreciation on disposals

Accumulated depreciation as at 30 June 2018

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

Written down value 30 June 2018

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

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

Renewals

Other additions

Total additions

\$	\$	\$	\$	\$	\$	\$	\$	\$
-	389,913	1,354,303	1,349,430	295,797	206,550	357,011	-	3,953,004
-	751,031	133,185	302,239	-	-	1,120,820	-	2,307,276
-	1,140,944	1,487,488	1,651,669	295,797	206,550	1,477,831	-	6,260,280

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

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

30 June 2017

Basis of Measurement

Asset Values

Opening gross value as at 1 July 2016
Addition of assets not previously recognised at cost
Revaluation adjustment to asset revaluation surplus
Addition from Land Held for Sale
Additions at cost
Disposals
Transfer between classes
Closing gross value as at 30 June 2017

Land	Buildings	Plant and Equipment	Road, Drainage and Bridge Network	Water Infrastructure	Sewerage Infrastructure	Other Structures	WIP	Total
Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
\$	\$	\$	\$	\$	\$	\$	\$	\$
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
25,000	379,900	-	-	2,152,800	-	895,050	-	3,452,750
(73,000)	1,600,409	-	(955,452)	(715,052)	809,836	508,617	-	1,175,359
746,000	-	-	-	-	-	-	-	746,000
-	-	1,300,320	-	-	-	-	8,506,458	9,806,778
-	-	(841,687)	-	-	-	-	-	(841,687)
-	1,600,440	15,077	4,751,058	-	-	515,447	(6,882,022)	-
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

Accumulated Depreciation and Impairment

Opening balance as at 1 July 2016
Accumulated depreciation assets not previously recognised
Revaluation adjustment to asset revaluation surplus
Depreciation provided in period
Accumulated depreciation on disposals
Accumulated depreciation as at 30 June 2017

-	8,077,955	6,736,456	12,397,124	2,440,836	1,308,687	3,405,678	-	34,366,736
-	159,250	-	-	935,157	-	268,853	-	1,363,259
-	3,457,374	-	9,487,007	(1,085,369)	(485,673)	(441,599)	-	10,931,740
-	545,334	957,079	910,858	76,896	36,440	414,540	-	2,941,148
-	-	(358,463)	-	-	-	-	-	(358,463)
-	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
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Range of estimated useful life in years

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

Renewals
Other additions
Total additions

\$	\$	\$	\$	\$	\$	\$	\$	\$
-	17,227	1,203,741	2,381,595	-	261,630	450,753	-	4,314,948
-	1,967,012	96,579	1,465,876	-	-	1,962,363	-	5,491,830
-	1,984,240	1,300,320	3,847,471	-	261,630	2,413,116	-	9,806,778

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

11 Property, Plant and Equipment (continued)

(c) Recognition

Plant and equipment with a total value of less than \$5,000, and infrastructure assets (road, stormwater, bridge, water and sewerage assets), other structures and buildings with a total value of less than \$10,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

Replacement of a major component of an asset, in order to maintain its service potential, is treated as the acquisition of a new asset. However, routine operating maintenance, repair costs and minor renewals to maintain the operational capacity and useful life of the non-current asset is expensed as incurred.

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

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

(d) Measurement

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

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

(e) Depreciation

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

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

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

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

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

(f) Impairment

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

(g) Adjustment to opening value

Assets not previously recognised and assets recognised incorrectly which are identified during a financial year are brought to account at fair value.

(h) Valuation

(i) Valuation Processes

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

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

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

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

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

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

(ii) Valuation techniques used to derive fair values

Land (level 2)

Land fair values at 30 June 2018 are as determined by independent valuers AssetVal effective 30th June 2014, with subsequent acquisitions at cost. Level 2 & 3 valuation inputs were used to value land in freehold title as well as land used for special purposes, which is restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre as market evidence is limited.

