
ANNUAL REPORT

2017 / 2018



CHARTERS TOWERS
REGIONAL COUNCIL

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Introduction

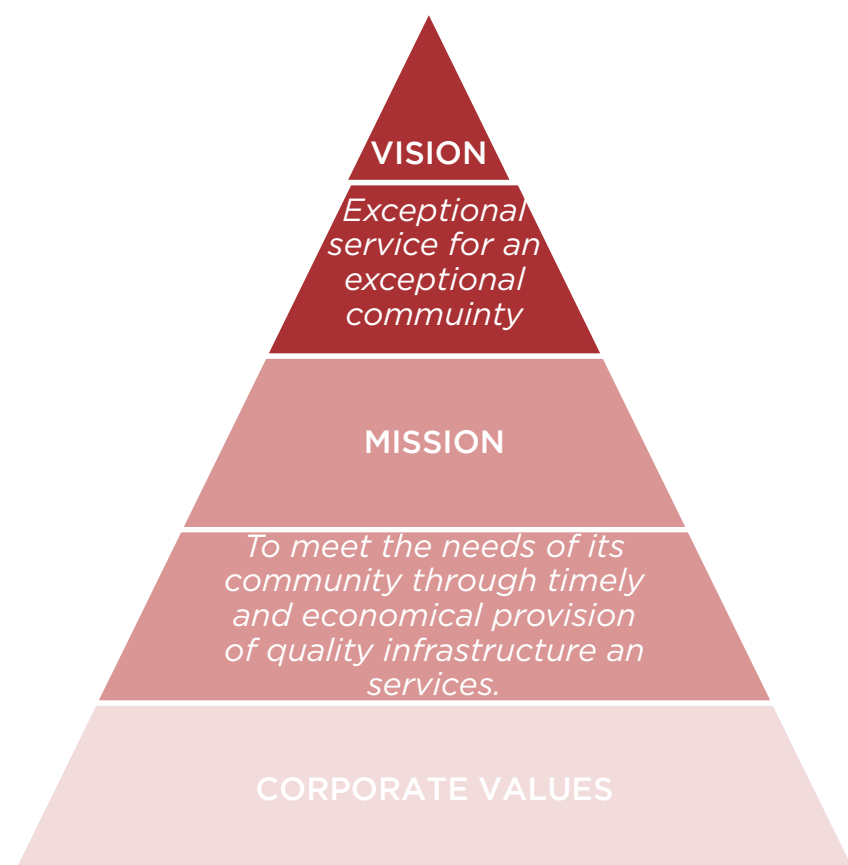
Welcome to the Charters Towers Regional Council's annual report for the 2017/2018 financial year. To ensure we remain accountable to our stakeholders, this report gives an account of Council's performance and acknowledges achievements and challenges faced by Council and the community.

This document demonstrates our commitment to supporting our region through long-term financial plans and Council's ability to meet strategic priorities outlined in the 2015-2020 Corporate Plan.

This information is relevant to the residents, ratepayers, local business owners, potential investors, community groups, government agencies, funding bodies, and current and potential staff of the Charters Towers Region.

The objectives of the annual report include:

- Reporting on performance in delivering the Corporate Plan priorities and other key achievements for the organisation
- Communicating Council's vision and commitments to the community meeting statutory requirements under the *Local Government Act 2009* and *Local Government Regulation 2012*
- Instilling community confidence in Council's ability to demonstrate strong leadership and deliver on promises, illustrating the commitment to accountable and transparent government
- Promoting the Region and Council to potential investors for economic development
- Building confidence and satisfaction in the partnerships that are being created with community groups, local authorities and industry leaders through key projects
- Recognising the significant achievements of Council's staff
- Marketing Council as an employer of choice for prospective employees.



Mayor's Message

This past year Council reached our halfway milestone. It has been exciting to work through challenges and we are pleased with what we have achieved since 2016.



We look forward to working with the community to continue to improve in their best interest and expectations.

There have been some significant changes which included the departure of Councillor Brett Maff in early 2018, which saw Councillor Bernie Robertson take his place after a by-election. We also welcomed our new Chief Executive Officer, Mr Aaron Johansson in October 2017.

At the beginning of 2018 our region participated in the Queen's Baton Relay as part of the lead up to the Commonwealth Games on the Gold Coast. For the first time ever, the Baton passed through Pentland, Homestead and Charters Towers.

We celebrated our baton bearers and the baton's journey with a 'Party in the Park' which was a great success for our community.

We continued the excitement of the Games with the 'Towers Adventure Series.' Through 'Game On Queensland', local Councils shared in \$800,000 of grant funding to provide a number of outdoor activities that promoted healthy, active lifestyles.

For the 2017/2018 period, I'm happy to report that many projects were completed, and community groups saw the benefit of funding. Projects included:

- The renewal of the Charters Towers Tennis Courts. The reconstruction was made possible by substantial funding from the Department of National Parks, Sport and Racing - "Get Playing Plus" Round 2 2016 Grant and with significant financial contributions from the Charters Towers Regional Council, Charters Towers Tennis Club and Tennis Australia.
- Water mains replacements, relining sewer mains, multiple bridge repairs and maintenance, along with the Towers Hill walking track and boardwalk. A total of 19 projects were completed which were funded by the State Government's "Works for Queensland" (W4Q) program.

- Some great projects came to fruition from the Regional Arts Development Fund (RADF) program this year. Two recent projects included the Fernery Ephemera at Lissner Park as part of 10 Days in the Towers and the 100 Poppies Mosaic Project in Pentland as part of Anzac Day. Council received \$40,000 from the Queensland Government and with Council's contribution of \$48,000, the total RADF funding pool was \$88,000.

Our priority focus areas are economic development, tourism, infrastructure and sustainability, water, community, advocacy and our organisation. To fulfil these priorities, Council is in the process of:

- Producing a new Planning Scheme to replace the former city and shire schemes. The new Planning Scheme will reflect our focus on Economic Development by ensuring that assessment levels in the various Codes encourage development.
- Producing a new Local Government Infrastructure Plan (LGIP) which establishes infrastructure necessary to support population and employment growth, including transport, water and wastewater, parks and land for community facilities.
- The Water Infrastructure Upgrade Project (WIUP) of the Water Treatment Plant, along with the other works, will cost a total of \$21.55M, with co-funding from the Federal Government of \$8.65M. This new construction and upgrade will ensure the reliability and security of Charters Towers' water supply now and into the future.
- Installing Smart Water Meters to provide residents and Council with the tools to monitor water usage. This can be used to identify and address water leaks which will conserve our precious resource and provide savings to water treatment costs.
- The Smart Cities initiative will increase Council's network resilience during disasters while providing a reliable and fast internet connection. Visitors and the community will also benefit from the free Wi-Fi hotspots. The initiative includes the installation of more security cameras for community safety.

I'm excited for the year ahead as we work on these significant projects and continue to provide ongoing support for the community.

As a Council organisation; we appreciate that we are servants of our Community and that all levels of Council are accountable, transparent, outcomes-driven and make the most of our ratepayers' dollars.

Mayor Liz Schmidt

Chief Executive Officer's Message



The past financial year has seen positive changes for the organisation. A significant milestone was the completion of an organisation wide review and implementation of the recommendations for the restructure of four Directorates to three Directorates.

The three new Directorates are:

- Corporate and Customer Services
- Infrastructure Services
- Planning and Community Services

This restructuring has allowed us to be more streamlined and efficient as we serve the community.

Fulfilling our commitments in the 2017/2018 Budget, we have made significant investments into core infrastructure.

The Gill Street Reconstruction Project which included pavement reconstruction and road surfacing to Gill Street and adjoining streets.

To ease traffic congestion during peak times and to make intersections on Gill Street much safer, two roundabouts were installed with a further two yet to be completed. In time, all the roundabouts will increase road safety and ease congestion.

The Water Treatment Plant upgrade for Charters Towers started in May and will take approximately 12 months to complete. The new construction will see the addition of a new clarifier and new gravity filters with a 60+ year life.

The upgrades will include:

- Computer control systems
- Electrical switchboards
- Installation of a backup generator

This will ensure the long term potable water requirements for Charters Towers are met and will also cater for potential future droughts.

Another key project includes the Enterprise Resource Planning (ERP) Implementation Project, which will allow our organisation to be more efficient and to manage our services in order to meet the requirements of our ratepayers.

Council's new Corporate Plan for 2018-2023 was workshopped, developed and adopted in May 2018. The Plan outlines clear goals and strategies for Council for the next five years and provides a platform for a strong economy, healthy environment and effective sustainable infrastructure to the region. The Plan comprises seven priority focus areas:

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

The Corporate Plan will be used to deliver long-term objectives and will act as a framework for our annual Budget and Operational Plan.

Moving forward, we will prioritise areas of critical importance and strive for continuous improvement in our service delivery to our region. To fulfil this commitment, the Organisational Development Plan was adopted by Council in June 2018.

This document provides a foundation for the organisation for an improvement journey over the next three years and beyond.

To develop the organisation to attain its desired future state, there are many issues that will need to be addressed.

I would like to acknowledge Council's Directors and employees for welcoming me to the organisation and joining with me on this journey of continuous improvement.

Together we are working to better our Region.

Aaron Johansson
Chief Executive Officer

“Fulfilling our commitments in the 2017/2018 Budget, we have made significant investments into core infrastructure.”

Principles of Local Government

The purpose of the *Local Government Act 2009* is to provide for a system of local government in Queensland that is accountable, effective, efficient and sustainable.

Parliament requires that anyone who is performing a responsibility under this Act does so in accordance with the following Local Government Principles:

- a) transparent and effective processes and decision-making in the public interest;
- b) sustainable development and management of assets and infrastructure and delivery of effective services;
- c) democratic representation, social inclusion and meaningful community engagement;
- d) good governance of, and by, local government; and
- e) ethical and legal behaviour of councillors and local government employees.

Governance Framework

Corporate Governance is widely recognised as providing the framework and tools required to ensure that organisations are progressive and can operate in an effective and accountable manner.

From a Local Government perspective, the framework reinforces the statutory authority and responsibilities of Council as a corporate body and assists elected representatives and professional officers in the delivery of quality services. Central to the achievement of these outcomes is the engagement of key stakeholders and intended beneficiaries in the development and implementation of initiatives for the betterment of local communities.

Effective corporate governance is not possible without a recognition and acceptance of legislative and administrative instruments that clearly establish the roles and responsibilities of the corporate body, elected membership and professional officers. Within this context, the governance framework will be enhanced through the adoption of a clearly defined, transparent decision-making process and delegation instruments which best meet the strategic and operational needs of the Region.

Effective outcomes are best achieved where the role and focus of elected members as a collective corporate organisation, are directed to policy formulation and strategic development.

The role of the staff is to implement the policies and strategies of the corporate body through an accountable, effective and efficient application of resources and assets.

Charters Towers Regional Council's Governance Framework is based upon best practice for public sector governance. The framework sets out the standards of accountability and transparency expected of government by Council's many stakeholders and the people of Queensland. The overall aim of the framework is to drive performance improvement while meeting our obligations and legislative requirements.

The framework outlines the principles, elements and mechanisms used by Council to support a focus upon effective governance through strong leadership, responsible and ethical decision-making, management and accountability, and performance improvement.

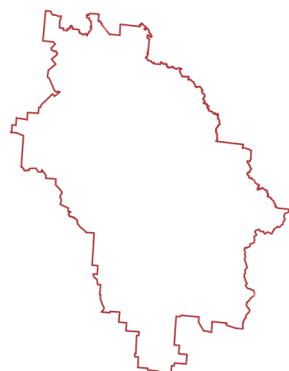
Corporate governance arrangements must continually evolve to ensure that organisational and service delivery objectives are met effectively, efficiently and transparently. Accordingly, the framework is regularly reviewed to support change to Council's strategic priorities or major legislative realignment.

However, the fundamental principles of good governance outlined in this framework will be maintained.



Ravenswood

Our Region at a Glance



Area
68,366.9kms²*
Total Regional Area



Population
12, 074 residents*



Employment
5,141 jobs*

Top industries of Employment

- Mining 13.7%
- Education and Training 11.5%
- Agriculture, Forestry and Fisher 11%
- Retail Trade 10.2%



In 2017/2018

- Managed an unprecedented capital budget of \$27.7million
- Initiated Council's first Organisational Development Plan
- Released the 5 Year Corporate Plan 2018 - 2023

Our Economic Pillars



Mining

- Gold
- Zinc
- Copper
- Lead
- Scandium
- Cobalt
- Lead
- Silver
- Marble



Agriculture

- 2,000,000+ cattle in wider region
- Council operated sale yards



Education

- Three Top 20 Schools;^
- Recognised education centre



Tourism

- \$52million avg spend per year

*ABS Census 2016. ^Three Top 20 Schools in wider Townsville North Queensland Region, 'Townsville Bulletin,' 20 February 2018. #www.tra.gov.au

Councillor Remuneration and Expenses

Councillor	Total Remuneration	Total Expenses
Mayor ER Schmidt	\$110,593.60	\$20,044.22
Deputy Mayor S Bennetto	63,747.72	9,014.51
Cr MJ Bailey (includes \$5978.28 superannuation)	55,797.24	-
Cr AP Barr	49,818.96	13.27
Cr GJ Lohmann	49,818.96	-
Cr BGW Maff	37,890.09	68.18
Cr MJ Power	49,818.96	145.36
Cr BP Robertson	2,767.75	-
	\$414,275.00	\$29,285.54

Attendance at Statutory Meetings

Council held a total of 19 Meetings during 2017-2018.

	General Meetings	Special Meetings/ Post Election Meeting	Statutory Budget Meeting	Total Meetings Attended
Mayor ER Schmidt	12	5	2	19
Deputy Mayor S Bennetto	12	5	2	19
Cr MJ Power	12	5	2	19
Cr GJ Lohmann	12	5	2	19
Cr BGW Maff	9	4	1	14
Cr AP Barr	11	4	-	15
Cr MJ Bailey	11	4	1	16
Cr BP Robertson (elected 5 May 2018)	1	1	1	3



CHARTERS TOWERS REGIONAL COUNCIL ELECTED MEMBERS

Back: (L-R) Cr Roma Bailey, Cr Graham Lohmann, Cr Alan Barr, Cr Mike Power
Front: Cr Bernie Robertson, Mayor Liz Schmidt, Deputy Mayor Sonia Bennetto

Audit & Risk Committee

Council's Audit & Risk Committee—

- (a) monitors and reviews:
 - (i) the integrity of financial documents;
 - (ii) the internal audit function; and
 - (iii) the effectiveness and objectivity of the local government's internal auditors;

and

- (b) makes recommendations to Council about any matters it considers need action or improvement.

The Audit & Risk Committee operates under a charter outlining its role, responsibilities, composition and operating guidelines, in accordance with the Financial and Performance Management Standard 2009.

These activities include, but are not limited to:

- Corporate governance,
- Internal control systems,
- Enterprise wide risk management,
- Internal and/or external audit functions,
- Statutory compliance and
- Financial reporting.

Council's Audit & Risk Committee comprised three members in 2017-18:

- Mr Rodger Dunstan (Chair and External Member),
- Mayor Liz Schmidt
- Cr Brett Maff (who resigned in March 2018).

A replacement external member will be appointed.

Councillors are invited to attend Audit Committee meetings, and members of the Executive Leadership Team attend all meetings.

Representatives of the external auditor (appointed by Queensland Audit Office) and the contracted internal auditor also attend.

Council's internal audit function is contracted to an external provider who undertakes reviews in accordance with the agreed Internal Audit Plan.

During 2017-18 the Audit Committee met on the following dates:

- 15 August 2017;
- 6 November 2017;
- 13 March 2018,
- 22 May 2018.

Matters considered were:

- 2016-2017 Audited Financial Accounts;
- 2017-2018 Plan for External Financial Audit
- The 2017-2020 Internal Audit Plan, which reviewed the following internal functions:
 - 1. Soils Testing Laboratory;
 - 2. Fraud and Corruption Prevention and Control;
 - 3. Risk Management Maturity;
 - 4. Waste Facility Cash Handling; and
 - 5. A review of the implementation of recommendations of prior internal projects.
- The Committee received a copy of the Crime & Corruption Commission's "Conflicts of Interest Audit" of October 2017 and noted the recommendations therein.

Review of Activities:

A revised Audit Committee Policy and Audit Committee Charter were received by the Committee at its 6 November 2017 meeting and a self-evaluation of its activities was conducted early in 2018.

Organisational Structure & Services Delivered

As an organisation, Charters Towers Regional Council has two roles under the *Local Government Act 2009*: a law-making role and an executive role. This means we have a law-making role for local laws and an executive role for adopting and implementing policy, administering local government and enforcing local laws.

It is important to note that individual councillors do not have the authority to make decisions – they are made collectively when meeting as a Council.

The operational arm of a local government authority consists of the Chief Executive Officer (CEO) and staff. They are charged with implementing Council's resolutions (decisions) and reporting on the outcomes of those resolutions.

The CEO also provides executive leadership to the organisation.

This diagram illustrates how Council receives its authority from the community through its elected members. Council's administration is headed up by the CEO and three Directors as our leadership team, delivering services through the four directorates.

The Audit & Risk Committee acts as an objective reviewer of Council's operations.



CHARTERS TOWERS REGIONAL COUNCIL EXECUTIVE LEADERSHIP TEAM (ELT)

L-R: Marnie Taylor, Director Corporate and Customer Services; Cameron Scott, Director Infrastructure Services; Aaron Johansson, Chief Executive Officer; David Metcalfe, Director Planning and Community Services

Organisational Chart





OFFICE OF THE CHIEF EXECUTIVE OFFICER SUMMARY

The Office of the Chief Executive Officer leads the organisation's performance and planning, continuous improvement, statutory compliance and management of risk, support for the elected members and executive support and decision making through and with Council's Executive Leadership Group.



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DEPARTMENTS

- Elected Member support
- Governance
- Marketing
- Media and Communications
- Disaster Response and Recovery

PROGRAMS/SERVICES PROVIDED

Program	Service Provided
Community Consultation	Community Surveys Community Liaison
Official Functions and Delegations	Hosting of overseas and local trade delegations Community Events
Media Relations	Media releases Media liaison
Elected Member Support	Council Meetings Agendas and Minutes
Advocacy	Participation in regional and state-wide organisations on matters of regional significance
Organisational Performance	Development, monitoring and reporting
Corporate Branding and Image	Website and social media platforms Marketing
Disaster Management	Disaster Response and Recovery
Legislative Compliance	Policy Development and Review
Governance and Administrative Review	Internal Audit Enterprise Risk Management

SIGNIFICANT KEY PERFORMANCE INDICATORS/PROJECTS AS INCLUDED IN THE 2017/2018 OPERATIONAL PLAN

PROJECTS

On track/completed

- Northern Alliance of Councils Inc annual conference – Atherton, July 2017
- Commonwealth Games - Queen's Baton Relay March 2018
- Chief Executive Officer's Organisational Development Plan adopted in May 2018
- Corporate Plan for 2018-2023 adopted in June 2018

Undeliverable

- Nil

Not proceeding

- Nil

KPIs

Meeting/exceeding target

- Overwhelming community support for and positive feedback following the Queen's Baton Relay.

Monitor

- Nil

Below target

- Nil

LOOKING BACK: KEY ACHIEVEMENTS AND CHALLENGES

Governance

- Appointment of new Chief Executive Officer: Aaron Johansson arrived in October 2017, immediately implementing his 'First 100 Day Plan' to ensure a thorough orientation of the organisational structure, Councillor concerns, staff construct and community priorities.
- Organisation wide review: Completion of an organisation wide review and implementation of the recommendations for a re-structure of four Directorates to three Directorates. Key highlights of this review were nil redundancies, and rather a realignment of services within Directorates which are enabling Council to serve its community more efficiently and effectively.
- Organisational Development Plan: Following completion of the 'First 100 Day Plan' and organisation wide review, the Chief Executive Officer developed Council's first Organisational Development Plan, a three-year internally focused business improvement document which addresses the Corporate Plan's Strategic Focus Area 7 - 'Our Organisation.'
- Corporate Plan 2018 – 2023: In 2018, Council adopted its next five-year Corporate Plan, an important document in the Council's strategic framework, following an extensive community consultation period. Seven strategic focus areas were identified:
 1. Economic Development
 2. Tourism
 3. Infrastructure and Sustainability
 4. Water
 5. Community
 6. Advocacy
 7. Our Organisation
- Performance based agreements for senior executive employees

Section 03: Performance Reporting

Elected Member Support

- Elected Member Support: In January 2018, a new position was appointed to provide further support to our elected member in processing both community-based enquiries received by Elected Members, as well as assisting with initiatives Elected Members are driving.
- LGAQ Bush Councils Convention: assistance provided to the Local Government Association of Qld to stage the biennial “Bush Councils Convention”, attended by approximately 150 local government stakeholders, in Charters Towers.
- Singapore Business Mission: Together with the Hon Steven Ciobo MP, Minister for Trade, Tourism and Investment and Senator the Hon Marise Payne, Minister for Defence, Mayor Liz Schmidt participated in a delegation of Australian businesses to Singapore. The delegation comprised companies seeking to understand and leverage the opportunities that may arise from the Australia Singapore Military Training Initiative, under the Comprehensive Strategic Partnership, to be implemented in North and Central Queensland.
- 2018 Taipei Smart City Summit & Expo: Mayor Liz Schmidt was invited by the Taipei City Council to attend the TIQ Smart Cities Summit and Expo as part of a Trade Investment Queensland Mayoral Mission. The Summit highlighted emerging technologies in a wide range of topics relevant to the Charters Towers Region such as agriculture, education, transport, health and accommodation.
- Ministerial visits: Our elected members advocated on behalf of our Region to a number of visiting Ministers and dignitaries including:
 - Department of State Development Director General, Michael Schaumburg
 - Mr Damien Walker, Director-General, Department of Tourism, Major Events, Small Business & Commonwealth Games
 - Mayor attended Round Table with Minister for Defence, Senator the Hon. Marise Payne in respect to Local Industry Capability Plans (Capital Facilities)
 - Mayor and CEO attended Trade Investment Queensland Function with Chinese Government delegates
 - Mayor and Councillors met with Shadow Minister for Local Government Ms Anne Leahy
- Regional Representation: Elected members represented the region at a number of local, regional, state and national events, including:
 - Mayor participated in Senate enquiry into the impact of Defence Training Activities and facilities on rural and regional Communities
 - Mayor and Councillors represented at the Bush Councils Convention held in Charters Towers
 - Visit to Council of Local Government Grants Commission
 - Mayor attended North Queensland Regional Planning Committee meeting on Palm Island with regional Mayors and the Deputy Premier
 - Attended Local Government Association of Queensland Inc.’s Annual Conference
 - Mayor attended Community ICE Forum with LNP Leader Deb Frecklington in Townsville
 - Mayor and CEO attended LGAQ Regional Organisation of Councils ROC Assembly in Brisbane
 - Mayor attended North Queensland Mining and Resources Industry Forum in Townsville
 - Mayor attended lunch with QFES Commissioner Katarina Carroll on a visit to Charters Towers
- Northern Association of Councils (NAOC):
 - Charters Towers Regional Council acted as the Secretariat for the NAOC, with Mayor Liz Schmidt in the role of President.
 - On behalf of the Northern Alliance of Councils, Mayor Schmidt participated in two Senate Enquiries: one regarding the Community Development Program and one into the Northern Australia Infrastructure Fund.

