

Richmond Shire Council

ANNUAL REPORT



2019 – 2020

“Richmond Shire will be a community that strives to achieve a high quality of lifestyle for residents and visitors”

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Disclaimer:

Every effort has been made to ensure this publication is free from error and/or omission at the date of printing. Council takes no responsibility for the loss occasioned to any person or organisation acting or refraining from action as a result of information contained in the publication.

FOREWORD

The purpose of this Report is to clearly identify how the Richmond Shire Council, through its policies, initiatives and improved management practices, is delivering quality services to the ratepayers of the Shire as required by the Local Government Act 2009 and Local Government Regulation 2012.

This report covers the period 1 July 2019 – 30 June 2020

THE COUNCIL'S VISION

“Richmond Shire will be a community that strives to achieve a high quality of lifestyle for residents and visitors.”

THE COUNCIL'S MISSION

“To facilitate and foster economic development, industries, innovative projects, while continually upgrading and maintaining public infrastructure, to meet the growth of the Shire”.

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RICHMOND SHIRE COUNCIL - SHIRE IN BRIEF

INCORPORATED:	7 October 1916 (Wyangarie) Renamed Richmond 1954
ADDRESS:	65 Goldring Street Richmond
SIZE:	26,602 km ² (about the size of Belgium)
POPULATION:	648 (Census 2016)
CLIMATE:	Average minimum 15°C to average maximum 33 °c
RAINFALL AVERAGE:	475mm
MAJOR INDUSTRIES:	Agricultural, Tourism & Vanadium
EMERGING INDUSTRIES:	Irrigation Farming, Gold and Uranium and Vanadium mining
OPPORTUNITY FOR GROWTH:	Irrigation farms along the Flinders River
DISTANCE FROM BRISBANE:	1,432km north-west
ELECTED REPRESENTATIVES:	Six including the Mayor
AUDITORS	Queensland Audit Office 2019-2020
ANNUAL 2019/20	Revenue \$31,562,843 Expenses \$22,516,480 Net Result \$ 9,046,363
RATES	Value of rateable property \$141,998,800 Value of non-rateable property \$ 68,720 Rate and Charges Revenue \$ 1,665,880
ROADS	Total 1,296 km
INVESTMENTS AT 30 JUNE 2020	\$3,999,106
STAFF ESTABLISHMENT:	88 (including contractors) ⇒ 57 outside staff ⇒ 27 administrative and community service staff ⇒ 2 Caravan Park (contract managers) ⇒ 1 Live Weight Scales (contract manager) ⇒ 1 Swimming Pool (contract manager)
WAGES	\$6,308,886 (excluding contractors)

TOURISM - FOSSIL CAPITAL OF AUSTRALIA

Tourism 7,931 visitors in 2019-2020
Controlled entity Kronosaurus Korner Board Inc.
4 Tourism Officers (Kronosaurus Korner) 1
Curator (Kronosaurus Korner)

ACCOMMODATION

Midway Motel
Ammonite Inn
Entrikens Pioneer Motel
Mud Hut Hotel/Motel
Federal Palace Hotel
The Big Wheel
Richmond Lakeview Caravan Park including ensuite cabins,
camping and backpacker accommodation

POINTS OF INTEREST

Kronosaurus Korner Fossil Museum and Visitor Information
Centre

Lake Fred Tritton – Recreation Lake
Cambridge Downs Heritage Display Centre
Fossil Hunting Sites, Croydon Road Pioneer
Cemetery, Flinders Highway Heritage Walk,
Goldring Street
Bush Tucker Gardens, Lake Fred Tritton
Bougainvillea in the Main Street
Jack Brown Lions Park, Flinders Highway
Bobby Murray Park, Goldring Street
Hampstead Springs Tour

AWARDS

Outback Queensland Tourism Award – Best Caravan Park
2017

OQTA Best Tourist Attraction 2017

Outback Queensland Tourism Award – Best Caravan Park
2016

Outback Queensland Tourism Award – Best Caravan Park
2015

IPWEA – Excellence Awards 2015 (Water Treatment Plant)

IXOM Water of Origin Taste Test Winner 2015

Orica Best Queensland Water Taste Test 2014

Sarus Crane Award - Bush Tucker Gardens 2007

Finalist Banksia Foundation Awards – Bush Tucker Gardens
2007

Outback Queensland Tourism Award - Most Significant Tourism
Attraction – Kronosaurus Korner, 2004, 2005, 2006

Outback Queensland Award for Destination Promotion
Australia's Dinosaur Trail 2006

Outback Queensland Tourism Award – New Attraction – Lake
Fred Tritton 2007

National Heart Foundation Environment Award - Lake Fred
Tritton

Queensland's Tidiest Town 2001

OTHER SERVICES

REX - Air Services

Bus QLD Services

Queensland Rail Passenger Services

FUTURE PROJECTS

Flinders River Agriculture Projects

Complete Sealing Croydon – Richmond Road and Winton -
Richmond Road

Richmond Streetscape

RICHMOND - HISTORY



There are 59 places called Richmond in the world. As most of the Richmond's have been named after Richmond, North Yorkshire, it is considered to be the "mother" of all Richmond's.

The town of Richmond is the pivotal point of the Richmond Shire, situated on the south bank of the Flinders River. Richmond is 500 kilometres west of Townsville and stands 216 metres above sea level. The Wyangarie Shire was constituted as a Shire in 1916 and the name changed to Richmond Shire in 1954.

Its early history is based around explorers, adventurers and pastoralists in search of new land. William Landsborough first recorded exploration of the area in 1862 while searching for the lost explorers Burke and Wills. He named O'Connell Creek and a memorial now marks the location as part of Heritage trails.

Originally sheep were the primary source of income, however later years have seen cattle become the predominant market commodity. In the early 1880's the Woolgar Goldfields to the north of the Shire was once a bustling part of the area and exploration continues today.

PRESENT DAY

The Shire is a community of 648 people. Extreme climatic conditions including floods and drought are not uncommon in the area with temperatures ranging from 46°C during summer and -3 °C some winter nights. The average rainfall is only 475mm with the arrival of the monsoons. The Shire therefore relies on the Great Artesian Basin for its water supply for both town and stock.

Today, Richmond is a popular Outback tourist destination, evident by the increase in visitors to Kronosaurus Korner and the Richmond Lakeview Caravan Park. The lush green gardens and bougainvillea lined streets are a welcome sight for travellers into and through Richmond. Lake Fred Tritton has become a central meeting place and recreation facility utilised by locals and tourists and attracts visitors from neighbouring Shires.

FUTURE OUTLOOK

Richmond's future has potential for growth and sustainability but is dependent upon State and Federal Government regional development strategies. Richmond is part of the Mount Isa to Townsville Economic Zone (MITEZ). Our involvement in this regional economic development committee gives us access to feasibility studies for new industries and funds to develop social planning and population research projects. MITEZ has also funded Council's prospectus for Irrigation Development and the Flinders River Agricultural Precinct.

The region's future is mapped out in the State North West Regional Plan and the Federal Regional Development Australia Roadmap. These plans were developed in consultation with the councils and communities in the region.

The Federal Regional Development Australia Roadmap identifies the following key priorities for the region:

- Developing a robust, sustainable economy with employment opportunities for all.
- Encouraging a caring and inclusive community that embraces all cultures.
- Enhancing a great lifestyle that attracts and retains people.
- Nurturing strong leadership to promote our region, develop partnerships and achieve recognition of the region.
- Valuing, managing and caring for our environment and natural assets.

The North West Regional Plan's vision is:

The North West region has a robust, diverse and sustainable economy and well-planned and coordinated infrastructure and services, built through the economic benefits of mining and agricultural industries. It is a place where people choose to live and visit due to its liveability, well-managed natural resources and the community's strong sense of cultural identity.

The North West Plan includes strategies for protecting the environment, promoting a dynamic, robust and diverse economy, integrating land use, economic activity and transport infrastructure, and creating liveable communities. The benefits of the State and Federal Government plans are that they form a basis for establishing Council's own Community Plan and provide access to funding opportunities that are consistent with the plans objectives.

As we enter 2020-2021 Council aims to:

- upgrade and maintain our local streets.
- continue to secure and complete Main Road construction contracts.
- continue to pursue opportunities to seal Winton-Richmond Road and the Richmond-Croydon Road.
- identify and pursue opportunities for growth in Richmond's tourism industry that reflects the local culture and history of the Outback.
- continually improve the Cambridge Heritage Display Centre by encouraging future donations of artefacts.
- actively pursue opportunities that encourage employment and the development of private enterprise in Richmond

A MESSAGE FROM OUR MAYOR AND CEO



We are pleased to present
this Annual Report for
2019-2020 for Richmond
Shire Council.



From the floods of 2019 to the impact of Covid-19 in 2020 the Council has faced new challenges that have shaped the way that we move forward to the future. The community spirit of Richmond Shire has shone bright, and we have been reminded that we are not alone but just socially distanced.

We would like to congratulate the elected Councillors to the new four-year term of Local Government, representing Richmond Shire. Elected was Cr Patsy-Ann Fox, Cr Kevin Bawden, Cr June Kuhl, Cr Clay Kennedy and Cr Scott Geary. Cr Kevin Bawden was elected as Deputy Mayor.

The flood damage from the February 2019 Monsoon was completed in June 2020 and our work force started its focus on the 2020 flood damage. Council also continued to work on the sealing of the Richmond to Winton Road. Council also is working on the final sealing of the Richmond to Croydon Road.

Covid-19 meant that the Western Queensland Local Government Association conference had to be cancelled. We look forward to the event and Richmond being showcased in 2021.

As we move forward to the 2020-2021 year, we remind our Shire to buy locally as much as you can, as these are the people that support your community. They sponsor our socials events such as race meetings, rodeos, footy and swimming carnivals, bike race, Pony Club etc.

Looking forward to next year where Council will mainly concentrate on repairing Council's roads and the sealing of the Richmond to Croydon Road. The budget will be focused on the maintenance of Council's essential assets of roads, water, and sewerage.

A handwritten signature in black ink, appearing to read 'John Wharton'.

Cr John Wharton AM

A handwritten signature in black ink, appearing to read 'Peter Bennett'.

Peter Bennett

RICHMOND SHIRE – ELECTED MEMBERS

Prior to the March 2020 Council elections, the comprised of:

Mayor John Wharton

Deputy Mayor June Kuhl

Councillors Kevin Bawden, Patsy-Ann Fox, Bethea Pattel and Clay Kennedy.

At the Local Government elections held in March 2020, a new Council was elected, and this Council will be the one to adopt the 2019/2020 Annual Report. The new Council is comprised of.

Mayor John Wharton,

Deputy Mayor Kevin Bawden

Councillors June Kuhl, Patsy-Ann Fox, Clay Kennedy and Scott Geary



Councillor John Wharton AM was first elected to the Richmond Shire Council in 1991 and became Mayor in 1997. On 11 June 2007 he was the recipient of a Member of the Order of Australia Award for his service to the community of North-West Queensland through local government, regional development, natural resource management and primary industry organisations. He also received the Centenary Medal for distinguished service to local government.

MAYOR

Cr John Wharton AM

Cr Wharton's Portfolio includes:

Corporate Governance Disaster Management

Regional and Economic Development

Cr Wharton is Council's representative on:

Budget Review Committee

Local Disaster Management Group (Chair) Regional Roads Group North West (Chair)

Kronosaurus Korner Board Inc. (Chair) Regional Planning Advisory Committee

MITEZ

North West Regional Organisation of Councils

Councillor Wharton can be contacted by email at: crw@richmond.qld.gov.au



Cr June Kuhl
Deputy Mayor June 2021

Councillor June Kuhl was elected in March 2008 and was elected as the Deputy Mayor following the 2012 & 2016 Local Government elections. Cr Kuhl was also nominated to represent Council at the Local Government Grants Commission and the Department of Natural Resources and Water and Land Valuation Committee.

Councillor June Kuhl was elected Deputy Mayor June 2021.

Cr Kuhl and her husband Gavin moved to the Richmond Shire following the purchase of their cattle and sheep property in 1978. They have moved out of the wool industry but continue to breed and fatten beef cattle.

They raised and educated their children on Bundoran, which led to June's interest in the education of isolated children. She was a member and President of the Mt Isa SOTA P&C and President of Mt Isa SOTA's first School Council. June was also very involved with the Isolated Children's Parents Association and has served as Secretary, President, Treasurer and Publicity Officer of the Richmond Branch. She was elected to the ICPA Qld Inc. State Council in 1999 and served for six years as a Councillor and Publicity Officer.

June was involved with the Fossil Festival for many years and was elected the President of the Richmond Outback Fossil Fest Inc. when it became an incorporated body in 2011.

Cr Kuhl is committed to helping Richmond offer a quality lifestyle in a viable, vital and vibrant community.

Cr Kuhl's Portfolio include :

Corporate Governance Disaster Management
Regional and Economic Development Budget Review and Financial Management Planning & Development
Asset Management
Pest Management

Cr Kuhl is Council's Representative on:

Internal Audit Committee
Western Queensland Local Government Association Australian Women's Local Government Association Kronosaurus Korner Board Inc.
Local Government Grants Commission
Department of Natural Resources and Water Land Valuation Committee Regional Development Australia
Regional Planning Advisory Committee
Local Disaster Management Group (Deputy Chair)
MITEZ
North West Regional Organisation of Councils

Councillor Kuhl can be contacted by email at: crkuhl@richmond.qld.gov.au



Cr Kevin Bawden

Councillor Bawden was elected to the Richmond Shire Council in March 2012 and re-elected in March 2016.

Councillor Bawden is a man of the land owning his own property outside of Richmond where he breeds cattle and also produces hay. Kevin is also known as an expert when it comes to cattle yard construction and fencing. Kevin has constructed the double deck loading ramp at the Richmond Saleyards and also created the recently added holding yards.

