

CHARTERS TOWERS REGIONAL COUNCIL

ANNUAL REPORT

2019/2020



ACKNOWLEDGEMENT OF COUNTRY

Charters Towers Regional Council is committed to honouring Australian Aboriginal and Torres Strait Islander peoples unique cultural and spiritual relationships to the land, waters and seas and their rich contribution to our society.

We acknowledge the people of the Gudjala, Gugu Badhun, Birriah and Jangga first nation lands on which Charters Towers and its greater region are located, and is where we conduct our business. We pay our respects to ancestors and Elders, past, present and emerging.

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Charters Towers Regional Council

PO Box 189

ADMINISTRATION: 12 Mosman Street

Charters Towers Qld 4820 Australia

PH: (07) 4761 5300 | F: (07) 4761 5344

E: mail@charterstowers.qld.gov.au

www.charterstowers.qld.gov.au

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MAYOR'S MESSAGE



COUNCILLOR FRANK BEVERIDGE

The past year is one that will be remembered for the immense uncertainty and challenges of COVID-19 and, for our Region, continued recovery from the previous year's monsoonal trough event which took a toll on many of our roads and related infrastructure.

Local Government elections were held in March 2020 with myself being elected as Mayor (following previously being Mayor in 2012-2016) along with Councillors Julie Mathews and Kate Hastie entering office for the first time to join re-elected Councillors Sonia Bennetto (Deputy Mayor), Alan Barr, Graham Lohmann and Bernie Robertson.

This has meant both the benefit of 'fresh eyes' as well as continued stability in Council's direction. In particular, a matter close to my heart has been how Council and I advocate for community issues that require support from State and Federal Governments, as well as other bodies like the Local Government Association of Queensland and, closer to home, Townsville Enterprise.

This has seen us continually work hard behind-the-scenes as well as lobby front-and-centre for matters like Big Rocks Weir and flying-fox management. I am confident we will soon reap the benefits of seeds we have sown for these issues and other such issues as we deliver initiatives that will enable our community to remain resilient through whatever challenges come our way.

On that note, I look forward to continuing to represent you as Mayor in the years ahead.

**"...THE BENEFIT OF
'FRESH EYES' AS
WELL AS CONTINUED
STABILITY..." - MAYOR
FRANK BEVERIDGE**



CHIEF EXECUTIVE OFFICER'S MESSAGE

AARON JOHANSSON

From an organisational point of view the past year has seen significant achievements through Council's Operational Plan and Organisational Development Plan which supports the five-year Corporate Plan.

This has been despite the challenges of COVID-19 and I encourage everyone to read this report to see the achievements Council's made for the community as they relate to the seven Corporate Plan pillars:

Economic Development | Tourism | Infrastructure and Sustainability
Water | Community | Advocacy | Our Organisation

Of particular note, significant milestones such as the following were delivered:

- **Finalisation of the Planning Scheme and Local Government Infrastructure Plan (LGIP) which establishes infrastructure necessary to support population and employment growth;**
- **Finalisation of the Water Treatment Plant Upgrade and other related works – our largest capital project in recent times totalling \$21.55million, backed by \$8.65million of funding from the Federal Government; and**
- **Delivery of an \$11.7million 2019/20 budgeted capital works program.**

Furthermore, we completed the relocation of staff from City Hall to the Administration Centre to create a centralised customer service location.

Lastly, I would like to thank the two long-standing Directors Marnie Taylor, Corporate and Community Services and Cameron Scott, Infrastructure Services for their many years of dedicated service who departed the organisation this August but contributed significantly to these achievements in the last year and many before. I look forward to working with our elected members under the guidance of Mayor Beveridge for the long-term prosperity for the community we serve.

"...THE PAST YEAR HAS SEEN CONTINUED PROGRESS THROUGH COUNCIL'S OPERATIONAL PLAN AND ORGANISATIONAL DEVELOPMENT PLAN..." – CHIEF EXECUTIVE OFFICER AARON JOHANSSON

ORGANISATIONAL STRUCTURE

COMMUNITY AND COUNCIL

Charters Towers Regional Council is governed by the Mayor and Councillors, who are elected by and represent the community.

Each Councillor has been assigned a portfolio that directly aligns to a key strategic focus area identified in Council's Corporate Plan.

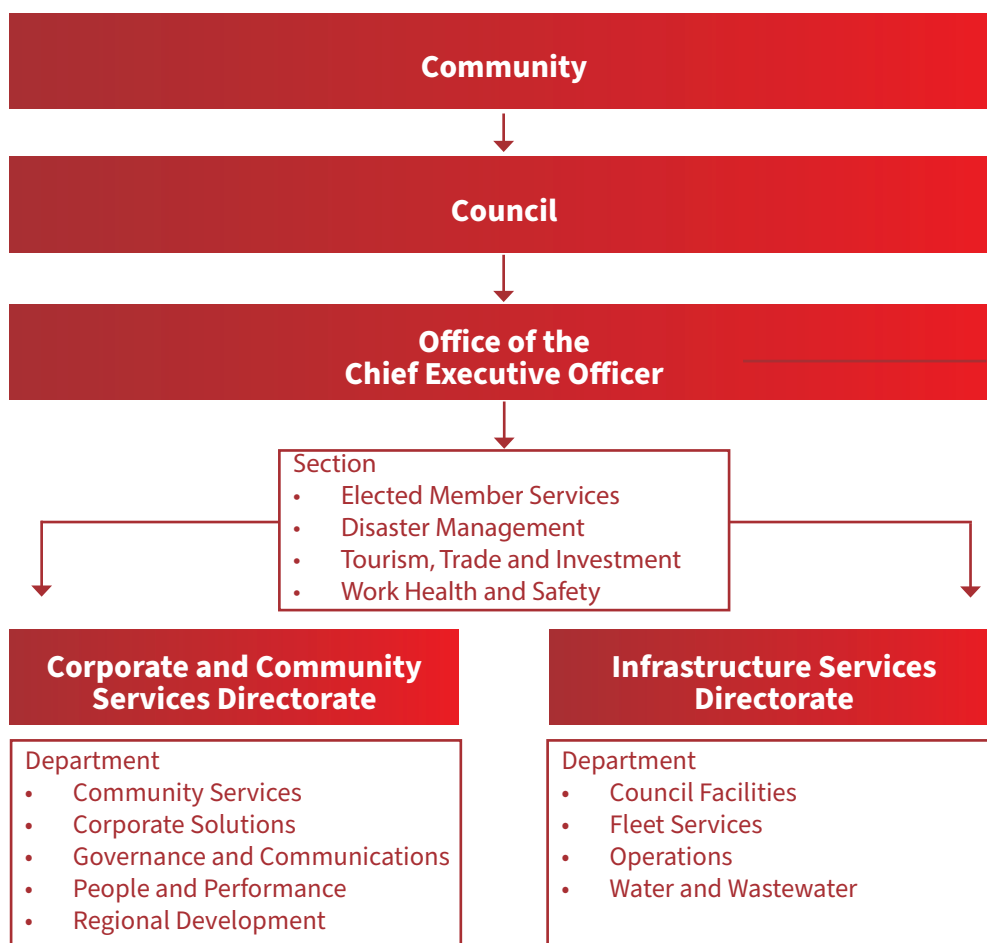
EXECUTIVE LEADERSHIP TEAM (ELT)

The Chief Executive Officer is the head of the organisation and oversees the Executive Leadership Team, consisting of the Chief Executive Officer and the two Directors.

The Chief Executive Officer also has direct oversight of four operational sections: Elected Member Services; Disaster Management; Tourism, Trade and Investment and Work Health and Safety.

MANAGEMENT LEADERSHIP TEAM (MLT)

The Management Leadership Team consists of each Department Manager as well as the ELT.



COUNCIL

MAYOR

FRANK BEVERIDGE

**Ex-Officio - All Portfolios |
Advocacy**



SONIA BENNETTO

**Deputy Mayor
Economic Development and
Planning**



JULIE MATHEWS

**Councillor
Tourism**



BERNIE ROBERTSON

**Councillor
Infrastructure and
Sustainability**



KATE HASTIE

**Councillor
Infrastructure and
Sustainability**



ALAN BARR

**Councillor
Water and Wastewater**



GRAHAM LOHMANN

**Councillor
Community**

STRATEGIC FRAMEWORK

The Annual Report is an important monitoring and measurement document that fits within the wider strategic framework, linking back to the Corporate Plan priorities. The strategic framework includes long, medium and short term plans which set the direction for what Council does and what Council aims to achieve as an organisation to benefit the Region.



THE CORPORATE PLAN IS A FIVE YEAR STRATEGIC ROAD MAP FOR THE REGION, WHICH IDENTIFIES PROJECTS, OPERATIONS, AND SERVICES COUNCIL WILL IMPLEMENT OVER THE LIFE OF THE PLAN.

THE OPERATIONAL PLAN AND BUDGET ARE ANNUAL DOCUMENTS THAT OUTLINE HOW COUNCIL WILL ACHIEVE THE CORPORATE PLAN OUTCOMES FOR THE FINANCIAL YEAR.





**QUARTERLY PROGRESS REPORTS
ARE COMPLETED EACH QUARTER TO
TRACK THE PROGRESS OF PROJECTS,
INITIATIVES AND ACTIVITIES SET OUT
IN THE OPERATIONAL PLAN.**

**DOCUMENT CREATED AT THE END OF
EACH FINANCIAL YEAR PROVIDING A
SUMMARY OF WHAT COUNCIL HAS
ACHIEVED FOR THE YEAR.**



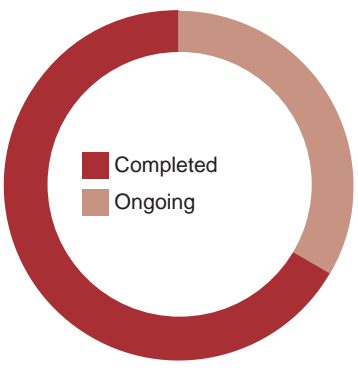


OPERATIONAL PLAN

Council's Corporate Plan 2018-2023 sets the strategic direction for Council and the community for the next five years. It is a requirement under the *Local Government Regulation 2012* to produce an annual Operational Plan. It details how Council will achieve the Corporate Plan in the given financial year. The Operational Plan incorporates seven major strategic initiatives, which have been identified in the Corporate Plan and highlighted as priority focus areas.

The following sections summarise the progress of achievement against objectives detailed in the 2019/20 Operational Plan.

ECONOMIC DEVELOPMENT PROJECTS



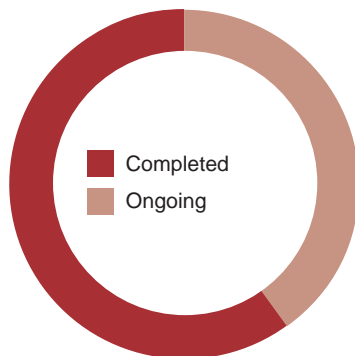
Key Projects	Status
Continue the promotion of sale of land for industrial development	Completed
Identify and promote “shovel ready” parcels of land for residential development	Ongoing
Development of an air, road and rail logistics hub	Ongoing
Advocate for a staged approach to delivery of the Hells Gate Dam project with a focus on early works such as Big Rocks Weir	Completed
Prepare an Economic Development Strategy 2019 -2024 as a priority for the 2019-2020 year	Completed
Prepare a “Priority Projects Prospectus” document to assist in obtaining funding from both government and private proponents	Completed

TOURISM PROJECTS



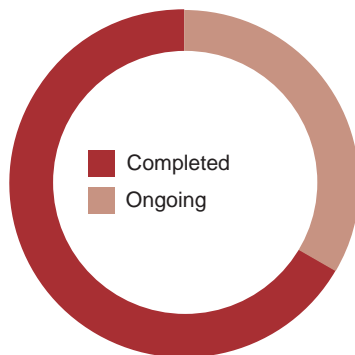
Key Projects	Status
Commence the development of a tourism strategy (Jan 2020) in accordance with the Building Better Regions Round 3 (Tourism) funding	Completed

INFRASTRUCTURE AND SUSTAINABILITY PROJECTS



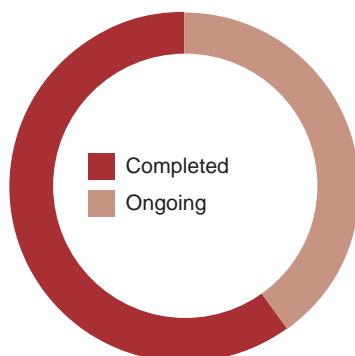
Key Projects	Status
Completion of the Capital Works Program within each financial year	Completed
Works for Queensland Program Stage 3 and undertake planned works in 2019/20	Ongoing
Complete the Asset Management Plans for all identified classes of assets	Ongoing
Finalise and adopt the Local Government Infrastructure Plan for the region	Completed
Review of traffic counts and hierarchy for urban and rural networks	Completed
Investigate solar power connections for Council facilities	Ongoing
Future planning for Charters Towers waste management	Ongoing
Implementation of a regional Waste Management Strategy	Completed
Implementation of a Trade Waste Management Plan	Completed

WATER PROJECTS



Key Projects	Status
Water Infrastructure Upgrade Project (WIUP)	Completed
Develop a plan to augment rising mains and reservoirs to match upgraded Water Treatment Plant capacity	Completed
Development of a "Water Demand" Strategy	Ongoing

COMMUNITY PROJECTS



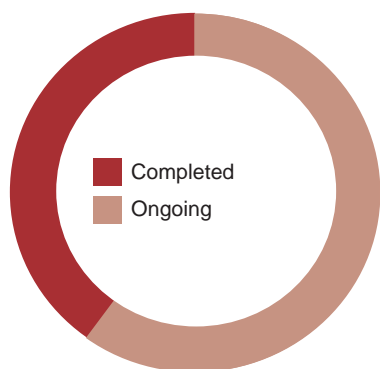
Key Projects	Status
Continued support of the development of arts-based programs through funds, grants and joint initiatives	Completed
Establish a Community Engagement Policy	Ongoing
Community Events - Conduct the Towers Rush event 2019	Completed
Planning for the Region's 150 year anniversary in 2022	Ongoing
Disaster response and recovery	Completed
Ongoing commitment to Indigenous Land Use Agreements (ILUA's)	Completed

ADVOCACY PROJECTS



Key Projects	Status
Prepare a "Priority Projects Prospectus" document to assist in obtaining funding from both government and private proponents	Completed
Lobby for the Northern Alliance of Councils' Annual Conference to be held in Charters Towers during Q1 2020/21	Completed
Specifically pursue opportunities for a new hospital, the inland highway and a permanent military presence in the region	Completed

OUR ORGANISATION PROJECTS



Key Projects	Status
Develop and adopt a comprehensive financial planning model	Ongoing
Integrate financial plans with asset management plans	Ongoing
Significantly improve reporting regime which may include periodic external review	Ongoing
Implementation of OneCouncil Enterprise Resource Platform - Phase One	Ongoing
Implement mentoring and succession planning	Completed
Completion of amalgamation of Administration Offices	Completed
Finalise amalgamation of depot arrangements	Ongoing
Re-design of Council's website	Completed

ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT AND INNOVATION STRATEGY (EDIS)

Council outlined the need for a strong Economic Development and Innovation Strategy in its 2018-2023 Corporate Plan. The key purpose is to facilitate ways to develop innovation, support start-ups and small business growth, and identify educational opportunities for a more liveable and economically vibrant region.

Council started community engagement sessions in February 2020 with strong engagement at each session. Seven strategic themes were identified as key areas of focus to drive growth and give direction to the Strategy's Action Plan.

These include:

1. Strengthening Local Business and Industry
2. Investing in People
3. Building Infrastructure for the Future
4. Expanding the Visitor Economy
5. Creating a Vibrant "Economic Destination"
6. Promoting Local Innovation
7. Developing the Education Sector

Note, the final EDI Strategy was adopted by Council in September 2020.

BIG ROCKS WEIR

Council continued to advocate for the realisation of Big Rocks Weir; a project that would provide both long-term water security for the Region and open up development of up to 5,000ha of irrigated agricultural land in close proximity to the river and create more than 400 full time equivalent local jobs post construction.

Council advocated to the State Government with its State Election Priorities – Queensland 2020 campaign, recommending Council be appointed as the proponent during the construction of the weir and be owner/operator to ensure job and economic security for the region.

In October 2020 the project was awarded \$30million in State Government funding to match the \$30million of funding provided by the Federal Government. As the proposed proponent of the project, Council will work in partnership with Federal and State Governments to undertake preconstruction activities.



STOCKROUTE ROAD – 777 BLOCK

Council purchased 777ha of land along Stockroute Road at Sellheim. The primary purpose is to provide land for potential investment opportunities in the Region.

Known as the '777 Block', the land was chosen because of its proximity to Charters Towers' CBD, access to electricity and its environmental features that make it versatile and attractive for a variety of industrial uses.

The decision to purchase the land aligns with the key objectives outlined in the Corporate Plan 2018-2023. Council will undertake an Engineering Constraints Assessment and Master Planning Report for the area in readiness for investors.

TOURISM

DESTINATION MANAGEMENT PLAN

Tourism is a vital industry for the Charters Towers Region, and in December 2019 Council engaged a consulting firm to research and create a regional Destination Management Plan (DMP). It aims to increase the appeal of the Region to visitors and create compelling reasons for tourists to visit throughout the year. An in-depth community engagement process, was undertaken with key stakeholders to establish key goals for the Charters Towers tourism industry over the next five years, such as:

- Growing overnight visitation by target markets
- Increasing visitor spending in the region
- Extending the tourism shoulder seasons
- Increasing destination awareness in target markets
- Increasing visitor satisfaction

The DMP focuses on rethinking target visitor markets, the experiences offered, value adding and enhancing the tourism experience. It focuses on working smarter to get the most out of the existing knowledge and quality tourism products in the Region. The project was funded through the Federal Government's Building Better Regions Fund.

**...INCREASE THE APPEAL OF THE REGION
TO VISITORS AND CREATE COMPELLING
REASONS FOR TOURISTS TO VISIT
THROUGHOUT THE YEAR...**



UPGRADE TO MACROSSAN PARK

About \$50,000 was spent on infrastructure upgrades at the Macrossan Recreation Reserve. The Council-maintained reserve is a popular camping and caravanning destination for both locals and tourists. The site was significantly damaged after the 2019 flooding event.

The upgrades included the installation of galvanised pipe bollard with push on caps along the boundary line, river road frontage road treatment and treatment to the camp area facilities. Money from the project came from the State Government's Works for Queensland (W4Q) program.

INFRASTRUCTURE AND SUSTAINABILITY

WI-FI HOTSPOTS

Free public wi-fi has been made available at major locations in Charters Towers. The project involved Council expanding the IT communications network, including the installation of fibre optic cable and additional CCTV cameras throughout Charters Towers.

The initiative was part of the Smart Cities project which was 60 per cent funded from the Local Government Grants and Subsidies Program. Council funded the remaining 40 per cent as part of the funding requirements.

The IT expansion works were fully funded by the Works for Queensland (W4Q) program. Free Wi-Fi is available at Gill Street, Towers Hill (at the lookout and bunkers), Kennedy Regiment Memorial Pool, Council offices, sections of Centenary Park, Visitor Information Centre, sections of Lissner Park, World Theatre, the Airport, Excelsior Library and the Dalrymple Saleyards.

LOCAL GOVERNMENT INFRASTRUCTURE PLAN (LGIP)

In October 2019, Council released its new draft Charters Towers Regional Local Government Infrastructure Plan (LGIP) for community consultation. Locals were able to have their say about how the plan addressed the future infrastructure needs of the Region.

It was approved by the Minister of the Department of State Development, Manufacturing Infrastructure and Planning in December 2019 and adopted by Council in January 2020. The LGIP is a requirement under the *Planning Act 2016* and helps Council plan for the delivery of infrastructure across the region. A few of the key purposes of the LGIP includes guidance for future capital works (not maintenance), assistance with long term financial and infrastructure planning; ensure future infrastructure is planned and provided in an efficient and coordinated manner and aligns with the Regional Town Plan; allow Council to levy infrastructure charges on new development; and provide ongoing transparency about Council's plans for the provision of future infrastructure to support growth and residents across the region.





FLOOD DAMAGE RESTORATION WORKS

Council submitted a works package to the Queensland Reconstruction Authority following the 2019 North and Far North Queensland Monsoon Trough event. It came less than 12 months after the North Queensland flooding event in 2018. Several road networks across the Charters Towers Region were left damaged from the two significant rain events.

