



Annual Report 2013/14

SUSTAINABLY DEVELOPING THE OUTBACK





Piece of history

The Bonding of Diamantina's

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

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

The name Diamantina was conferred in 1943 to a river class Frigate that was being built Walkers of Maryborough for the Royal Australian Navy, (which was decommissioned in 1980). In 2000 a new HMAS Diamantina was launched. This vessel is a Huon Class Minehunter fitted with the latest systems technologies.

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

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

Originally this request was denied, however Council being persistent were 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".



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Welcome to the Diamantina Shire

This Diamantina Shire Council Annual Report is for the period July 1, 2013 to June 30, 2014.

The Annual Report profiles the Diamantina Shire and the Council and reports on Council's performance financially and operationally for the financial year.

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

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

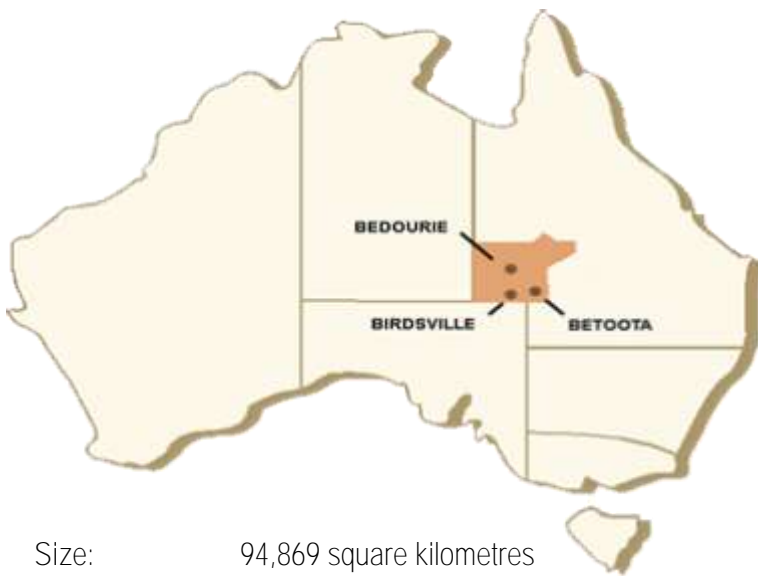
Copies of this publication can be obtained by contacting the Council administration centre on (07) 4746 1202 or by **visiting Council's website at www.diamantina.qld.gov.au.**

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

DIAMANTINA SHIRE COUNCIL

17 Herbert Street
BEDOURIE QLD 4829
Phone: (07) 4746 1202
Facsimile: (07) 4746 1272
Website: www.diamantina.qld.gov.au

Shire Profile



Size: 94,869 square kilometres

National Parks: 17,082 square kilometres

Road Length: 1,545 km

Population: 322

The Diamantina Shire covers almost 95,000 square kilometres, which is larger than Tasmania. It lies **between the Simpson Desert and what's known as the 'Channel Country', an area of Western Queensland that is renowned as some of Australia's best grazing land.** During infrequent floods, rivers and streams stretch across the channel country like fingers, flowing into Lake Eyre in South Australia. In their wake, floods leave vast plains of rejuvenated land that sustains cattle, wildlife and an abundance of wildflowers. To the west, the arid Simpson Desert, the world's largest area of parallel sand dunes, attracts thousands of four-wheel-driving travellers each year intent on conquering the approximate 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 organic and produce organic beef that is exported to Asia and the Middle East. The average size of these properties is 6,857 square kilometres. Alongside tourism, **beef production is the Diamantina Shire's largest industry.**

Located in the far western corner of Queensland, the Diamantina Shire borders the Northern Territory and South Australia. The junction of the three states is called **'Poeppel Corner', named after the first surveyor of the Simpson Desert.** Within the shire there are 1,545 kilometres of roads, the majority of which are dirt or gravel. There are only 276 kilometres of bitumen road in the whole shire.

The Diamantina Shire's three towns are Birdsville, Bedourie and Betoota. Bedourie, the Shire's administration centre, boasts many modern amenities including a hotel, motel, roadhouse, caravan park, a unique desert golf course and a community centre with an indoor tennis court. Arguably the town's best facility is a well-maintained aquatic centre with an artesian spa. Bedourie means **'dust storm'** in the local Wangkamardla language and was first established as a Cobb and Co. coach stop and watering point for drovers on the north-south stock route. **The town's water, pumped directly from the great artesian basin, is celebrated as being Australia's best.**



Mud Hut at Bedourie



Border Marker at Poeppel Corner

Shire Profile

The iconic town of Birdsville lies 12 kilometres north of the Queensland border. Pre-federation, the town was a tolling point for drovers transporting cattle between the colonies. Then, Birdsville was a thriving town of approximately 300 people that boasted three hotels, a blacksmith store, a cordial factory, market gardens and police and customs facilities. After federation, in 1901, tolls were abolished and the town fell into decline. However, in recent decades, Birdsville has grown to meet the demands of the growing domestic tourism industry and is now home to an historic and charismatic hotel, one of **Australia's only licenced bakeries, two service stations, a caravan park and a number of tourism operators.** The famous Birdsville Races, held on the first weekend of September annually, attract over 7000 visitors to the town and are known nationally as **'the Melbourne Cup of the outback'.**

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

The Diamantina Shire's unique events, such as the Simpson Desert Racing Carnival, the Bedourie Pig and Camel Races, Birdsville Bronco Branding and numerous rodeos, campdrafts and gymkhanas draw large crowds of outback locals and urban travellers alike. 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.



Our Council



OUR MISSION

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

OUR CORE VALUES

Innovation and Continuous Improvement

Council and staff seek to overcome challenges and take advantages of opportunities through a 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.

Our Council

A Message from our Mayor

The previous financial year has been a very busy one for the Diamantina Shire. The council has been involved in some significant changes to our health services, has provided funding and assistance for an event that has a substantial **impact on our shire's tourism as well as hosted visits from various state and federal members of parliament.**

The 2013/2014 end of financial year marked the transition of our two health clinics to Queensland Health, the state government health provider. This change will lead to improved provision of health care for our residents as well as relieve the financial pressure of sustaining the quality of service from council. The health clinics are now run as part of **Queensland's standardised health service and are providing health care in-line** with the rest of the state.

Council continued to support the 'Big Red Run' and 'Big Red Bash' in the 2013/2014 financial year. These events, envisioned and run by external stakeholders, bring a significant amount of visitors to the shire and council pledged both financial and in-kind support to assist with the logistics and running of the event.

In 2013/2014, council continued to press hard and lobby for fibre optic telecommunications, which remains paramount **to council, in conjunction with Barcoo Shire. The Diamantina and Barcoo Shires are the only two of Queensland's 73** local government areas that do not have sufficient mobile telephone coverage. Council is seeking federal support for a 400 kilometre fibre optic tail from Boulia to Birdsville via Bedourie, which will vastly improve communications and ensure that the Diamantina Shire can enjoy equality with the rest of Australia in its telecommunications services.

Council has continued to deliver on plant fleet upgrades and water and sewerage capital works in accordance with its 20-year asset management plans. Likewise, it has heavily invested in housing maintenance to ensure its assets are well preserved and very liveable, which has benefits for staff retention.



Geoff Morton
Mayor



Big Red Bash 2013



Sunrise over Birdsville Billabong

A Message from our CEO

The 2013/2014 financial year saw the development and introduction of our new corporate plan and corporate structure within the Diamantina Shire Council. After a comprehensive community consultation period, the new corporate plan was introduced in early 2014. We believe that this corporate plan will guide our actions and decisions to result in the provision of good service and effective financial management to ultimately maintain the highest possible standard of living for our residents.

The Diamantina Shire is still gripped by drought and therefore council has managed its resources prudently. Council has always resisted the temptation to increase resources and instead has sought to employ contractors to assist with peak workloads to provide it with the flexible dynamic to reconfigure itself when workloads decrease. Unfortunately, council is facing the continued problem of gravel road maintenance during a period of limited water availability.

As can be seen by scrutiny of the financial statements contained within this annual report, council has been very successful in significantly growing its financial position to ensure it is well-placed to deliver services, maintain assets and provide infrastructure for the future to support a vibrant and growing part of Australia.

We take this opportunity to thank all elected members and staff for their commitments over the past year and encourage them to continue with dedication as we strive to provide efficient services and lead the Diamantina Shire into the future. For further details about council meetings, contact the Diamantina Shire Council on (07) 4746 1202 or visit our website at www.diamantina.qld.gov.au



Leon Love

Chief Executive Officer

Our Elected Members

Diamantina Shire Council has an elected body of five councillors. These councillors have specific powers, duties and responsibilities as set out in the Act and Regulations. In addition, the councillors must abide by a code of conduct that further ensures they undertake their duties in the best interests of the shire and its residents.

THE PRIMARY FUNCTIONS OF A COUNCILLOR ARE TO:

- Represent electors
- Initiate new policies and activities
- Evaluate council activities
- Control council finances

MEETINGS OF COUNCIL

Council's ordinary meetings are usually held on the third Monday of every month, except January. Meetings commence at 8am from October to March and 9am from April to September and are held at the council administration centre, Herbert Street, Bedourie, with one meeting a year held in Birdsville at the Birdsville community hall.

For further details about council meetings, contact the council on (07) 4746 1202 or visit council's website at www.diamantina.qld.gov.au

Mayor

Cr Geoff Morton



Local grazier Geoff Morton has been involved with the Diamantina Shire Council since 1980. This term is his seventh term as a councillor and he has performed two terms as deputy mayor.

Geoff is the second of four children, the only son to Lyle and Phyllis Morton, and is a ninth generation grazier of Roseberth Station, on which Birdsville sits. He was born in Adelaide in 1954.

Geoff attended primary school by correspondence until year four, after which he attended boarding school at Scotch College in Melbourne until finishing year 12.

Following his education, Geoff returned to Roseberth **Station and took over management of the station after his father's retirement in 1991.**

Geoff and his wife Bev have two sons; Kerry and Steven. Kerry assists his father with management of Roseberth station and is raising his own family in the Diamantina Shire.

Our Council



Deputy Mayor

Cr Garth Tully

This is also Garth's seventh term as a councillor for Diamantina Shire Council.

He was born in Charleville in 1960 to Colin and Betty Tully and attended primary school in Bedourie until year five. The eldest of four boys, Garth moved to Brisbane to attend high school at Nudgee College.

Following school, Garth was employed by the Milson family who then owned Cluny Station. For a time Garth managed Diamantina Lakes Station before returning to Cluny Station as manager in 1990.

Garth married Kathi (nee Hindom) in 1983 and they have two sons; Patrick and Shayne.



Cr Jody Barr

Councillor Jody Barr was elected for his first term as councillor representing the Diamantina Shire in 2012.

Born and raised in the Diamantina Shire by parents Jean and Kevin Barr, Jody is the eldest of three boys. Jody spent his early schooling years in the Bedourie and Birdsville State Schools before leaving to attend boarding school in Longreach and then The Scots PGC College in Warwick.

Jody has spent most of his working life in the earthmoving industry and is currently employed as a Leading Hand Machinery Operator.

Jody is strongly involved in Diamantina Shire community groups and events and is a founding member of the Bedourie Bikekhana as well as an active member of the Birdsville Social Club.

Our Council



Cr Don Rayment

Born in Brisbane and raised in the Diamantina Shire, Don is one of five children to Charlie and Pauline Rayment of Kurran Station.

Don began primary school in Longreach, completed years six and seven by correspondence and moved to Winton to complete his high school education. Don was appointed school captain in year ten.

Don has since been continuously employed in rural industry in fields such as contract mustering, yard building and fencing. He spent ten years contract mustering for McDonald Holdings in the areas surrounding Winton and Boulia. He has also worked as a Rural Protection Officer and Rural Lands Officer for the Department of National Resources and local government bodies.

Don married Judy (nee Brown) in 1993. The Rayment's relocated to the Diamantina Shire in 2005 to manage the organic cattle property Adria Downs, near Birdsville, where they are still located.



Cr Steve Cramer

Born in Glen Innes, NSW, in 1976 to Philip and Moira Cramer, Steve is the third of four children. Steve completed primary school at Glen Innes State School before attending secondary school at Glen Innes High School.

On leaving school, Steve attended Longreach Agricultural College before being employed as a **station hand at S. Kidman & Co's Sandringham Station**. It was at Sandringham where he met governess Jeena Kleinschmidt, whom he married in 1999.

The couple spent seven years as managers of Ruby Plains Outstation Sturt Creek, in the West Australian Kimberley region. Steve and Jeena relocated to the channel country in 2007 when Steve was appointed manager of Glengyle Station, near Bedourie.

Steve and Jeena have four children; Cody, Bridey, Beau and Jack.

Councillor Remuneration Schedule

COUNCILLOR EXPENSES REIMBURSEMENT AND FACILITIES PROVISION POLICY

INTRODUCTION

The following policy outlines expenses that may be reimbursed and facilities that are to be provided to councillors as part of fulfilling their obligations.

CONFERENCES, MEETINGS AND WORKSHOPS

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

MANDATORY TRAINING

Where council resolves that all councillors are to attend training **courses or workshops for skills development related to a councillor's** role, council will meet the cost or reimburse the total costs of the course. Note: Some examples of this training are councillor induction, code of conduct, meeting procedures and legislative obligations.

DISCRETIONARY TRAINING

Where council gives approval for a councillor to attend a conference, workshop or training to improve skills relevant to their role as a councillor, other than mandatory training as above, council will allow for the expenses to be covered to a limit available to each councillor during their current term in office. This limit will be set at \$5,000 per councillor per term.

TRAVEL EXPENSES (INCLUDING TAXI AND PUBLIC TRANSPORT)

Councillors may incur travel costs for a number of reasons including attendance at council meetings, travelling to conferences, training or workshops. In some cases this may involve interstate and overseas travel. If councillors travel using their private vehicles a mileage allowance can be claimed based on log book details to substantiate the relevance of the travel to council business.

The mileage allowance is set as follows;

- \$0.8085 per kilometre for sedan-type vehicles
- \$1.2966 per kilometre for four-wheel drive vehicle
- \$300 per hour for Cessna plane.

This mileage is based on research undertaken by the Royal Automotive Club of Queensland.

HOSPITALITY EXPENSES

Elected members may have occasion to incur hospitality expenses while conducting council business apart from official civic receptions organised by council. The mayor, in particular, may require additional reimbursement when entertaining dignitaries outside of official events. The maximum amount of hospitality expenses that will be reimbursed is as follows;

- Mayor - \$2,000 per annum.
- Councillor - \$500 per annum.

ACCOMMODATION

Elected members may need to stay away overnight while attending to council business. When attending conferences, councillors must take advantage of the package provided by conference organisers and therefore stay in the recommended accommodation unless prior approval has been granted by council.

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

MEALS

Council will meet the cost of meals while elected members are on **council business**. **Elected members' meal expenses may be charged** to their accommodation, council credit card or receipts presented for reimbursement.

PROVISION OF FACILITIES

Council will provide and meet operational costs of facilities that are deemed necessary and required to assist councillors in their role. When determining the facilities to be provided, council has considered what are reasonable requirements and standards for an individual councillor. If a councillor chooses a higher standard of facility than that prescribed by council, any difference in cost must be met by the councillor personally. Ownership of any facilities provided remains with council.