Marketing, Media and Communications

- Flying foxes: Late in 2017 and early in 2018, media was heavily influenced by the large number of flying foxes and closure of facilities within Charters Towers. Media outlets nationally and all over the world, including countries in Europe, North America, Africa, a variety of Asian countries and New Zealand picked up the story.
- Community Survey - Flying foxes: Due to the high number of flying foxes, a survey was

Section 03: Performance Reporting

introduced to hear from the community about how Council should manage flying fox numbers as past dispersal measures had no long-term solution. 1333 residents completed the survey.

- Queen's Baton Relay: Office of the CEO staff were involved with the planning of the local event two years before the baton arrived in our region. In the immediate lead up to the event, a communications plan was implemented to advertise the relay in Pentland, Homestead and Charters Towers. Other promotions included the "Party in the Park" event, road closures and the 35 local baton bearers.
- Councillor Column: The Council Connections section in the Northern Miner was redesigned in April 2017 to include a separate column for Councillors. This new column allows Councillors to provide direct messages to the community.

Disaster Response and Recovery

- Council's Local Disaster Management Group (LDMG) participated in the Townsville District Disaster Management Group Capability Review, initiated by the Inspector General of Emergency Management. At the conclusion, each of the local government areas were assessed on their capability to deliver the key outcomes of the Emergency Management Standards and to fulfil its functions under the Disaster Management Act with the Charters Towers Region generally performing well, and some development areas identified.
- North Queensland Low - February/March 2018: The LDMG stood up and provided situation reports to the District Disaster Management Group as required. Significant damage was incurred to road infrastructure, and the travelling public who were camping near major rivers were encouraged to move into Charters Towers until flooding subsided.

LOOKING FORWARD: KEY ISSUES FOR THE NEXT 12-18 MONTHS

- Belcarra Report and Councillor support: Implementation of new policies in line with the Belcarra legislation and the Crime and Corruption Commission's Conflicts of Interest Audit, as well as further adopt support systems for Councillors.
- Corporate Planning Cycle: Define and establish an integrated planning framework document.
- Risk Management: Implementation of Council's risk management framework.
- Organisational Performance Management: Establishment of a framework focusing on delivery.
- Priority Projects Prospectus: Develop a document as a key tool for advocacy.
- Community Satisfaction Survey: Develop Council's inaugural biennial survey to evaluate performance against community expectations.
- Communications: Further establish focus on internal and external communications, such as social media, to capitalise on opportunities and mitigate risks.
- Disaster Management: Implement the recommendations of the IGEM audit.



CORPORATE AND CUSTOMER SERVICES SUMMARY

The Corporate & Customer Services Directorate is essentially the central business and financial hub providing horizontal services across Council. Corporate & Customer Services is structured to support the other directorates to deliver services across the community.



2017/2018 Summary

DEPARTMENTS

- Administration Services
- Finance & Assets
- Records & Information Technology
- Procurement
- People & Culture

Program	Service Provided
Administration Services	Customer Service Rates Administration
Finance & Assets	Financial management, including budgeting, reporting, financial systems, financial and asset accounting
Records and Information Technology	Information communications and technology services and support Records Management including Right to Information GIS services, including strategies, training and support
Procurement	Procurement, tendering and inventory management
People and Culture	Human Resources & Payroll Management

PROGRAMS/SERVICES PROVIDED

SIGNIFICANT KEY PERFORMANCE INDICATORS / PROJECTS AS INCLUDED IN THE 2017/2018 OPERATIONAL PLAN

PROJECTS

On track/completed

- Plant Replacements through a modified plant replacement program
- W4Q - Smart Water Meter Program implementation
- LGGSP - Installation of Smart Cities Infrastructure (2017-2019)
- Special Projects - Information Technology
- Update of the Long Term Financial Forecast (LTFF)
- Procurement Policy review to provide for tenders to be assessed in open Council

Undeliverable

- Enterprise Resource Planning (ERP) Implementation Project - Phase 1 'go live'

- Completion of the Plant Asset Management & Service Level Plans
- Customer service enhancement by developing an on-line customer service platform
- Develop a Financial Sustainability Report to communicate the 10-year LTFF in a format that is easily understood and interpreted.

Not proceeding

- Nil

KPIs

Meeting/exceeding target

- *Plant Replacements* - Plant replacement scoping was completed in Quarter 2. The program has been reduced significantly with some funds carried over until 2018/19 and the Surplus Plant Auction scheduled for Quarter 1, 2018/19.
- *W4Q - Smart Water Meter Program* roll out - Smart Water Meter device installation in Charters Towers, commenced in Quarter 4, 2017/18 and is scheduled for completion during Q1 of 2018/19.
- *Local Government Grants & Subsidies Program - Smart Cities* network project design for construction is on track to occur in 2018/19 with installation of the fibre optic cables to follow.
- *Special Projects (IT)* - Projects completed, or substantial progress undertaken with some projects to carry over into 2018/19 due to unpaid commitments.
- *Long Term Financial Forecast (LTFF/10 year)* has been updated via the 2018/19 Budget adoption process.
- *Procurement Policy* review was completed and adopted by Council via the 2018/19 Budget adoption process.

Monitor

- *ERP Implementation Project* - Phase 1, anticipated for Go Live in March 2018 then reviewed to July 2018, didn't proceed following a project assurance review identifying a number of risks that have now been addressed including project definition, governance and management.
- Development of the *Plant Asset Management & Service Level Plans*.
- Development of *on-line Customer Service platform* has had little progress due to delays in the implementation of Technology One's

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ERP platform, OneCouncil that will allow measuring of the deliverables.

- Development of a *Financial Sustainability Report* - Focus is required across directorates toward financial sustainability i.e. on containing spending and reviewing revenue sources. Corporate & Customer Services will aim to provide monthly reports to budget owners as well as provide a mid-year budget review to increase budget ownership and responsibility to spend.

Below target

- Nil

LOOKING BACK: KEY ACHIEVEMENTS AND CHALLENGES

On top of the organisational restructure, the directorate has been challenged with a few key staff changes, including the appointment of a new director. Coupled with this is the resourcing of major projects and business as usual priorities. The directorate's ability to work through these challenges is commended.

One of these challenges has been the Technology One ERP platform, OneCouncil. The ERP Implementation Project which aims to utilise Technology One's platform of OneCouncil to provide one integrated source of information across directorates, restarts in Quarter 1, 2018/19. The implementation of the Technology One, OneCouncil platform will be a combined effort between Technology One, BDO Pty Ltd and Council. Although it has been a challenge, once fully implemented, Technology One's ERP platform, OneCouncil will contribute toward more informed decision making. It will also allow progress in other strategic areas such as Asset Management & Service Level Plans and enhancement of Customer Service practices.

LOOKING FORWARD: KEY ISSUES FOR THE NEXT 12-18 MONTHS

- W4Q - Smart water meter application training and making available to the community.
- Installation of Smart Cities Infrastructure (2017-2019)
- ERP Implementation Project (OneCouncil) - With the restart scheduled in July 2018, the project team with members from Technology One, BDO and Council will be working closely to implement Phase 1 by Quarter 3, 2018/19.

- Organisational Development Plan (2018/19-2020/2021) - As well as the outward facing priorities of completing the aforementioned community development projects, the directorate will strive for improvements in efficiencies through action items set out in Charters Towers Regional Council's Organisational Development Plan.



PLANNING AND COMMUNITY SERVICES SUMMARY

The key objectives of the new Planning and Community Services Directorate are to:

- Promote economic and environmental viability and sustainability of the region; and
- Ensure the facilities provided by Council are accessible and equitable to promote social and cultural growth whilst enabling the community to actively engage in recreational activities.



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DEPARTMENTS

- Excelsior Library and Archives
- Tourism
- Rural Services
- Planning & Development
- Animal Management
- Environmental Services
- Community Services
- Facilities Management
- The World Theatre

Program	Service Provided
Excelsior Library and Archives	Customer service Library Services Home delivery service Archive and history services Educational and digital literacy programs Public access internet Holiday and outreach programs
Tourism	Customer service Visitor Services Destination marketing and promotion Tourism and product development Visitor Information Centre operations including merchandise sales and tour desk ticketing sales Venus Gold Battery and Towers Hill tourist attractions
Rural Services	Customer service Pest Weed and Pest Animal Management Dalrymple Saleyards services and activities Biosecurity management and compliance Stock route and Reserves management and compliance Land leasing for rural activities Equestrian Centre activities
Planning and Development	Customer service Development Assessment Strategic Land Use Planning Building Certification and Compliance Heritage Advisory Services Economic Development Further the aims of the Sustainable Planning Act 2009 and achieve sustainable development Provide a robust, responsive and transparent environment for simplified development assessment

Animal Management	Customer service Local Laws enforcement and compliance Animal Control and Pound services Compliance and Regulatory Activities
Environmental Services	Customer service Environmental Protection Environmental health monitoring and licensing Environmental and Public Health Waste Management Waste Planning
Community Services	Customer service Events Regional Arts Development Fund (RADF) Community/township engagement Foster and encourage the development of culture in the region World Theatre Gallery activities Community Grants
Facilities Management	Facilities planning, construction, maintenance and management including community venues, pools and sports facilities Property management and maintenance of other Council buildings and facilities, including hiring of parks and buildings, leasing of buildings and sport and recreational facilities
The World Theatre	Customer service Management of The World Theatre including, cinema and live performances

PROGRAMS/SERVICES PROVIDED

- Customer service
- Library Services, home delivery service, archive and history services, educational and digital literacy programs, public access internet, holiday and outreach programs
- Visitor Services, destination marketing and promotion, tourism and product development
- Community/township engagement and events
- Foster and encourage the development of culture in the region
- Rural services including Dalrymple Saleyards, biosecurity – management/ compliance, stock route management/

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compliance, land leasing for rural activities, Equestrian Centre activities

- Environmental health monitoring and licensing
- Waste planning and management
- Facilities planning, construction, maintenance and management including community venues, pools and sports facilities
- Property management and maintenance of other Council buildings and facilities, including hiring of parks and buildings, leasing of buildings and sport and recreational facilities
- Further the aims of the *Sustainable Planning Act 2009* and achieve sustainable development, provide a robust, responsive and transparent environment for simplified development assessment
- Management of The World Theatre including, cinema, live performances and gallery activities

SIGNIFICANT KEY PERFORMANCE INDICATORS/PROJECTS INCLUDED IN THE 2017/2018 OPERATIONAL PLAN

PROJECTS

On track/completed

- Towers Adventure Series - "Game On Queensland" grant
- Regional Arts Development Fund (RADF) Youth Strategic Initiative Project on track - Youth workshops created artwork that was transformed into Event Fencing
- Works for Queensland (W4Q) Funding - Expand Holding Yards Infrastructure
- W4Q Funding - Upgrade Water Holding Capacity at Dalrymple Saleyards
- Saleyard Cattle Vet Crush
- Saleyard Master Plan Development
- 3 x 1 day Pest Advisory Forums/ Workshops
- Fencing at Mingela Reserve
- Fencing at Homestead Reserve
- Online development applications portal commenced
- Alignment Amendments of existing Planning Schemes commenced
- W4Q Towers Hill Walking Path and Boardwalk (with Lighting)
- W4Q Greenvale Joint Emergency Services new storage shed (contribution)
- Get Playing Plus 2015/16 - CT Tennis Courts Reconstruction.

KPIs

Meeting/exceeding target

- Development assessment timeframes have significantly reduced with the month of June having the best average of five days, compared to the previous four-year average of 19 days
- Towers Adventure Series delivered nine adventure experiences with 364 unique participants and 536 overall participating across nine events
- Towers Rush exceeded expectation with a 39% increase in participants from the previous year with 351 participants from 84 teams
- 100% acquittal of due RADF funding applications approved
- 100% of RADF Community Project funding expended (potential to expend further funds if available).

Monitor

- 17 approved development applications in 2016/2017 compared to ten approved applications in 2017/2018.
- Study commissioned to identify future landfill sites - sites identified and prioritised. The final report to Council was held over in anticipation of the state government's North Queensland Regional Waste Infrastructure Plan, due for release in late 2018.

Below target

- Economic Development Plan and Airport Master Plan not reviewed or commenced, and Charters Towers Energy and Data project not endorsed by RED-ROC (Regional Economic Development sub-committee of the North Queensland Regional Organisation of Councils).
- Sales of Cunningham Industrial Estate land - one lot only.
- Towers Hill Strategic Overview - deferred to 2018/19 pending the review of the 2001 Towers Hill Conservation Management Plan, and current tourism initiatives to inform future master plan
- Ravenswood Walking Track/Trail Signage Upgrade - finalisation of this project has been deferred since access to affected sites is impacted by expansion of the Ravenswood Gold Mine site.

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LOOKING BACK: KEY ACHIEVEMENTS AND CHALLENGES

- Excelsior Library finalised another successful Tech Savvy Seniors program with 524 seniors participating
- Excelsior Library successfully sought the removal of internet fees providing a more equitable service for all members of the public
- Hosted the Townsville North Queensland Visitor Information Centres Volunteers' two-day annual conference
- Charters Towers Visitor Information Centre awarded "2018 Trip Advisor Certificate of Excellence" for the fourth consecutive year
- VIC Coordinator re-elected for a second year as President of the QLD Visitor Information Centre Association
- Activated online ticket sales facility through the Tourism website for external event organisers
- Secured and coordinated itineraries for 128 group tours and school excursions
- Hosted two on-shore excursions for passengers of cruise ships berthing for a day at Townsville Port with three already confirmed for later in 2018
- Secured signage at all entry roads to town for Great Inland Way Touring Route, Overlander's Way Touring Route via the Dept of Transport and Main Roads initiative to sign six major touring routes in QLD.
- Lissner Park Dog Off-Leash area - the first such facility for the Charters Towers community
- Expansion of the Live Cattle Export Holding Facility licence from 12,000 head to 16,500 head
- Established standard development conditions for all developments
- Council's Environmental Management System (International standard ISO-14001: 2016) adopted by Council 18 April 2018
- Established the Flying Fox Reference Group with members from Department of Environment and Science, the CSIRO, elected representatives and the community
- Charters Towers Tennis Courts Reconstruction - Delivery of \$1M project with funding from Department of National Parks, Sport & Racing, Charters Towers Tennis Club, and Tennis Australia
- W4Q Towers Hill Walking Path and Boardwalk project was impacted by unforeseen ground conditions, as well as

dealing with overhead NBN cabling located at the site. These issues were overcome, and the walking path and boardwalk are now well used by the local community and visitors

LOOKING FORWARD: KEY ISSUES FOR THE NEXT 12-18 MONTHS

- Installation of Interactive Touchscreens to Excelsior Library external windows under the Public Library Strategic Priorities Grant funding
- The library will commence a new Tech Savvy-Job Ready program to assist job seekers
- Delivery of the Charters Towers region's Tourism Strategy, set for development over the next 12 months, providing clear direction to facilitate growth in the sector
- Strengthening collaboration and marketing to the cruise ship sector to increase on-shore excursions to Charters Towers
- "10,000 Steps" Towers Hill walkway signage implementation
- Delivery of Queensland Govt funded Community Drought Support activities
- Updating Council's Arts & Cultural Policy and Plan and adopting a connected Public Art Policy
- Ongoing drought conditions likely to impact stock throughput at Dalrymple Saleyards
- State Interest Reviews of Regional Planning Scheme and Local Government Infrastructure Plan
- Preparation and commencement of the Economic Development Strategy and Reflect Reconciliation Action Plan?
- Introduction of the Container Refund Scheme in the Charters Towers Region
- Development of a new waste strategy based on the North Queensland Regional Waste Infrastructure Plan.
- Works for Queensland (W4Q) Projects
 - Completion of Towers Hill All Abilities Ramp and access to two existing World War II Bunkers, viewing platform, shelter and additional signs.
 - Centenary Park 563 metre path widening project (Completion by March 2019).



INFRASTRUCTURE SERVICES SUMMARY

In February 2018 the Roads Infrastructure Directorate and sections of Utilities and Facilities and Corporate Services Directorates merged to become Infrastructure Services. Infrastructure Services is responsible for provision of essential services and the associated infrastructure across the whole region, including water, sewerage, roads, open spaces and workshop.



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DEPARTMENTS

- Construction and Maintenance
- Technical Services
- Utilities
- Workshop

PROGRAMS/SERVICES PROVIDED

DEPARTMENT	PROGRAM/SERVICE
Construction and Maintenance	Urban road construction and maintenance Rural road construction and maintenance Open spaces construction and maintenance, including cemeteries
Technical Services	Road infrastructure planning and design Asset management Specialist engineering advice Surveying Quality assurance Transport planning Road safety coordination Traffic management operations Infrastructure renewal planning Private works Quarrying Soil testing Street lighting Road Maintenance Performance Contracts (RMPC) Road Performance Contracts (RPC) Flood damage Roads to Recovery (R2R) Transport Infrastructure Development Scheme (TIDS)
Utilities	Provision of a clean drinking water supply Collecting, treating and disposing of wastewater Redistribution of treated effluent Management and maintenance of all water and sewerage infrastructure assets Future planning, management and construction of new water and sewerage infrastructure Management of all electrical requirements Management and maintenance of Council airports
Workshop	Repair and maintenance of Council's plant and fleet Boilermaking Compliance of plant and fleet requirements

SIGNIFICANT KEY PERFORMANCE INDICATORS/PROJECTS AS INCLUDED IN THE 2017/2018 OPERATIONAL PLAN

PROJECTS

On track/completed

Technical Services, Construction & Maintenance

- Annual road maintenance programme delivered with flood damage restoration works scheduled following rain event in the north of the region in February/March 2018;
- Capital works completed for roads infrastructure including Works for Queensland Programme, Stage 1 - Mount Fox Road Stabilisation, excluding Mosman Creek Retention Basin due to planning issues;
- Completion of application for Works for Queensland Programme, Stage 2 for heritage stone pitch kerb and channel repairs;
- Secured additional contract from Department Transport and Main Roads (DTMR) for widening of Gregory Developmental Road;
- Service level review undertaken for roads and open spaces with policies to be adopted in 2018/2019;
- Service standards for roads and footpaths maintenance met 85% of the time; and
- Establishment of Rural Industry Advisory Committee and subsequent review and adoption of a Strategic Gate & Grid Policy.

Utilities

- Charters Towers Airport runway and ancillary lighting on track; and
- Effluent reuse project upgrade on track.

Undeliverable/ off track

Technical Services

- Adoption of Asset Management Plan for roads awaiting detailed condition assessment of gravelled roads to finalise plan. However, budget adopted for year 1 of 5-year plan to be delivered in 2018/2019.

Utilities

- Achievement of second year of three-year Water Infrastructure Upgrade Programme (WIUP) currently behind schedule with

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Aquatec Maxcon appointed for project delivery in 2018/2019. Towers Hill Steel Reservoir Refurbishment planned for fault rectification in 2018/2019. Weir increased intake project to be rescope and retendered by Quarter 2, 2018/2019; and

- Study of options for replacing/augmenting the treated water rising main and concrete reservoir is complete with recommendation report due in September 2018.

Not proceeding/ on hold

- Nil

KPIs

Meeting/exceeding target

- Delivery of rural road maintenance programme;
- Continued delivery of map and register of roads;
- Provision of quality assurance for road projects and maintenance programmes;
- Provision of quality assurance for water quality; and
- Road Maintenance Performance Contract (RMPC) delivery.

Monitor

- Progress on the WIUP is being closely monitored including a time lapse camera providing a visible update;
- Unit rates for construction of assets and maintenance grading; and
- Service level response times.