In total, 17 work packages were approved for the Region. Reconstruction works have been jointly funded by the Federal and State Governments under the Disaster Recovery Funding Arrangements (DRFA). Council has also set up a live map on its website to allow residents to see the progress on each of the work packages.

...THE WIFI HOTSPOTS PROJECT INVOLVED COUNCIL NEEDING TO EXPAND THE IT COMMUNICATION NETWORK, INCLUDING INSTALLING FIBRE OPTIC CABLE AND ADDITIONAL CCTV CAMERAS THROUGH CHARTERS TOWERS...

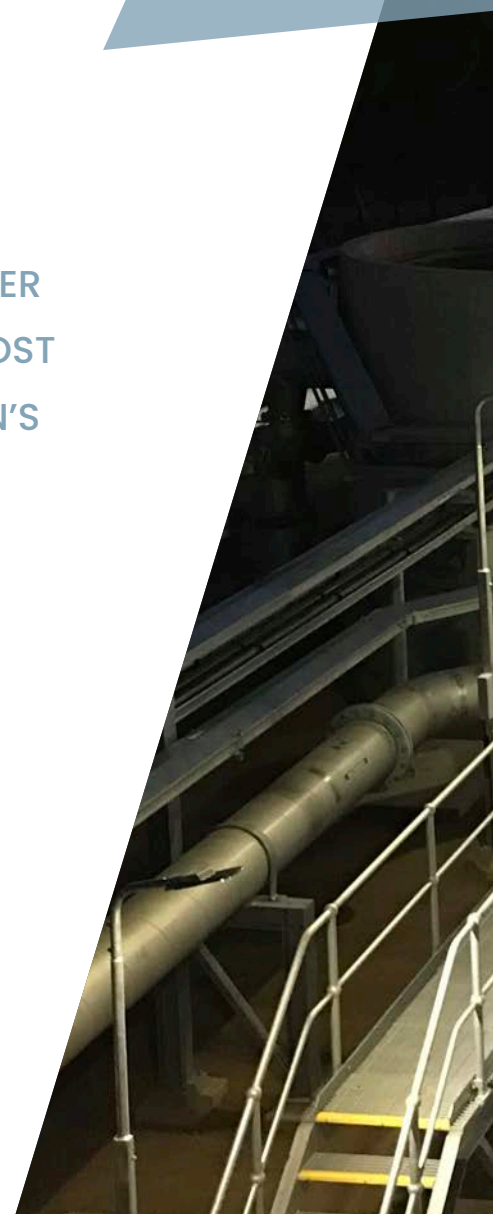
WATER

WATER UPGRADE IMPROVEMENT PROJECT – STAGE ONE

Council completed stage one of the Water Infrastructure Upgrade Project (WIUP). The WIUP is a four-stage project set out by Council to address ageing water infrastructure and services across the Charters Towers Region. Stage one saw upgrades to the raw water system and water treatment plant at a cost of \$21.55million and was one of the Region's largest capital projects in recent times.

Work was completed on the Charters Towers Water Treatment Plant, booster pump station and Phil Matthews (Burdekin Weir) Pump Station to increase water production capacity to 22 megalitres per day. The Council covered \$12.9million of the cost, the remainder came from the Federal Government's National Stronger Regions Fund.

...STAGE ONE SAW UPGRADES TO THE RAW WATER SYSTEM AND WATER TREATMENT PLANT AT A COST OF \$21.55MILLION AND WAS ONE OF THE REGION'S LARGEST CAPITAL PROJECTS IN RECENT TIMES...





COMMUNITY

TOWERS RUSH

Towers Rush is a challenge-based scavenger hunt event targeted at people of all ages and fitness levels to 'get moving'. Hundreds of people flocked to the Region for the 5th annual Towers Rush event that took place on Sunday, 27 October 2019. Teams of between two and five people competed in a variety of challenges and activities across Charters Towers. Some of those included a mini ninja warrior course, fishing challenges, underwater puzzle solving, tightrope walking, "minute to win it" style games and more. The event continues to grow in size and popularity since it first started in 2015. It is now one of the most anticipated events on the Charters Towers calendar.

OPEN SPACES PROJECTS

In early 2019 Council received \$2.97million in funding from the State Government's Works for Queensland (W4Q) program. Council allocated \$400,000 of that to a number of open spaces projects in the Region. They include the all-abilities access and landscaping improvements at Rotary Lookout and drainage and asphaltting improvements at the Centenary Park and Defiance Mill Park carparks.

CENTENARY PARK EXERCISE EQUIPMENT

About \$150,000 of new playground and exercise equipment was installed at Centenary Park. A new cableway, gyro swing, seesaw, and carousel were installed at the playground. Meanwhile, anyone wanting to get fit can now use the new power bike, free runner, bench press, and cross-trainer. The money came from the State Government's Works for Queensland (W4Q) program. The program allows regional councils to undertake capital improvement projects without placing the financial burden on ratepayers.



**...\$150,000 OF NEW PLAYGROUND AND EXERCISE EQUIPMENT
HAS BEEN INSTALLED AT CENTENARY PARK...**



WEIR RECREATION AND SKI PARK

Restrictions were recently eased on the types of activities allowed at the Weir and water skiing and the use of powered watercraft is now permitted. The Weir Recreation and Ski Park Reference Group worked with Maritime Safety Queensland to adopt a jointly developed risk assessment for the area. In October 2019 the Charters Towers Regional Council and the Weir Recreation and Ski Park Reference Group officially opened the space to expanded activities. The area has now become a popular spot for locals and visitors.

FESTIVAL OF SMALL HALLS

Festival of Small Halls is a series of tours that takes the best folk and contemporary acoustic artists performing at two of our country's largest festivals, and sends them on the road to tiny halls in regional communities. Council was pleased to host the Festival at the 'Towers Players' venue in November 2019.

COMMUNITY

TOWERS HILL COMES TO LIFE: AUGMENTED REALITY AND SOLAR LIGHTS

Council continued to add to the appeal and versatility of Towers Hill with lighting upgrades and an augmented reality experience. Through the State Government's Works for Queensland (W4Q) program Council was able to install vandalism-proof solar lighting along the popular walking track. The \$280,000 project saw the installation of 38 brand new solar lights. The P4 standard lighting helps improve pedestrian safety and allows users to take advantage of the walkway at a time that suits them.

... USERS ARE ABLE TO IMMERSE THEMSELVES IN AN INTERACTIVE WORLD WAR II EXPERIENCE THROUGH THEIR SMART DEVICE...

Council also moved to bring World War II to life with an augmented reality experience at Towers Hill. The rich military history of the site is available via the 'Towers Hill in WWII' app which can be downloaded through the App Store or Google Play. Using a combination of real life and computer-generated images, users are able to immerse themselves in an interactive World War II experience through their smart device. It includes being able to watch B-25 bombers flyover or explore inside a virtual bunker. To celebrate the new project, Council invited the community to a grand opening ceremony on Monday, 15 July 2019 at Towers Hill. The project cost \$54,000 and formed part of the Towers Hill Abilities Ramp Project, fully funded by the Works for Queensland(W4Q) program.

ARTS AND CULTURAL DEVELOPMENTS FOR THE REGION

The development of the arts and cultural sector in the Charters Towers region was a key objective for Council.

A new Performing Arts and Cultural Advisory Committee was formed to help advise Council on arts and cultural issues. Council will use the Committee's advice to help shape the sectors direction for the future. Charters Towers Regional Council was also pleased to finalise the Arts and Culture Investment Plan in early 2020. The plan was shaped following community consultation with local arts and cultural groups and individuals. It outlines a path to creating a strong and vibrant arts and cultural scene in the wider Charters Towers Region. Due to the COVID-19 (Coronavirus) pandemic the official plan launch will commence in late 2020.



ADVOCACY

Council continued to work closely with key political stakeholders to commit to fund vital and worthwhile infrastructure projects for the region. Council compiled a list of priority projects to help the next elected State Government identify what is needed to help advance the region. Some of the projects Council advocated for were:

BIG ROCKS WEIR

Long-term water security continued to be one of the main issues Council focused on achieving. The Big Rocks Weir project will unlock opportunities across the Charters Towers Region for industries like irrigated agriculture, intensive farming, agritourism, and industrial development. Council requested not only for a funding commitment for the project but also to be the proponent for the construction of the weir and to be the owner/operator of the facility.

FLYING-FOX MANAGEMENT

The increasing number of flying-foxes continued to negatively impact the Charters Towers community both economically and environmentally. The Charters Towers Regional Council continued to advocate for the State Government to take full responsibility for flying-fox management and work with Council to develop sustainable solutions.

TRANSPORT INFRASTRUCTURE

Council advocated State and Federal Governments to provide a longer-term vision for transport infrastructure in the Charters Towers Region. Both the Flinders Highway and Gregory Development Road need essential upgrades if they're to serve as an alternative to the north-south route to the Bruce Highway. Upgrading the Region's transport infrastructure will help service agricultural trade while also unlocking increased economic development opportunities.

IMPROVED HEALTH SERVICES

The Charters Towers Region is suffering from a lack of adequate medical services and a not-fit-for-purpose hospital. The Council made governments aware of the need to increase speciality services in obstetrics, gynaecology, renal medicine, radiology and ultrasonography. Council also requested for the next State Government to fund a new hospital for Charters Towers.

...THE CHARTERS TOWERS REGION IS SUFFERING
FROM A LACK OF ADEQUATE MEDICAL SERVICES
AND A NOT-FIT-FOR-PURPOSE HOSPITAL...





OUR ORGANISATION

CITY HALL AND ADMINISTRATION CENTRE

All the Charters Towers Regional Council administrative operations are now in one location. In June 2019 staff began to relocate from City Hall to the Mosman Street Administration Centre to create a centralised customer service location. Chief Executive Officer Aaron Johansson said new office spaces were renovated on-site to accommodate the extra staff. "This move not only enhances the customer service experience for the community but also improves our internal operational efficiencies and reduces costs for ratepayers," he said. While City Hall is now closed to the public, it will be repurposed for community events like the recent City Hall Heritage Celebration Day. The event allowed the community to learn and explore the hall and gave Council the opportunity to trial the site for future community events.

"THE RELOCATION OF STAFF WILL NOT ONLY ENHANCE THE CUSTOMER SERVICE EXPERIENCE...BUT ALSO OUR INTERNAL OPERATIONAL EFFICIENCIES..."
- CHIEF EXECUTIVE OFFICER AARON JOHANSSON

LOCAL GOVERNMENT ELECTIONS

In April 2020 year the new Charters Towers Regional Council was sworn in. Local government elections were held across Queensland in late March. It was a mix of familiar and new faces voted in, including new Mayor Frank Beveridge. Councillors Sonia Bennetto, Alan Barr, Graham Lohmann and Bernie Robertson were returned for another term. Meanwhile, new Councillors Kate Hastie and Julie Mathews complete the new look Charters Towers Regional Council. Mayor Beveridge said it was a privilege to be voted in as mayor and he is committed to securing a prosperous future for the region.



NEW WEBSITE

The new Charters Towers Regional Council website was launched in June 2020. It's a significant update on the previous website, and further increased Council's ability to connect with the community. Users can go online to find the latest news, forms, publications, council minutes, contact information and more.

The website is one of the many communications tools Council will use to engage with the community. It will also continue to use Facebook, YouTube, and LinkedIn along with traditional media channels to help keep residents informed.

STATUTORY INFORMATION

BENEFICIAL ENTERPRISES

Council did not conduct any beneficial enterprises within the 2019/20 financial year.

CODE OF COMPETITIVE CONDUCT

In accordance with sections 45 and 47 of the *Local Government Act 2009*, Council resolved that the Code of Competitive Conduct did not apply to the Council's business activities for the following reasons:

Prescribed Business Activity section 39 (The Regulation)	Code of competitive conduct applied section 47 (7)	Reasons for not applying Code section 47 (8) of the <i>Local Government Act 2009</i>
Road Activity	No	Council's status as a sole invitee (Road Maintenance Performance Contract and Transport Infrastructure Contract – Sole Invitation) provides the basis for the works to be undertaken.
Water & Sewerage	No	This activity is not in direct competition with other service providers.
Saleyards	No	This activity is not in direct competition with other service providers.
Fleet Management	No	Council's fleet is primarily for internal needs such as maintaining public roads and streets.
Waste Management & Landfill	No	This activity is not in direct competition with other service providers.
Cinema Screenings	No	Cinema operations are conducted in conjunction with theatre/gallery activities and are not considered in direct competition with other service providers. Costs associated with cinema activities do not meet the threshold as prescribed by regulation.

Council did not commence any new business activities within this period.

None of Council's business activities satisfy the statutory threshold for classification as a significant business activity and as such the competitive neutrality principle was not applied.

During the 2019/20 financial year, there were no investigation notices provided to Council relating to competitive neutrality complaints, nor did the Queensland Competition Authority make any reportable recommendations to Council in relation to a competitive neutrality complaint.

SUMMARY OF ALL CONCESSIONS FOR RATES AND CHARGES GRANTED BY LOCAL GOVERNMENT

Council provides rating concessions on properties owned by pensioners registered with Centrelink, where the property is their principal place of residence and where the rate account is fully paid by 15 June within the rating period. The concession for eligible pensioners is made up of a remission calculated on the general rate, to a maximum of 27% of the general rate levy applicable to the rating category designated, capped at \$342 per year.

ADMINISTRATIVE ACTION COMPLAINT DISCLOSURE

In accordance with s268 of the *Local Government Act 2009* (the Act), an Administrative Directive provides instruction on the requirements of processing, recording, investigating and resolving of customer complaints (including administrative action complaints) in the appropriate manner in accordance with Council's Complaints Management Process. A complaint must be dealt with pursuant to the formal Complaint Management Process. Council is committed to dealing fairly with administrative action complaints and key staff have undertaken external training during this reporting year to assist in implementing and embedding Council's complaints framework across the organisation.

Complaints are viewed as an opportunity for improvement, providing feedback to Council about a service delivery experience or decision of Council. Analysis of the complaints received informs Council's continuous improvement process and generally improves the quality of Council's service. On the basis that 79 per cent of complaints during 2019/20 were resolved under the complaints process, and the remaining 21 per cent through external agency initiation, Council considers this a successful achievement rate and its performance meets expectation. All complaints initiated by an external agency were completed satisfactorily and no further action by the external agency was required.

A robust database of timely and accurate information is an integral component of improving customer satisfaction. Consequently, all complaints are electronically recorded. Council's electronic workflow process incorporates appropriate records of an officer's dealings with a complaint and a reporting function enables analysis of complaints to determine the root cause and to identify any apparent trends or systemic issues.

All complaints are recorded in the system, whether they are received verbally, in writing or via electronic means. Regular reports from the system are provided to senior management as part of Council's overall

customer service quality improvement strategy. For further information on Council's complaints management process, see <http://www.charters Towers Regional Council.gov.au/complaints-management>.

Council received 14 administrative action complaints during the 2019/20 financial year.

In accordance with s187(2) of the *Local Government Regulation 2012* (the Regulation), Council reports the following number of administrative action complaints:

Made to Council	14
Resolved by Council under the complaints management process	11
Not resolved by Council under the complaints management process	3
The number of administrative action complaints not resolved by Council under the complaints management process that were made in the previous financial year.	Nil

COUNCILLOR COMPLAINTS

Section 186 of the *Local Government Regulation 2012* requires that Council's Annual Report contain details of any decisions, orders, recommendations and complaints about Councillors during the financial year.

Details for 2019/2020 are outlined below:

Type of complaint	Number received
Total number of orders made under s150I(2) of the <i>Local Government Act 2009</i>	Nil
Total number of orders made under s150AH(1) of the <i>Local Government Act 2009</i>	Nil
Total number of decisions, orders and recommendations made under s150AR(1) of the <i>Local Government Act 2009</i>	Nil
The name of each Councillor for whom a decision, order or recommendation was made under ss 150I(2), 150AH(1) or 150AR(1) of the <i>Local Government Act 2009</i> , a description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each Councillor, and a summary of the decision, order or recommendation made for each Councillor	Nil
The number of complaints referred to the assessor under s150P(2)(a) of the <i>Local Government Act 2009</i> by local government entities for the local government	Nil
The number of matters, mentioned in section 150P(3) of the <i>Local Government Act 2009</i> , notified to the Crime and Corruption Commission	Nil
The number of notices given under s150R(2) of the <i>Local Government Act 2009</i>	Nil
The number of notices given under s150S(2)(a) of the <i>Local Government Act 2009</i>	Nil
The number of decisions made under s150W(a), (b) and (e) of the <i>Local Government Act 2009</i>	Nil
The number of referral notices accompanied by a recommendation mentioned in s150AC(3)(a) of the <i>Local Government Act 2009</i>	Nil
The number of occasions information was given under s150AF(4)(a) of the <i>Local Government Act 2009</i>	Nil
The number of occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the <i>Local Government Act 2009</i> for the local government, the suspected inappropriate conduct of a Councillor	Nil
The number of applications heard by the conduct tribunal under chapter 5A, part 3, division 6 of the <i>Local Government Act 2009</i> about the alleged misconduct or inappropriate conduct of a Councillor	Nil

OVERSEAS TRAVEL

No international travel was made in an official capacity during the 2019/20 financial year by any employee, Councillor or the Mayor.

EXPENDITURE ON COMMUNITY ORGANISATIONS: GRANTS, REBATES AND IN-KIND DONATIONS

Total expenditure for the financial year on grants to community organisations was \$271,088.55.

Councillor's Discretionary Funds allocation for the 2019/20 financial year are set out below:

PERIOD: 01.07.2019 TO 31.12.2019

MAYOR ER SCHMIDT: ALLOCATION 2019-2020 \$3,000.00				
Date	Organisation	Purpose	Donation amount	Balance
05-08-2019	R U OK? Limited	Arts & crafts material for R U OK Day at Charters Towers School of Distance Education	\$173.55	\$2,826.45
13-11-2019	Charters Towers Cricket Association	Assistance with repairs to Cricket Complex carpark	\$50.01	\$2,776.44
04-12-2019	Friends of the Theatre	Assistance with Christmas Party expenses	\$36.36	\$2,740.08
19-12-2019	Taste of the Towers Incorporated	Assistance with 2020 event	\$758.00	\$1982.08

DEPUTY MAYOR S BENNETTO: ALLOCATION 2019-2020 \$2,000.00				
Date	Organisation	Purpose	Donation amount	Balance
13-11-2019	Charters Towers Cricket Association	Assistance with repairs to Cricket Complex carpark	\$50.01	\$1,949.99
04-12-2019	Friends of the Theatre	Assistance with Christmas Party expenses	\$36.36	\$1,913.63
19-12-2019	Taste of the Towers Incorporated	Assistance with 2020 event	\$757.00	\$1,156.63

COUNCILLOR GJ LOHMANN: ALLOCATION 2019-2020 \$2,000.00				
Date	Organisation	Purpose	Donation amount	Balance
22-10-2019	Pentland Progress Association	Prize money for Pentland Christmas Lights Competition	\$250.00	\$1,750
13-11-2019	Charters Towers Cricket Association	Assistance with repairs to Cricket Complex carpark	\$50.01	\$1,699.99
04-12-2019	Friends of the Theatre	Assistance with Christmas Party expenses	\$36.36	\$1,663.63

COUNCILLOR MJ POWER: ALLOCATION 2019-2020 \$2,000.00				
Date	Organisation	Purpose	Donation amount	Balance
13-11-2019	Charters Towers Cricket Association	Assistance with repairs to Cricket Complex carpark	\$50.02	\$1,949.98
19-12-2019	Taste of the Towers Incorporated	Assistance with 2020 event	\$757.00	\$1,192.98

COUNCILLOR MJ BAILEY: ALLOCATION 2019-2020 \$2,000.00				
Date	Organisation	Purpose	Donation amount	Balance
04-12-2019	Friends of the Theatre	Assistance with Christmas Party expenses	\$36.36	\$1,963.64
19-12-2019	Taste of the Towers Incorporated	Assistance with 2020 event	\$757.00	\$1,206.64

COUNCILLOR AP BARR: ALLOCATION 2019-2020 \$2,000.00				
Date	Organisation	Purpose	Donation amount	Balance
13-11-2019	Charters Towers Cricket Association	Assistance with repairs to Cricket Complex carpark	\$50.01	\$1,949.99
04-12-2019	Friends of the Theatre	Assistance with Christmas Party expenses	\$36.36	\$1,913.63
19-12-2019	Taste of the Towers Incorporated	Assistance with 2020 event	\$757.00	\$1,156.63

COUNCILLOR BP ROBERTSON: ALLOCATION 2019-2020 \$2,000.00				
Date	Organisation	Purpose	Donation amount	Balance
13-11-2019	Charters Towers Cricket Association	Assistance with repairs to Cricket Complex carpark	\$50.01	\$1,949.99
19-12-2019	Taste of the Towers Incorporated	Assistance with 2020 event	\$757.00	\$1,192.99

PERIOD: 15-04-2020 TO 30-06-2020

MAYOR FC BEVERIDGE: ALLOCATION 2019-2020 \$600.00				
Date	Organisation	Purpose	Donation amount	Balance
29-06-2020	Pentland Progress Association	Application fee for Queensland Rail	\$71.43	\$528.57

DEPUTY MAYOR S BENNETTO: ALLOCATION 2019-2020 \$400.00				
Date	Organisation	Purpose	Donation amount	Balance
29-06-2020	Pentland Progress Association	Application fee for Queensland Rail	\$71.43	\$328.57

COUNCILLOR AP BARR: ALLOCATION 2019-2020 \$400.00				
Date	Organisation	Purpose	Donation amount	Balance
29-06-2020	Pentland Progress Association	Application fee for Queensland Rail	\$71.42	\$328.58

COUNCILLOR BP ROBERTSON: ALLOCATION 2019-2020 \$400.00				
Date	Organisation	Purpose	Donation amount	Balance
29-06-2020	Pentland Progress Association	Application fee for Queensland Rail	\$71.43	\$328.57

COUNCILLOR KF HASTIE: ALLOCATION 2019-2020 \$400.00				
Date	Organisation	Purpose	Donation amount	Balance
29-06-2020	Pentland Progress Association	Application fee for Queensland Rail	\$71.43	\$328.57

COUNCILLOR GJ LOHMANN: ALLOCATION 2019-2020 \$400.00				
Date	Organisation	Purpose	Donation amount	Balance
29-06-2020	Pentland Progress Association	Application fee for Queensland Rail	\$71.43	\$328.57

COUNCILLOR JD MATHEWS: ALLOCATION 2019-2020 \$400.00				
Date	Organisation	Purpose	Donation amount	Balance
29-06-2020	Pentland Progress Association	Application fee for Queensland Rail	\$71.43	\$328.57

ATTENDANCE AT STATUTORY MEETINGS

Council held a total of 15 Meetings during the 2019/2020 financial year.