Councillor Bawden also has a keen interest in weed management and brings fresh ideas on new products on how to target plants like Prickly Acacia and Rubber Vine.

Kevin has a passion for everything to do with rural lands. He regularly attends meetings around Queensland representing Council's interests with regards to rural lands. He has been a member of the Regional Landcare Facilitators Committee for two years.

Term: March 2020 – May 2021

Councillor Bawden's Portfolios include:

Rural Land Management Parks and Gardens Environmental Health

Cr Bawden is Council's representative on:

Southern Gulf Catchments Richmond Fish Stocking Association

Regional Landcare Facilitators Committee

Councillor Bawden can be contacted by email at: crbawden@richmond.qld.gov.au



Cr Fox was originally elected in November 2015 and re-elected in March 2016. Cr Fox is a fifth generation Richmond citizen and is very proud of her family history which is steeped in this Shire.

Patsy- Ann and husband David started their business Fox Helicopter Services in Richmond in September 2001.

Patsy-Ann's commitment to Richmond and passion for the district is demonstrated by the number of clubs and organisations she has been involved in over the past 16 years. Some of the clubs and organisations that she has been a member of or volunteered for are:

Richmond Early Education Centre
Richmond Swim Club

Richmond Junior Rugby League

Richmond P & C

Cr Patsy-Ann Fox Richmond State School Chaplaincy Committee
Richmond ICPA
Richmond Turf Club
Richmond Field Day Committee.

She also enjoys volunteering at Before School Reading at the Richmond State School.

Councillor Patsy-Ann Fox's Portfolio

includes: Community Services and
Development Community Infrastructure
Youth Services

Cr Fox is Council's representative on:

Local Chaplain Committee
Community Advisory Network – Richmond Multi-Purpose Health Service
Kronosaurus Korner Board Member

Cr Fox can be contacted by email at: crfox@richmond.qld.gov.au



Cr Pattel was elected March 2016. Cr Pattel moved to the Richmond Shire in late 1999 after she married husband Terry Pattel.

She transferred to the Richmond State School as a teacher in 2000. Since that time, she has had a family of three children.

Prior to living in Richmond, she worked as a journalist at the *Northern Miner* and *North Queensland Register* and worked as a teacher at Cloncurry State School.

Bethea has been involved in numerous community clubs and events as either a volunteer, member or committee member. Her interest has always been to ensure Richmond community members are provided with services and events that are commonplace in other regions.

Cr Bethea Pattel

Term 2016-2020

Councillor Bethea Pattel's Portfolio includes:

Tourism and Marketing
Arts and Culture
Community Events

Committee Representation:

Fossil Festival Committee
NWOQTA Sub Committee
Australia Dinosaur Trail
North Queensland Sports Foundation
Kronosaurus Korner Board Inc.
Kronosaurus Korner Management Committee (Chair)

Cr Pattel did not stand for re-election in March 2020.



Cr Clay Kennedy

Clay is very proud of his family history in the Shire and the Council, with his grandfather Peter Kenny representing the Council for 16 years.

Councillor Clay Kennedy's Portfolio includes:

Roads
Water and Sewerage Services
Aerodrome

Committee Representation:

Regional Roads Group
Kronosaurus Korner Board Inc.

Cr Kennedy can be contacted by email at:

crkennedy@richmond.qld.gov.au



Cr Scott Geary

Scott Geary was first elected in 2012 and thoroughly enjoyed being able to contribute to and for our community over the four-year term to 2016 holding the portfolios of Community Infrastructure & Community Services. Cr Geary sort re-election in 2020 and has been extended the portfolios of Towns Services (Parks & Gardens), Water & Sewerage, Environmental & Waste Management and Workplace Health & Safety. Cr Geary is excited and looking forward to the term ahead to again work with the community and alongside fellow Councillors, to continue to strive for long term livability, stability and sustainability for the great community in which we are all a part of.

Councillor Scott Geary's Portfolio includes:

Town Services (Parks and Gardens)
Water and Sewerage
Environmental and Waste Management
Workplace Health and Safety

Committee Representation:

Kronosaurus Korner Board Inc.
Internal Audit Committee

Cr Geary can be contacted by email at:

crgeary@richmond.qld.gov.au

REMUNERATION TO COUNCILLORS

Every year the tribunal must also decide the maximum remuneration payable to councillors, mayors or deputy mayors in each category of local government (section 244, Local Government Regulation 2012). This decision must be made before 1 December.

Section 247 of the regulation requires councils to pay each elected representative as per the schedule below;

Local Government Area	Mayor	Deputy Mayor	Councillor	Amalgamation Loading (where applicable)	Category
Richmond Shire Council	\$108,222	\$62,435	\$54,110	No amalgamation loading payable	1

The following maximum remuneration applied from 1 July 2019 for Mayors, Deputy Mayors and Councillors of Local Governments.

Refer to:

https://www.statedevelopment.qld.gov.au/_data/assets/pdf_file/0016/45322/local-government-remuneration-commission-report-2019.pdf for more information and a comparison of other Councillor remunerations in other local government areas.

SUMMARY OF PAYMENTS TO COUNCILLORS

1 July 2019 – 30 June 2020

Name	General & Special Meetings	Travel	Conferences Deputations Inspections	Total
Cr. Wharton	106,099.92			106,099.92
Cr. Kuhl	59,170.44			59,170.44
Cr. Bawden	55,089.50			55,089.50
Cr. Fox	53,049.02			53,049.02
Cr. Pattel	39,786.77	963.27		40,750.04
Cr. Kennedy	53,049.02			53,049.02
Cr. Geary	13,262.25			13,262.25
TOTAL	379,506.92	963.27		380,470.19

SUMMARY OF COUNCILLORS SUPERANNUATION

1 July 2019 – 30 June 2020

Name				
Cr. Wharton	Super Guarantee			10,079.52
Cr. Kuhl	SuperChoice			5,621.22
Cr. Bawden	Super Guarantee			5,233.50
Cr. Fox	Super Guarantee			5,039.64
Cr. Pattel	SuperChoice			3,779.73
Cr. Kennedy	Austsafe			5,039.64
Cr. Geary	LG Super			1,259.91
TOTAL				36,053.16

SUMMARY OF MEETINGS ATTENDED 2019 - 2020

1 July 2019 – 30 June 2020

Name	Ordinary Meetings Held	Ordinary Meetings Attended	Special Meetings Held	Special Meetings Attended
Cr. Wharton	12	10	2	2
Cr. Kuhl	12	12	2	2
Cr Bawden	12	12	2	2
Cr Fox	12	12	2	1
Cr Kennedy	12	12	2	2
Cr Pattel	9	9	1	1
Cr Geary	3	3	1	1

In accordance with the local government's reimbursement policy, Council must state what facilities and expenses incurred by Council are for Councillors.

Facilities and Equipment Provided

Mayor

Mobile phone and laptop – private use
Council vehicle – private use

Councillors

Laptop – private use

A Council car is made available to all Councillors for their use to travel to any Council meetings or functions outside of Richmond.

Mileage Allowance is reimbursed to Councillors at the Australian Tax Office Rates (cents per kilometre) where a Councillor uses their private vehicle for Council business or commuting to official Council meetings or functions from their place of residence.

REMUNERATION TO SENIOR STAFF 2019- 2020

Section 201 of the *Local Government Act* requires the total remuneration packages that are payable to senior contract employees. Council had two (2) contract employees who received a total package in the range of \$150,000 - \$200,000 per annum. Council had two (2) executive officers who received a total package in the range of \$100,000 - \$150,000.

ADMINISTRATIVE ACTION COMPLAINTS

Council's electronic database for complaints has now been operating for three years. A register of complaints and actions completed is listed in the following table: -

Administrative Action Complaints	2019/2020
Complaints made to Council	11
Complaints resolved under the complaints management process	11
Complaints not resolved under the complaints management process and referred to council for internal review by the Queensland Ombudsman	0
Complaints not resolved under the complaints management process and externally reviewed by the Queensland Ombudsman	0
Complaints not yet resolved in 2019/20	0

SENIOR OFFICERS

Council's structure is made up of three Departments, each with a Senior Officer:

- Finance & Administration Services
- Community Development & Services
- Works & Services

The Chief Executive Officer and three Senior Officers form the executive team.

This group is responsible for leading the organisation and implementing decisions passed at Council meetings. The group oversees the day-to-day operations of Council, provides professional advice to elected Councillors, and has primary responsibility for delivering activities identified in the Corporate & Operational Plans.



Chief Executive Officer

Peter Bennett



Director of Works

Bart Servaas



Manager of Finance & Administration

Colin Duffy



Manager of Community Services & Development

Angela Henry

Chief Executive Officer	Mr Peter Bennett
Director of Works	Mr Bart Servaas
Manager Finance & Admin	Mr Colin Duffy
Manager of Community Development & Services	Mrs Angela Henry
RMPC Foreman	Mr Ricki Davidson
Workshop Foreman	Mr Phillip Chappell
Water and Sewerage Officer	Mr Allan Matthews
Town Services Supervisor	Mr Benny Smith
Safety & Compliance Advisor	Mr Kerrard Scott

Other Key Staff -

Richmond Aged Care Coordinator	Mrs Ann-Maree Doyle
After School Care Co-ordinator	Mrs Teena Chappell
Librarian	Mr David Fickling

COUNCIL MEETINGS

Council meetings are held at 8:00am on the third Tuesday of each month (subject to alteration in special circumstances). The Council meetings are chaired by the Mayor, Cr. John Wharton AM.

Agendas for each meeting are available for inspection on the Friday before the meeting. Members of the public are welcome to attend all Council meetings.

During the year there were twelve Ordinary and two Special Meetings of Council.

Other meetings, deputations or conferences attended include but are not limited to the Mount Isa Townsville Economic Zone (MITEZ), Regional Roads Technical Group, Regional Organisation of Councils, Ministerial Deputations, Regional Advisory Planning Committee, Outback Queensland Tourism Association, North West Outback Queensland Tourism Association, Australia's Dinosaur Trail and Queensland Health.

WORKS AND SERVICES

July 2019 to June 2020 was a busy year for Councils workforce. Council had to deliver major projects within tight timeframes and recover from one of the biggest flood events in the history of the Shire.

Council's Works Department covers the maintenance of the entire Shires road network to ensure that roads stay accessible and safe for all road users. Roads Infrastructure undertakes its activities via internal resources and by engaging external contractors. Road construction and maintenance activities are funded via Council revenue, Federal and State Government Grants.

The Works Department is also responsible for the delivery and maintenance of water and sewerage, maintenance of the aerodrome, maintenance of stock routes and bores, greening of town gardens and parks, collection of refuse, and maintenance of all Council plant and equipment, and Local Laws.

Richmond Shire – Key Infrastructure Network

Description	(Km)
Total Length of Shire Rural Roads unsealed	1,228
Total Length of Shire Rural Roads sealed	141
Total Length of State Controlled Roads unsealed	35
Total Length of State Controlled Roads sealed	176
Total Kilometre of all roads in the Shire	1580

Transport Infrastructure Development Scheme (TIDS)

Council continued to extend the bitumen surfacing on the Richmond – Croydon Road via 50% State funding which is made available through the Transport Infrastructure Development Scheme (TIDS) and 50% Council funding.

Gravel and single lane seals pose the greatest risk to vehicles passing or overtaking, due to reduced visibility because of dust, the potential to lose control of the vehicle due to rough or soft unsealed sections and shoulders and boggy conditions after even minor rain. To mitigate those risks Council is committed to widening existing single bitumen lanes and to extend bitumen surfacing on dirt sections on the Richmond Croydon Rd. Council will continue to do so in the future.

In this financial year, Council has completed widening the existing 4m wide bitumen lane to a new 7m wide two-lane bitumen road. The works included widening the existing pavement to 8m, undertaking minor realignments and increased pavement depths, and cement stabilising the pavement.

The widening project will greatly increase the safety for the heavy transport industry, commuters and tourists using this road as well as providing better overtaking opportunities. The upgrade will improve freight and livestock productivity by reducing transport costs, maintaining safer higher constant speeds and better flood immunity

Roads Maintenance Contract

Council maintains the Flinders Highway and the Richmond Winton Road under a Road Maintenance Contracts with the Department of Transport and Main Roads. Some of the routine maintenance work that Council undertakes are:

- Minor Pavement defects
- Vegetation management
- Minor drainage and culvert maintenance: and
- Inspection and monitoring of the road network.



Flood Damage

Flood damage was the major area of work for the works team at Richmond Shire Council following the 2019 February floods. Council worked with funding from the Queensland Reconstruction Authority (QRA) to restore Shire Roads. Roads received works in the form of:

- Formation work and Grading
- Bulk Fill
- Gravel Sheetting
- Heavy Shoulder Grading.
- Replacement of floodways and culverts.

Some of the roads that received major restoration work include Yanborra Road, Maadi Road, Yan Yean Burleigh Road and Maxwellton Kynuna Road.

Work done on the Maadi Road (before and after)



Yan Yean Burleigh Road (before and after)



Working on the Maxwellton – Kynuna Road



Kerb and Channel work on Town Street (Hillier Street)



Water Supply

Council plumbers maintain the Water Treatment Plant daily to ensure the drinking water meets all quality and Government Standards.

A new Artesian Bore has been completed and will be connected to the Water Treatment Plant in the next financial year. This will allow for the continued supply of the town water supply.



Sporting Facilities

Racecourse

With the help of the Federal Government's Community Drought Support Extension Program the grandstand at the Richmond Racecourse got a facelift. It underwent a full painting of the exterior and seats, flooring, decking, rails, and concrete steps.



Tennis Courts

The Council made vital repairs made to its tennis courts that were severely damaged in the North and Far North Queensland Monsoonal Trough 25 January – 14 February 2019.

The Richmond Shire Council received \$172,018 in funding for the tennis court repairs,

which were reopened in June 2020. In addition to the tennis court repairs, the new courts have been line marked for netball as well as tennis providing the community with more local sport options and greater court usage.



