



SUSTAINABLY DEVELOPING THE OUTBACK

Annual Report 2019/20





About this Report

This Annual Report of the Diamantina Shire Council is for the period 1 July 2019 to 30 June 2020

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

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

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

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

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

DIAMANTINA SHIRE COUNCIL
17 Herbert Street
BEDOURIE QLD 4829

Photos in this publication have been kindly provided by community members and Council staff. A special thanks to Lorraine Kath and Michelle Dillon





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A Message from our Mayor

The year started off fairly normally in July 2019. It was green around the towns from the flooding, but outside the towns it remained dry and dusty with the shire continuing to be drought declared. The tourist numbers were high with record crowds at the Big Red Bash and Bedourie Camel Races. Our Simpson Desert Racing carnival went off without a hitch with mostly great weather.

So then early in 2020 we heard a whisper of a mystery virus in China. Probably none of us thought it would have much of an impact out here but by March we were closing facilities, cancelling events and the state and federal governments were closing borders. Luckily Queensland was able to open up travel sufficiently to allow some tourists through to us.

The Local Government elections were held in March. I am very honoured to have been selected by the community to represent the shire as Mayor and I'm sure that Councillors Steve Cramer, Don Rayment, Doug Cooms and Francis Murray feel the same. I take this opportunity to thank Geoff Morton for his incredible contribution to the Diamantina Shire and acknowledge that for much of the period of this report he was Mayor. I would also like to thank Bev Maunsell for her term as Councillor and wish her the best in Jundah.

Council continues to provide enormous support to all local events, helping to ensure the economic flow on effect for all of our community. This year has seen significant funding being directed to upgrades at the Betoota, Bedourie and Birdsville Racecourses and the Birdsville Bronco Branding Yards. All three racecourses have had power upgrades to ensure a safe and reliable supply of power for the future. The redevelopment of the Birdsville Golf Course has also been supported allowing golf to return to Birdsville.

As always our community and Council has been busy running events and charitable activities. They are too numerous to list them all but I've included a few of them that did occur around COVID-19 limitations:

- Riders Ride 4 a Cure - four riders set out to ride from Bedourie to Birdsville to raise funds for cancer research. A great success with 200 people attending the gala dinner and contributing generously.
- Birdsville School Open Day— received amazing support and showed off the recent upgrades.
- Council Auction—many people were able to pick up a bargain and we sold a few blocks of land too.
- Anzac Day—the normal Anzac day celebrations had to be cancelled but like the rest of the nation many of our community stood at the end of their driveways with lights or candles at dawn.

Yet again our employees have worked tirelessly this year and this report showcases some of their major achievements.

This has been a difficult year for our businesses and Council has made a number of adjustments to our operations in an attempt to provide support. I hope that all our businesses will be in a position to “gear up” for what we all hope will be a bumper 2021.

Robbie Dare
Mayor





A Message from our CEO

It feels like we have lived in two different worlds during the period of this annual report.

Business as usual for the first 8 months with the balance impacted by COVID-19. Up to this point it was a busy tourist season following the floods earlier in 2019 putting significant water into Lake Eyre. This flooding not only provided the pastoralists with a very productive year with all properties at full stock capacity, it generated great tourist numbers to our area, many using Birdsville as the departure point for scenic flights across Lake Eyre.

The Big Red Bash drew a record crowd as a result of its spectacular line of artists, equally spectacular location and the professional manner in which it is managed. The Bedourie Camel and Pig Races capitalised on the record numbers with numbers attending their event swelling significantly. Similarly the Birdsville Races continues to underpin the outback racing calendar. Both events result in significant revenue being brought into not only the shire but the greater Central and South west regions of Queensland.

Contrast this with near zero tourists due to COVID-19. All events were cancelled as a result of travel restrictions within Queensland and border closures. Thankfully our residents were not affected by the health crisis however the economic effects were plain to see on the businesses.

Luckily, due to our isolation, Council was generally able to continue with its works program without much disruption. During the period we managed to pave and seal 9km of the Big Red Road with funding from the Works for Qld Program and Roads to Recovery and earlier 4km of the Eyre Developmental Road was sealed at 'Sunshine Flat'.

Council has also been the recipient of significant funding from the Australian and Queensland Governments in order to stimulate the economy. This has seen funding totalling \$14.5 million committed towards the Eyre Developmental Road (Bedourie-Birdsville), ironically a week after the Business Case for the Sealing of the Eyre Developmental Road was completed by KPMG.

Council's reliance on external funding continues and has gratefully received further funding from special COVID allocations from Works for Qld, Roads to Recovery, Local Roads and Community Infrastructure Program.

Council has commenced its energy efficiency program through the installation of ceiling and under floor insulation in its houses. We have also been successful in receiving \$944,860 in funding to install solar power systems on its house and high consumption council facilities. We appreciate the ongoing support from our funding partners.

Despite COVID-19 it has been a very busy year and I must acknowledge the efforts of Council's staff in getting through a vast amount of work this year under difficult circumstances. Many have gone above and beyond expectations while others have been happy to gain new skills and try new jobs.

It would be remiss of me not to acknowledge Geoff Morton's contribution as Mayor over the past 2 terms and wish him and Bev Maunsell all the best in their post Council lives.

Leon Love
Chief Executive Officer





Our Vision, Mission, and Core Values

Vision

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

Mission

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

Our Core Values

Innovation and Continuous Improvement

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





2019-20 Highlights

Safety Management System and Quality Management System

We are in the final stages of the improvements to the Safety Management System and improving the Quality Management System with a lot of hard work from all teams, the following are the major milestones we have achieved:

- Development and implementation of an online WHS and Quality Induction Process for all Employees and Contractors;
- Development and implementation of a visitor and minor contractor induction and sign in process;
- Achieved 94.62% in the surveillance audits conducted by JLT in June on behalf of LGW and TMR;
- Quality Certification Audit conducted by CACS resulted in all previous observations and non-conformance satisfactorily closed out;
- Improved and re-implemented monthly hazard inspection program;
- Roll out of the AltusERM Hazard and Incident Database;
- Developed and implemented WHS Metrics and KPI's for all positions;
- Developed and implemented verification of current competencies (VOCC);
- Improved Daily Pre-Start Process including records;



There has been a major effort in regards to training in all areas of the business in relation to WHS and Quality especially in regards to the above major milestones, the Big Red Road project was used as the benchmark for construction WHS and Quality requirements.

Big Red Road

The first half of the Big Red Road upgrade has been completed and entailed the pave and seal works at chainages 9.800km - 19.151km. The second half (1.8km-9.8km) will commenced in the second half of the year. Funding for this project has been provided by:

- Queensland Government - Queensland Reconstruction Authority Betterment Fund - \$3,300,000
- Queensland Government - Works for Queensland - \$1,020,000
- Australian Government - Roads to Recovery - \$1,000,000

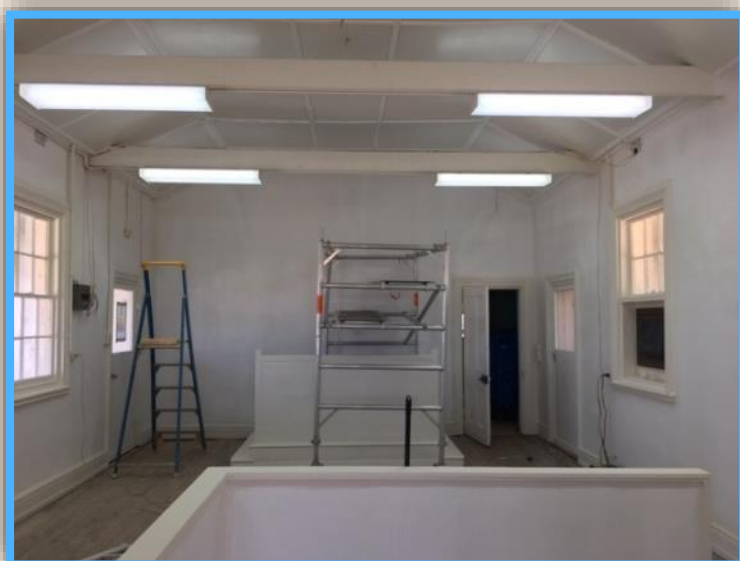




2019-20 Highlights

Birdsville Courthouse

The courthouse has been renovated including asbestos removal, resheeting of walls, painting, replacing broken glass, fixing casement windows, rewiring. This was completed utilising funding from the Qld Government Local Government Grants and Subsidies Program. All work was completed in accordance with the Heritage Management Plan





2019-20 Highlights

Birdsville Tourist Park and Lodge Management

The largest accommodation facilities in the Diamantina Shire are owned by Council, being the Birdsville Tourist Park and Birdsville Lodge. For several years these facilities have been operated by an accommodation management company, however in early 2020 Council decided to discontinue this arrangement and manage the onsite operations of both sites. This coincided with the introduction of COVID-19 restrictions so for 3 months the sites were closed to all except Council employees.

Council was fortunate to secure the service of experienced Park managers and staff just prior to the reopening of travel restrictions. A concerted effort has been made to beautify the grounds and upgrade the facilities. Work completed during the year included the completion of underground services to a small number of sites, the bitumen sealing of the main internal roads and planting of numerous trees.

It has been a difficult year because of COVID-19 and the increased cleaning regime, however cooperation between Council departments has enabled the various peaks and troughs to be handled.

The Birdsville Tourist Park consists of nine budget rooms, three standard cabins, four deluxe cabins, almost 100 powered sites and almost 500 unpowered sites, plus a camp kitchen, three ablution blocks, two guest laundries and many other common areas such as BBQs and picnic tables. The Birdsville Lodge has 49 ensuited rooms and a communal kitchen. The size and scale of the two facilities combined is larger than most regional hotel complexes, and larger than many regional tourist parks.





Community Financial Report

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

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

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

This report focuses on:

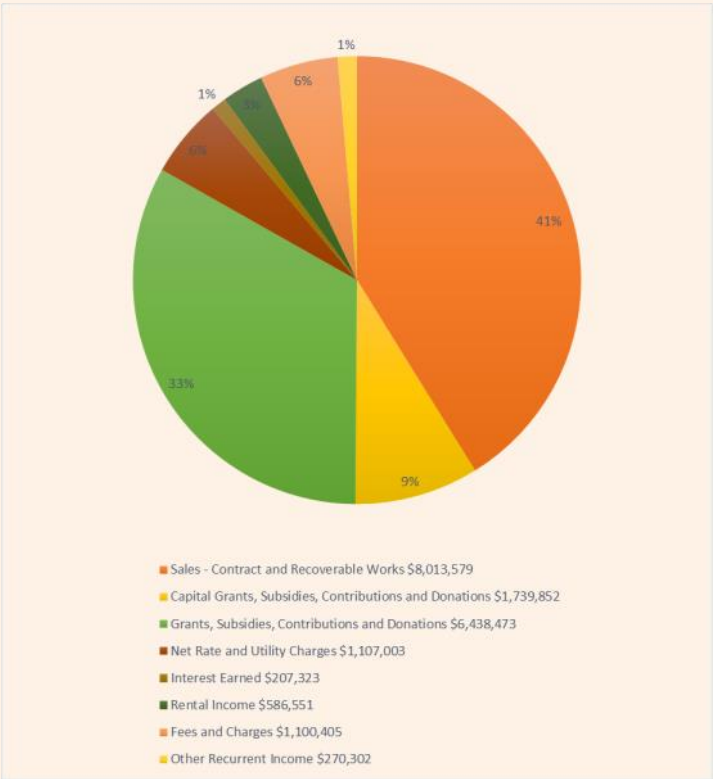
- ◆ Statement of Comprehensive Income
- ◆ Statement of Financial Position
- ◆ Statement of Changes in Equity
- ◆ Statement of Cash Flows
- ◆ Measures of Financial Sustainability

Statement of Comprehensive Income

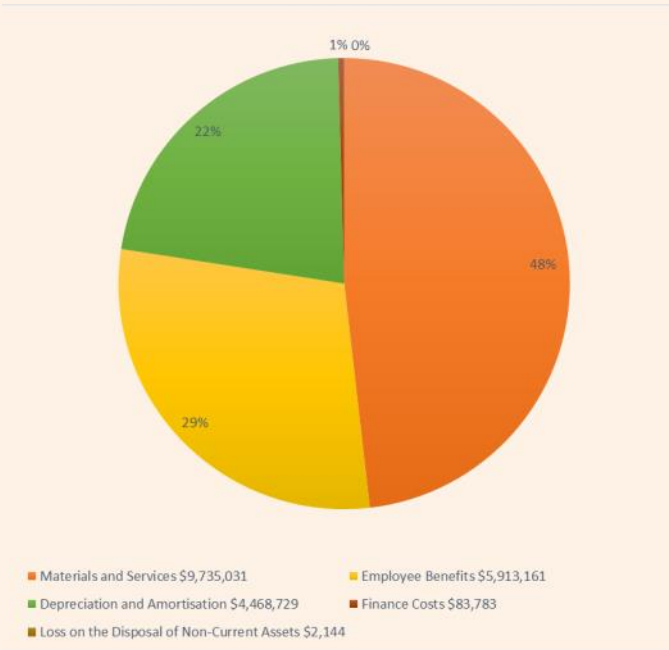
The Statement of Comprehensive Income is often referred to as the Profit and Loss statement. This statement shows what Council has earned (revenue) and what costs Council has incurred (expenses) during the year. In summary, Council’s result for the reporting period was:

	\$
What we have earned (revenue)	
Recurrent Revenue	17,723,636
Capital Revenue	1,739,852
Total Revenue	19,463,488
What we have spent (expenses)	
Recurrent Expenses	20,200,704
Capital Expenses	2,144
Total Expenses	20,202,848
Net Result	(739,361)

What we have earned



What we have spent



Community Financial Report

Statement of Financial Position

The Statement of Financial Position is often referred to as the Balance Sheet. The statement measures what Council owns and owes at the end of the financial year. The result of these two components determines the net wealth of Council, which is therefore the net wealth of the community.