PERIOD: 01-07-2019 TO 14-04-2020

	General Meetings	Special Meetings/ Post Election Meetings	Statutory Budget Meetings	Total Meetings Attended
Mayor ER Schmidt	8	1	1	10
Deputy Mayor S Bennetto	9	1	1	11
Cr MJ Power	8	1	1	10
Cr GJ Lohmann	9	1	1	11
Cr AP Barr	8	1	1	10
Cr MJ Bailey	9	1	1	11
Cr BP Robertson	8	1	1	10

PERIOD: 15-04-2020 TO 30-06-2020

	General Meetings	Special Meetings/ Post Election Meetings	Statutory Budget Meetings	Total Meetings Attended
Mayor FC Beveridge	3	1	0	4
Deputy Mayor S Bennetto	3	1	0	4
Cr KF Hastie	3	1	0	4
Cr GJ Lohmann	3	1	0	4
Cr AP Barr	3	1	0	4
Cr JD Mathews	3	1	0	4
Cr BP Robertson	3	1	0	4

COUNCILLOR REMUNERATION AND EXPENSES

Councillor	Period	Total Remuneration	Superannuation	Total Expenses
Mayor FC Beveridge	14-04-20 to 30-06-20	\$17,683.34	-	\$694.78
Deputy Mayor S Bennetto	01-07-19 to 30-06-20	\$61,161.08	-	\$1,725.89
Cr MJ Bailey	01-07-19 to 15-04-20	\$44,178.85	\$5,301.44	\$460.87
Cr AP Barr	01-07-19 to 30-06-20	\$53,020.39	-	\$8.38
Cr GJ Lohmann	01-07-19 to 30-06-20	\$53,020.39	-	\$8.38
Cr MJ Power	01-07-19 to 15-04-20	\$44,178.85	-	-
Cr BP Robertson	01-07-19 to 30-06-20	\$53,020.39	-	\$8.38
Cr KF Hastie	11-04-20 to 30-06-20	\$8,841.54	-	\$11.94
Cr JD Mathews	11-04-20 to 30-06-20	\$8,841.54	-	\$354.32
Mayor ER Schmidt	01-07-19 to 15-04-20	\$101,107.57*	-	\$8,599.69
Total		\$445,053.94	\$5,301.44	\$11,872.63

*Includes kilometre allowance of \$12,777.46

There were no amendments to the Councillor Expenses Reimbursement and Provisions of Facilities Policy (S0017) during the 2019/20 financial year.

REMUNERATION OF SENIOR MANAGEMENT

Employee	Remuneration
Three senior contract employee with a total remuneration package in the range of:	\$250,000 to \$350,000
Total of all remuneration packages payable:	\$843,446.96

PARTICULAR RESOLUTIONS

Reportable resolutions under the *Local Government Regulation 2012* for the period:

Section 185 (a) and (b) <i>Local Government Regulation 2012</i>	Resolution adopted
Under s250 (1) - Expenses reimbursement policy	Nil
Under s206 (2) - Valuation of non-current physical assets	Nil

REGISTERS OPEN FOR INSPECTION

The List of Registers as required by the *Local Government Regulation 2012*, s190, maintained by Council and open for inspection, is as set out hereunder:

SECTION OF ACT	NAME OF REGISTER	HELD BY
<i>Local Government Regulation 2012, S290(2)</i>	Register of Interests of the CEO	Mayor
<i>Local Government Regulation 2012, S290(1)</i>	Councillors' Registers of Interests	Office of the CEO
<i>S138 & S202 Local Government Act 2009</i>	Local Government Workers & Authorised Persons	Office of the CEO
<i>S260 of Local Government Act 2009 S305 of the Local Government Regulation 2012</i>	Register of Delegations by Chief Executive Officer to employees	Office of the CEO
<i>S181 A(1) Local Government Act 2009</i>	Register of written complaints received by the Office of the CEO, outcome of each complaint including any disciplinary action taken in relation to the complaint.	Office of the CEO
<i>S98 of Local Government Act 2009</i>	Register of Planning & Community Services Fees	Corporate & Community Services
<i>S74 of Local Government Act 2009 S57 of the Local Government Regulation 2012</i>	Map and Register of Roads	Infrastructure Services
<i>Local Law No. 2 (Animal Management) 2011</i>	Impounded Animals	Corporate & Community Services
<i>S51 of Animal Management (Cats and Dogs) Act 2008</i>	Cat and Dog Register	Corporate & Community Services
<i>S172 of Animal Management (Cats and Dogs) Act 2008</i>	Regulated Dog Register	Corporate & Community Services
<i>S540 of Environmental Protection Act 1994</i>	Environmentally Relevant Activities—Development Approvals	Corporate & Community Services
<i>S540 of Environmental Protection Act 1994</i>	Environmental Authorities	Corporate & Community Services
<i>S540 of Environmental Protection Act 1994</i>	Environmental Development Approvals and Registrations	Corporate & Community Services
<i>S31 of Local Government Act 2009 S14 of the Local Government Regulation 2012</i>	Register of Local and Subordinate Local Laws	Corporate & Community Services
<i>Local Government Regulation 2012 S56</i>	Register of Business Activities to which competitive neutrality applies	Office of the CEO

TENDERS AND EXPRESSIONS OF INTEREST

The following tenders, quotes and expressions of interest were advertised during the 2019/20 financial year:

Tender number	Tender description	Tender timelines	Days advertised
PSA027/20	Pre-employment & Early Intervention Program	Date Created: 03-June-2020 Date Posted: 03-June-2020 Open Date: 04-June-2020 Close Date: 30-June-2020	27
PSA022/20	Health Monitoring Services	Date Created: 03-June-2020 Date Posted: 03-June-2020 Open Date: 04-June-2020 Close Date: 30-June-2020	27
Q024/20	Provision of Scavenger Hunt (Towers Rush)	Date Created: 02-June-2020 Date Posted: 03-June-2020 Open Date: 04-June-2020 Close Date: 23-June-2020	20
Q023/20	Provision of Film Festival & Workshops	Date Created: 02-June-2020 Date Posted: 03-June-2020 Open Date: 04-June-2020 Close Date: 23-June-2020	20
Q014/20	Provision of After School Youth Active Program (Move It)	Date Created: 28-February-2020 Date Posted: 03-March-2020 Open Date: 05-March-2020 Close Date: 27-March-2020	23
Q013/20	Provision of Catering Services - Did not proceed due to COVID-19	Date Created: 28-February-2020 Date Posted: 03-March-2020 Open Date: 05-March-2020 Close Date: 20-March-2020	16
PSA004/20	Building Assessment / Certification Services	Date Created: 13-February-2020 Date Posted: 13-February-2020 Open Date: 13-February-2020 Close Date: 10-March-2020	27
T001/20	Internal Office Fitout and Accessibility Upgrades	Date Created: 17-January-2020 Date Posted: 17-January-2020 Open Date: 17-January-2020 Close Date: 11-February-2020	25
PSA047/19	Fire Safety Equipment Servicing (Facilities)	Date Created: 22-November-2019 Date Posted: 22-November-2019 Open Date: 22-November-2019 Close Date: 17-December-2019	26
T063/19	Internal Office Fitout and Accessibility Upgrades - Cancelled and retendered under T001/20	Date Created: 15-November-2019 Date Posted: 16-November-2019 Open Date: 16-November-2019 Close Date: 06-December-2019	21
T064/19	Kennedy Regiment Memorial Pool Pipework Replacement Project - No response accepted	Date Created: 13-November-2019 Date Posted: 13-November-2019 Open Date: 14-November-2019 Close Date: 11-December-2019	28
PQS024/19	Prequalified Supplier Arrangement - Roads & Civil Construction Services	Date Created: 12-November-2019 Date Posted: 12-November-2019 Open Date: 14-November-2019 Close Date: 17-December-2019	34

Tender number	Tender description	Tender timelines	Days advertised
T051/19	Sale of Industrial Land Cunningham Industrial Estate - No response accepted	Date Created: 07-August-2019 Date Posted: 08-August-2019 Open Date: 15-August-2019 Close Date: 10-September-2019	27
PQS041/19	Pre-qualified Suppliers of Helicopter Services (Disaster Management)	Date Created: 22-July-2019 Date Posted: 23-July-2019 Open Date: 25-July-2019 Close Date: 20-August-2019	27
PSA042/19	Air-conditioning & Refrigeration Equipment Maintenance Services	Date Created: 17-July-2019 Date Posted: 17-July-2019 Open Date: 25-July-2019 Close Date: 20-August-2019	27

INVITATIONS TO CHANGE TENDERS AND EXPRESSIONS OF INTEREST

The following invitations to change Tenders and Expressions of Interest were made during the 2018/19 financial year under s228 (8) of the *Local Government Regulation 2012*.

Tender number	Tender description	Changes to tenders
Q023/20	Provision of Film Festival & Workshops Date Created: 02-June-2020 Date Posted: 03-June-2020 Open Date: 04-June-2020 Close Date: 23-June-2020	10-June-2020 • Additional information has been uploaded in response to a couple of questions received. Please see additional attachment.
Q014/20	Provision of After School Youth Active Program (Move It) Date Created: 28-February-2020 Date Posted: 03-March-2020 Open Date: 05-March-2020 Close Date: 27-March-2020	20-March-2020 • Closing date has been extended
T001/20	Internal Office Fitout and Accessibility Upgrades Date Created: 17-January-2020 Date Posted: 17-January-2020 Open Date: 17-January-2020 Close Date: 11-February-2020	03-February-2020 • Please note the revised "Pricing Schedule_CTRC Office Refurbishment REV1." that has been uploaded today 04-February-2020 • Please note the additional attachment "Pricing Schedule_CTRC Office Refurbishment REV 2" 06-February-2020 • Further information regarding a previous question. Q. As discussed on site the 3 doors with the access control will require electronic strike locks. Please confirm all of the hardware provided on the handle side of the doors will suit these electronic locks. As the electronic locks (ES2000) will be supplied by SAPE industries. A. Each Tender is required to consult with SAPE Industries and determine if the existing configuration of the handle set will allow the Electronic strike to function correctly. If the existing handles are required to be replaced this is required to be included in your pricing.

Tender number	Tender description	Changes to tenders
		<p>10-February-2020</p> <ul style="list-style-type: none"> • Please note the two additional attachments uploaded today. <p>1513 WD701 - Joinery Details-Printing 1513 WD200 - Proposed Floor Plan</p> <p>11-February-2020</p> <ul style="list-style-type: none"> • Please note the revised pricing schedule that has been uploaded - Pricing Schedule_CTRC Office Refurbishment REV 3 <p>11-February-2020</p> <ul style="list-style-type: none"> • Please note revised Part 3 uploaded today - T001/20 Part 3 Response Rev 1
PSA047/19	<p>Fire Safety Equipment Servicing (Facilities)</p> <p>Date Created: 22-November-2019 Date Posted: 22-November-2019 Open Date: 22-November-2019 Close Date: 17-December-2019</p>	<p>09-December-2019</p> <ul style="list-style-type: none"> • There has been a question asked regarding the asset lists. Please see below for clarification. • 1. Towers Hill Comms Hut – there are no FX assets at this site • 2. Blackjack Road Residence – there are no FX assets at this site • Hervey Range Community Hall – 2 x DCP 4.5kg, 1 x DCP 2.5kg and 1 x Blanket 1.2x1.8 • Balfes Creek Community Hall – 2 x DCP 4.5kg • Hidden Valley – there are no FX assets at this site • Mingela – there are no FX assets at this site
T063/19	<p>Internal Office Fitout and Accessibility Upgrades – Cancelled and retendered under T001/20</p> <p>Date Created: 15-November-2019 Date Posted: 16-November-2019 Open Date: 16-November-2019 Close Date: 06-December-2019</p>	<p>20-November-2019</p> <ul style="list-style-type: none"> • Tender response form was replaced with a new version. 4 Additional PDF documents have been added. <p>(1) Addendum 1 Amendment to Price schedule/ Construction programme & Methodology. Evaluation process and criteria added along with the following documents.</p> <p>(2) Architectural Specification Pg 2 Table of Contents</p> <p>(3) Document Transmittal Tender Issue 20-11-2019</p> <p>(4) Specification Appendix B Door Hardware Schedule</p> <p>04-December-2019</p> <ul style="list-style-type: none"> • Addendum 02 - Additional documents uploaded (8 x Electrical documents) <p>05-December-2019</p> <ul style="list-style-type: none"> • IMPORTANT NOTICE: Due to some gaps identified in the current specification, Charters Towers Regional Council will not be proceeding with this tender. Council will re-advertise in the coming weeks with an updated specification. Council apologises for any inconvenience and looks forward to your continued interest in this project. <p>Cancelled and retendered under T001/20</p>
T064/19	<p>Kennedy Regiment Memorial Pool Pipework Replacement Project – No response accepted</p> <p>Date Created: 13-November-2019 Date Posted: 13-November-2019 Open Date: 14-November-2019 Close Date: 11-December-2019</p>	<p>22-November-2019</p> <ul style="list-style-type: none"> • Site Visit - Tenderers were advised that a non-compulsory site inspection would occur at 10am Tuesday 26 November 2019. The briefing will occur at the KRM pool 1 Plummer Street (corner of Church Street) Charters Towers. Please advised Daniel Bestmann of your attendance (daniel.bestmann@ghd.com, 0429881467).

Tender number	Tender description	Changes to tenders
		05-December-2019 Closing date was extended until 11th December 2019 at 4:00pm.
PSA042/19	Air-conditioning & Refrigeration Equipment Maintenance Services	15-August-2019 • Updated version of maintenance schedule to include additional information relative to the Towers Hill communications hut and the Refuse Dump site.

INTERNAL AUDIT

Council's internal audit function is outsourced to an expert service provider who provides an independent and objective assessment and evaluation of control measures to manage Council's operational risks. For each financial year Council is required to prepare and Internal Audit Plan and this is implemented and reported on to senior management and the Audit and Risk Committee.

For 2019/20 Council scheduled nine audits to be undertaken across various areas of the organisation. These included the following areas:

- Delegations Framework
- Contract Management Framework
- Payroll Processes
- Month-end Financial Close Processes
- Cyber Review
- Purchase to Pay Cycle
- Records Management
- Completeness and Currency of Asset Register
- Flood Recovery Project Control and Cost Recovery

All nine audits were completed, and recommend improvements to systems, processes, work practices and compliance. Management and internal audit work collaboratively together to ensure business effectiveness is assessed and continuous improvement is achieved.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee is an advisory committee of Council, and is required by the *Local Government Act 2009*. The Audit and Risk Committee operates under a charter outlining its role, responsibilities, composition and operating guidelines, in accordance with the Financial and Performance Management Standard 2019.

The Audit and Risk Committee has oversight across many areas of Council, including, though not limited to:

- Corporate Governance
- Internal control systems
- Enterprise wide risk management
- Internal and external audit functions

- Statutory compliance
- Financial reporting

Council's Audit and Risk Committee in 2019/20 comprised three members, one independent member and two councillors. The independent member was Carolyn Eagle (Chair) who holds extensive auditing and financial qualifications and experience. The two Council members are the Mayor Frank Beveridge and Councillor Kate Hastie. The Audit and Risk Committee meets three to four times a year.

The Audit and Risk Committee met on the following dates:

- 13 August 2019
- 27 November 2019
- 20 February 2020
- 17 June 2020

The Audit and Risk Committee adopted an Annual Work plan in November 2019. The Annual Work Plan details the specifics on what is to be reported, reviewed, and monitored across the calendar year by the Audit and Risk Committee, and is the overarching accountability mechanism.

CHARTERS TOWERS

REGIONAL COUNCIL





CHARTERS TOWERS
REGIONAL COUNCIL

COMMUNITY
FINANCIAL REPORT
For the year ended
30 June 2020



CHARTERS TOWERS REGIONAL COUNCIL
COMMUNITY FINANCIAL REPORT
For the year ended 30 June 2020

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CHARTERS TOWERS REGIONAL COUNCIL COMMUNITY FINANCIAL REPORT For the year ended 30 June 2020

1. Statement of Comprehensive Income (Profit and Loss)

The Statement of Comprehensive Income details where Council received its money and how it spent this money in delivering services to the Region. The difference is Council's profit or loss, also known as the net result.

Financial Summary 2019/20

Summary Statement of Comprehensive Income (\$'000's)

Profit and Loss	2019/20	2018/19	2017/18	2016/17
Recurrent revenue	71,295	54,805	42,960	40,255
Less: Recurrent expenditure	72,235	50,189	45,270	39,510
Operating surplus / (deficit)	(940)	4,616	(2,310)	745
Capital revenue	6,804	6,045	8,096	4,848
Less: Capital expenses	2,047	7,992	2,016	2,732
Net Result	3,817	2,669	3,770	2,861

The Operating surplus or deficit is the outcome which results from deducting the day to day costs, including depreciation of Council's property plant and equipment, from the day to day revenues.

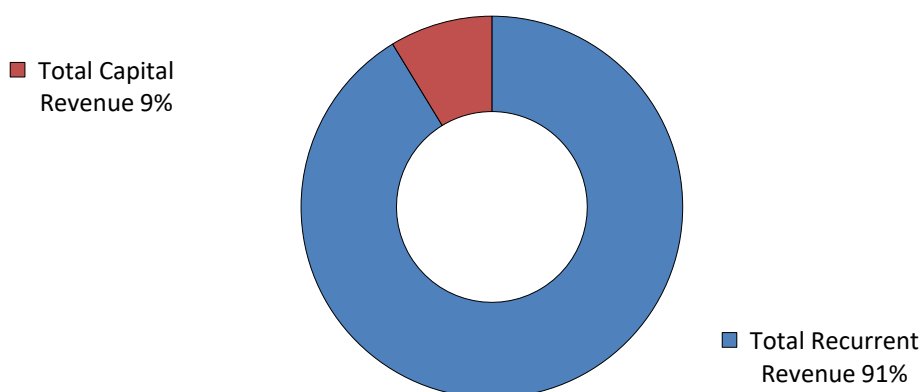
The Net result is arrived at by adding the Capital revenue and Capital expenses to the Operating surplus.