The Charlie Wehlow Oval had work done on the oval to allow for future sporting activities.

The Bobby Murray Park received an upgrade to the play equipment.

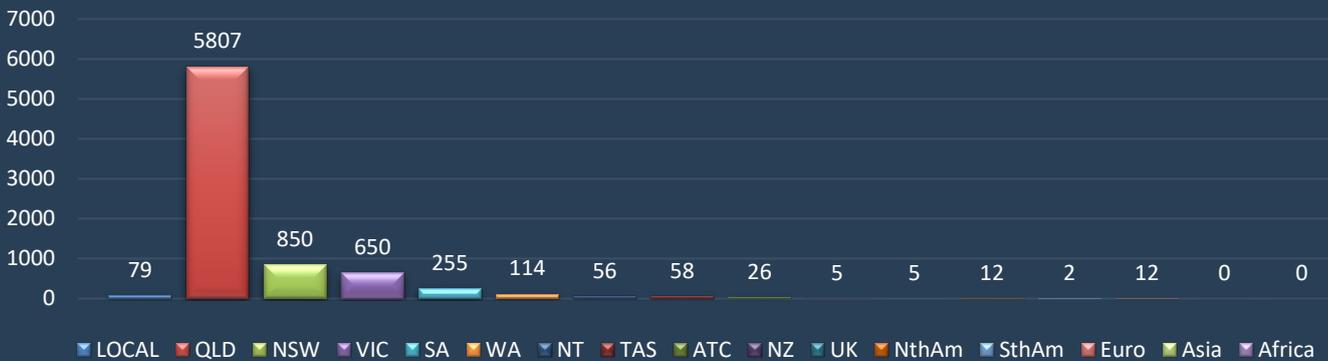
The irrigation system at the “Dino Park” is completed. All moon rocks are in place and preparation has been made for the planting of more trees.

Council installed a stock proof fence around the perimeter of the Richmond Cemetery and the installation of a grid.

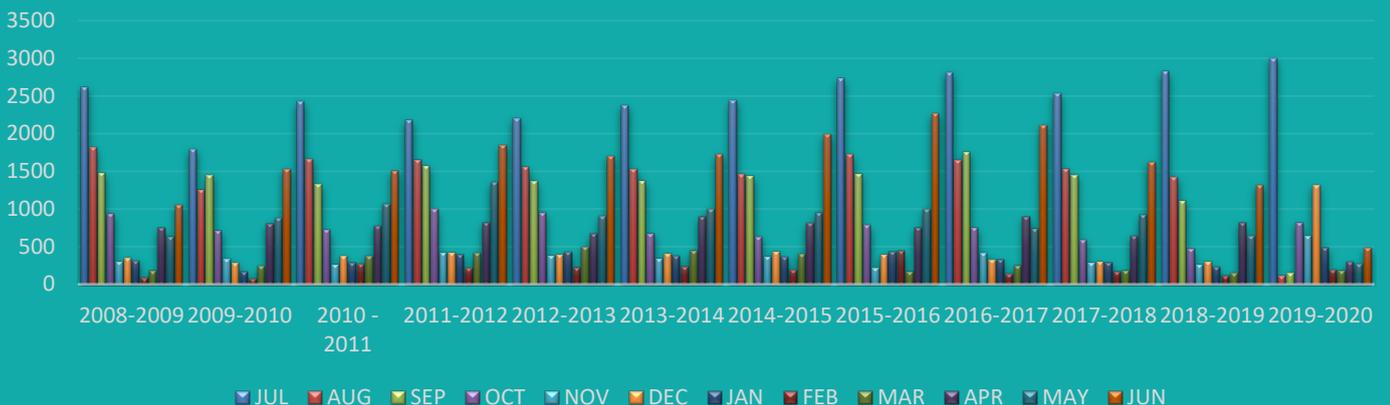
KRONOSAURUS KORNER REPORT

	2018/2019	2019/2020	DIFFERENCE %
Adults	2304	2005	-13%
Concessions	2729	1994	-27%
Children	1311	1067	-19%
Complimentary	49	58	18%
Tour	71	40	-44%
ADT	452	762	69%
Total Museum Admission	6916	5926	-14%
VIC Visitors	2710	2005	-26%
TOTAL	9626	7931	-18%
Admission \$	\$163,413.57	\$134,241.09	-18%
Digs \$	\$18,403.86	\$8,370.92	-55%
Souvenir Sales \$	\$111,908.03	\$91,853.31	-18%
Bus / Rail Sales \$	\$3,725.76	\$4,204.84	13%
TOTAL \$	\$297,451.22	\$238,670.16	-20%
\$ Expenditure per person	\$30.90	\$30.09	-3%

ORIGIN OF VISITORS JUL 2019 - JUN 2020



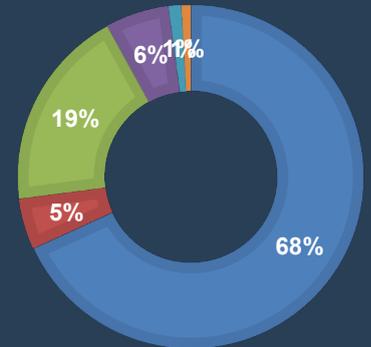
YEARLY COMPARISON FIGURES VISITOR NUMBERS



Self-completed visitor surveys are implemented year round across the Museum and Visitor Information Centre. Data captured is reported monthly and provides a robust and timely reflection of customer satisfaction levels. Overall visitor satisfaction levels are outlined below.

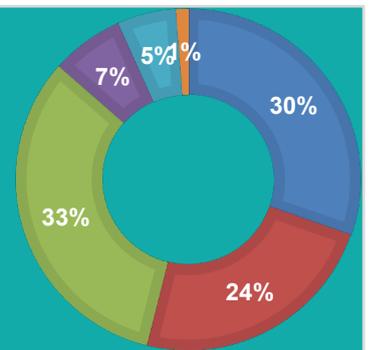
WHAT IS THE MAIN PURPOSE FOR YOUR TRIP?

- Part of a driving holiday
- A special event
- Specifically to see Kronosaurus Korner
- On the way to somewhere else
- Business
- Visit friends and relatives



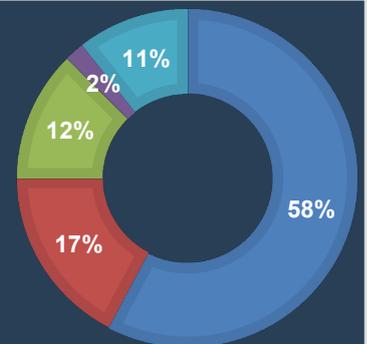
HOW MANY NIGHTS DO YOU PLAN TO SPEND IN RICHMOND?

- Passing through only
- 1 night
- 2 nights
- 3 nights
- 4 or more nights
- A week of more



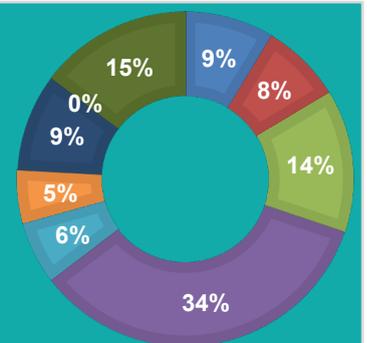
WHERE ARE YOU PLANNING TO STAY?

- Caravan Park
- RV Friendly Site
- Motel
- Hotel
- Other



WHERE DID YOU STAY THE NIGHT PRIOR TO ARRIVING IN RICHMOND?

- Mount Isa
- Cloncurry
- Julia Creek
- Hughenden
- Charters Towers
- Townsville
- Winton
- Croydon
- Other



Kronosaurus Korner's Museum was closed from April – June 2020 due to COVID19 restrictions significantly impacting the yearly visitor numbers and income.

July and August 2019 were very productive with the digging program. Kronosaurus Korner partnered with Sternberg Science Camps (associated with Sternberg Museum of Natural History, Hays, Kansas USA) to bring nine American high school students, accompanied by two staff to Richmond and Kronosaurus Korner for nearly three weeks of field work. This was very beneficial to all due to the similarities between the Eromanga Sea and the Western Interior Sea that covered modern day Canada and USA during similar timeframes. The 'Big Dig' program was held over one week with six paying participants in week one, concentrating on a 'new' area within Dig Site 1.

The public digging program at Kronosaurus Korner continued this year. During the Queensland and New South Wales school holidays, Mini-Palaeo Adventures continue, being a full day of digging on a private property, and now run three days/week. Digging@Dusk/Dawn introductory digging tours have increased to three days/week, during the September. No Digs in April & June school holidays due to COVID19. These digging programs have significantly contributed to the collection at Kronosaurus Korner, with many specimens collected by the public and staff during these digs.

Excellent feedback from visitors was received from online sites such as TripAdvisor:

On the hunting for dino's – Sep 2019

If you are all about the dinosaurs and hitting Australia's Dinosaur Trail you cannot miss Kronosaurus Korner. Full of amazing fossils and jam packed with info this is a must see for young and old. The audio tool is a great little addition to the experience as was the cafe. We also did the 2hr dig experience with the wonderful Michelle and the rest of the team who were just full of enthusiasm and info. We will definitely be back for a longer dig and to spend more time in wonderful Richmond. (TripAdvisor)

A fascinating look at the past - **Aug. 2019**

My wife and I have visited Richmond several times in the past and always find a visit to Kronosaurus to be an enjoyable and thought provoking experience. The many fossilised specimens of prehistoric creatures on display, some of them almost complete, are fascinating to look at, and provide a thought provoking look into Australia's prehistoric past. (TripAdvisor)

Showcasing local prehistory - **Aug. 2019**

Very impressed by the size and generous amount of information provided

The local finds are well showcased

Loved the film - a must see on entry as it puts you in the right frame of mind before you hit the fields

A \$25 entry fee overall worth it

Careful at the entrance though...hungry beast likes a bit of human (TripAdvisor)

COMMUNITY DEVELOPMENT AND SERVICES

Our focus is well maintained urban infrastructure (roads, paths, community and sporting facilities) nurturing our natural environment, support Shire events, arts and cultural activities and facilitating social programs to create an active, safe and inclusive community. This enables lively community hubs where people can come together and interact.

We strive for our town to be easy to get around by preferred mode of travel – car, bike or foot – and for it to be an active, safe, inclusive community enjoying a high standard of local services and facilities.

Council is dedicated to serving the needs of the community by understanding the community's views, needs and aspirations to achieve the desired results while balancing social, economic and environmental aspirations.

To achieve this, we value:

- Accountability, by conducting our business and all over services in an open, transparent and financially responsible manner
- Partnerships, by working together for a better community
- Fairness, by providing consistent, fair and unbiased treatment for the whole community.

Opportunities are available for the community to participate in the Shires activities and decision making, from being active on committees and advisory groups that range from arts to governance, youth and accessibility to participating in community engagement activities, voting in Council elections and even nominating to become a Councillor.

Council is driven by community service obligation rather than profit. It is Councils responsibility to provide residents with services such as roadworks, street lighting, stormwater drainage, water supply, sewerage and garbage collection. Richmond Shire Council also provide Aged Care Services, Library and Outside of School Hours Care Services along with providing support to local clubs and organisations to ensure Richmond's liveability.

To improve the necessary services and facilities, Council spends considerable funds on materials and services in addition to our employee costs. In accordance with Council's Purchasing Policy, we give preference to local business when work is tendered or goods and services procured. By purchasing locally Council is contributing to the sustainability of the area.

Tourism, Sports and Events highlights council's role in community events and celebrations that enriched our community and reflect the diversity of the Shire.

Most importantly, these events create a sense of fun and vibrancy, resulting in a strong sense of community connectivity, pride and sense of place.

Richmond Shire Council plays a vital role in supporting community welfare, cultural, sporting and other community based organisations. Community events that commenced in early 2019/2020 were considerably well attended as people reconnected with their community devastated by the one in one hundred year flood. Between July and November 2019 organisers reported their largest crowds to date.

Unfortunately early 2020 saw the community again crippled by another disaster – Covid-19 a global pandemic enforcing strict social distancing restrictions and closure of many venues and facilities and cancellation of events.

Through the Inkind Request and Community Small Grants Program, Richmond Shire Council was honoured to be able to assist Clubs provide the following social calendar events for 2019-20

DATE	EVENT	VENUE
July 6-7 2019	Richmond Pony Club – Western Games for Horse Sports	Richmond Pony Club Grounds
July 27	Richmond Rodeo	Richmond Rodeo Grounds
August 10	Richmond Digger Race Meeting	Richmond Racecourse
August 24	Richmond Bush Sprints and Community Concert ft Mental as Anything	Richmond Racecourse
Aug 30 – Sept 1	Richmond Campdraft	Richmond Racecourse
Sept 6-8	Richmond Pony Club Gymkhana	Richmond Pony Club Grounds
Sept 7	Mid-West Rugby League Cluster Day	Charlie Wehlow Oval
Sept 21	Richmond Spouse Hunters Ball	Richmond Racecourse
Sept 28	Richmond Turf Club Race Meeting	Richmond Racecourse
Nov 2-3	Richmond Amateur Swim Carnival	Richmond Swimming Pool
Nov 5	Melbourne Cup Race Meeting	Richmond Racecourse
Jan 26 2020	Australia Day Awards	Richmond State School
Cancelled due to Covid 19	Maxi Races Anzac Day Richmond Reunion Richmond Field Days and Races Richmond Dirt Bike	2 nd year in a row impacted by disaster 2 nd year in a row impacted by disaster

During 2019-2020 Council provided donations, rates rebates and subsidies as well as non-financial assistance to volunteer and not for profit groups. Councils support of community groups is helping to build a stronger and safer community by encouraging greater community involvement. To alleviate the financial burden of two clubs, Council resolved to waive the rates for both the Golf and Bowls Club for three years.