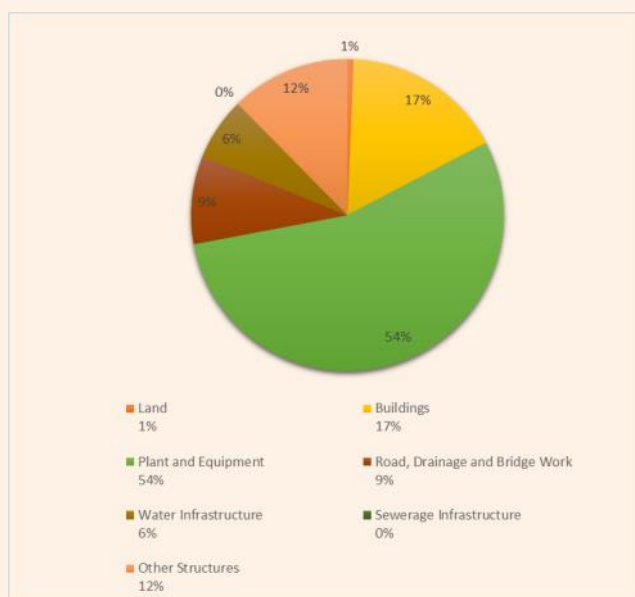
What do we own?

Council's major asset class is Property, plant and equipment, making up 88.52% of Council's assets.

What do our assets consist of?	%	\$
Cash and cash equivalents	9.10	15,371,114
Trade and other receivables	0.86	1,457,357
Contract assets	0.57	962,646
Inventories	0.95	1,609,782
Property, plant and equipment	88.52	149,591,693
TOTAL ASSETS		168,992,593

What did we spend on assets?

A significant amount of Council's activities is focussed on the maintenance, upgrade and construction of fixed assets to ensure there is adequate infrastructure services for community use. This year Council spent \$6,374,694 to renew, upgrade and build new assets for the community. The graph below shows how the money was spent in different asset classes.

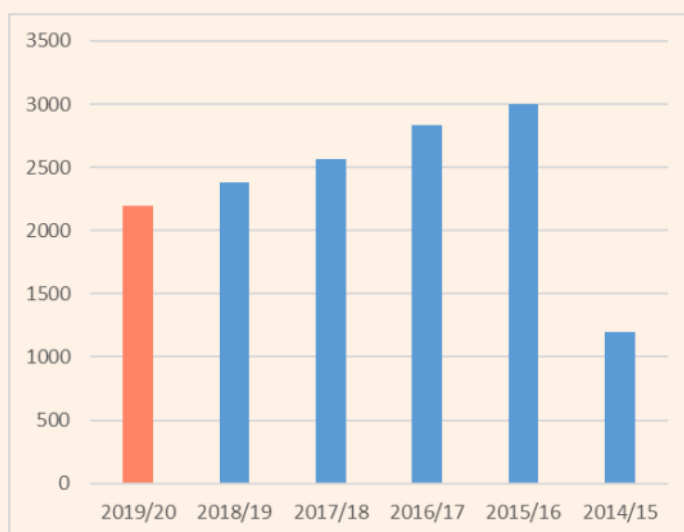


What do we owe?

With debt repayments amounting to \$192,261 for the year, Council's debt at June 30, 2020 totalled \$2,192,676. Council continues to manage its debt responsibly, electing only to borrow further after taking into account the economic conditions of the period, with the view that the borrowing will provide a benefit to future generations. No new borrowings were made during the year.

What do our liabilities consist of?	%	\$
Trade and other payables	20	1,480,026
Contract liabilities	38	2,834,840
Borrowings	30	2,192,676
Provisions	12	891,913
TOTAL LIABILITIES		7,399,455

Changes in Council debt over the last six years:



Statement of Cash Flows

The statement of cash flow identifies how we received and spent our money during the year, resulting in what cash is available at the end of the year. This differs from the earlier reports as "non-cash items", such as depreciation are excluded.

While our current cash balance is \$15,371,114 it is important to note that \$1,024,524 is restricted as reserves for specific purposes, such as future capital works.

Cash at Beginning	\$16,531,922
Inflow from Operating Activities	\$5,172,270
Inflow from Investing Activities	(\$6,140,818)
Inflow from Financing Activities	(\$192,261)
CASH AT END	\$15,371,114



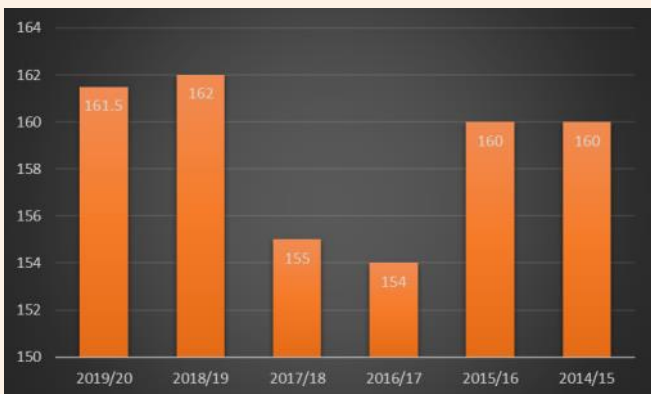
Community Financial Report

Statement of Changes in Equity

The difference between assets and liabilities is the total community equity or the net wealth of Council. The statement shows the overall change in our net wealth and considers such items as retained earnings, re-valuations of our asset base and reserves held for future capital works. At 30 June 2020 this was an amount of \$161.5M (ie Assets \$169M less Liabilities \$7.5M).

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

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



Measures of Financial Sustainability

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

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

Asset Sustainability Ratio

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

Capital expenditure on replacement of assets (renewals) is an indicator of the extent to which the infrastructure assets are being replaced. Depreciation expenditure represents an estimate of the extent to which the infrastructure assets have been consumed in a period. Infrastructure Assets refer to those

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

significant, long-life assets that provide ratepayers with access to social and economic facilities and services. Examples include: water and sewerage, roads, buildings, parks, pools and airports.

Target Range = > 90%

Council’s Result = 46.4%

Comment: Council elects to expense the restoration of flood damage on shire roads rather than capitalise it, reducing this ratio. The replacement of plant and machinery is more than 50% of Councils asset renewal spend but is excluded from this ratio. This year funds were allocated towards additional assets rather than renewals in some asset classes.





Community Financial Report

Net Financial Liabilities Ratio

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

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

A ratio greater than zero (positive) indicates that total financial liabilities exceed current assets. These net financial liabilities must be serviced using available operating revenues. A positive value less than 60 per cent indicates the local government has the capacity to fund the financial liabilities and appears to have the capacity to increase its loan borrowings if required. A positive value greater than 60 per cent indicates the local government has limited capacity to increase its loan borrowings.

A ratio less than zero (negative) indicates that current assets exceed total liabilities and therefore the local government appears to have significant financial capacity and the ability to increase its loan borrowings if necessary.

Target Range = < 60%

Council's Result: -67.7%

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

Operating Surplus Ratio

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

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

The target is between 0% and 10% per annum (on average over the long term). A positive ratio indicates that surplus revenue is available. This may be used to support the funding of capital expenditure or used to offset past or future operating deficits. If the surplus is not required for this purpose in a particular year, it can be held to support future capital expenditure funding as a financial asset, used to offset past deficit funding or, where possible, used to reduce current debt levels.

Target Range > 0% and < 10%

Council's Result: -14.0%

Comment: It is recognised by all levels of government that Council is reliant on funding from higher levels of government to maintain its operations and assets.





Community Financial Report

Five Years at a Glance - A Financial Snapshot

Financial Year	2019/20	2018/19	2017/18	2016/17	2015/16
Net Rates & Charges	\$1,107,003	\$1,137,791	\$1,087,806	\$967,756	\$918,693
Total Revenue	\$19,463,488	\$19,942,637	\$19,831,409	\$26,293,759	\$21,688,940
Total Expenses	\$20,202,848	\$17,783,204	\$19,192,788	\$24,003,543	\$22,010,719
Net Result	(\$739,361)	\$2,159,432	\$638,621	\$2,290,216	(\$321,779)
Capital Additions	\$8,668,437	\$5,824,838	\$6,260,280	\$9,733,792	\$4,913,147
Debt Repayment	\$192,261	\$185,017	\$259,705	\$246,826	\$428,338
Loan Balance	\$2,192,676	\$2,384,937	\$2,569,954	\$2,829,659	\$3,076,485
Total Assets	\$168,992,593	\$166,422,569	\$159,012,973	\$158,636,871	\$163,865,117
Total Liabilities	\$7,399,456	\$4,209,498	\$4,120,360	\$4,382,880	\$4,209,451
Total Equity	\$161,593,137	\$162,213,071	\$154,892,613	\$154,253,992	\$159,655,666
Reserves	\$1,256,799	\$1,024,524	\$510,000	\$1,228,086	\$3,135,874
Depreciation Expense	\$4,468,729	\$4,380,630	\$4,159,354	\$2,941,148	\$2,963,034

Summary

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

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





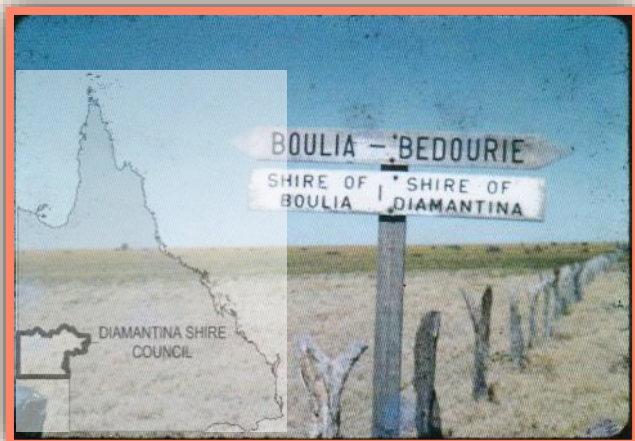
Our Shire

Our Location

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

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

In their wake, the floods leave vast plains of rejuvenated land that sustains cattle, wildlife and an abundance of wildflowers. To the west lies the arid Simpson Desert, the world's largest area of parallel sand dunes, attracting thousands of four-wheel-driving travellers each year intent on conquering the 1200 sand dunes. Diamantina Shire is home to 14 beef-producing pastoral



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

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

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

Our History

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

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

The name Diamantina was conferred in 1943 to a River Class Frigate that was being built by Walker Bros at Maryborough Queensland for the Royal Australian Navy.



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

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

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



Birdsville Racecourse circa 1926





Our Shire

Our Towns

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



Bedourie Hotel 1964

School, historic hotel, motel, roadhouse, caravan-park, unique desert golf course, flood lit tennis courts, and arguably the town's premier facility an aquatic centre with an artesian hot spa. The town's water, sourced directly from the great artesian basin, is celebrated as being Australia's best.

Bedourie, meaning 'dust storm', was first established as a Cobb & Co coach stop and watering point for drovers on the north-south stock route.

Bedourie has a population of approximately 100 people.

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



Unidentified (1903). Store in Betoota, 1903.
John Oxley Library, State Library of Queensland

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

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

The hotel is open again after Get Stuffed Outback Events Pty Ltd purchased it in 2018 and commenced trading in 2020. The town continues to host the annual gymkhana and race meeting that attracts visitors from all over Australia.

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



Old Hotel Birdsville 1974

transporting cattle between the colonies. After federation, in 1901, tolls were abolished and the town fell into decline.

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

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

Birdsville's population is approximately 100.





Our Council

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

The elected Council's responsibilities

Diamantina Shire Council comprises of five elected Councillors including the Mayor. Elections are held every 4 years, the most recent being in March 2020.

Robbie Dare was elected Mayor, Francis Murray elected as a Councillor and Doug Cooms, Steve Cramer, and Don Rayment were re-elected as Councillors. Cr Doug Cooms was appointed as Deputy Mayor.

Up to the election Geoff Morton served as Mayor and Cr Bev Maunsell served as Councillor. Cr Steve Cramer served as Deputy Mayor.

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

Meetings of Council

Council's ordinary meetings are usually held on the third Monday of every month. Meetings commence at 9.00am and are held at the Council Administration Centre, Herbert Street, Bedourie.