Councillors and Senior Staff on annual road run

Councillor Remuneration Schedule

ADMINISTRATIVE TOOLS AND ACCESS TO COUNCIL OFFICE AMENITIES

Council will provide the following to councillors in its Birdsville or Bedourie office as required:

- Facilities such as office space and council meeting rooms.
- Secretarial support for mayors and councillors
- Desktop and/or laptop computer
- Use of council landline telephone and internet access
- Fax and/or scanner
- Printer, photocopier, paper shredder
- Stationery
- Publications – copies of the Act and other legislation, books, journals considered necessary
- Any other administrative necessities that council considers necessary to meet the business of council.

HOME OFFICE

If council determines that it is necessary, it will provide a councillor with home office equipment, including computer, fax, copier, printer and internet access.

MAINTENANCE COSTS OF ANY COUNCIL OWNED EQUIPMENT

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

NAME BADGE AND UNIFORM FOR COUNCILLORS

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

VEHICLE

Council will provide a vehicle owned by council for official business as required from time to time. Elected members are authorised reasonable private use of council-owned vehicles when on council business, on the condition that they reimburse council for any private use at the adopted mileage allowance rate.

FUEL COSTS

Council will provide fuel, meet the cost of fuel or reimburse the cost of fuel for vehicles provided by council.

TELECOMMUNICATION NEEDS

Mobile telephones and/or a hand held PDA device (e.g. 'Smartphones') - Where council resolves to provide a mobile telephone or hand held device to a councillor for official business use, council will pay for all associated costs. Any personal calls made by the councillor must be reimbursed to council.

If a councillor uses a personally owned mobile device, council will reimburse actual council business related costs up to 50% of the total costs incurred.

Where council does not provide a mobile telephone or hand held device, council will provide:

- **A home landline at the councillor's residence, including connection cost, monthly rental and council will reimburse actual council business related call costs up to 50% of the total costs incurred. However, any STD or international calls made from the home telephone can only be reimbursed if a receipt and certification is provided by the councillor that the call was related to council business; and**
- **If 'home office' facilities, as described above, are not provided by council, it will meet the cost of home internet access including monthly access fee and up to 50% of the package costs.**

LEGAL COSTS AND INSURANCE COVER

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

Councillors are to be covered under council insurance policies while discharging civic duties. Specifically, insurance cover will be **provided for public liability, professional indemnity, councillor's liability, personal accident, international and domestic travel insurance.**

MAKING CLAIMS

When seeking reimbursement for expenses, elected members must complete and sign a fees and expenses claim form and provide receipts for allowable expenses together with details of the council business that the expenses relate to. Expenses claims or reimbursement requests that comply with the requirements of this policy should be forwarded to the Deputy Chief Executive Officer. Any expenses claims or reimbursement requests that do not comply with the requirements of this policy should be referred to the Chief Executive Officer for determination. Councillors are responsible for ensuring that they do not make claims in excess of allowable limits.

Councillor Remuneration Schedule



Councillors inspecting machinery acquisitions



Sustainability Awards Knauf Nomination

RESOLUTIONS RELATING TO REMUNERATION SCHEDULE AND EXPENSES REIMBURSEMENT POLICY

The following resolutions were adopted:

*Minute 2013.02.18 Ordinary meeting held 18/02/2013
Moved by Cr Morton and Seconded by Cr Tully.
That Diamantina Shire Council adopt the following
remuneration for councillors effective January 1, 2013.
Carried 5/0*

*Minute 2012.06.25 Ordinary meeting held 25/06/2012
Moved by Cr Cramer and Seconded by Cr Barr
That Diamantina Shire Council adopt the Councillors
Expenses Reimbursement and Facilities Provision Policy
subject to the following amendment. Further, that this
Policy supersedes the current Policy.*

***“Air travel by private aircraft to be reimbursed at the rate
of \$300 per hour for a Cessna 182 aeroplane – subject
to periodic review”***

Carried 5/0

*Minute 2011.1.7 Ordinary meeting held 01/07/2011
Moved by Cr Gaffney and Seconded by Cr Hanna.
That Diamantina Shire Council provide superannuation
at the rate of 12% with member contributions set at 6%
and that council permit salary sacrifice by elected
members. Carried 4/0.*

Our Council

Council Remuneration and Attendance

COUNCILLOR	MEETINGS ATTENDED	REMUNERATION	EXPENSES REIMBURSED	SUPERANNUATION CONTRIBUTION	TOTAL
Cr G Morton	12	81,753	24,792	9,810	116,355
Cr G Tully	12	35,690	1,245	4,049	40,984
Cr J Barr	9	20,992	4,562	3,048	28,602
Cr S Cramer	12	21,742	2,023	2,609	26,374
Cr D Rayment	12	20,243	5,410	2,375	28,028
TOTAL		\$180,420	\$38,244	\$21,891	\$240,343



The Dreamtime Serpent at Betoota

Our People

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

TRAINING AND DEVELOPMENT

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

Council has prepared a comprehensive training matrix to ensure that training is managed in a structured way and staff and community members are provided with regular relevant training courses. Many staff are involved in certificate level courses such as Certificate 3 and 4 in Horticulture and Certificate 3 in Civil Construction (Plant Operations). Other training courses include Traffic Control, Work in Confined Spaces, Manual Handling, Blue Card/White Card, New Staff Inductions and First Aid.

EMOTIONAL ASSISTANCE PROGRAM

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

EQUAL OPPORTUNITY IN EMPLOYMENT (EOE)

Council reviewed its Equal Opportunity Policy to meet legislation and workplace requirements.

AIM: The aim of this policy is to ensure that claims of discrimination, victimisation, sexual harassment and

vilification are investigated, managed and resolved objectively and fairly.

POLICY: Diamantina Shire Council is an equal opportunity employer and is committed to providing a workplace where all employees are treated on their merits, without regard to race, age, sex, relationship status or any other factor not applicable to the position. Employees are valued according to how well they perform their duties, and on their ability to maintain the **council's standards of service.**

OBJECTIVES: Diamantina Shire Council is committed to achieving the following EOE objectives:

- Ensure all employees are treated fairly
- Fully utilise and develop the potential of every employee
- Keep all policies and procedures consistent with equal opportunity principles
- Augment employee morale and motivation by increasing staff confidence in the fairness of our human resource practices and access to opportunities
- Ensure achievement of our objectives through our equal opportunity program, which includes the training of staff on EOE and related issues

Council remains committed to providing equal employment opportunities in the workplace. Relevant statistics for the past five financial years are listed:

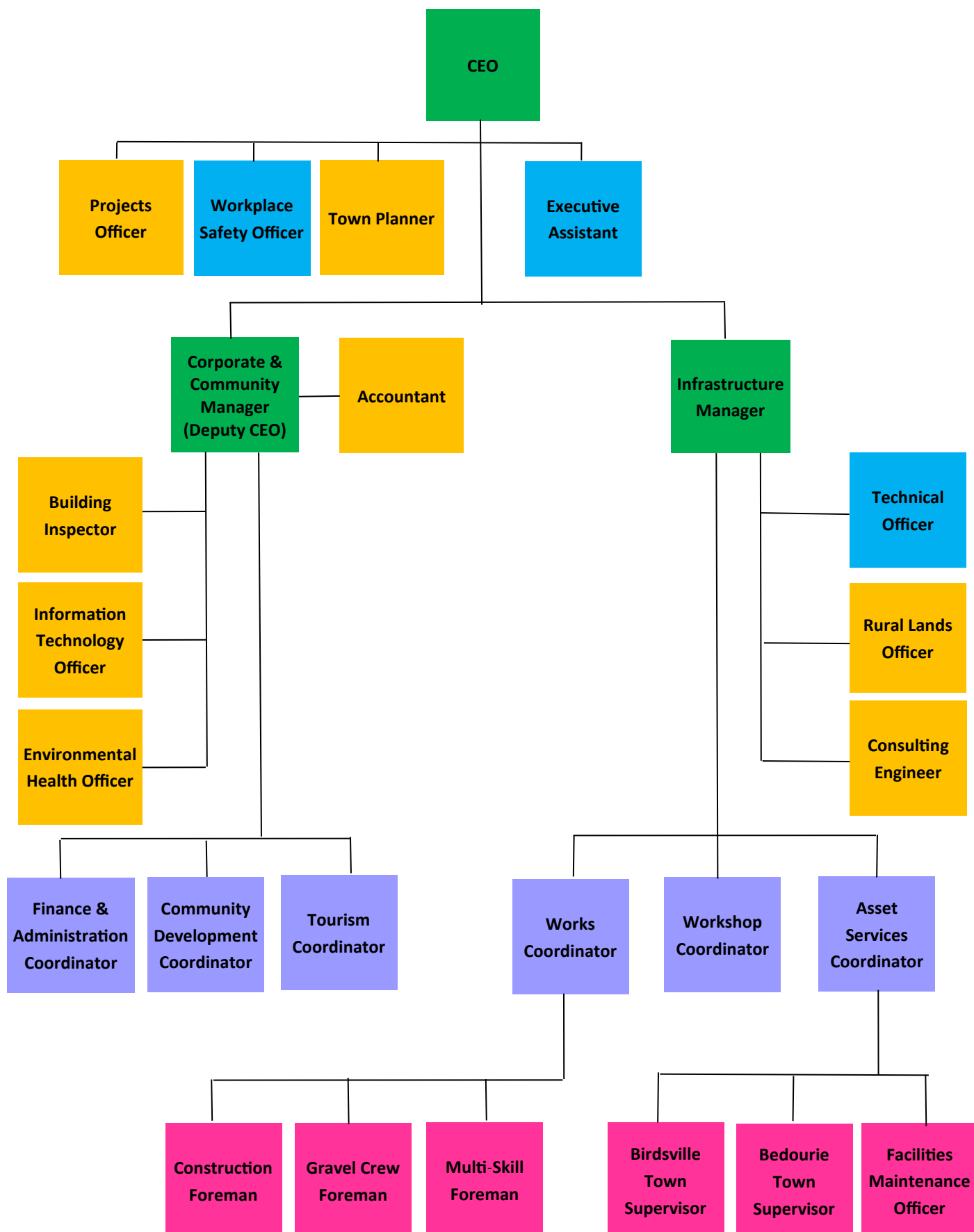
Our People

Staff Statistics at a Glance

Staff Numbers (FTE)	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
Number of Employees (excluding casuals) who worked for Council during the year. (Establishment of approximately 79).	79	83	82	91	81	81
- Internal	32	36	43	42	31	28
- External	47	47	39	49	50	53
Gender Balance						
Executive/Senior Management						
> Male	3	4	5	4	4	4
> Female	0	0	1	2	0	0
Elected Members						
> Male	5	5	7	4	4	4
> Female	0	0	1	1	1	1
Total Employees						
> Male	49	54	44	57	50	53
> Female	30	29	38	34	31	28
Other Statistics						
Aboriginal & Torres Strait Islander employees	23	26	23	30	29	33
Disabled employees	0	0	0	0	0	1
Staff Turnover	44%	31%	35%	36%	32%	26%

Our People

Corporate Structure



Funded Programs

Diamantina Shire Council delivers a variety of services and projects on behalf of the residents of the shire. At times these activities are funded by federal or state government grants or subsidies. Diamantina Shire Council would like to acknowledge the following funding bodies for activities funded in the 2013/2014 financial year;

Level of Government	Department	Funding Program	Project Delivered
Federal	Department of Infrastructure and Regional Development	Roads to Recovery Program	Provided funds to upgrade 6 grids on the Sandringham Road and Coorabulka Road
	Department of Social Services		Provision of Access Point Services in Bedourie and Birdsville
State	Department of Science, Information Technology, Innovation & Arts (Arts Qld)	Regional Arts Development Funds (RADF)	Supports the development of the arts in the shire.
	Department of Communities, Child Safety and Disability Services	Drought Relief Community Support Measures	Busby Marou Drought Relief Concert at Birdsville
	Department of Communities, Child Safety and Disability Services	Home & Community Care (HACC)	Provision of HACC services to eligible residents
	Department of Community Safety	State Emergency Service Annual Local Government Subsidy	Financial support towards the costs of maintaining the Bedourie and Birdsville SES units
	Department of Community Safety	Natural Disaster Resilience Program	Bedourie Levy Bank Upgrade
	Department of Education, Training and Employment	Apprenticeship Funding	Support provided in Councils employment of Apprentices and trainees
	Department of Education, Training and Employment	Early Childhood Education & Care Funding	Funds provided to support Playgroups in Bedourie and Birdsville
	Department of Local Government, Community Recovery & Resilience	General Purpose Financial Assistance Grant and Identified Road Grant	Supports the general operations of Council
	Department of Local Government, Community Recovery & Resilience	Graffiti STOP Program	Purchase of pressure cleaners to remove graffiti from public places
	Department of Local Government, Community Recovery & Resilience	Local Government Grants & Subsidies Program	Purchase and install 4 x Tourism Roadside Shade Shelter
	Department of Local Government, Community Recovery & Resilience	Local Government Grants & Subsidies Program	Birdsville sewerage & water projects
	Department of Local Government, Community Recovery & Resilience	Local Government Grants & Subsidies Program	Bedourie sewerage and water projects
	Department of Local Government, Community Recovery & Resilience	Local Government Grants & Subsidies Program	Bedourie School and Town Hall Drainage Investigation.
	Department of Local Government, Community Recovery & Resilience	Local Government Grants & Subsidies Program	Birdsville School and Town Hall Drainage Investigation.
	Department of Local Government, Community Recovery & Resilience	Local Government Grants & Subsidies Program	Bedourie Flood Levee Bank Upgrade
	Department of Local Government, Community Recovery & Resilience	Cyclone & Flood Warning Subsidy	Purchase of a Satellite Phone and 4 handheld two way radios
	Department of Local Government, Community Recovery & Resilience	Get Ready Qld	Provision of first aid kits to households
	Department of State Development, Infrastructure and Planning	Royalties for Regions	Flood mitigation project funding – Cacoory - Stoney Crossing Road – Pave and Seal Benditoota Crossing
	Department of Health	Home & Community Care (HACC)	Provision of HACC services to eligible residents
	Queensland Reconstruction Authority	Flood Recovery & Reconstruction	The restoration of flood damage on shire roads
	Central West Health	Service Agreement	Funded the provision of Health services at Bedourie and Birdsville Clinics
	State Library of Queensland	Service Level Agreement	Library Materials and Equipment

Funded Programs

A FUNDING PROGRAM IN DETAIL

The Diamantina Shire is one of the most drought affected areas of Queensland in what is being publicised as the worst drought in a century.

As part of a state-wide drought relief initiative, the Queensland State Government made available approximately \$30,000 to a number of local governments with the specific intention of holding an event that would lift the spirits of drought-affected communities. Funding was provided through the Remote Area Planning and Development Board (RAPAD).

Upon discussion, the Diamantina Shire Councillors decided that a music event would appeal to the largest amount of community members and that the \$30,000 would be spent on a single event in order to attract the most well-known artist possible.

A number of high profile artists were contacted, including Lee Kernaghan and Troy Casser Daley. However, the up-and-coming Busby Marou presented the only affordable option and were very supportive of **council's efforts to keep the cost of the event within the available budget.**

The band's manager supplied all staging, lighting and freight of equipment for free and also brought two supporting acts free of charge.

The concert was held on the Birdsville oval and attracted approximately 250 people, most of which were shire residents. Council received many positive comments from residents regarding the quality of the artists and the organisation of the concert, much of which can be attributed to the generosity of the band and their management.