2019-2020 Club, Organisation and Individual In Kind Support

Club	Item	Cost for year
Richmond Lions Club	150 Chairs and 8 Tables	\$178.00
Richmond Swimming Club	100 Chairs Bollards 10 x bins Bus Hire to Cloncurry	\$60.00 Not in F/C Not in F/C \$242.67
Richmond Turf Club	Generator Labour and Equipment Bollards for Bus Parking x 2 10 Rubbish Bins x 2 Linemarking Paint Subsidised Field Days Copying	Not in F/C \$2221.11 Not in F/C Not in F/C \$100
Richmond Campdraft	20 Bins BBQ Labour and Equipment	Not in F/C \$36.00 \$801.99
Richmond Spouse Hunters	Bus Hire – Local Racecourse Hire	\$200.00 \$290.00
Richmond Bowls Club	100% relief on Rates Ineligible for Inkind due to outstanding 2017 acquittal	
Richmond State School	Hall hire – Speech Night Local Bus Hire x 3 Hall Hire – Xmas Concert Sand and Plant Hire 16 x Kids Yoga mats	\$290.00 \$200.00 \$290.00 \$363.47 Not in F/C
Chaplaincy Program	Financial Contribution	\$10,000.00
Mary McKillop House	50 chairs Table Water Cooler PA Photocopying	\$30.00 \$8.00 Not in F/C Not in F/C \$50.00
Richmond Early Education Centre	Plant and Labour 10 x panels	\$303.60 Not in F/C
Repcor Car Rally	Plant and Labour	\$207.46
Regional Development Australia	Bus Hire – Local Woolgar Room Hire	\$200.00 \$580.00
NQ Sports Foundation	Woolgar Room Hire	\$290.00

Mark Moody – Pool Contractor	Projector	Not in F/C
Mt Isa School of the Air	Pool Hire	\$290.00
Kronosaurus Korner	Plant and Equipment	\$434.23
P & C		
McKay Patrol Support	Use of Library Office	\$115 a day
Aus. Dino Trail	Woolgar Room Hire	\$290.00
Golf Club	2 x Portaloos	\$180.00
QCWA	Regular Lawn Maintenance Small Community Grant – maintenance	\$5000.00
Richmond Pony Club	Community Small Grant - Fencing	\$2237.40
Maks Boxing Gym	Use of Shed at Charlie Wehlow Oval	Not in F/C

Australia Day Celebrations 2020 was hosted by the Richmond P & C at the Richmond State School and led by Deputy Mayor June Kuhl. Community Members enjoyed a free breakfast and welcomed new citizens Abbie Fretton and Armajeet Sidhu



The Richmond Community honoured the following worthy recipients: 2019 Award Winners

Citizens of the Year

Junior Sports

Sarus Crane Environmental Award



Phillip Matthews

Mac Pattel

Pluto Pastoral Co

Absent from the Ceremony were:

Sports Administrator – David Fox of Richmond Turf Club

Community Spirit – Richmond Turf Club

Cultural Award - Tess O'Neill

Christmas Light winners for 2019 were:

Best Business 1st Prize: Federal Palace Hotel

Best Business 2nd Prize: Golden Run Rural

Best Business 3rd Prize: Richmond Stores

First Place Residential – Warren Hussey
2nd Place Residential – Morgan Jardine & James Shaw
3rd Place Residential – Lyn & Carol Shaw

Decorate your Gate for 2019

1st Place – Essex Station

2nd Place – Riverdale Station



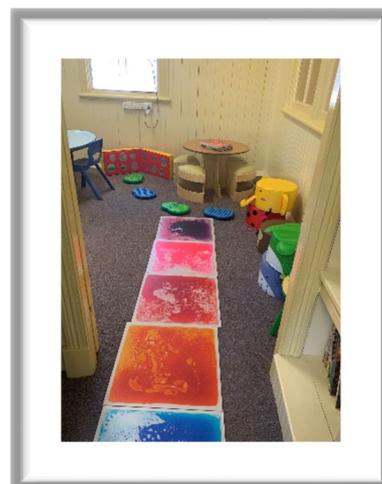
3rd Place –
Clareborough Station



LIBRARY SERVICES

The Richmond Library is a Rural Library affiliated with the State Libraries Queensland. The library continues to provide free WiFi and internet access for the community, Centrelink Access Point Services and participates in the rural book Exchange. The library collection consists of books, magazines, CD's, DVD's and board games. The collection is regularly updated with new items. The

library service provides access to a wide range of resources that address the information, education, recreation and leisure needs of the Richmond Community



The Shire Library continues to participate in the SLQ First Five Forever Reading Program in conjunction with the Me and My Mum Hub.

The library employs one permanent part time Librarian. During 2019/2020 the Library continued to be a hub for the Recovery of the NQ Monsoonal Events with many visiting support services accessing the free Office Space within to engage with stakeholders.

The Library also hosts a Centrelink Access Point which was vital during both the 2019 NQ Monsoonal Flood and Recovery Events and Covid -19 Pandemic, enabling those displaced and unemployed access to Centrelink Services.

During the closure of the Library due to Covid-19 restrictions some additional features were added. The Library now boasts a dedicated kids room, local art gallery and local history and war memorabilia display.

RICHMOND AGED CARE

Richmond Shire Aged Care delivers a range of services including case management, group activities and individualised support services that assist older community members, younger people with disabilities and their Carers. This is achieved through a combined Commonwealth and State program of Commonwealth Home Support Packages (CHSP). 2018-19 has seen the Aged Care Team prepare for the implementation of the July 1 New Aged Care Standards. Richmond Aged Care supports 18 CHSP clients, 3 Level 2 Home Care Package Holders, 4 Level 3 Home Care Package Holder and 3 Level 4 Home Care Package Holders.



Richmond Aged Care provides services to assist eligible residents to remain living in their own home for as long as safely possible. Many elderly residents have limited contact with people outside their home. Richmond Aged Care provides the support and social interaction needed for their well being.

Services include:

- In home support for personal care, medication prompting, welfare checks, light domestic and laundry assistance, shopping and some bill paying support
- Garden Maintenance
- Transport to social events, medical appointments and shopping



- The Respite Hall provides activities including group outings, social get-together programs and meals

The Centre-based Day Care program operates 2 days per week with a morning tea and a client elected activity. The Respite hall is open outside these days for individually organised events. A monthly Luncheon is always well attended. However, due to Covid-19 restrictions all Social Support Group activities have been suspended. To combat client isolation and to ensure staff employment, Richmond Aged Care implemented progress morning teas, where

Carer's took morning teas to clients in isolation to visit and engage for a short time.

Customer Satisfaction Survey comments provided feedback indicating activities and services are always well organised, staff are welcoming, listen to queries and there are opportunities for everyone to take part in different activities.

Representatives from Richmond Aged Care attend the bi-monthly Community Advisory Network (CAN) meetings for the Richmond Health Centre.

The Aged Care Service employs 1 Full Time Registered Nurse, 2 Full Time Personal Carers, 1 Casual Cook, and 2 Casual Personal Carers.

OUTSIDE OF SCHOOL HOURS CARE



Richmond Outside of School Hours Care offers Afterschool Services Monday to Friday from 2.30pm – 5.30pm during the school term and Vacation Care Services Monday – Friday (ex Public Holidays) from 8.00am to 5.30pm during School Holidays. During 19/20 the Centre upheld a reputation as a trusted provider of high quality care and education in a fun and stimulating environment for children aged 5 – 12. The open-planned (mixed aged group) room creates an atmosphere for the children to socialise with their siblings and friends, which generates strong bonds and reinforces family connectedness and social development of the children.

With the focus on the Early Years Learning Framework, the program provides a range of experiences that help children grow socially, emotionally and physically, while being cared for and nurtured in a safe environment. OSHC also liaises with the Aged Care Service and Event Co-ordinators (White Balloon Day) thus creating connections with the wider community.

This service has been heavily impacted by the COVID -19 “Free Child Care” initiative with the Centre considerably financially worse off due to the Federal Government mandated waiving of the Gap Fee. Also being Local Government run this service is ineligible for the Job Keeper Payment resulting in staffing numbers being reduced, therefore reducing enrollee capacity from 30 to 15.

The Service employs 1 Part time Co-ordinator and 1 Part Time.

REGIONAL ARTS DEVELOPMENT FUND

Whilst community expressions of interest have remained low, Council continues to bid for Arts Funding for quick response Grants. On the back of the success of the Dance Workshops from 2019/20, Council and RADF funded a year long dance program that will culminate in a performance featuring children from Prep to Year 6.

During 19/20 Council partnered with Red Ridge RASN in the “Trailblazing the West” Water Tower/Tank Mural Trail Project. It is an initiative of multiple Western Queensland regions that will collaborate to create a trail of large-scale murals on water tanks and towers. The project signifies the heritage and local significance that water tower/tank structures role to the vitality of regional communities.

The transformation of a Water Towers/Tanks stretching from as far as North-West Queensland, down to South-West Queensland will create a trail of murals that will depict and captures the essence of the communities in which they are located and will link and strengthen the whole Western Queensland Region to be seen as a vibrant, creative and engaging plane.

With the following Deliverables.

- Feature state-of-the-art Murals in Regional Queensland
- Empower regions in determining an arts and cultural development projects through community engagement processes and directing government investment
- Facilitating “Artist in Residency’ Opportunity for Western Queensland, building regional capacity, employment and training opportunities

- Building regional budget strength through collaborative funding applications and private sector investment
- Increase tourism to Western Queensland
- Strengthen local pride in regional towns and bring energy and colour into landscape
- Capture character of towns, people and places and the stories unique to their communities, resulting in a cultural tourism asset for the community and visitors to enjoy

Unfortunately due to unforeseen circumstances compounded by Covid 19 – this Project is still unfinished.

FUNDING ACHIEVED 2019-2020

In a year where funding dollars were again not easily gained Richmond Shire Community Services Department managed to secure the following funds which assisted in the completion of the below projects.

State Library First Five Forever – Sensory Play Toys for the 0-5 age group - \$1147

Arts Queensland - Regional Arts Development Fund - \$7,000.00

NQSF & PHN – Health and Wellness Funding - \$8800 to provide Free Community Yoga

Dept of Communities - Community Development Officer Project - \$296,456.00

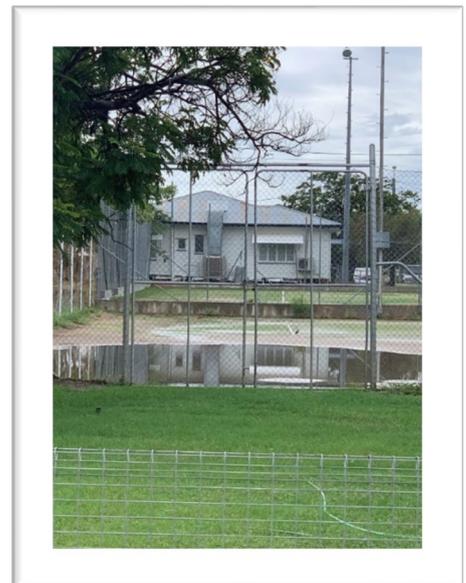
Commonwealth Home Support Program - \$302,002.62

Dept of Health - Emergency Support Funding for COVID 19
Emergency Food Service - \$15,352.00

Dept of Housing and Public Works (Sport and Recreation) -
\$172,018 – Tennis Court re-establishment.

PHN – Flood Recovery Community Grants - \$50,000

Federal Government Community Drought Support Extension
Program - \$1,000,000



COMMUNITY DEVELOPMENT OFFICER



This program of joint Australian Government and Queensland Government funding is to alleviate distress and accelerate the recovery of those communities impacted by the devastating effects of the North and Far North Queensland Monsoon Trough, January 25 – February 14, 2019.

Council recruited for this position in October 2019. This position has been heavily impacted by the restrictions imposed by COVID-19, but has managed to build valuable resources during this time and has a number of community engagement activities planned for when we enter Stage 3 of Covid Restriction relaxations.

The Community Development Officer (CDO) has been successful in funding a number of health and wellness programs that has seen the engagement

of local facilitators and co-ordinating with visiting service providers to provide a diverse range of support services and activities for our Community. This position is funded until June 30, 2021.

The CDO has provided linkages between volunteers and clubs and assisted clubs access funding to rebuild impacted sites.



FINANCE POLICIES

Council resolved at its budget meeting on 31 July 2019 to revise the following financial policies. These policies can be found in Richmond Shire Council's Policy Register:

- Advertising Policy
- Entertainment and Hospitality Charges
- Grants to Community Organisations Policy
- Debt Policy
- Investment Policy
- Revenue Policy
- Revenue Statement

DOCUMENTS OPEN TO INSPECTION

The following documents are open to inspection by any member of the public

Registers

- Assets
- Cemetery
- Contracts / Agreements / Leases (Register only)
- Delegations
- Dog Registrations
- Material Personal Interests of Councillors
- Register of interests of a Councillor and their related persons
- Tenders
- Policies
- Local Laws

Reports

- Corporate and Operational Plans
- Community Plan
- Annual Reports
- Financial Statements
- Rates, Fees and Charges

Council must adhere to Privacy Laws and cannot disclose a person's private information such as name and address. Council is bound by the *Right to Information Act 2009* and persons may apply and pay the appropriate fee to access other information that the RTI Act makes available in the interests of open and transparent government.

Council Minutes and Agendas

- Council meets on the 3rd Tuesday of each month
- Council's Confirmed Minutes of Meetings are available for inspection or purchase
- Unconfirmed Council's Minutes are placed on the website within ten (10) days after the Council Meeting.
- Go to www.richmond.qld.gov.au

Other matters

- Council has an Equal Employment Opportunity Plan and has flexible working arrangements available if required in a family friendly environment.