Below target

- Nil

LOOKING BACK: KEY ACHIEVEMENTS AND CHALLENGES

Technical Services, Construction and Maintenance

- Stabilisation of Mount Fox Road
- Completion of roundabouts on Gill Street at Boundary and Vulture Streets
- Improvements at uncontrolled intersections
- Reseal of Dotswood, Mount Leyshon and Rocky Creek Roads
- Road reconstruction of Gill Street (between Vulture Street and Enterprise Road and High to Church Streets), Church Street (between Civic Lane and Mary Street) and Bow Street (Gill and Mary Streets)
- Realignment and reconstruction of the Basalt River Crossing on Jessie Springs Road

- Drainage upgrade (stage 2) in Hicks Street
- Sealing of Lea Street, Queenslander Creek, Palmer and Harbutt Roads

Utilities

- Water main replacements on Gregory Development Road, Hewett, Stubley and Plant Streets and Creek Street, Pentland;
- Water main upgrades on Steel Road and Cape Road, Pentland;
- Reline of sewerage main;
- Upgrade of sewerage pump at Dalrymple Road sewerage pump station;
- Installation of Supervisory Control And Data Acquisition (SCADA) systems on sewerage network and Pentland and Greenvale water systems; and
- Control system and pump monitoring instrumentation was installed at the Water Treatment Plant

Workshop

- Repair and maintenance activities on Council's fleet with focussed commitment supporting Council projects including DTMR contracts, installation of roundabouts and walking track facilities. Proactive scheduling minimised disruption to Council operations and contributed to efficient and effective delivery of services.

LOOKING FORWARD: KEY ISSUES FOR THE NEXT 12-18 MONTHS

- The following initiatives as outlined in the Organisational Development Plan (2018/19-2020/21) will commence over the next 12-18 months:
 - Inventory, condition assessment & compliance for all gravel pits;
 - Gravel pit remediation strategy to address compliance risks;
 - Strategic asset management plans for urban and rural road networks;
 - Mitigation strategy for reoccurring impacts of flooding on road assets;
 - Adoption of a total water cycle plan and strategic asset management plan for each community;
 - Adoption of a maintenance management plan for water and wastewater assets to change focus from reactive to pro-active maintenance;
 - Critical review of demand management arrangements

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including the application of water restrictions;

- Adoption of a water supply network pressure and leak management program to reduce system losses; and
- Investigation of the potential to introduce Class A treated effluent for community and educational users.
- Continuation of engagement and consultation with the community regarding infrastructure works; and
- Delivery of contracts for the Department of Transport and Main Roads in addition to delivery of regular programmes and flood damage works.



Greenvale

Corporate Plan Reporting

Priority #	Priority	Priority Focus	2017-2018 Annual Report on Progress
1.1	Maintaining and Improving our major infrastructure	<ul style="list-style-type: none"> Continued implementation of the structured Road Maintenance Program for the extensive road network Completion of the Capital Works Program within each financial year Complete the Asset Management Plans for all identified classes of Assets in the Strategic Asset Management Plan Water Infrastructure Upgrade 	<p>Rural maintenance program: 84% expended vs 88 % completed. Works were delayed due to rain event February/March.</p> <p>Urban maintenance program: 75% expended vs 100% completed.</p> <p>Construction Capital Works: 91% expended vs 93% completed. Mosman Creek Retention Basin was carried over into 2018/2019.</p> <p>Water & Waste Water Capital Works: Charters Towers Airport runway and ancillary lighting on track for completion in September 2018; Effluent Reuse Project Upgrade on track for completion in December 2018; Water Infrastructure Upgrade Program - Aquatec Maxcon appointed project manager, to be delivered in 2018/2019; Enterprise Resource Platform - Budget was reviewed and altered for proposed restart in 2018/2019; Plant replacement program reduced significantly with some funds carried over until 2018/2019 budget; Auction of surplus plant scheduled for Q1 in 2018/2019.</p> <p>Asset Management Plans will be addressed in accordance with the Chief Executive Officer's Organisational Development Plan, towards the end of the 2018-2019 year.</p> <p>Phase 2 Towers Hill Steel Reservoir Refurbishment works are on schedule.</p>

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Priority #	Priority	Priority Focus	2017-2018 Annual Report on Progress
		<ul style="list-style-type: none"> Pursue funding for the upgrade of major traffic infrastructure through the Region to enhance product movement efficiencies 	<p>Contracts were awarded for completion of Water Infrastructure Upgrade, for completion in mid May 2019.</p> <p>Tender for the Weir Intakes work will be re-scoped and re-tendered by Q2 2018/2019.</p> <p>Widening of Gregory Development Road contract project was completed.</p>
2.1	Improving our Service Delivery	<ul style="list-style-type: none"> Enhance our Customer Service practices Enterprise Resource Project (new priority area) Develop and implement defined Levels of service for Roads and Footpaths Implementation of On-Line permit, license and Development Approval Process 	<p>The introduction of the Enterprise Resource Platform will enhance the customer services platform. The Organisational Development Plan addresses the customer service function, with the majority of this work to be completed in 2020/2021.</p> <p>A project plan has been developed together with revised budget for 2018/2019 in consultation with the Project Manager.</p> <p>Levels of service were reviewed and placed before Council for adoption early in 2018-19.</p> <p>Planning and Community Services has implemented an online lodgement system for development applications.</p>
3.1	Growing our economic base	<ul style="list-style-type: none"> Promote and encourage diversification of agricultural opportunities within the Region including value adding to existing activities, expansion of irrigated agricultural lands and improvement of transport networks. 	<p>Hells Gate feasibility study was completed and is now subject to state interest checks. Recommendations as to future steps were incorporated into the study.</p>

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Priority #	Priority	Priority Focus	2017-2018 Annual Report on Progress
		<ul style="list-style-type: none"> Support and encourage continued growth and development of existing small business industry and attraction of new business Attraction and retention of highly skilled workforce. 	<p>Council's Economic Development strategy is being re-focussed and reviewed.</p> <p>Continuing to market land for sale at Cunningham Estate</p> <p>Negotiations towards a new Enterprise Bargaining Agreement have significantly progressed.</p>
4.1	Strengthening the wellbeing of our communities	<ul style="list-style-type: none"> Support the development of arts based programs through funds, grants and joint initiatives. Promote investment opportunities through planning scheme provisions to promote diversified residential, commercial and industrial activities. Implementation of recommendations from the Charters Towers Access Group to improve facility and infrastructure access and general mobility Ongoing support for Healthy Lifestyle Events. 	<p>20 applications for RADF funding were processed during the year.</p> <p>Council's Youth Strategic Initiative is continuing with Council supporting the development of a partnership between a regional school and senior art students.</p> <p>Work continued on the draft planning scheme and the Local Government Infrastructure Plan, with a view to lodging the draft scheme and the LGIP for state review in September 2018.</p> <p>Disabled access points were provided at two venues within the central business district, by agreement with the Access Group.</p> <p>Towers Rush 2017 was successful with all events well attended.</p> <p>2018 Commonwealth Games Queen's Baton Relay received overwhelming community support and positive feedback.</p> <p>Reconstruction and improvement to the Boundary Street tennis courts were completed in the December quarter.</p>

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Priority #	Priority	Priority Focus	2017-2018 Annual Report on Progress
5.1	Managing our impact on the environment	<ul style="list-style-type: none"> Expand environmental management plan to encompass all Council operations. Progress regional options for waste management Identify regional facilities/opportunities for waste management. Reduce Council's energy costs and carbon footprint Implementation of alternative energy solutions at Council Facilities 	<p>Council's Environmental Management System was aligned to the new international standard ISO14001:2016 and endorsed by Council on 18 April 2018.</p> <p>Council has workshopped options for a new landfill facility, however its deliberations are on hold pending developments in the area of the China waste ban and the new state government infrastructure plan for the waste industry.</p> <p>Tariff analysis is continuing and options for solar power are being investigated.</p>
6.1	Remaining transparent and accountable	<ul style="list-style-type: none"> Financial Sustainability of the Regional Council area is always first and foremost when considering new services and capital infrastructure. Implementation of an organisation wide Enterprise Risk Management Guidelines. Effective and transparent planning and decision-making processes. Maintain membership to regional organisations and attendance at meetings to promote and push local issues. Continue to play a role in the growth of Townsville North Queensland and to a greater extent the development of Northern Australia. 	<p>Through 2018/2019 Budget, LTFF has been updated. There are significant challenges identified in future budget years which require focus now to contain spending and review revenue sources. Improved financial reporting and a mid-year budget review were introduced.</p> <p>A revised Enterprise Risk Management framework was adopted by Council in December.</p> <p>Council's procurement policy and procedures have been reviewed. Professional development opportunities for elected members continued to be identified and offered.</p> <p>Significant events which Council contributed to or hosted were: Local Government Association of Queensland's Bush Councils Convention in August 2017, Northern Alliance of Councils annual conference in July 2017, LGAQ Regional Organisation of Councils Assembly in March 2018,</p>

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Priority #	Priority	Priority Focus	2017-2018 Annual Report on Progress
		<ul style="list-style-type: none">Review of Corporate documentation.	<p>2018 Commonwealth Games Baton Relay.</p> <p>Consultation and development of the 2018-2023 Corporate Plan was completed with adoption of the Plan in June 2018.</p> <p>The organisational review was completed and an organisational re-structure implemented on 26 February 2018.</p>

Tenders and Expressions of Interest

The following tenders, quotes and expressions of interests were advertised during the 2017/18 financial year.

Tender Number	Tender Description	Tenders
T015/17	WTP Upgrade	21-Sept-17 Change in tender briefing venue
		4-Oct-17 Revised set of information on: <ul style="list-style-type: none"> • Clear Water Storage Inspection • Condition Assessment of Raw Water Surge Vessel • Environmental Authority • Existing Drawings • Geotechnical Report • Module 1 Clarifier Internal Inspection • Module 2 Clarifier Internal Inspection • Photos • Raw Water Quality Data - WTP Logs • Raw Water Temperature Review • Settling Test Results • Survey
		10-Oct-17 Two-week extension to closing date
		10-Oct-17 Addendum- updated revisions of the following: <ul style="list-style-type: none"> • Electrical drawings, Revision 1 (42-19750-02-E010, 42-19750-02-E011, 42-19750-05-E102, 42-19750-05-E110, 42-19750-05-E111, 42-19750-05-E310, 42-19750-05-E311) • Control Narrative, Revision 1 • Technical Specification Volume 1 – Process, Revision 1 • Technical Specification Volume 2 – Electrical, Revision 1 • Datasheets, Revision 1 – (DS-02 Clarifier 2 Refurbishment, DS-03 Clarifier 1 and 2 Tube Settlers) • Instrumentation List, Revision 1 • Instrument and Valve List in MS Word format
		24-Oct-17 Addendum- included the following updates: <ul style="list-style-type: none"> • Updated location of motor controls – drawings amended • Modification of the external chemical building (extended) – drawings amended • Updated drawing of the weir pump station set out and removal of works on hold – drawings amended • Updated drawings, Revision 1 <ul style="list-style-type: none"> - 42-19750-02-C008-R1 - 42-19750-02-C009-R1 - 42-19750-02-S004-R1 - 42-19750-02-S005-R1 - 42-19750-02-E002-R1 - 42-19750-02-E003-R1 - 42-19750-02-E007-R1 - 42-19750-05-E103-R1
		30-Oct-17 Tender schedule updated
		31-Oct-17 Updated technical drawings

Tenders and Expressions of Interest (cont)

Tender Number	Tender Description	Tenders
T003/18	Raw Water Intake Upgrade	11-May-18 Original manuals uploaded
		15-May-18 Alternate designs will be considered if the alternate design meets the Principal's Project Requirements.
		18-May-18 Closing date extended by 2 weeks
T001/18	Airport lighting upgrade	16-Jan-18 Revised specifications and response documents Closing date extended

Invitations to change Tenders and Expressions of Interest

The following invitations to change Tenders and Expressions of Interest were made during the financial year under section 228(7) of the *Local Government Regulation 2012*.

Tender Number	Tender Description	Changes to Tenders
T015/17	WTP Upgrade	21-Sept-17 Change in tender briefing venue
		4-Oct-17 Revised set of information on: <ul style="list-style-type: none"> • Clear Water Storage Inspection • Condition Assessment of Raw Water Surge Vessel • Environmental Authority • Existing Drawings • Geotechnical Report • Module 1 Clarifier Internal Inspection • Module 2 Clarifier Internal Inspection • Photos • Raw Water Quality Data - WTP Logs • Raw Water Temperature Review • Settling Test Results • Survey
		10-Oct-17 - Two-week extension to closing date
		10-Oct-17 - Addendum- updated revisions of the following: <ul style="list-style-type: none"> • Electrical drawings, Revision 1 (42-19750-02-E010, 42-19750-02-E011, 42-19750-05-E102, 42-19750-05-E110, 42-19750-05-E111, 42-19750-05-E310, 42-19750-05-E311) • Control Narrative, Revision 1 • Technical Specification Volume 1 – Process, Revision 1 • Technical Specification Volume 2 – Electrical, Revision 1 • Datasheets, Revision 1 – (DS-02 Clarifier 2 Refurbishment, DS-03 Clarifier 1 and 2 Tube Settlers) • Instrumentation List, Revision 1 • Instrument and Valve List in MS Word format
		24-Oct-17 - Addendum- included the following updates: <ul style="list-style-type: none"> • Updated location of motor controls – drawings amended • Modification of the external chemical building (extended) – drawings amended • Updated drawing of the weir pump station set out and removal of works on hold – drawings amended • Updated drawings, Revision 1 <ul style="list-style-type: none"> - 42-19750-02-C008-R1 - 42-19750-02-C009-R1 - 42-19750-02-S004-R1 - 42-19750-02-S005-R1 - 42-19750-02-E002-R1 - 42-19750-02-E003-R1 - 42-19750-02-E007-R1

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T003/18		- 42-19750-05-E103-R1	
		30-Oct-17 -	Tender schedule updated
		31-Oct-17 -	Updated technical drawings
	Raw Water Intake Upgrade	11-May-18 -	Original manuals uploaded
		15-May-18 -	Alternate designs will be considered if the alternate design meets the Principal's Project Requirements.
		18-May-18 -	Closing date extended by 2 weeks
T001/18	Airport lighting upgrade	16-Jan-18 -	Revised specifications and response documents Closing date extended

Section 04: Additional Statutory Information

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	Code of competitive conduct applied	Reasons for not applying Code section 47(8) of the <i>Local Government Act</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 Screening	No	Cinema operations are conducted in conjunction with theatre/gallery activities and are not considered in direct competition with other service providers.

Quality Assurance

Charters Towers Regional Council maintained certification to:

- Environmental Management System ISO14001:2016 (adopted by Council in April 2018).
- AS/NZS 4801 Occupational Health and Safety Management Systems
- ISO 9001:2015 Road and Bridge Construction, Maintenance & Traffic Management.
- AUS-MEAT for the Sale yards facility and operations
- Australian Standard for Export of Livestock for the Dalrymple Export Facility

Section 04: Additional Statutory Information

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</i> <i>Local Government Regulation 2012, S290 S125 -137</i> <i>LGA 2009</i> <i>S260 of LGA 2009</i> <i>S305 of Local Government Regulation 2012</i> <i>Local Government Act 2009</i> <i>S181 A(1)</i> <i>S98 of LGA 2009</i> <i>S74 of LGA 2009</i> <i>S57 of the Local Government Regulation 2012</i> <i>Local Law No. 2 (Animal Management) 2011</i> <i>S51 of Animal Management (Cats and Dogs) Act 2008</i> <i>S172 of Animal Management (Cats and Dogs) Act 2008</i> <i>S540 of Environmental Protection Act 1994</i> <i>S540 of Environmental Protection Act 1994</i> <i>S540 of Environmental Protection Act 1994</i> <i>S31 of LGA 2009</i> <i>S14 of the Local Government Regulation 2012</i> <i>Local Government Regulation 2012 S56</i>	Register of Interests of the CEO	Mayor
	Councillors' Registers of Interests	Office of the CEO
	Authorised Persons	Office of the CEO
	Register of Delegations by Chief Executive Officer to employees	Office of the CEO
	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
	Register of Planning & Community Services Fees	Corporate & Customer Services
	Map and Register of Roads	Infrastructure Services
	Impounded Animals	Planning & Community Services
	Cat and Dog Register	Planning & Community Services
	Regulated Dog Register	Planning & Community Services
	Environmentally Relevant Activities—Development Approvals	Planning & Community Services
	Environmental Authorities	Planning & Community Services
	Environmental Development Approvals and Registrations	Planning & Community Services
	Register of Local and Subordinate Local Laws	Planning & Community Services
	Register of Business Activities to which competitive neutrality applies	Office of the CEO

Administrative Action Complaint disclosures 2017/2018

In accordance with s 187 of the *Local Government regulation 2012*, an Administrative Directive has been developed for the guidance of staff on the requirements of processing, resolving and recording of customer requests and complaints in the appropriate manner in compliance with Council's General Complaints Process (GCP) Procedures.

A complaint must be dealt with pursuant to the formal General Complaint Process (GCP) and entails the formal appointment by the Governance Compliance Officer of a Complaints Officer pursuant to the GCP.

Complaints are viewed as an opportunity for improvement, providing feedback to Council about a product or service experience. Analysis of the complaints received aids Council's continuous improvement process and generally improves the quality of Council's service. A quality database of timely and accurate information is an integral component of improving customer satisfaction. Consequently, all action requests and complaints are electronically recorded. Council's electronic tasking program with workflows allows the appropriate record of an officer's dealings with a complaint and a reporting function enables analysis of complaints to determine the cause and to rectify any 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.

Council received 9 complaints during the 2017/2018 Financial Year. Seven complaints were classified as administration action complaints, one related to employee conduct and one related to a Councillor.

In accordance with S187 (2) of the Regulation, Council reports the following:

Number of administrative action complaints:

I. made to Council	7
II. resolved by Council under the complaints management process	7
III. not resolved by Council under the complaints management process	Nil
The Number of administrative action complaints not resolved by Council under the complaints management process that were made in a previous financial year, and now resolved.	Nil

Councillor Complaints

Section 186 of the *Local Government Regulation 2012*, requires that Council's Annual Report contain the number of orders or recommendations made by the Regional Conduct Review Panel or the Mayor in relation to Councillor misconduct or inappropriate conduct.

Council must also provide a report on the complaints it has received and dealt with for the financial year in relation to Councillors.

Number of orders and recommendations made under S180 (2) or (4) of the <i>Local Government Act 2009</i>	Nil
Number of orders made under S181 of the <i>Local Government Act 2009</i>	Nil
Complaints referred to the Chief Executive Officer under S176C (3) (a) (i) of the <i>Local Government Act 2009</i>	Nil
Complaints about conduct or performance of Councillors for which no further action was taken under S176C (2) of the <i>Local Government Act 2009</i>	1
Complaints referred to the Mayor under S176C (3) (a) (ii) and (b) (i) of the <i>Local Government Act 2009</i>	Nil
Complaints referred to the Chief Executive Officer under S176C (4) (a) of the <i>Local Government Act 2009</i>	Nil

Section 04: Additional Statutory Information

Expenditure on community organisations: grants, rebates and in-kind donations

Expenditure for the financial year on grants to community organisations was \$268,740.61.