Funded by



Corporate Governance



Bedourie Races

The following lists all other information as required by the *Local Government Act 2009* '(LGA)' and the *Local Government Regulation 2012* '(LGR)'

REMUNERATION DETAILS s201 LGA 2009

Total remuneration for senior contract employees is as follows:

Range of \$100,000-\$200,000—2

Range of \$200,000-\$300,000—1

COUNCILLOR DISCIPLINARY ACTION s180(2) and (4) and s181 LGA 2009

There have been no actions under section 180(2) and (4) and section 181 of the Act during the 2013/2014 financial year resulting in orders or recommendations.

COMPLAINTS ABOUT CONDUCT OR PERFORMANCE OF A COUNCILLOR s176 LGA 2009

There was one complaint lodged regarding councillor conduct during 2013/2014.

ADMINISTRATIVE ACTION COMPLAINTS s187 LGR 2012

(1) (a) Administrative action complaints encompass all complaints made to Council about its administrative actions. Council is committed to dealing fairly with all complaints in a timely manner and at the local level where possible.

(b) The complaints management process comprises an initial assessment undertaken by Council's Complaints Officer, referral following consideration by the CEO for a comprehensive assessment and remedial

action as appropriate.

(2) During the period under review and the previous financial year there were no administrative action complaints received.

OVERSEAS TRAVEL s188 LGR 2012

No councillors or council employees travelled overseas in an official capacity during the 2013/2014 financial year.

EXPENDITURE ON GRANTS TO COMMUNITY ORGANISATIONS s189 LGR 2012

During the 2013/2014 financial year, council provided the following cash support to community organisations:

Organisation	\$
Bedourie Amateur Race Club	22,170.00
Bedourie Gymkhana Club	5,146.00
Betoota Social Club	2,508.00
Betoota Race Club Inc	21,455.00
Birdsville Race Club Inc	31,301.00
North Old Helicopter Service	5,000.00
Bedourie P&C	4,750.00
Other Donations	100.00
	\$92,430.00

RESERVES AND CONTROLLED ROADS s118 LGR 2012

Diamantina Shire Council has control of:

- 9,523.71ha of land (including 11.4ha leased) classified as reserves under the Land Act 1994; and
- 621kms of road that is not owned by council but is in its control.

EXPENDITURE AND ACTION

RELATING TO JOINT VENTURES s190(1)(d)(i) LGR 2012

Diamantina Shire Council did not enter into any joint venture agreements during the 2013/2014 financial year.

CHANGES TO TENDERS s190(1)(e) LGR 2012

Diamantina Shire Council did not make a change to a tender during the 2013/2014 financial year.

REGISTERS KEPT BY COUNCIL s190 (i)(f) LGR 2012

- Register of Rates
- Register of Roads
- Register of Land Records
- Register of Delegations
- Register of Pecuniary Interests for Employees and Councillors
- Register of Dogs/Impoundments/Agistment
- Register of Local and Subordinate Local Laws
- Register of Cost Recovery Fees and Commercial Charges

RATES AND CHARGES CONCESSIONS s190 (1)(g) LGR 2012

Diamantina Shire Council made no concession of rates or charges for the 2013/2014 financial year.

INTERNAL AUDIT FUNCTION s190(1)(h) LGR 2012

Council did not have an internal audit function during 2013/2014.

SUMMARY OF INVESTIGATION NOTICES UNDER s49 FOR COMPETITIVE NEUTRALITY COMPLAINTS s190 (1)(i)

There was no competitive neutrality complaints received during 2013/2014.

RESPONSES ON QCA RECOMMENDATIONS ON COMPETITIVE NEUTRALITY COMPLAINTS s190 (1)(i)

There were no responses on competitive neutrality complaints received during 2013/2014.

REPORTING REQUIREMENTS: PUBLIC SECTOR DISCLOSURE ACT 2010 s30

There were no disclosures received or referred under Part 2 during the reporting period.

Our Performance

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

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

These outcomes and the strategies to achieve them have been developed in line with quadruple bottom line principles that take into account social, environmental, economic and governance aspects in order to deliver a balanced and sustainable outcome.



Works Crew installing signs



Bedourie Aquatic Centre

Assessment of Local and Regional Issues

Arts and Cultural Development

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

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

Disaster Mitigation and Management

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

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

Economic Development

Diamantina Shire Council continues to work collaboratively with cattle and tourism business operators, industry peak bodies, representative groups and the community to identify and grow economic development opportunities. A growing community and a fledgling housing market are setting the pace in Bedourie and Birdsville. Sealed roads and 21st century information technology and communications will provide the tools for ongoing and secure economic development.

Environmental Management

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

Infrastructure

The sealing of the road network remains a major priority for council and it is committed to the contribution of funds for works,

research and lobbying to ensure that significant progress continues to be made. These issues and the required infrastructure needs for the growing communities will be included in the proposed infrastructure development plan, which will ensure that infrastructure is well planned, managed and funded.

Public Health Management

Diamantina Shire Council is in the unusual position of not only providing the standard environmental health services delivered by local government, but also of providing primary health care services in Bedourie and Birdsville. Through funding partnerships with both State and Commonwealth governments, the Shire Health Clinics offer a range of preventative and primary health care to the community. The services include regular general practitioner visits, as well as visiting specialists and ancillary health care professionals. The operation of these clinics will be transferred to Central West Health from 1st July, 2014 with Council retaining ownership of the buildings.

Community Development and Human Services

Council's most recent corporate plan emphasises an increased focus on community development and human services. Initiatives such as community event co-ordination, a community assets development plan, funding community events and through the work of the community development officer, the Diamantina communities continue to develop, and the council is able to provide services that build social capital and improve the quality of life of residents. The community plan will pull together the club facilities development program, sport and recreation plan, streetscape plan, town streets infrastructure plan and the community assets development plan to ensure that quality of life and social capital continue to be enhanced.

Housing

Council has put significant effort into housing in recent years and this has addressed many of the problems faced by the community. However, increased expectations and employment growth has again increased demand for quality housing. Council is now looking to provide for future demand by ensuring that housing stocks are developed and that land and infrastructure is available to meet that housing need.

Population

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

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

Performance: What We Achieved

Environment

Goal	Strategies to achieve this Goal	Progress and Achievements
A community that is actively maintaining practices that ensure environmental sustainability.	<ul style="list-style-type: none"> Lobby relevant agencies to take advantage of the natural resources for the production of energy in the shire to augment the diesel power stations Actively encourage and promote renewable energy (solar) for new housing developments. Maintain currency of mandatory and advisory environmental management plans. Ensure, where possible, that council decisions are in keeping with existing plans. Continue to support shire catchment management and Landcare groups. Maintain pest free status of river systems in the shire. Lobby to extend sealed road network to improve animal welfare. Ensure that local laws and other legislation are applied as required to ensure that effective animal control is maintained. 	<ul style="list-style-type: none"> Council has continued to liaise with Ergon Energy in relation to the introduction of clean and green technologies to augment the diesel power stations. Council continues to work closely with neighbouring shires and partners such as RAPAD, Queensland Wild Dog Committee, Georgina Catchment Committee, Desert Channels and the Department of Infrastructure and Planning and the Department of Agriculture Fisheries and Forestry in the areas of plant and animal pest management. Review of local and subordinate local laws is expected to be finalised and adopted by October 2014.
Guaranteed quality water supply and sewerage treatment.	<ul style="list-style-type: none"> Maintain water and sewerage infrastructure in accordance with SAMPs Ensure water quality meets guidelines for human consumption Encourage 'water wise' practices within the community 	<ul style="list-style-type: none"> Water and sewerage infrastructure maintained as per council's scheduled ten year capital works replacement schedule. Water quality continually monitored to ensure standards meet guidelines. Water Quality Management plan has been drafted and has been lodged with the department for approval.
Land and infrastructure development that facilitates and meets the needs of the growing communities.	<ul style="list-style-type: none"> Develop land as required to meet existing and anticipated demand Conduct feasibility study for the establishment of an aircraft graveyard in the shire Investigate options for military training activities in the shire Conduct feasibility study for the establishment of a regional aged care facility in the shire If feasible, seek funding for the establishment of a regional aged care facility in the shire Facilitate the establishment of suitable child care services in the shire 	<ul style="list-style-type: none"> Council continues to work towards the completion of the new Bedourie residential subdivision, which will increase house blocks available within the town. Investigation of an aircraft graveyard and military training activities has continued with no definite results at this stage. Child care has been identified as a significant area that hinders possible employment of residents. Investigation continues on possible strategies to improve child care within Bedourie and Birdsville.
Towns that are attractive, green and clean with communities that take pride in their homes and towns.	<ul style="list-style-type: none"> Maintain membership of Keep Australia Beautiful council and nominate annually Encourage the voluntary operation of community gardens. Review and implement town streetscape plans Develop and implement a waste management strategy 	<ul style="list-style-type: none"> Membership with Keep Australia Beautiful council continues. Working with both town foremen in Bedourie and Birdsville, progress has been made towards continued implementation of and also reviewing current town streetscape plans. A waste management strategy has been adopted and is being progressively implemented.

Performance: What We Achieved

Social

Goal	Strategies	Comments
A community that recognises the value of preserving the unique culture of the area.	<ul style="list-style-type: none"> Investigate the establishment of a cultural heritage management plan Progress the finalisation of appropriate ILUAs Maintain support in accordance with council's grants to community organisations policy Work with aboriginal groups to identify sites of significance Establish and fund a plan for the preservation and display of historical sites and artefacts 	<ul style="list-style-type: none"> Progress continues with the establishment of a Cultural Heritage Management Plan Council continues to be heavily involved with the progress of ILUA's with aboriginal groups Progress continues with aboriginal groups in regards to the identification of significant sites and cultural heritage clearance for construction works
A community where the cost of living is comparable to the south east of the state.	<ul style="list-style-type: none"> Complete and publish the cost of living study 	<ul style="list-style-type: none"> Cost of living study completed and published in council's Desert Yarns Newsletter during 2012/2013. Arrangements were made to have this study available for the wider public by displaying on Council's website.
A community with affordable access to the full range of transport services and facilities.	<ul style="list-style-type: none"> Encourage use of the air services Lobby the State Government to maintain present 'Dash 8' type air services through the shire Maintain biannual preferred freight supplier arrangements for council and community freight 	<ul style="list-style-type: none"> Council continues to have a strong working relationship with both the Dept of Transport and SkyTrans (air service provider). Council continues to attend 'Air User Group' meetings
A community with high private home ownership in which all residents are appropriately housed.	<ul style="list-style-type: none"> Continue to make suitable housing stock available for private purchase 	<ul style="list-style-type: none"> Council ceased its release of houses for sale in Birdsville and Bedourie in 2012/2013 as it had been identified that council is now facing a shortage of appropriate residences.
A motivated and involved community.	<ul style="list-style-type: none"> Maintain support in accordance with council's grants to community organisations policy Continue to make the services of council's grants officer available to community groups Continue to support the Diamantina Shire Youth Council Continue to facilitate skills development activities for the Youth Council 	<ul style="list-style-type: none"> Grants to community organisations continue with strong support outlined in council's 2013/2014 budget. Council's grants officer continues to be available to community groups and individuals to seek financial support. Council continues to strongly support youth council with secretarial support as well as financial support to progress youth initiated projects and training to support skills development.
A safe and crime free community.	<ul style="list-style-type: none"> Engage the Youth Council to develop crime prevention strategies for implementation in the shire Continue to support police and emergency services in the shire Maintain engagement with regional police service to ensure that community needs are understood and policing is effective Develop and maintain disaster management plans 	<ul style="list-style-type: none"> Strong ties continue with the Queensland Police Service. A police column for both towns is included in council's Desert Yarns newsletter each month. Crime remains low within the shire. Council adopted its new Disaster Management Plan in early 2013. Regular reports from SES and Rural Fire Brigades are received and reported to council.

Performance: What We Achieved

Social

A well coordinated and cooperative group of businesses and individuals that deal with the public and successfully promote the community.	<ul style="list-style-type: none"> Facilitate the establishment of community development boards in each town Source an appropriate customer service program 	
Full employment.	<ul style="list-style-type: none"> Make Council training activities available to community members if appropriate Implement strategies to improve child care opportunities 	<ul style="list-style-type: none"> Training programs have been regularly advertised to community Child care has been identified as a significant area that hinders possible employment of residents. Investigation continues in possible strategies to improve child care within Bedourie and Birdsville. Discussions have been held with the QLD Department of Education and Training about the introduction of family day-care in both Bedourie and Birdsville.
Fully operational medical and pharmacy facilities run by quality service providers that provide appropriate and affordable access to on-site GPs and specialist medical care.	<ul style="list-style-type: none"> Implement health issues awareness activities in the workforce Subsidise the cost of council's bus for groups wishing to access specialist medical services Lobby the state health service to provide half -yearly dental visits Encourage council's health provider to coordinate visits by specialist health services including cardio, ENT etc. Ensure health service contracts protect council's intellectual property rights Monitor and review the performance of the health services contractor Construct mortuary and storage facilities at the Birdsville Health Clinic Carry out expansion of the Bedourie Clinic as per plans 	<ul style="list-style-type: none"> NWML continue to work closely with Council in implementing health awareness workshops. NWML continues to meet its obligations under the service agreement in providing health services to the communities of Bedourie and Birdsville. Negotiations completed with Qld Health to transfer the operation of both Clinics to Central West Health from 1 July 2014.
Fully reticulated electricity throughout the shire	<ul style="list-style-type: none"> Request an update from Ergon Energy on the connection of shire properties to reticulated power supplies. 	<ul style="list-style-type: none"> An update on the progress of reticulated power within the shire has been sought.
Quality education and training available to all residents	<ul style="list-style-type: none"> Make Council training activities available to community members if appropriate Investigate the opportunity to establish schooling to year ten 	<ul style="list-style-type: none"> Training programs have been regularly advertised to community members Information on the establishment of schooling to year ten has been requested from the Department of Education.
Quality sporting facilities	<ul style="list-style-type: none"> Complete planning for a sports complex/ community facility in Bedourie Undertake construction of the Bedourie sports/community facility complex when funding becomes available 	<ul style="list-style-type: none"> No further planning has been completed towards the construction of a sports complex/community facility in Bedourie. Funding has not been secured for this project.

Performance: What We Achieved

Economic

Goal	Strategies	Comments
A major and sustainable tourism industry	<ul style="list-style-type: none"> Develop and implement a tourism development plan 	<ul style="list-style-type: none"> The implementation of the Tourism Development Plan has commenced.
A population of 2000	<ul style="list-style-type: none"> Implement corporate plan strategies 	<ul style="list-style-type: none"> An ongoing process in that Corporate Plan strategies are progressed to ensure the shire continues to grow with a goal population of 2000 people in 20 years
A transport network maintained in line with the rest of the state	<ul style="list-style-type: none"> Carry out works in line with works program Upgrade both airport terminals Undertake a scoping study into the development of an air park Lobby State and Federal Government for road network improvement Continue to contribute up to \$300,000 yearly to the sealing of main roads Identify and prioritise black spot projects 	<ul style="list-style-type: none"> Works as per works program continues Lobbying of Government for the improvement of road networks affecting the Diamantina Shire continues All DTMR and Council NDRRA Road Work completed on time.
Council is a leader in the region, which supports regional cooperation and resource sharing	<ul style="list-style-type: none"> Initiate discussions with neighbouring shires to undertake a resource sharing options review 	<ul style="list-style-type: none"> Council continues to work closely with the shires of Barcoo and Boulia on several initiatives. Initiatives include joint ventures in tourism, purchasing, operational information research and joint employment arrangements.
Government funding and assistance is maximised.	<ul style="list-style-type: none"> Retain the services of a professional grants officer to prepare applications as required 	<ul style="list-style-type: none"> Council continues to retain the services of a Grants Officer whose main function is to research and submit applications to progress projects that are within council's best interest.
Growing and diversified industries which provide ample employment opportunities to shire residents.	<ul style="list-style-type: none"> Develop and adopt an economic development plan Market available land stocks 	<ul style="list-style-type: none"> Council endorsed an Economic Development Plan in the 1st quarter of 2012/2013.
Own and operate a quality plant fleet.	<ul style="list-style-type: none"> Review plant hire rates and performance periodically Carry out plant changeover in accordance with plant replacement program 	<ul style="list-style-type: none"> Plant hire rates were reviewed Plant was replaced as required.
Quality council assets that meet community needs.	<ul style="list-style-type: none"> Develop a community assets development and management plan Cost and prioritise the development and operations factoring in depreciation of community facilities and/or services Seek funding assistance for and undertake the development of new facilities in line with the prioritised program as finance allows 	<ul style="list-style-type: none"> Work continues on the development of an Asset Management Plan The seeking of financial assistance for the development of community assets continues.