TRUST ACCOUNT BALANCES

RICHMOND SHIRE COUNCIL'S TRUST ACCOUNT BALANCES

AS AT 30 JUNE 2020

Townsville Health	\$516.95
Richmond Landcare	\$402.61
Public Buildings Bond	\$2,870.00
Miscellaneous Trust Money	\$8,730.00
RADF Funds	\$3,584.17
Memorial Trust – Greg Forster	\$2,400.00
HACC – fundraising & excursion	\$1,105.00
Harold Brisbin – Funeral Exp in advance	\$4,000.00
Colin Shaw – Funeral Exp in advance	\$3,980.00
Racecourse Stalls	\$3,865.10
Milo Cricket	\$210.00
Wayne Rhodes soft drink money	\$4,158.54
Bond K D & W D Krieg	\$300.00
Flood Relief Funds	\$25,000.00
Overlanders Way Fund	\$100,317.90
Total	\$161,440.27

COMMUNITY FINANCE REPORT

Council's Community Financial Report is a brief summary of its financial performance and position for the 2019-20 financial year. The *Local Government Regulation 2012* requires Council to prepare its Community Financial Report containing an analysis of the local government's financial performance and position for the financial year.

Richmond Shire Council's Audited Financial Statements for 2019-20 are available on Council's website at www.richmond.qld.gov.au and are attached to this report.

Net Result

Council has recorded a surplus of \$ 11 million. This is partly due to a \$2 million revaluation of Council's major infrastructure assets and larger road work contract revenue.

Net results from operations, 2012/2013 – 2019/2020

2012/2013	6,283,021
2013/2014	7,421,771
2014/2015	27,408,839
2015/2016	6,689,528
2016/2017	6,129,742
2017/2018	14,025,091
2018/2019	3,039,103
2019/2020	11,077,236

The Statement of Comprehensive Income

The Statement of Comprehensive Income is often referred to as the Profit and Loss Statement and shows how Council has performed throughout the period. The Statement shows the annual movement between Council's income and expenses throughout the year. The net result of these two figures represents the funds that are available for Council for renewal, upgrade or building of new community assets.

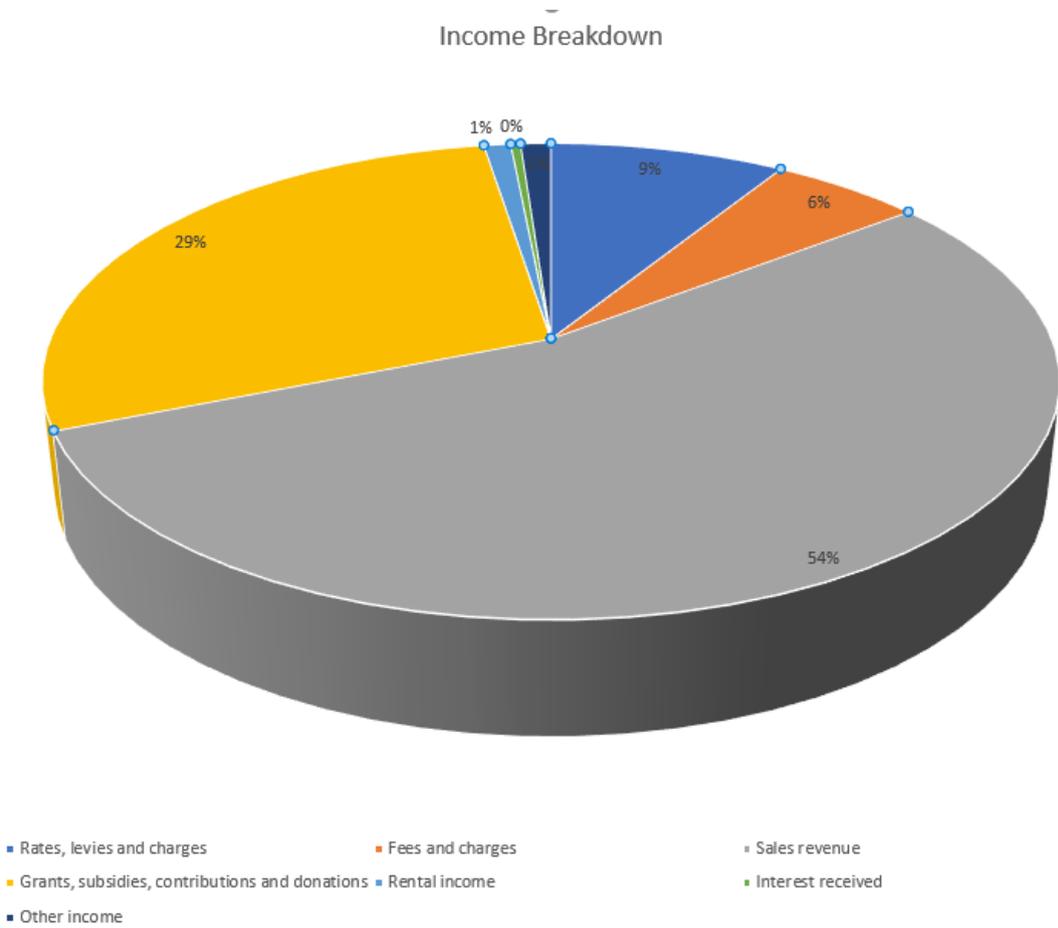
Revenue

The two main categories of revenue are recurrent revenue and capital revenue.

Council's recurrent revenue is income, which Council rely on being available every year to fund the operations of Council. Sources of recurrent revenue are rates levies, fees and

charged, grants, subsidies, contributions and donations, sales revenue, rent and interest. Total revenue increased by \$ 9 million, this was due to an increase in contract works for Main Roads flood damage and an increase to Council’s capital grants.

Council’s ability to raise income from rates, levies and charges is limited by the population. The income raised from rates, levies and charges represents 5.27% of total revenue.



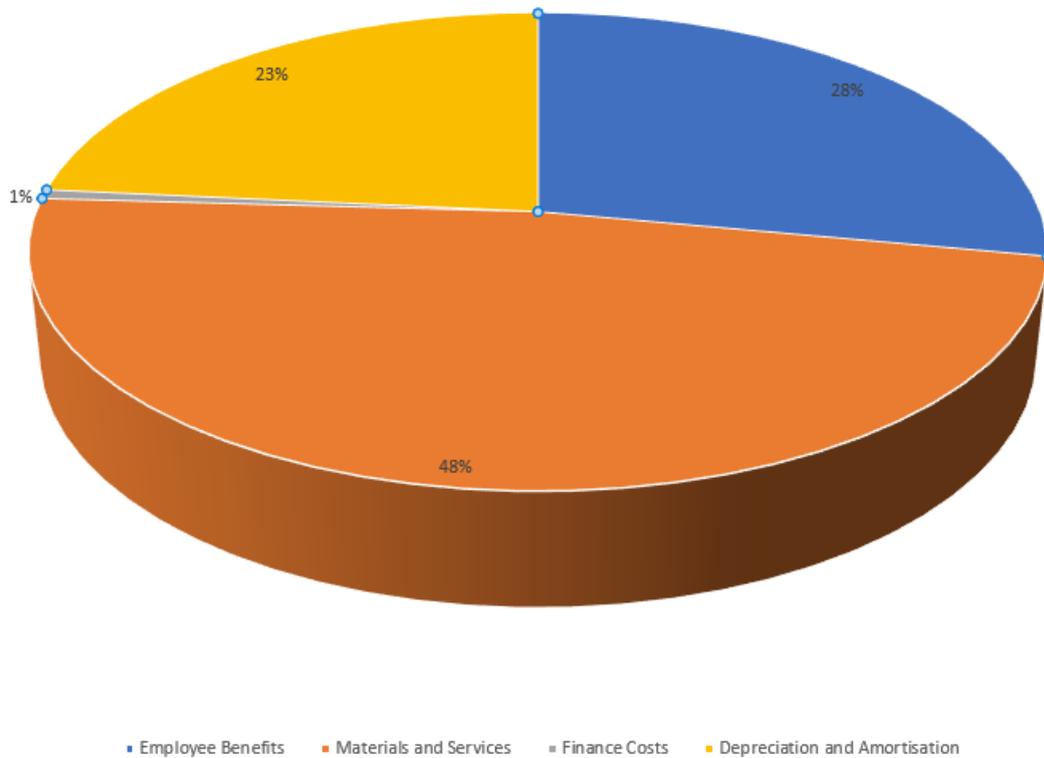
Council’s capital revenue is sourced for the purpose of constructing Council’s assets now and into the future. Capital revenue consists of capital grants, subsidies, contributions and donations as well as gains/losses on the disposal of assets. In the 2019/2020-year Council's capital revenue increased due to flood damage restoration work on Council’s owned assets such as road infrastructure.

Expenses

Recurrent expenses represent the costs to Council of providing services to the community, operating facilities and maintaining assets. These expenses include employee benefits, material and services, finance costs and depreciation.

Materials and Services represent 48% of Council's expenses followed by employee benefits at 28% and depreciation at 23%

Expenses Breakdown



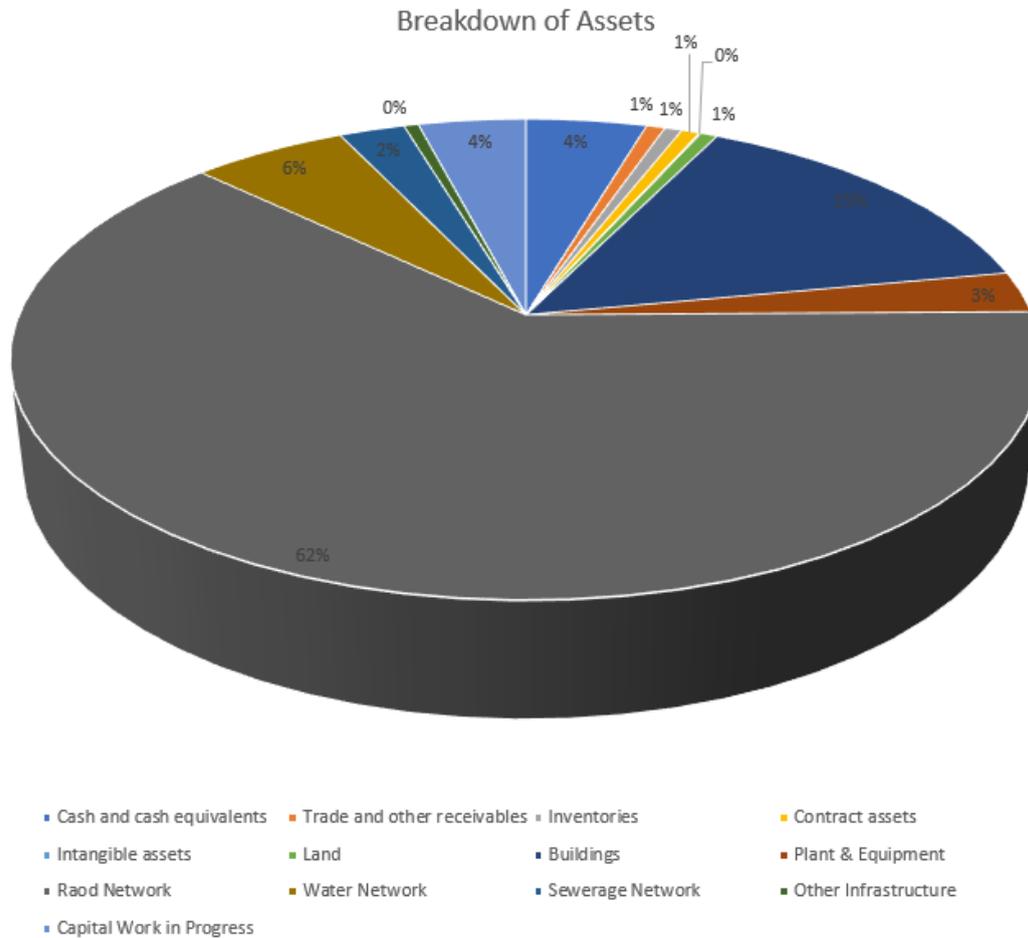
The Statement of Financial Position

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 (assets) and what Council owes (liabilities) at the end of the financial year. The difference between assets and liabilities is the net community wealth (equity) of Council.

Assets

Current assets are made up mainly of cash and cash equivalents as well as money owed to Council and inventories.

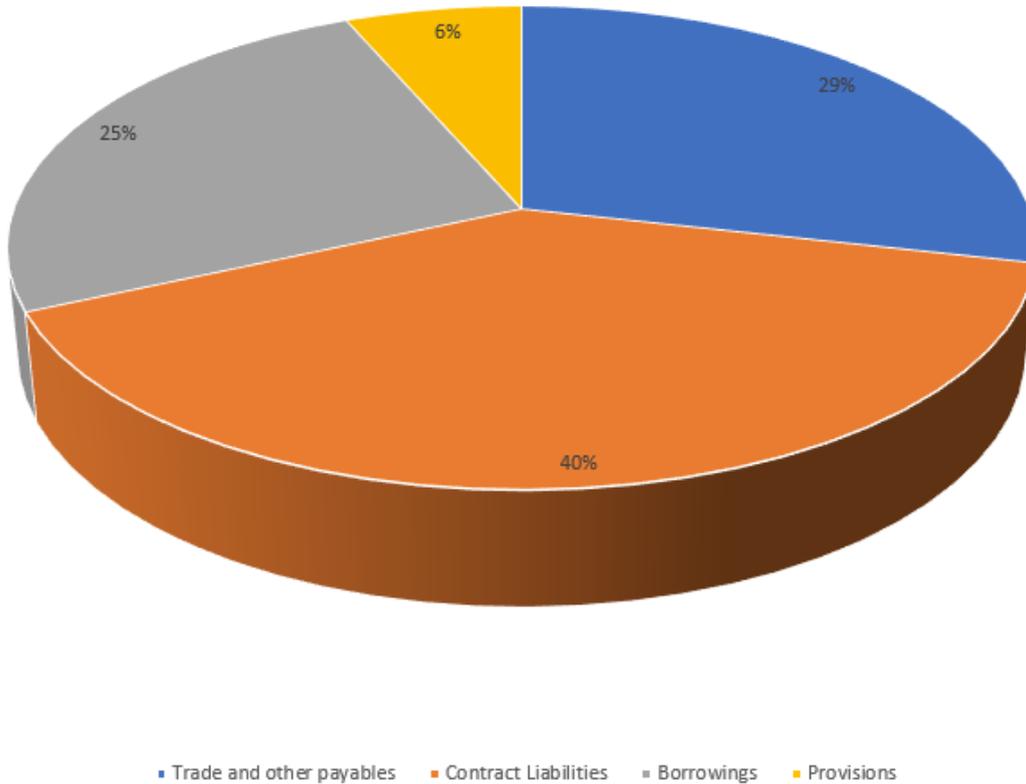
Non-current assets are predominantly property, plant and equipment that include items such as roads, water and sewerage infrastructure, buildings and vehicles. These assets alone are worth \$207 million or 93% of Council's assets with cash, inventories and receivables accounting for a further \$ 14 million. Roads, water and sewerage networks make up the majority of the infrastructure assets.