Councillors' Discretionary Funds allocations for the 2017-2018 financial year are set out below:

Mayor ER Schmidt:

Date	Organisation	Purpose	Allocation 2017-18	Donation amount	Balance
07-2017			\$3000		\$3000
16-08-17	Livestock Biosecurity Network	\$500 for hire of The World Theatre for information session on Livestock Production Assurance/biosecurity plan & address Bovine Johne's disease		\$100	\$2910
13/09/17	NQ Motor Sports	Assistance with generator hire for "Festival of Dirt"		\$43.50	\$2856.50
20/09/17	Our Town Foundation	Assist with set up costs		\$220.00	\$2636.50
12/10/17	Allan Miles, Blackman Project	Assist with cost of memorial ceremony for WW1 soldier Charles Blackman		\$62.23	\$2574.27
15/11/17	Millchester Scout Group	Assist with missed rates discount		\$15.78	\$2558.49
15/12/17	Ministers' Fraternal	Assist with hire fees for The World Theatre for Community Carols		\$110.00	\$2448.49

Deputy Mayor S Bennetto:

Date	Organisation	Purpose	Allocation 2017-18	Donation amount	Balance
07-2017			\$2000		\$2000
16-08-17	Livestock Biosecurity Network	\$500 for hire of The World Theatre for information session on Livestock Production Assurance/biosecurity plan & address Bovine Johne's disease		\$90	\$1910
13/09/17	NQ Motor Sports	Assistance with generator hire for "Festival of Dirt"		\$45.00	\$1865
20/09/17	Our Town Foundation	Assist with set up costs		\$130.00	\$1735
12/10/17	Allan Miles, Blackman Project	Assist with cost of memorial ceremony for WW1 soldier Charles Blackman		\$62.00	\$1673
15/11/17	Millchester Scout Group	Assist with missed rates discount		\$15.00	\$1658

Councillor BGW Maff:

Date	Organisation	Purpose	Donation amount	Allocation 2017-18	Balance
07-2017				\$2000	\$2000
16-08-17	Livestock Biosecurity Network	\$500 for hire of The World Theatre for information session on Livestock Production Assurance/ biosecurity plan & Bovine Johne's disease	\$90		\$1910
13/09/17	NQ Motor Sports	Assistance with generator hire for "Festival of Dirt"	\$45.00		\$1865
20/09/17	Our Town Foundation	Assist with set up costs	\$130.00		\$1735
12/10/17	Allan Miles, Blackman Project	Assist with cost of memorial ceremony for WW1 soldier Charles Blackman	\$62.00		\$1673
15/11/17	Millchester Scout Group	Assist with missed rates discount	\$15.00		\$1658

Section 04: Additional Statutory Information

Councillor AP Barr:

Date	Organisation	Purpose	Allocation 2017-18	Donation amount	Balance
07-2017			\$2000		\$2000
16-08-17	Livestock Biosecurity Network	\$500 for hire of The World Theatre for information session on Livestock Production Assurance/biosecurity plan & address Bovine Johne's disease		\$90	\$1910
13/09/17	NQ Motor Sports	Assistance with generator hire for "Festival of Dirt"		\$45.00	\$1865
20/09/17	Our Town Foundation	Assist with set up costs		\$130.00	\$1735
12/10/17	Allan Miles, Blackman Project	Assist with cost of memorial ceremony for WW1 soldier Charles Blackman		\$62.00	\$1673
15/11/17	Millchester Scout Group	Assist with missed rates discount		\$15.00	\$1658
17/01/18	Prospect Community Services	Assist with hire of The World Theatre for information session 09-01-2018		\$202.00	\$1456

Councillor MJ Power:

Date	Organisation	Purpose	Allocation 2017-18	Donation amount	Balance
07-2017			\$2000		\$2000
16-08-17	Livestock Biosecurity Network	\$500 for hire of The World Theatre for information session on Livestock Production Assurance/biosecurity plan & address Bovine Johne's disease		\$90	\$1910
13/09/17	NQ Motor Sports	Assistance with generator hire for "Festival of Dirt"		\$45.00	\$1865
20/09/17	Our Town Foundation	Assist with set up costs		\$130.00	\$1735
12/10/17	Allan Miles, Blackman Project	Assist with cost of memorial ceremony for WW1 soldier Charles Blackman		\$62.00	\$1673
15/11/17	Millchester Scout Group	Assist with missed rates discount		\$15.00	\$1658

Councillor GJ Lohmann:

Date	Organisation	Purpose	Donation amount	Allocation 2017-18	Balance
07-2017				\$2000	\$2000
13/09/17	NQ Motor Sports	Assistance with generator hire for "Festival of Dirt"	\$45.00		\$1955
20/09/17	Our Town Foundation	Assist with set up costs	\$130.00		\$1825
12/10/17	Allan Miles, Blackman Project	Assist with cost of memorial ceremony for WW1 soldier Charles Blackman	\$62.00		\$1763
15/11/17	Millchester Scout Group	Assist with missed rates discount	\$15.00		\$1748
17/01/18	Prospect Community Services	Assist with hire of The World Theatre for information session 09-01-2018	\$203.00		\$1545
13/04/18	Pentland Post Office & General Store	Support for CORES workshop (suicide prevention) in Pentland 214-03-2018	\$225.00		\$1320.00
13/04/18	Wookatook Pentland	Support for CORES workshop (suicide prevention) in Pentland 214-03-2018	\$85.80		\$1234.20

Section 04: Additional Statutory Information

Councillor MJ Bailey:

Date	Organisation	Purpose	Allocation 2017-18	Donation amount	Balance
07-2017			\$2000		\$2000
16-08-17	Livestock Biosecurity Network	\$500 for hire of The World Theatre for information session on Livestock Production Assurance/biosecurity plan & address Bovine Johne's disease		\$90	\$1910
13/09/17	NQ Motor Sports	Assistance with generator hire for "Festival of Dirt"		\$45.00	\$1875
20/09/17	Our Town Foundation	Assist with set up costs		\$130.00	\$1735
12/10/17	Allan Miles, Blackman Project	Assist with cost of memorial ceremony for WW1 soldier Charles Blackman		\$62.00	\$1673
15/11/17	Millchester Scout Group	Assist with missed rates discount		\$15.00	\$1658
17/01/18	Prospect Community Services	Assist with hire of The World Theatre for information session 09-01-2018		\$202.00	\$1456

Councillor BP Robertson:

Date	Organisation	Purpose	Donation amount	Allocation 2017-18	Balance
05-2018				\$2000	\$2000

Remuneration of senior management

Employee	Remuneration
Four senior contract employees with a total remuneration package in the range of: (includes one former senior contract employees)	\$200,000 - 300,000
One former senior contract employee with a total remuneration package in the range of:	\$300,000 - \$400,000
Total of all remuneration packages payable	\$1,508,036.77

Councillors' expenses reimbursement policy

Council has adopted an Expenses Reimbursement Policy for councillors in accordance with section 250 of the *Local Government Regulation 2012*. Council's policy considers the '24/7' nature and community expectation of a modern councillor's role and decides for reimbursing expenses incurred as follows:

- conferences and seminars, including travel and accommodation
- training and professional development
- civic-related expenses
- equipment, stationery and executive support
- safety equipment and uniforms
- pool vehicles including fuel
- insurance cover and legal costs
- superannuation.

At the January 2018 General Meeting, an amendment to the Councillors' Expenses Reimbursement Policy was adopted, setting out the circumstances under which Councillors may be reimbursed for using their own vehicles for Council business. A copy of the Resolution is set out below:

OFFICER'S RECOMMENDATION	
<i>That Council:</i>	
➤ <i>Adopt the revised Statutory Policy No S0017 Councillors' Expenses Reimbursement as tabled and as attached to these Minutes at Annexure "A", noting the amendment regarding the circumstances in which Councillors are reimbursed for using their own vehicles.</i>	
Resolution No.:	2499
Moved:	Cr S Bennetto
Seconded:	Cr GJ Lohmann
That the Officer's recommendation be adopted.	
CARRIED	

The Policy is attached at Annexure "A".

Section 04: Additional Statutory Information

Overseas travel

Overseas travel and accommodation costs are detailed below:

Name	Purpose	Cost
Mayor ER Schmidt	21-23 August 2017 Singapore Business Mission arranged by Australian Trade and Investment Commission (Austrade)	Accommodation 766.36 Travel Insurance 158.00 Flights <u>1453.55</u> Total expenses <u>\$2377.91</u>
Mayor ER Schmidt	24 to 31 March 2018 2018 Taipei Smart City Summit & Expo	Sponsored Travel: Taipei Computer Association - Premium Economy flight 2745.85 Sponsored Accommodation - Taiwan Government 2500.00 Sponsored Dinners - Taiwan Government (\$150 x 3) 450.00 Charters Towers Regional Council expense - Travel Insurance <u>217.00</u> Total expenses <u>\$5912.85</u> Sponsors' contribution \$5695.85 Council's contribution \$217.00

Summary of all concessions for rates and charges granted by the LG

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 \$324 per year.

Annual financial statements



CHARTERS TOWERS
REGIONAL COUNCIL

FINANCIAL STATEMENTS

For the year ended

30 June 2018



**CHARTERS TOWERS REGIONAL COUNCIL
FINANCIAL STATEMENTS
For the year ended 30 June 2018**

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CHARTERS TOWERS REGIONAL COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2018

	Note	2018	2017
INCOME			
Recurrent Revenue			
Rates, Levies and Charges	3 (a)	21,851,268	21,451,534
Fees and Charges	3 (b)	2,266,172	2,501,347
Interest	3 (c)	1,071,506	1,011,430
Sales - Contract and Recoverable Works	3 (d)	10,328,319	4,075,821
Other Income		142,804	102,163
Grants, Subsidies, Contributions and Donations	4 (a)	7,299,872	11,113,128
Total Recurrent Revenue		42,959,941	40,255,423
Capital Revenue			
Gain on Sale of Non-Current Assets	5 (a)	909	500,392
Grants, Subsidies, Contributions and Donations	4 (b)	8,095,119	4,348,009
Total Capital Revenue		8,096,028	4,848,401
TOTAL INCOME		51,055,969	45,103,824
EXPENSE			
Recurrent Expenses			
Employee Benefits	6	(20,002,392)	(19,016,369)
Materials, Services, Maintenance and Other	7	(17,559,036)	(13,013,505)
Depreciation	8 & 16(a)	(7,629,938)	(7,438,395)
Finance Costs	9	(78,845)	(41,589)
Total Recurrent Expenses		(45,270,211)	(39,509,858)
Capital Expenses			
Loss on Sale of Non-Current Assets	5 (b)	-	(183,519)
Non-Current Assets Write-Offs	5 (c)	(2,015,527)	(2,549,185)
Total Capital Expenses		(2,015,527)	(2,732,704)
TOTAL EXPENSES		(47,285,738)	(42,242,562)
NET RESULT		3,770,231	2,861,262
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to net result			
Increase/(Decrease) in Asset Revaluation Surplus	20	(6,836,054)	8,622,825
Total Other Comprehensive Income for the Year		(6,836,054)	8,622,825
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(3,065,823)	11,484,087

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



CHARTERS TOWERS REGIONAL COUNCIL
STATEMENT OF FINANCIAL POSITION
For the year ended 30 June 2018

	Note	2018	2017
CURRENT ASSETS			
Cash and Cash Equivalents	10	38,092,014	36,548,801
Investments	11	1,000,000	1,000,000
Receivables	13 (a)	5,500,461	5,058,765
Inventories	14	634,670	590,262
TOTAL CURRENT ASSETS		45,227,145	43,197,828
NON-CURRENT ASSETS			
Property, Plant and Equipment	16 (a)	485,971,441	491,358,231
Receivables	13 (b)	31,733	43,687
TOTAL NON-CURRENT ASSETS		486,003,174	491,401,918
TOTAL ASSETS		531,230,319	534,599,746
CURRENT LIABILITIES			
Payables	17	5,532,170	5,608,519
Borrowings	18 (a)	137,236	132,764
Provisions	19 (a)	1,820,785	1,639,479
TOTAL CURRENT LIABILITIES		7,490,191	7,380,762
NON-CURRENT LIABILITIES			
Borrowings	18 (b)	1,232,348	1,368,031
Provisions	19 (b)	737,660	1,015,010
TOTAL NON-CURRENT LIABILITIES		1,970,008	2,383,041
TOTAL LIABILITIES		9,460,199	9,763,803
NET COMMUNITY ASSETS		521,770,120	524,835,943
COMMUNITY EQUITY			
Retained Surplus		39,082,614	37,538,969
Council Capital		322,357,542	320,130,956
Asset Revaluation Surplus	20	160,329,964	167,166,018
TOTAL COMMUNITY EQUITY		521,770,120	524,835,943

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



CHARTERS TOWERS REGIONAL COUNCIL
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2018

Description of Movements	Retained Surplus (Deficiency)	Council Capital	Asset Revaluation Surplus	TOTAL
Notes:			20	
Balance as at 1 July 2017	37,538,969	320,130,956	167,166,018	524,835,943
COMPREHENSIVE INCOME				
Net Operating Result	3,770,231			3,770,231
Increase/(Decrease) in Asset Revaluation Surplus			(6,836,054)	(6,836,054)
TOTAL Comprehensive Income for the Year				(3,065,823)
Transfers to/from Council Capital	(2,226,586)	2,226,586	-	-
Balance as at 30 June 2018	39,082,614	322,357,542	160,329,964	521,770,120

Description of Movements	Retained Surplus (Deficiency)	Council Capital	Asset Revaluation Surplus	TOTAL
Notes:			20	
Balance as at 1 July 2016	31,987,914	322,820,748	158,543,193	513,351,855
COMPREHENSIVE INCOME				
Net Operating Result	2,861,262			2,861,262
Increase/(Decrease) in Asset Revaluation Surplus			8,622,825	8,622,825
TOTAL Comprehensive Income for the Year				11,484,087
Transfers to/from Council Capital	2,689,792	(2,689,792)	-	-
Balance as at 30 June 2017	37,538,969	320,130,956	167,166,018	524,835,943

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



CHARTERS TOWERS REGIONAL COUNCIL
STATEMENT OF CASH FLOWS
For the year ended 30 June 2018

	Note	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts From Customers		36,950,689	29,470,540
Payments to Suppliers and Employees		(39,533,105)	(32,732,030)
		(2,582,416)	(3,261,490)
Interest Received		1,069,559	1,008,904
Non Capital Grants and Contributions		7,299,872	11,113,128
Borrowing Costs	18 (c)	(40,255)	(795)
Net Cash Inflow (Outflow) From Operating Activities	25	5,746,760	8,859,747
CASH FLOW FROM INVESTING ACTIVITIES			
Payments For Property, Plant and Equipment		(12,283,565)	(10,606,179)
Receivables-Community Loans		13,901	13,901
Proceeds From Sale of Property, Plant and Equipment	5	180,909	1,435,182
Capital Grants, Subsidies, Contributions and Donations		8,016,419	4,348,009
Net Cash Inflow (Outflow) From Investing Activities		(4,072,336)	(4,809,087)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		-	1,500,000
Repayment of Loan Borrowings	18 (c)	(131,211)	795
Net Cash Inflow (Outflow) From Financing Activities		(131,211)	1,500,795
NET INCREASE (DECREASE) IN CASH HELD		1,543,213	5,551,455
Cash and Cash Equivalents at Beginning of the Financial Year	10	36,548,801	30,997,346
CASH and CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	10	38,092,014	36,548,801

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



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

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CHARTERS TOWERS REGIONAL COUNCIL NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

1. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

These general purpose financial statements are for the period 1 July 2017 to 30 June 2018 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

These financial statements have been prepared under the historical cost convention except for the revaluation of certain Non-Current Assets.

b. Statement of Compliance

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

c. Constitution

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

d. New and Revised Accounting Standards

This year Charters Towers Regional Council has applied AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107* for the first time. As a result Council has disclosed more information to explain changes in liabilities arising from financing activities ('debt reconciliation'). This information is presented in note 25 (b).

Charters Towers Regional Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. Council applies standards and interpretations in accordance with their respective commencement dates.

The standards that are expected to have a material impact upon council's future financial statements are

AASB 9 Financial Instruments (date council will apply the standard - 1 July 2018)

This replaces AASB 139 *Financial Instruments: Recognition and Measurement*, and addresses the classification, measurement and disclosure of financial assets and liabilities. The standard introduces a new impairment model that requires impairment provisions to be based on expected credit losses, rather than incurred credit losses. The main impact will be to the impairment assessment rather than fair value of financial assets. Overall the impact is not expected to be material.

AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities and AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for Profit Entities (date council will apply the standard – 1 July 2019)

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



**CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018**

1. SIGNIFICANT ACCOUNTING POLICIES Cont'd

d. New and Revised Accounting Standards cont'd

AASB 16 Leases (date council will apply the standard - 1 July 2019)

Council has some leases that are not in the Statement of Financial Position. These will need to be included when this standard comes into effect. A lease liability will initially be measured at the present value of the lease payments to be made over the lease term. A corresponding right-of-use asset will also be recognised over the lease term. Council is still reviewing whether there will be any material impact arising from the standard.

e. Estimates and Judgements

Where necessary, judgements, estimates and assumptions have been used in preparing these financial statements.

Those that have a potential significant effect or risk of causing an adjustment to council's assets or liabilities are outlined in the following financial statement notes:

Valuation and depreciation of property, plant and equipment – Note 16

Provisions – Note 19

Contingent liabilities – Note 23

f. Rounding and Comparatives

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

g. Taxation

The income of local government and public authorities 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 2018

2. ANALYSIS OF RESULTS BY FUNCTION

- (a) The activities of the Council are categorised into three directorates plus the Office of the CEO. The functions below identify how the activities are shared across directorates.

CORPORATE AND CUSTOMER SERVICES DIRECTORATE & OFFICE OF THE CEO (Governance)

Corporate and Customer Services

Corporate and Customer Services objective is to supply Council and the public with high quality administrative, financial and support services, such as records management, procurement and information technology. People and culture functions also falls within this directorate. People and culture's function is to facilitate positive organisational culture, ensure council has and retains people that match the vision, mission and values of council and secure the health and safety of the workforce.

Customer Service Operations – Customer Service, General Administration, Website, Rating and Administration Facilities

Records - Records Management

Finance - Financial Service, Grants Commission, Business and Procedures, Investments, Asset Management, Procurement and Insurance

Information Technology - Computer and Technology Infrastructure Support

People and Culture - Employees Relations, Organisational Learning and Development, Cultural Development, Health and Safety and Workforce Planning

Governance

The objective of the functions; Councillors, Office of the CEO and Governance, is to provide for the good rule and government of its constituents.

Councillors - Community Consultation, Official Functions and Delegations, Media Relations and Elections

Office of the CEO - Corporate and Business Planning, Organisation Performance and Corporate Branding and Image

Governance - Enterprise Risk Management, Disaster Management Coordination, Agenda and Minutes, Administrative Review, Internal Audit and State Emergency Service Coordination

PLANNING AND COMMUNITY SERVICES DIRECTORATE

Objectives of the Planning and Community Services Directorate include promoting economic and environmental viability and sustainability of the region and facilitating community development through promoting social and cultural growth whilst enabling the community to actively engage in recreational activities.

Environmental Services

Health- Environmental Health, Environment Protection, Business Licences and Permits

Waste Management – Refuse Collection, Refuse Disposal and Recycling Program

Planning and Development

Town Planning – Land Use Planning and Heritage Management

Building

Building and Plumbing Service – Building Compliance

Rural Services

Saleyards – Selling Centre and Stock Routes & Reserves

Land Management – Pest Management and Vector and Vermin Control

Local Laws – Regulation

Animal Management – Animal Related Customer Requests

Economic Development

Economic Development – Investment Attraction

Climate Smart Business Initiative – Energy Efficiency



CHARTERS TOWERS REGIONAL COUNCIL NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

2. ANALYSIS OF RESULTS BY FUNCTION Cont'd

PLANNING AND COMMUNITY SERVICES DIRECTORATE Cont'd

Community Development

Library – Library Services

Tourism – Tourism Promotion, Visitor Information Centre and Tourism Facilities/Attractions

Youth Services – Youth Related Activities

Sport and Recreation – Sport and Recreation Funded Activities

Galleries – Galleries and Exhibitions and World Theatre Gallery

Events – Event Management and General Event Activity

Community Development – Community Development Contributions, Senior Services, Regional Arts Development and Arts and Culture

FACILITIES FUNCTION

Councils Planning and Community Services Directorate is also responsible for the facilities function. The objective is to ensure the facilities provided by Council are accessible and equitable.

INFRASTRUCTURE SERVICES DIRECTORATE

The objectives of Council's Infrastructure Services Directorate are to ensure the road network stays accessible and safe, ensure the effective and efficient supply of water and sewerage services that satisfy customer requirements of the region, and undertake the servicing of parks, gardens and airport operations.

Roads Infrastructure

Road Construction

Road Contracts – Infrastructure Construction

RPC Contracts – Infrastructure Construction

Survey – Design

Roads to Recovery – Infrastructure Construction

Road Maintenance

Road Maintenance – Infrastructure Maintenance

RMPC Contracts – Infrastructure Maintenance

Flood Damage Repairs – Restorations of Assets

Private Works – Third Party Works

Soils Laboratory

Soil Testing – Mainly in-house to ensure Quality Roadworks

Quality Assurance

Engineering Documentation – Mainly in-house Quality Documentation

Water and Sewerage

Water Supply and Treatment – Supply Quality Drinking Water

Water Reticulation – Distribution of Quality Water

Sewerage Reticulation – Maintain Network for Sewerage

Sewerage Treatment – Collection, Treating and Disposing Waste Water

Waste Water Reuse – Disposal of Wastewater

FLEET SERVICES FUNCTION

Councils Infrastructure Services Directorate is responsible for the workshop function. The workshops object is to facilitate fleet maintenance programs.

Fleet asset management is facilitated by the Corporate and Customer Services Directorate.



CHARTERS TOWERS REGIONAL COUNCIL **NOTES TO THE FINANCIAL STATEMENTS** **For the year ended 30 June 2018**

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 2018

FUNCTIONS	Gross program income				Elimination of inter-function transactions 2018	Total income 2018	Gross program expenses		Elimination of inter-function transactions 2018	Total expenses 2018	Net result from recurring operations 2018	Net result attributable to council within the reporting period 2018	Assets 2018
	Recurring 2018		Capital 2018				Recurring 2018	Capital 2018					
	Grants	Other	Grants	Other									
Corporate & Governance Services	6,150,867	12,403,501	322,294	79,610	-	18,956,272	3,554,026	-	-	3,554,026	15,000,342	15,402,246	66,323,006
Planning & Community Services	120,816	2,905,735	75,000	-	-	3,101,551	7,529,331	-	-	7,529,331	(4,502,780)	(4,427,780)	11,799,819
Roads Infrastructure	278,320	10,410,772	3,748,520	-	-	14,437,612	18,368,317	1,588,686	-	19,957,003	(7,679,225)	(5,519,391)	302,354,832
Fleet	123,248	614	-	-	-	123,862	102,679	3,000	-	105,679	21,183	18,183	10,048,201
Water	286,500	6,314,263	2,655,282	305	-	9,256,350	6,312,715	114,710	-	6,427,425	288,048	2,828,925	48,199,711
Sewerage	-	3,414,042	173,248	394	-	3,587,685	2,996,704	5,799	-	3,002,503	417,338	585,181	17,526,067
Facilities	30,150	521,113	878,625	162,750	-	1,592,638	6,406,439	303,332	-	6,709,771	(5,855,176)	(5,117,133)	74,978,683
Total Council	6,989,901	35,970,040	7,852,969	243,059	-	51,055,969	45,270,211	2,015,527	-	47,285,738	(2,310,270)	3,770,231	531,230,319

Year ended 30 June 2017

FUNCTIONS	Gross program income				Elimination of inter-function transactions 2017	Total income 2017	Gross program expenses		Elimination of inter-function transactions 2017	Total expenses 2017	Net result from recurring operations 2017	Net result attributable to council within the reporting period 2017	Assets 2017
	Recurring 2017		Capital 2017				Recurring 2017	Capital 2017					
	Grants	Other	Grants	Other									
Corporate & Governance Services	9,379,581	12,145,809	50,000	41,998	-	21,617,388	4,226,753	-	-	4,226,753	17,298,637	17,390,635	63,702,585
Planning & Community Services	78,412	3,062,810	8,609	-	-	3,149,831	7,109,180	-	-	7,109,180	(3,967,958)	(3,959,349)	11,382,878
Roads Infrastructure	1,193,132	4,025,122	3,240,369	26,000	-	8,484,623	13,385,909	2,427,915	-	15,813,824	(8,167,655)	(7,329,201)	311,917,755
Fleet	119,906	(37,724)	-	498,392	-	580,574	127,075	183,519	-	310,594	(44,893)	269,980	11,243,306
Water	-	6,408,767	504,352	8,653	-	6,921,772	5,912,082	116,708	-	6,028,790	496,685	892,982	46,605,634
Sewerage	-	3,279,024	-	4,718	-	3,283,742	2,641,133	3,240	-	2,644,373	637,891	639,369	17,565,226
Facilities	-	600,584	412,310	53,000	-	1,065,894	6,107,726	1,322	-	6,109,048	(5,507,142)	(5,043,154)	72,182,362
Total Council	10,771,031	29,484,392	4,215,640	632,761	-	45,103,824	39,509,858	2,732,704	-	42,242,562	745,565	2,861,262	534,599,746



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

3. REVENUE ANALYSIS

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

(a) Rates, Levies and Charges

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

	2018	2017
General Rates	12,110,923	11,732,447
Cleansing / Refuse	1,234,965	1,195,151
Water Services	5,936,777	5,835,148
Water – Excess Allocation	431,156	708,701
Sewerage	3,499,526	3,379,032
Total Rates, Levies and Charges Revenue	23,213,347	22,850,479
Less: Discounts	(1,078,032)	(1,110,498)
Pensioner Remissions	(284,047)	(288,447)
Net Rates, Levies and Charges	21,851,268	21,451,534

(b) Fees and Charges

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.