Performance: What We Achieved

Economic

Regional government offices operating in the community.	<ul style="list-style-type: none">Investigate and report to council on options for the establishment of government agencies in the Wirrarri Information Centre and the Bedourie administration centre	<ul style="list-style-type: none">Council has been unable to secure interest from government agencies in the establishment of operations from this areaA large number of private operators have expressed interest in renting offices for the duration of the tourist season
State-of-the-art communication and IT infrastructure.	<ul style="list-style-type: none">Lobby all levels of Government for a fibre optical communications solution	<ul style="list-style-type: none">Council has continued to work strongly on progressing a suitable fibre optical communication solution for the shire.This includes a committed \$2,400,000 in its annual budget towards a possible solution.Council continues to work closely with neighbouring Barcoo Shire Council and continues to liaise and meet with government departments and representatives in progressing a beneficial solution for the region.Funding of \$5.25 M has been secured from Royalties for Regions Program.

Performance: What We Achieved

Governance

Goal	Strategies	Comments
A sustainable and effective organisation	<ul style="list-style-type: none"> • That Council develop and implement a comprehensive training and development plan for councillors and staff that is aimed at delivering council's strategic outcomes • Conduct regular performance appraisals for all staff • Promote the employment and development of local residents • Maintain practices in line with the Workplace Health & Safety Legislation • Implement practices across the organisation that are in line with council's quality assurance system • Maintain a corporate structure that reflects and meets the needs of the Corporate Plan • Maintain a comprehensive and effective planning and reporting process • Maintain high standard of ethical conduct • Provide sufficient resources to facilitate effective governance • Support the separation of roles between council and management • Provide adequate support and development opportunities to ensure that corporate skills and knowledge are current and leading edge • Develop and maintain a Risk Management Plan • Maintain an effective records management policy and procedure • Maintain an effective information management system • Develop, implement and maintain a strategic IT plan • Maintain up to date and compliant financial management and reporting systems • Fund depreciation in line with council's revenue policy and provide for asset replacement in line with asset management plans • Ensure the grant and subsidy income is maximised • Maximise internal/external revenue sources • Continue to apply the Code of Competitive Conduct to nominated council business activities • That an external customer service operating framework be developed to ensure that customers receive a high-quality and positive experience when dealing with council • Provide adequate resources to ensure that administration and customer service functions are carried out effectively 	<ul style="list-style-type: none"> • A new training matrix is being prepared to better meet council staff needs. • Performance appraisals of employed staff continue. • The employment and development of local residents continues. • Workplace Health and Safety within council's operations continues to be a priority with a commitment to improve council's systems. Improvements in dissemination of information and in-house programs and publications have improved employee focus on workplace health and safety. • Quality Assurance System (Integrated Management System), have been audited. • Council completed an overhaul of its electronic data records management system in late 2012/2013. • Council continues to fund its depreciation in line with its asset management policy. • Grant and subsidy income, as well as internal revenue, is closely monitored to ensure maximum potential is received. • The methodology of the Code of Competitive Conduct continues to be applied to areas such as water, sewerage and road construction. • In 2013/2014 council struggled to provide adequate resources to ensure that administration and customer service functions are carried out effectively, in particular the recruitment and retention of staff. • Customer requests and enquiries are dealt with in a timely manner with a framework developed and built into Council's electronic records management system. • Preliminary work has been undertaken to develop a community engagement plan and this shall be furthered in the 2014/15 financial year.

Performance: What We Achieved

Governance

<p>A sustainable and effective organisation</p>	<ul style="list-style-type: none">• Ensure effective and sustainable administrative systems are in place to meet operational and legislative requirements• Ensure enquiries and customer requests are satisfactorily dealt with in a timely, appropriate manner• Implement a customer satisfaction survey and bench marking system• Develop and implement a community engagement framework• Develop and improve communications tools including website, community noticeboard, rates newsletter, annual report etc.	<ul style="list-style-type: none">• Council continues to improve its communications with noted tools such as its website, which has had a significant makeover, community noticeboard notices, the Desert Yarns newsletter and Annual Report.
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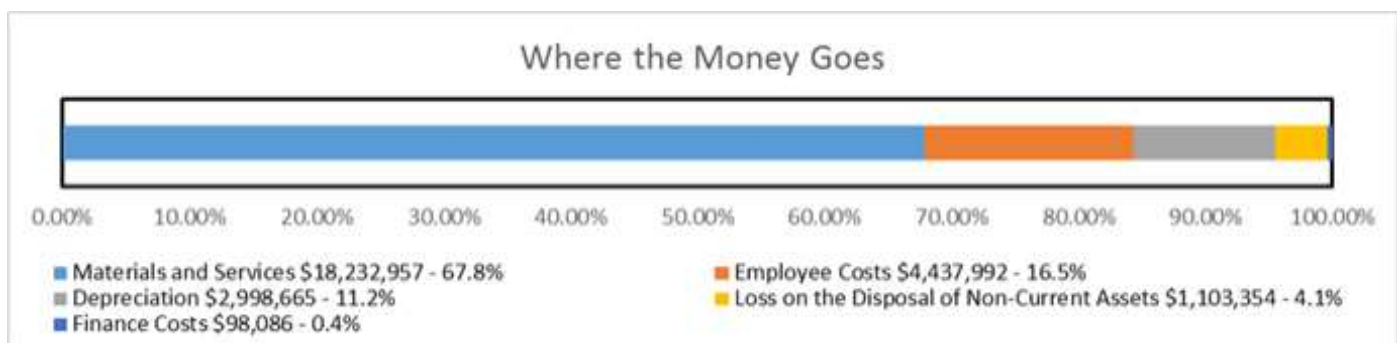
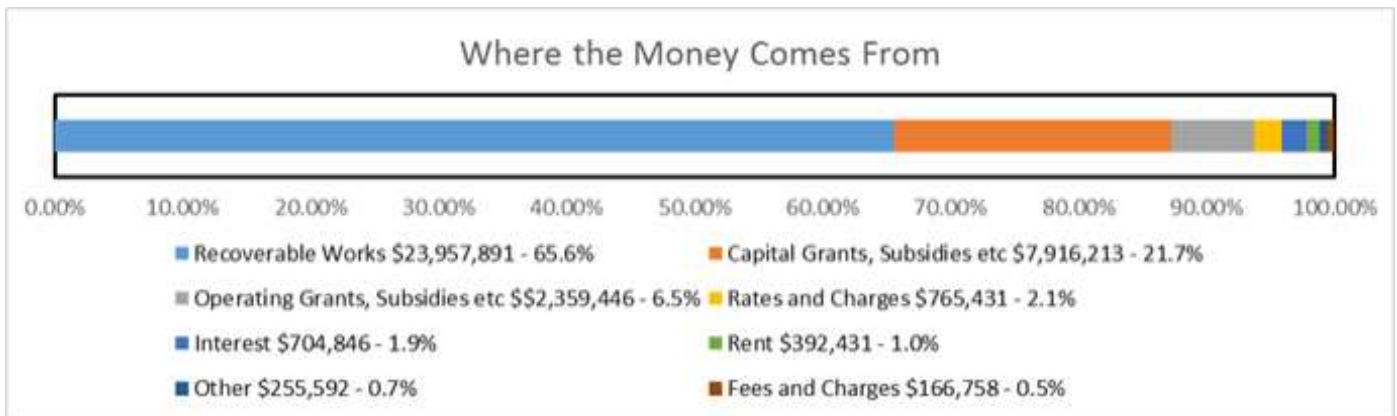
Sunset at Deon's Lookout

Community Financial Report

This report is intended to take complex financial information and report it in simple terms so that interested members of the community can gain a more informed understanding of council's financial performance and financial position for the year. The council's annual financial statements are part of the annual report and should be viewed for more detailed financial information (See Part B, commencing on page 35).

COUNCIL'S FINANCIAL PERFORMANCE

The Income Statement reflects how we take the money we receive in our day to day operations and spend it to provide the level of services the community expects from our organisation. This year council's total revenue amounted to \$36.5 million and total expenses amounted to \$26.9 million returning an operating surplus of \$9.6 million.



Five Years at a Glance – A Financial Snapshot

	2013-14	2012-13	2011-12	2010-11	2009-10
Net Rate & Charges	\$765,431	\$736,162	\$642,858	\$603,151	\$548,774
Total Revenue	\$36,518,634	\$59,948,958	\$42,853,538	\$39,484,739	\$38,262,800
Total Expenses	\$26,871,054	\$36,077,198	\$44,729,041	\$34,490,971	\$34,280,808
Net Result	\$9,647,580	\$23,871,759	(\$1,875,503)	\$4,993,768	\$3,956,531
Capital Additions	\$14,963,063	\$16,244,524	\$7,016,467	\$7,188,601	\$3,165,567
Debt Repayment	\$332,874	\$313,649	\$300,539	\$224,072	\$214,180
Loan Balance	\$1,085,552	\$1,418,426	\$1,732,075	\$2,032,614	\$1,756,686
Total Assets	\$164,034,545	\$156,032,411	\$132,544,442	\$90,509,318	\$83,996,279
Total Liabilities	\$2,031,779	\$3,223,475	\$4,670,739	\$4,746,798	\$3,703,052
Total Equity	\$162,002,766	\$152,808,936	\$127,873,703	\$85,762,520	\$80,293,227
Reserves	\$3,135,874	\$2,030,814	\$1,907,314	\$2,049,293	\$1,967,972
Depreciation Expense	\$2,998,665	\$3,201,463	\$2,810,874	\$2,190,525	\$2,000,300

Community Financial Report

COUNCIL'S FINANCIAL POSITION

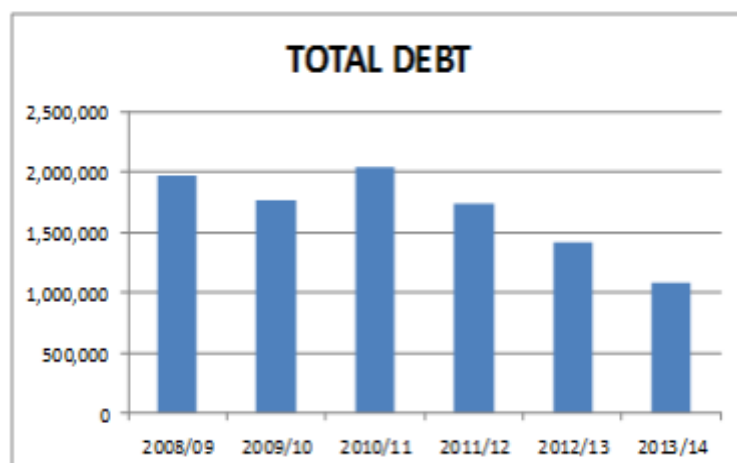
The balance sheet measures what council owns and owes at the end of the financial year. The result of these two components determines the net wealth of council, which is therefore the net wealth of the community.

What do our assets consist of?	%	\$
Cash and cash equivalents	11.55%	18,955,194
Trade and other receivables	2.24%	3,680,548
Inventories	0.85%	1,394,274
Other financial assets	0.02%	25,616
Investments - Non-current assets held for resale	0.65%	1,063,000
Property, plant and equipment	84.69%	138,915,913
TOTAL ASSETS		\$164,034,545

What do our liabilities consist of?	%	\$
Trade and other payables	38.46%	781,411
Borrowings	53.43%	1,085,552
Provisions	8.11%	164,816
TOTAL LIABILITIES		\$2,031,779

OUR DEBT

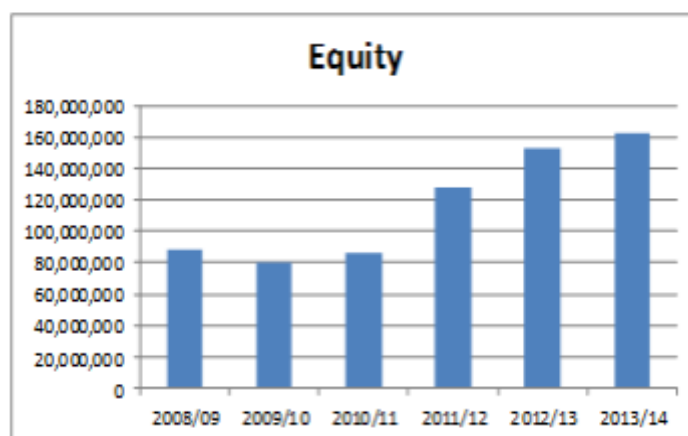
With debt repayments amounting to \$332,874 for the year, council's balance of debt at June 30, 2014 amounted to \$1,085,552. Council continues to manage its debt responsibly, electing only to borrow new debt by taking into account the economic conditions of the period, with the view that the borrowing will provide a benefit to future generations.



CHANGES IN EQUITY

This statement measures the change in our net wealth and considers such items as retained earnings, re-valuations of our asset base and reserves held for future capital works

The community ownership in the infrastructure and services council provides to the community is growing steadily. A portion of community wealth is cash backed by an appropriate level of reserves held to plan for future projects, which, with financial planning, can place less reliance on loan borrowing in meeting the needs of the community.



OUR CASH POSITION

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

Cash at Beginning	\$17,798,877
Inflow from Operating Activities	\$7,305,644
Outflow from Investing Activities	(\$5,816,453)
Outflow from Financing Activities	(\$332,874)
CASH AT END	\$18,955,194

While our current cash balance is \$18,955,194 it is important to note that \$3,135,874 is restricted as reserves for specific purposes, such as future capital works.

SUMMARY

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

Community Financial Report

RELEVANT MEASURES OF FINANCIAL SUSTAINABILITY

As outlined in section 178 Local Government Regulation 2012 it is a requirement for council to display relevant measures of financial sustainability for the financial year to which the statement relates. A local government's long-term financial sustainability statement must state the relevant measures of financial sustainability for the 9 financial years following the year to which the statement relates and an explanation of the local government's financial management strategy that is consistent with the long-term financial forecast.