The large increase in Recurrent revenue and Recurrent expenditure in 2019/20 is due to the Disaster Recovery Funding and associated works. Disaster recovery funding revenue is \$25.2 million and Disaster recovery works expenditure is \$25.2 million.

1.1. Revenue – Where does the money come from?

This year Council received \$78.1 million in revenue which consisted of \$71.3 million in recurrent revenue and \$6.8 million in capital revenue.

Revenue Categories 2019-2020





CHARTERS TOWERS REGIONAL COUNCIL COMMUNITY FINANCIAL REPORT For the year ended 30 June 2020

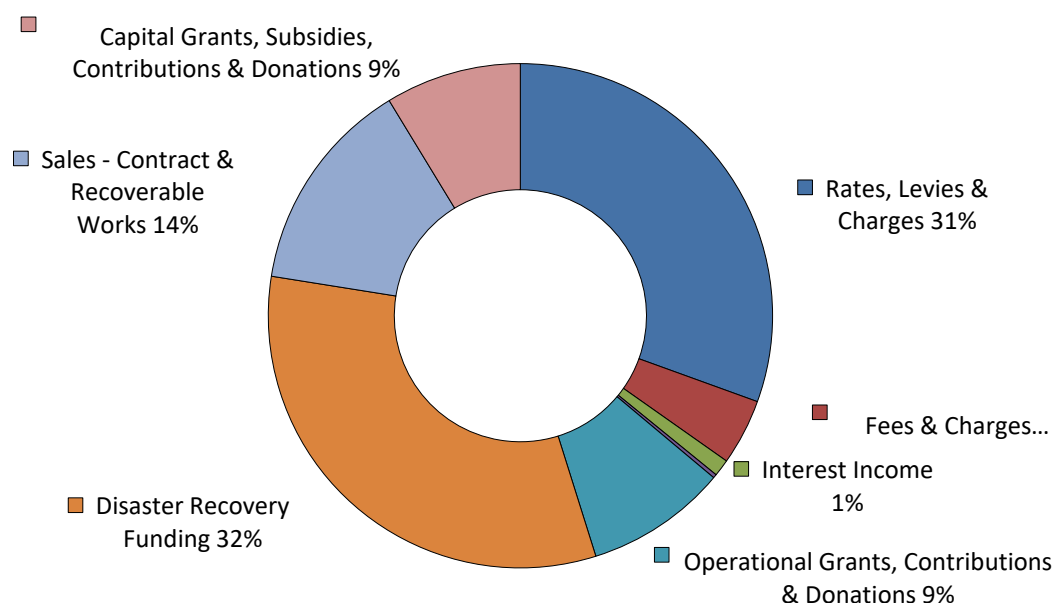
Recurrent Revenue (\$'000's)

Recurrent Revenue	2019/20	2018/19
Rates, levies and charges	23,844	22,682
Fees and charges	3,311	2,738
Grants, subsidies, contributions and donations		
• Operational grants	7,075	7,291
• Disaster recovery funding	25,267	5,983
Contract and recoverable works (including Main Roads)	10,761	14,933
Interest income	848	1,047
Other income	189	131
Total Recurrent Income	71,295	54,805

Council received Capital revenue totalling \$6.8 million from the State and Federal Government for the purpose of constructing Council assets. This included:

- Roads to Recovery Program, \$1.9 million
- Works for Queensland Program, \$1.2 million
- Transport Infrastructure Development Scheme (TIDS), \$0.94 million
- National Stronger Regions Fund, \$2.7 million

Total Income 2019-2020





CHARTERS TOWERS REGIONAL COUNCIL COMMUNITY FINANCIAL REPORT For the year ended 30 June 2020

1.2. Expenses – Where was the money spent?

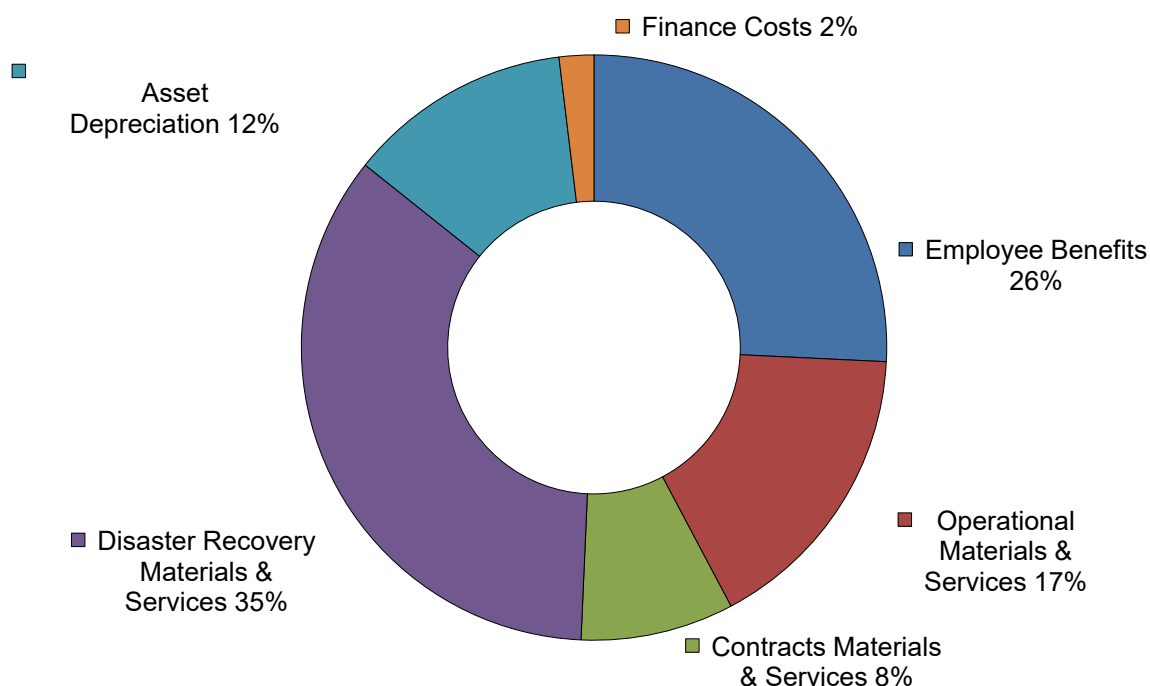
Council incurs both Recurrent (operating) and Capital expenditure in delivering services to the community.

Significant expenditure items for 2019/20 year are highlighted below.

Recurrent Expenses (\$'000's)

Recurrent Expenses	2019/20	2018/19
Salaries and wages and entitlements	19,128	20,029
(less) Capitalised employee costs	(562)	(968)
Total employee benefits	18,566	19,061
Materials and services		
• Operational (day to day expenses)	12,587	13,077
• Disaster recovery works	25,220	1,254
• Contracts and recoverable works	6,096	8,989
Asset depreciation	8,912	7,582
Finance costs	854	226
Total Recurrent Expenses	72,235	50,189

Recurrent Expenses 2019-2020





CHARTERS TOWERS REGIONAL COUNCIL COMMUNITY FINANCIAL REPORT For the year ended 30 June 2020

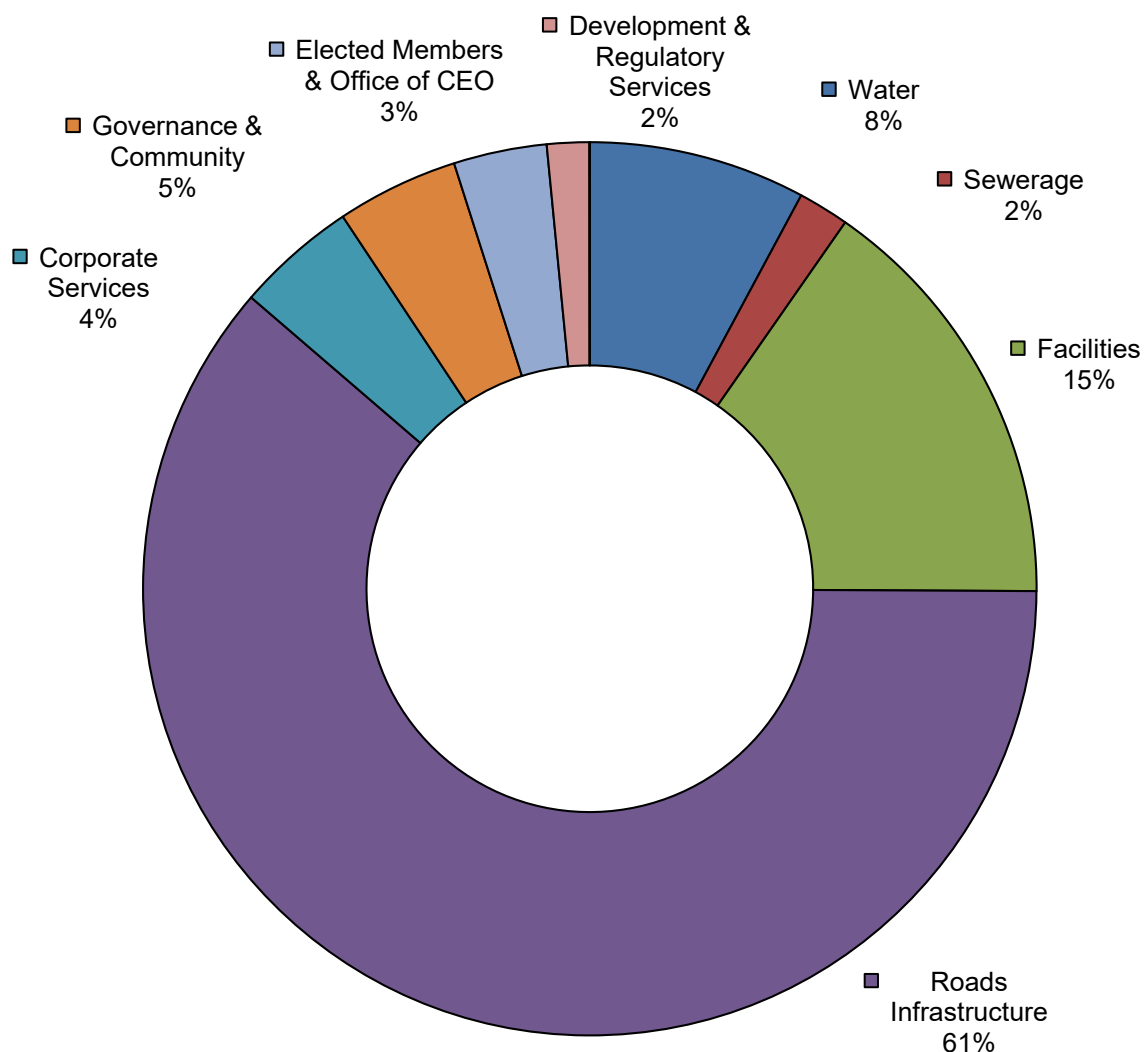
Expenditure by function

Funds raised through Recurrent revenue are used to provide services to the community. These include:

- Roads Infrastructure
- Water and Sewerage
- Facilities Management
- Governance and Community Services
- Development and Regulatory Services
- Corporate Services
- Elected Members and Office of CEO (including WHS)

In the reported financial year, these funds were consumed across the functions in the proportions shown. Non-Capital expenditure on Council roads infrastructure works was 61% of Council's total Recurrent expenses, which amounted to \$44.1 million of the total \$72 million.

Expenditure by Function 2019-2020





CHARTERS TOWERS REGIONAL COUNCIL COMMUNITY FINANCIAL REPORT For the year ended 30 June 2020

2. Statement of Financial Position (Balance Sheet)

The Statement of Financial Position measures what Council owns (assets) and what Council owes (liabilities), resulting in net worth at the end of the financial year.

This statement is often referred to as the Balance Sheet and summarises the financial position of the Council at the end of the financial year.

2.1. Assets: What does Council own?

Council's 2019/20 total Assets amounts to \$523 million (2018/19 \$530.1 million). These are classified as either Current or Non-current assets in the annual financial statements.

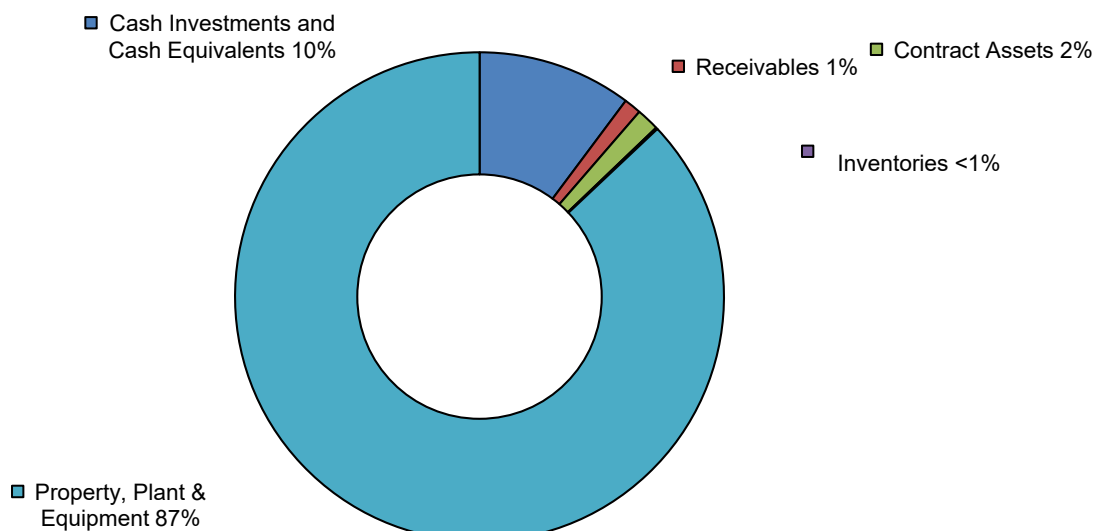
Total Assets (\$'000's)

Total Assets	2019/20	% of	2018/19
Current assets	67,829	13%	47,651
Non-current assets	455,200	87%	482,498
Total Assets	523,029	100%	530,149

Current assets include cash and other assets that are expected to be converted to cash within the year ahead, such as trade receivables, inventory and contract assets.

Non-current assets include long-term fixed asset investments that are used to provide infrastructure and services to the community. In the Balance Sheet these assets are called Property, plant and equipment and this captures the regions roads and drainage, water and sewerage assets, property (land and buildings), fleet, plant and equipment.

Asset Types 2019-2020





CHARTERS TOWERS REGIONAL COUNCIL
COMMUNITY FINANCIAL REPORT
For the year ended 30 June 2020

2019/20 Current assets of \$67.8 million is an increase of \$20.1 million from 2018/19 Current assets of \$47.7 million. Current assets are presented in the table below.

Current Assets (\$'000's)

Current Assets	2019/20	2018/19
Cash (Bank transactions and QTC cash at call)	52,337	35,928
Investments (Short term deposits)	1,000	1,000
Receivables – Rates and utilities debtors	1,136	1,389
Receivables - Trade debtors	4,664	8,441
Prepayments	198	292
Inventories (Works Depot stores)	607	570
Inventories held for sale (VIC & World theatre)	28	31
Contract assets (grant expenses to be claimed – new Contracts Accounting Standard)	7,859	-
Total Current Assets	67,829	47,651

Significant increases and decreases in Current assets from last year include:

- an increase in Cash of \$16.4 million
- a new current asset called Contract assets, \$7.9 million. Contract assets are accounted for under a new Accounting Standard that aligns the timing between the revenue and expenses for grant and contract revenue. In this case certain grant and contract expenditure will remain on the balance sheet until the revenue for the grant and contract is claimable and due
- Trade receivables has decreased by \$3.8 million in 2019/20 to \$4.7 million

Non-current assets are presented in the table below.

Non-Current Assets (\$'000's)

Non-Current Assets	2019/20	2018/19
Property, plant and equipment (written down value)	455,196	482,478
Receivables – Loans community groups	4	20
Total Non-Current Assets	455,200	482,498

2019/20 Property, plant and equipment of \$455.2 million (2018/19 \$482.5 million) is presented at the assets written down value. The written down value is the difference between the gross value and the accumulated depreciation of an asset.



CHARTERS TOWERS REGIONAL COUNCIL COMMUNITY FINANCIAL REPORT For the year ended 30 June 2020

The table below provides key information from the annual financial statements contained in Note 13 Property, plant and equipment.

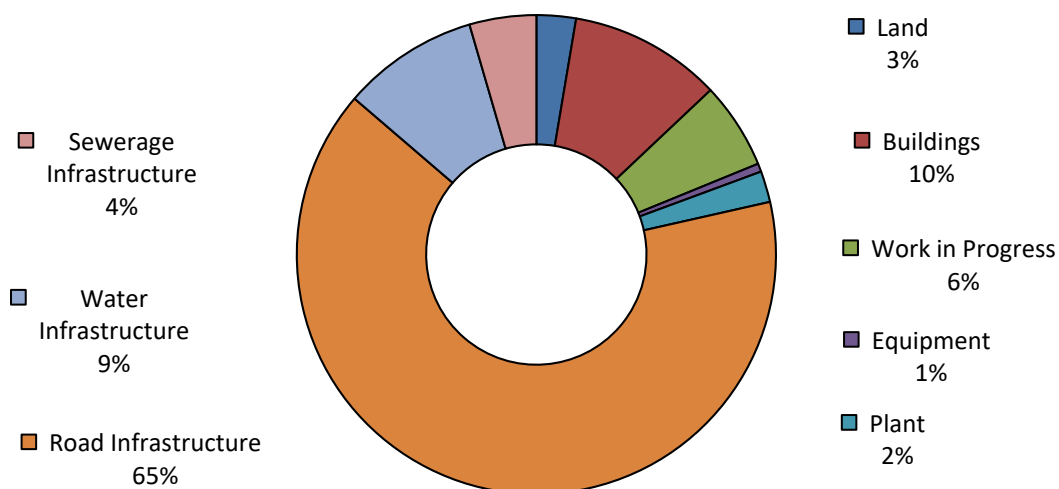
The table presents the:

- written down value of \$455.2 million at 30 June 2020 and \$482.5 million at 30 June 2019
- the allocation of the 2019/20 \$8.9 million annual depreciation charge across the asset classes
- the allocation of the 2019/20 \$17.6 million capital works across renewal works of \$12.7 million and new works of \$4.8 million

Property, Plant & Equipment (\$'000's)

Property, Plant & Equipment	Value 2019/20	Annual Depr'n	Renewal	New	Value 2018/19
Land	11,857	-	-	2,518	9,342
Buildings and structures	45,823	2,114	1,033	316	47,316
Plant	9,348	997	1,494	-	8,938
Equipment	2,496	332	7	1,026	1,408
Roads	288,524	3,303	4,008	296	323,354
Water	51,011	1,594	6,192	668	52,133
Sewerage	20,075	572	15	-	20,646
Work in progress	26,062				19,342
Total	455,196	8,912	12,749	4,824	482,479

Property, Plant & Equipment 2019-2020 (Written Down Value)





CHARTERS TOWERS REGIONAL COUNCIL COMMUNITY FINANCIAL REPORT For the year ended 30 June 2020

2.2. Liabilities: What does Council owe?

Council's 2019/20 total Liabilities are \$35.3 million (2018/19 \$11.5 million). These are classified as either Current or Non-current liabilities in the annual financial statements.

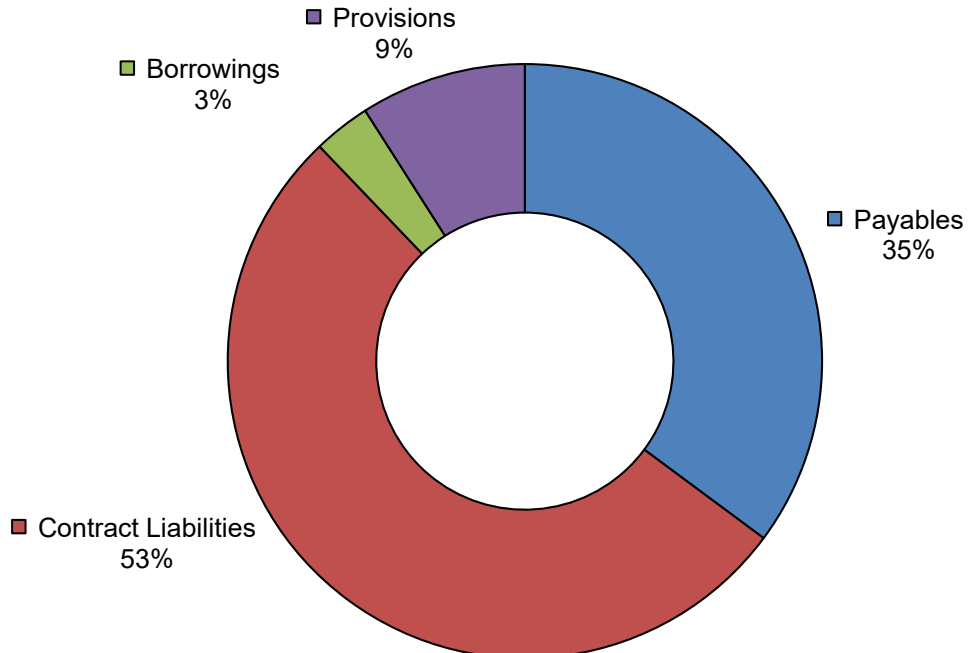
Total Liabilities (\$'000's)

Total Liabilities	2019/20	% of	2018/19
Current liabilities	32,639	92%	9,546
Non-current liabilities	2,652	8%	1,969
Total Liabilities	35,291	100%	11,515

Current liabilities include trade payables, contract liabilities and the portion of borrowings and provisions that are expected to be paid within the year ahead.