No index was applied for for the year ended 30 June 2018 as market evidence remains lacking. A comprehensive valuation by an independent valuer will be undertaken during the 2018/19 financial year.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

	2018	2017
Land	\$	\$
• Observable market - (level 2)	4,241,218	4,241,218
Total	4,241,218	4,241,218

Buildings (level 3)

The fair value of buildings were determined by independent valuer, Australis Asset Advisory Goup, effective 30 June 2017. They also performed an indices assessment of this asset class with effective date 30 June 2018 which found no material movement in value, and as a result no valuation adjustment was undertaken.

As there is very limited market evidence for buildings inputs, valuation requires significant professional judgement from the valuers. The most significant inputs into this valuation approach was the price per square metre. Where Council buildings are of a specialist nature and there is no active market for the assets, fair value has been determined on the basis of replacement cost with a modern equivalent asset having similar service potential.

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

	2018	2017
Buildings	\$	\$
• No observable market - (level 3)	31,406,204	29,306,336
Total	31,406,204	29,306,336

Other Structures (level 3)

The fair value of other structures were determined by Australis Asset Advisory Group, Registered Valuer, as at 30 June 2017, at current replacement cost. An indices assessment was also undertaken by Australis Asset Advisory Group as at 30 June 2018 which found no material movements in value, and as a result no valuation adjustment was undertaken.

Where other structure assets are of a specialist nature and there is no active market for the assets, fair value has been determined on the basis of replacement with a new asset having similar service potential. The unit rates (labour and materials) and quantities applied to determine the current replacement cost (CRC) of an asset are based on the full replacement cost, including components that may not need to be replaced. The unit rates were derived from valuer databases and cost curves, scheduled rates for construction of assets or similar assets, published cost guides and supplier quotations and calibrated where applicable. Valuation rates (replacement costs) also allowed for project overheads including survey, environmental and investigation costs, engineering design, planning, and project management.

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

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 the required level of service output within the council's planning horizon.

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

Road and Stormwater network (level 3)

The fair value of the road and stormwater network assets were determined by Australis Asset Advisory Group, Registered Valuer, as at 30 June 2017, at current replacement cost. An indices assessment was also undertaken by Australis Asset Advisory Group as at 30 June 2018 which found no material movements in value, and as a result no valuation adjustment was undertaken.

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

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

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

Water and Sewerage (level 3)

The fair value of water and sewerage assets were determined by Australis Asset Advisory Group, Registered Valuer, as at 30 June 2017, at current replacement cost. An indices assessment was also undertaken by Australis Asset Advisory Group as at 30 June 2018 which found no material movements in value, and as a result no valuation adjustment was undertaken.

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

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

		30 June 2018	30 June 2017
	Note	\$	\$

12 Trade and Other Payables

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

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

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

Current

Creditors and accruals		1,066,751	1,085,587
Annual leave		333,159	250,321
		<u>1,399,910</u>	<u>1,335,908</u>

13 Borrowings

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

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

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

Current

Loans Queensland Treasury Corporation		188,243	263,222
		<u>188,243</u>	<u>263,222</u>

Non-Current

Loans Queensland Treasury Corporation		2,381,710	2,566,437
		<u>2,381,710</u>	<u>2,566,437</u>

Queensland Treasury Corporation

Opening balance		2,829,659	3,076,485
Principal repayments		(259,706)	(246,826)
Book value at period end		<u>2,569,954</u>	<u>2,829,659</u>

The QTC loan market value at the reporting date was \$2,533,528-51. This represents the value of the debt if the Council repaid it at that date. As it is the intention of the Council to hold the debt for its term, no provision is required to be made in these accounts.

Unsecured borrowings are provided by the Queensland Treasury Corporation.

The Council does not have a bank overdraft facility.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

14 Asset Revaluation Surplus

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

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

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

Movements in the asset revaluation surplus were as follows:

	Balance 30 June 2018	Balance 30 June 2017
Opening balance	69,823,643	80,357,502
Movements for the year	-	(10,533,859)
	<u>69,823,643</u>	<u>69,823,643</u>

15 Commitments For Expenditure

Contractual commitments

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

Flood monitoring equipment	-	83,600
Swimming pools and sport facilities	162,423	469,314
Other community and depot facilities	57,882	99,400
Implementation of Accounting and Management System	200,000	-
Caravan park developments	-	249,850
	<u>420,305</u>	<u>902,164</u>

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

16 Contingent Liabilities

Details and estimates of maximum amounts of contingencies and agreements are as follows:

Local Government Mutual

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

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

Local Government Workcare:

The Diamantina Shire Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$134,738.