Mayor (to April 11 2020)

Councillor Geoff Morton

Geoff is a fourth generation grazier of Roseberth Station within which the town of Birdsville sits. He is the second of four children and the only

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

Geoff was serving his second term as Mayor with his involvement in Council stretching back to 1980. Geoff is a great supporter of the Diamantina Shire community and served as the President of the Betoota Race Club for 32 years.



Mayor (from 11 April 2020)

Councillor Robbie Dare

Born in 1955 in Charleville Queensland, Robbie is the oldest son of Bob and Marie Dare and has four siblings.

Robbie attended Windorah primary school until 1967 and then completed grade

10 at Nudgee College Brisbane in 1969.

His first job in 1969 was on the Don Burgess bridge on Whitula Creek west of Windorah. He worked with his father fixing windmills then on Macs roadworks west of Windorah.

He has worked for Diamantina shire in a number of roles: as storeman in 1986, cost clerk in 1987, and then director of works from 1989 to 1997. Breeding thoroughbred horses and Angus cattle on his property near Toowoomba keeps Robbie busy.

Robbie served as Diamantina Shire Mayor from 2004 to 2012.

Robbie is married to wife Adele and has three children Ben, Jeff, and Jaime.



Our Council

Deputy Mayor

Councillor Doug Cooms

Elected: 2016



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

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

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

Councillor Francis Murray

Elected: 2020



Francis Murray was raised in Birdsville and Bedourie by his parents Wesley and Sandra Murray. Wesley was a son of Arthur and Flora Murray who moved to Birdsville from Finnis Springs Station, north of Marree, in the early 1950s working the cattle industry as drovers, fencers and yard builders.

Francis' brother, Wesley jnr, was the last child born in the Birdsville Clinic and a few years later Francis married Michelle Cain in the Bedourie Hall. Together they established their truck business working for the Diamantina Shire. Francis and Michelle have two children, Ryder and Jonti, and when Francis' parents passed away, they also raised Wesley jnr.

Francis and Michelle now live in Birdsville from where they continue to run their business. Francis is proudly descended from the Arabana, Dieri, Barnjarla and Scottish peoples of South Australia but, having lived and worked almost all of his life across the Diamantina Shire, he considers the Wangkangurru/Yarliyandi, Mithaka, Wangkamahdla, Pitta Pitta and Maiawali/Karuwali countries home.

This is Francis' first term as councillor.

Councillor Don Rayment

Elected: 2012



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

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

Since finishing school he has been employed in the rural industry undertaking contract mustering, yard building and fencing. Don spent ten years contract mustering for MDH around Winton and Boulia and also did a stint as Rural Protection Officer/Rural Lands Officer with Department of Natural Resources and Local Government bodies.

Don & Judy shifted to the Diamantina Shire in 2005 to manage the organic cattle property Adria Downs, 130km north west of Birdsville. Their 6 adult children and grandchildren (7 at present) are regular visitors from various places within Queensland.

Councillor Steve Cramer

Elected: 2011



Born in Glen Innes, NSW, in 1976 to Philip and Moira Cramer, Steve is the third of four children. Steve completed primary school at Glen Innes State School before attending secondary schooling at Glen Innes High School. On leaving school, Steve attended Longreach Agricultural College and went

on to work at S. Kidman & Co.'s Sandringham Station as a ringer.

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

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



Our Council



Previous Councillor Bev Maunsell

Term: 2016—2020

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

Bev attended Concordia College in Toowoomba and on completion of Secondary Education continued employment at a Drapery & Manchester store in Meandarra until she secured a position on the Windorah Telephone Exchange. She married Graham Maunsell in Toowoomba in 1966 and her eldest, Jeffrey, was born in Toowoomba prior to moving to Brisbane where Tanya and Toni were born. Fourth child Raelene arrived in Charleville in 1977 shortly after leaving Currawilla Station. Bev's husband passed away in January 1996.

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

Councillor Expense Reimbursement

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

This policy was reviewed and amended at the Council Ordinary meeting held on 20 April 2020, where the following resolution was adopted:

Minute No. 2020.04.20-OM-17

Moved Cr Cooms, Seconded Cr Murray

'That Council adopt the Expense Reimbursement - Councillors Policy with the following amendment:

Remove "and can travel in a council vehicle if a seat is available" from clause 3.6 Spouse/Partner Arrangements'

There was no overseas travel made by a Councillor or employee in an official capacity during 2019/20. Councillors were provided with

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

Councillor Remuneration and Attendance

At the Council Ordinary meeting held on 21 January 2019, the following resolution was adopted:

Minute No. 2019.01.21-OM-15

Moved Cr Rayment, Seconded Cr Maunsell

'That Council approve the following remuneration levels for the Mayor, Deputy Mayor and Councillors from 1 July 2019.'

- **Mayor \$85,697**
- **Deputy Mayor \$36,725**
- **Councillor \$26,118.'**

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

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

Councillor	Ordinary Meetings Attended	Remuneration	Expenses Reimbursed	Superannuation Contribution	Communication Allowance	Travel Allowance	Total
Cr D Cooms	12	\$27,696.66	\$0.00	\$3,323.52	\$600.00		\$31,620.18
Cr S Cramer	12	\$34,848.06	\$0.00	\$4,181.76	\$600.00	\$100.20	\$39,730.02
Cr R Dare	2	\$15,067.61	\$0.00	\$1,431.41	\$100.00		\$16,599.02
Cr B Maunsell	10	\$21,329.26	\$0.00	\$2,559.43	\$500.00		\$24,388.69
Cr G Morton	10	\$70,690.74	\$0.00	\$8,482.80	\$500.00	\$24,455.76	\$104,129.30
Cr F Murray	2	\$4,341.05	\$0.00	\$412.40	\$100.00	\$317.30	\$4,853.45
Cr D Rayment	12	\$26,136.74	\$0.00	\$3,136.32	\$600.00	\$2,722.10	\$32,595.16
Total		\$200,110.12	\$0.00	\$23,527.64	\$3,000.00	\$27,595.36	\$253,915.82



Our People



Leon Love—Chief Executive Officer

Leon joined Council as CEO in October 2013 and has extensive experience in Queensland local government having worked in various Councils over the past 29 years in Toowoomba, Roma, Normanton and Mundubbera.

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

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

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



Trevor Stewart—Infrastructure Manager

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

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

Trevor returned in 2011 as Works Manager.

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



Cassie White—Deputy Chief Executive Officer

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

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

Cassie has a passion for remote and rural Local Governments and enjoys the challenges and learning experiences that come with rural and remote placements.



Jessica Greenaway—Community Sustainability Manager

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

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

Jess left Council in January 2020 to take up a position at Winton Shire Council.



Amanda Schnitzerling—Governance and Environment Manager

Amanda started working for Council in March 2014 as Executive Assistant. She lives in Bedourie with her partner Dave Roberts, who works for Council as Facilities Maintenance Coordinator. She commenced in the position of Governance and Environment Manager in September 2019.

Coming from Maryborough on the east coast, the move to the Diamantina was both exciting and challenging but Bedourie is now proudly called Home.

Amanda holds a Bachelor of Business - Accounting and worked for the Queensland University of Technology as a Project Manager for 17 years.



Stephen Schwer—Community Sustainability Manager

Stephen joined Council in March 2020.

His background is in economic development, specifically in the tourism and hospitality sector. This is Stephen's first government role, having worked previously in the for profit and not for profit sectors. With qualifications in education, tourism, business and project management, he is keen to be an agent for the growth of the Diamantina economy and population.

Gardening is Stephen's passion outside of work, and one of the motivations for moving to the Diamantina was the soil, abundance of water and growing conditions of the region.





Our People



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

Training and development

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

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

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

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

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

Employee Assistance Program

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

Recruitment and selection

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

Trainee and apprenticeship program

DSC is committed to maintaining a skilled workforce and providing opportunities to local residents to increase their potential employment opportunities. Wherever possible DSC will recruit local residents as trainees and apprentices to enhance skill development in the shire and to skill up potential long-term employees. This year we employed one mature age Administration Officer—Trainee and an Apprentice Diesel Mechanic . We also currently have a young Operational Works Trainee completing a Certificate III in Civil Construction (Plant Operation).

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



Our People

Diversity and Inclusion

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

Safety and Wellbeing

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

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

Continuous improvement of our safety management system has resulted in a score of 94% on the construction audit conducted by JLT on behalf of TMR, we are continuing the continuous improvement journey across all of the safety and quality management systems.

We have recently implemented the AltusERM Database to record all hazards, incidents and near misses, this database enables increased visibility of the process, allows timely reporting over a range of data, ability to analyse trends etc. and assists in improving the quality and security of the data. We have increased the level of investigations being conducted in relation to injuries and other incidents to ensure root cause/s and contributing factors are established so that we can implement effective control measures.

We made some major changes to the drug and alcohol testing as part of an overall fit for work policy, the number of tests being completed has risen dramatically and the message is clear to all employees and contractors, you will, be tested anytime and anywhere. To assist in the testing we have also introduced passive testing of all employees on start-up day both in Bedourie and Birdsville.

	2019/20	2018/19	2017/18
Staff excluding casuals			
Administrative/Community Services Staff	24	20	19
Construction & maintenance Staff	34	31	38
Total	58	51	57
Gender			
Executive/Senior Management			
> Male	3	2	2
> Female	2	2	2
Elected Members			
> Male	5	4	4
> Female		1	1
Total Employees			
> Male	45	30	37
> Female	23	21	16
Other Statistics			
Aboriginal & Torres Strait Islander employees	12	14	18
Employees with a disability	0	0	0
Staff Turnover	23%	43%	48%





Our Community

Remembrance Day

November 2019

Once again our proud residents gathered to commemorate Remembrance Day



Christmas Light Competition

December 2019



New Years

December 2019



Birdsville residents gathered for a good time at New Years

Cleanup Australia Day

March 2020

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





Our Community

Big Red Bash

July 2020



Pig and Camel Races

July 2020



Bedourie Campdraft and Gymkhana

July 2019





Our Community

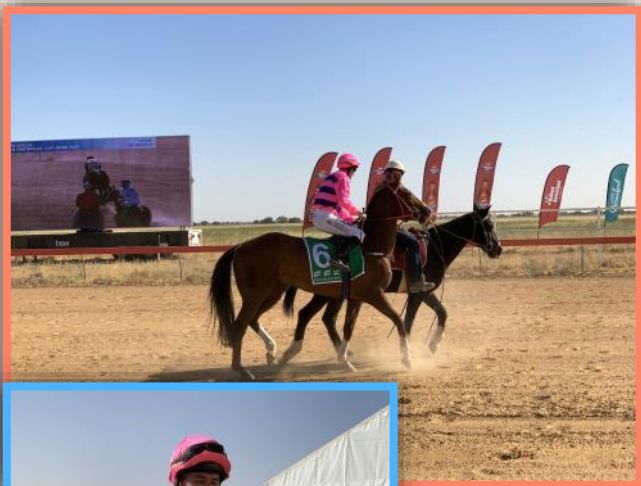
Betoota Races

August 2019



Birdsville Races

September 2019



Bedourie Races

September 2019





Our Community

Betoota Horse & Motorbike Gymkhana

August 2019



Bedourie Handlebars & Horns

November 2019





Our Community

Splash n Arts Camp November 2019





Our Community

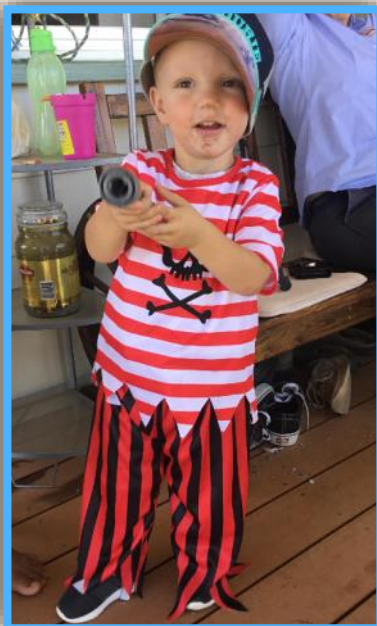
Children Services

Each year, the Diamantina Shire Council partners with the Queensland Department of Education to host Playgroups in Bedourie and Birdsville.

The aim of Playgroup is to help children and their parents/carers prepare for the child's transition to school. To do this, Council's Children's Services Facilitators run a series of activities designed to develop the capabilities of children and their parents/carers. It's a fun program that leads to great childhood development.

As is the story with most of the Community Sustainability Department's services, COVID-19 impacted our Playgroups in the 2019/2020 financial year. Both Playgroups ceased face to face activities for a period, with Bedourie offering activity kits with instructions to parents to keep the children entertained and learning. With a reduction in numbers in Birdsville, the Playgroup there then remained closed.

The good news was that with the gradual easing of COVID-19 related restrictions, Bedourie Playgroup was able to reopen. In the 2020/2021 financial year, Birdsville Playgroup will be reopening also. Thank you to our Children's Services Facilitators, all the parents/carers who nurture our future, and of course our wonderful children who brighten our days!