Non-current liabilities include long-term borrowings and provisions that have been applied to the region's infrastructure.

Liabilities 2019-2020





CHARTERS TOWERS REGIONAL COUNCIL
COMMUNITY FINANCIAL REPORT
For the year ended 30 June 2020

2019/20 Current liabilities of \$32.6 million is an increase of \$23.1 million from 2018/19. Current liabilities are presented in the table below.

Current Liabilities (\$'000's)

Current Liabilities	2019/20	2018/19
Contract liabilities	18,497	-
Trade creditors and contract retentions	8,581	5,141
Prepaid rates and charges	1,487	-
Employee benefits (Annual leave, RDO, TIL)	2,268	2,401
Borrowings from QTC payable in next 12 months	145	141
Provisions – Employee long service leave	1,661	1,863
Total Current Liabilities	32,639	9,546

Significant increases and decreases in Current liabilities from last year include:

- a new current liability called Contract Liabilities, \$18.5 million. Contract liabilities are accounted for under a new Accounting Standard that aligns the timing between the revenue and expenses for grant and contract revenue. In this case certain grant and contract revenue will remain on the balance sheet until the expenditure for the grant and contract is claimable and payable
- Trade creditors and contract retentions has increased by \$3.4 million in 2019/20 to \$8.6 million
- Prepaid rates and charges as at 30 June 2020 of \$1.5 million are accounted for under a new Accounting Standard that aligns the timing of rates paid in advance with the year in which the rates are due. In this case certain ratepayers have paid in advance and this revenue will remain on the balance sheet until the 2020/21 rates are due

Non-current liabilities are presented in the table below.

Non-Current Liabilities (\$'000's)

Non-Current Liabilities	2019/20	2018/19
Borrowings from QTC (final repayment June 2027)	949	1,093
Provisions – Employee long service leave	362	317
Provisions – Landfill rehabilitation	1,341	559
Total Non-Current liabilities	2,652	1,969

The significant increase from last year is the landfill provision that has increased from \$0.6 million in 2018/19 to \$1.3 million in 2019/20.



CHARTERS TOWERS REGIONAL COUNCIL COMMUNITY FINANCIAL REPORT For the year ended 30 June 2020

3. Statement of Changes in Equity: Net Worth

The Statement of Changes in Equity measures the changes in Council's Net worth and shows the movements in Retained surplus, Council capital and Asset revaluation surplus.

The 2019/20 net worth is \$487.7 million (2019/20: \$518.6 million) which comprises total Assets of \$523.0 million and total Liabilities of \$35.3 million.

Community equity is presented in the table below.

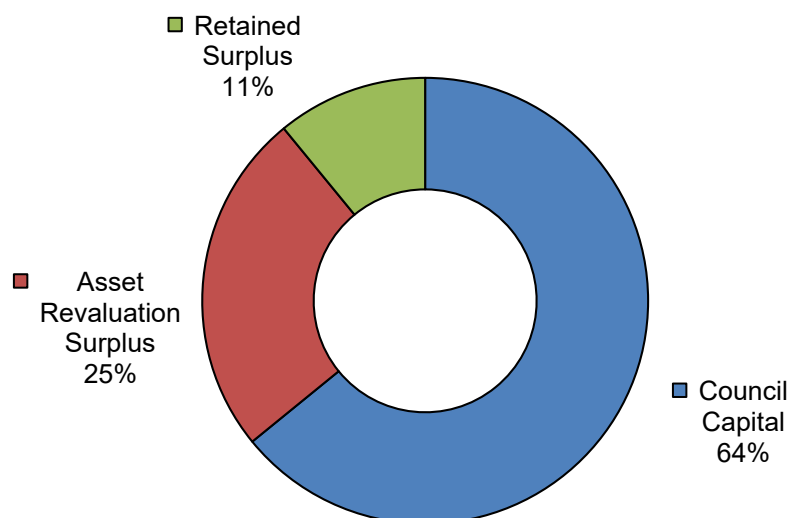
Community Equity (\$'000's)

Community Equity	2019/20	2018/19
Retained surplus	53,330	36,919
Council capital	312,673	327,191
Asset revaluation surplus	121,735	154,525
Total Community Equity	487,738	518,635

Significant increases and decreases in community equity include:

- Retained surplus has increased \$16.4 million in 2019/20 and includes the Net result of \$3.8 million and a transfer from Council capital of \$12.6 million to match available cash reserves
- Council capital has decreased by \$14.5 million in 2019/20 and includes the \$12.6 million transfer to Retained surplus and prior year adjustments from new Accounting Standards of \$1.9 million
- Asset revaluation surplus decreased by \$32.8 in 2019/20 million due to the required 2019/20 asset revaluation adjustments

Equity 2019-2020





CHARTERS TOWERS REGIONAL COUNCIL COMMUNITY FINANCIAL REPORT For the year ended 30 June 2020

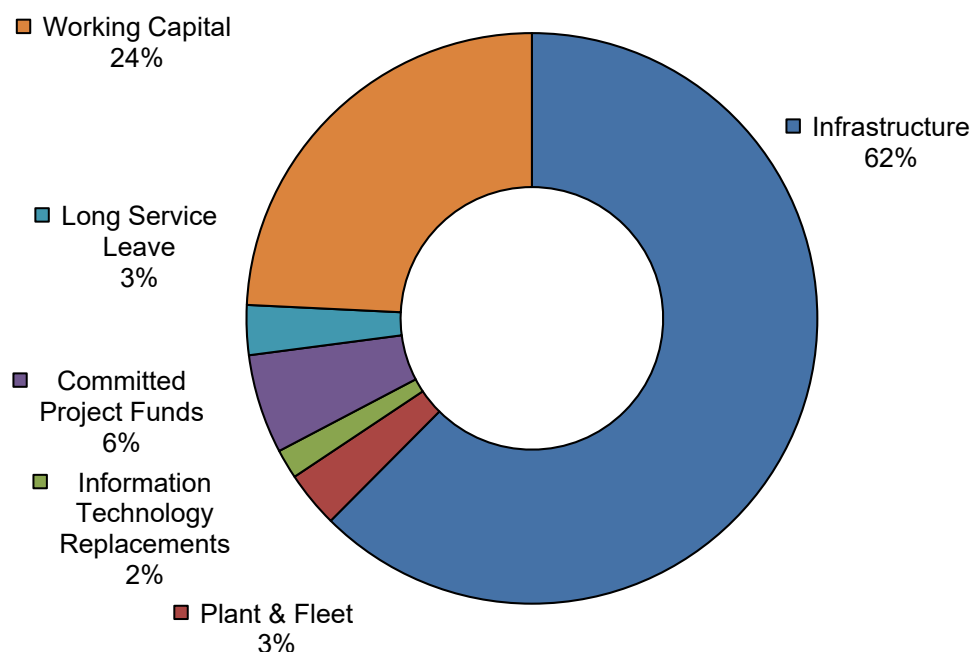
3.1. Retained Surplus (Reserves)

Retained surplus is made up of reserve funds as resolved by Council at its annual Budget Meeting. Council reserves are allocated for future replacement and renewal of council infrastructure and future operational requirements.

Retained Surplus & Reserves (\$'000's)

Retained Surplus & Reserves	2019/20	2018/19
Infrastructure	33,313	21,490
Plant and fleet	1,694	2,550
Information technology infrastructure	896	873
Asset replacement reserve	35,903	24,913
Committed project funds	3,001	2,618
Long service leave	1,500	1,500
Total restricted reserves	40,404	29,031
Working capital (available funds for operations and projects)	12,933	7,897
Total cash and investments reserves	53,337	36,928
(less) Cash floats required across council	(7)	(9)
Total Retained Surplus	53,330	36,919

Closing Cash Reserves 2019-2020





CHARTERS TOWERS REGIONAL COUNCIL
COMMUNITY FINANCIAL REPORT
For the year ended 30 June 2020

4. Statement of Cash Flows

The Statement of Cash Flows shows all the activities Council undertake during the year that impact the cash balances.

Statement of Cash Flows (\$'000's)

Statement of Cash Flows	2019/20	2018/19
Net cash inflow/(outflow) from operating activities	27,300	10,281
Net cash inflow/(outflow) from investing activities	(10,751)	(12,309)
Net cash inflow/(outflow) from financing activities	(140)	(136)
Net increase/(decrease) in cash held	16,409	(2,164)
Cash and cash equivalents at beginning of year	35,928	38,092
Cash and Cash Equivalents at End of Year	52,337	35,928

The cash balances increased by \$16.4 million during the year. The growth in cash balance includes the following significant increases and decreases:

- Operating activities increased cash by \$27.3 million and includes the net of receipts from customers and payments to suppliers
- Investing activities decreased cash by \$10.8 million and includes \$17.6 million spent in capital works, offset by \$6.8 million in grants and subsidies
- Financing activities relate to the repayment of the QTC borrowings during the year



CHARTERS TOWERS REGIONAL COUNCIL COMMUNITY FINANCIAL REPORT For the year ended 30 June 2020

5. Financial Sustainability Measures: How strong is Council financially?

A local government is considered financially sustainable if it is able to maintain its financial capital (equity and net worth) and its infrastructure over the long-term. In forming a view of a local government's financial sustainability, a number of ratios are used.

Council's performance at 30 June 2020 against these key financial ratios is listed below.

Measures of Financial Sustainability

Ratio	Target	2019/20	2018/19	2017/18
Operating surplus ratio	0% to 10%	(-1%)	8%	(-5%)
Asset sustainability ratio	> 90%	148%	172%	173%
Net financial liabilities ratio	< 60%	(-46%)	(-66%)	(-83%)

The above table indicates that Council is operating on a financially sustainable basis and can adequately deliver the range of services it provides to the region.

Overview of financial sustainability ratios

1. Operating surplus ratio	The ratio in 2019/20 is (-1%) and requires that council closely manage its operating income and expenses to slightly improve this ratio.
2. Asset sustainability ratio	Over the past 3 financial years, renewal capital expenditure has exceeded annual depreciation expense. This indicates that assets have been replaced faster than they have been consumed. The ratio reflects extensive capital investment in the renewal of water and wastewater and road assets
3. Net financial liabilities ratio	The fact that the ratio is a large negative number reflects that total liabilities are relatively low compared with current assets. The reason is that CTRC has a low and immaterial debt level.

How the measure is calculated

1. Operating surplus ratio	Net result (excl capital items) ÷ total operating revenue (excl capital)
2. Asset sustainability ratio	Capital expenditure on asset replacement ÷ depreciation expense
3. Net financial liabilities ratio	Total liabilities less current assets ÷ total operating revenue (excl capital items)



CHARTERS TOWERS
REGIONAL COUNCIL

FINANCIAL STATEMENTS

For the year ended

30 June 2020



**CHARTERS TOWERS REGIONAL COUNCIL
FINANCIAL STATEMENTS
For the year ended 30 June 2020**

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CHARTERS TOWERS REGIONAL COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2020

	Note	2020	2019
INCOME			
Recurrent Revenue			
Rates, Levies and Charges	3 (a)	23,844,491	22,682,019
Fees and Charges	3 (b)	3,310,722	2,738,523
Interest	3 (c)	848,294	1,046,826
Sales - Contract and Recoverable Works	3 (d)	10,760,648	14,932,747
Other Income		189,440	131,275
Grants, Subsidies, Contributions and Donations	4 (a)	32,341,375	13,273,628
Total Recurrent Revenue		71,294,970	54,805,018
Capital Revenue			
Gain on Sale of Non-Current Assets	5 (a)	-	186,283
Grants, Subsidies, Contributions and Donations	4 (b)	6,804,136	5,859,038
Total Capital Revenue		6,804,136	6,045,321
TOTAL INCOME		78,099,106	60,850,339
EXPENSES			
Recurrent Expenses			
Employee Benefits	6	(18,566,493)	(19,061,471)
Materials, Services, Maintenance and Other	7	(43,902,908)	(23,319,880)
Depreciation	13(a)	(8,911,509)	(7,581,482)
Finance Costs		(853,753)	(225,843)
Total Recurrent Expenses		(72,234,663)	(50,188,676)
Capital Expenses			
Loss on Sale of Non-Current Assets	5 (b)	-	(148,864)
Non-Current Assets Write-Offs	5 (c)	(2,046,928)	(3,074,043)
Non-Current Asset Revaluation Decrement		-	(4,769,183)
Total Capital Expenses		(2,046,928)	(7,992,090)
TOTAL EXPENSES		(74,281,591)	(58,180,766)
NET RESULT		3,817,515	2,669,573
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to net result			
Increase/(Decrease) in Asset Revaluation Surplus	19	(32,790,128)	(5,805,156)
Total Other Comprehensive Income for the Year		(32,790,128)	(5,805,156)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(28,972,613)	(3,135,583)

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 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.



CHARTERS TOWERS REGIONAL COUNCIL
STATEMENT OF FINANCIAL POSITION
As at 30 June 2020

	Note	2020	2019
CURRENT ASSETS			
Cash and Cash Equivalents	8	52,337,145	35,928,179
Investments	9	1,000,000	1,000,000
Receivables	11 (a)	5,998,037	10,122,232
Inventories	12	634,894	600,804
Contract Assets	14 (a)	7,858,976	-
TOTAL CURRENT ASSETS		67,829,052	47,651,215
NON-CURRENT ASSETS			
Property, Plant and Equipment	13 (a)	455,196,020	482,478,574
Receivables	11 (b)	3,532	19,612
TOTAL NON-CURRENT ASSETS		455,199,552	482,498,186
TOTAL ASSETS		523,028,604	530,149,401
CURRENT LIABILITIES			
Contract Liabilities	14 (b)	18,497,002	-
Payables	16	12,335,331	7,542,743
Borrowings	17 (a)	144,668	140,901
Provisions	18 (a)	1,661,417	1,862,704
TOTAL CURRENT LIABILITIES		32,638,418	9,546,348
NON-CURRENT LIABILITIES			
Borrowings	17 (b)	949,418	1,092,846
Provisions	18 (b)	1,702,597	875,671
TOTAL NON-CURRENT LIABILITIES		2,652,015	1,968,517
TOTAL LIABILITIES		35,290,433	11,514,865
NET COMMUNITY ASSETS		487,738,171	518,634,536
COMMUNITY EQUITY			
Retained Surplus		53,330,045	36,918,779
Council Capital		312,673,446	327,190,949
Asset Revaluation Surplus	19	121,734,680	154,524,808
TOTAL COMMUNITY EQUITY		487,738,171	518,634,536

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 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.



CHARTERS TOWERS REGIONAL COUNCIL
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2020

Description of Movements	Note	Retained Surplus (Deficiency)	Council Capital	Asset Revaluation Surplus	TOTAL
Balance as at 1 July 2019		36,918,779	327,190,949	154,524,808	518,634,536
<i>Adjustment on initial application of AASB 15 / AASB 1058</i>	26	(1,253,974)			(1,253,974)
<i>Adjustment due to correction of error</i>	29	(669,779)			(669,779)
Restated balance at 1 July 2019		34,995,026	327,190,949	154,524,808	516,710,783
COMPREHENSIVE INCOME					
Net Result		3,817,515			3,817,515
Increase/(Decrease) in Asset Revaluation Surplus	19			(32,790,128)	(32,790,128)
TOTAL Comprehensive Income for the Year					(28,972,613)
Transfers to/from Council Capital		14,517,504	(14,517,504)		
Balance as at 30 June 2020		53,330,045	312,673,446	121,734,680	487,738,171

Description of Movements	Note	Retained Surplus (Deficiency)	Council Capital	Asset Revaluation Surplus	TOTAL
Balance as at 1 July 2018		39,082,614	322,357,542	160,329,964	521,770,120
COMPREHENSIVE INCOME					
Net Result		2,669,573			2,669,573
Increase/(Decrease) in Asset Revaluation Surplus	19			(5,805,156)	(5,805,156)
TOTAL Comprehensive Income for the Year					(3,135,583)
Transfers to/from Council Capital		(4,833,408)	4,833,408		
Balance as at 30 June 2019		36,918,779	327,190,949	154,524,808	518,634,536

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 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.



CHARTERS TOWERS REGIONAL COUNCIL
STATEMENT OF CASH FLOWS
For the year ended 30 June 2020

	Note	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts From Customers		53,778,939	36,412,101
Payments to Suppliers and Employees		(59,634,973)	(40,413,386)
		(5,856,034)	(4,001,285)
Interest Received		847,601	1,045,489
Non Capital Grants and Contributions		32,341,375	13,273,628
Borrowing Costs	17 (c)	(32,713)	(36,537)
Net Cash Inflow (Outflow) From Operating Activities	24	27,300,229	10,281,295
CASH FLOW FROM INVESTING ACTIVITIES			
Payments For Property, Plant and Equipment		(17,572,511)	(18,740,880)
Receivables-Community Loans		16,773	13,458
Proceeds From Sale of Property, Plant and Equipment	5	-	559,091
Capital Grants, Subsidies, Contributions and Donations		6,804,136	5,859,038
Net Cash Inflow (Outflow) From Investing Activities		(10,751,602)	(12,309,293)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of Loan Borrowings	17 (c)	(139,661)	(135,837)
Net Cash Inflow (Outflow) From Financing Activities		(139,661)	(135,837)
NET INCREASE (DECREASE) IN CASH HELD		16,408,966	(2,163,835)
Cash and Cash Equivalents at Beginning of the Financial Year	8	35,928,179	38,092,014
CASH and CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	8	52,337,145	35,928,179

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 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

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CHARTERS TOWERS REGIONAL COUNCIL NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

1. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

The Charters Towers Regional Council is constituted under the Queensland *Local Government Act 2009* and is domiciled in Australia.

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* and the *Local Government Regulation 2012*.

These financial statements comply with Australian 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 where stated.

b. New and Revised Accounting Standards adopted during the year

Charters Towers Regional Council adopted all standards which became mandatorily effective for annual reporting periods beginning on the 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 26 for transition disclosures for AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-Profit Entities* and AASB 16 *Leases*.

c. New and Revised Accounting Standards not yet effective

Some Australian Accounting Standards and Interpretations have been issued but are not yet effective at 30 June 2020. Those standards have not been applied in these financial statements. Council will implement them when they are effective.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

1. SIGNIFICANT ACCOUNTING POLICIES Cont'd

d. Estimates and Judgements

Where necessary, Council 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:

Valuation and depreciation of property, plant and equipment – Note 13

Provisions – Note 18

Contingent liabilities – Note 22

Financial instruments – Note 27

Revenue – Note 3

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.

f. Volunteer Services

Council accesses a minor number of volunteer services that if not donated would not be purchased. These services cannot be reliably measured and are therefore not recognised in the Statement of Comprehensive Income.

g. 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. When applicable, the net amount of GST recoverable from the ATO or payable to the ATO is shown as an asset or liability respectively.



CHARTERS TOWERS REGIONAL COUNCIL NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

2. ANALYSIS OF RESULTS BY FUNCTION

(a) The activities of the Council reported in Note 2(b) are as follows:

OFFICE of the CEO (OCEO)

The objective of this directorate is to set and achieve council wide goals, strategies and operating plans. .

Office of the CEO - Corporate and Business Planning, Organisation Performance, Corporate Branding and Image, Economic Development, Disaster Management Coordination, Agenda and Minutes and State Emergency Coordination

Elected Members - Community Consultation, Official Functions and Delegations, Media Relations and Elections

WHS - Secure the health and safety of the workforce

CORPORATE & COMMUNITY SERVICES (CCS)

The objective of this directorate is to consolidate council-wide activities such as administration, financial decisions and governance/regulatory processes. Additionally, CCS set out to benefit and grow the region through cultural and tourism activities.