Animal Control Fees and Charges	111,853	120,793
Cemetery Fees and Charges	86,332	78,538
Landfill Fees and Charges	165,166	170,880
Reserve Rental	30,848	23,901
Saleyards Fees and Charges	1,214,876	1,402,205
Search Fees	37,409	38,573
Water Services	39,672	36,989
World Theatre Fees and Charges	294,122	337,088
Other Regulatory Fees and Charges	112,105	116,733
Other Rental/Hire Fee and Charges	111,152	108,274
Other Fees and Charges	62,637	67,373
Total Fees and Charges	2,266,172	2,501,347



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

3. REVENUE ANALYSIS Cont'd

(c) Interest

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

	2018	2017
Interest received on Investments	882,639	855,103
Interest received on Community Loans	1,947	2,527
Interest received on Overdue Rates and Charges	186,920	153,800
Total Interest Income	1,071,506	1,011,430

(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 at the reporting date. Revenue is measured at the fair value of consideration received or receivable in relation to that activity. Where consideration is received for the service in advance it is included in other liabilities and is recognised 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. There are no contracts in progress at the year end. The contract work carried out is not subject to retentions.

Private Works	69,979	219,379
Main Roads Contract	10,113,892	3,735,924
Other	144,448	120,518
Total Sales Income	10,328,319	4,075,821



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

4. GRANTS, SUBSIDIES AND CONTRIBUTIONS

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them. Unspent non-reciprocal capital grants are recognised as restricted cash and disclosed in Note 10.

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. Council does not currently have any reciprocal grants.

(a) Recurrent

	2018	2017
General Purpose Grants	5,905,226	9,097,641
Government Grants and Subsidies	1,084,675	1,673,390
Contributions	309,971	342,097
Total Recurrent Grants, Subsidies and Contributions	7,299,872	11,113,128

(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	7,852,969	4,215,640
Contributions	242,150	132,369
Total Capital Grants, Subsidies and Contributions	8,095,119	4,348,009



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

5. CAPITAL INCOME AND EXPENDITURE

(a) Gain on Sale of Non-Current Assets

	2018	2017
Proceeds from Sale of Assets	180,909	1,044,682
Less: Written Down Value of Sold Assets	(180,000)	(544,290)
TOTAL GAIN ON SALE	909	500,392

(b) Loss on Sale of Non-Current Assets

Proceeds from Sale of Assets	-	390,500
Less: Written Down Value of Sold Assets	-	(574,019)
TOTAL LOSS ON SALE	-	(183,519)

(c) Non-Current Assets Write-Offs

Gross Value of Write-offs	(3,297,182)	(3,481,031)
Add: Accumulated Depreciation of Write-offs	1,281,655	931,846
TOTAL NON-CURRENT ASSETS WRITE-OFFS	(2,015,527)	(2,549,185)

6. EMPLOYEE BENEFITS

Total Staff Salaries and Wages	16,492,976	15,839,847
Councillors' Remuneration	397,055	372,364
Annual, Sick and Long Service Leave Entitlements	1,592,666	1,348,080
Superannuation	1,818,298	1,789,992
Total Direct Employee Costs	20,300,995	19,350,283
Other Employee Costs	593,861	608,117
	20,894,856	19,958,400
Less: Capitalised Employee Expenses	(892,464)	(942,031)
TOTAL EMPLOYEE BENEFITS	20,002,392	19,016,369

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

Employee Numbers	- Full-time Equivalents	209	221
as at 30 June	- Casual	24	23
	- Councillors (incl. Mayor)	7	7



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

7. MATERIALS, SERVICES, MAINTENANCE AND OTHER

	2018	2017
Advertising and Marketing	99,322	90,770
Administration Supplies and Consumables	129,642	154,602
Audit of Annual Financial Statements by the Auditor-General of Queensland	61,501	55,731
Audit Fees – Internal	115,779	109,294
Communications and IT	821,331	1,019,270
Consultants	333,479	370,439
Contractors	373,899	407,845
Donations Paid	356,847	295,937
Repairs and Maintenance and Other Materials	4,317,969	4,986,839
Flood Events Materials & Services	150,275	-
RPC Materials & Services	5,066,794	462,315
Sewerage Repairs and Maintenance	1,715,148	1,523,574
Subscriptions and Registrations	137,915	135,547
Water Repairs and Maintenance	3,879,135	3,401,342
TOTAL MATERIALS, SERVICES, MAINTENANCE AND OTHER	17,559,036	13,013,505



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

8. DEPRECIATION

	2018	2017
Buildings and Structures	1,480,959	1,429,485
Plant	1,249,308	1,289,372
Equipment	312,885	316,119
City Roads and Drainage	964,635	1,013,785
Rural Roads	1,798,220	1,659,537
Water Infrastructure	1,187,469	1,113,412
Sewerage Infrastructure	609,282	586,685
Landfill Rehabilitation	27,180	30,000
TOTAL DEPRECIATION	7,629,938	7,438,395

9. FINANCE COSTS

Finance Costs Charged by Queensland Treasury Corporation	40,255	795
Bank Charges	38,590	40,794
TOTAL FINANCE COSTS	78,845	41,589

10. CASH AND CASH EQUIVALENTS

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

Cash at Bank	358,050	1,041,524
Deposits at Call	37,724,564	35,497,445
	38,082,614	36,538,969
Working Capital Floats	9,400	9,832
TOTAL CASH AND CASH EQUIVALENTS	38,092,014	36,548,801

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.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

10. CASH AND CASH EQUIVALENTS Cont'd

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

*Internally imposed expenditure restrictions at the reporting date:

	2018	2017
Infrastructure	22,325,093	19,654,242
Plant	3,437,623	2,149,623
Long Service Leave	1,500,000	1,500,000
Special Projects	5,351,204	7,476,537
Information Technology	1,111,659	1,597,604
TOTAL UNSPENT RESTRICTED CASH	33,725,579	32,378,006

*These restrictions were previously allocated as reserves.

The former reserves operated as follows:

Capital Reserves

The **Future Capital Works Reserve** contained capital funding carried forward or set aside for additional or replacement capital works. The **Infrastructure Reserves** contained funds for all Council road, water and sewerage programs carried forward. The **Plant Reserve** contained funds for future plant replacement.

Recurrent Reserve

The **Long Service Leave Reserve** held cash for accrued long service leave payouts. A **Special Projects Reserve** funding identified projects to be actioned in future year. The **Information Technology (IT) Provision Reserve** held funds sufficient to meet all future IT non-capital replacements.

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

Grants for expenditure on infrastructure:		
Building Our Regions - Airport Facilities	-	77,000
Building Our Regions –Mosman Creek	-	12,588
Local Government Grants and Subsidies Programme	131,804	-
Roads to Recovery	175,984	16,415
TIDS Programme	-	247,646
Works For Queensland Programme		
- Roads Infrastructure	217,973	936,376
- Water Infrastructure	311,150	210,818
- Facilities Infrastructure	120,135	137,963
- Communication Infrastructure	125,000	-
Black Spot Programme	-	75,000
	1,082,046	1,713,806



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

11. 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 2018, Council held an investment with a term greater than three months.

	2018	2017
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 Credit Union, which is an unrated Credit Union.

12. 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.

Monies Held in Trust are as Follows:		
Sundries	13,543	11,328
Animal Trap Deposits	175	175
Relocation of Buildings	13,909	13,909
Subdivision – Roadworks	144,928	88,347
Subdivision – Water Connections	44,856	57,900
Subdivision – Sewerage Connections	15,000	15,000
Temporary Library Memberships	-	446
Facility Hire Security Deposits	6,205	5,117
Cemetery/Monument Works	356	568
TOTAL TRUST FUNDS HELD	238,972	192,790



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

13. RECEIVABLES

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

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

All known bad debts are written-off at 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.

Loans and advances are recognised in the same way as other receivables. Terms are usually a maximum of five years with interest charged at commercial rates. Security is not normally obtained.

(a) Current

	2018	2017
Rateable Revenue and Utility Charges	1,227,415	1,915,029
Prepayments	436,441	500,643
Other Debtors	3,836,605	2,643,093
TOTAL CURRENT	5,500,461	5,058,765

(b) Non-Current

Long Term Community Loans:		
Towers Players	5,596	10,499
Pentland Race Club	6,735	8,223
CT Rugby Club	19,402	24,965
TOTAL NON-CURRENT	31,733	43,687

Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges 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 2018**

14. 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.

	2018	2017
Inventories Held for Sale		
World Theatre Candy Bar	8,516	6,995
Visitor Information Gift Shop	37,785	34,874
Inventories Held for Distribution		
Works Depot Stores	588,369	548,393
TOTAL INVENTORIES	634,670	590,262

15. OTHER FINANCIAL ASSETS

Other financial assets are recognised at cost. No other financial assets were recognised in the current year.



CHARTERS TOWERS REGIONAL COUNCIL NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

16(a). PROPERTY, PLANT AND EQUIPMENT - 30 JUNE 2018

CATEGORIES	Note	Opening Gross Value As at 1 July 2017	Recogni- sed Assets Gross Value	Transfer between Classes	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 2018	Opening Balance As at 1 July 2017 Accumulated Depreciation	Transfers Between Asset Classes	Sales Accumulated Depreciation	Write-Offs Accumulated Depreciation	Revaluation Adjustments Accum.Dep. to Revaluation Surplus	Annual Depreciation	Accumulated Depreciation As at 30 June 2018	Written Down Value As at 30 June 2018	Residual Value
LAND	16(f)(i)	13,183,500	-	-	-	-	-	(180,000)	-	-	13,003,500	-	-	-	-	-	-	-	13,003,500	-
BUILDINGS & STRUCTURES	16(f)(ii)	96,603,079	78,700	-	1,245,421	269,382	-	-	(491,394)	2,167,124	99,872,311	(11,291,305)	-	-	188,062	1,401,435	(1,480,959)	(11,182,767)	88,689,544	-
PLANT	16(f)(iii)	21,613,772	-	-	162,994	-	-	-	(129,150)	-	21,647,616	(10,563,549)	-	-	126,150	-	(1,249,308)	(11,686,707)	9,960,909	4,252,270
EQUIPMENT	16(f)(iv)	4,269,567	-	-	56,307	13,162	-	-	(21,363)	-	4,317,673	(2,603,747)	-	-	21,363	-	(312,885)	(2,895,269)	1,422,404	-
CITY ROADS & DRAINAGE	16(f)(v)	121,238,780	-	-	2,114,877	1,825,775	-	-	(1,570,042)	606,720	124,216,110	(14,923,748)	-	-	273,884	(1,275,210)	(964,635)	(16,889,709)	107,326,401	-
RURAL ROADS	16(f)(vi)	255,331,498	-	-	939,842	383,553	-	-	(801,212)	(2,269,645)	253,584,036	(49,413,779)	-	-	508,684	(8,085,079)	(1,798,220)	(58,788,394)	194,795,642	-
WATER INFRASTRUCTURE	16(f)(vii)	81,973,618	-	-	714,685	61,963	-	-	(276,344)	2,088,293	84,562,215	(38,034,276)	-	-	161,634	(1,758,282)	(1,187,469)	(40,818,393)	43,743,822	-
SEWERAGE INFRASTRUCTURE	16(f)(vii)	38,676,738	-	-	227,883	55,730	-	-	(7,677)	677,707	39,630,381	(21,596,016)	-	-	1,878	(419,118)	(609,282)	(22,622,538)	17,007,843	-
LANDFILL REHABILITATION	16(f)(viii)	600,000	-	-	-	-	-	-	-	(192,294)	407,706	(30,000)	-	-	-	30,000	(27,180)	(27,180)	380,526	-
Sub-Total		633,490,551	78,700	-	5,462,009	2,609,565	-	(180,000)	(3,297,182)	3,077,905	641,241,548	(148,456,421)	-	-	1,281,655	(10,106,254)	(7,629,938)	(164,910,957)	476,330,591	4,252,270
Rounding																				
Work in Progress		6,324,101			6,821,556	(2,609,565)	(895,241)	-	-	-	9,640,850	-	-	-	-	-	-	-	9,640,850	-
TOTAL Property, Plant & Equipment		639,814,652	78,700	-	12,283,565	-	(895,241)	(180,000)	(3,297,182)	3,077,905	650,882,398	(148,456,421)	-	-	1,281,655	(10,106,254)	(7,629,938)	(164,910,957)	485,971,441	4,252,270

ADDITIONS COMPRISE	RENEWALS	OTHER ADDITIONS	TOTAL
LAND	-	-	-
BUILDINGS AND STRUCTURES	1,771,957	372,772	2,144,729
PLANT	163,021	-	163,021
EQUIPMENT	25,327	839,184	864,511
CITY ROADS & DRAINAGE	3,913,681	328,987	4,242,668
RURAL ROADS	1,847,403	-	1,847,403
WATER INFRASTRUCTURE	2,609,257	48,483	2,657,740
SEWERAGE INFRASTRUCTURE	363,493	-	363,493
TOTAL	10,694,139	1,589,426	12,283,565



CHARTERS TOWERS REGIONAL COUNCIL **NOTES TO THE FINANCIAL STATEMENTS** **For the year ended 30 June 2018**

16(a). PROPERTY, PLANT AND EQUIPMENT - 30 JUNE 2017

CATEGORIES	Note	Opening Gross Value As at 1 July 2016	Recogni- sed Assets Gross Value	Transfer Between Classes	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 2017	Opening Balance As at 1 July 2016 Accumulated Depreciation	Transfers Between Asset Classes	Sales Accumulated Depreciation	Write-Offs Accumulated Depreciation	Revaluation Adjustments Accum.Dep. to Revaluation Surplus	Annual Depreciation	Accumulated Depreciation As at 30 June 2017	Written Down Value As at 30 June 2017	Residual Value
LAND BUILDINGS & STRUCTURES	16(f)(i)	13,221,500	-	-	-	-	-	(38,000)	-	-	13,183,500	-	-	-	-	-	-	-	13,183,500	-
	16(f)(ii)	93,210,750	-	-	360,911	5,619	-	-	-	3,025,799	96,603,079	(10,959,799)	-	-	-	1,097,978	(1,429,485)	(11,291,305)	85,311,773	-
PLANT	16(f)(iii)	24,489,996	-	-	2,254,206	-	-	(5,130,430)	-	-	21,613,772	(13,324,298)	-	4,050,121	-	-	(1,289,372)	(10,563,549)	11,050,223	4,254,270
EQUIPMENT	16(f)(iv)	4,028,254	-	-	109,648	131,665	-	-	-	-	4,269,567	(2,287,629)	-	-	-	-	(316,119)	(2,603,747)	1,665,820	-
CITY ROADS & DRAINAGE	16(f)(v)	117,767,229	-	-	1,000,411	836,643	-	-	(469,217)	2,103,714	121,238,780	(7,208,237)	-	-	85,242	(6,786,967)	(1,013,785)	(14,923,748)	106,315,032	-
RURAL ROADS	16(f)(vi)	250,933,170	-	-	820,932	2,052,758	-	-	(2,684,812)	4,209,450	255,331,498	(51,434,091)	-	-	639,550	3,040,299	(1,659,537)	(49,413,779)	205,917,718	-
WATER INFRASTRUCTURE	16(f)(vii)	77,971,512	-	-	797,320	706,166	-	-	(321,638)	2,820,258	81,973,618	(35,894,499)	-	-	204,930	(1,231,295)	(1,113,412)	(38,034,276)	43,939,341	-
SEWERAGE INFRASTRUCTURE	16(f)(vii)	37,581,164	-	-	194,514	6,426	-	-	(5,364)	899,998	38,676,738	(20,455,046)	-	-	2,124	(556,409)	(586,685)	(21,596,016)	17,080,722	-
LANDFILL REHABILITATION	16(f)(viii)	570,000	-	-	-	-	-	-	30,000	-	600,000	-	-	-	-	-	(30,000)	(30,000)	570,000	-
Sub-Total		619,773,574	-	-	5,537,942	3,739,277	-	(5,168,430)	(3,451,031)	13,059,219	633,490,551	(141,563,600)	-	4,050,121	931,846	(4,436,394)	(7,438,395)	(148,456,421)	485,034,130	4,254,270
Rounding											-									
Work in Progress		5,480,326	-	-	5,068,237	(3,739,277)	(485,185)	-	-	-	6,324,101	-	-	-	-	-	-	-	6,324,101	-
TOTAL Property, Plant & Equipment		625,253,900	-	-	10,606,179	-	(485,185)	(5,168,430)	(3,451,031)	13,059,219	639,814,652	(141,563,600)	-	4,050,121	931,846	(4,436,394)	(7,438,395)	(148,456,421)	491,358,231	4,254,270



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

16. 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
City Roads & Drainage	\$7,500
Rural Roads	\$7,500
Water Infrastructure	\$7,500
Sewerage Infrastructure	\$7,500
Landfill Rehabilitation	Nil

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.

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 not controlled by Council but is controlled by the State pursuant to the relevant legislation. Therefore this land is not recognised in these financial statements

(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 2018

16. 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 210
Plant	3 to 50
Equipment	3 to 50
City Roads & Drainage	10 to 200
Rural Roads	15 to 200
Water Infrastructure	5 to 152
Sewerage Infrastructure	10 to 102
Landfill Rehabilitation	20

(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, city roads and drainage, rural roads, water and sewerage infrastructure are measured on the revaluation basis, at fair value, in accordance with AASB116 *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 2018

16. 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 interim 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 making 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 assets have been included at fair value as at 30 June 2018 as determined independently by APV Valuers and Asset Management. Valuations are based on the sale prices of comparable land sites in close proximity and are adjusted for differences in key attributes such as property size. Reserve land and land under infrastructure have not been given a value for the purpose of these financial statements. A comprehensive valuation was carried out by APV Valuers and Asset Management as at 30 June 2013.

ii. Buildings & Structures

Council buildings and structures are recognised at fair value and have been included at their written down current replacement value at 30 June 2018 as determined independently by APV Valuers and Asset Management, by way of interim valuation. This process involved applying the appropriate indices to the value of the building from prior years. The written down valuation of each building is determined by assessing the replacement value of each of the components, adjusted to reflect the assessed condition. A comprehensive valuation was carried out by APV Valuers and Asset Management as at 30 June 2013.

iii. Plant Fleet

Plant Fleet is measured at original cost less accumulated depreciation.

iv. Equipment

Equipment is measured at original cost less accumulated depreciation.

v. City Roads & Drainage

Council city roads and drainage assets are recognised at fair value and have been included at their written down current replacement value at 30 June 2018 as determined independently by APV Valuers and Asset Management, by way of interim valuation. This process involved applying the appropriate indices to the values determined in prior years. The written down valuation of each road is determined by assessing the replacement value of each of the components, adjusted to reflect the assessed condition. A comprehensive valuation was carried out by APV Valuers and Asset Management as at 30 June 2013.



CHARTERS TOWERS REGIONAL COUNCIL NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

16. PROPERTY, PLANT AND EQUIPMENT Cont'd

(f) Valuation cont'd

vi. Rural Roads

Council rural roads are recognised at fair value and have been included at their written down current replacement value at 30 June 2018 as determined independently by APV Valuers and Asset Management, by way of interim revaluation. A comprehensive valuation was carried out by APV Valuers and Asset Management as at 30 June 2015.

vii. Water & Sewerage Infrastructure

Council water infrastructure assets and sewerage infrastructure assets are recognised at fair value and have been recorded at their written down current replacement value at 30 June 2018, as determined independently by GHD Pty Ltd by way of interim revaluation. A comprehensive valuation was carried out by GHD Pty Ltd as at 30 June 2015.

viii. Landfill Rehabilitation

The primary regional 'Stubbley Street Landfill' was valued by creating a complementary asset equivalent, to the future provision for restoration of the landfill site, and depreciating the cost over the effective remaining life of the asset. TMI Consulting Pty Ltd, Innisfail prepared a Site Development Plan reflecting the design, approach, volumes and stages to line, cap, and rehabilitate by the end of the sites projected life.

(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
- City Roads and Drainage
- Rural Roads
- 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)



**CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018**

16. PROPERTY, PLANT AND EQUIPMENT Cont'd

(g) Fair Value Measurement cont'd

i. Recognised fair value measurements cont'd

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. The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2018.