Our Community

Our Community Grants

Council supported the following events held during the year:

July 2019—Pigs and Camel Races

July 2019—Bedourie Gymkhana

August 2019—Betoota Races

September 2019—Birdsville Races

September 2019—Bedourie Races

September 2019—Betoota Horse and Bike Gymkhana

November 2019—Bedourie Handlebars and Horns

November 2019—SplashnArts Camp

Council continues to be extremely generous in providing in-kind support to all events in the shire including major support for the Birdsville Races. COVID-19 has meant that all community events in 2020 were cancelled.





Our Goals

Goal 1: Our Environment

- | | |
|-------|--|
| 1.1 | Benefits from the utilisation of renewable energy sources. |
| 1.1.1 | Energy producers partner with Council and/or community to maximise the use of renewable energy production. |
| 1.1.2 | Greater uptake of renewable energy and energy efficient products. |

Our Challenges



Our Achievements

In May funding of \$944,860 was received from Building our Regions Round 5 to install roof mounted solar panels on all Council owned houses and community buildings in Bedourie and Birdsville. Council is working with Ergon to allow the power generated to be fed back into the micro-grids in each town.

Low energy LED lights have been installed in the Bedourie Community Centre, Bedourie Workshop and the Store replacing sodium vapour lights.



- | | |
|-------|---|
| 1.2 | Is protected from degradation by practices which ensure environmental sustainability. |
| 1.2.1 | Harm to the environment is kept to a minimum where possible, given Council's available resources. |
| 1.2.2 | Effective waste management practices meeting EPA conditions |

Our Challenges

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

Our Achievements

Continue to meet environmental obligations under the Environmental Protection Act (EPA).

Investigation was conducted into the Queensland Government Container Recycling scheme but unfortunately we're not eligible for funding to return eligible containers to recycling centres.





Our Goals

Goal 1: Our Environment (continued)

1.3	Is recognised as contaminate free.
1.3.1	The Shire's image as being clean and green is enhanced.

Our Challenges

Our Achievements

Working with 'organic' properties in undertaking roadside weed spraying activities using low impact chemicals.

1.4	Is relatively free from pest weeds and animals.
1.4.1	Pest weed and animal numbers are reduced.
1.4.2	Council cooperates at a regional level to prevent pest weed and animal spread into the shire.

Our Challenges

Our Achievements

Undertaking weed spraying activities as part of the Department of Transport and Main Roads (DTMR) Roads Maintenance Performance Contracts (RMPC).

Completed the project funded under the Communities Combating Pests and Weeds Impacts During Drought Program. The \$150,000 was used to fund the position of Pest and Compliance Office and to purchase spraying equipment. The project has successfully reduced weed along roadsides to help stop erosion and to allow for the natural vegetation to grow more abundantly.

Councils continues to offer a \$30 bounty for wild dog scalps and pay for the cost of a plane to assist with coordinated aerial baiting campaigns.

Central West Regional Pest Management Group (CWRPMG) meetings attended by Mayor in November and February. The CEO is on the technical committee of this group.





Our Goals

Goal 1: Our Environment (continued)

1.5	Includes a healthy Great Artesian Basin.
1.5.1	Membership of relevant lobby groups is maintained.
1.5.2	Australian and Queensland Governments continue to fund the GABSI bore capping program.

Our Challenges

Council continues to seek funding for the repair of leaking artesian bores in the north east of the shire, however due to a continued lack of government funding that hasn't been possible.

Our Achievements

Membership is current
Funding for the GABSI bore capping program has continued.





Our Goals

Goal 2: Our Community

2.1	Recognises the value of preserving the unique culture of the area.
2.1.1	Effective management of cultural heritage and native title.
2.1.2	Financially viable and strongly supported traditional social events.
2.1.3	Preservation of historical sites and artefacts.

Our Challenges

Without Council support, traditional events are not financially viable.

COVID-19 forced the cancellation of all the major events in the shire.

Increasing regulation by bodies such as Qld Racing are putting pressure on Council and clubs to upgrade race track venues.

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



Our Achievements

Cultural Heritage Act obligations being met with various Native title holders.

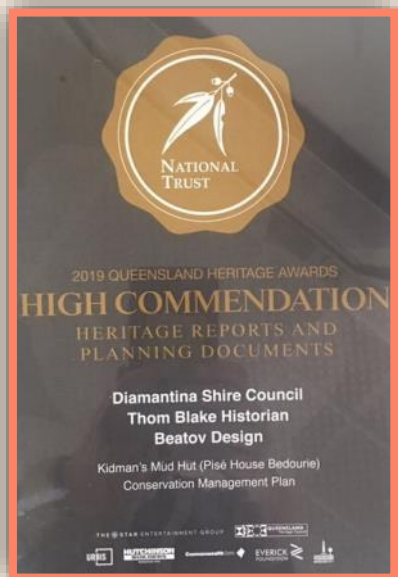
Council agreed to commence Indigenous Land Use Agreement (ILUA) negotiations with the Wangkamahdla Nation as a joint project with Boulia Shire Council.

Council continues to provide high levels of support to community events.

Council is supporting the Watti Watti Cultural Services on an aboriginal heritage walking trail in Birdsville.

Council has engaged a consultant to develop oral history of Birdsville's significant sites.

Council received a High Commendation for work on the Kidman's Mud Hut Conservation Management Plan.



2.2	A Community Where The Cost Of Living Is Comparable To The South East Of The State
2.2.1	The cost of living in the Shire is reduced

Our Challenges

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

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

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

Our Achievements

Installed ceiling and underfloor insulation in all Council owned housing increasing comfort and reducing electricity costs.

Lobbying resulted in REX providing a community fare scheme for flights to/from Bedourie and Birdsville lowering airfares.

Successfully applied for funding under Building our Regions Round 5 to install roof mounted solar panels on all Council and Community housing and Council facilities. This will significantly reduce electricity costs for all Councils tenants.





Our Goals

Goal 2: Our Community (continued)

2.3	Has attractive, green and clean towns of which residents are proud.
2.3.1	Recognition through the tidy town’s awards.
2.3.2	Streetscapes maintained and parks developed as funds allow.

Our Challenges

The harsh environment makes the maintenance of parks and gardens labour intensive.



Our Achievements

Town streetscapes are being maintained as resources allow.

Parks are being maintained as resources allow.

Organised to have trees pruned on all council controlled land within the townships of Bedourie and Birdsville to ensure safety and promote growth.

Birdsville Jardine Street Park upgrade completed.

Birdsville Anzac Park, Jardine St Park and Town Hall master plans adopted. These master plans provide a vision for the community and a plan Council can implement as funds become available.

Further review of watering of footpaths to be undertaken to avoid water wastage.

2.4	Has access to the full range of affordable transport Services.
2.4.1	A reliable, regular air service at prices comparable to Brisbane to Mt Isa costs.
2.4.2	A reliable weekly freight service at prices comparable to Brisbane to Mt Isa freight costs.

Our Challenges

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

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

COVID-19 has disrupted domestic air travel.

Our Achievements

REX introduced a Community Fare in July 2019 significantly reducing the cost of air travel to and from the shire.

When REX announced it would suspend flying the subsidised RPT routes in Queensland in March, Council lobbied to secure agreement from REX and the Queensland Government to continue providing the services.

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





Our Goals

Goal 2: Our Community (continued)

2.5	Has significant private home ownership with all residents appropriately housed.
2.5.1	Private home ownership continues to increase


Our Challenges

Banks continue to be reluctant to lend to remote areas

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

Our Achievements

A Land and Surplus Plant and Equipment auction was held in November 2019. Three residential blocks, 2 in Birdsville and 1 in Bedourie were sold.



OPEN TO OFFERS ☆

Address available on request,
Birdsville

1,500 m²
Residential Land



OPEN TO OFFERS ☆

Address available on request,
Bedourie

1,000 m²
Residential Land

2.6	Where volunteering in the community is a given and community spirit is visible.
2.6.1	Active and well-resourced community groups
2.6.2	The Shire's youth are actively involved in the community
2.6.3	Engage a Community Development Officer

Our Challenges

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

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

Our Achievements

The community grants program was advertised in March 2019 for events to be held between May 2019 and April 2020. Community Grants were offered again in March 2020 for events to be held between May 2020 and April 2021. Most events in 2020 have been cancelled due to COVID-19.





Our Goals

Goal 2: Our Community (continued)

2.7 Is Safe and Crime Free

2.7.1 The Community remains safe and crime free

Our Challenges

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

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



Our Achievements

Council supported SES volunteers to attend flood boat training in Mt Isa in December.



With the support of Council and the dedication and hard work of volunteers a lot of training has been completed. The training included flood boat operations, storm damage operations, participate in a rescue operation, working at height operations and also a joint SES and RFS airport emergency exercise.

A major grant for a trailer mounted generator was successful. This generator can be used for any SES / RFS response and will be of great benefit. The generator will also benefit the community as it can be utilised at community events.



The Birdsville SES shed was extended utilising funds secured from Department of Emergency Services.

Negotiations with the QPS District Inspector continue to ensure the policing needs of the Birdsville Races

are met.

Disaster Management Plan is up to date.

2.8 Cares for its residents of all ages.

2.8.1 Services are provided for our aged, youth and children as appropriate

Our Challenges



Our Achievements

Playgroup services continue to be provided in Bedourie and Birdsville with a small break in 2020 due to COVID-19.

Council continues to donate the Community facilities for community run events.





Our Goals

Goal 2: Our Community (continued)

2.9	Has access to fully operational medical and pharmacy facilities run by a quality service provider offering affordable access to onsite general practitioners and other health professionals.
2.9.1	A community that is fully aware of and responsive to primary health care needs.
2.9.2	Maintain a partnership with Central West Hospital and Health Board to provide a quality health service.
2.9.4	Quality health infrastructure that meets community needs
2.9.5	Ambulance Services throughout the Shire and at Community Events are retained

Our Challenges

Developing lease agreements with Queensland Health for the clinic facilities and associated housing.

Our Achievements

Council continues to provide clinic facilities and associated housing to Central West Health and is working on lease arrangements.

Council supports all health initiatives through provision of facilities and advertising through our community emails and Desert Yarns.

Queensland Health undertakes regular community surveys .

Ambulance services continue to be provided at Community Events.

Providing important information to the community during the pandemic.

2.10	Has access to a reliable and affordable renewable electricity supply.
2.10.1	Affordable power supplies are available.
2.10.2	Renewable energy production is increased.

Our Challenges

Working with Ergon to integrate renewable energy production with the current micro grid to eliminate the need for energy storage.

Sourcing adequate funding.

Our Achievements

Council was successful in securing a \$943,000 Building our Regions grant for a solar roof top project. This project aims to install solar power to all Council owned houses and community buildings in Bedourie and Birdsville bringing significant financial relief to Council and Council's tenants. Works will include installation of roof mounted solar panels of various sizes and power capacity.





Our Goals

Goal 2: Our Community (continued)

2.11 Has quality sporting facilities with high participation rates.

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

Our Challenges

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

Our small population means that playing team sport is difficult.



Betoota Racecourse Roof



Birdsville Racecourse Roof

Our Achievements

Funding sourced for the irrigation of the Bedourie and Birdsville sports ovals.

Betoota Racecourse has had an electrical upgrade, a new roof constructed, a disabled toilet and shower unit installed and the footings in the day stalls fixed.

Birdsville Racecourse has had an electrical upgrade and a new roof constructed.

Bedourie Racecourse has had an amenities block constructed through funding from Department of Sport and Recreation and Qld Racing

Management agreement for access to Birdsville School pool is in place.



Bedourie Racecourse Amenities

2.12 Has better telecommunication and internet access than South East Queensland.

- 2.12.1 Phone and internet services are reliable and effective.

Our Challenges

Now that we have optic fibre the challenge is to procure and implement the best technologies.

Our Achievements

Implementing Zoom Room facilities available for use by the community in the Bedourie Administration Centre and the Warrarri Visitor Information Centre.





Our Goals

Goal 3: Our Economy

3.1 Is underpinned by the beef cattle industry and the expanding organic market.

3.1.1 Support sustainability of the cattle industry.

3.1.2 Improve animal welfare outcomes.

Our Challenges

The shire maintains over 1,684 km of road the majority of which are gravel.



Resheeting in progress

Our Achievements

Council continues to lobby for the sealing of the main road network in the shire with the current priority being the Eyre Developmental Road. To this end, a Business Case for the sealing of the Eyre Developmental Road has been completed by KPMG and funded by Council and Department of State Development.

Ongoing maintenance of both sealed and gravel sections of road continues as funding allows.

A 2.3km section of Eyre Development Road was sealed at Sunshine Flat.



Fixing Potholes

3.2 Flourishes from a growing tourism industry and continuation of major events.

3.2.1 More tourists visit year on year.

3.2.2 The Birdsville Tourist Park and Birdsville Lodge contribute significantly to the Birdsville economy.

3.2.3 A cooperative group of businesses and individuals are united in promoting the Shire as a destination.

3.2.4 Birdsville Courthouse and Bedourie Pise' House established as must see tourist attractions

Our Challenges

COVID-19 was a huge challenge this year and reduced the number of tourists visiting the shire.

All events were cancelled due to COVID-19.

Our Achievements

The Birdsville Courthouse has been renovated in accordance with the heritage guidelines and will be ready to be opened to the public in 2021/2022.