Ratio	2013/2014 <i>Actual</i>	2014/15 <i>Budget</i>	2015/16 <i>Budget</i>	2016/17 <i>Budget</i>	2017/18 <i>Budget</i>	2018/19 <i>Budget</i>	2019/20 <i>Budget</i>	2020/21 <i>Budget</i>	2021/22 <i>Budget</i>	2022/23 <i>Budget</i>
Operating Surplus Ratio	2.2%	(15.7)%	(15.6)%	(15.2)%	(14.7)%	(14.3)%	(14.0)%	(13.6)%	(13.3)%	(13.0)%
Net Financial Liabilities Ratio	(77.6)%	(68.6)%	(67.4)%	(61.1)%	(68.5)%	(69.0)%	(64.6)%	(62.5)%	(61.7)%	(60.1)%
Asset Sustainability Ratio	376.8%	198.7%	71.6%	153.3%	59.1%	158.1%	114.0%	89.5%	72.4%	132.6%

Operating Surplus Ratio

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

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

Net Financial Liabilities Ratio

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

Total liabilities less current assets divided by total operating revenue. Expressed as a percentage. Target Ratio = Less than 60%

Asset Sustainability Ratio

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

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

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

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



SUSTAINABLY DEVELOPING THE OUTBACK

DIAMANTINA SHIRE COUNCIL
ANNUAL FINANCIAL STATEMENTS

For the Year Ended 30 June 2014

FINANCIAL REPORT

For the Year Ended 30 June 2014

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DIAMANTINA SHIRE COUNCIL

Statement of Comprehensive Income

For the Year Ended 30 June 2014

		30 June 2014	30 June 2013
	Note	\$	\$
INCOME			
Revenue			
Recurrent Revenue			
Rates, levies and charges	3(a)	765,431	736,162
Fees and charges		166,758	190,677
Rental income		392,431	375,249
Interest earned	3(b)	704,846	505,532
Sales - contract and recoverable works		23,957,891	45,575,382
Other recurrent income		255,592	302,918
Grants, subsidies, contributions and donations	4(a)	2,359,446	4,318,128
Total recurrent revenue		<u>28,602,395</u>	<u>52,004,048</u>
Capital Revenue			
Grants, subsidies, contributions and donations	4(b)	7,916,239	7,944,910
		<u>7,916,239</u>	<u>7,944,910</u>
Total Revenue		<u>36,518,634</u>	<u>59,948,958</u>
TOTAL INCOME		<u>36,518,634</u>	<u>59,948,958</u>
EXPENSES			
Recurrent Expenses			
Employee benefits	5	(4,437,992)	(4,140,444)
Materials and services	6	(18,232,957)	(28,398,681)
Finance costs	7	(98,086)	(109,993)
Depreciation	8	(2,998,665)	(3,201,463)
Total recurrent expenses		<u>(25,767,700)</u>	<u>(35,850,581)</u>
Capital Expenses	9	<u>(1,103,354)</u>	<u>(226,617)</u>
TOTAL EXPENSES		<u>(26,871,054)</u>	<u>(36,077,198)</u>
NET RESULT		<u>9,647,580</u>	<u>23,871,759</u>
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to net result			
Increase in asset revaluation surplus	19(i)	(453,750)	1,063,474
Total Other Comprehensive Income for the Year		<u>(453,750)</u>	<u>1,063,474</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>9,193,830</u>	<u>24,935,233</u>

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

DIAMANTINA SHIRE COUNCIL

Statement of Financial Position

As at 30 June 2014

		30 June 2014	30 June 2013
	Note	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	10	18,955,194	17,798,877
Trade and other receivables	11	3,680,548	6,176,817
Inventories	12	1,596,774	1,559,064
Other financial assets	13	6,592	6,541
		<u>24,239,108</u>	<u>25,541,299</u>
Total Current Assets		<u>24,239,108</u>	<u>25,541,299</u>
Non-Current Assets			
Other financial assets	13	19,024	25,122
Inventories	12	860,500	-
Property, plant and equipment	14	138,915,913	130,465,990
		<u>139,795,437</u>	<u>130,491,112</u>
Total Non-Current Assets		<u>139,795,437</u>	<u>130,491,112</u>
TOTAL ASSETS		<u>164,034,545</u>	<u>156,032,411</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	16	741,637	1,499,786
Borrowings	17	330,251	332,103
Provisions	18	-	112,310
		<u>1,071,888</u>	<u>1,944,199</u>
Total Current Liabilities		<u>1,071,888</u>	<u>1,944,199</u>
Non-Current Liabilities			
Trade and other payables	16	39,774	34,495
Borrowings	17	755,301	1,086,323
Provisions	18	164,816	158,458
		<u>959,891</u>	<u>1,279,276</u>
Total Non-Current Liabilities		<u>959,891</u>	<u>1,279,276</u>
TOTAL LIABILITIES		<u>2,031,779</u>	<u>3,223,475</u>
NET COMMUNITY ASSETS		<u>162,002,766</u>	<u>152,808,936</u>
COMMUNITY EQUITY			
Asset revaluation surplus	19	80,357,503	80,811,253
Retained surplus	20	81,645,263	71,997,683
		<u>162,002,766</u>	<u>152,808,936</u>
TOTAL COMMUNITY EQUITY		<u>162,002,766</u>	<u>152,808,936</u>

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

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DIAMANTINA SHIRE COUNCIL

Statement of Changes in Equity
For the Year Ended 30 June 2014

	Notes	Asset Revaluation Surplus 19 \$	Retained Surplus 20 \$	Total \$
Balance at 1 July 2013		80,811,253	71,997,683	152,808,936
Net result		-	9,647,580	9,647,580
Other comprehensive income for year				
Increase / (decrease) in asset revaluation surplus		(453,750)	-	(453,750)
Total comprehensive income for year		<u>(453,750)</u>	<u>9,647,580</u>	<u>9,193,830</u>
Balance as at 30 June 2014		<u>80,357,503</u>	<u>81,645,263</u>	<u>162,002,766</u>
Balance at 1 July 2012		79,747,779	48,125,924	127,873,703
Net result		-	23,871,759	23,871,759
Other comprehensive income for year				
Increase in asset revaluation surplus		1,063,474	-	1,063,474
Total comprehensive income for year		<u>1,063,474</u>	<u>23,871,759</u>	<u>24,935,233</u>
Balance as at 30 June 2013		<u>80,811,253</u>	<u>71,997,683</u>	<u>152,808,936</u>

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

DIAMANTINA SHIRE COUNCIL

Statement of Cash Flows

For the Year Ended 30 June 2014

		30 June 2014	30 June 2013
	Note	\$	\$
Cash flows from operating activities :			
Receipts from customers		30,013,080	51,219,627
Payments to suppliers and employees		(26,066,073)	(38,399,305)
		3,947,007	12,820,322
Interest received		704,846	505,532
Rental income		392,431	375,249
Non capital grants and contributions		2,359,446	4,318,128
Borrowing costs		(98,086)	(109,993)
Net cash inflow from operating activities	25	<u>7,305,644</u>	<u>17,909,237</u>
Cash flows from investing activities:			
Payments for property, plant and equipment		(14,963,079)	(15,392,612)
Proceeds from sale of property plant and equipment		1,230,387	1,168,573
Grants, subsidies, contributions and donations		7,916,239	7,544,910
Net cash (outflow) from investing activities		<u>(5,816,453)</u>	<u>(6,679,129)</u>
Cash flows from financing activities:			
Repayment of borrowings		(332,874)	(313,649)
Net cash (outflow) from financing activities		<u>(332,874)</u>	<u>(313,649)</u>
Net increase in cash and cash equivalents held		<u>1,156,317</u>	<u>10,916,459</u>
Cash and cash equivalents at beginning of financial year		17,798,877	6,882,417
Cash and cash equivalents at end of financial year	10	<u><u>18,955,194</u></u>	<u><u>17,798,877</u></u>

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Significant Accounting Policies

1.A Basis of Preparation

These general purpose financial statements are for the period 1 July 2013 to 30 June 2014 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*. Consequently, these financial statements have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other pronouncements issued by the Australian Accounting Standards Board.

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

1.B Statement of Compliance

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

1.C Constitution

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

1.D Date of Authorisation

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

1.E Currency

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

1.F Adoption of New and Revised Accounting Standards

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies. However the application of AASB 13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13* for the first time this year has resulted in greater disclosure.

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

	Effective for annual report periods beginning on or
AASB 9 <i>Financial Instruments</i> (December 2009)	1 January 2017
2009-11 <i>Amendments to Australian Accounting Standards arising from AASB 9</i> (December 2009)	1 January 2015
AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i> (December 2010)	1 January 2015
AASB 2013-9 <i>Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments</i> (operative dates: Part A <i>Conceptual Framework</i> - 20 Dec 2013; Part B <i>Materiality</i> - 1 Jan 2014; Part C <i>Financial Instruments</i> - 1 Jan 2015)	
AASB2014-1 <i>Amendments to Australian Accounting Standards</i> (operative dates: Part A-C 1 July 2014; Part D - 1 Jan 2016, Part E 1 Jan 2015)	
AASB 2014-4 <i>Amendments to Australian Accounting Standards - Clarification of acceptable methods of depreciation and amortisation</i> (AASB 116 and AASB 138)	1 January 2016

AASB 9 Financial Instruments (effective from 1 January 2015)

AASB 9, which replaces AASB 139 *Financial Instruments: Recognition and Measurement*, is effective for reporting periods beginning on or after 1 January 2015 and must be applied retrospectively. The main impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories: fair value and amortised costs and financial assets will only be able to be measured at amortised cost where very specific conditions are met.

Had this requirement been adopted at 30 June 2014, management estimate there would have been no financial impact on the financial statements.

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Notes to the Financial Statements

For the Year Ended 30 June 2014

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

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

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

Valuation and depreciation of property, plant and equipment - Note 1.P and Note 15

Impairment of property, plant and equipment - Note 1.Q and Note 9

Provisions - Note 1.S and Note 18

Contingent Liabilities - Note 22

1.H Revenue

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

Rates and Levies

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

Grants and Subsidies

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

Unspent non-reciprocal capital grants are subject to internal restrictions that have been placed on councils's cash and cash equivalents as disclosed in Note 10.

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.

Non-Cash Contributions

Physical assets contributed to Council are recognised as revenue when Council obtains control of the assets and becomes liable for any ongoing maintenance and there is sufficient data to determine the values of such assets. All non-cash contributions are recognised at the fair value of the contribution received on the date of acquisition.

Rental Income

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

Interest

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

Sales Revenue

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

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

Fees and Charges

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2014

1.I Financial Assets and Financial Liabilities

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

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

Financial Assets

Cash and cash equivalents (Note 1.J)

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

Leases - measured at present value of future lease payments (Note 1.M)

Financial Liabilities

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

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

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

1.J Cash and Cash Equivalents

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

1.K Receivables

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

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

All known bad debts were written-off at 30 June 2014. Subsequent recoveries of amounts previously written off in the same period are recognised as finance costs in the Statement of Comprehensive Income. If an amount is recovered in a subsequent period it is recognised as revenue.

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

1.L Inventories

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

Inventories held for distribution are:

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

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

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

1.M Other Financial Assets

Finance Lease as Lessor

During the years 2001 to 2008 Council entered into finance lease arrangements for the sale of land and houses in Bedourie and Birdsville. Note 13 contains details of lease payments receivable at 30 June 2014.

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

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Notes to the Financial Statements

For the Year Ended 30 June 2014

1.N Non-Current Assets Held for Resale

Council had previously recognised parcels of land as non-current assets as held for sale when the carrying amount of these assets would be recovered principally through a sales transaction rather than continuing use. These assets have been reclassified in 2014 and are now disclosed as part of inventory. Comparative figures for 2013 have been restated for comparability.

1.O Investments

Term deposits in excess of three months are reported as investments, with deposits of less than three months being reported as cash equivalents. At 30 June 2014 Council did not have any term deposits in excess of three months.

1.P Property, Plant and Equipment

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

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

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

Acquisition of Assets

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

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

Capital and Operating Expenditure

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

Valuation

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

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

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

An analysis performed by management has indicated that, on average, the variance between an indexed asset value and the valuation by an independent valuer when performed is not significant and the indices used by Council are sound. Further details in relation to valuers, the methods of valuation and the key assumptions used are disclosed in Note 15.

Notes to the Financial Statements

For the Year Ended 30 June 2014

Property, Plant and Equipment (continued)

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

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

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

Capital Work in Progress

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

Depreciation

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

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

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

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

Depreciation methods, 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 the annual valuation process for assets measured at depreciated current replacement cost are used to estimate the useful lives of these assets at each reporting date. Details of the range of estimated useful lives for each class of asset are shown in Note 14.

Land Under Roads

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

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

1.Q Impairment of Non-Current Assets

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

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2014

1.R Payables

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

1.S Liabilities – Employee Benefits

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

Salaries and Wages

A liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date. This liability represents an accrued expense and is reported in Note 16 as a payable.

Annual Leave

A liability for annual leave is recognised. Amounts expected to be settled within 12 months (the current portion) are calculated on current wage and salary levels and includes related employee on-costs. Amounts not expected to be settled within 12 months (the non-current portion) are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values. This liability represents an accrued expense and is reported in Note 16 as a payable.

Sick Leave

Sick leave taken in the future will be met by future entitlements and hence no recognition of sick leave has been made in these financial statements.

Superannuation

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

Long Service Leave

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value. The liability is reported in Note 18 as a provision.

1.T Borrowing and Borrowing Costs

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

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

All borrowing costs are expensed in the period in which they are incurred. No borrowing costs are capitalised on qualifying assets.

1.U Restoration Provision

No provision for the cost of restoration in respect of the shire refuse dumps has been provided for in the accounts as the monetary value is considered to be insignificant. Any costs associated with restoration are expensed in the year they are incurred.

Notes to the Financial Statements

For the Year Ended 30 June 2014

1.V 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 this surplus.

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

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

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

1.W Retained Surplus

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

1.X National Competition Policy

The Council has reviewed its activities and has identified no activities that are business activities.

1.Y Rounding and Comparatives

Amounts included in the financial statements have been rounded to the nearest \$1. Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

1.Z Trust Funds Held for Outside Parties

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

The monies are disclosed in the notes to the financial statements for information purposes only in Note 24.

1.AA Taxation

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

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DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2014

2 Analysis of Results by Function

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

Year Ended 30 June 2014

Functions	Gross Program Income				Total Income	Gross Program Expenses		Total Expenses	Net Result From Recurrent Operations			
	Recurrent		Capital			Recurrent	Capital		Total Expenses	Net Result From Recurrent Operations	Net Result	Assets
	Grants	Other	Grants	Other								
	2014	2014	2014	2014								
	\$	\$	\$	\$	2014	\$	2014	\$	2014	\$	2014	\$
Governance	1,670,971	1,289,987	1,221,640	-	4,182,598	(3,814,400)	(1,103,354)	(4,917,754)	(853,442)	(735,156)	29,397,095	
Community Services	634,449	671,464	-	-	1,305,913	(3,084,139)	-	(3,084,139)	(1,778,226)	(1,778,226)	19,471,418	
Works	7,000	23,957,891	6,694,599	-	30,659,490	(15,301,356)	-	(15,301,356)	8,663,535	15,358,134	89,461,832	
Environment, Health and Planning	47,026	323,607	-	-	370,633	(3,567,805)	-	(3,567,805)	(3,197,172)	(3,197,172)	25,704,200	
Total Council	2,359,446	26,242,949	7,916,239	-	36,518,634	(25,767,700)	(1,103,354)	(26,871,054)	2,834,695	9,647,580	164,034,545	

Year Ended 30 June 2013

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							
	2013 \$	2013 \$	2013 \$	2013 \$							
Governance	3,105,803	1,072,338	-	-	4,178,141	(4,295,035)	(226,617)	(4,521,652)	(116,894)	(343,512)	28,898,796
Community Services	1,047,475	711,121	150,000	400,000	2,308,596	(3,443,568)	-	(3,443,568)	(1,684,972)	(1,134,972)	19,927,118
Works	164,850	45,575,383	6,870,118	-	52,610,351	(25,093,917)	-	(25,093,917)	20,646,316	27,516,434	78,397,726
Environment, Health and Planning	-	327,078	524,792	-	851,870	(3,018,061)	-	(3,018,061)	(2,690,983)	(2,166,191)	28,808,771
Total Council	4,318,128	47,685,920	7,544,910	400,000	59,948,958	(35,850,581)	(226,617)	(36,077,198)	16,153,467	23,871,759	156,032,411

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DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2014

2 (b) Components of Council Functions

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

Governance

Includes training, operating costs of councillors and Council meetings, quality assurance and workplace health and safety, as well as general administration, human resources, financial support services, rates collection, investment of surplus cash, stores and housing services.