Liabilities

Council's liabilities comprise of amounts owing for provisions, borrowings and trade and other payables. Provisions are future entitlements Council owes to employees. Liabilities as at 30 June 2020 totalled \$15 million. This amount comprises of \$4.4 million in trade creditors due, \$6.1 million in contract liabilities, \$3.8 million in loan borrowings and \$1 million in employee leave provisions.

Breakdown of Liabilities



The Statement of Changes in Equity

Community equity is represented by Council's net worth. This is calculated by what Council owns, minus what Council owes.

Total Assets **\$ 221.84 million** – Total Liabilities **\$15.43 million** = Community Equity **\$206.41 million**.

Community equity rose by \$8.18 million from the previous year due to the \$2.03 million revaluation increase of assets and increase in retained surplus of \$6.15 million. Council's retained surplus amount represents the asset retained capital and other changes in the value of Council's assets over time.

The Statement of Cash Flows

The Statement of cash flows identifies the cash received and cash spent throughout the year. The statement shows Council's ability to cover its expenditure and where those funds are derived. Council's cash balance increased by \$4.2 million compared to the previous financial year.

Council's cash flow from operating activities incorporates the recurrent activities of Council. The cash flows from investing activities show Council spent \$15.7 million investing in property, plant and equipment. This includes capital works on Council's roads, buildings and replacement of plant and equipment.

Measures of Council's Financial Sustainability

Council's audited financial statements indicate that Council finished the financial year in a positive financial position.

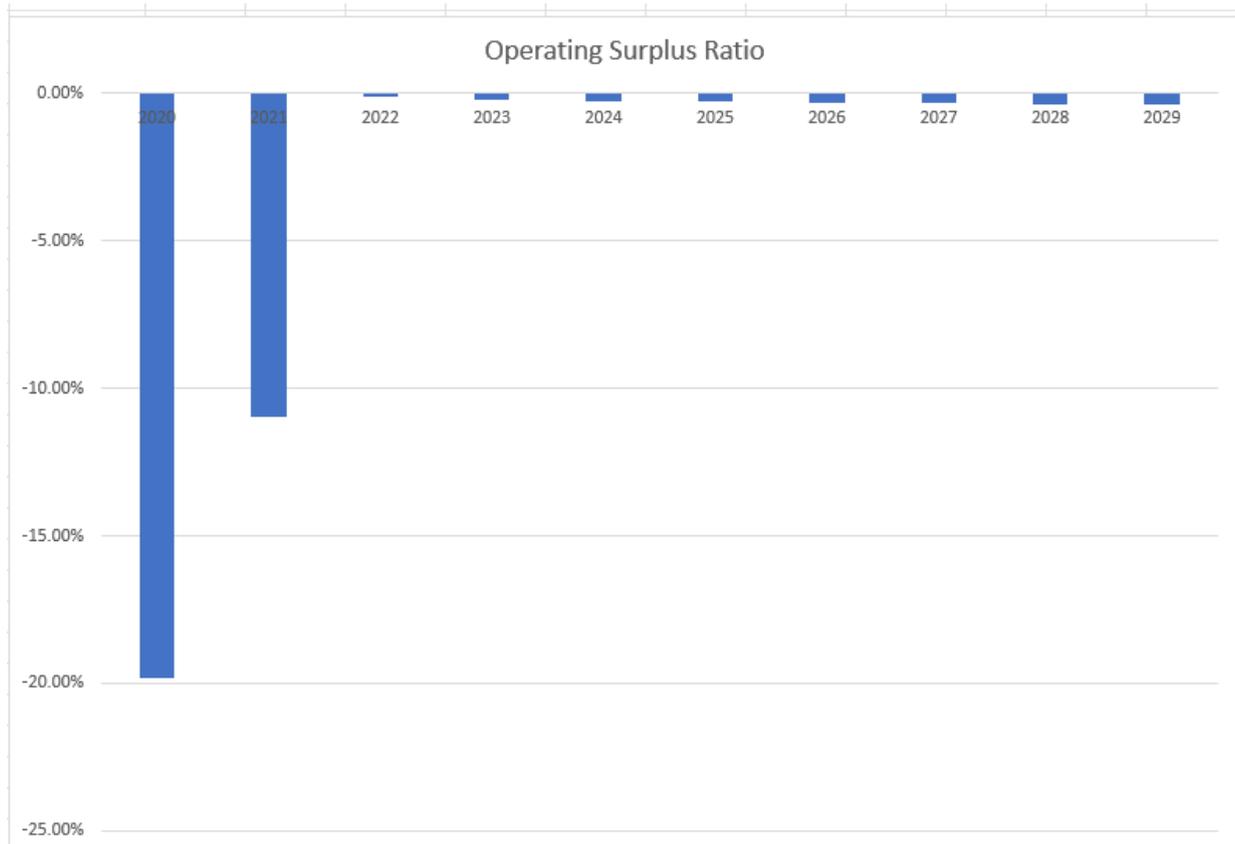
The Richmond Shire Council has maintained a steady growth rate over the last 10 years. Over the next 10 years, Council is looking to consolidate the growth with an estimated further increase in net assets of \$25 million. Current 10-year financial forecasting has the Council achieving a surplus in some years and operating deficits in others. Council had dedicated a substantial amount of time and funds to ensuring it has a fleet of quality machinery to build and maintain roads throughout the region. This fleet along with a dedicated workforce has seen Council secure numerous Main Roads contracts and repair major damage from floods every year. It is these contracts and flood damage works that is the driving force behind Council's income every year and will continue to be so in the future. Council is currently working on a total asset management plan that will includes a 10-year estimates of capital expenditure and maintenance to manage its asset stock. All indicators point to a positive future for the Richmond Shire Council.

Section 169 of the *Local Government Regulation 2012* requires the inclusion of the relevant measures of financial sustainability. These ratios are also included in Council's 10-year financial plan, with reviews conducted on a regular bas. Targets are set by the Department of Local Government, Racing and Multicultural Affairs.

Operating Surplus Ratio

This measures the extent to which revenue raised (excluding capital grants and contributions) covers operational expenses. As at 30 June 2020, Councils operating surplus ratio was a deficit of 12.67%. Council undertook extensive flood damage repair work and contract work and received reimbursement from the State Government, and this has allowed for the smaller deficit from the previous financial year which was 54%.

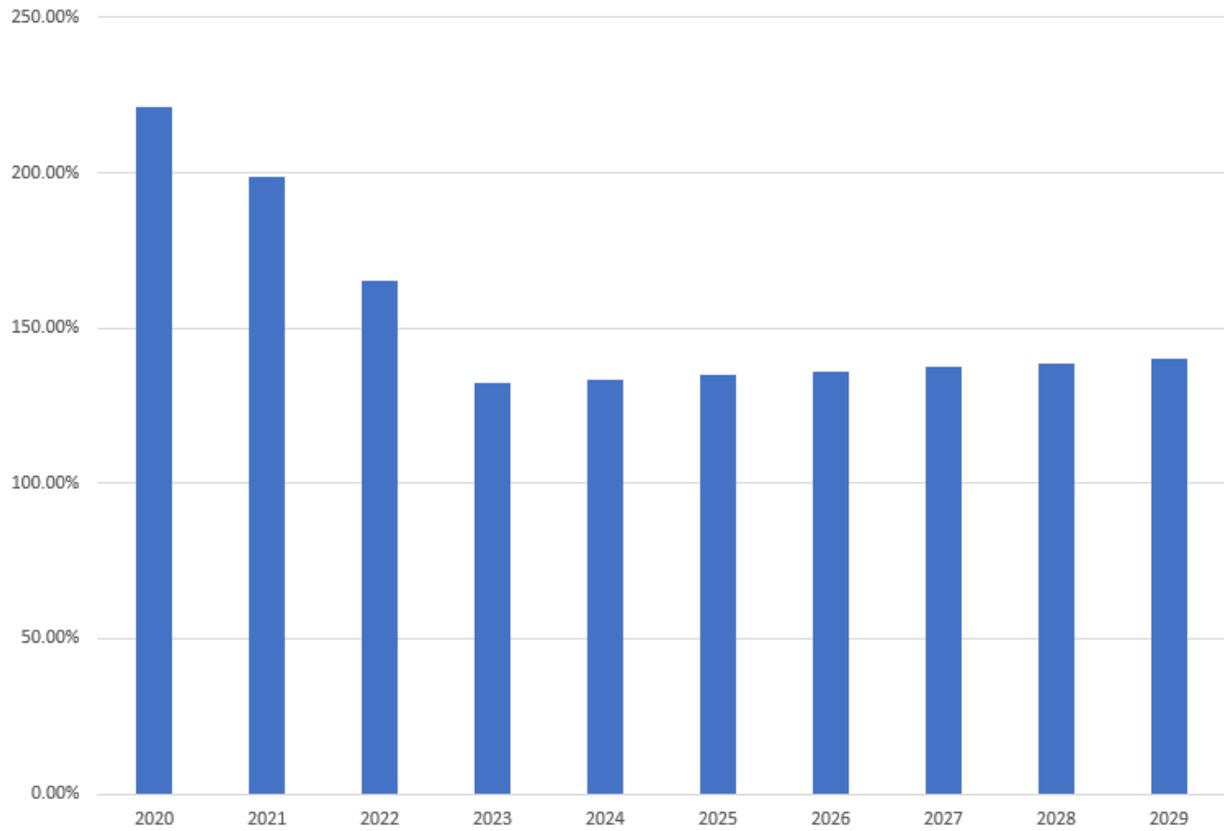
For majority of the next 10 years Council will be below breakeven without sufficient operational grant funding to provide services or reimbursements for repairing flood damaged infrastructure.



Asset Sustainability Ratio

The target is 90% and Council is at \$\$\$ for the 2019/2020 financial year, future financial years will be dependent on flood damage and available grants.

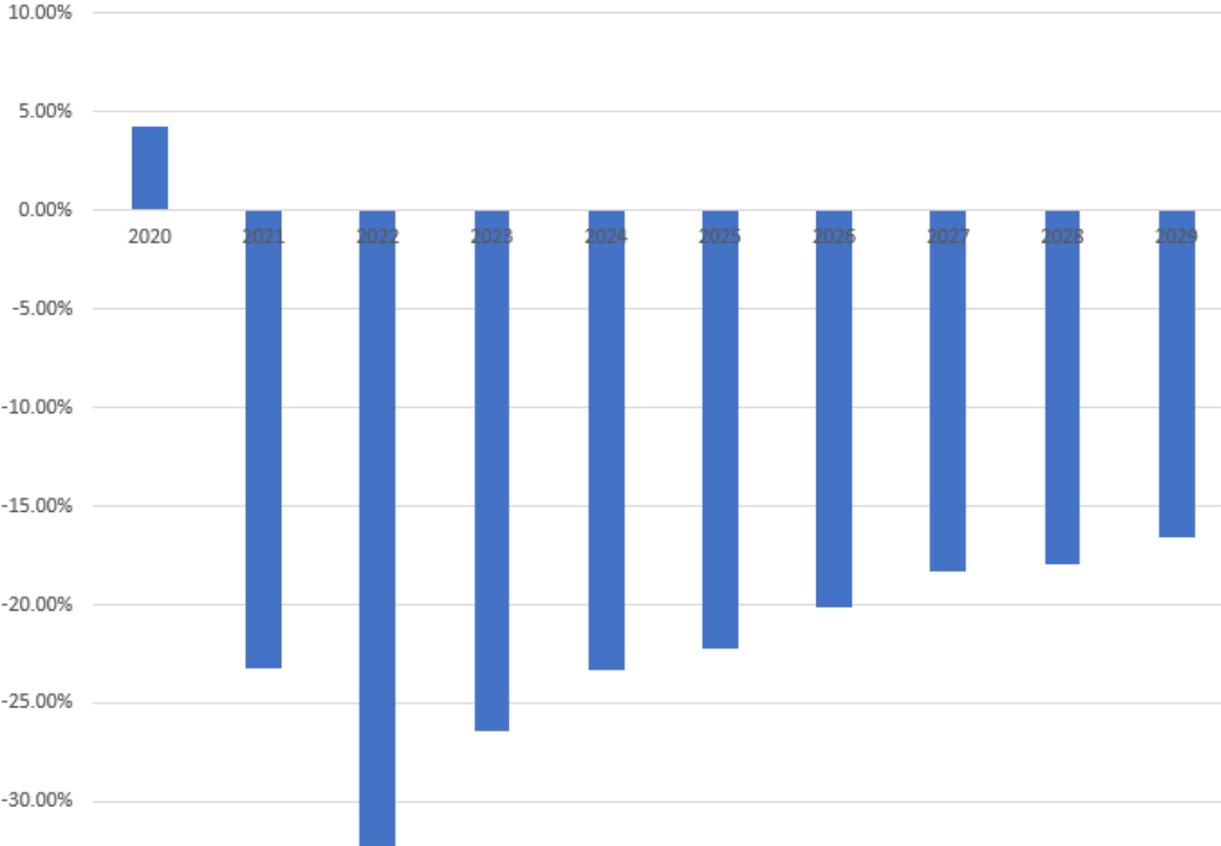
Asset Sustainability Ratio



Net Financial Liabilities Ratio

This ratio represents the extent to which Council can fund its liabilities through its operating revenues. The target for this ratio is less than 60%. Council has borrowings and low liabilities, which is why the ratio is very low.