The installation of an interpretive experience has been delayed due to COVID however is well underway.

Council took back the management of the Birdsville Tourist Park and Lodge to ensure it had more control over its operations.





Our Goals

Goal 3: Economic (continued)

3.5 Will be much stronger when there is sealed road access to Birdsville.

3.5.1 All Main Roads in Shire are bitumen sealed.

Our Challenges

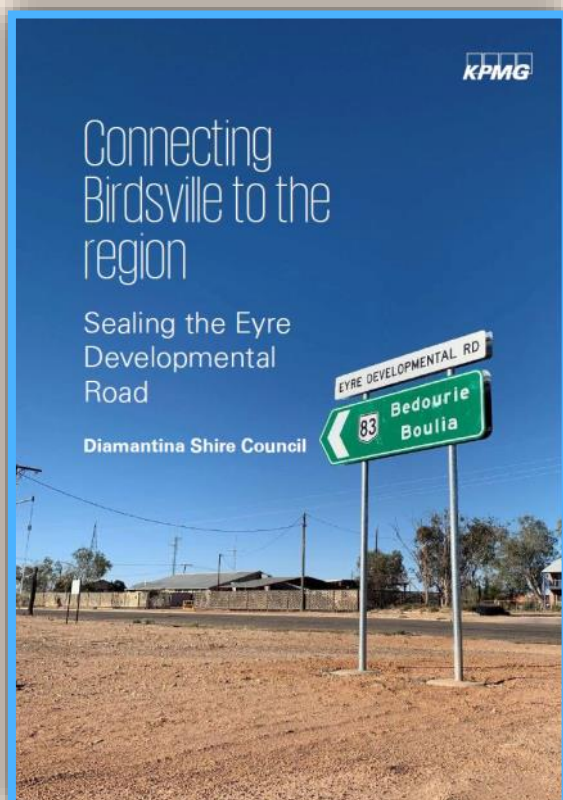
The high cost of sealing the Eyre Developmental Road between Bedourie and Birdsville and the design issues particularly around Cuttaburra.

Our Achievements

A Business Case for the Eyre Developmental Road has been completed. This business case will be instrumental in helping Council source funding to seal the remaining gravel sections of the road.

Sunshine Flats Pave and Seal project has been completed.

Queensland Government has announced \$10 million towards the sealing on this road and the Australian government has committed \$4.5 million. Work will commence in 2021.





Our Goals

Goal 4: Our Organisation

4.1	Is a sustainable and effective organisation
4.1.1	A quality, effective and motivated workforce.
4.1.2	Best practice Corporate Governance
4.1.3	Effective knowledge management systems and policies in place.
4.1.4	Long term financial sustainability.
4.1.5	Quality administration and service which meets customer needs.

Our Challenges

Attracting and retaining quality staff.

Reliance on external funding remains high impacting our sustainability.



Our Achievements

Council continues to provide training and induction to all staff at the beginning of each year.

Feedback on pay and conditions was gathered at the 2020 Induction to help inform a review of the Human Resources policy and implement various attraction and retention strategies.

Council has continued to implement Synergy modules including Grants and Tenders registers.

The Customer Services Synergy module has been partially implemented.



4.2	Is engaged with its residents.
4.2.1	Effective community engagement.

Our Challenges

Timing engagement which maximises attendance is difficult given the small population and busy lives of all wishing to be involved.

Our Achievements

Community engagement was undertaken to help develop the Eyre Developmental Road Business Plan.

The masterplan for Birdsville Anzac Park, Jardine St Park and Birdsville Hall were completed incorporating feedback from residents and users.





Our Goals

Goal 5: Our Organisation (continued)

4.3	Is a leader in the region which supports regional co-operation, resource sharing and partnerships.
4.3.1	Council participates in projects which advance regional co-operation and resource sharing

Our Challenges

Identifying projects where regional agreement and cooperation can be reasonably achieved due to varying priorities and circumstances.

Our Achievements

Cooperate with neighbouring Shires in resource sharing activities where mutually beneficial.

Participate in regional bodies such as RAPAD, OQTA, ORRG, CWRPMG.

Shared machinery with Boulia Shire Council.

Staff involved with regional groups relating to human resources, tourism, workplace safety, records management.

4.4	Is recognised as the sole road construction provider in the shire
4.4.1	Maintain a profitable plant operation.
4.4.2	Council owns and operates a quality plant fleet.
4.4.3	Council maintains its sole invitee status for all Department of Main Roads (DMR)

Our Challenges

Plant rates submitted to QRA acceptance and pending outcome.

Plant Hire income being impacted by vacancies.

Our Achievements

Plant rates submitted to QRA were accepted. Plant Hire income is a major source of income for Council and can be impacted by staff vacancies.



Plant Replacement program 100% complete. Major acquisitions included: 24t excavator, primemover, garbage truck, new camps for construction and patrol crews, multi-tyre roller, skid steer loader, step deck trailer and cement powder tankers.

Council offered flood restoration contract works at Marion Downs by DTMR and completed a pave and seal project at 'Sunshine Flats'.





Our Goals

Goal 5: Our Infrastructure

- 5.1 Is constructed and maintained in a sustainable manner which meets community needs.
- 5.1.1 A well maintained Shire road network which meets the needs of the road users.
- 5.1.2 Airports and services that meet community and CASA requirements.
- 5.1.3 Well maintained community assets with additional facilities as appropriate for the communities.

Our Challenges

Access to water in remote locations for road maintenance.

Our Achievements

Numerous Road projects were completed including the Big Red Road Stage 1 and Sunshine Flat pave and seal projects.

CASA audits completed showing standards have been met at airports.

Works completed on a number of community assets including racecourse power upgrades, provision of disabled toilets, Jardine St Park roof, power upgrade for the Birdsville Gym.



Bus Stop Bore



Jardine St Park Roof



Birdsville Gym Power Upgrade



Betoota Power Upgrade



Betoota Racecourse Disabled Toilet



Birdsville Racecourse Roof



Birdsville Racecourse Power Upgrade



Our Goals

Goal 5: Our Infrastructure

5.2 Guarantees quality potable urban water supply and waste water treatment.

5.2.1 Secure potable water sources are maintained for Bedourie and Birdsville.

5.2.2 A secure and effective waste water treatment system is maintained in each town.

Our Challenges

Rates revenue is not sufficient to cover maintenance costs so external funding continues to be sought.

Our Achievements

Bedouries potable water supply has been assured with the construction of a new town bore and its connection into the town supply.

The CED system in both towns remains very reliable.



Bedourie Bore



Bedourie Bore



Compliance Reporting

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

Councillor Conduct

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

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

Public Sector Ethics Disclosures

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

Right to Information Act 2009

Council is an agency under the *Right to Information Act 2009*. Members of the public may make application to Council under this legislation to access documents. People wishing to access documents under this Act must make application in writing to the Chief Executive Officer, including an application fee. During the twelve months to the 30 June 2020, Council received no right to information applications. This Annual Report satisfies the requirements of section 21 of the Act.

Identifying Significant Business Activities s45 LGA 2009

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

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

Executive Remuneration s201 LGA 2009

Total remuneration paid to Executive employees was as follows:

Package Value \$100,000—\$200,000—1 employee

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

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

The total remuneration packages payable in 2019/2020 to executive employees is \$1,087,354.

No Councillor advisors were appointed during the year.

Reserves and Controlled Roads s118 LGR 2012

Diamantina Shire Council has control of:

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

Administrative Action Complaints s187 LGR 2012

Council is committed to dealing fairly with administration action complaints through it's Complaint Management Process. The following table shows the number of complaints received during 2019/2020.

Unresolved Complaints (BF 1/7/19)	Complaints Received	Complaints Resolved	Unresolved Complaints
0	9	9	0

Complaints against the Chief Executive Officer are referred to the Mayor in accordance with Council's policy.





Compliance Reporting

Overseas Travel s188 LGR 2012

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

Expenditure on Grants to Community

Organisations s189 LGR 2012

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

Organisation	Event	Contribution
Bedourie Amateur Race Club	Bedourie Races	\$??
Bedourie Golf & Leisure Club	Pig & Camel Races Handlebars and Horns	\$?? \$1,824
Bedourie Gymkhana Club	Camp Draft and Rodeo	\$??
Betoota Race Club Inc.	Betoota Races	\$?
Betoota Social Club	Insurance	\$3,000
Birdsville Race Club Inc.	Birdsville Races	\$306,000
Bedourie State School P&C	Splash and Arts Camp	\$6,685

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

Council did not enter into any joint venture agreements or levy any special rates during the 2019/2020 financial year.

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

Council made six invitations to change tenders during the 2019/2020 financial year.

Registers kept by Council s190 (i)(f) LGR 2012

Assets Register
 Register of Roads
 Register of Land Records
 Register of Delegations by Council
 Register of Delegations by Chief Executive Officer
 Register of Interests for Employees and Councillors
 Register of Local and Subordinate Local Laws
 Register of Cost Recovery Fees
 Register of Complaints against Councillors

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

Diamantina Shire Council made no concession of rates or charges for the 2019/2020 financial year.

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

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

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

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

The Local Government Remuneration and Discipline Tribunal Report 2016 re-categorised Diamantina Shire Council from a Category 3 to a Category 1 Council. This meant an Internal Audit Committee was no longer required and at the March 2017 Council meeting it was resolved to not have one. Council has continued to operate without an Internal Audit Committee during the 19/20 financial year to the satisfaction of the External Auditors.

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

There were no competitive neutrality complaints received during 2019/2020.

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

There were no responses on competitive neutrality complaints received during 2019/2020.





Financial Statements

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



SUSTAINABLY DEVELOPING THE OUTBACK

DIAMANTINA SHIRE COUNCIL

ANNUAL FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

FINANCIAL REPORT

For the Year Ended 30 June 2020

Note

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Management Certificate

Independent Audit Report (General Purpose Financial Statements)

Current Year Financial Sustainability Statement & Certificate of Accuracy

Independent Audit Report (Current Year Financial Sustainability Statement)

Unaudited Long Term Financial Sustainability Statement & Certificate of Accuracy

DIAMANTINA SHIRE COUNCIL

Statement of Comprehensive Income

For the Year Ended 30 June 2020

		30 June 2020	30 June 2019
	Note	\$	\$
INCOME			
Revenue			
Recurrent Revenue			
Rates, levies and charges	3(a)	1,107,003	1,137,791
Fees and charges		1,100,405	1,515,203
Rental income		586,551	650,831
Interest received	3(b)	207,323	377,403
Sales revenue	3(c)	8,013,579	6,471,987
Other income		270,302	130,308
Operating grants, subsidies and contributions	4(a)	6,438,473	7,243,169
		<u>17,723,636</u>	<u>17,526,693</u>
Capital Revenue			
Capital grants, subsidies and contributions	4(b)	1,739,852	2,415,944
Total Capital Revenue		<u>1,739,852</u>	<u>2,415,944</u>
TOTAL INCOME		<u>19,463,488</u>	<u>19,942,637</u>
EXPENSES			
Recurrent Expenses			
Employee benefits	5	(5,913,161)	(5,377,704)
Materials and services	6	(9,735,031)	(7,325,707)
Finance costs		(83,783)	(101,555)
Depreciation	11	(4,468,729)	(4,380,630)
		<u>(20,200,704)</u>	<u>(17,185,596)</u>
Capital Expenses	7	<u>(2,144)</u>	<u>(597,609)</u>
TOTAL EXPENSES		<u>(20,202,848)</u>	<u>(17,783,204)</u>
NET RESULT		<u>(739,361)</u>	<u>2,159,432</u>
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to net result			
Increase in asset revaluation surplus	16	-	5,161,026
Total Other Comprehensive Income for the Year		<u>-</u>	<u>5,161,026</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(739,361)</u>	<u>7,320,458</u>

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

The comparatives have not been restated on adoption of AASB 15 / AASB 1058 and therefore the comparative information is presented using the previous standards.

DIAMANTINA SHIRE COUNCIL

Statement of Financial Position

As at 30 June 2020

		30 June 2020	30 June 2019
	Note	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	8	15,371,114	16,531,923
Receivables	9	1,457,357	2,407,496
Contract assets		962,646	-
Inventories	10	1,609,782	1,289,755
Total Current Assets		19,400,900	20,229,173
Non-Current Assets			
Property, plant and equipment	11	149,591,693	146,193,395
Total Non-Current Assets		149,591,693	146,193,395
TOTAL ASSETS		168,992,593	166,422,569
LIABILITIES			
Current Liabilities			
Trade and other payables	12	1,480,026	1,256,646
Contract liabilities		2,834,840	-
Provisions	13	649,437	480,970
Borrowings	14	202,449	195,185
Total Current Liabilities		5,166,752	1,932,800
Non-Current Liabilities			
Provisions	13	242,476	86,945
Borrowings	14	1,990,227	2,189,752
Total Non-Current Liabilities		2,232,704	2,276,697
TOTAL LIABILITIES		7,399,456	4,209,498
NET COMMUNITY ASSETS		161,593,137	162,213,071
COMMUNITY EQUITY			
Asset revaluation surplus	16	74,984,669	74,984,669
Retained surplus		86,608,469	87,228,402
TOTAL COMMUNITY EQUITY		161,593,137	162,213,071

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

The comparatives have not been restated on adoption of AASB 15 / AASB 1058 and therefore the comparative information is presented using the previous standards.