At 30 June 2018

	Level 2 (Significant other observable inputs)		Level 3 (Significant unobservable inputs)		TOTAL	
Recurring fair value measurements	2018	2017	2018	2017	Total 2018	Total 2017
Land	13,003,500	13,183,500	-	-	13,003,500	13,183,500
Land Rehabilitation			380,526	570,000	380,526	570,000
Buildings and Structures			88,689,544	85,311,773	88,689,544	85,311,773
City Roads and Drainage			107,326,401	106,315,032	107,326,401	106,315,032
Rural Roads			194,795,642	205,917,718	194,795,642	205,917,718
Water Infrastructure			43,743,822	43,939,341	43,743,822	43,939,341
Sewerage Infrastructure			17,007,843	17,080,722	17,007,843	17,080,722
TOTAL	13,003,500	13,183,500	451,943,778	459,134,586	464,947,278	472,318,086

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)

All land assets have been valued by external independent valuers, APV Valuers and Asset Management, using level 2 inputs.

Level 2 valuation inputs were used to value land held in freehold title as well as land used for special purposes. Sale prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

16. 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

Buildings and Structures (level 3)

All buildings and structures assets have been valued by external independent valuers, APV Valuers and Asset Management. As the buildings are specialised in nature the use of level 3 valuation inputs using the cost approach is most appropriate. The approach estimated the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metres 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.

The consumption rating scale and the level of consumed service potential is the basis for which the accumulated depreciation is calculated. The valuer has determined the asset consumption rating scale for each asset type based on the interrelationship between a range of factors. The consumption rating scales were based initially on the past experience of the valuation firm and industry guides and were then updated to take into account the experience and understanding of Council staff. The results of the valuation were further evaluated by confirmation against Council's own understanding of the assets and the level of remaining service potential.

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 (eg. flooring) will have a far greater impact on fair values than the same increase to less common assets (eg. security systems).
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 2018**

16. 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

City Roads and Drainage (Level 3)

City Road and Drainage 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 and 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.

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 and the level of consumed service potential is the basis for which the accumulated depreciation is calculated. The valuer has determined the asset consumption rating scale for each asset type based on the interrelationship between a range of factors. The consumption rating scales were based initially on the past experience of the valuation firm and industry guides and were then updated to take into account the experience and understanding of Council staff. The results of the valuation were further evaluated by confirmation against Council's own understanding of the assets and the level of remaining service potential.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

16. 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

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 (eg. formation) will have a far greater impact on fair values than the same increase to less common assets (eg. 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.

Rural Roads (Level 3)

Rural Roads Infrastructure assets are valued by external independent valuers, APV Valuers and Asset Management, using level 3 valuation inputs based on the cost approach. This 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 and 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.

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.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

16. 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

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 and the level of consumed service potential is the basis for which the accumulated depreciation is calculated. The valuer has determined the asset consumption rating scale for each asset type based on the interrelationship between a range of factors. The consumption rating scales were based initially on the past experience of the valuation firm and industry guides and were then updated to take into account the experience and understanding of Council staff. The results of the valuation were further evaluated by confirmation against Council's own understanding of the assets and the level of remaining service potential.

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 (eg. gravel or formation) will have a far greater impact on fair values than the same increase to less common assets (eg.RCBC culverts).
Remaining useful life	Used in calculating accumulated depreciation	Under estimation of remaining useful life will inflate accumulated depreciation calculations, while over estimation will deflate accumulated depreciation calculations.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

16. 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 consulting engineers, GHD Pty Ltd, using level 3 valuation inputs using the cost approach. The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors

The accumulated depreciation of the assets has been calculated by applying the assessed condition of the assets as a remaining useful life. This is then applied as a proportion of replacement cost. The assessed condition of the assets is based on the expected remaining useful life of the asset. As the majority of water and sewerage infrastructure assets are buried assets, the remaining useful life is determined by applying the anticipated asset life to the installation date of the asset. This remaining useful life is then adjusted appropriately if information (such as line break data) is available which indicates that the remaining useful life of the particular asset, will be materially different from the calculated remaining useful life.

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

Input	Application	Impact
Unit Rate	Applied to passive assets (eg. Pipes & Connections)	A small increase in unit rate applied to common pipe sizes (eg. 100mm & 150mm) will have a far greater impact on fair values than the same increase to less common sizes (eg. >375mm water main).
Remaining useful life	Used in calculating accumulated depreciation	Under estimation of remaining useful life will inflate accumulated depreciation calculations, while over estimation will deflate accumulated depreciation calculations.

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 Customer Services, members of the Audit 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 2018

17. 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.

	2018	2017
Sundry Creditors, including Contract Retentions	3,195,359	3,227,922
Employee Benefits – Annual Leave	2,281,023	2,304,003
Employee Benefits – RDO & TOIL	55,788	76,594
TOTAL PAYABLES	5,532,170	5,608,519

18. 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

Loans – Queensland Treasury Corporation	137,236	132,764
TOTAL CURRENT	137,236	132,764

(b) Non-Current

Loans – Queensland Treasury Corporation	1,232,348	1,368,031
TOTAL NON-CURRENT	1,232,348	1,368,031



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

18. BORROWINGS Cont'd

(c) Loan Summary – Queensland Treasury Corporation

	2018	2017
Opening Balance at Beginning of Financial Year	1,500,795	-
Loans Raised	-	1,500,000
Repayments	(171,466)	-
Interest	40,255	795
BOOK VALUE AT PERIOD END	1,369,584	1,500,795

The loan market value at 30 June 2018 was \$1,360,303. 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.

19. 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 applicable, 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.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

19. PROVISIONS Cont'd

(a) Current

	2018	2017
Long Service Leave	1,820,785	1,639,479
TOTAL CURRENT	1,820,785	1,639,479

(b) Non-Current

Long Service Leave	329,954	415,011
Landfill Rehabilitation	407,706	600,000
TOTAL NON-CURRENT	737,660	1,015,010

(c) Long-Service Leave Summary

Balance at Beginning of Financial Year	2,054,490	2,030,169
Long Service Leave Entitlement Arising	487,283	397,969
Long Service Leave Entitlement Paid	(391,034)	(373,648)
BALANCE AT THE END OF THE PERIOD	2,150,739	2,054,490

(d) Landfill Rehabilitation Summary

Balance at Beginning of Financial Year	600,000	570,000
Increase/(decrease) in provision	(192,294)	30,000
BALANCE AT THE END OF THE PERIOD	407,706	600,000

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 \$659,952 and this cost is expected to be incurred in 2032.

20. 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.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

20. ASSET REVALUATION SURPLUS Cont'd

	2018	2017
Movements in the Asset Revaluation Surplus were as follows:		
Balance at beginning of financial year	167,166,018	158,543,193
Net adjustment to non-current assets at end of period to reflect a change in current fair value:		
Water Infrastructure	330,011	1,588,963
Sewerage Infrastructure	258,589	343,589
City Roads & Drainage	(668,489)	(4,683,253)
Rural Roads	(10,354,724)	7,249,749
Buildings & Structures	3,568,559	4,123,777
Land	-	-
Landfill Rehabilitation	30,000	-
Sub Total of Annual Movement	(6,836,054)	8,622,825
BALANCE AT THE END OF THE FINANCIAL YEAR	160,329,964	167,166,018

Asset Revaluation Surplus Analysis		
The closing balance of the Asset Revaluation Surplus comprises the following asset categories:		
Water Infrastructure	15,743,056	15,413,045
Sewerage Infrastructure	5,676,451	5,417,862
City Roads & Drainage	33,458,399	34,126,888
Rural Roads	65,031,686	75,386,410
Buildings & Structures	35,295,035	31,726,476
Land	5,095,337	5,095,337
Landfill Rehabilitation	30,000	-
TOTAL ASSET REVALUATION SURPLUS	160,329,964	167,166,018

21. 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 10.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

22. COMMITMENTS FOR EXPENDITURE

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

	2018	2017
Capital		
Information Technology	348,545	59,228
Plant	504,028	131,074
Building Infrastructure	441,121	32,216
Roads Infrastructure	441,037	846,857
Water Infrastructure	13,914,577	1,228,903
Sewerage Infrastructure	-	21,008
Operating		
Landfill Services Contract	250,909	237,728
Roads Infrastructure Works	3,903,637	644,650
Saleyard Services Contract	181,818	113,427
Planning Scheme	97,984	-
TOTAL	20,083,656	3,315,091

23. 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 \$484,932 (2017: \$477,009).

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 2017, 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 2018

24. 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 2015. The actuary indicated that "At the valuation date of 1 July 2015, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

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

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

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

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

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

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

	Note	2018	2017
Superannuation contributions made to the Regional Defined Benefits Fund		124,206	161,719
Other superannuation contributions for employees		1,694,092	1,628,273
Total superannuation contributions paid by Council for employees:	6	1,818,298	1,789,992

The contributions council expects to make to the Regional Defined Benefit Fund for 2018-19 is \$107,874.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

25. RECONCILIATIONS

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

	2018	2017
Net Result	3,770,231	2,861,262
Non-cash Operating Items:		
Depreciation	7,629,938	7,438,395
Write-offs of Property, Plant and Equipment	2,015,527	2,549,185
Opening WIP Moved to Expense	895,241	485,185
Community Loan Interest Charged	(1,947)	(2,527)
	10,538,759	10,470,238
Investing and Development Activities:		
Net (Profit) Loss on Disposal of Non Current Assets	(909)	(316,873)
Capital Grants, Subsidies, Contributions & Donations	(8,095,119)	(4,348,009)
	(8,096,028)	(4,664,882)
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in Receivables	(441,695)	(1,099,690)
(Increase) Decrease in Inventories	(44,408)	(4,598)
Increase (Decrease) in Payables	(76,349)	1,273,097
Increase (Decrease) in Provisions	96,250	24,320
	(466,202)	193,129
Net Cash Inflow (Outflows) from Operating Activities	5,746,760	8,859,747

(b) Reconciliation of Liabilities Arising From Finance Activities

	As at 30 June 2017	Cash flows	Non-cash changes	As at 30 June 2018
Loans 18	1,500,795	(131,211)	-	1,369,584

26. EVENTS AFTER BALANCE DATE

There were no material adjusting or non-adjusting events after the balance date.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

27. FINANCIAL INSTRUMENTS

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

- credit risk
- liquidity risk
- market risk

Financial Risk Management

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

Investments in financial assets are only made where those assets are with a bank or other financial institution in Australia. The Council does not invest in derivatives or other high risk investments.

When 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 the Council is constrained by the provisions of the *Statutory Bodies Financial Arrangements Act 1982*.

Council measures risk exposure using a variety of methods as follows –

Risk Exposure	Measurement Method
(i) Credit Risk	Ageing Analysis
(ii) Liquidity Risk	Maturity Analysis
(iii) Market Risk	Sensitivity Analysis

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.

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	2018	2017
Financial Assets			
Cash and Cash Equivalents	10	38,092,014	36,548,801
Investments	11	1,000,000	1,000,000
Receivables – Rates	13(a)	1,227,415	1,915,029
Loans to Community Organisations	13(b)	31,733	43,687
Other Debtors	13(a)	3,836,605	2,643,093
Other Credit Exposures			
Bank Guarantee	23	484,932	477,009
TOTAL		44,672,699	42,627,619



CHARTERS TOWERS REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

27. FINANCIAL INSTRUMENTS Cont'd

i. Credit Risk Cont'd

Cash and Cash Equivalents

The Council is 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.

Receivables

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

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

By the nature of 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.

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

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

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

	Not Past Due	Past Due			Impaired	Total
		30-60 Days	61-90 Days	More than 90 Days		
Financial Assets						
2018 Other Debtors	3,418,788	328,886	14,416	74,515	-	3,836,605
2017 Other Debtors	2,506,487	49,470	7,841	79,295	-	2,643,093

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



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

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
	\$	\$	\$	\$	\$
2018					
Payables	3,195,359	-	-	3,195,359	3,195,359
Loans - QTC	172,374	689,496	689,496	1,551,366	1,369,584
	<u>3,367,733</u>	<u>689,496</u>	<u>689,496</u>	<u>4,746,725</u>	<u>4,564,943</u>
2017					
Payables	3,227,922	-	-	3,227,922	3,227,922
Loans – QTC	171,466	689,496	861,870	1,722,832	1,500,795
	<u>3,399,388</u>	<u>689,496</u>	<u>861,870</u>	<u>4,950,754</u>	<u>4,728,717</u>

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 prices, 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.

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 rate would be held constant over the next financial year, with the change occurring at the beginning of that year. It is assumed that interest rates on overdue rates would not change.



**CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018**

27. FINANCIAL INSTRUMENTS Cont'd

iii. Market Risk Cont'd

Interest Rate Sensitivity Analysis

		Profit		Equity	
	Carrying Value	1%	1%	1%	1%
	2018	Increase	Decrease	Increase	Decrease
Financial Assets	39,092,014	390,920	(390,920)	390,920	(390,920)
Net	39,092,014	390,920	(390,920)	390,920	(390,920)
	2017				
Financial Assets	37,548,801	375,488	(375,488)	375,488	(375,488)
Net	37,548,801	375,488	(375,488)	375,488	(375,488)

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 2018

28. TRANSACTIONS WITH RELATED PARTIES

(a) Transactions with Key Management Personnel (KMP)

KMP include the Mayor, Councillors, council's Chief Executive Officer and some executive management. The compensation paid to KMP for 2017/18 comprises:

	2018	2017
Short-term Employee Benefits	2,228,639	2,251,646
Post-employment Benefits	211,103	197,636
Long-term Benefits	140,203	55,249
Termination Benefits	205,213	140,870
TOTAL	2,785,158	2,645,401

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 a spouse, child and dependent of a KMP or their spouse, and a parent or sibling of the KMP.

Details of Transactions:

	Additional Information		
Fees and charges charged to entities controlled by KMP	28(b)(i)	7,545	18,307
Employee expenses for close family members of KMP	28(b)(ii)	402,440	365,621
Purchase of materials and services from entities controlled by KMP	28(b)(iii)	108,029	64,717
TOTAL		518,014	448,645

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 Councillor Mike Power. The hire occurred in accordance with council's normal terms and conditions	2,220
Other fees & charges	Various other related parties	5,325
	TOTAL	7,545



**CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018**

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 239 staff of which only 6 are close family members of key management personnel with 3 being employed before KMP were employed.

- iii. The purchase of material and services from entities that are controlled by members of KMP. All purchases were at arm's length and were in the normal course of council operations:

	2018	2017
Tyres	\$ 104,272	\$ 51,146
Vehicle repairs & towing	\$ 3,015	\$ 5,581
Shipping containers	-	\$ 7,000
Employee training	\$ 742	\$ 990
TOTAL	\$ 108,029	\$ 64,717

Included in the above are tyres purchased from Barr's Batteries & Tyres amounting to \$104,272 during 2017-18. During this time Councillor Alan Barr was the owner of this business. All purchases were at arm's length, on normal terms & conditions and were in the normal course of council's operations.

(c) Outstanding Balances

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	2018	2017
Past due 30-60 days	-	-
Past due 61-90 days	-	-
More than 90 days	1,186	103
TOTAL	1,186	103

(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.



**CHARTERS TOWERS REGIONAL COUNCIL
MANAGEMENT CERTIFICATE
For the year ended 30 June 2018**

These general purpose financial statements have been prepared pursuant to Sections 176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.

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

- i. the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- ii. the general purpose financial statements, as set out on pages 1 to 46, 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

Elizabeth Schmidt

Date: 9 October 2018

Chief Executive Officer

Aaron Johansson

Date: 9 October 2018

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 financial report of Charters Towers Regional Council

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2018, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and Chief Executive Officer.

Basis for opinion

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

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

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

Other information

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

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

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

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

Responsibilities of the council for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Report on other legal and regulatory requirements

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

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



Sri Narasimhan
as delegate of the Auditor-General

12 October 2018

Queensland Audit Office
Brisbane



CHARTERS TOWERS REGIONAL COUNCIL
CURRENT YEAR FINANCIAL SUSTAINABILITY STATEMENT
For the year ended 30 June 2018

**Current-year Financial
Sustainability Statement
For the year ended 30 June 2018**

Measures of Financial Sustainability	How the measure is calculated	Actual Council	Target
Council's performance at 30 June 2018 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-5%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	173%	Greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-83%	Not greater than 60%

Note 1 - Basis of Preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*.

The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2018.

Certificate of Accuracy
For the year ended 30 June 2018

This current-year financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the regulation).

In accordance with Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.

Mayor
Elizabeth Schmidt

Date: 9 October 2018

Chief Executive Officer
Aaron Johansson

Date: 9 October 2018

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 for the year ended 30 June 2018, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with section 212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Charters Towers Regional Council for the year ended 30 June 2018 has been accurately calculated.

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

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

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

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

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

Responsibilities of the council for the current year financial sustainability statement

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

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

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

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

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

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

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



12 October 2018

Sri Narasimhan
as delegate of the Auditor-General

Queensland Audit Office
Brisbane



CHARTERS TOWERS REGIONAL COUNCIL NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

Long-Term Financial Sustainability Statement

Prepared as at 30 June 2018

Measures of Financial Sustainability	How the measure is calculated	Target	Actuals at 30 June 2018	Projected for the year ended								
				30-Jun-19	30-Jun-20	30-Jun-21	30-Jun-22	30-Jun-23	30-Jun-24	30-Jun-25	30-Jun-26	30-Jun-27
Council												
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	Between 0% and 10%	-5%	-6%	-22%	-20%	-19%	-18%	-16%	-15%	-14%	-12%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	173%	290%	93%	80%	90%	77%	62%	67%	60%	109%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	not greater than 60%	-83%	-28%	-28%	-18%	-5%	3%	6%	9%	11%	22%

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 2018

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

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

Mayor
Elizabeth Schmidt

Date: 9 October 2018

Chief Executive Officer
Aaron Johansson

Date: 9 October 2018

Community financial report



CHARTERS TOWERS
REGIONAL COUNCIL

COMMUNITY
FINANCIAL REPORT
For the year ended
30 June 2018



CHARTERS TOWERS REGIONAL COUNCIL
COMMUNITY FINANCIAL REPORT
For the year ended 30 June 2018

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CHARTERS TOWERS REGIONAL COUNCIL COMMUNITY FINANCIAL REPORT For the year ended 30 June 2018

STATEMENT OF COMPREHENSIVE INCOME

The Statement of Comprehensive Income is often referred to as a Revenue & Expenditure Statement and shows how Council has performed throughout the period.

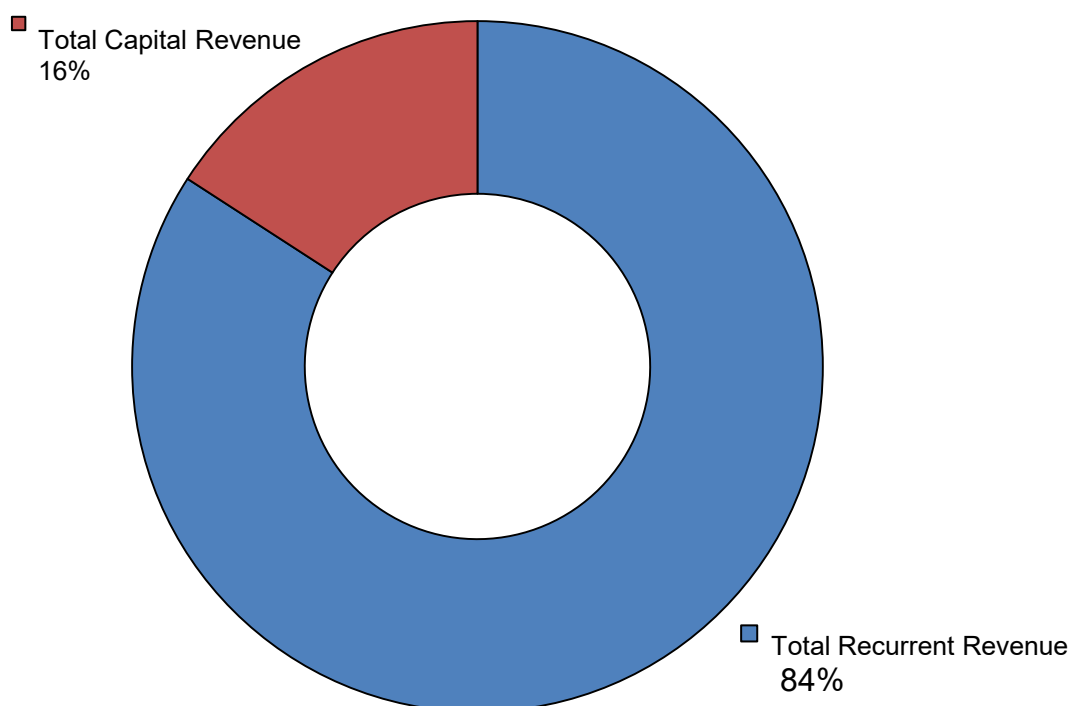
This Statement shows the annual movement between Council's 'incoming funds', referred to as Revenue plus 'outgoing operational funds', referred to as Expenditure.

The net result of these two figures represents money that is directed to Loan repayments; New community assets; or, allocation to a reserve for pending replacement of existing assets.

Revenue

There are two main categories of revenue for the financial year, Recurrent Revenue and Capital Revenue.

Revenue Categories 2017-2018





CHARTERS TOWERS REGIONAL COUNCIL COMMUNITY FINANCIAL REPORT For the year ended 30 June 2018

Revenue Cont.