Community Services

Includes sports and recreation facilities, area promotion, events management and youth affairs, as well as Council and community housing.

Works

Includes road construction and maintenance, depots, plant operation and maintenance, water and sewerage.

Environment, Health and Planning

Includes health and building, animal control, cemeteries, public conveniences, halls, 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 2014

	Note	30 June 2014 \$	30 June 2013 \$
3 Revenue Analysis			
(a) Rates, Levies and Charges			
General rates		639,088	636,740
Water		112,994	109,854
Sewerage		40,386	39,752
Garbage charges		42,385	41,968
Total rates and utility charge revenue		834,853	828,314
Less: discounts		(69,422)	(92,152)
Net rates, levies and charges		765,431	736,162
(b) Interest Earned			
Interest from rates and charges		18,428	15,591
Interest earned from cash deposits		683,569	485,804
Interest finance lease assets		2,849	4,137
		704,846	505,532
4 Grants, Subsidies, Contributions and Donations			
(a) Recurrent			
State Government grants		2,045,822	3,667,134
Commonwealth Government grants		313,624	650,989
Donations & Contributions		-	5
Total recurrent revenue		2,359,446	4,318,128
(b) Capital			
State Government subsidies and grants		7,603,909	7,124,573
Commonwealth Government grants		312,330	420,337
Donations & Contributions		-	400,000
Total capital revenue		7,916,239	7,944,910
Conditions over contributions			
Contributions recognised as income during the reporting period and which were obtained on the condition that they be expended in a manner specified by the contributor but had not been expended at the reporting date.			
Non-reciprocal grants for expenditure on services		-	89,614
		-	89,614
Contributions recognised as income during a previous reporting period that were obtained in respect of the current reporting period:			
Non-reciprocal grants for expenditure on services		89,614	3,288,232
		89,614	3,288,232

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2014

	Note	30 June 2014 \$	30 June 2013 \$
5 Employee Benefits			
Total staff wages and salaries		4,584,226	4,498,025
Councillors' remuneration		218,493	212,922
Annual, sick and long service leave entitlements		355,545	266,616
Superannuation	23	398,245	423,544
		<u>5,556,509</u>	<u>5,401,107</u>
Other employee related expenses		217,002	170,293
		<u>5,773,511</u>	<u>5,571,400</u>
Less: capitalised employee expenses		<u>(1,335,519)</u>	<u>(1,430,956)</u>
		<u>4,437,992</u>	<u>4,140,444</u>

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

Total Council employees at the reporting date:

	2014	2013
Elected members	5	5
Administration staff	27	18
Depot and outdoors staff	37	37
Total full time equivalent employees	<u>69</u>	<u>60</u>

6 Materials and Services

Administration supplies and consumables	1,537,999	1,994,496
Area promotion and events	951,262	935,968
Audit services	45,379	57,325
CED scheme	245,805	27,768
Community and Council housing expenses	482,901	588,425
Council depots	636,825	431,966
Donations paid	29,818	45,576
Environmental health, pest and animal management	115,696	174,014
Halls and public conveniences	219,478	60,579
Health service expenses	994,282	1,172,202
Other community services	104,418	123,499
Parks, gardens and reserves	717,323	416,200
Planning and development	35,855	67,396
Plant operation	2,116,639	2,005,944
Racecourses, swimming pools, aerodromes, caravan parks	262,366	686,798
Recoverable works	1,763,098	366,188
Repairs and maintenance	100,307	23,917
Shire road and street network	327,200	192,757
Subsidised works	6,914,886	18,755,968
Waste management	156,072	193,359
Water supply	475,348	78,335
	<u>18,232,957</u>	<u>28,398,681</u>

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2014

	Note	30 June 2014 \$	30 June 2013 \$
7 Finance Costs			
Finance costs charged by the Queensland Treasury Corporation		73,608	92,834
Bank charges		24,478	17,159
		<u>98,086</u>	<u>109,993</u>
8 Depreciation			
Depreciation of non-current assets			
Buildings		548,660	521,044
Other structures		476,301	417,261
Plant and equipment		1,148,608	1,585,522
Road, drainage and bridge network		674,814	544,536
Water		99,210	82,724
Sewerage		51,072	50,376
		<u>2,998,665</u>	<u>3,201,463</u>
9 Capital Expenses			
Gain (loss) on the disposal of non-current assets			
Proceeds from the sale or write down of plant and equipment		1,203,941	917,589
Less: book value of plant and equipment disposed of		<u>(1,035,634)</u>	<u>(1,151,830)</u>
		<u>168,307</u>	<u>(234,241)</u>
Proceeds from the sale or write down of land, buildings and other structures		26,446	48,003
Less: book value of land, buildings and other structures disposed		<u>(1,298,107)</u>	<u>(38,360)</u>
		<u>(1,271,661)</u>	<u>9,643</u>
Proceeds from the sale of non current assets held for resale		-	202,981
Less: book value of non current assets held for resale		<u>-</u>	<u>(205,000)</u>
		<u>-</u>	<u>(2,019)</u>
		<u>(1,103,354)</u>	<u>(226,617)</u>

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2014

	Note	30 June 2014 \$	30 June 2013 \$
10 Cash and Cash Equivalents			
Cash at bank and on hand		1,027,157	34,029
Deposits at call		17,928,037	17,764,848
Balance per Statement of Cash Flows		18,955,194	17,798,877
Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:			
Unspent government grants and subsidies		-	89,614
Internally imposed expenditure restrictions at reporting date (previously disclosed as reserves):			
Elections		10,000	2,500
Employee entitlements		247,023	147,023
Asset revaluation		20,500	13,000
Building Maintenance		100,000	
Housing maintenance		251,730	61,730
Birdsville Airport		100,000	-
Bedourie Airport		100,000	-
Road Construction		60,000	40,000
Recreational facilities		765,000	750,000
House Purchase		10,000	-
Plant replacement		1,067,884	792,824
Water infrastructure		172,735	122,735
CED infrastructure		66,966	36,966
Waste Management		54,036	14,036
Other capital projects		60,000	50,000
Diamantina Health Service Reserve		50,000	-
Total internally imposed restrictions		3,135,874	2,030,814
Total unspent restricted cash for capital and recurrent projects		3,135,874	2,120,428
11 Trade and Other Receivables			
Current			
Rateable revenue and utility charges		158,194	133,719
Other debtors		2,838,539	2,034,487
Less provision for impairment		(10,000)	(10,000)
Prepayments		174,444	105,121
Accrued revenue		519,371	3,913,490
		3,680,548	6,176,817
Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors.			
Movement in accumulated impairment losses (other debtors) is as follows:			
Opening balance 1 July 2013		10,000	10,000
Closing balance 30th June 2014		10,000	10,000

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2014

	Note	30 June 2014 \$	30 June 2013 \$
12 Inventories			
Current			
Inventories held for distribution:			
Stores and raw materials		1,394,274	1,223,064
Land held for resale		202,500	336,000
		<u>1,596,774</u>	<u>1,559,064</u>
Non Current			
Inventories held for distribution:			
Land held for resale		860,500	-
		<u>860,500</u>	<u>-</u>
13 Other Financial Assets			
Current			
asset receivable		6,592	6,541
		<u>6,592</u>	<u>6,541</u>
Non-Current			
Finance lease		19,024	25,122
		<u>19,024</u>	<u>25,122</u>
A reconciliation between the gross investment in the lease and the fair value of lease payments is as follows:			
Not later than one year		8,897	8,897
Later then one year but not later than five years		22,358	31,255
		<u>31,255</u>	<u>40,152</u>
Less: Present value adjustment		(5,639)	(8,489)
		<u>25,616</u>	<u>31,663</u>
The fair value of lease payments are receivable as follows:			
Within one year		6,592	6,047
After one year but not more than five years		19,024	25,616
Total minimum lease payments		<u>25,616</u>	<u>31,663</u>
Movement in finance leases were as follows:			
Opening Balance		25,616	45,963
Less: Lease Receipts		(6,047)	(14,300)
Closing Balance		<u>19,569</u>	<u>31,663</u>

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2014

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14 Property, Plant and Equipment

30 June 2014

Basis of Measurement

Asset Values

	Land	Buildings	Plant and Equipment	Road, Drainage and Bridge Network	Water Infrastructure	Sewerage Infrastructure	Other Structures	WIP	Total
NOTE	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening gross value as at 1 July 2013	2,455,432	38,007,326	14,675,711	77,858,317	5,908,040	3,499,491	14,260,865	1,166,739	157,831,921
Additions at cost	10,000	10,000	3,432,118	7,943,164	-	-	1,534,734	2,033,047	14,963,063
Disposals	9 (14,362)	(82,346)	(2,929,095)	-	(969,500)	(489,601)	-	-	(4,484,904)
Revaluation adjustment to the Asset Revaluation Surplus	19 488,830	(301,082)	-	135,221	738,157	282,544	-	-	1,343,670
Reclassify as / Transfer to inventory	(727,000)	-	-	-	-	-	-	-	(727,000)
Transfer between classes	-	271,874	-	973,600	-	-	326,170	(1,571,644)	-
Closing gross value as at 30 June 2014	2,212,900	37,905,772	15,178,734	86,910,302	5,676,697	3,292,434	16,121,769	1,628,142	168,926,750

Accumulated Depreciation and Impairment

Opening balance as at 1 July 2013
Depreciation provided in period
Depreciation on disposals
Revaluation adjustment to the Asset Revaluation Surplus
Impairment adjustment to asset revaluation surplus
Accumulated depreciation as at 30 June 2014

	-	6,537,639	6,717,869	10,153,648	1,070,833	650,975	2,234,968	-	27,365,932
8	-	548,660	1,148,608	674,814	99,210	51,072	476,301	-	2,998,665
9	-	(72,346)	(1,893,461)	-	(172,026)	(13,330)	-	-	(2,151,163)
19	-	(46,463)	-	248	430,334	56,120	-	-	440,239
	-	-	-	-	862,665	494,500	-	-	1,357,165
	-	6,967,490	5,973,016	10,828,710	2,291,016	1,239,337	2,711,269	-	30,010,838

Written down value 30 June 2014

2,212,900	30,938,282	9,205,718	76,081,592	3,385,681	2,053,097	13,410,500	1,628,142	138,915,913
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Range of estimated useful life in years

Not Depreciated	10 - 140 yrs	1 - 50 yrs	2 - unlimited yrs	25 - 65 yrs	35 - 90 yrs	6 - 60 yrs
-	3,685,286	5,260,171	59,552,579	-	-	4,988,835

Residual Value

Additions comprise:

Renewals

Other additions

Total additions

\$	\$	\$	\$	\$	\$	\$	\$	\$
-	-	2,942,982	7,943,164	-	-	-	412,372	11,298,518
10,000	10,000	489,136	-	-	-	1,534,734	1,620,675	3,664,545
10,000	10,000	3,432,118	7,943,164	-	-	1,534,734	2,033,047	14,963,063

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2014

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14 Property, Plant and Equipment (continued)

30 June 2013

Basis of Measurement

Asset Values

Opening gross value as at 1 July 2012

Additions at cost

Disposals

Revaluation adjustment to the Asset Revaluation Surplus

Assets classified as held for sale

Transfer between classes

Closing gross value as at 30 June 2013

	Land	Buildings	Plant and Equipment	Road, Drainage and Bridge Network	Water Infrastructure	Sewerage Infrastructure	Other Structures	WIP	Total
NOTE	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
	2,197,739	35,497,284	13,557,570	67,694,852	5,322,293	2,993,168	13,341,612	2,771,436	143,375,954
	62,701	896,772	2,094,130	9,537,645	-	-	702,662	2,950,614	16,244,524
9	(38,360)	-	(2,936,967)	-	-	-	-	-	(2,975,327)
19	-	-	632,978	320,440	-	-	-	-	953,418
	233,352	-	-	-	-	-	-	-	233,352
	-	1,613,270	1,328,000	305,380	585,747	506,323	216,591	(4,555,311)	-
	2,455,432	38,007,326	14,675,711	77,858,317	5,908,040	3,499,491	14,260,865	1,166,739	157,831,921

Accumulated Depreciation and Impairment

Opening balance as at 1 July 2012

Depreciation provided in period

Depreciation on disposals

Revaluation adjustment to the Asset Revaluation Surplus

Accumulated depreciation as at 30 June 2013

	-	6,016,595	7,061,988	9,574,665	988,109	600,599	1,817,707	-	26,059,663
8	-	521,044	1,585,522	544,536	82,724	50,376	417,261	-	3,201,463
9	-	-	(1,785,137)	-	-	-	-	-	(1,785,137)
19	-	-	(144,504)	34,447	-	-	-	-	(110,057)
	-	6,537,639	6,717,869	10,153,648	1,070,833	650,975	2,234,968	-	27,365,932

Written down value 30 June 2013

Written down value 30 June 2012

2,455,432	31,469,687	7,957,842	67,704,669	4,837,207	2,848,516	12,025,897	1,166,739	130,465,990
1,518,235	22,805,718	7,422,040	14,444,811	3,046,428	2,236,539	13,332,895	5,776,946	70,583,611

Range of estimated useful life in years

15 - 75	2 - 50	2 - unlimited	10 - 65	35 - 90	6 - unlimited
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Residual Value

3,715,394	5,471,371	59,450,618	100,000	-	3,821,852
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15 Fair Value Measurement**(i) Recognised fair value measurement**

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

Property Plant & Equipment

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

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

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

Council borrowings are measured at amortised cost with interest recognised in profit and loss when incurred. The fair value of borrowings in Note 17 is provided by Queensland Treasury Corporation and represents the contractual undiscounted cash flows at balance date (Level 2).

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

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

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

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

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

The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2014. Comparative information has not been provided as allowed by the transitional provisions of AASB 13 *Fair Value Measurement*.

	Note	Level 3 (Significant unobservable inputs)	Total
Recurring fair value measurements			
Land	15(ii)	2,212,900	2,212,900
Buildings	15(ii)	30,938,282	30,938,282
Road, drainage & bridge network	15(ii)	76,081,592	76,081,592
Water infrastructure	15(ii)	3,385,681	3,385,681
Sewerage infrastructure	15(ii)	2,053,097	2,053,097
Other	15(ii)	13,410,500	13,410,500
		<u>128,082,052</u>	<u>128,082,052</u>

15 Fair Value Measurement (continued)

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

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

(ii) Valuation techniques used to derive fair values for level 2 and level 3 valuations

Council adopted AASB 13 Fair Value Measurement for the first time this financial year and has reviewed each valuation to ensure compliance with the requirements of the new standard. There have been no changes in valuation techniques as a result of this review.

Specific valuation techniques used to value Council assets comprise:

Land (level 3)

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

Buildings (level 3)*Current replacement cost*

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

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

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

Accumulated Depreciation

In determining the level of accumulated depreciation allowance has been made for the typical asset life cycle and renewals treatment of each asset, residual value at the time the asset is considered to be no longer available for use and the condition of the asset.