DIAMANTINA SHIRE COUNCIL

Statement of Changes in Equity

For the Year Ended 30 June 2020

	Note	Asset Revaluation Surplus \$	Retained Surplus \$	Total Equity \$
Balance at 1 July 2019		74,984,669	87,228,402	162,213,071
Adjustment on initial application of AASB 15 / AASB 1058	24	-	119,427	119,427
Restated balance at 1 July 2019		<u>74,984,669</u>	<u>87,347,829</u>	<u>162,332,498</u>
Net result for the year		-	(739,361)	(739,361)
Other comprehensive income for year				
Increase/(decrease) in asset revaluation surplus	16	-	-	-
Total comprehensive income for year		<u>-</u>	<u>(739,361)</u>	<u>(739,361)</u>
Balance as at 30 June 2020		<u>74,984,669</u>	<u>86,608,469</u>	<u>161,593,137</u>
 Balance at 1 July 2018		 69,823,643	 85,068,970	 154,892,613
Net result for the year				
Other comprehensive income for year		-	2,159,432	2,159,432
Increase/(decrease) in asset revaluation surplus	16	5,161,026	-	5,161,026
Total comprehensive income for year		<u>5,161,026</u>	<u>2,159,432</u>	<u>7,320,458</u>
Balance as at 30 June 2019		<u>74,984,669</u>	<u>87,228,402</u>	<u>162,213,071</u>

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

The comparatives have not been restated on adoption of AASB 15 / AASB 1058 and therefore the comparative information is presented using the previous standards.

DIAMANTINA SHIRE COUNCIL

Statement of Cash Flows

For the Year Ended 30 June 2020

		30 June 2020	30 June 2019
	Note	\$	\$
Cash flows from operating activities :			
Receipts from customers		13,435,193	8,748,854
Payments to suppliers and employees		(15,411,487)	(12,751,902)
		(1,976,294)	(4,003,048)
Interest received	3(b)	207,323	377,403
Rental income		586,551	650,831
Non capital grants and contributions	4(a)	6,438,473	7,243,169
Borrowing costs		(83,783)	(101,555)
Net cash inflow/(out flow) from operating activities	21	<u>5,172,270</u>	<u>4,166,800</u>
Cash flows from investing activities:			
Payments for property, plant and equipment	11	(8,668,437)	(5,824,838)
Proceeds from sale of property, plant and equipment	7	787,767	212,300
Capital grants, subsidies, contributions and donations	4(b)	<u>1,739,852</u>	<u>2,415,944</u>
Net cash inflow/(outflow) from investing activities		<u>(6,140,818)</u>	<u>(3,196,594)</u>
Cash flows from financing activities:			
Repayment of borrowings	14	<u>(192,261)</u>	<u>(185,017)</u>
Net cash inflow/(out flow) from financing activities		<u>(192,261)</u>	<u>(185,017)</u>
Net increase/(decrease) in cash and cash equivalents held		<u>(1,160,809)</u>	<u>785,190</u>
Cash and cash equivalents at beginning of financial year		16,531,922	15,746,732
Cash and cash equivalents at end of financial year	8	<u><u>15,371,114</u></u>	<u><u>16,531,922</u></u>

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

The comparatives have not been restated on adoption of AASB 15 / AASB 1058 and therefore the comparative information is presented using the previous standards.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Significant Accounting Policies

1.A Basis of preparation

These general purpose financial statements are for the period 1 July 2019 to 30 June 2020 and have been prepared in compliance with the requirements of the *Local Government Act 2009*, the *Local Government Regulation 2012*, Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB).

These purpose financial statements comply with all accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB). Council is a not-for-profit entity for financial reporting purposes and complies with Australian Accounting Standards as applicable to not-for-profit entities.

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

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

1.B Constitution

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

1.C New and revised Accounting Standards

Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2019, the standards which had an impact on reported position, performance and cash flows were those relating to revenue and leases. Refer to the change in accounting policy Note 24 for transition disclosures for AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-Profit Entities* and AASB 16 *Leases*.

Standards that are not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2020, those standards have not been adopted by Council and will be included in the financial statements on their effective date.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2020

1.D Estimates and Judgements

Councils make a number of judgements, estimates and assumptions in preparing these financial statements. These are based on the best information available to Council at the time, however due to the passage of time, these assumptions may change and therefore the recorded balances may not reflect the final outcomes. The significant judgements, estimates and assumptions relate to the following items and specific information is provided in the relevant note:

Revenue - Note 3 and Note 4

Valuation of property, plant and equipment - Note 11

Impairment of property, plant and equipment - Note 11

Depreciation - Note 11

Contingent Liabilities - Note 18

Financial Instruments - Note 23

1.E Rounding and Comparatives

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

Comparative information is generally restated for reclassifications, errors and changes in accounting policies unless permitted otherwise by transition rules in a new Accounting Standard.

1.F Taxation

Council is exempt from income tax, however council is subject to Fringe Benefits Tax, Goods and Services Tax ('GST') and payroll tax on certain activities. The net amount of GST recoverable from the ATO or payable to the ATO is shown as an asset or liability respectively.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Analysis of Results by Function

(a) Components of Council Functions

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

Governance

The objective of corporate governance is for Council to be open, accountable, transparent and deliver value for money community outcomes.

This function includes strategic and operational planning, risk management, finance, legal and administrative support. The Mayor, Councillors and Chief Executive Officer are included in corporate governance.

Community Services

The goal of community services is to ensure Diamantina Shire Council is a healthy, vibrant, contemporary and connected community.

Community services provides well managed and maintained community facilities, and ensures the effective delivery of cultural, health, welfare, environmental and recreational services.

This function includes:

Libraries

Entertainment venues

Public health services including vaccination clinics

Tourism

Water, Sewerage and Roads & Related Works

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

Environment, Health and Planning

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Analysis of Results by Function (continued)

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

Year Ended 30 June 2020

Functions	Gross Program Income						Total Income	Gross Program Expenses		Net Result From Recurrent Operations	Net Result	Assets
	Recurrent			Capital				Recurrent	Capital			
	Grants	Other	Grants	Other	Grants	Other						
	2020	2020	2020	2020	2020	2020						
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governance	3,160,523	3,285,862	168,231	-	6,614,616	(5,906,281)	-	540,103	708,335	22,833,401		
Community Services	164,666	1,199,545	107,520	-	1,471,732	(2,385,874)	-	(1,021,663)	(914,143)	17,421,112		
Water Works	-	229,530	-	-	229,530	(216,731)	-	12,799	12,799	5,315,839		
Sewerage Works	-	54,103	-	-	54,103	(105,352)	-	(51,249)	(51,249)	3,921,570		
Roads and Related Works	3,113,284	6,513,194	1,464,100	-	11,090,579	(10,818,354)	(2,144)	(1,191,875)	270,081	89,625,503		
Environment, Health and Planning	-	2,928	-	-	2,928	(768,111)	-	(765,182)	(765,182)	29,875,168		
Total Council	6,438,473	11,285,163	1,739,852	-	19,463,488	(20,200,704)	(2,144)	(2,477,068)	(739,360)	168,992,593		

Year Ended 30 June 2019

Functions	Gross Program Income				Total Income	Gross Program Expenses		Net Result From Recurrent Operations	Net Result	Assets
	Recurrent		Capital			Recurrent	Capital			
	Grants	Other	Grants	Other						
	2019	2019	2019	2019						
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governance	2,518,443	1,165,468	533,824	-	4,217,735	(2,622,075)	(577,495)	1,061,836	1,018,166	23,648,874
Community Services	170,300	235,325	554,714	-	960,339	(1,356,213)	-	(950,588)	(395,874)	18,771,829
Water Works	-	259,728	-	-	259,728	(258,289)	-	1,440	1,440	5,012,445
Sewerage Works	-	61,852	122,152	-	184,004	(104,858)	-	(43,005)	79,147	3,998,307
Roads and Related Works	3,576,302	6,562,885	1,190,179	-	11,329,367	(10,228,910)	(20,114)	(89,724)	1,080,342	91,974,664
Environment, Health and Planning	173,428	1,998,265	15,075	-	2,186,768	(2,615,250)	-	(443,558)	(428,483)	23,016,450
Total Council	6,438,473	10,283,523	2,415,944	-	19,137,941	(17,185,596)	(597,609)	(463,598)	1,354,736	166,422,569

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2020

	Note	30 June 2020 \$	30 June 2019 \$
3 Revenue			
		30 June 2020	
		AASB 15	AASB 1058
Revenue recognised at a point in time			
Rates, levies and charges (excluding those related to services)		1,107,003	-
Grants, subsidies, donations and contributions		-	3,586,493
Fees and charges		1,100,405	-
Other		270,302	-
		<u>2,477,709</u>	<u>3,586,493</u>
Revenue recognised over time			
Grants, subsidies, donations and contributions		2,851,980	1,739,852
Sale of goods and services		8,013,579	-
Rental income		586,551	-
		<u>11,452,110</u>	<u>1,739,852</u>
		30 June 2020	30 June 2019
(a) Rates, Levies and Charges		\$	\$
<p>2020 Accounting Policy: Rates and annual charges are recognised as revenue when the council obtains control over the assets comprising these receipts which is the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.</p> <p>2019 Accounting Policy: Rates are recognised as revenue at the start of the rating period. If a ratepayer pays their rates before the start of the rating period, they are recognised as revenue when they are received.</p>			
General rates		910,398	896,884
Water		229,530	259,728
Sewerage		54,103	61,852
Garbage charges		45,435	44,500
Total rates and utility charge revenue		<u>1,239,466</u>	<u>1,262,964</u>
Less: discounts		<u>(132,464)</u>	<u>(125,172)</u>
Net rates, levies and charges		<u>1,107,003</u>	<u>1,137,791</u>
(b) Interest Received			
Interest from rates and charges		23,113	22,777
Interest earned from cash deposits		184,210	354,626
		<u>207,323</u>	<u>377,403</u>

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2020

	Note	30 June 2020	30 June 2019
		\$	\$
(c) Sales Revenue			
Main Roads minor works performance contracts		1,484,629	1,642,017
Main Roads road maintenance performance contracts		5,746,937	4,829,970
Other sales revenue		782,013	-
		<u>8,013,579</u>	<u>6,471,987</u>

2020 Accounting Policy: Sale of goods revenue is recognised when the customer has taken delivery of the goods. Revenue from services is recognised when the service is rendered.

Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. This revenue and the associated costs are recognised by reference to the stage of completion of the contract activity based on costs incurred at the reporting date. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed. There are no contracts in progress at the year end. The contract work carried out is not subject to retentions.

2019 Accounting Policy: Other sales revenue is recognised as income when it is probable that it will be received and the amount is known, otherwise the amount is recognised upon receipt. Rental revenue is recognised as income on a periodic straight line basis over the lease term.

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

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

4 Grants, Subsidies and Contributions

(a) Recurrent

State Government subsidies and grants - recurrent	3,034,684	6,709,345
Commonwealth Government subsidies and grants - recurrent	3,337,358	533,824
Other subsidies and grants - recurrent	66,431	-
Total recurrent revenue	<u>6,438,473</u>	<u>7,243,169</u>

(b) Capital

State Government subsidies and grants - capital	733,887	1,374,925
Commonwealth Government subsidies and grants - capital	80,465	1,041,019
Other subsidies and grants - capital	925,500	-
Total capital revenue	<u>1,739,852</u>	<u>2,415,944</u>
Total for Grants, Subsidies and Contributions	<u><u>8,178,325</u></u>	<u><u>9,659,113</u></u>

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2020

	Note	30 June 2020	30 June 2019
		\$	\$

2020 accounting policy:

Grant income under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied. The performance obligations are varied based on the the nature of each agreement. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others. Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer. When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, Council presents the work in progress as a contract asset, unless the rights to that amount of consideration are unconditional, in which case Council recognises a receivable. When an amount of consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

Grant income under AASB 1058

Assets arising from grants in the scope of AASB 1058 is recognised at the assets fair value when the asset is received. Councils considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard. Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

2019 Accounting Policy:

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

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

(c) Contract balances

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed directly to the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, Council presents the work in progress as a contract asset, unless the rights to that amount of consideration are unconditional, in which case Council recognises a receivable.

When an amount of consideration is received from a customer prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

The contract assets and liabilities presented in the statement of financial position have arisen on adoption of AASB 15 and AASB 1058. Previously the revenue was recognised on receipt and therefore there was no effect on the statement of financial position.