Net Financial Liabilities



OPERATIONAL PLAN 2019-2020 – 4th Quarter Report

Finance and Administration

Activity Identified:	Upgrade Staff Housing
Budget Implication:	\$50,000
Activity Objectives:	Continue to upgrade staff housing.
Corporate Plan Objective:	Property Management
Amount Spent	\$93,700.11
Objective Update	84 Simpson St, 42 Simpson St, 19 Middleton St, 20 Middleton St

Activity Identified:	Painting of Building
Budget Implication:	\$50,000
Activity Objectives:	Paint buildings as required.
Corporate Plan Objective:	Property Management
Amount Spent	\$13,544
Objective Update	38 Goldring St, 20 Middleton St, C/van Park amenities

Activity Identified:	Civic Centre
Budget Implication:	\$150,000
Activity Objectives:	New air-conditioning system and upgrades for conference.
Corporate Plan Objective:	Property Management
Amount Spent	\$0.00
Objective Update	Started late June. Delay due to Covid-19 restrictions on travel.

OPERATIONAL PLAN 2019-2020 – 4th Quarter Report

Activity Identified:	Security Cameras
Budget Implication:	\$50,000
Activity Objectives:	New security cameras at KK cafe, depot, Council stockpile, stores shed to name a few.
Corporate Plan Objective:	Property Management
Amount Spent	\$61,730.91
Objective Update	Completed

Activity Identified:	Parks and Gardens Poison Shed
Budget Implication:	\$6,000
Activity Objectives:	Erect shed for the storage of poisons
Corporate Plan Objective:	Property management
Amount Spent	\$0.00
Objective Update	Not started.

Activity Identified:	Depot fence
Budget Implication:	\$25,000
Activity Objectives:	Upgrade fence at the Crawford Street Depot
Corporate Plan Objective:	Property Management
Amount Spent	\$0.00
Objective Update	Not Started, although some minor temporary repairs have been done.

OPERATIONAL PLAN 2019-2020 – 4th Quarter Report

Activity Identified:	Depot Redevelopment
Budget Implication:	\$150,000
Activity Objectives:	Redevelop depot, move lunchroom and put in a new toilet block.
Corporate Plan Objective:	Asset Management
Amount Spent	\$71,780.33
Objective Update	Slab laid, electrical and plumbing works carried out for new lunch room and toilet block.

Activity Identified:	Admin building rear entry cover
Budget Implication:	\$5,000
Activity Objectives:	Wet weather cover for rear entry.
Corporate Plan Objective:	Building maintenance
Amount Spent	\$5,276.47
Objective Update	Completed.

Activity Identified:	Kronosaurus Korner Signage
Budget Implication:	\$10,000
Activity Objectives:	To replace the old signs that were removed due to weather damage.
Corporate Plan Objective:	Building maintenance
Amount Spent	\$0.00
Objective Update	Not started.

OPERATIONAL PLAN 2019-2020 – 4th Quarter Report

Activity Identified:	Staff Housing
Budget Implication:	\$460,000
Activity Objectives:	Purchase more houses to accommodate for staffing shortage, as there is currently so private rental market.
Corporate Plan Objective:	Building maintenance
Amount Spent	\$444,154.33
Objective Update	Houses purchased.

Activity Identified:	Prepare planning documents
Budget Implication:	\$100,000
Activity Objectives:	Design and develop plans for projects like the Hall, KK Stage 3, Caravan Park, pool cover, land use agreement for the town area.
Corporate Plan Objective:	Corporate Governance
Amount Spent	\$139,004.50
Objective Update	Design Plans for KK Stage 3 - \$75k was funded

Activity Identified:	Planning documentation for agricultural project
Budget Implication:	\$1,000,000
Activity Objectives:	Develop construction ready design plans for agricultural project.
Corporate Plan Objective:	Economic Development
Amount Spent	\$1,213,866.50
Objective Update	MIPP2 funding has been fully acquitted.

OPERATIONAL PLAN 2019-2020 – 4th Quarter Report

Works and Services

Activity Identified:	Town Streets
Budget Implication:	\$750,000
Activity Objectives:	Cramb, Tolano, Harris Streets, Cemetery Road and other stormwater and sealing as required.
Corporate Plan Objective:	Roads
Amount Spent	\$473,254.98. (Left over money carried over under W4Q)
Objective Update	-Cramb St Reseal - \$215,508.42 -Tolano St Reseal - \$157,171.25 -Crawford & Tolano St Drainage - \$3,469.22 -Hillier St Stormwater (Behind Cambridge Shed) - \$30,430 -Other Stormwater (C/van Park, Tennis Courts) - \$66,676.09

Activity Identified:	Croydon Road – Hazelwood Channels
Budget Implication:	\$1,000,000
Activity Objectives:	Continue to upgrade the Croydon Road utilising TIDS, R2R and other funding sources.
Corporate Plan Objective:	Roads
Amount Spent	\$968,407.83
Objective Update	Completed

Activity Identified:	Flood Damage – Local Roads
Budget Implication:	\$24,000,000
Activity Objectives:	To work through and repair all the damage from the February 2019 flooding event.
Corporate Plan Objective:	Roads
Amount Spent	\$8,903,298.73
Objective Update	Ongoing

OPERATIONAL PLAN 2019-2020 – 4th Quarter Report

Activity Identified:	Fossil Site Road Upgrade
Budget Implication:	\$250,000
Activity Objectives:	Provide all weather access to fossil site (apply for grant funding)
Corporate Plan Objective:	Roads
Amount Spent	\$0.00
Objective Update	No grant funding as yet.

Activity Identified:	Croydon Road Reseal
Budget Implication:	\$460,000
Activity Objectives:	Reseal various sections of the Croydon Road.
Corporate Plan Objective:	Roads
Amount Spent	\$455,716.19
Objective Update	Completed

Activity Identified:	Continuous upgrade of Council Plant
Budget Implication:	\$1,663,500
Activity Objectives:	Upgrade plant and equipment in accordance with Council's replacement program to maintain a quality fleet.
Corporate Plan Objective:	Asset Management
Amount Spent	\$781,268,
Objective Update	-Toyota Hilux -\$47,204 -Toyota Prado -\$60,709 -Toyota Rav4 -\$30,881 -CEO's car - \$62,317 - New grader (after Trade) and 3D control box - \$246,304 - 2xRide on Mowers - \$37,836 - ADBLUE Clime Tank - \$13,957

OPERATIONAL PLAN 2019-2020 – 4th Quarter Report

Activity Identified:	Bulk kerbside waste collections
Budget Implication:	\$7,000
Activity Objectives:	Provide a bulk kerbside waste collection annually to help maintain a tidy town.
Corporate Plan Objective:	Cleansing
Amount Spent	\$0.00
Objective Update	Initial collection done 18/11/2019, but no response to EOI for a second collection to be organised. Costs not separated from normal collection activities

Activity Identified:	New Town Bore
Budget Implication:	\$345,000
Activity Objectives:	Drill new town bore for water security and better flow rates across town.
Corporate Plan Objective:	Water
Amount Spent	\$349,571.41
Objective Update	Completed

Activity Identified:	Digital Water Meters
Budget Implication:	\$130,000
Activity Objectives:	Install digital water meters on all water meters in Richmond to provide up-to-date readings for water billing.
Corporate Plan Objective:	Water
Amount Spent	\$0.00
Objective Update	Rolled over, funding sort.

OPERATIONAL PLAN 2019-2020 – 4th Quarter Report

Community Development and Services

Activity Identified:	Cover for the entertainment area
Budget Implication:	\$25,000
Activity Objectives:	Provide shelter from the weather at the new entertainment area.
Corporate Plan Objective:	Lakeview Caravan Park
Amount Spent	\$0.00
Objective Update	To be funded under W4Q 20-21

Activity Identified:	Power Upgrade
Budget Implication:	\$80,000
Activity Objectives:	Upgrade power so the new amenities block and laundry can function.
Corporate Plan Objective:	Lakeview Caravan Park
Amount Spent	\$79,731.94
Objective Update	Completed.

Activity Identified:	Cardboard Compactor
Budget Implication:	\$12,000
Activity Objectives:	Reduce the amount of cardboard that goes into the landfill.
Corporate Plan Objective:	Waste Management
Amount Spent	\$0.00
Objective Update	Not started. Not being purchased until shed constructed to house the unit.

OPERATIONAL PLAN 2019-2020 – 4th Quarter Report

Activity Identified:	New Landfill Site
Budget Implication:	\$18,000
Activity Objectives:	Dig a new hole at the landfill for general waste.
Corporate Plan Objective:	Waste Management
Amount Spent	\$6,919.87
Objective Update	Wages and Plant costs of digging new hole.

Activity Identified:	Office and Shed for Refuse Tip
Budget Implication:	\$25,000
Activity Objectives:	Connect power to the donga, make alterations to put a shower and toilet in and a shed for machinery.
Corporate Plan Objective:	Waste Management
Amount Spent	\$14,240
Objective Update	Alterations have been made to allow shower and toilet to be installed.

Activity Identified:	Wash Down Pit
Budget Implication:	\$25,000
Activity Objectives:	Construct and install a pit to collect the runoff from the wash down bay.
Corporate Plan Objective:	Waste Management
Amount Spent	\$30,814.67
Objective Update	Completed.

OPERATIONAL PLAN 2019-2020 – 4th Quarter Report

Activity Identified:	False Ceiling & Aircon
Budget Implication:	\$300,000
Activity Objectives:	<i>Install false ceiling and air-conditioning in the Youth Centre to reduce heat in summer.</i>
Corporate Plan Objective:	Asset Management
Amount Spent	\$275,061.64
Objective Update	Completed.
Activity Identified:	Shade Shelter
Budget Implication:	\$30,000
Activity Objectives:	Install shade shelter over the playground at the Youth Centre.
Corporate Plan Objective:	Asset Management
Amount Spent	\$25,029.10
Objective Update	Completed.

Activity Identified:	Football Oval Upgrade
Budget Implication:	\$125,000
Activity Objectives:	Bring the football oval surface up to standard.
Corporate Plan Objective:	Sport & Rec
Amount Spent	\$101,702.92
Objective Update	Completed

OPERATIONAL PLAN 2019-2020 – 4th Quarter Report

Activity Identified:	Oval Shed
Budget Implication:	\$10,000
Activity Objectives:	Build a storage shed that can house the scoreboard and other miscellaneous items.
Corporate Plan Objective:	Asset Management
Amount Spent	\$0.00
Objective Update	PO 3475 to Carter Sheds in Feb 2020 for \$14,353.60 plus GST.

Activity Identified:	New water line to Cemetery
Budget Implication:	\$10,000
Activity Objectives:	Allow for treated water to be used at cemetery to avoid the rust stains on the headstones.
Corporate Plan Objective:	Cemetery
Amount Spent	\$0.00
Objective Update	Not started.

Activity Identified:	Cemetery Moveable Shade Shelter
Budget Implication:	\$5,000
Activity Objectives:	Build a new transportable shade shelter that can be used at funerals.
Corporate Plan Objective:	Cemetery
Amount Spent	\$0.00
Objective Update	Not started. Two new portable shade structures were purchased though.

OPERATIONAL PLAN 2019-2020 – 4th Quarter Report

Activity Identified:	Provide support to local community events
Budget Implication:	\$15,000
Activity Objectives:	Continue to provide support to community clubs and organisations.
Corporate Plan Objective:	Community Events
Amount Spent	\$19,991.67
Objective Update	In kind support, \$1,250 Bursary, \$4,000 in Christmas Lights competition

Activity Identified:	Aerodrome Lighting
Budget Implication:	\$300,000
Activity Objectives:	Install new runway lights
Corporate Plan Objective:	Asset Management
Amount Spent	\$288,975
Objective Update	Works completed.

Activity Identified:	Softfall and Ratwall at Lake Playground
Budget Implication:	\$25,000
Activity Objectives:	Remove existing softfall and tree roots and replace with new softfall and ratwall around the children's playground equipment.
Corporate Plan Objective:	Sport & Rec
Amount Spent	\$0.00
Objective Update	Not Started

OPERATIONAL PLAN 2019-2020 – 4th Quarter Report

Activity Identified:	Water Fountain
Budget Implication:	\$10,000
Activity Objectives:	Install a solar water fountain on Dead Man's Island at the Lake.
Corporate Plan Objective:	Tourism
Amount Spent	\$0.00
Objective Update	Project started but no invoices yet.