Condition was assessed using the following table:

Rating	Description
1	Very good condition. Only cyclic maintenance required.
2	Good Condition. Minor maintenance required plus cyclic maintenance.
3	Moderate condition. Significant maintenance required.
4	Poor condition. Significant renewal / rehabilitation required.
5	Very poor condition. Unserviceable.

15 Fair Value Measurement (continued)

There following key assumptions were used to calculate fair value:

		Average Life			Average Life
Admin	\$ 3,294.75	m2 70 years	House small	\$ 2,147.63	m2 70 years
Town hall	\$ 3,113.63	m2 70 years	House medium	\$ 2,095.88	m2 70 years
Library	\$ 3,294.75	m2 50 years	House individual	\$ 2,492.63	m2 70 years
Recreational	\$ 2,009.63	m2 70 years	COA	\$ 948.75	m2 70 years
Amenities	\$ 2,859.19	m2 60 years	Unit	\$ 2,147.63	m2 70 years
Toilet/ change	\$ 3,708.75	m2 50 years	Garage	\$ 1,104.00	m2 70 years
<u>Residential</u>			Workshop	\$ 2,078.63	m2 25 years
Donga	\$ 1,466.95	m2 15 years	Lower grade workshop	\$ 1,449.00	m2 70 years
Single unit	\$ 1,923.38	m2 70 years	Shed	\$ 819.38	m2 50 years
Extensions	\$ 2,259.75	m2 50 years	Lower grade shed	\$ 448.50	m2 30 years
Bathroom fit out	\$43,987.50	ea 50 years	Clinic	\$ 3,148.13	m2 70 years
Kitchen fit out	\$37,087.50	ea 50 years	Tennis courts	\$96,945.00	ea 50 years
Smll Ind Kitchen fit out	\$29,325.00	ea 50 years	Shelter	\$ 215.63	m2 50 years
Lrg Ind Kitchen fit out	\$55,200.00	ea 50 years	Stalls	\$ 120.75	m2 30 years
			Demountable	\$25,000.00	ea 25 years

The fair value of the buildings as at 30th June 2014 was determined using a "desktop" approach. This approach determined an increase in index of 2.7% (2013 6.51%) for residential buildings and 2.10% (2013 1.29% decrease) increase for commercial premises. Given the minimal effect on the 2012 valuations, no revaluation has been processed for 30th June 2014.

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

Significant unobservable input	Range of inputs	Relationship of unobservable inputs to fair value
Condition rating (useful life)	1 - 5	The higher the condition rating, the higher the fair value.
Remaining useful life	15 - 75 years	The longer the remaining life, the higher the fair value.
Residual value	\$0 - \$405,394	The higher the residual value, the higher the fair value.

Infrastructure assets (level 3)

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

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

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

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

Roads

Current replacement cost

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

15 Fair Value Measurement (continued)

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

The last full valuation of road infrastructure was undertaken effective 30th June 2012 by Opus International Consultants (PCA) Pty Ltd using the following key assumptions:

Average \$/m² for each of the key components were

Formation	\$3.35 sqm
Pavement	\$11.30 sqm
Seal	\$9.00 sqm

CRC at 30 June 2014 was reviewed by Council engineer using the ABS Producers' Price Index "Roads and Bridges Construction - Queensland (3101)" which was 2.5% (2013 1.95%). Given the minimal effect on the 2012 valuations, no revaluation has been processed for 30th June 2014. A full revaluation of roads and associated infrastructure is planned in 2017.

Accumulated Depreciation

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

Estimated useful lives and residual values are disclosed in Note 14. Condition was assessed using the same table as identified for buildings.

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

As detailed above, Council's roads, drainage and bridge network has been valued using written down current replacement cost. This method utilises a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made with the greatest care, and based upon years of experience, different judgements could result in a different valuation. The table below summarises the effect that changes in the most significant unobservable inputs would have on the valuation.

Significant unobservable input	Range of inputs	Relationship of unobservable inputs to fair value
Standard material usage quantities	Varies depending on type of material	The higher the usage quantities, the higher the fair value.
Condition rating (useful life)	1 - 5	The higher the condition rating, the higher the fair value.
Remaining useful life	2 - unlimited years	The longer the remaining life, the higher the fair value.
Residual value	\$0 - \$5,264,699	The higher the residual value, the higher the fair value.

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

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

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

15 Fair Value Measurement (continued)**Water, Sewerage and Other Infrastructure***Current replacement cost*

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

Opus International Consultants (PCA) Pty Ltd cost models were derived from the following sources:

- Building Price Index tables
- Rawlinson's Rates for building and construction
- Queensland Treasury asset revaluation index
- Comparison with industry rates
- Opus International Consultants cost databases
- International Infrastructure Management Manual

CRC at 30 June 2014 was reviewed by Council engineer using the ABS Producers' Price Index "Building Construction Qld" which was 2.10% (2013 1.70%). Given the minimal effect on the 2012 valuations, no revaluation has been processed for 30th June 2014. A full revaluation of roads and associated infrastructure is planned in 2017.

Accumulated Depreciation

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

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

The method used to value councils' water, sewerage and other infrastructure assets utilises a number of inputs that require judgement and are therefore classes as unobservable. While these judgements are made with the greatest care, and based upon years of experience, different judgements could result in a different valuation. The table below summarises the effect that changes in the most significant unobservable inputs would have on the valuation:

Significant unobservable input	Range of inputs	Relationship of unobservable inputs to fair value
Standard material usage quantities	Varies depending on type of material	The higher the usage quantities, the higher the fair value
Remaining useful life	6 - 78 years	The longer the remaining life, the higher the fair value.
Residual value	\$0 - \$1,185,450	The higher the residual value, the higher the fair value.

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

The changes in level 3 assets with recurring fair value fair measurement are detailed in Note 14 Property Plant and Equipment. There have been no transfers between Level 1, 2 or 3 measurements during the year.

(iv) Valuation processes

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2014

	Note	30 June 2014 \$	30 June 2013 \$
16 Trade and Other Payables			
Current			
Creditors and accruals		514,738	1,119,777
Time off in lieu		-	3,593
Annual leave		226,899	376,416
		<u>741,637</u>	<u>1,499,786</u>
Non-Current			
Annual leave		39,774	34,495
		<u>39,774</u>	<u>34,495</u>
17 Borrowings			
Current			
Loans Queensland Treasury Corporation		330,251	332,103
		<u>330,251</u>	<u>332,103</u>
Non-Current			
Loans Queensland Treasury Corporation		755,301	1,086,323
		<u>755,301</u>	<u>1,086,323</u>
Queensland Treasury Corporation			
Opening balance		1,418,426	1,732,075
Principal repayments		(332,874)	(313,649)
Book value at period end		<u>1,085,552</u>	<u>1,418,426</u>
Classified as :			
Current		330,251	332,103
Non-current		755,301	1,086,323
		<u>1,085,552</u>	<u>1,418,426</u>
<p>The QTC loan market value at the reporting date was \$1,155,654. 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.</p> <p>No assets have been pledged as security by the Council for any liabilities, however all loans are guaranteed by the Queensland Government.</p> <p>All borrowings are in \$A denominated amounts and carried at amortised costs, interest being expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 2016 to 2023. There have been no defaults or breaches of the loan agreement during the period.</p> <p>Principal and interest repayments are made quarterly in arrears.</p>			
18 Provisions			
Current			
Long service leave		-	112,310
Non-Current			
Long service leave		164,816	158,458
Details of movements in provisions:			
Long Service Leave			
Opening balance		270,768	238,862
Long service leave entitlement arising		16,515	31,906
Long Service entitlement paid		(122,467)	-
Balance at year end		<u>164,816</u>	<u>270,768</u>

	30 June 2014	30 June 2013
Note	\$	\$
19 Asset Revaluation Surplus		
(i) Movements in the asset revaluation surplus were as follows:		
Balance at beginning of period	80,811,253	79,747,779
Net adjustment to non-current assets at end of period to reflect a change in current fair value:		
Land	488,830	-
Buildings	(254,619)	
Plant and Equipment	-	777,482
Road, drainage and bridge network	134,957	285,992
Water	(554,842)	
Sewerage	(268,076)	
Balance at end of the year	80,357,503	80,811,253
(ii) Asset revaluation surplus analysis		
The closing balance of the asset revaluation surplus is comprised of the following asset categories:		
Land	488,830	-
Buildings	12,386,636	12,641,255
Plant and Equipment	777,482	777,482
Other structures	3,927,932	3,927,932
Road, drainage and bridge network	60,404,373	60,269,416
Water	1,612,653	2,167,495
Sewerage	759,597	1,027,673
	80,357,503	80,811,253
20 Retained Surplus		
Movements in the retained surplus were as follows:		
Retained surplus/(deficit) at the beginning of financial year	71,997,683	48,125,924
Net result attributable to council	9,647,580	23,871,759
Retained surplus at the end of the financial year	81,645,263	71,997,683

21 Commitments For Expenditure**Contractual commitments**

At 30 June 2014 Council had not entered into contractual arrangements.

22 Contingent Liabilities

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

Local Government Mutual

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

As at 30 June 2014 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 \$178,518.

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.

23 Superannuation

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

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

The scheme has three elements referred to as:

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

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

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

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

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

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

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

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

The most recent actuarial assessment of the scheme was undertaken as at 1 July 2012. The actuary indicated that "the Regional DBF is currently in a satisfactory but modest financial position and remains vulnerable to adverse short and medium term experience."

Following the previous actuarial assessment in 2009, councils were advised by the trustee of the scheme, following advice from the scheme's actuary, that additional contributions may be imposed in the future at a level necessary to protect the entitlements of Regional DBF members. In the 2012 actuarial report the actuary has recommended no change to the employer contribution levels at this time.

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

There are currently 72 councils contributing to the Regional DBF plan and any changes in contribution rates would apply to all 72 councils. Diamantina Shire Council made less than 4% of the total contributions to the plan in the 2013-14 financial year.

The next actuarial investigation will be made as at 1 July 2015.

The amount of superannuation contributions paid by Diamantina Shire Council to the superannuation scheme in this period for the benefit of employees was:

	30 June 2014	30 June 2013
Note	\$	\$
5	<u>398,245</u>	<u>348,361</u>

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2014

	30 June 2014	30 June 2013
Note	\$	\$
24 Trust Funds		
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities:		
Security deposits	216,520	322,160
	<u>216,520</u>	<u>322,160</u>
The Diamantina Shire Council performs only a custodial role in respect of these monies. These funds cannot be used by the Council.		
25 Reconciliation of Net Result for the Year to Net Cash Inflow (Outflow) From Operating Activities		
Net result	9,647,580	23,871,759
Non-cash items:		
Depreciation	2,998,665	3,201,463
Investing and development activities :		
Net (profit) loss on disposal of plant and equipment	(168,307)	234,241
Net loss (profit) on disposal of land, buildings and other structures	1,271,661	(9,643)
Net loss (profit) on disposal of land and buildings held for resale	-	2,019
Capital grants and contributions	(7,916,239)	(7,944,910)
	<u>(6,812,885)</u>	<u>(7,718,293)</u>
Changes in operating assets and liabilities :		
Decrease (Increase) in receivables	2,496,269	36,952
(Increase) decrease in inventory	(171,210)	(363,329)
Decrease (Increase) in other financial assets	6,047	14,300
(Decrease) Increase in payables	(752,870)	(1,165,521)
(Decrease) Increase in provisions	(105,952)	31,906
	<u>1,472,284</u>	<u>(1,445,692)</u>
Net cash inflow from operating activities	<u>7,305,644</u>	<u>17,909,237</u>
26 Events After the Reporting Period		
There were no material adjusting events after reporting date.		

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements For the Year Ended 30 June 2014

27 Financial Instruments

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

- credit risk
- liquidity risk
- market risk

This note provides information (both qualitative and quantitative) to assist statement users to evaluate the significance of financial instruments on the Council's financial position and financial performance, including the nature and extent of risks and how the Council manages these exposures.

Financial risk management

Diamantina Shire Council is responsible for the establishment and oversight of the risk management framework, together with developing and monitoring risk management policies.

Council's management approves policies for overall risk management, as well as specifically for managing credit, liquidity and market risk. The Council's risk management policies are established to identify and analyse the risks faced, to set appropriate limits and controls and to monitor these risks and adherence against limits. The Council aims to manage volatility to minimise potential adverse effects on the financial performance of the Council.

Diamantina Shire Council does not enter into derivatives.

Credit Risk

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

Investments in financial instruments are required to be made with Queensland Treasury Corporation (QTC) or similar state/ commonwealth bodies or financial institutions in Australia, in line with the requirements of the *Statutory Bodies Financial Arrangements Act 1982*.

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

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

Financial Assets	Note	30 June 2014	30 June 2013
		\$	\$
Cash and Cash Equivalents - Deposits at call	10	17,928,037	17,764,848
Cash and Cash Equivalents - Bank	10	1,027,157	34,029
Receivables - Rates	11	158,194	133,719
Receivables - Other	11	2,838,539	2,034,487
Other Credit Exposures			
Guarantee	24	178,518	190,507
Total		22,130,445	20,157,590

Cash and cash equivalents

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements For the Year Ended 30 June 2014

27 Financial Instruments (continued)

Trade and other receivables

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

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

By the nature of the Council's operations, there is a geographical concentration of risk in the Council's area.

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

	30 June 2014	30 June 2013
Financial Assets	\$	\$
Not past due	2,475,045	1,783,680
Past due 31-60 days	172,659	120,637
Past due 61-90 days	5,519	591
More than 90 Days	185,316	129,579
Total	2,838,539	2,034,487

Impaired Assets

Council has considered factors including past history and likelihood of recovery when impairing assets.

Liquidity Risk

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

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

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

	0 to 1 year	1 to 5 years	Over 5 years	Total Contractual Cash Flows	Carrying Amount
	\$	\$	\$	\$	\$
2014					
Trade and Other Payables	514,738	-	-	514,738	514,738
Loans QTC	330,251	603,293	152,008	1,085,552	1,085,552
	844,989	603,293	152,008	1,600,290	1,600,290
2013					
Trade and Other Payables	1,119,777	-	-	1,119,777	1,119,777
Loans QTC	332,103	933,725	152,599	1,418,427	1,418,427
	1,451,880	933,725	152,599	2,538,204	2,538,204

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.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2014

27 Financial Instruments (continued)

Market risk

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

Interest Rate Risk

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

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

Sensitivity

Sensitivity to interest rate movements is shown for variable financial assets and liabilities based on the carrying amount at reporting date.

The following interest rate sensitivity analysis depicts what effect a reasonably possible change in interest rates (assumed to be 1%) would have on the profit and equity, based on the carrying values at the end of the reporting period. The calculation assumes that the change in interest rates would be held constant over the period.

	Net carrying amount	Effect on net result		Effect on equity	
	\$	1% increase	1% decrease	1% increase	1% decrease
	\$	\$	\$	\$	\$
2014					
QTC Cash Fund	17,928,037	179,280	(179,280)	179,280	(179,280)
Other Investments	1,027,157	10,272	(10,272)	10,272	(10,272)
Loans - QTC	(1,085,552)	(10,856)	10,856	(10,856)	10,856
Net	17,869,642	178,696	(178,696)	178,696	(178,696)

	Net carrying amount	Effect on net result		Effect on equity	
	\$	1% increase	1% decrease	1% increase	1% decrease
	\$	\$	\$	\$	\$
2013					
QTC Cash Fund	17,764,848	177,648	(177,648)	177,648	(177,648)
Other Investments	34,029	340	(340)	340	(340)
Loans - QTC	(1,418,427)	(14,184)	14,184	(14,184)	14,184
Net	16,380,450	163,805	(163,805)	163,805	(163,805)

In relation to the QTC loans held by the Council, the following has been applied:

QTC Generic Debt Pool - the generic debt pool products approximate a fixed rate loan. There is a negligible impact on interest sensitivity from changes in interest rates for generic debt pool borrowings.