Corporate Services - Customer Service, General Administration, Rating, Financial Services, Procurement, Business and Procedures, Information Technology Infrastructure Support, People and Performance Services

Governance - Enterprise Risk Management, Administrative Review, Internal Audit, Records Management and Communications

Community - Library Services, Tourism Promotion, Visitor Information Centre, Youth Related Activities, Galleries and Exhibitions, World Theatre Entertainment Services, Events Management, Community Development, Regional Arts Development and Arts and Culture

Development and Regulatory Services - Land Use Planning, Heritage Management, Planning Act, Building and Plumbing Compliance, Local Laws and Animal Related Customer Requests

INFRASTRUCTURE SERVICES (INF)

The objective of this directorate is to ensure sustainable management of the regions infrastructure networks by providing services and facilities that are safe, reliant, efficient and customer driven.

Roads Infrastructure - Road Construction and Contracts, Survey Design, Road Maintenance and Flood Restoration Works

Fleet Services Function - Facilitate Council's fleet maintenance and replacement programs

Water and Sewerage - Water Supply and Treatment, Water Reticulation, Sewerage Reticulation and Sewerage Treatment

Facilities - Environmental Services, Waste Management, Land and Pest Management, Saleyard Facilities, Open Spaces Maintenance, Community and Council Facilities Maintenance and Airport Operations



CHARTERS TOWERS REGIONAL COUNCIL **NOTES TO THE FINANCIAL STATEMENTS** For the year ended 30 June 2020

2. ANALYSIS OF RESULTS BY FUNCTION Cont'd

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

Year ended 30 June 2020

FUNCTIONS	Gross program income				Elimination of inter-function transactions 2020	Total income 2020	Gross program expenses		Elimination of inter-function transactions 2020	Total expenses 2020	Net result from recurring operations 2020	Net result attributable to council within the reporting period 2020	Assets 2020
	Recurring 2020		Capital 2020				Recurring 2020	Capital 2020					
	Grants	Other	Grants	Other									
Office of CEO / Elected Members / WHS	89,108	5,095	73,125	-	-	167,328	2,428,775	-	-	2,428,775	(2,334,572)	(2,261,447)	470
Corporate Services	6,753,764	13,266,882	73,697	-	-	20,094,342	3,147,942	-	-	3,147,942	16,872,703	16,946,400	65,024,631
Governance / Community	75,878	271,986	-	-	-	347,864	3,176,550	-	-	3,176,550	(2,828,686)	(2,828,686)	28,264
Development / Regulatory Services	-	265,810	-	-	-	265,810	1,105,128	-	-	1,105,128	(839,318)	(839,318)	-
Roads Infrastructure	25,288,812	10,435,881	2,993,331	-	-	38,718,025	44,100,970	1,798,409	-	45,899,379	(8,376,276)	(7,181,354)	298,786,653
Fleet	-	-	-	-	-	-	6,850	-	-	6,850	(6,850)	(6,850)	9,479,542
Water	-	7,016,830	3,021,032	(1,700)	-	10,036,162	5,655,406	37,393	-	5,692,799	1,361,424	4,343,363	68,921,516
Sewerage	-	3,633,357	-	4,709	-	3,638,066	1,325,454	-	-	1,325,454	2,307,903	2,312,612	20,093,325
Facilities	133,813	4,057,754	619,242	20,700	-	4,831,509	11,287,588	211,126	-	11,498,714	(7,096,021)	(6,667,205)	60,694,203
Total Council	32,341,375	38,953,595	6,780,427	23,709	-	78,099,106	72,234,663	2,046,928	-	74,281,591	(939,693)	3,817,515	523,028,604



CHARTERS TOWERS REGIONAL COUNCIL **NOTES TO THE FINANCIAL STATEMENTS** **For the year ended 30 June 2020**

2. ANALYSIS OF RESULTS BY FUNCTION Cont'd

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

Year ended 30 June 2019

FUNCTIONS	Gross program income				Elimination of inter-function transactions 2019	Total income 2019	Gross program expenses		Elimination of inter-function transactions 2019	Total expenses 2019	Net result from recurring operations 2019	Net result attributable to council within the reporting period 2019	Assets 2019
	Recurring 2019		Capital 2019				Recurring 2019	Capital 2019					
	Grants	Other	Grants	Other									
Office of CEO / Elected Members / WHS	121,450	6,213	15,684	-	-	143,346	2,759,913	-	-	2,759,913	(2,632,251)	(2,616,567)	100
Corporate Services	6,511,607	13,056,613	419,926	-	-	19,988,146	1,440,068	2,253	-	1,442,321	18,128,152	18,545,825	52,304,598
Governance / Community	79,339	407,324	30,000	-	-	516,663	2,882,590	-	-	2,882,590	(2,395,927)	(2,365,927)	31,531
Development / Regulatory Services	-	241,464	-	-	-	241,464	1,037,507	-	-	1,037,507	(796,043)	(796,043)	-
Roads Infrastructure	5,791,908	14,556,765	3,373,717	-	-	23,722,390	23,812,000	2,663,347	-	26,475,347	(3,463,327)	(2,752,957)	325,706,965
Fleet	-	7,988	-	186,283	-	194,271	(432,730)	155,154	-	(277,576)	440,718	471,847	9,027,490
Water	353,928	6,734,677	570,069	(9,355)	-	7,649,319	6,245,441	47,531	-	6,292,972	843,164	1,356,347	62,895,572
Sewerage	-	3,574,741	-	2,800	-	3,577,541	2,739,835	3,583	-	2,743,418	834,906	834,123	20,665,975
Facilities	105,112	3,255,890	1,456,197	-	-	4,817,199	9,704,052	5,120,222	-	14,824,274	(6,343,050)	(10,007,075)	59,517,170
Total Council	12,963,343	41,841,675	5,865,593	179,728	-	60,850,339	50,188,676	7,992,090	-	58,180,766	4,616,342	2,669,573	530,149,401



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

3. REVENUE ANALYSIS

Revenue Recognised at a Point in Time

	Note	AASB 15	AASB 1058
Rates, Levies and Charges (excluding those related to services)	3(a)	-	23,844,491
Fees and Charges	3(b)	3,297,918	12,804
Sales – Contract and Recoverable Works	3(d)	325,987	-
Grants, Subsidies, Contributions and Donations	4	-	6,930,086
Other Income		-	189,440
		3,623,905	30,976,821

Revenue Recognised Over Time

	Note	AASB 15	AASB 1058
Grants, Subsidies, Contributions and Donations	4	25,411,289	-
Revenue Relating to Grants for Assets Controlled by Council	4	-	6,804,136
Sales – Contract and Recoverable Works	3(d)	10,434,661	-
		35,845,950	6,804,136

Total Revenue	39,469,855	37,780,957
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(a) Rates, Levies and Charges

2020 accounting policy: Rate monies are recognised as revenue when 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 liability until the beginning of the rating period

2019 accounting policy: Rate monies 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.

	2020	2019
General Rates	13,168,199	12,419,877
Cleansing / Refuse	1,364,459	1,284,282
Water Services	6,466,439	6,291,342
Water – Excess Allocation	646,474	502,569
Sewerage	3,726,122	3,652,999
Total Rates, Levies and Charges Revenue	25,371,693	24,151,069
Less: Discounts	(1,230,169)	(1,176,431)
Pensioner Remissions	(297,033)	(292,619)
Net Rates, Levies and Charges	23,844,491	22,682,019



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

3. REVENUE ANALYSIS Cont'd

(b) Fees and Charges

2020 accounting policy: Fees and charges are recognised when or as the performance obligation is completed and the customer receives the benefit of the goods/services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payments terms are within 30 days of the provision of the services or in some cases, the customers is required to pay on arrival. There is no material obligation for Council in relation to refunds or returns.

Licences granted by Council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than the term of the licence.

Revenue from infringements is recognised upon issue of the infringement notice.

2019 accounting policy: Fees and charges are recognised upon unconditional entitlement to the funds. Generally this is upon lodgement of the relevant applications or documents, issuing of the infringement notice or when the service is provided.

	2020	2019
Animal Control Fees and Charges	114,476	129,469
Cemetery Fees and Charges	79,551	70,526
Landfill Fees and Charges	402,544	275,762
Reserve Rental	16,853	42,714
Saleyards Fees and Charges	2,104,244	1,527,662
Search Fees	38,894	39,686
Water Services	16,784	37,542
World Theatre Fees and Charges	216,438	318,084
Other Regulatory Fees and Charges	150,193	107,249
Other Rental/Hire Fee and Charges	82,631	91,974
Other Fees and Charges	88,114	97,855
Total Fees and Charges	3,310,722	2,738,523

(c) Interest

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

	2020	2019
Interest received on Investments	734,675	904,965
Interest received on Community Loans	693	1,337
Interest received on Overdue Rates and Charges	112,926	140,524
Total Interest Income	848,294	1,046,826



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

3. REVENUE ANALYSIS Cont'd

(d) Sales – Contract and Recoverable Works

Contracts and recoverable works income is recognised upon unconditional entitlement to the funds. Contract revenue and associated costs are recognised by reference to the stage of completion of the contract activity based on costs incurred. Revenue is measured at the fair value of consideration received or receivable in relation to that activity. Where consideration is received for the service in advance it is included in other liabilities and is recognised in the period when the service is performed.

The amount recognised as revenue for contract sales during the period is the value of works undertaken in respect of invoices issued during the period. The contract work carried out is not subject to retentions.

	2020	2019
Private Works	138,159	371,188
Main Roads Contract	10,434,661	14,365,333
Other	187,828	196,226
Total Sales Income	10,760,648	14,932,747

4. GRANTS, SUBSIDIES AND CONTRIBUTIONS

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 obligation is satisfied. The performance obligations of grant income are varied based on the agreement and 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.

Grant income under AASB 1058

Assets arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the asset is received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standards. 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.

Capital grants

Capital grants received to enable Council to acquire or construct an item of property, plant and equipment to identified specifications which will be under Council's control and which is enforceable are recognised as revenue as and when the obligation to construct or purchase is completed. For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin. Where assets are donated or purchased for significantly below fair value, the revenue is recognised when the asset is acquired and controlled by Council.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

4. GRANTS, SUBSIDIES AND CONTRIBUTIONS Cont'd

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. Unspent non-reciprocal capital grants are recognised as restricted cash and disclosed in Note 8.

Physical assets contributed to Council by developers in the form of road works, stormwater, water and wastewater infrastructure and park equipment are recognised as revenue when the development becomes "on maintenance" (i.e. the Council obtains control of the assets and becomes liable for any ongoing maintenance) and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. All non-cash contributions are recognised at the fair value of the contribution received on the date of acquisition.

Non-cash contributions with a value in excess of the recognition thresholds are recognised as revenue and as non-current assets. Non-cash contributions below the thresholds are recorded as revenue and expenses.

Where grants are received that are reciprocal in nature, revenue is recognised as the various performance obligations under the funding agreement are fulfilled. In 2019, Council did not have any reciprocal grants.

(a) Recurrent

	2020	2019
General Purpose Grants	6,499,228	6,390,057
Government Grants and Subsidies	25,819,874	6,692,942
Contributions	22,273	190,629
Total Recurrent Grants, Subsidies and Contributions	32,341,375	13,273,628

(b) Capital

Capital Revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current and/or investment in new assets. It also includes non-cash contributions which are usually infrastructure assets received from developers.

Government Grants and Subsidies	6,780,427	5,854,582
Contributions	23,709	4,456
Total Capital Grants, Subsidies and Contributions	6,804,136	5,859,038



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

5. CAPITAL INCOME AND EXPENDITURE

(a) Gain on Sale of Non-Current Assets

	2020	2019
Proceeds from Sale of Assets	-	299,318
Less: Written Down Value of Sold Assets	-	(113,035)
TOTAL GAIN ON SALE	-	186,283

(b) Loss on Sale of Non-Current Assets

Proceeds from Sale of Assets	-	259,773
Less: Written Down Value of Sold Assets	-	(408,637)
TOTAL LOSS ON SALE	-	(148,864)

(c) Non-Current Assets Write-Offs

Gross Value of Write-offs	(3,140,404)	(4,242,760)
Add: Accumulated Depreciation of Write-offs	1,093,476	1,168,717
TOTAL NON-CURRENT ASSETS WRITE-OFFS	(2,046,928)	(3,074,043)

6. EMPLOYEE BENEFITS

	2020	2019
Total Staff Salaries and Wages	13,500,753	15,925,234
Councillors' Remuneration	432,276	423,082
Annual, Sick and Long Service Leave Entitlements	2,986,131	1,358,997
Superannuation	1,721,720	1,721,602
Total Direct Employee Costs	18,640,880	19,428,915
Other Employee Costs	487,908	600,816
	19,128,788	20,029,731
Less: Capitalised Employee Expenses	(562,295)	(968,260)
TOTAL EMPLOYEE BENEFITS	18,566,493	19,061,471

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

Employee Numbers	- Full-time Equivalents	190	197
as at 30 June	- Casual	16	19
	- Councillors (incl. Mayor)	7	7



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

7. MATERIALS, SERVICES, MAINTENANCE AND OTHER

	2020	2019
Advertising and Marketing	92,210	110,189
Administration Supplies and Consumables	253,620	128,990
Audit of Annual Financial Statements by the Auditor-General of Queensland	60,220	62,149
Audit Fees – Internal	160,928	238,935
Communications and IT	1,092,330	1,227,917
Consultants	584,951	492,860
Contractors	1,027,127	371,697
Donations Paid	275,891	358,085
Repairs and Maintenance and Other Materials	6,166,510	4,570,956
Flood Events Materials & Services	25,219,970	1,253,939
RPC Materials & Services	6,095,701	8,989,314
Sewerage Repairs and Maintenance	333,929	1,510,502
Subscriptions and Registrations	172,094	174,615
Water Repairs and Maintenance	2,367,427	3,829,732
TOTAL MATERIALS, SERVICES, MAINTENANCE AND OTHER	43,902,908	23,319,880



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of cash flows 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, and bank overdrafts.

	2020	2019
Cash at Bank	238,513	380,887
Deposits at Call	52,091,532	35,537,892
	52,330,045	35,918,779
Working Capital Floats	7,100	9,400
BALANCE AS PER STATEMENT OF CASH FLOWS	52,337,145	35,928,179

Cash at bank is held with the Commonwealth Bank in a normal business account with a short term credit rating of A1+ and a long term rating of AA-. Deposits at call are held with Queensland Treasury Corporation Cash Fund.

Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:

***Internally imposed expenditure restrictions at the reporting date:**

	2020	2019
Infrastructure	21,518,911	21,490,421
Plant	1,694,180	2,549,623
Long Service Leave	1,500,000	1,500,000
Special Projects	12,926,343	7,887,075
Information Technology	896,339	873,234
TOTAL UNSPENT RESTRICTED CASH	38,535,773	34,300,353

Grants and contributions recognised as revenue during the reporting period that are subject to externally imposed restrictions were:

Grants for expenditure on infrastructure:		
Disaster Recovery Funding Arrangements (DRFA)	11,792,923	-
Works For Queensland Programme	-	1,485,000
	11,792,923	1,485,000



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

9. INVESTMENTS

Term deposits in excess of three months are reported as investments, with deposits at call and term deposits with a short maturity of three months or less are treated as cash equivalents. At 30 June 2020, Council held an investment with a term greater than three months.

	2020	2019
Term Deposits	1,000,000	1,000,000
TOTAL INVESTMENTS	1,000,000	1,000,000

A single Term Deposit is held with Queensland Country Bank which has a short term credit rating of A2.

10. 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 include security deposits lodged for venue hire, fees for subdivision works yet to be performed and cash contributions for future works. 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 Held in Trust are as Follows:	2020	2019
Sundries	7,558	6,782
Animal Trap Deposits	280	245
Relocation of Buildings	34,670	30,207
Subdivision – Roadworks	2,685	105,871
Subdivision – Water Connections	32,573	34,893
Subdivision – Sewerage Connections	15,000	15,000
Facility Hire Security Deposits	5,314	5,728
Cemetery/Monument Works	356	356
TOTAL TRUST FUNDS HELD	98,436	199,082



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

11. RECEIVABLES

Receivables, loans and advances are amounts owed to council at year end. They are recognised at the amount due at the time of sale or service delivery or advance. Settlement of receivables is required within 30 days from invoice date.

Terms for loans and advances are usually a maximum of five years with interest charged at non-commercial rates. Security is not normally obtained.

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

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

(a) Current

	2020	2019
Rateable Revenue and Utility Charges	1,136,103	1,388,883
Prepayments	197,740	291,847
Other Debtors	4,664,194	8,441,502
TOTAL CURRENT	5,998,037	10,122,232

(b) Non-Current

Loans to Community Organisations:		
Towers Players	-	884
Pentland Race Club	3,532	5,173
CT Rugby Club	-	13,555
TOTAL NON-CURRENT	3,532	19,612

Interest is charged on outstanding rates at a rate of 9.83% per annum (previous to 1 July 2019, 11% per annum). No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges and fees.

Loans relate to advances made to various sporting bodies and community groups. These loans arise from time to time and are subject to negotiated interest rates. The credit risk on these loans is considered low.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

12. INVENTORIES

Inventories are reported at the lower of cost and net realisable value. Costs are assigned to the inventory on the basis of weighted average cost.