5 Employee Benefits

Total staff wages and salaries		4,552,652	4,137,169
Councillors' remuneration		225,963	235,024
Annual, sick and long service leave entitlements		1,044,930	721,492
Superannuation	19	517,561	478,974
		<u>6,341,106</u>	<u>5,572,659</u>
Other employee related expenses		-	0
		<u>6,341,106</u>	<u>5,572,659</u>
Less: capitalised employee expenses		<u>(427,945)</u>	<u>(429,004)</u>
		<u>5,913,161</u>	<u>5,143,656</u>

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2020

	Note	30 June 2020	30 June 2019
		\$	\$
Councillor remuneration represents salary, and other allowances paid in respect of carrying out of their duties.			
Total Council employees at the reporting date:			
Elected members		5	5
Administration staff		17	21
Depot and outdoors staff		43	32
Total full time equivalent employees		65	58
6 Materials and Services			
Advertising and Marketing		1,182	468,050
Audit of annual financial statements by the Auditor-General of Queensland		47,199	51,151
Other audit fees - Internal audit and other services		-	8,480
Communication and Information technology		283,001	363,732
Community Services		1,578,535	1,328,954
Donations Paid		14,627	114,173
Contract and Recoverable Works		2,962,846	2,547,628
Road Maintenance Services		452,332	231,076
Other Materials and Services		207,329	763,707
Fleet Services		1,863,201	1,461,393
Infrastructure Services		2,324,778	221,410
		9,735,031	7,559,755
7 Capital Income/(Expenses)			
Gain (loss) on the disposal of non-current assets			
Proceeds from the sale or write down of non-current assets		787,767	212,300
Less: book value of non-current assets disposed of		(789,911)	(232,414)
		(2,144)	(20,114)
Revaluation decrement			
Revaluation downwards of land assets		-	(577,495)
		-	(577,495)
The downwards revaluation of land assets in FY19 amounted to \$993,325 in total. This was firstly offset against the Land Asset Revaluation Reserve which totalled \$415,830 with the remainder offset as per this note to the Statement of Comprehensive Income.			
Total capital income/(expenses)		(2,144)	(597,609)

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2020

	Note	30 June 2020	30 June 2019
		\$	\$

8 Cash and Cash Equivalents

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

Cash at bank and on hand	960,422	1,794,356
Deposits at call	14,410,692	14,737,566
Balance per Statement of Cash Flows	15,371,114	16,531,923

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

Unspent government grants and subsidies	1,256,799	1,024,524
Total restricted cash	1,256,799	1,024,524

Trust funds held for outside parties

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012*, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. Funds held in the trust account on behalf of outside parties include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies (e.g. wages) paid into the trust account by the Council. The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements since Council has no control over the assets.

Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities	169,422	148,679
	169,422	148,679

9 Receivables

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

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

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

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

Current

Rateable revenue and utility charges	322,037	301,562
	322,037	301,562
Accrued revenue	-	26,936
Other debtors	1,200,756	2,114,095
Less loss allowance	(65,436)	(65,436)
	1,135,320	2,075,595
Prepayments	-	30,339
	1,457,357	2,407,496

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2020

	Note	30 June 2020	30 June 2019
		\$	\$
Interest is charged on outstanding rates at a rate of 8% per annum. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable. No interest is charged on other Debtors.			
Movement in accumulated impairment losses (trade and other receivables) is as follows:			
Opening balance 1 July		65,436	47,221
Adjustment to opening balance upon application of AASB 9* (FY19 only)		-	-
Impairment adjustment in period		-	18,215
Less: Debts written off during the year		-	-
Additional impairments recognised		-	-
Less: Impairments reversed		-	-
Closing balance 30 June		<u>65,436</u>	<u>65,436</u>

10 Inventories

Current

Inventories held for distribution:

Stores and raw materials	1,436,182	1,069,155
Land held for resale	<u>173,600</u>	<u>220,600</u>
	<u>1,609,782</u>	<u>1,289,755</u>

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

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2020

11(a) Property, Plant and Equipment

30 June 2020

Basis of Measurement

Fair value category

Asset Values

Opening gross value as at 1 July 2019

Additions at cost

Disposals

Transfer between classes

Other adjustments

Closing gross value as at 30 June 2020

Note	Land	Buildings	Plant and Equipment	Road, Drainage and Bridge Network	Water Infrastructure	Sewerage Infrastructure	Other Structures	WIP	Total
	Fair Value Level 2	Fair Value Level 3	Cost	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Cost	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
	3,419,700	44,490,148	16,644,873	102,903,135	7,598,673	4,994,906	21,582,032	1,661,052	203,294,518
	40,602	-	3,459,467	-	-	-	-	5,168,369	8,668,437
7	(27,800)	-	(2,624,980)	-	-	-	(45,900)	-	(2,698,680)
	-	1,064,081	26,461	580,345	414,957	-	788,781	(2,874,626)	-
	-	-	-	-	-	-	-	(72,180)	(72,180)
	3,432,502	45,554,229	17,505,820	103,483,481	8,013,630	4,994,906	22,324,912	3,882,615	209,192,095

Accumulated Depreciation and Impairment

Opening balance as at 1 July 2019

Depreciation provided in period

Accumulated depreciation on disposals

Other adjustments

Accumulated depreciation as at 30 June 2020

-	13,801,549	8,475,623	26,776,195	2,586,227	996,597	4,464,933	-	-	57,101,123
-	813,836	812,435	2,197,053	111,564	76,739	457,102	-	-	4,468,729
-	-	(1,962,419)	-	-	-	(18,234)	-	-	(1,980,653)
		11,203							11,203
-	14,615,385	7,336,842	28,973,248	2,697,791	1,073,336	4,903,801	-	-	59,600,402
3,432,502	30,938,845	10,168,978	74,510,233	5,315,839	3,921,570	17,421,112	3,882,615		149,591,693

Written down value 30 June 2020

Range of estimated useful life in years

Additions comprise:

Renewals

Other additions

Total additions

Not Depreciated	25-100 yrs	1 - 50 yrs	10 - infinite yrs	20-100 yrs	15-150 yrs	10-150 yrs	
\$	\$	\$	\$	\$	\$	\$	\$
	310,723		340,794	414,957		629,973	1,696,448
40,602	753,358	3,485,928	239,551			158,808	4,678,247
40,602	1,064,081	3,485,928	580,345	414,957	-	788,781	6,374,694

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2020

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

30 June 2019

Basis of Measurement

Fair value category

Asset Values

Opening gross value as at 1 July 2018

Revaluation adjustment to Income Statement

Addition from Land Held for Sale

Additions at cost

Disposals

Transfer between classes

Closing gross value as at 30 June 2019

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

Accumulated Depreciation and Impairment

Opening balance as at 1 July 2018

Depreciation provided in period

Accumulated depreciation on disposals

Accumulated depreciation as at 30 June 2019

-	12,987,634	7,636,660	24,765,763	2,474,770	926,183	4,041,074	-	52,832,084
-	813,915	950,554	2,010,432	111,457	70,413	423,859	-	4,380,630
-	-	(111,591)	-	-	-	-	-	(111,591)
-	13,801,549	8,475,623	26,776,195	2,586,227	996,597	4,464,933	-	57,101,123

Written down value 30 June 2019

3,419,700	30,688,599	8,169,250	76,126,941	5,012,445	3,998,309	17,117,099	1,661,052	146,193,395
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Range of estimated useful life in years

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

Notes to the Financial Statements

For the Year Ended 30 June 2020

11 Property, Plant and Equipment (continued)

(c) Recognition

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

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

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

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

(d) Measurement

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

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

(e) Depreciation

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

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

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

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2020

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

(f) Impairment

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

(g) Capital work in progress

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

(h) Valuation

(i) Valuation Processes

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

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

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

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

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

There have been no transfers between levels of the hierarchy during the year.

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2020

(ii) Valuation techniques used to derive fair values

Land (level 2)

Land fair values at 30 June 2019 are as determined by independent valuers AssetVal Pty Ltd effective 30th June 2019. Level 2 & 3 valuation inputs were used to value land in freehold title as well as land used for special purposes, which is restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre as market evidence is very limited.

A desktop assessment was undertaken by Australis Advisory Group as at 30 June 2020 which found no material cumulative movements in value, and as a result no valuation adjustment was undertaken.

	2020	2019
Land	\$	\$
• Observable market - (level 2)	3,432,502	3,419,700
Total	3,432,502	3,419,700

Buildings (level 3)

The fair value of buildings were determined by independent valuer, Australis Asset Advisory Group, Registered Valuer, as at 30 June 2017 at written down current replacement cost. A desktop assessment was undertaken by Australis Advisory Group as at 30 June 2020 which found no material cumulative movements in value, and as a result no valuation adjustment was undertaken.

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

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

	2020	2019
Buildings	\$	\$
• No observable market - (level 3)	30,938,845	30,688,599
Total	30,938,845	30,688,599

Other Structures (level 3)

The fair value of other structures were determined by Australis Asset Advisory Group, Registered Valuer, as at 30 June 2017, at written down current replacement cost. A desktop assessment was undertaken by Australis Advisory Group as at 30 June 2020 which found no material cumulative movements in value, and as a result no valuation adjustment was undertaken.

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For the Year Ended 30 June 2020

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

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

Infrastructure assets

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

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

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

Road and Stormwater network (level 3)

The fair value of the road and stormwater network assets were determined by Australis Asset Advisory Group, Registered Valuer, as at 30 June 2017, at written down current replacement cost. Indexation was applied at 30 June 2019 based on a review performed by Australias. A desktop assessment was undertaken by Australis Advisory Group as at 30 June 2020 which found no material cumulative movements in value, and as a result no valuation adjustment was undertaken.

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

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

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2020

Water and Sewerage (level 3)

The fair value of water and sewerage assets were determined by Australis Asset Advisory Group, Registered Valuer, as at 30 June 2017, at written down current replacement cost. A desktop assessment was undertaken by Australis Advisory Group as at 30 June 2020 which found no material cumulative movements in value, and as a result no valuation adjustment was undertaken.

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

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements For the Year Ended 30 June 2020

	Note	30 June 2020 \$	30 June 2019 \$
12 Trade and Other Payables			
Creditors are recognised upon receipt of the goods or services ordered as the amount owed. Amounts owing are unsecured and are generally settled on 30 day terms.			
Current			
Creditors and accruals		920,580	1,256,646
		<u>1,481,376</u>	<u>1,256,646</u>
13 Provisions			
Liabilities are recognised for employee benefits such as wages and salaries, sick, annual and long service leave in respect of services provided by the employees up to the reporting date.			
Short-term benefits which are expected to be wholly settled within 12 months are calculated on wages and salary levels which are expected to be paid and includes related employee oncosts. As Council does not have an unconditional right to defer settlement of annual leave beyond 12 months, annual leave is classified as a current liability.			
The provision for long service leave represents the present value of the estimate future cash outflows to be made in respect of the services provided by employees up to the reporting date. The liability is calculated using current pay rates and projected future increase 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 employments 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 estimate future cash outflows to their present value.			
Current			
Annual leave		542,225	337,978
Long service leave		107,212	142,992
		<u>649,437</u>	<u>480,970</u>
Non-Current			
Long service leave		242,476	86,945
		<u>891,913</u>	<u>567,915</u>
14 Borrowings			
Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these liabilities are measured at amortised cost at date of reporting. Principal and interest repayments are made quarterly in arrears.			
All borrowings are in Australian dollar denominated amounts and carried at amortised cost, interest being expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary between 15 June 2022 to 15 June 2036. There have been no defaults or breaches of the loan agreement during the period.			
In accordance with the <i>Local Government Regulation 2012</i> Council adopts an annual debt policy that sets out Council's planned borrowings for the next ten years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.			
Current			
Loans Queensland Treasury Corporation - current		202,449	195,185
		<u>202,449</u>	<u>195,185</u>
Non-Current			
Loans Queensland Treasury Corporation - non-current		1,990,227	2,189,752
		<u>1,990,227</u>	<u>2,189,752</u>

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements For the Year Ended 30 June 2020

	Note	30 June 2020 \$	30 June 2019 \$
Queensland Treasury Corporation			
Opening balance		2,384,937	2,569,954
Principal repayments		(192,261)	(185,017)
Book value at period end		<u>2,192,676</u>	<u>2,384,937</u>

The QTC loan market value at the reporting date was \$2,419,078.84. This represents the value of the debt if the Council repaid it at that date. As it is the intention of the Council to hold the debt for its term, no provision is required to be made in these accounts.

Unsecured borrowings are provided by the Queensland Treasury Corporation.

The Council does not have a bank overdraft facility.

15 Leases

Council as a lessee

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term. Council has not identified any other leases in scope of AASB 16 which are not covered by the aforementioned exceptions.

Leases at significantly below market value / concessionary leases:

Council has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability at initial recognition.

Council as a lessor

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

The lease income is recognised on a straight-line basis over the lease term.