Council's Recurrent Revenue is income which Council relies on being available every year for funding the operations of Council. Council raises Recurrent Revenue from sources such as rate levies, fees and charges, grants, subsidies, contributions, donations, contract and recoverable works and interest. Council continues to be heavily reliant on grants and subsidies, with a value of **\$7.3 million** contributing to 2017-2018 Recurrent Revenue. These include:

- Financial Assistance Grant, reported financial year allocation, **\$2.8 million**, plus 2018-2019 early payment, **\$3.1 million**
- Department of Transport and Main Roads contract income, **\$10.1 million**
- Department of Infrastructure, Local Government and Planning grant; Works for Queensland Program, **\$0.56 million**

Council's Capital Revenue is sourced for the purpose of constructing Council's assets. Council's Capital Revenue consists of capital grants, subsidies, contributions and donations and any gain on sale of non-current assets. These include:

- Department of Infrastructure, Regional Development and Cities grants; Roads to Recovery Program, **\$2.5 million**, and National Stronger Regions Fund, **\$1.9 million**
- Department of Infrastructure, Local Government and Planning grant; Works for Queensland Program, **\$1.8 million**
- Department of Transport and Main Roads grant; Transport Infrastructure Development Scheme (TIDS), **\$0.83 million**
- Department of National Parks, Sport and Racing; Get Playing Plus Grant Program, **\$0.5 million**

INCOME	\$
Recurrent Revenue	
Rates, Levies and Charges (excludes excess water)	21,420,112
Water – 2017/2018 Excess Allocation	431,156
Fees & Charges	2,266,172
Interest Income	1,071,506
Other income	142,804
Grants, Subsidies, Contributions & Donations	7,299,872
Sales - Contract and recoverable works	10,328,319
Total Recurrent Revenue	42,959,941
Capital Revenue	
Gain on sale of non-current assets	909
Grants, Subsidies, Contributions & Donations	8,095,119
Total Capital Revenue	8,096,028
TOTAL INCOME	51,055,969

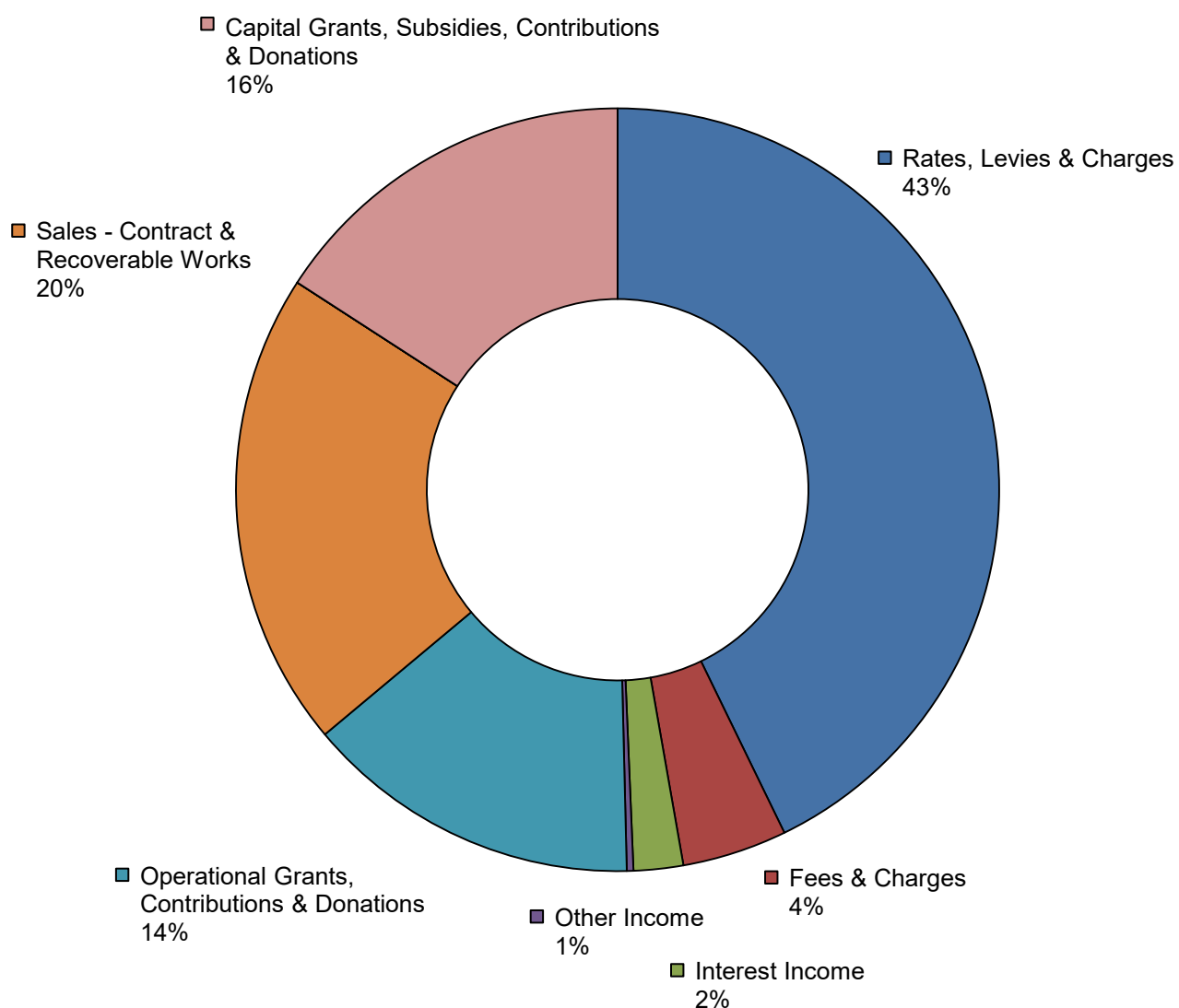
See next page for graph of this table



CHARTERS TOWERS REGIONAL COUNCIL
COMMUNITY FINANCIAL REPORT
For the year ended 30 June 2018

Revenue Cont.

Total Income 2017-2018





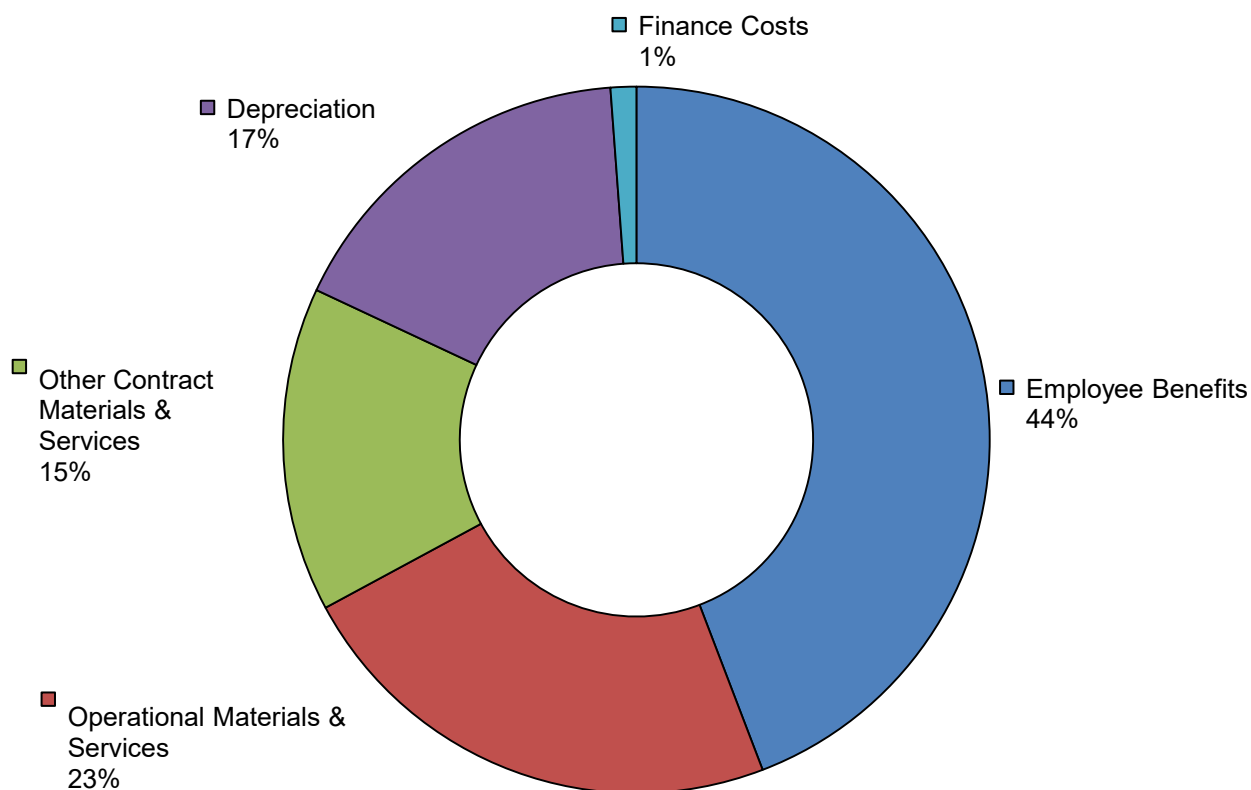
CHARTERS TOWERS REGIONAL COUNCIL COMMUNITY FINANCIAL REPORT For the year ended 30 June 2018

Expenditure

Council incurs both Recurrent and Capital Expenses. Recurrent Expenses include employee benefits, made up of wages (*excluding wages for building or replacing assets, reported under capital expenditure within the Statement of Financial Position*) and other employee entitlements, plus the cost of materials, services, asset depreciation and finance costs required to deliver services, operate facilities and maintain assets.

Recurrent Expense	\$
Employee Benefits	20,002,392
Materials and Services	17,559,036
Asset Depreciation	7,629,938
Finance Costs	78,845
Total Recurrent Expenses	45,270,211

Recurrent Expense 2017-2018



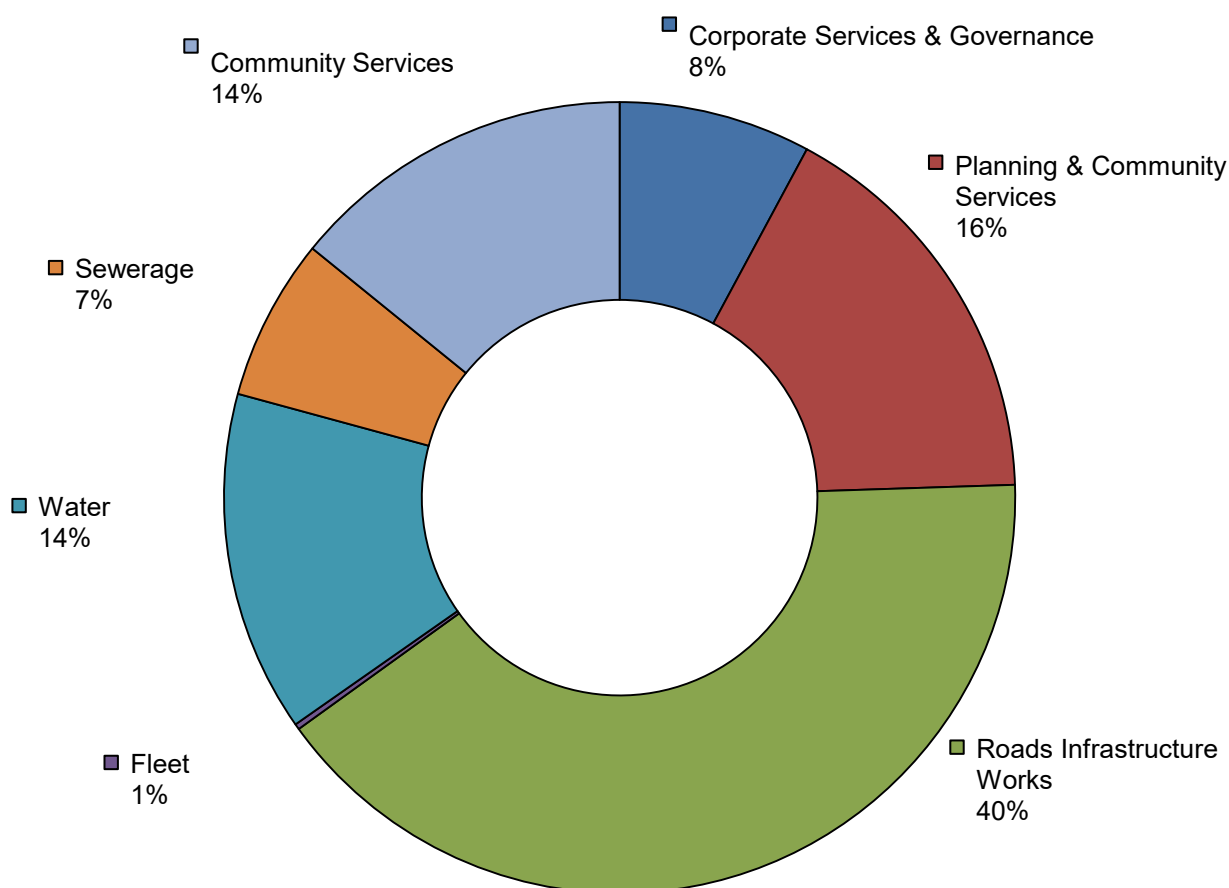


CHARTERS TOWERS REGIONAL COUNCIL COMMUNITY FINANCIAL REPORT For the year ended 30 June 2018

Expenditure Cont.

Funds raised through Recurrent Revenue are used to provide services such as corporate administration and governance functions, planning and community services, roads infrastructure works, fleet, water, sewerage and facilities management. In the reported financial year, these funds were consumed across the functions in the proportions shown. Non-Capital expenditure on Council roads infrastructure works were 40% of Council's total Recurrent Expense, which amounted to \$18.4 million of the total \$45.3 million.

Expenditure by Function 2017-2018



Significant Revenue and Expenditure

Recurrent Grants, Subsidies, Contributions and Donations in the reported financial year are lower than funds Council received for the prior year (\$7.3 million in 2017-2018 compared to \$11.1 million in 2016-2017). Removal of the Financial Assistance Grant early payment in 2016-2017 (\$3.1 m) gives a more accurate 2016-2017 comparison amount of \$8 million.

Additional contract works through the Department of Transport and Main Roads has attributed to both an increase in Sales – Contract and Recoverable Works revenue (\$10.3 million in 2017-2018 verses \$4 million in 2016-2017) and total expenditure on Materials and Services (\$17.6 million in 2017-2018 verses \$13 million in 2016-2017).



CHARTERS TOWERS REGIONAL COUNCIL COMMUNITY FINANCIAL REPORT For the year ended 30 June 2018

STATEMENT OF FINANCIAL POSITION

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.

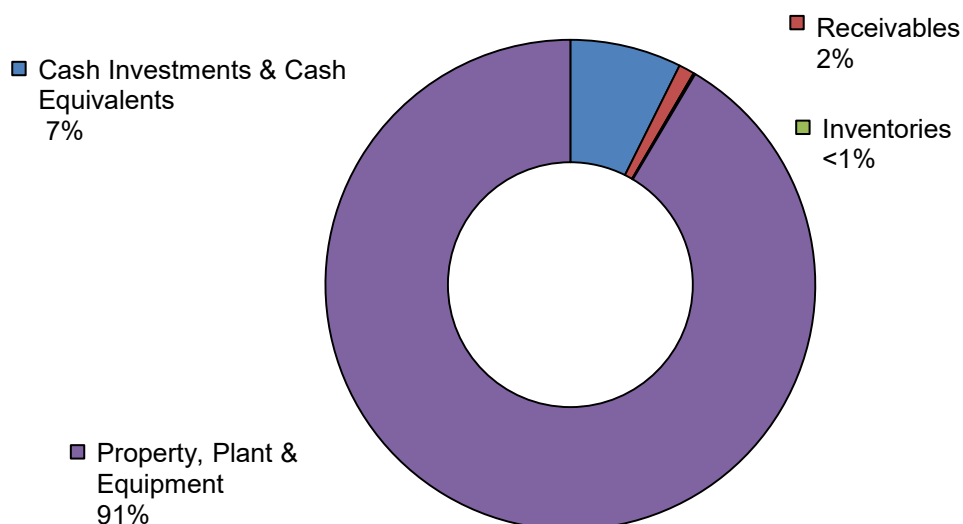
The statement measures what Council owns (referred to as assets) and what Council owes (referred to as liabilities) at the end of the financial year, with the difference between these two components being the net community wealth (referred to as equity) of the Council.

Current Assets consist primarily of cash and cash equivalents, while it also represents monies owing to Council.

Non Current Assets are primarily in the form of fixed assets or property, plant and equipment. These assets make up 91% of the assets on Council's Statement of Financial Position. Infrastructure assets such as roads, drainage and the water and sewerage network, make up the bulk of the property, plant and equipment (PP&E). (See next page for breakup of PP&E)

CURRENT ASSETS	\$
Cash Investments and Cash Equivalents	39,092,014
Receivables	5,500,461
Inventories	634,670
TOTAL CURRENT ASSETS	45,227,145
NON-CURRENT ASSETS	
Property, Plant and Equipment (Written Down Value)	485,971,441
Receivables	31,733
TOTAL NON-CURRENT ASSETS	486,003,174
TOTAL ASSETS	531,230,319

Asset Types 2017-2018



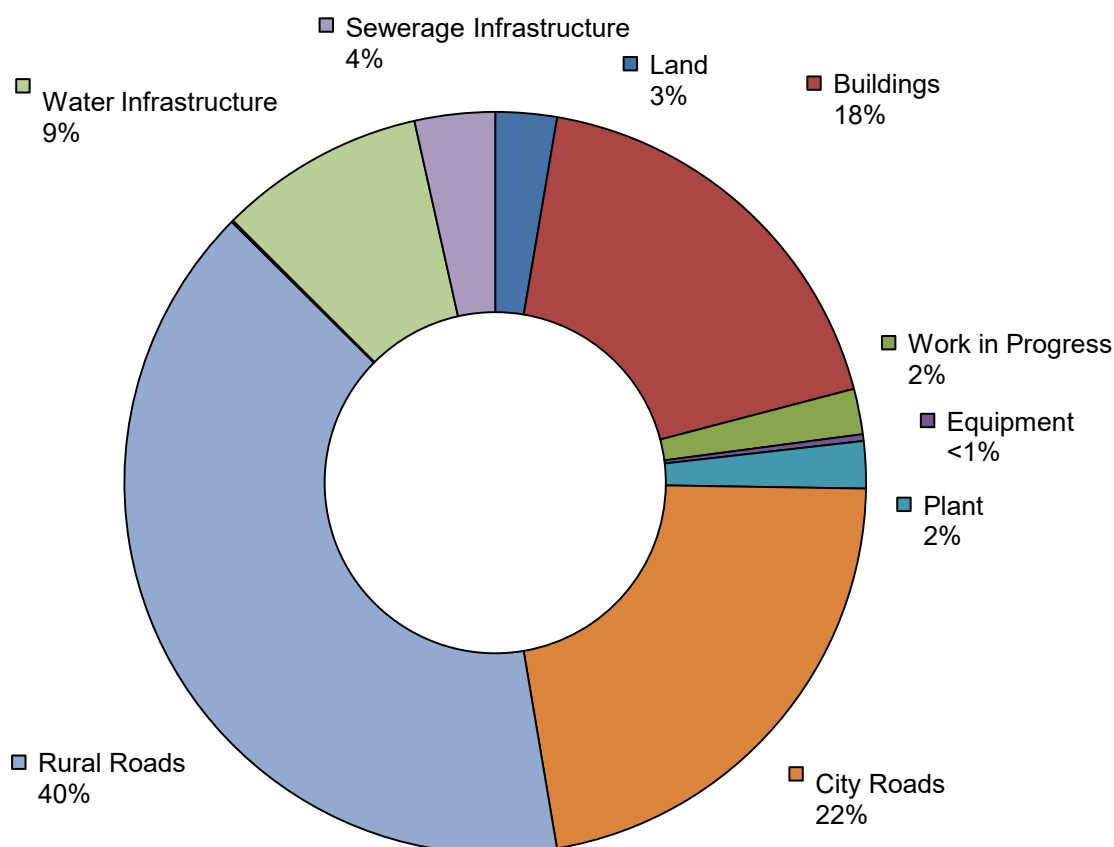


CHARTERS TOWERS REGIONAL COUNCIL COMMUNITY FINANCIAL REPORT For the year ended 30 June 2018

Property, Plant & Equipment

Property, Plant & Equipment (Written Down Value)	\$
Land	13,003,500
Buildings	88,689,544
Equipment	1,422,404
Plant	9,960,909
City Roads	107,326,401
Rural Roads	194,795,642
Water Infrastructure	43,743,822
Sewerage Infrastructure	17,007,843
Landfill Rehabilitation	380,526
Work in Progress	9,640,850
TOTAL PROPERTY, PLANT & EQUIPMENT	485,971,441

Property, Plant & Equipment 2017-2018 (Written Down Value)





CHARTERS TOWERS REGIONAL COUNCIL COMMUNITY FINANCIAL REPORT For the year ended 30 June 2018

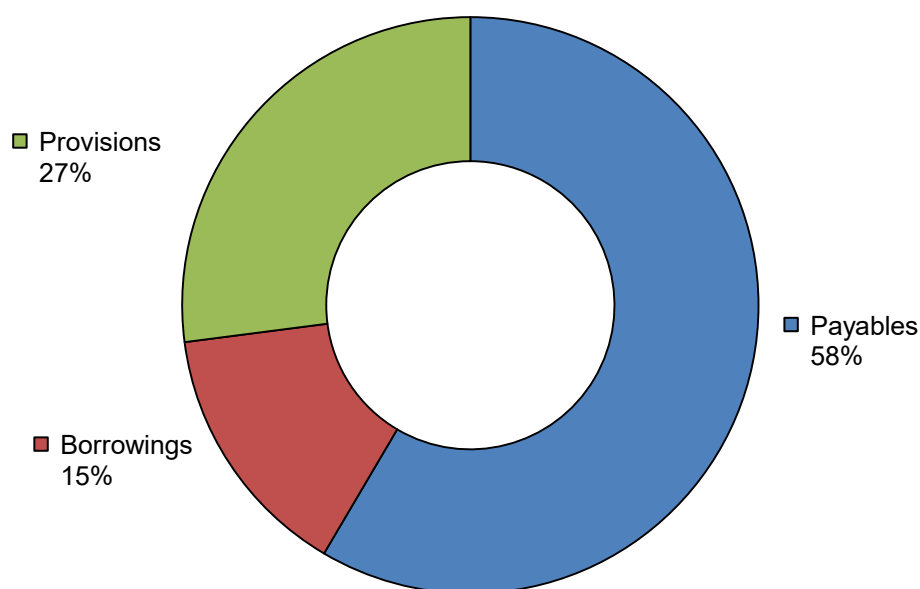
Liabilities

Liabilities are the amounts that Council owes to suppliers, employees and lenders both now and in the future.