Inventories held for distribution are:

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

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

	2020	2019
Inventories Held for Sale		
World Theatre Candy Bar	8,521	11,242
Visitor Information Gift Shop	19,101	20,203
Inventories Held for Distribution		
Works Depot Stores	607,272	569,359
TOTAL INVENTORIES	634,894	600,804



CHARTERS TOWERS REGIONAL COUNCIL **NOTES TO THE FINANCIAL STATEMENTS** **For the year ended 30 June 2020**

13(a). PROPERTY, PLANT AND EQUIPMENT - 30 JUNE 2020

CATEGORIES	Note	Opening Gross Value As at 1 July 2019	Recognised Assets Gross Value	Additions At Cost	WIP Take-Ons Gross	WIP Transfers To Expense	Sales Gross Value	Write-offs Gross Value	Revaluation Adjustments to Asset Revaluation Surplus	Closing Gross Value As at 30 June 2020	Opening Balance As at 1 July 2019 Accumulated Depreciation	Sales Accumulated Depreciation	Write-Offs Accumulated Depreciation	Revaluation Adjustments Accum. Dep. to Revaluation Surplus	Annual Depreciation	Accumulated Depreciation As at 30 June 2020	Written Down Value As at 30 June 2020	Residual Value
LAND	13(f)(i)	9,342,000	-	2,514,883	-	-	-	-	-	11,856,883	-	-	-	-	-	-	11,856,883	-
BUILDINGS & STRUCTURES	13(f)(ii)	86,712,023	-	66,360	766,444	-	-	(230,268)	-	87,314,559	(39,395,811)	-	19,142	-	(2,114,298)	(41,490,967)	45,823,592	-
PLANT	13(f)(iii)	20,471,171	-	1,406,229	-	-	-	(15,000)	-	21,862,400	(11,532,844)	-	15,000	-	(996,771)	(12,514,615)	9,347,785	4,474,114
EQUIPMENT	13(f)(iv)	4,182,707	-	361,155	1,058,883	-	-	-	-	5,602,745	(2,775,203)	-	-	-	(331,538)	(3,106,741)	2,496,004	-
ROAD INFRASTRUCTURE	13(f)(v)	395,954,370	-	726,266	2,335,384	-	-	(2,447,029)	1,297,959	397,866,950	(72,600,836)	-	648,620	(34,088,087)	(3,302,866)	(109,343,169)	288,523,781	-
WATER INFRASTRUCTURE	13(f)(vi)	105,599,146	-	147,810	362,340	-	-	(448,107)	-	105,661,189	(53,466,367)	-	410,714	-	(1,594,464)	(54,650,117)	51,011,072	-
SEWERAGE INFRASTRUCTURE	16(f)(vi)	40,113,322	-	-	-	-	-	-	-	40,113,322	(19,466,959)	-	-	-	(571,572)	(20,038,531)	20,074,791	-
Sub-Total		662,374,739	-	5,222,703	4,523,051	-	-	(3,140,404)	1,297,959	670,278,048	(199,238,020)	-	1,093,476	(34,088,087)	(8,911,509)	(241,144,140)	429,133,908	4,474,114
Rounding																		
Work in Progress		19,341,855		12,349,808	(4,523,051)	(1,106,500)	-	-	-	26,062,112	-	-	-	-	-	-	26,062,112	-
TOTAL Property, Plant & Equipment		681,716,594	-	17,572,511	-	(1,106,500)	-	(3,140,404)	1,297,959	696,340,160	(199,238,020)	-	1,093,476	(34,088,087)	(8,911,509)	(241,144,140)	455,196,020	4,474,114

ADDITIONS COMPRISE	RENEWALS	OTHER ADDITIONS	TOTAL
LAND	-	2,517,822	2,517,822
BUILDINGS AND STRUCTURES	1,032,507	316,313	1,348,820
PLANT	1,494,191	-	1,494,191
EQUIPMENT	7,273	1,025,403	1,032,676
ROAD INFRASTRUCTURE	4,008,020	295,880	4,303,900
WATER INFRASTRUCTURE	6,191,893	668,349	6,860,242
SEWERAGE INFRASTRUCTURE	14,860	-	14,860
TOTAL	12,748,744	4,823,767	17,572,511



CHARTERS TOWERS REGIONAL COUNCIL **NOTES TO THE FINANCIAL STATEMENTS** **For the year ended 30 June 2020**

13(a). PROPERTY, PLANT AND EQUIPMENT - 30 JUNE 2019

CATEGORIES	Note	Opening Gross Value As at 1 July 2018	Recogni- sed Assets Gross Value	Additions At Cost	WIP Take-Ons Gross	WIP Transfers To Expense	Sales Gross Value	Write-offs Gross Value	Revaluation Adjustment s to Income	Revaluation Adjustments to Asset Revaluation Surplus	Closing Gross Value As at 30 June 2019	Opening Balance As at 1 July 2018 Accumulated Depreciation	Sales Accumulated Depreciation	Write-Offs Accumulated Depreciation	Revaluation Adjustments Accum.Dep. to Income	Revaluation Adjustments Accum.Dep. to Revaluation Surplus	Annual Depreciation	Accumulated Depreciation As at 30 June 2019	Written Down Value As at 30 June 2019	Residual Value
LAND BUILDINGS & STRUCTURES	16(f)(i)	13,003,500	-	323,927	-	-	-	-	-	(3,985,427)	9,342,000	-	-	-	-	-	-	-	9,342,000	-
PLANT	16(f)(ii)	99,872,311	-	220,746	181,465	-	-	-	(1,621,522)	(11,940,978)	86,712,023	(11,182,767)	-	-	(3,147,661)	(23,354,057)	(1,711,325)	(39,395,811)	47,316,212	-
EQUIPMENT	16(f)(iii)	21,647,616	-	510,013	-	-	(1,674,867)	(11,591)	-	-	20,471,171	(11,686,707)	1,153,196	5,300	-	-	(1,004,633)	(11,532,844)	8,938,327	4,116,114
	16(f)(iv)	4,317,673	-	259,729	36,205	-	-	(430,900)	-	-	4,182,707	(2,895,269)	-	428,134	-	-	(308,068)	(2,775,203)	1,407,504	-
ROAD INFRASTRUCTURE	16(f)(v)	377,800,146	-	3,922,230	1,478,987	-	-	(3,289,560)	-	16,042,567	395,954,370	(75,678,103)	-	626,213	-	5,267,706	(2,816,652)	(72,600,836)	323,353,534	-
WATER INFRASTRUCTURE	16(f)(vi)	84,562,215	-	427,010	1,043,109	-	-	(127,842)	-	19,694,654	105,599,146	(40,818,393)	-	80,311	-	(11,588,015)	(1,140,270)	(53,466,367)	52,132,779	-
SEWERAGE INFRASTRUCTURE	16(f)(vi)	39,630,381	-	9,619	144,624	-	-	(5,161)	-	333,859	40,113,322	(22,622,538)	-	1,579	-	3,754,534	(600,534)	(19,466,959)	20,646,363	-
LANDFILL REHABILITATION		407,706	-	-	-	-	-	(377,706)	-	(30,000)	-	(27,180)	-	27,180	-	-	-	-	-	-
Sub-Total		641,241,548	-	5,673,274	2,884,390	-	(1,674,867)	(4,242,760)	(1,621,522)	20,114,675	662,374,739	(164,910,957)	1,153,196	1,168,717	(3,147,661)	(25,919,832)	(7,581,482)	(199,238,020)	463,136,719	4,116,114
Rounding																				
Work in Progress		9,640,850		13,067,606	(2,884,390)	(482,211)					19,341,855	-	-	-	-	-	-	-	19,341,855	-
TOTAL Property, Plant & Equipment		650,882,398	-	18,740,880	-	(482,211)	(1,674,867)	(4,242,760)	(1,621,522)	20,114,675	681,716,594	(164,910,957)	1,153,196	1,168,717	(3,147,661)	(25,919,832)	(7,581,482)	(199,238,020)	482,478,574	4,116,114



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

13. PROPERTY, PLANT AND EQUIPMENT Cont'd

(b) Recognition

Items of property, plant and equipment with a value less than the thresholds listed below, that are not included as network assets, are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

	Threshold
Land	Nil
Buildings & Structures	\$10,000
Plant	\$5,000
Equipment	\$5,000
Road Infrastructure	\$7,500
Water Infrastructure	\$7,500
Sewerage Infrastructure	\$7,500

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

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

Land Under Roads

The Charters Towers Regional Council does not control any land under roads. All land under the road network within the Council area that has been dedicated and opened for public use under the *Land Act 1994* or the *Land Title Act 1994* is controlled by the Queensland Government pursuant to the relevant legislation. This land is not recognised in these financial statements.

(c) Measurement

Acquisitions of assets are initially recorded at cost. Subsequently, each class of asset is stated at cost or fair value 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 freight in, architect's fees and engineering design fees and all other establishment costs.

Non-monetary assets, including property, plant and equipment, received in the form of grants or contributions, are recognised as assets and revenues at fair value by Council valuation, where that value exceeds the recognition thresholds for the respective asset classes.

(d) Depreciation

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



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

13. PROPERTY, PLANT AND EQUIPMENT Cont'd

(d) Depreciation cont'd

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

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

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.

Details of the range of useful lives, for each class of asset, are as follows:

	Years
Land	N/A
Buildings & Structures	10 to 120
Plant	3 to 50
Equipment	3 to 50
Road Infrastructure	15 to 500
Water Infrastructure	5 to 152
Sewerage Infrastructure	10 to 160

(e) Impairment

All non-current physical assets are assessed for indicators of impairment on an annual basis. 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.

(f) Valuation

Land, buildings and structures, roads infrastructure, water and sewerage infrastructure are measured on the revaluation basis, at fair value, in accordance with AASB 116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*. This revaluation may involve the application of a suitable index to the cost elements of each asset, or may involve an independent assessment of the value.



CHARTERS TOWERS REGIONAL COUNCIL NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

13. PROPERTY, PLANT AND EQUIPMENT Cont'd

(f) Valuation cont'd

Non-current physical assets measured at fair value are revalued where required so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by comprehensively revaluing these assets at least once every five years. In the intervening years desktop valuations are performed to reflect any material variation using an applicable index. Where comprehensive revaluations are undertaken, an independent valuer physically sights a representative sample of Council assets and makes their own assessment of the conditions of the assets at the date of inspection. All other non-current assets, primarily plant, equipment and work in progress, are measured at cost.

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

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

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

i. Land

Land valuations have been based on sales of land in the locality and standard valuation principles have been adopted whereby the direct comparison method for each individual parcel has been utilised. Where necessary adjustments are made for differences in key attributes such as property size, zoning, location, topography and exposure characteristics.

A comprehensive revaluation of fair values of Council land was carried out by independent valuer AssetVal, effective 30 June 2019. A desktop valuation by AssetVal has been undertaken effective 30 June 2020, indicating an indexation of 4%. This index has not been applied and therefore no revaluation of land has been carried out in these financial statements.

ii. Buildings & Structures

Council buildings and structures are recognised at fair value and included at their written down current replacement value at 30 June 2020.

A comprehensive revaluation of the fair value of buildings and structures was carried out by independent valuer, AssetVal, effective 30 June 2019. This involved determining a replacement cost for the asset and making an assessment on the condition, age and remaining life of the asset. A desktop valuation by AssetVal has been undertaken effective 30 June 2020, indicating an indexation of 2.1%. This index has not been applied and therefore no revaluation of buildings and structures has been carried out in these financial statements.

For the Council owned residential properties, of which there are two, the direct comparison market approach (level 2), has been taken. In this instance, the properties held by Council have been compared to recent market sales transactions and adjustments based on land size, shape topography and building size, condition, construction materials, with an apportionment between land and building values.

iii. Plant Fleet

Plant Fleet is measured at original cost less accumulated depreciation.

iv. Equipment

Equipment is measured at original cost less accumulated depreciation.



CHARTERS TOWERS REGIONAL COUNCIL NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

13. PROPERTY, PLANT AND EQUIPMENT Cont'd

(f) Valuation cont'd

v. Road Infrastructure

The fair value, represented by written down current replacement cost, of Council road infrastructure assets was determined by independent valuer, APV Valuers and Asset Management, by way of a comprehensive revaluation, effective 30 June 2019. APV Valuers and Asset Management revised the fair value of the road infrastructure assets effective 30 June 2020, by way of a desktop valuation, resulting in a change in accounting estimate in relation to accumulated depreciation. The revised fair value is presented in the financial statements with effect from 30 June 2020.

vi. Water & Sewerage Infrastructure

Water and sewerage infrastructure assets are recognised at fair value and have been included at their written down current replacement value as at 30 June 2020.

A comprehensive revaluation of the fair value of water and sewerage infrastructure was carried out by independent valuer, AssetVal, effective 30 June 2019. A desktop valuation by AssetVal has been undertaken effective 30 June 2020, indicating an indexation of 2.2%. This index has not been applied and therefore no revaluation of water and sewerage infrastructure has been carried out in these financial statements

(g) Fair Value Measurement

i. Recognised fair value measurements

This section explains the judgements and estimates made in determining fair values used in the financial statements. Council measures and recognises the following assets at fair value on a recurring basis:

Property, plant and equipment

- Land
- Buildings and Structures
- Road Infrastructure
- Water Infrastructure
- Sewerage Infrastructure

There are no assets valued where it is assumed that the highest and best use was other than its current use.

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

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

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

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



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

13. PROPERTY, PLANT AND EQUIPMENT Cont'd

(g) Fair Value Measurement cont'd

i. Recognised fair value measurements cont'd

At 30 June 2020

	Level 2 (Significant other observable inputs)		Level 3 (Significant unobservable inputs)		TOTAL	
Recurring fair value measurements	2020	2019	2020	2019	Total 2020	Total 2019
Land	7,816,883	5,302,000	4,040,000	4,040,000	11,856,883	9,342,000
Buildings and Structures	347,045	363,573	45,476,547	46,952,639	45,823,592	47,316,212
Road Infrastructure			288,523,781	323,353,534	288,523,781	323,353,534
Water Infrastructure			51,011,072	52,132,779	51,011,072	52,132,779
Sewerage Infrastructure			20,074,791	20,646,363	20,074,791	20,646,363
TOTAL	8,163,928	5,665,573	409,126,191	447,125,315	417,290,119	452,790,888

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

Specific valuation techniques used to value Council assets comprise:

Land (level 2 and 3)

Independent valuers AssetVal have utilised level 2 and 3 inputs to determine the fair value measurement of land assets.

Where an active market can be established and there are no unreasonable restrictions as to use and/or sale of land, level 2 valuation inputs have been used.

Level 3 inputs are used to measure fair value where land is assessed as being subject to restrictions for use and/or sale and has no active market. The unobservable input applied to the asset is the rate per square metre.

Buildings and Structures (level 3)

All buildings and structures assets have been valued by external independent valuers, AssetVal.

Due to the predominantly specialised nature of Local Government Assets, infrastructure, building and other asset valuations are undertaken on a Cost Approach (Current Replacement Cost), an accepted valuation methodology under AASB 13. The cost approach is deemed a Level 3 Input. Under this approach, the following process has been adopted:



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

13. PROPERTY, PLANT AND EQUIPMENT Cont'd

(g) Fair Value Measurement cont'd

ii. Valuation techniques used to derive fair values for level 2 and level 3 valuations cont'd

- Where there is no market, the net current value of an asset is the gross current value less accumulated depreciation to reflect the consumed or expired service potential of the asset. Published/available market data for recent projects, and/or published cost guides are utilised to determine the estimated replacement cost (gross value) of the asset, including allowances for preliminaries and professional fees.
- A condition assessment is applied which is based on factors such as the age of the asset, overall condition as noted by the Valuer during inspection, economic and/or functional obsolescence. The condition assessment directly translates to the level of depreciation applied.
- In determining the level of accumulated depreciation for major assets, the Valuer has disaggregated into significant components which exhibit different patterns of consumption (useful lives).
- While the replacement cost of the assets could be supported by market supplied evidence (level 2), the other unobservable inputs (such as estimates of useful life, and asset condition) were also required (level 3).

The consumption rating inputs can be defined in the following table, noting that the condition assessments for Council have been applied in 0.5 intervals:

	Description	Percentage of Remaining Life
0	Brand new or rehabilitated to new	100%
1	Near new with no visible deterioration	90%
2	Excellent overall condition early stages of deterioration	80%
3	Very good overall condition with obvious deterioration evident	70%
4	Good overall condition, obvious deterioration, serviceability impaired very slightly	60%
5	Fair overall condition, obvious deterioration, serviceability loss	50%
6	Fair to poor overall condition, obvious deterioration, some serviceability loss	40%
7	Poor overall condition, obvious deterioration, some serviceability loss, high maintenance cost	30%
8	Very poor overall condition, severe deterioration, very high maintenance costs. Consider renewal	20%
9	Extremely poor condition, severe serviceability problems, renewal required immediately	10%
10	Failed asset, no longer serviceable. Should not remain in service	0%

Road Infrastructure (Level 3)

Road infrastructure assets were valued by external independent valuers, APV Valuers and Asset Management, using level 3 valuation inputs using the cost approach. The approach estimated the current replacement cost (CRC) for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors.

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.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

13. PROPERTY, PLANT AND EQUIPMENT Cont'd

(g) Fair Value Measurement cont'd

ii. Valuation techniques used to derive fair values for level 2 and level 3 valuations cont'd

While the unit rates based on square metres or similar capacity could be supported from market evidence (level 2) other inputs (such as estimates of useful life, asset condition and pattern of consumption including the split between short-life and long-life parts of each component) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

During the year there were a number of new projects completed where the actual cost was recorded and the impact of depreciation at year end was negligible. While these could be classified as valued at level 2, given the low proportion of the total portfolio that these represented and the likelihood that in future valuation they would most likely be valued at level 3, a policy that all road, water and sewer infrastructure assets are deemed to be valued at level 3.

The consumption rating scale is assessed in line with the condition score in the following table:

Condition Score	Assessment
0.00 to 0.99	New or very good condition – very high level of remaining service potential.
1.00 to 1.99	Not new but in very good condition with no indicators of any future obsolescence and providing a high level of remaining service potential.
2.00 to 2.99	Aged and in good condition, providing an adequate level of remaining service potential. No signs of immediate or short term obsolescence.
3.00 to 3.99	Providing an adequate level of remaining service potential but there are some concerns over the asset's ability to continue to provide an adequate level of service in the short to medium term. May be signs of obsolescence in short to mid-term.
4.00 to 4.99	Indicators showing the need to renew, upgrade or scrap in near future. Should be reflected by inclusion in the Capital Works Plan to renew or replace in short-term. Very low level of remaining service potential.
5.00	At intervention point. No longer providing an acceptable level of service. If remedial action is not taken immediately the asset will need to be closed or decommissioned.

The sensitivity of the valuation to these inputs is impacted in the following ways:

Input	Application	Impact
Unit Rate	Applied to all assets.	A small increase in unit rate applied to common assets (e.g. formation) will have a far greater impact on fair values than the same increase to less common assets (e.g. road furniture).
Relationship between asset consumption rating scale and level of consumed service potential	Used in calculating accumulated depreciation	Accumulated depreciation may be misstated if an incorrect consumption rating scale is applied or if the level of consumed service potential is misstated.



**CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020**

13. PROPERTY, PLANT AND EQUIPMENT Cont'd

(g) Fair Value Measurement cont'd

ii. Valuation techniques used to derive fair values for level 2 and level 3 valuations cont'd

Water and Sewerage Infrastructure (level 3)

Water and sewerage infrastructure assets were valued by external independent valuers, AssetVal. The valuations have been undertaken on a cost approach, which is deemed a level 3 input. The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account factors such as asset condition.

The accumulated depreciation of the assets has been calculated by applying the assessed condition of the assets as a remaining useful life. Asset condition for above ground active assets was obtained through inspections whilst condition assessment for below ground and minor active assets were estimated using the current age of the asset, documented repairs or capital works and surrounding environmental factors.

iii. Valuation processes

Council's valuation policies and procedures are set by Council as part of the annual budget process.

This is done after appropriate consultation with the Director of Corporate and Community Services, members of the Audit and Risk Committee and relevant finance staff. Non-recurring fair value measurements are made at the point of reclassification by a registered valuer.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

14. 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 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.

(a) Contract Assets

	2020
Contract Assets	7,858,976

(b) Contract Liabilities

	2020
Funds received upfront to construct Council controlled assets	18,497,002

Revenue recognised that was included in the contract liability balances at the beginning of the year

	2020
Funds received upfront to construct Council controlled assets	764,223

(c) Significant Changes in Contract Balances

Contract assets and liabilities have arisen on adoption of AASB 15 and AASB 1058. For previous reporting periods the revenue was recognised on receipt and therefore there was no effect on the statement of financial position.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

15. LEASES

Council as a lessee

Council does not have any leases in place.

16. PAYABLES

Payables are recognised as a liability at the time of the goods being received, or the service being performed. The amount recognised for each creditor is based on the agreed purchase or contract costs. Amounts owing are unsecured and are generally settled within 30 working days.

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

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

	2020	2019
Sundry Creditors, including Contract Retentions	8,580,739	5,141,710
Prepaid Rates	1,486,699	-
Employee Benefits – Annual Leave	2,248,551	2,348,821
Employee Benefits – RDO & TOIL	19,342	52,212
TOTAL PAYABLES	12,335,331	7,542,743



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

17. 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 using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

Borrowing costs, which includes interest calculated using the effective interest method and administration fees, are expensed in the period in which they are incurred. Costs that are not settled in the period in which they are incurred, are added to the carrying amount of the borrowing.

Borrowing costs are treated as an expense, as assets constructed by the Council are generally completed within one year and therefore are not considered to be qualifying assets. Gains and losses on the early redemption of borrowings are recorded in other revenue/expense.

In accordance with the *Local Government Regulation 2012* Council adopt an annual debt policy that sets out Council's planned borrowings for the next nine years. Council aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

(a) Current

	2020	2019
Loans – Queensland Treasury Corporation	144,668	140,901
TOTAL CURRENT	144,668	140,901

(b) Non-Current

Loans – Queensland Treasury Corporation	949,418	1,092,846
TOTAL NON-CURRENT	949,418	1,092,846

(c) Loan Summary – Queensland Treasury Corporation

Opening Balance at Beginning of Financial Year	1,233,747	1,369,584
Loans Raised	-	-
Repayments	(172,374)	(172,374)
Interest	32,713	36,537
BOOK VALUE AT PERIOD END	1,094,086	1,233,747

The loan market value at 30 June 2020 was \$1,167,976. This represents the value of the debt if the Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts. Council's loan borrowings are entirely represented by loans from Queensland Treasury Corporation (QTC). Borrowings are all in Australian dollar denomination amounts. Expected final repayment date is 15 June 2027.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

18. PROVISIONS

Long-Service Leave

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

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

Landfill Rehabilitation

A provision is made for the cost of restoring Council's landfill site where it is probable council will be liable to do this when the use of the site is complete.

The provision represents the present value of the anticipated future costs associated with the closure and rehabilitation of the landfill site. The calculation of this provision requires assumptions such as environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred.

As the landfill site is on a State Reserve which Council does not control, changes in the provision are treated as an expense or income.