Department Housing and Public Works

Diamantina Shire Council has a Capital Funding Agreement with the Department of Housing and Public Works under the Social Housing Programs for 12 properties in Bedourie and Birdsville. Under the Agreement, Council acquires a portion of equity in each property each year. Council then has the option of either paying out the Contingent Liability amount or pooling equity on a particular property to acquire full ownership. It would not be practical to make an assessment of the potential financial effect of this contingent liability as any future liability would be dependent on the market value of the property at the time of disposal by the council.

17 Superannuation - Regional Defined Benefit Fund

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

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

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

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

The last completed actuarial assessment of the scheme was undertaken as at 1 July 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 Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

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

Another actuarial investigation is being conducted as at 1 July 2018. At the time of signing these financial statements this investigation is still in progress.

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

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

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

There are currently 72 entities contributing to the scheme and any changes in contribution rates would apply equally to all 72 entities. Diamantina Shire Council made less than 4% of the total contributions to the plan in the 2017-18 financial year.

		30 June 2018	30 June 2017
	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>402,381</u>	<u>378,650</u>

18 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, Deputy Chief Executive Officer and the Infrastructure Manager. The compensation paid to KMP for 2017/18 comprises:

Short-term employee benefits	736,606	703,598
Post-employment benefits	72,200	71,076
Long-term benefits	10,045	10,554
	<u>818,851</u>	<u>785,228</u>

Transactions with other related parties

Employee expenses for close family member of key management personnel - one person / other related party	29,312	4,506
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Details of Transactions

Purchases of goods and materials from an entity managed by key management personnel	129,364	127,764
	<u>158,676</u>	<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 2018 council owed \$nil to the entity.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

	30 June 2018	30 June 2017
Note		
	\$	\$
19 Reconciliation of Net Result for the Year to Net Cash Inflow (Outflow) From Operating Activities		
Net result	638,621	2,290,216
Non-cash items:		
Depreciation	4,159,354	2,941,148
Investing and development activities :		
Net (profit) loss on disposal of plant and equipment	172,742	54,291
Capital grants and contributions	(3,460,324)	(6,561,714)
	<u>(3,287,582)</u>	<u>(6,507,423)</u>
Changes in operating assets and liabilities :		
(Increase) / decrease in receivables	(514,154)	715,972
(Increase) / decrease in inventory	216,833	(264,742)
(Increase) / decrease in other financial assets	-	18,160
Increase / (decrease) in payables	49,823	489,178
Increase / (decrease) in provisions	(52,637)	(68,923)
	<u>(300,135)</u>	<u>889,645</u>
Net cash inflow from operating activities	<u><u>1,210,258</u></u>	<u><u>(386,414)</u></u>

20 Events after the Reporting Period

There were no material or significant adjusting or "non adjusting events" after reporting date.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

21 Financial Instruments

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

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

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

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

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

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

Credit Risk

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

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

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

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

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

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

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

	Note	2018 \$	2017 \$
Financial assets			
Cash and cash equivalents	8	15,746,732	17,205,954
Receivables - rates	9	286,297	240,915
Receivables - other	9	1,271,049	700,075
Other financial assets	9	22,138	28,492
Total		<u>17,326,216</u>	<u>18,175,436</u>

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2018

Past due or impaired

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

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

	2018	2017
	\$	\$
Fully Performing	1,217,021	731,005
Past due 31-60 days	6,104	5,752
Past due 61-90 days	2,986	-
More than 90 days	353,372	232,724
Impaired	47,221	35,091
Total	1,579,484	1,004,572