84% of provisions represent employee entitlements, with the remaining 16% representing the rehabilitation costs for the landfill servicing the Charters Towers township.

CURRENT LIABILITIES	\$
Payables	5,532,170
Borrowings	137,236
Provisions	1,820,785
TOTAL CURRENT LIABILITIES	7,490,191
NON-CURRENT LIABILITIES	
Borrowings	1,232,348
Provisions	737,660
TOTAL NON-CURRENT LIABILITIES	1,970,008
TOTAL LIABILITIES	9,460,199

Liabilities 2017-2018





CHARTERS TOWERS REGIONAL COUNCIL COMMUNITY FINANCIAL REPORT For the year ended 30 June 2018

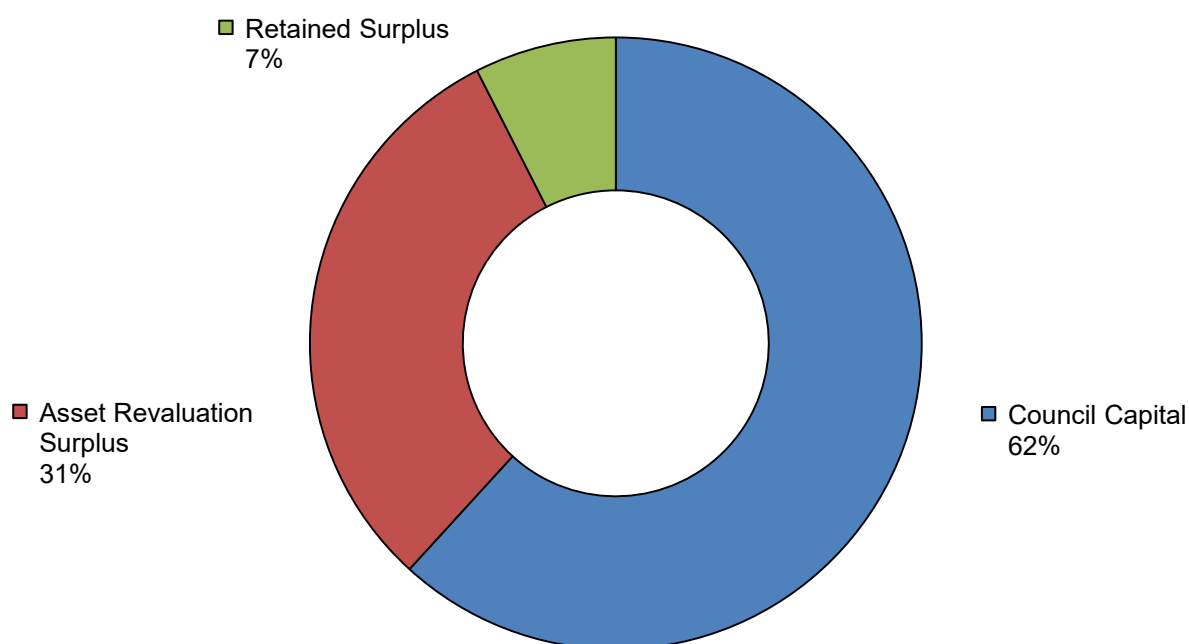
Equity

The variance between assets and liabilities is the total community equity or the net worth of Community Assets.

At 30 June 2018 Council's equity was estimated at \$522 million.

The Equity consists of Council Capital, Asset Revaluation Surplus and Retained Surplus.

Equity 2017-2018



STATEMENT CASH FLOWS

The Statement of Cash Flows identifies the cash received and the cash spent throughout the year, excluding 'Cash out on Long Term Investment'.

2018	\$
Cash and Short Term Investments - Opening Balance	36,548,801
Net Increase in Cash Held	1,543,213
Cash and Short Term Investments available at end of year	38,092,014



CHARTERS TOWERS REGIONAL COUNCIL

COMMUNITY FINANCIAL REPORT

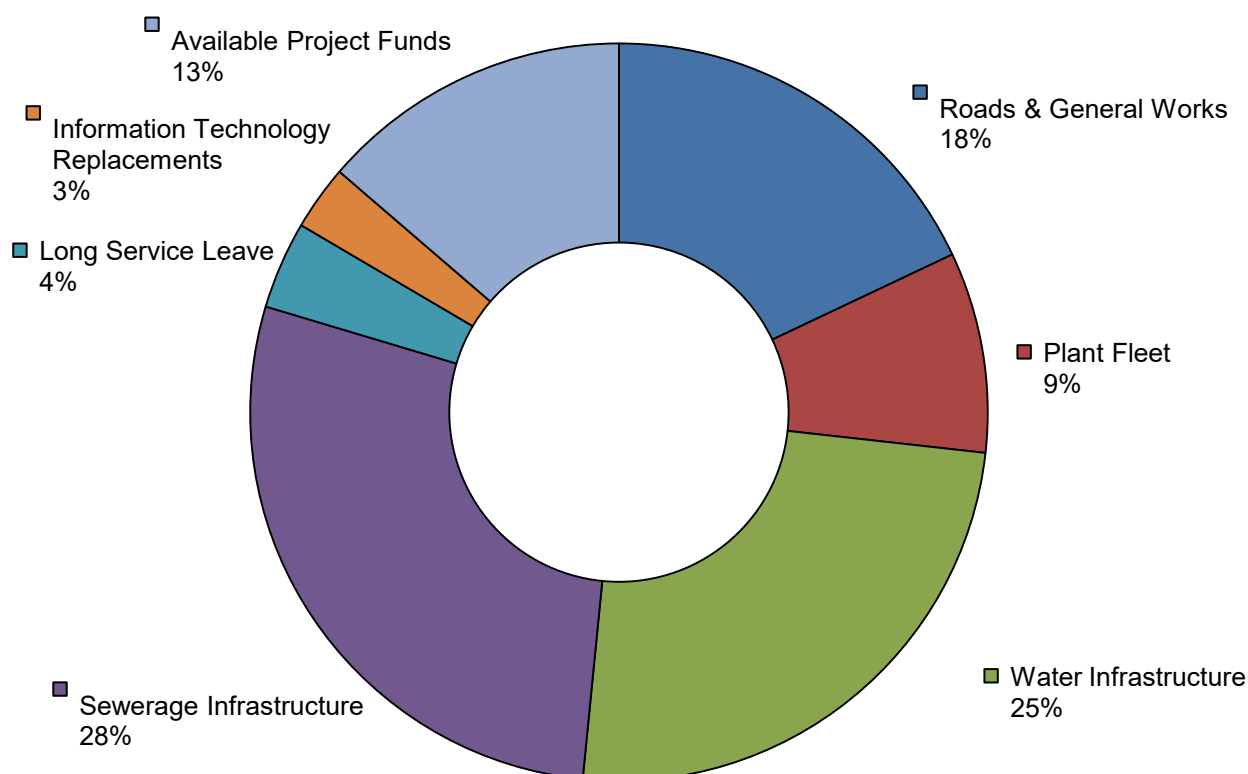
For the year ended 30 June 2018

COUNCIL's Retained Surplus

Council's Retained Surplus is made up of Reserve Funds as resolved by Council at its annual Budget Meeting. Outside of both the Project Reserves and Sustainability Reserves, all Council Reserves are monies relied upon within Council's Asset Management framework, for the replacement of existing assets, or, relied upon for planned operational activity.

PURPOSE OF RESERVE FUND		STATUS OF RESERVE FUND	
Asset Replacement Reserves	\$		
Roads and General Works	7,021,815		
Plant Fleet	3,437,623		
Water Infrastructure	9,695,748		
Sewerage Infrastructure	10,964,565		
Long Service Leave due to employees	1,500,000		
Information Technology Replacements - Hardware and network	1,111,659	Restricted	33,725,579
Available Project Funds	5,351,204	Unrestricted	5,357,035
TOTAL RESERVES (including Long Term Investments)	39,082,614		39,082,614
Add cash floats utilised across council	9,400		
CLOSING CASH (including Long Term Investments)	39,092,014		

Closing Cash Reserves 2017-2018





CHARTERS TOWERS REGIONAL COUNCIL COMMUNITY FINANCIAL REPORT For the year ended 30 June 2018

MEASURES OF COUNCIL'S FINANCIAL SUSTAINABILITY

The audited financial statements which precede this Community Financial Report indicate that Council has finished the 2017-2018 financial year in a sound financial position.

Charters Towers Regional Council remains committed to sustainable financial management through long term financial planning, aimed at achieving the success and stability of the region.

FINANCIAL SUSTAINABILITY RATIOS

INDICATOR	COUNCIL'S CALCULATED RATIO		STATE GOVERNMENT TARGET ¹
	2016/2017	2017/2018	
Asset sustainability ratio	112%	173%	Greater than 90%
Operating surplus ratio	2%	(5)% ²	Between 0% and 10%
Net financial liabilities ratio	(83)%	(83)% ³	Not greater than 60%

¹ Target data has been sourced from the Financial Management (Sustainability) Guideline 2013 prepared by the Department of Infrastructure, Local Government and Planning.

² Operating deficits can indicate that the local government is expecting to not be able to generate sufficient revenues to cover operating expenses and offset past or future operating deficits or act as a funding source for proposed capital expenditure and/or debt repayments.

³ The Financial Management (Sustainability) Guideline 2013 states that a ratio less than zero (negative) indicates that current assets exceed total liabilities and therefore the local government appears to have significant financial capacity and the ability to enter into loan borrowings if necessary. As at June 2018, Council has borrowings of \$1.37 million.

STATUTORY POLICY

NUMBER:	S0017/GOV
ACT:	LOCAL GOVERNMENT ACT 2009
POLICY TITLE:	COUNCILLORS' EXPENSES REIMBURSEMENT AND PROVISION OF FACILITIES

POLICY

1. PURPOSE AND SCOPE

1.1 The expenses reimbursement policy is a policy providing for the following—

- (a) payment of reasonable expenses incurred, or to be incurred, by councillors for discharging their duties and responsibilities as councillors;
- (b) provision of facilities to councillors for that purpose.

2. COMMENCEMENT OF POLICY

2.1 This Policy will commence from its adoption by resolution of Council's General Meeting of 18 May 2016. It replaces all other policies relating to Councillors' Expenses Reimbursement Policy (whether written or not).

3. APPLICATION OF POLICY

3.1 This policy complies with the local government principles contained in section 4(2) of the Local Government Act 2009 –

- (a) transparent and effective processes, and decision-making in the public interest; and
- (b) sustainable development and management assets and infrastructure, and delivery of effective services; and
- (c) democratic representation, social inclusion and meaningful community engagement; and
- (d) good governance of, and by, local government; and
- (e) ethical and legal behaviour of Councillors and local government employees.

4. DEFINITIONS

4.1 Council Business:

This is official business conducted on behalf of, and approved by, council where a councillor is required to undertake certain tasks to satisfy legislative requirements or achieve business continuity for the council.

Attendance at Portfolio Meetings.

Council business should result in a benefit being achieved either for the Charters Towers Regional Council and/or the Charters Towers Region.

Example: *Council may decide that council business includes civic ceremony duties such as opening a school fete*

Participating in a community group event or being a representative on a board not associated with council, is not regarded as Council business.

4.2 Expenses:

Expenses are payments made by council to reimburse councillors for their reasonable expenses incurred or to be incurred when discharging their duties as councillors. These payments are not regarded as remuneration. The expenses may be either reimbursed to councillors or paid direct by council for something that is deemed a necessary cost or charge when performing their roles.

4.3 Facilities:

Facilities provided by councils to councillors are the 'tools of trade' required to enable them to perform their duties with relative ease and at a standard appropriate to fulfill their professional role for the community.

4.4 Reasonable:

Council must make sound judgements and consider what is prudent, responsible and acceptable to its community when determining reasonable levels of facilities and expenditure. The community expects limits and does not want to see excessive use or abuse of public funds.

5. POLICY PROVISIONS

5.1 PAYMENT OF EXPENSES

Expenses will be paid to a councillor through administrative processes approved by Council's Chief Executive Officer subject to:

- the limits outlined in this policy and
- Council endorsement by resolution

5.2 EXPENSE CATEGORIES

5.2.1 Professional Development

Council will reimburse expenses incurred for:

- mandatory professional development eg. Elected Member Updates (LGAQ) and Councillor Information Sessions (Department of Local Government) and discretionary professional development deemed essential for the councillor's role to limit of \$5,000.00 per councillor per term.
- only with the express prior approval of such development expenses by Council.

5.2.2 Travel as required to represent Council

Council may reimburse local and in some cases interstate and overseas travel expenses (eg flights, car, accommodation, meals and associated registration fees) deemed necessary to achieve the business of Council where:

- a councillor is an official representative of Council;
- the activity/event and travel have been endorsed by resolution of Council; and
- the activity/event is in accordance with the Councillor's portfolio responsibilities.

Councillors are to travel via the most direct route, using the most economical and efficient mode of transport.

Council will pay for reasonable expenses incurred for overnight accommodation when required.

The payment of expenses of Councillors' spouses attending Local Government Association of Queensland Inc. Conferences are to be borne by the individual Councillors and this includes spouse's airfares.

If a change is required to airfares, by Councillors, after the airfares have been booked and payment effected, then the cost of the difference is to be borne by the Councillor, unless otherwise stated.

NOTE: Any fines incurred while travelling in council-owned vehicles or privately owned vehicles when attending Council business, will be the responsibility of the Councillor incurring the fine.

5.2.3 Travel Bookings

All Councillor travel, approved, by Council will be booked and paid for by Council.

Economy class is to be used where possible although Council may approve business class in certain circumstances.

Airline tickets are not transferable and can only be procured for the Councillor's travel on Council business.

They cannot be used to offset other unapproved expenses. (eg. Cost of spouse accompanying the Councillor)

Councillors requesting to fly on specific airlines for the purpose of acquiring frequent flyer points, be invoiced the difference of the cost of a cheaper flight on a different airline, which departs at time within ten (10) minutes of the requested airline, unless otherwise stated by the Chief Executive Officer.

5.2.4 Travel transfer costs

Any travel transfer expenses associated with Councillors travelling for Council business will be reimbursed.

Example: Trains, taxis, buses and ferry fares

Cab charge vouchers may also be used if approved by Council where Councillors are required to undertake duties relating to the business of Council.

5.2.5 Private Vehicle Usage

Councillors' private vehicle usage may be reimbursed by Council if:

- the travel has been endorsed by Council resolution;
- a Council vehicle is not available;
- the claim for mileage is substantiated with log book details;
- the total travel claim does not exceed the cost of the same travel using economy flights plus the cost of taxi transfers; or
- it is considered impracticable to use a Council vehicle, due to the distances required to travel to Charters Towers to collect the vehicle, to attend to Councillor Portfolio and official functions.

5.2.6 Accommodation

All Councillor accommodation for Council business will be booked and paid for by Council. Council will pay for the most economical and convenient to the event.

Accommodation bookings for Councillors are to be made by staff in the Office of the Chief Officer – Governance, in the first instance.

In the event that the Councillor's flight leaves early morning eg 6.00 a.m. or arrives into the returning airport at eg 10.00 p.m., accommodation will be offered to the Councillor at Council's expense.

5.2.7 Meals

Charters Towers Regional Council will reimburse reasonable costs of meals for a Councillor when:

- the Councillor incurs the cost personally and;
- the meal was not provided within the registration costs of the approved activity/event during an approved flight.

Guidelines relative to meal claims are contained within the Travel and Expenses Claim Form attached to Administrative Directive D0016/COR.

No alcohol will be paid for by Council with the exception of events that are in accordance with Council's Statutory Policy - S0028/REG - Entertainment and Hospitality Expenditure Policy.

In accordance with Section 186(b) of the Local Government Regulation 2012, Councillors attending conferences, ensure that expenses eg breakfasts and dinners (unless included in the registration) be booked to individual Councillors accounts/rooms, to ensure that an accurate reflection of individual Councillor expenses are included in Council's annual report.

5.2.8 Incidental Allowance

Other actual expenses may be paid by Council to cover any incidental costs incurred by Councillors required to travel, and who are away from home overnight, for official Council business provided documentation including but not limited to receipts received and approved by Council.

ADDITIONAL EXPENSES FOR THE MAYOR

5.2.9 Hospitality

Council may reimburse the Mayor up to \$1,000 per annum for hospitality expenses deemed necessary in the conduct of Council business.

5.3 PROVISION OF FACILITIES

All facilities provided to Councillors remain the property of Council and must be returned to Council when a Councillor's term expires.

5.3.1 Private Use of Council owned facilities

Based on the principle that *no private benefit is to be gained* the facilities provided to Councillors by Charters Towers Regional Council are to be used only for Council business unless prior approval has been granted by resolution of Council.

The Council resolution authorising private use of Council owned facilities will set out the term under which the Council will reimburse Council for the percentage of private use. This will apply when Councillors have private use of Council owned motor vehicles and/or mobile telecommunication devices.

5.4 FACILITIES CATEGORIES

5.4.1 Administrative Tools

Administrative tools may be provided to Councillors as required to assist Councillors in their role. Administrative tools include:

- office space and meeting rooms (not allocated, but Councillors are provided keys to the boardroom)
- laptop computer
- stationery
- publications
- use of Council landline telephones and internet access in Council offices
- use of photocopiers in offices
- Mobile telephone upon request
- Secretarial support may also be provided for Mayor and Councillors
- Council may provide a Councillor with home office equipment including computer, internet access if necessary

5.4.2 Maintenance costs of Council owned equipment

Council will be responsible for the ongoing maintenance and reasonable wear and tear costs of Council-owned equipment that is supplied to Councillors for official business use.

This includes the replacement of any facilities which will fall under Council's asset replacement program.

5.4.3 Name badge

Council will provide Councillors with a name badge.

5.4.4 Safety equipment for Councillors

The necessary safety equipment for use on official business eg. Safety Vest, helmet/boots.

5.4.5 Uniforms

All Councillors will receive an allowance of \$500.00 each for the term plus:

- One (1) jacket (branded as per Uniform policy)
- One (1) polo shirt (branded as per Uniform policy)

This allowance is non-transferable.

All Councillors' corporate clothing is to be within Council's corporate clothing range and Council's Corporate Services Directorate will arrange for the corporate branding to be applied.

5.4.6 Use of Council vehicles on Council business

Councillors may have access to a Council vehicle for Official business.

5.4.7. Private Use of Council Vehicles

Private use of Council owned vehicles is permitted if prior approval has been granted by resolution of Council. Council will, in its resolution authorise private use, set out the terms for the Councillor to reimburse Council for private use.

5.4.8 Motor Vehicle – Mayor

Council authorises the reimbursement at the current rate as prescribed by the Australian Taxation Office, for the Mayor's private vehicle for official use in lieu of the provision of a vehicle by Council (refer to Annexure "A" to this policy for further information). The Mayor may have access to Council vehicles similar to provision for Councillors.

5.4.9 Telecommunication needs – mobile devices

- (i) Mobile telecommunications devices owned by Council may be used by Councillors for Official Council business use.

Where Council deems it necessary to acquire new mobile devices, extra facilities may be approved by Council resolution.

Example: Mobile telephones or hand-held personal digital assistants (ie iPhone)

- (ii) Council, may by resolution, purchase for Councillors mobile phone/personal digital assistance hardware and software to be owned by those Councillors and to enable Councillors to more efficiently effect their civic duties.

5.4.10 Insurance Cover

Council will indemnify or insure Councillors in the event of injury sustained while discharging their civic duties.

Council will pay the excess for injury claims made by a Councillor resulting from conducting official Council business.

5.4.11 Fuel Costs

Fuel for a council-owned vehicle used for official Council business including the Mayoral use specifically provided for, herein, will be provided or paid for by Council.

5.4.12 Car parking amenities

Council will provide Councillors with:

- Car parking at the Charters Towers Regional Council office premises and/or
- Reimbursement of parking costs paid by Councillors while attending to official Council business on the presentation of an official receipt or Statutory Declaration in the event of no receipts being presented eg. Airport parking

6. POLICY REVIEW

The policy is to be reviewed whenever legislation changes, OR every two years if no changes have been required to be enacted, at the direction of the Chief Executive Officer.

Variations

CTRC reserves the right to vary, replace or terminate this Policy from time to time.

Associated Documents

Local Government Act 2009

D0016/Travel Arrangements & Expense Claims – Councillors and Staff

S0028/REG – Statutory Policy – Entertainment and Hospitality Expenditure Policy

In accordance with the Australian Taxation Office rates for reimbursement of private vehicle usage.

Reference:

<https://www.ato.gov.au/individuals/income-and-deductions/deductions-you-can-claim/vehicle-and-travel-expenses/car-expenses/>

"Cents per kilometre method

The cents per kilometre method is available for use with some changes. Separate rates based on the size of the engine are no longer available from 1 July 2015. Under the revised method, individuals use 66 cents per kilometre for all motor vehicles for the 2015-16 income year. The Commissioner of Taxation will determine the rate for future income years.

- Your claim is based on 66 cents per kilometre for 2015-16 income year
- You can claim a maximum of 5,000 business kilometres per car
- You don't need written evidence but you need to be able to show how you worked out your business kilometres (for example, by producing diary records of work-related trips).

Where you and another joint owner use the car for separate income-producing purposes, you can each claim up to a maximum of 5,000 kilometres."

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Annual Report 2017/2018

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