(a) Current

	2020	2019
Long Service Leave	1,661,417	1,862,704
TOTAL CURRENT	1,661,417	1,862,704

(b) Non-Current

Long Service Leave	361,744	317,236
Landfill Rehabilitation	1,340,853	558,435
TOTAL NON-CURRENT	1,702,597	875,671



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

18. PROVISIONS Cont'd

(c) Landfill Rehabilitation Summary

	2020	2019
Balance at Beginning of Financial Year	558,435	407,706
Increase/(decrease) in provision	782,418	150,729
BALANCE AT THE END OF THE PERIOD	1,340,853	558,435

This is the present value of the estimated cost of restoring the landfill site to a useable state at the end of its useful life. The projected cost is \$1,526,016 and this cost is expected to be incurred in 2032.

19. ASSET REVALUATION SURPLUS

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

Increases and decreases on revaluation are offset within a class of assets. Where a class of assets is decreased on revaluation, the decrease is offset 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.

	2020	2019
Asset Revaluation Surplus Analysis		
The closing balance of the Asset Revaluation Surplus comprises the following asset categories:		
Water Infrastructure	23,849,695	23,849,695
Sewerage Infrastructure	9,764,845	9,764,845
Road Infrastructure	87,010,230	119,800,358
Land	1,109,910	1,109,910
TOTAL ASSET REVALUATION SURPLUS	121,734,680	154,524,808



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

20. RESERVES

Council's cash and cash equivalents are subject to a number of internal restrictions that limit the amount that is available for discretionary or future use. In prior years Council accounted for these restrictions by way of Reserves.

The internal restrictions that are now placed on Council's cash and cash equivalents are disclosed in Note 8.

21. COMMITMENTS FOR EXPENDITURE

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

	2020	2019
Capital		
Information Technology	127,233	280,226
Plant	174,064	-
Building Infrastructure	414,709	61,571
Roads Infrastructure	-	202,292
Water Infrastructure	1,587,668	5,352,750
Operating		
Landfill Services Contract	270,000	262,815
Landfill State Government Waste Levy	650,000	-
Roads Infrastructure Works	930,355	5,828,570
Flood Restorations Works	32,994,739	-
Saleyard Services Contract	260,855	252,646
Planning Scheme	-	53,068
Facilities Cleaning Contract	187,430	-
TOTAL	37,597,053	12,293,938

22. CONTINGENT LIABILITIES

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

Local Government Workcare

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 any bad debts which may remain should the self-insurance licence be cancelled or insufficient funds be 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 \$566,859 (2019: \$530,848).

Local Government Mutual

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.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

23. SUPERANNUATION – REGIONAL DEFINED BENEFIT FUND

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

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

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

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

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

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

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

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

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

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

	Note	2020	2019
Superannuation contributions made to the Regional Defined Benefits Fund		111,837	107,544
Other superannuation contributions for employees		1,609,883	1,614,058
Total superannuation contributions paid by Council for employees:	6	1,721,720	1,721,602



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

24. RECONCILIATIONS

**(a) Reconciliation of Net Result for the Year to the Net Cash Inflow (Outflow)
From Operating Activities**

	2020	2019
Net Result	3,817,515	2,669,573
Non-cash Operating Items:		
Depreciation	8,911,509	7,581,482
Write-offs of Property, Plant and Equipment	2,046,928	7,843,226
Opening WIP Moved to Expense	1,106,500	482,211
Community Loan Interest Charged	(693)	(1,337)
	12,064,244	15,905,582
Investing and Development Activities:		
Changes in Accounting Policy	(1,253,974)	-
Correction of error	(669,779)	-
Net (Profit) Loss on Disposal of Non Current Assets	-	(37,419)
Capital Grants, Subsidies, Contributions & Donations	(6,804,136)	(5,859,038)
	(8,727,889)	(5,896,457)
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in Receivables	4,124,195	(4,621,772)
(Increase) Decrease in Inventories	(34,090)	33,866
(Increase) Decrease in Contract Assets	(7,858,976)	-
Increase (Decrease) in Payables	4,792,589	2,010,573
Increase (Decrease) in Contract Liabilities	18,497,002	-
Increase (Decrease) in Provisions	625,639	179,930
	20,146,359	(2,397,403)
Net Cash Inflow (Outflows) from Operating Activities	27,300,229	10,281,295

(b) Reconciliation of Liabilities Arising From Finance Activities

2020		As at 30 June 2019	Cash flows	Non-cash changes	As at 30 June 2020
Loans	20	1,233,747	(139,661)	-	1,094,086

2019		As at 30 June 2018	Cash flows	Non-cash changes	As at 30 June 2019
Loans	20	1,369,584	(135,837)	-	1,233,747



CHARTERS TOWERS REGIONAL COUNCIL NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

25. EVENTS AFTER BALANCE DATE and IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS AS AT 30 JUNE 2020

Events After Reporting Date

The global COVID-19 pandemic and subsequent restrictions imposed by the Commonwealth and Queensland governments have caused disruption to business and economic activity.

The Commonwealth and Queensland governments implemented biosecurity and specific access restrictions.

The biosecurity restrictions were lifted by the Commonwealth government from 12 June 2020.

At time of signing of the annual financial statements, the Queensland government has interstate border restrictions in place. Queenslanders can travel intrastate without restrictions.

As at the date of signing these financial statements, given the evolving circumstances of COVID-19, the ongoing impact on council cannot be reliably estimated for future financial periods. Any impact would be a non-adjusting event after reporting date and as such has no impact on the amounts reported in these financial statements.

To the best of council's knowledge at the date of this financial report, there are no other post balance date events that are likely to have a material impact on the financial statements.

Impact of COVID-19 on the Financial Statements as at 30 June 2020

As a result of the COVID-19 restrictions imposed on gatherings in public spaces such as theatres and cinemas, there has been a decrease in World Theatre revenue in the third quarter of the 2019/20 financial year. The decrease is not considered to be material to the financial statements.

Council understands that the economic impact of the COVID-19 pandemic response may impact upon the ratepayers' ability to pay council's rates and charges. The impact to council would be an increase in rates debtors. The second half yearly rates notice for 2019/20 was due on 2 February 2020, and as this due date preceded the pandemic there is no major COVID-19 impact on the 30 June 2020 annual financial statements.

There have not been any other significant operational or financial impacts as a result of the COVID-19 pandemic to date and it is confirmed that any known impacts have been reflected in the financial statements.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

26. CHANGES IN ACCOUNTING POLICY

During the year ended 30 June 2020, 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.

Adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019. No adjustments were required for AASB 16.

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 year 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 modifications were minor

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

Opening contract balances on transition at 1 July 2019

	Balance as 1 July 2019 \$
<u>Contract Assets</u>	
Under AASB 15	2,187,699
Under AASB 1058	<u>4,464,428</u>
Total Contract Assets	6,652,127
 <u>Contract Liabilities</u>	
Under AASB 15	5,101,833
Under AASB 1058	<u>1,485,000</u>
Total Contract Liabilities	6,586,833

Application of the new standards also resulted in an opening adjustment of \$1,319,267 for prepaid rate levies.

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

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



CHARTERS TOWERS REGIONAL COUNCIL **NOTES TO THE FINANCIAL STATEMENTS** **For the year ended 30 June 2020**

26. CHANGES IN ACCOUNTING POLICY Cont'd

Statement of financial position as at 30 June 2020

		Carrying amount per Statement of Financial Position Dr/(Cr) \$	Adjustments Dr/(Cr) \$	Carrying amount if previous standards had been applied \$
Contract Assets	Revenue Grant Income	7,858,976	(7,858,976)	-
Contract Liabilities - current	Revenue Grant Income	(18,497,002)	18,497,002	-
Payables	Revenue Prepaid Rates	(1,486,699)	1,486,699	-
Retained Earnings		(366,201,119)	(12,124,725)	(378,325,844)
		<u>(378,325,844)</u>	<u>-</u>	<u>(378,325,844)</u>

Statement of comprehensive income for the year ended 30 June 2020

		Balance per Statement of Comprehensive Income \$	Adjustments Dr/(Cr) \$	Carrying amount if previous standards had been applied \$
Operating				
Revenue – Rates, Levies and Charges		23,844,491	167,432	24,011,923
Revenue – Grants and Subsidies		32,341,375	7,204,529	39,545,904
Revenue – Sales – Contract and Recoverable Works		10,760,648	1,266,228	12,026,876
Capital				
Revenue – Grants and Subsidies		6,804,136	2,232,562	9,036,698
		<u>73,750,650</u>	<u>10,870,751</u>	<u>84,621,401</u>

The adjustments above relate to the recognition of prepaid rate levies during the year now recognised as a liability in the Statement of Financial Position and the recognition of prior year unspent grant revenue, which was previously recognised on receipt.

Statement of cash flows 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 Cash Flows for the year ended 30 June 2020.

Lease standards – AASB 16

As Council does not have any leases in place there are no affected financial statement line items to disclose.



CHARTERS TOWERS REGIONAL COUNCIL NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

27. FINANCIAL INSTRUMENTS

Council's activities expose it to the following financial risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

Risk Management Framework

Charters Towers Regional Council is responsible for the establishment and oversight of the risk management framework, together with developing and monitoring risk management policies.

Council's Audit and Risk Committee approves policies for overall risk management. These policies focus on identifying and analysing the risks faced, setting appropriate limits and controls and monitoring the risks and adherence to limits.

Council's Audit and Risk Committee oversee how management monitors compliance with Council's risk management policies and procedures and review the adequacy of the risk management framework in relation to the risks faced by Council. Council's Audit and Risk Committee is assisted in its oversight role by internal audit. Internal audit undertakes regular review of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee.

i. Credit Risk

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

When Council borrows, it borrows from the Queensland Treasury Corporation, unless another financial institution can offer a more beneficial rate, taking into account any risk. Borrowing by Council is constrained by the provisions of the *Statutory Bodies Financial Arrangement Act 1982*.

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

	Note	2020	2019
Financial Assets			
Cash and Cash Equivalents	8	52,337,145	35,928,179
Investments	9	1,000,000	1,000,000
Receivables – Rates	11(a)	1,136,103	1,388,883
Loans to Community Organisations	11(b)	3,532	19,612
Other Debtors	11(a)	4,664,194	8,441,502
Other Credit Exposures			
Bank Guarantee	22	566,859	530,848
TOTAL		59,707,833	47,309,024

Cash and Cash Equivalents

The Council may be exposed to credit risk through its investments with the Queensland Treasury Corporation (QTC) and deposits held with banks or other financial institutions. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with QTC Cash Fund are capital guaranteed.

Other cash investments are held with highly rated/regulated banks and financial institutions and whilst not capital guaranteed, the likelihood of the counterparty having capacity to meet its financial commitments is strong.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

27. FINANCIAL INSTRUMENTS Cont'd

i. Credit Risk Cont'd

Receivables

In the case of rate receivables, Council has the power to sell the property to recover any defaulted amounts and therefore generally for rates debtors the credit risk is low.

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

By the nature of Council operations, there is geographical concentration of risk in Council's area. Because the area is largely agricultural, there is also a concentration in the grazing sector.

The Council does not require collateral in respect of receivables. The Council does not have receivables for which no loss allowance is recognised because of collateral.

At 30 June 2020, the exposure to credit risk for receivables by type of counterparty was as follows:

	2020	2019
Property Charges	1,136,103	1,388,883
Community Organisations	3,532	19,612
Other	4,664,194	8,441,502
TOTAL	5,803,829	9,849,997

A summary of Council's exposure to credit risk for receivables is as follows:

	Not Past Due	Past Due			Impaired	Total
		30-60 Days	61-90 Days	More than 90 Days		
2020						
Not credit-impaired	4,482,122	94,080	4,291	1,223,336	-	5,803,829
2019						
Not credit-impaired	9,349,764	135,780	269,232	95,221	-	9,849,997

ii. Liquidity Risk

Liquidity risk refers to the situation where Council may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Council's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Council's reputation.

Council is exposed to liquidity risk through its trading in the normal course of business and through its borrowings with QTC.



CHARTERS TOWERS REGIONAL COUNCIL **NOTES TO THE FINANCIAL STATEMENTS** **For the year ended 30 June 2020**

27. FINANCIAL INSTRUMENTS Cont'd

ii. Liquidity Risk Cont'd

Council manages its exposure to liquidity risk by maintaining sufficient cash deposits, both short and long term, to cater for unexpected volatility in cash flows.

The following table sets out the liquidity risk of financial liabilities held by Council in a format as it might be provided to management. The amounts disclosed in the maturity analysis represent the contractual undiscounted cash flows (principal and interest) of financial liabilities at the end of the reporting period, excluding the impact of netting agreements:

Contractual Maturity of Financial Liabilities

Financial Liabilities	0 to 1 year	1 to 5 Years	Over 5 Years	Total Contractual Cash Flows	Carrying Amount
	\$	\$	\$	\$	\$
2020					
Payables	8,580,739	-	-	8,580,739	8,580,739
Loans - QTC	172,374	689,496	344,748	1,206,618	1,094,086
	8,753,113	689,496	344,748	9,787,357	9,674,825
2019					
Payables	5,141,710	-	-	5,141,710	5,141,710
Loans - QTC	172,374	689,496	517,122	1,378,992	1,233,747
	5,314,084	689,496	517,122	6,520,702	6,375,457

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.

iii. Market Risk

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

Interest Rate Risk

Council is exposed to interest rate risk through investments held with QTC and other financial institutions.

Sensitivity

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

The Council does not account for any fixed-rate financial assets or financial liabilities at Fair Value through Profit or Loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

Interest Rate Sensitivity Analysis

The following interest rate sensitivity analysis is based on a report similar to that which would be provided to management as to what effect a reasonably possible change in interest rates (assumed to be 1%) would have on the profit and equity, based on the carrying values at the end of the reporting period. The calculations assume that the change in interest rates would be held constant over the period.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

27. FINANCIAL INSTRUMENTS Cont'd

iii. Market Risk Cont'd

Interest Rate Sensitivity Analysis

		Profit		Equity	
	Carrying Value	1%	1%	1%	1%
	2020	Increase	Decrease	Increase	Decrease
Financial Assets	53,337,145	533,371	(533,371)	533,371	(533,371)
Net	53,337,145	533,371	(533,371)	533,371	(533,371)
	2019				
Financial Assets	36,928,179	369,282	(369,282)	369,282	(369,282)
Net	36,928,179	369,282	(369,282)	369,282	(369,282)

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

QTC Fixed Rate Loan – financial instruments with fixed interest rates which are carried at amortised cost are not subject to interest rate sensitivity.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

28. TRANSACTIONS WITH RELATED PARTIES

(a) Transactions with Key Management Personnel (KMP)

KMP include the Mayor, Councillors, council's Chief Executive Officer and Senior Executive Officers. The compensation paid to KMP comprises:

	2020	2019
Short-term Employee Benefits	1,194,416	1,239,446
Post-employment Benefits	80,418	98,107
Long-term Benefits	93,156	101,937
Termination Benefits	-	58,846
TOTAL	1,367,990	1,498,336

Detailed remuneration disclosures are provided in the annual report.

(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 the KMP's children and spouse or domestic partner; children of the KMP's spouse or domestic partner; or dependants of the KMP's or the KMP's spouse or domestic partner.

Details of Transactions:

	Additional Information		
Fees and charges charged to entities controlled by KMP	28(b)(i)	8,841	4,976
Employee expenses for close family members of KMP	28(b)(ii)	220,442	225,647
Purchase of materials and services from entities controlled by KMP	28(b)(iii)	-	30,698
TOTAL		229,283	261,321

i. The fees and charges charged to entities controlled by KMP were on an arm's length basis in accordance with the schedule of fees and charges adopted by Council. The total disclosed includes the following:

Fees and charges charged to entities controlled by KMP	Details of related party	\$
Venue Hire	Venue hire fees incurred by Power Up Dance & Fitness; an entity controlled by a child of former councillor Mike Power. The hire occurred in accordance with council's normal terms and conditions.	2,468
Lease Fees	Trustee lease fees incurred by councillor Kate Hastie. The lease occurred in accordance with council's normal terms and conditions.	3,500
Other Fees & Charges	Various other related parties	2,873
	TOTAL	8,841



CHARTERS TOWERS REGIONAL COUNCIL NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2020

28. TRANSACTIONS WITH RELATED PARTIES Cont'd

- ii. All close family members of KMP were employed through an arm's length process. They are paid in accordance with the Award for the job they perform.

The council employs 211 staff of which only 3 are close family members of key management personnel at the end of the reporting period. All 3 were employed before KMP were employed.

- iii. There were nil purchases of materials and services from entities that are controlled by members of KMP during the reporting period.

	2020	2019
Tyres	-	\$ 30,698
TOTAL	-	\$ 30,698

(c) Outstanding Balances

There are nil balances outstanding at the end of the reporting period in relation to transactions with related parties.

(d) Transactions with Related Parties that have not been disclosed

Most of the entities and people that are related parties of council live and operate within the Charters Towers region. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

- Payment of rates
- Use of the Kennedy Regiment Memorial Pool
- Animal Registration
- Borrowing books from council library

Council has not included these types of transactions in its disclosure, where they are made on the same terms and conditions available to the general public.

29. CORRECTION OF ERROR

An error occurred in the year ended 30 June 2019 whereby an amount of \$669,779 was erroneously processed as accrued revenue.

This error has been corrected by adjusting both the retained surplus and accrued revenue opening balances at 1 July 2019.

Statement of Financial Position (extract)	Balance at 1 July 2019	Adjustment due to correction of error	Restated Balance at 1 July 2019
Retained Surplus	(36,918,779)	669,779	(36,249,000)
Current Receivables	10,122,232	(669,779)	9,452,453



**CHARTERS TOWERS REGIONAL COUNCIL
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 48, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.

Mayor

Frank Beveridge

Date:

30/10/2020

Chief Executive Officer

Aaron Johansson

Date:

30/10/2020

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Charters Towers Regional Council

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Charters Towers Regional Council (the council).

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2020, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and Chief Executive Officer.

Basis for opinion

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

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

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

Other information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Charters Towers Regional Council's annual report for the year ended 30 June 2020 was the current year financial sustainability statement and long-term financial sustainability statement.

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2020:

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



30 October 2020

Sri Narasimhan
as delegate of the Auditor-General

Queensland Audit Office
Brisbane



CHARTERS TOWERS REGIONAL COUNCIL CURRENT YEAR FINANCIAL SUSTAINABILITY STATEMENT For the year ended 30 June 2020

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 key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-1%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	148%	Greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-46%	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 30 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 Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.

Mayor
Frank Beveridge

Date: 30/10/2020

Chief Executive Officer
Aaron Johansson

Date: 30/10/2020

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Charters Towers Regional Council

Report on the current year financial sustainability statement

Opinion

I have audited the accompanying current year financial sustainability statement of Charters Towers Regional Council (the council) for the year ended 30 June 2020, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with section 212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Charters Towers Regional Council for the year ended 30 June 2020 has been accurately calculated.

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Charters Towers Regional Council's annual report for the year ended 30 June 2020 was the general purpose financial statements and long-term financial sustainability statement.

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the current year financial sustainability statement

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

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



30 October 2020

Sri Narasimhan
as delegate of the Auditor-General

Queensland Audit Office
Brisbane



CHARTERS TOWERS REGIONAL COUNCIL

LONG TERM FINANCIAL SUSTAINABILITY STATEMENT

For the year ended 30 June 2020

Unaudited Long-Term Financial Sustainability Statement

Prepared as at 30 June 2020

Measures of Financial Sustainability	How the measure is calculated	Target	Actuals at 30 June 2020	30-Jun-21	30-Jun-22	30-Jun-23	Projected for the year ended					
							30-Jun-24	30-Jun-25	30-Jun-26	30-Jun-27	30-Jun-28	30-Jun-29
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	Between 0% and 10%	-1%	-14%	-14%	-13%	-11%	-9%	-7%	-3%	-2%	-1%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	148%	78%	66%	54%	58%	53%	98%	94%	77%	63%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	not greater than 60%	-46%	-87%	-84%	-85%	-85%	-88%	-81%	-80%	-85%	-87%

Charters Towers Regional Council 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 Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.

Mayor

Frank Beveridge

Date: 30/10/2020

Chief Executive Officer

Aaron Johansson

Date: 30/10/2020



CHARTERS TOWERS REGIONAL COUNCIL



Charters Towers Regional Council
PO Box 189
ADMINISTRATION: 12 Mosman Street
Charters Towers Qld 4820 Australia
PH: (07) 4761 5300 | F: (07) 4761 5344
E: mail@chartersowers.qld.gov.au
www.chartersowers.qld.gov.au
[f](https://www.facebook.com/chartersowersregionalcouncil) [chartersowersregionalcouncil](https://www.facebook.com/chartersowersregionalcouncil)