Liquidity Risk

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

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

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

	0 to 1 year	1 to 5 years	Over 5 years	Total Contractual Cash Flows	Carrying Amount
	\$	\$	\$	\$	\$
2018					
Trade and Other Payables	1,399,910	-	-	1,399,910	1,399,910
Loans QTC	268,357	993,047	2,002,567	3,263,971	2,569,954
	1,668,267	993,047	2,002,567	4,663,882	3,969,864
2017					
Trade and Other Payables	1,335,908	-	-	1,335,908	1,335,908
Loans QTC	352,708	1,073,427	2,190,544	3,616,680	2,829,659
Totals	1,688,616	1,073,427	2,190,544	4,952,588	4,165,567

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

Interest rate risk

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

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

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

DIAMANTINA SHIRE COUNCIL

ANNUAL FINANCIAL STATEMENTS

For the Year Ended 30 June 2018

MANAGEMENT CERTIFICATE

For the Year Ended 30 June 2018

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: 17, 9, 18



Chief Executive Officer

Leon Love

Date: 17, 9, 18

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Diamantina Shire Council

Report on the audit of the financial report

Opinion

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

In my opinion, the financial report:

- a) gives a true and fair view of the Council's financial position as at 30 June 2018, 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 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the management certificate given by the Mayor and the Chief Executive Officer.

Basis for opinion

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

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

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

Other information

Other information comprises the information included in the Diamantina Shire Council's annual report for the year ended 30 June 2018, but does not include the financial report and my auditor's report thereon. At the date of this auditor's report, the other information was the current year financial sustainability statement and long-term financial sustainability statement.

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

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

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

Responsibilities of the Council for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2018:

- 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.



Carolyn Dougherty
as delegate of the Auditor-General

16 October 2018

Queensland Audit Office
Brisbane

DIAMANTINA SHIRE COUNCIL

Current Year Financial Sustainability Statement

For the Year Ended 30 June 2018

Measures of Financial Sustainability - How the measure is calculated		Actual	Target
Council's Performance at 30 June 2018 against any key financial ratio's and targets:			
Operating Surplus Ratio	Net Result (excluding capital items) divided by total operating revenue (excluding capital items)	(16.2)%	Between 0% and 10%
Asset Sustainability Ratio	Capital Expenditure on the replacement of assets (Renewals) divided by depreciation expense	79.1%	Greater than 90%
Net Financial Liabilities Ratio	Total liabilities less current assets divided by total operating revenue (Excluding Capital Items)	(88.5)%	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 2018.

CERTIFICATE OF ACCURACY

For the year ended 30th June 2018

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: 17 / 9 / 18



Chief Executive Officer
Leon Love

Date: 17 / 9 / 18

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 2018 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 2018 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 2018, but does not include the current year financial sustainability statement and my auditor's report thereon. At the date of this auditor's report, the other information was the general purpose financial statements, the long-term financial and sustainability statement.

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

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

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

Responsibilities of the council for the current year financial sustainability statement

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

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

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

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

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

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

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



Carolyn Dougherty
as delegate of the Auditor-General

16 October 2018
Queensland Audit Office
Brisbane

Long Term Financial Sustainability Statement
For the Year Ended 30 June 2018

Measures of Financial Sustainability	How the Measure is Calculated	Target	Actual	Projected for the years ended									
			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	30 June 2028
Operating Surplus Ratio	Net Result (excluding capital items) divided by total operating revenue (excluding capital items)	Between 0% and 10%	(16.2)%	(26.2)%	(12.2)%	(10.0)%	(8.4)%	(7.1)%	(5.9)%	(5.0)%	(4.1)%	(3.3)%	(2.2)%
Asset Sustainability Ratio	Capital Expenditure on the replacement of assets (Renewable) divided by depreciation expense	Greater than 90%	79.1%	84.1%	74.4%	77.5%	80.5%	83.2%	85.7%	88.0%	90.0%	91.7%	95.6%
Net Financial Liabilities Ratio	Total liabilities less current assets divided by total operating revenue (Excluding Capital Items)	Not Greater than 60%	(88.5)%	(41.4)%	(34.5)%	(33.0)%	(32.4)%	(32.3)%	(32.7)%	(33.7)%	(35.1)%	(36.7)%	(38.5)%

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 2018

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: 17/09/2018

Chief Executive Officer
Leon Love

Date: 17/09/2018