Fair value

The fair value of trade and other receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

The fair value of borrowings with QTC is based on the market value of debt outstanding. The market value of a debt obligation is the discounted value of future cash flows based on prevailing market rates and represents the amount required to be repaid if this was to occur at balance date. The market value of debt is provided by QTC and is disclosed in Note 17.

QTC applies a book rate approach in the management of debt and interest rate risk, to limit the impact of market value movements to clients' cost of funding. The book value represents the carrying value based on amortised cost using the effective interest method.

Notes to the Financial Statements

For the Year Ended 30 June 2014

28 National Competition Policy

The code of competitive conduct (CCC) must be applied to the following business activities:

a) A building certifying activity that:

- (i) involves performing building certifying functions within the meaning of the Building Act, section 8, and;
- (ii) is prescribed under a regulation.

(b) A roads activity, other than a roads activity for which business is conducted through a sole supplier arrangement, that involves;

- (i) construction or maintenance of State controlled roads for which the local government submits an offer to carry out work in response to a tender invitation;
- (ii) construction or road maintenance on another local government's road which the local government has put out to tender, which the local government has put out to tender, or called for by another local government.

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

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

The Diamantina Shire Council has reviewed its activities and has not identified any that are 'business activities'. Accordingly, the Code of Competitive Conduct has not been applied to any activity of the Council.

DIAMANTINA SHIRE COUNCIL

ANNUAL FINANCIAL STATEMENTS

For the Year Ended 30 June 2014

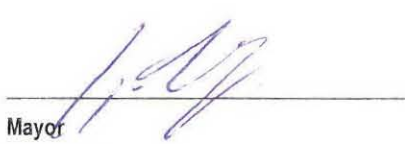
MANAGEMENT CERTIFICATE

For the Year Ended 30 June 2014

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.

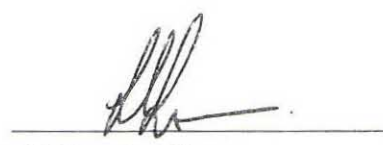
In accordance with Section 212(5) of the Regulation we certify that:

- (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 34, 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: 15/09/2014



Chief Executive Officer
Leon Love

Date: 15/09/2014

QAO
certified statements

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Diamantina Shire Council

Report on the Financial Report

I have audited the accompanying financial report of Diamantina Shire Council, which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Mayor and Chief Executive Officer.

The Council's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

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

Opinion

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

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of Diamantina Shire Council for the financial year 1 July 2013 to 30 June 2014 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

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


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



Queensland Audit Office
Brisbane

DIAMANTINA SHIRE COUNCIL

Current Year Financial Sustainability Statement
For the Year Ended 30 June 2014

Measures of Financial Sustainability How the Measure is Calculated		Actual	Target
Council's Performance at 30 June 2014 against any key financial ratio's and targets:			
Operating Surplus Ratio	Net Result (excluding capital items) divided by total operating revenue (excluding capital items)	9.91%	Between 0% and 10%
Asset Sustainability Ratio	Capital Expenditure on the replacement of assets (Renewals) divided by depreciation expense	376.78%	Greater than 90%
Net Financial Liabilities Ratio	Total liabilities less current assets divided by total operating revenue (Excluding Capital Items)	-77.64%	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 2014.

CERTIFICATE OF ACCURACY For the year ended 30th June 2014

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 Merton
Date: 15/11/14



Chief Executive Officer
Leon Love
Date: 15/11/14

QAO
certified statements

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Diamantina Shire Council

Report on the Current-Year Financial Sustainability Statement

I have audited the accompanying current-year financial sustainability statement, which is a special purpose financial report of Diamantina Shire Council for the year ended 30 June 2014, comprising the statement and explanatory notes, and certificates given by the Mayor and Chief Executive Officer.

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

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

Auditor's Responsibility

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

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

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

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

Independence

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

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

Opinion

In accordance with s.212 of the *Local Government Regulation 2012*, in my opinion, in all material respects, the current-year financial sustainability statement of Diamantina Shire Council, for the year ended 30 June 2014, has been accurately calculated.

Emphasis of Matter – Basis of Accounting

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

Other Matters - Electronic Presentation of the Audited Statement

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


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



Queensland Audit Office
Brisbane

DIAMANTINA SHIRE COUNCIL

Long Term Financial Sustainability Statement For the Year Ended 30 June 2014

Measures of Financial Sustainability	How the Measure is Calculated	Target	Projected for the years ended									
			Actual 30 June 2014	30 June 2015	30 June 2016	30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023
Operating Surplus Ratio	Net Result (excluding capital items) divided by total operating revenue (excluding capital items)	Between 0% and 10%	9.9%	(15.7)%	(15.6)%	(15.2)%	(14.7)%	(14.3)%	(14.0)%	(13.6)%	(13.3)%	(13.0)%
Asset Sustainability Ratio	Capital Expenditure on the replacement of assets (Renewals) divided by depreciation expense	Greater than 90%	376.8%	198.7%	71.6%	153.3%	59.1%	158.1%	114.0%	89.5%	72.4%	132.6%
Net Financial Liabilities Ratio	Total liabilities less current assets divided by total operating revenue (Excluding Capital Items)	Not Greater than 60%	(77.6)%	(68.6)%	(67.4)%	(61.1)%	(68.5)%	(69.0)%	(64.6)%	(62.5)%	(61.7)%	(60.1)%

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

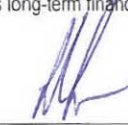
For the long-term financial sustainability statement prepared as at 30 June 2014

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

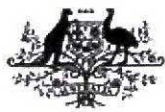
In accordance with the section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.


Mayor
Geoff Morton

Date: 15/10/14


Chief Executive Officer
Leon Love

Date: 15/10/14



NATION BUILDING PROGRAM (NATIONAL LAND TRANSPORT) ACT 2009, PART 8

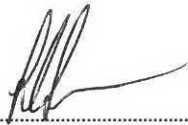
PART 1 - CHIEF EXECUTIVE OFFICER’S FINANCIAL STATEMENT AND
AUDITOR’S REPORT

Chief Executive Officer’s financial statement
(see subclause 6.2(a) of the funding conditions)

The following financial statement is a true statement of the receipts and expenditure of the Roads to Recovery payments received by Diamantina Shire Council under Part 8 of the *Nation Building Program (National Land Transport) Act 2009* in the financial year 2013-14.

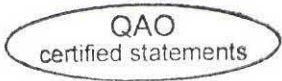
[1]	[2]	[3]	[4]	[5]
Amount brought forward from previous financial year \$	Amount received in report year \$	Total amount available for expenditure in report year \$	Amount expended in report year \$	Amount carried forward to next financial year \$
		[1]+[2]		[3]-[4]
0	312,330	312,330	312,330	0

The own source expenditure on roads for Diamantina Shire Council in 2013-14 was: \$241,004


..... (signature of Chief Executive Officer/General Manager)

22/7/2014
.....

Leon Love
..... (name of Chief Executive Officer/General Manager)





Auditor's report

(Conditions cl.6.2(b))

In my opinion:

- (i) the financial statement above is based on proper accounts and records;
and
- (ii) the financial statement above is in agreement with proper accounts and records; and
- (iii) the amount reported as expended during the year was used solely for expenditure on the maintenance and/or construction of roads; and
- (iv) the amount certified by the Chief Executive Officer in the Chief Executive Officer's financial statement above as the funding recipient's own source expenditure on roads during the year is based on, and in agreement with proper accounts and records.

I am an "appropriate auditor" as defined in section 4 of the *Nation Building Program (National Land Transport) Act 2009*.

..... (signature of auditor)

..... / / 2014

..... (name of auditor)

..... (name of auditor's company)

Note: Under s.4 of the Act, "appropriate auditor" means:

- (a) in relation to a funding recipient whose accounts are required by law to be audited by the Auditor-General of a State — the Auditor-General of the State; or
- (b) in relation to a person or body whose accounts are required by law to be audited by the Auditor-General of the Commonwealth — the Auditor-General of the Commonwealth; or
- (c) in relation to any other funding recipient — a person (other than an officer or employee of the person or body) who is:
 - (i) registered as a company auditor or a public accountant under a law in force in a State; or
 - (ii) a member of the Institute of Chartered Accountants in Australia or of the Australian Society of Accountants.



PART 2 - STATEMENT OF ACCOUNTABILITY BY CHIEF EXECUTIVE OFFICER

(see subclauses 6.3(a), (c) and (d) of the funding conditions)

I, Leon Love, Chief Executive Officer or General Manager, of
Diamantina Shire Council, hereby certify, in accordance with the funding
conditions determined under section 90 of the *Nation Building Program (National Land
Transport) Act 2009* (the Act), that:

- ☒ (a) Roads to Recovery funds received by Diamantina Shire Council during the year 2013-14 which have been spent, have been spent on the construction and/or maintenance of roads;
- ☒ (b) Diamantina Shire Council complied with the signage and other public information requirements as set out in Part 3 of the funding conditions; and
- ☒ (c) during the financial year Diamantina Shire Council complied with other conditions of the grant as set out in clause 6.3(d) of the funding conditions.

(signature of Chief Executive Officer/General Manager)

22 / 7 / 2014



PART 3 – STATEMENT ON EXPENDITURE MAINTENANCE BY CHIEF EXECUTIVE OFFICER

(see subclause 6.3(b) of the funding conditions)

I, Leon Love, Chief Executive Officer/General Manager, of
Diamantina Shire Council, state that, in accordance with the funding
conditions determined under section 90 of the *Nation Building Program (National Land
Transport) Act 2009* :

- 1(a) expenditure on the construction and/or maintenance of roads by Diamantina Shire Council using its own sources funds in the year to which this report refers was \$241,004.
- 1(b) the reference amount for Diamantina Shire Council is \$146,989.

Note: the figure at 1(b) should be taken from Part 5 of the report.

The following information need only be provided if the expenditure shown in 1(a) is less than the reference amount as shown in 1(b) above:

- 2(a) expenditure on the construction and/or maintenance of roads by Diamantina Shire Council using its own sources funds for the year prior to the year to which this report refers was \$.
- 2(b) the average of expenditure on the construction and/or maintenance of roads by Diamantina Shire Council using its own source funds for the year to which this report refers and the previous year was \$.

The following information need only be provided if the expenditure shown in 1(a) is less than the reference amount as shown in 1(b) above:

- 3(a) expenditure on the construction and/or maintenance of roads by Diamantina Shire Council using its own sources funds in the year two years before the year to which this report refers was \$.
- 3(b) the average of expenditure on the construction and/or maintenance of roads by Diamantina Shire Council using its own source funds for the year to which this report refers and the previous two years was \$.



The following information need only be provided if the expenditure shown at 3(b) is less than the reference amount as shown in 1(b) above:

- 4(a) the funding recipient's average own source revenue (See Notes below) during the reference period was \$.
- 4(b) the funding recipient's own source revenue during the year to which this report refers was \$.
- 4(c) please express the amount at 4(b) as a percentage of 4(a) %.
- 4(d) please calculate the adjusted reference amount by multiplying the reference amount (from 1(b)) by the percentage at 4(c) \$.

Note 1: The average own source revenue for the reference period is either the average of the own source revenue for each of the years during the reference period (see clause 1.(1)) or the average of three of those five years except for the years where the revenue was highest and lowest.

Note 2: The definition of 'own source revenue' corresponds to the definition of 'own source funds' in clause 1.(1).

..... (signature of Chief Executive Officer/General Manager)

21/7/2014
.....



PART 4 - STATEMENT OF OUTCOMES BY CHIEF EXECUTIVE OFFICER

(see subclause 6.3(e) of the funding conditions)

Diamantina Shire Council has achieved the following outcomes under the Roads to Recovery Program in 2013-14:

Gravel Resheeting - Diamantina Lakes to Springvale Road 5kms \$121,558
Replace Grids - Griffiths Tank to Coorabulka Road \$190,772

Key outcomes

Outcome	Estimated % of Roads to Recovery Expenditure (all projects)
1. Road Safety	15
2. Regional economic development	0
3. Achievement of asset maintenance strategy	10
4. Improved access for heavy vehicles	10
5. Promotion of tourism	10
6. Improvements of school bus routes	0
7. Access to remote communities	25
8. Access to intermodal facilities	0
9. Traffic management	0
10. Improved recreational opportunities	0
11. Amenity of nearby residents	5
12. Equity of access (remote areas)	25
13. Other	0
TOTAL	100

(signature of Chief Executive Officer/General Manager)

22/ 7/ 2014

INDEPENDENT AUDITOR'S REPORT

To the Chief Executive Officer of Diamantina Shire Council

Report on the Financial Report

I have audited the accompanying Chief Executive Officer's Financial Statement, being a special purpose financial report, of Diamantina Shire Council for the delivery of the Roads to Recovery Program within the requirements of the *Nation Building Program (National Land Transport) Act 2009* (the Act) and the *Determination of Conditions Applying to Payments under Part 8 of the Act* (the Funding Conditions). This financial report comprises the financial statement of receipts and expenditure of the Roads to Recovery payments received under the Funding Conditions of the Act, own source expenditure on roads for the Council for the year ended 30 June 2014 and the certificate given by the Chief Executive Officer of the Diamantina Shire Council in relation to this financial statement. The financial report has been prepared using the cash basis of accounting as prescribed within sub-clause 6.2(a) of the Funding Conditions.

The Chief Executive Officer's Responsibility for the Financial Report

The Chief Executive Officer of the Diamantina Shire Council is responsible for the preparation and fair presentation of the financial report in accordance with the basis of preparation described in the Funding Conditions and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

My opinion does not provide assurance in relation to any of the following elements:

- Part 2 - Statement of Accountability by the Chief Executive Officer
- Part 3 - Statement on Expenditure Maintenance by Chief Executive Officer
- Part 4 - Statement of Outcomes by Chief Executive Officer
- Part 5 - Reference Amount.

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

Independence

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

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

Opinion

In accordance with sub-clause 6.2(b) of the Funding Conditions which identifies the requirements of Diamantina Shire Council in relation to Roads to Recovery Program funding received under Part 8 of the *Nation Building Program (National Land Transport) Act 2009*, in my opinion, in all material respects:

- (a) the financial report for the year ended 30 June 2014 is based on proper accounts and records;
- (b) the financial report for the year ended 30 June 2014 is in agreement with proper accounts and records;
- (c) the amount reported as expended during the year ended 30 June 2014 was used solely for expenditure on the maintenance and/or construction of roads; and
- (d) the amount certified by the Chief Executive Officer in the financial report as the funding recipient's own source expenditure on roads during the year ended 30 June 2014 is based on, and in agreement with, proper accounts and records.

Emphasis of Matter – Basis of Accounting

Without modifying my opinion, attention is drawn to the reference to sub-clause 6.2(a) of the Funding Conditions, in the financial statement which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Chief Executive Officer's financial reporting responsibilities to the Commonwealth Department of Infrastructure and Regional Development under the Act. As a result, the financial report may not be suitable for another purpose.


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



Queensland Audit Office
Brisbane