Investment property income	586,551
Direct operating expenses from property that generated rental income	840,138

16 Asset Revaluation Surplus

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

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

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

Movements in the asset revaluation surplus were as follows:

	Balance 1 July 2019	Increases / (Decreases)	Balance 30 June 2020	Balance 30 June 2019
The closing balance of the asset revaluation surplus is comprised of the following asset classes:				
Land	-	-	-	-
Buildings	10,445,905	-	10,445,905	10,445,905
Other Structures	4,938,456	-	4,938,456	4,938,456
Road, drainage and bridge network	55,562,231	-	55,562,231	55,562,231
Water	1,982,970	-	1,982,970	1,982,970
Sewerage	2,055,107	-	2,055,107	2,055,107
	<u>74,984,669</u>	-	<u>74,984,669</u>	<u>74,984,669</u>

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements For the Year Ended 30 June 2020

	Note	30 June 2020 \$	30 June 2019 \$
17 Commitments For Expenditure			
Contractual commitments			
Contractual commitments at end of financial year but not recognised in the financial statements are as follows:			
Other community and depot facilities including management services		-	439,305
Information Technology and Accounting and Management System		-	147,400
Infrastructure and asset management management		1,443,322	87,762
Plant acquisitions		-	714,142
Water infrastructure		-	1,213,658
		<u>1,443,322</u>	<u>2,602,267</u>

18 Contingent Liabilities

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

Local Government Mutual

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

As at 30 June 2019 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare:

The Diamantina Shire Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$211,527.84.

Department Housing and Public Works

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements For the Year Ended 30 June 2020

	Note	30 June 2020 \$	30 June 2019 \$
19 Superannuation			
<p>Council contributes to the LGIASuper Regional Defined Benefits Fund (the scheme), at the rate of 12% for each permanent employee who is a defined benefit member. This rate is set in accordance with the LGIASuper trust deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the <i>Local Government Act 2009</i>.</p>			
<p>The scheme is a defined benefit plan, however Council is not able to account for it as a defined benefit plan in accordance with AASB119 because LGIASuper is unable to account for its proportionate share of the defined benefit obligation, plan assets and costs.</p>			
<p>Any amount by which the scheme is over or under funded may affect future benefits and result in a change to the contribution rate, but has not been recognised as an asset or liability of the Council.</p>			
<p>Technically Diamantina Shire Council can be liable to the scheme for a portion of another local governments' obligations should that local government be unable to meet them. However the risk of this occurring is extremely low and in accordance with the LGIASuper trust deed changes to council's obligations will only be made on the advice of an actuary.</p>			
<p>The last completed actuarial assessment of the scheme was undertaken as at 1 July 2018. The actuary indicated that "At the valuation date of 1 July 2018, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.</p>			
<p>No changes have been made to prescribed employer contributions which remain at 12% of employee assets and there are no known requirements to change the rate of contributions.</p>			
<p>The next triennial review is not due until 1 July 2021.</p>			
<p>The most significant risks that may result in LGIASuper increasing the contribution rate, on the advice of the actuary, are:</p>			
<p>Investment risk - The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.</p>			
<p>Salary growth risk - The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.</p>			
<p>The amount of superannuation contributions paid by Diamantina Shire Council to the superannuation scheme in this period for the benefit of employees was:</p>			
	5	517,561	478,974

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements For the Year Ended 30 June 2020

	Note	30 June 2020 \$	30 June 2019 \$
20 Transactions with Related Parties			
Council did not have any subsidiaries, transactions with associates or transactions with joint ventures.			
(a) Transactions with key management personnel (KMP)			
KMP include the Mayor, Councillors, Council's Chief Executive Officer, Deputy Chief Executive Officer, Infrastructure Manager and Tourism and Events Manager. The compensation paid to KMP comprises:			
Short-term employee benefits		1,197,590	1,040,689
Post-employment benefits		26,189	97,037
Long-term benefits		108,559	22,286
		<u>1,332,337</u>	<u>1,160,011</u>
(b) Transactions with other related parties			
Other related parties include the close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members. Close family members include a spouse, child and dependent of a KMP or their spouse. Details of transactions between Council and other related parties are disclosed below.			
(i) All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with the Award for the job they perform. The council employs 65 staff of which 7 are close family members of key management personnel.			
Employee expenses for close family member of key management personnel (7 employees)		319,497	126,111
Purchases of materials and services from other related parties		501,918	91,430
		<u>821,415</u>	<u>217,540</u>
(ii) The Council purchased the following material and services from entities that are controlled by members of key management personnel. All purchases were at arm's length and were in the normal course of council operations:			
Details of materials and services purchased			
Transport services		444,092	12,708
Accounting and information technology consulting		12,183	23,238
Cleaning services		3,016	1,218
Tours sold at a commission on behalf of local touring supply entity		8,390	54,266
Plumbing services		34,037	-
Other		200	-
		<u>501,918</u>	<u>91,430</u>
(c) Transactions with related parties			
Purchases of goods and materials from an entity managed by key management personnel or related party of KMP		137,798	119,597
		<u>137,798</u>	<u>119,597</u>
All purchases were at arm's length, on normal terms and conditions and were in the normal course of council's operations.			
(d) Outstanding balances			
At 30 June 2020, amounts outstanding totalled \$78,523.78. This related to rates outstanding from Mayor, Cr. R Dare. Council is pursuing this debt in accordance with the approved debt collection policy. No expense has been recognised in the current year or prior year for bad and doubtful debts in respect of amounts owned by related parties.			

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements For the Year Ended 30 June 2020

	Note	30 June 2020 \$	30 June 2019 \$
21 Reconciliation of Net Result for the Year to Net Cash Inflow (Outflow) From Operating Activities			
Net result		(739,361)	2,159,432
Non-cash items:			
Depreciation		4,468,729	4,380,630
Write off WIP to P&L		11,498	-
Land revaluation decrement		-	577,495
Investing and development activities (non-cash) :			
Net loss on disposal of plant and equipment		2,144	20,114
Capital grants and contributions		(1,739,852)	(2,415,944)
		<u>2,742,519</u>	<u>2,562,295</u>
Changes in operating assets and liabilities :			
(Increase) / decrease in receivables		950,139	(874,395)
(Increase) / decrease in inventory		(320,027)	45,438
(Increase) / decrease in contract assets		(163,003)	
Increase / (decrease) in payables		223,380	194,714
Increase / (decrease) in contract liabilities		2,154,624	-
Increase / (decrease) in provisions		323,999	79,315
		<u>3,169,112</u>	<u>(554,928)</u>
Net cash inflow from operating activities		<u><u>5,172,270</u></u>	<u><u>4,166,800</u></u>

Refer Note 14 for reconciliation of liabilities arising from financing activities (2020: Nil; 2019: Nil)

22 Events after the Reporting Period

There were no material adjusting events after reporting date.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2020

23 Financial Instruments

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

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

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

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

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

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

Credit Risk

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

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

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

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

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

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

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

	Note	2020	2019
Financial assets		\$	\$
Cash and cash equivalents	8	15,371,114	16,531,923
Receivables - rates	9	322,037	301,562
Receivables - other	9	1,200,756	2,114,095
Other current assets	9	-	26,936
Contract assets	9	962,646	-
Total		17,856,553	18,974,515

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2020

Liquidity Risk

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

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

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

	0 to 1 year	1 to 5 years	Over 5 years	Total Contractual Cash Flows	Carrying Amount
	\$	\$	\$	\$	\$
2020					
Trade and Other Payables	1,480,026	-	-	1,480,026	1,480,026
Loans QTC	268,357	764,421	1,694,480	2,727,258	2,192,676
	1,748,383	764,421	1,694,480	4,207,284	3,672,702
2019					
Trade and Other Payables	1,256,646	-	-	1,256,646	1,256,646
Loans QTC	268,357	878,735	1,848,523	2,995,614	2,384,937
Totals	1,525,003	878,735	1,848,523	4,252,261	3,641,583

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

Interest rate risk

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

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

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements For the Year Ended 30 June 2020

24 Changes in accounting policies

During the year ended 30 June 2020, the Council has adopted AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-Profit Entities* and AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method and therefore the comparative information for the year ended 30 June 2019 has not been restated and continues to comply with AASB 111 *Construction Contracts*, AASB 117 *Leases*, AASB 118 *Revenue*, AASB 1004 *Contributions* and associated Accounting Interpretations.

All adjustments on adoption of AASB 15, AASB 1058 and AASB 16 have been taken to retained earnings at 1 July 2019.

The impacts of adopting these standards and associated transition disclosures are provided below.

Revenue standards AASB 15 and AASB 1058

The following options have been applied on transition to AASB 15 and AASB 1058:

- Council has not adopted the completed contract expedient and therefore has not excluded revenue which was fully recognised in previous years in accordance with the former accounting standards and pronouncements
- Council has not retrospectively restated contracts for modifications that occurred before 1 July 2019 unless such contract modification were minor.

Changes in accounting policy on adoption of AASB 15 and AASB 1058

An overview of Council's new revenue recognition policies are outlined in Note 3 and Note 4. The main impact was in relation to Council's grant revenue. In applying these standards for the first time, Council is now required to recognise a contract assets or liability based on the underlying nature of each contract and Council's satisfaction of associated performance obligations.

Opening contract balances on transition at 1 July 2019

Contract assets

Under AASB 15	197,363
Under AASB 1058	602,280
	<u>799,643</u>

Contract liabilities

Under AASB 15	530,216
Under AASB 1058	150,000
	<u>680,216</u>

The net impact of applying this standard (\$119,427) was recognised as an adjustment to opening retained surplus on 1 July 2019.

Comparison of affected financial statement lines between AASB 15 / AASB 1058 and previous revenue standards

The following table shows the amount by which the financial statement line item is affected by the application of AASB 15 and AASB 1058 as compared to the previous revenue standards.

	As at 30 June 2020	Adjustments	Carrying amount if previous standards had been applied
Contract assets	962,646	962,646	-
Contract liabilities	2,834,840	2,834,840	-
Operating grants, subsidies and contributions	6,438,473	(734,822)	7,173,295
Capital grants, subsidies and contributions	1,739,852	(1,256,799)	2,996,651
Retained earnings	161,593,137	(2,008,514)	163,601,651

Statement of cashflows for the year ended 30 June 2020

The adoption of AASB 15 and AASB 1058 has not caused a material change to the statement of cashflows for the year ended 30 June 2020.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2020

Lease standard AASB 16

Council as a lessee:

Under the previous lease accounting standard, Council assessed whether leases were operating or finance leases, based on its assessment of whether the significant risks and rewards of ownership had been transferred to Council or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low-value assets). Council has used the exception to lease accounting for short-term leases and leases of low-value assets, and the lease expense relating to these leases is recognised in the Statement of Comprehensive Income on a straight-line basis.

Council has not identified any other leases in scope of AASB 16 which are not covered by the aforementioned exceptions. Accordingly there was no impact to Council's financial position at 1 July 2019 when this standard became effective.

Council as a lessor:

Lessor accounting provisions are largely unchanged as a result of AASB 16. Accordingly there was no impact to Council's financial position at 1 July 2019 when this standard became effective.

AASB 16 introduces new disclosure requirements (for lessees and lessors) which have been reflected in Council's financial statements for the first time for the year ended 30 June 2020.

DIAMANTINA SHIRE COUNCIL

ANNUAL FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

MANAGEMENT CERTIFICATE

For the Year Ended 30 June 2020

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 31, 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
Robert Dare

Date: 26 / 10 / 2020



Chief Executive Officer
Leon Love

Date: 26 / 10 / 2020

DIAMANTINA SHIRE COUNCIL

Current Year Financial Sustainability Statement

For the Year Ended 30 June 2020

Measures of Financial Sustainability - How the measure is calculated		Actual	Target
Council's Performance at 30 June 2020 against any key financial ratio's and targets:			
Operating Surplus Ratio	Net Result (excluding capital items) divided by total operating revenue (excluding capital items)	(14.0)%	Between 0% and 10%
Asset Sustainability Ratio	Capital Expenditure on the replacement of assets (Renewals) divided by depreciation expense	46.4%	Greater than 90%
Net Financial Liabilities Ratio	Total liabilities less current assets divided by total operating revenue (Excluding Capital Items)	(67.7)%	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 2020.

CERTIFICATE OF ACCURACY For the year ended 30th June 2020

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
Robert Dare

Date: 26 / 10 / 2020 .



Chief Executive Officer
Leon Love

Date: 26 / 10 / 2020

DIAMANTINA SHIRE COUNCIL

Unaudited Long Term Financial Sustainability Statement Prepared as at 30 June 2020

Measures of Financial Sustainability	How the Measure is Calculated	Target	Actual	Projected for the years ended										
			30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	
Operating Surplus Ratio	Net Result (excluding capital items) divided by total operating revenue (excluding capital items)	Between 0% and 10%	(14.0)%	(5.1)%	(6.5)%	(6.3)%	(6.2)%	(6.0)%	(5.9)%	(5.7)%	(5.6)%	(5.5)%	(5.4)%	
Asset Sustainability Ratio	Capital Expenditure on the replacement of assets (Renewals) divided by depreciation expense	Greater than 60%	46.4%	248.3%	104.0%	103.0%	101.8%	100.5%	99.1%	97.5%	95.9%	94.2%	92.5%	
Net Financial Liabilities Ratio	Total liabilities less current assets divided by total operating revenue (Excluding Capital Items)	Not Greater than 60%	(67.7)%	(27.9)%	(27.8)%	(27.8)%	(28.1)%	(28.5)%	(29.2)%	(30.1)%	(31.2)%	(32.5)%	(34.1)%	

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 2020

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 21(2) of the Regulation we certify that this long-term financial sustainability statement has been accurately prepared.


Mayor
Robert Dare
Date: 26/10/2020


Chief Executive Officer
Leon Love
Date: 26/10/2020