Richmond Shire Council

Financial statements

For the year ended 30 June 2020

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Richmond Shire Council
Statement of Comprehensive Income
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3(a)	1,665,880	1,629,489
Fees and charges	3(b)	1,068,205	827,802
Sales revenue	3(c)	10,214,358	5,752,819
Grants, subsidies, contributions and donations	3(d)	5,371,216	5,192,907
		<u>18,319,659</u>	<u>13,403,017</u>
Capital revenue			
Grants, subsidies, contributions and donations	3(d)	12,768,842	8,701,207
Total capital revenue		<u>12,768,842</u>	<u>8,701,207</u>
Rental income	4(a)	190,239	184,942
Interest received	4(b)	69,042	107,871
Other income	4(c)	215,061	42,993
		<u>474,342</u>	<u>335,806</u>
Total income		<u>31,562,843</u>	<u>22,440,030</u>
Expenses			
Recurrent expenses			
Employee benefits	5	(5,924,286)	(6,169,654)
Materials and services	6	(10,150,676)	(10,048,653)
Finance costs		(130,236)	(144,390)
Depreciation and amortisation			
Property, Plant and Equipment	11	(4,970,542)	(4,822,365)
		<u>(21,175,740)</u>	<u>(21,185,062)</u>
Capital expenses			
Loss on disposal of non-current assets	7	(1,340,740)	(95,910)
Total expenses		<u>(22,516,480)</u>	<u>(21,280,972)</u>
Net result		<u>9,046,363</u>	<u>1,159,058</u>
Other comprehensive income			
Items that will not be reclassified to net result			
Increase in asset revaluation surplus	16	2,030,873	1,880,044
Total other comprehensive income for the year		<u>2,030,873</u>	<u>1,880,044</u>
Total comprehensive income for the year		<u>11,077,236</u>	<u>3,039,103</u>

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

The comparatives have not been restated on adoption of AASB 15 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases

Richmond Shire Council
Statement of Financial Position
as at 30 June 2020

	Note	2020 \$	2019 \$
Current assets			
Cash and cash equivalents	8	10,048,021	5,801,685
Trade and other receivables	9	1,543,487	2,473,373
Inventories	10	1,439,163	1,654,935
Contract assets	12	1,500,840	-
Other assets		97,711	106,671
Total current assets		<u>14,629,222</u>	<u>10,036,664</u>
Non-current assets			
Property, plant and equipment	11	207,083,497	196,087,519
Intangible assets		124,446	125,600
Total non-current assets		<u>207,207,943</u>	<u>196,213,120</u>
Total assets		<u>221,837,165</u>	<u>206,249,784</u>
Current liabilities			
Trade and other payables	13	4,404,185	2,486,032
Contract liabilities	12	6,131,405	-
Borrowings	14	529,656	512,695
Provisions	15	799,175	761,694
Total current liabilities		<u>11,864,421</u>	<u>3,760,421</u>
Non-current liabilities			
Provisions	15	200,876	368,672
Borrowings	14	3,362,480	3,892,480
Total non-current liabilities		<u>3,563,356</u>	<u>4,261,152</u>
Total liabilities		<u>15,427,777</u>	<u>8,021,573</u>
Net community assets		<u>206,409,388</u>	<u>198,228,212</u>
Community equity			
Asset revaluation surplus	16	103,194,811	101,163,939
Retained surplus		103,214,575	97,064,274
Total community equity		<u>206,409,386</u>	<u>198,228,212</u>

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

The comparatives have not been restated on adoption of AASB 15 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases

Richmond Shire Council
Statement of Changes in Equity
For the year ended 30 June 2020

	Asset revaluation surplus 16	Retained surplus	Total
	\$	\$	\$
Balance as at 1 July 2019	101,163,938	97,064,274	198,228,212
Adjustment on Initial Application of AASB 15 / AASB 1058	-	(2,896,058)	(2,896,058)
Restated Balance at 1 July 2019	<u>101,163,938</u>	<u>94,168,216</u>	<u>195,332,154</u>
Net result	-	9,046,363	9,046,363
Other comprehensive income for the year			
Increase in asset revaluation surplus	2,030,873	-	2,030,873
Total comprehensive income for the year	<u>2,030,873</u>	<u>9,046,363</u>	<u>11,077,236</u>
Balance as at 30 June 2020	<u><u>103,194,811</u></u>	<u><u>103,214,577</u></u>	<u><u>206,409,388</u></u>
Balance as at 1 July 2018	99,283,894	95,905,216	195,189,110
Adjustment on Initial Application of AASB 9	-	-	-
Restated Balances at 1 July 2018	<u>99,283,894</u>	<u>95,905,216</u>	<u>195,189,110</u>
Net result	-	1,159,058	1,159,058
Other comprehensive income for the year			
Increase in asset revaluation surplus	1,880,044	-	1,880,044
Total comprehensive income for the year	<u>1,880,044</u>	<u>1,159,058</u>	<u>3,039,103</u>
Balance as at 30 June 2019	<u><u>101,163,938</u></u>	<u><u>97,064,274</u></u>	<u><u>198,228,212</u></u>

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

The comparatives have not been restated on adoption of AASB 15 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases

Richmond Shire Council
Statement of Cash Flows
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from customers		14,093,162	7,138,452
Payments to suppliers and employees		<u>(14,061,008)</u>	<u>(14,325,672)</u>
		32,154	(7,187,220)
Interest received	4(b)	69,042	107,871
Rental income	4(a)	190,239	184,942
Grants, subsidies, contributions and donations - non-capital	3(d)	6,408,500	5,192,907
Borrowing costs		<u>(130,236)</u>	<u>(144,390)</u>
Net cash inflow (outflow) from operating activities	20	<u>6,569,699</u>	<u>(1,845,891)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(15,711,572)	(6,209,180)
Proceeds from sale of property plant and equipment		435,182	11,573
Grants, subsidies, contributions and donations - capital		<u>13,466,065</u>	<u>8,701,207</u>
Net cash inflow (outflow) from investing activities		<u>(1,810,325)</u>	<u>2,503,600</u>
Cash flows from financing activities			
Repayment of borrowings	14	<u>(513,038)</u>	<u>(498,159)</u>
Net cash (outflow) from financing activities		<u>(513,038)</u>	<u>(498,159)</u>
Net increase in cash and cash equivalent held		<u>4,246,336</u>	<u>159,550</u>
Cash and cash equivalents at the beginning of the financial year		5,801,685	5,642,135
Cash and cash equivalents at end of the financial year	8	<u>10,048,021</u>	<u>5,801,685</u>

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

The comparatives have not been restated on adoption of AASB 15 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases

Richmond Shire Council

Notes to the financial statements

For the year ended 30 June 2020

1 Significant accounting policies

1.A Basis of preparation

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

These general purpose financial statements are for the period 1 July 2019 to 30 June 2020. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

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

These financial statements have been prepared under the historical cost convention except for certain non-current assets which are measured at fair value.

1.B Basis of consolidation

The controlled entity of Richmond Shire Council during the reporting period was The Kronosaurus Korner Board Inc. The Kronosaurus Korner Board Inc. is an incorporated association and does not have any share capital. Significant control is exercised by Richmond Shire Council over the operations of the Centre. Of the eight directors, six are Richmond Shire Council elected (nominated) representatives. Control is able to be exercised by Council by determining the composition of the board as well as the capacity to appoint and remove directors and approve grant funding. The accounts of The Kronosaurus Korner Board Inc. have not been consolidated with Council's accounts as at the reporting date due to immateriality. Information relating to the financial position of the controlled entity is set out in Note 23.

1.C Adoption of new and revised accounting standards

Richmond Shire Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2019, the standards which had an impact on reported position, performance and cash flows were those relating to revenue and leases.

Refer to the change in accounting policy note 22 for transition disclosures for AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of NFP Entities* and AASB 16 *Leases*.

1.D Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and interpretations which are not effective at 30 June 2020, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following list identifies the new Australian Accounting Standards that were issued but not yet effective at the time of preparing these financial statements that could be applicable to Council.

	Effective for NFP annual report periods beginning on or after:
AASB 1059 <i>Service Concession Arrangements: Grantors</i>	1 July 2020

1.E Estimates and judgements

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

Valuation and depreciation of property, plant and equipment - Note 11
Contract assets and liabilities - Note 12
Provisions - Note 15
Contingent liabilities - Note 17
Revenue - Note 3

Richmond Shire Council
Notes to the financial statements
For the year ended 30 June 2020

1.F Rounding and comparatives

The financial statements are in Australian dollars that have been rounded to the nearest \$1.

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

1.G Volunteer Services

Council has not recognised volunteer services as they have been determined to be immaterial.

1.H Taxation

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

Richmond Shire Council
Notes to the financial statements
For the year ended 30 June 2020

2. Analysis of Results by Function

2(a) Components of council functions

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

Finance

The goal of this function is to manage the finances of Council for the benefit of the community. Competent decision making and financial management by full and open discussions at meetings, detailed knowledge of the facts, balancing of sustainable budget, equitable Shire rates, utilising skilled expertise, minimise costs and manage and maintain Council assets in a good state of repair.

Administration

The goal of this function is to adopt the principles of good corporate governance to administer Council's services and functions. To communicate with the local community through a monthly newsletter, website and encouraging comment on decisions and to represent the community as a whole through the Elected Members.

Planning and building

The goal of this function is to ensure the continued growth of the Shire.

Engineering

The goal of this function is to provide and maintain all urban and rural local roads and identify new projects in accordance with the Shire Roads Asset Management Plan. Maintain green, clean and tidy parks, sporting and recreational facilities.

Environmental Services

Effectively manage the land and natural resources in the Shire through the implementation of the Stock Routes Management Plan and Pest Control Management Plan. Upgrade the saleyard facilities in a bid to increase processing of cattle in Richmond.

Community Services

The goal of this function is to recognise investment opportunities including agriculture, professional services, health and aged care services. To play an active role in supporting and promoting the cultural identity of our community.

Sewerage

The goal of this function is to maintain the sewerage network in accordance with the Total Management Plan 2012.

Water

The goal of this function is to maintain water infrastructure and the quality of the town water supply. Upgrade the water infrastructure in Maxwellton.

Cleansing

The goal of this function is to provide quality waste collection services to the community. Maintain the existing waste disposal facility and plan for future land fill.

Richmond Shire Council
Notes to the financial statements
For the year ended 30 June 2020

Analysis of Results by Function

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

Year ended 30 June 2020

Functions	Gross programme income			Total income	Gross programme expenses		Total expenses	Net result from recurrent operations	Net Result	Assets
	Recurrent		Capital		Recurrent	Capital				
	Grants	Other	Grants							
	2020	2020	2020		2020	2020				
\$	\$	\$	\$	\$						
Finance	3,887,979	2,289,802	832,729	7,010,508	(3,732,298)	(318,699)	(4,050,997)	2,445,481	2,959,511	8,465,546
Administration	-	15,744	253,539	269,283	(1,421,994)	-	(1,421,994)	(1,406,250)	(1,152,711)	2,070,441
Planning and Building	-	3,236	-	3,236	(217,600)	-	(217,600)	(214,364)	(214,364)	-
Engineering	597,753	9,939,175	10,947,987	21,484,915	(12,684,144)	(787,674)	(13,471,819)	(2,147,217)	8,013,096	141,522,212
Environmental Services	85,000	405	-	85,405	(44,982)	-	(44,982)	40,424	40,424	1,852
Community services	800,485	385,309	610,587	1,796,380	(1,570,152)	-	(1,570,152)	(384,358)	226,229	36,098,332
Sewerage	-	327,925	-	327,925	(286,112)	-	(286,112)	41,813	41,813	5,457,054
Water	-	374,016	124,000	498,016	(942,778)	(234,367)	(1,177,145)	(568,763)	(679,129)	13,283,757
Cleansing	-	87,172	-	87,172	(275,680)	-	(275,680)	(188,508)	(188,508)	184,297
Total	5,371,216	13,422,784	12,768,842	31,562,842	(21,175,740)	(1,340,740)	(22,516,480)	(2,381,741)	9,046,361	207,083,497

Year ended 30 June 2019

Functions	Gross programme income			Total income	Gross programme expenses		Total expenses	Net result from recurring operations	Net Result	Assets
	Recurring		Capital		Recurring	Capital				
	Grants	Other	Grants							
	2019	2019	2019		2019	2019				
\$	\$	\$	\$	\$						
Finance	3,959,764	1,840,893	1,262,591	7,063,248	(4,356,004)	(95,910)	(4,451,915)	1,444,653	2,611,330	8,381,729
Administration	-	1,205,064	-	1,205,064	(3,172,542)	-	(3,172,542)	(1,967,478)	(1,967,478)	2,049,942
Planning and Building	-	293	-	293	(220,597)	-	(220,597)	(220,304)	(220,304)	-
Engineering	34,275	4,591,561	7,409,099	12,034,933	(10,307,493)	-	(10,307,493)	(5,681,658)	1,727,440	140,978,471
Environmental Services	-	3,632	-	3,632	(37,019)	-	(37,019)	(33,387)	(33,387)	555
Community services	1,198,867	140,807	29,518	1,369,192	(1,646,316)	-	(1,646,316)	(306,642)	(277,124)	35,245,690
Sewerage	-	312,457	-	312,457	(262,846)	-	(262,846)	49,611	49,611	5,524,696
Water	-	365,836	-	365,836	(979,944)	-	(979,944)	(614,108)	(614,108)	13,897,303
Cleansing	-	85,374	-	85,374	(202,300)	-	(202,300)	(116,926)	(116,926)	171,399
Total	5,192,907	8,545,917	8,701,207	22,440,030	(21,185,062)	(95,910)	(21,280,972)	(7,446,238)	1,159,058	206,249,784

Richmond Shire Council
Notes to the financial statements
For the year ended 30 June 2020

3 Revenue

	Note	AASB 15 \$	AASB 1058 \$
Revenue recognised at a point in time			
Rates, levies and charges	3(a)	-	1,665,880
Fees and charges	3(b)	1,066,769	1,436
Sales revenue	3(c)	10,214,358	-
Grants, subsidies and contributions	3(d)	-	4,375,085
Other income	4(c)	76,956	82
		<u>11,358,083</u>	<u>6,042,483</u>
Revenue recognised over time			
Grants, subsidies and contributions	3(d)	996,131	12,768,842
		<u>996,131</u>	<u>12,768,842</u>
Total Revenue		<u>12,354,214</u>	<u>18,811,325</u>
		\$	
Under AASB 15		12,354,214	
Under AASB 1058		18,811,325	
Revenue not under AASB 15/1058			
Other Income	4(c)	138,023	
Rental income	4(a)	190,239	
Interest received	4(b)	69,042	
Total revenue		<u>31,562,843</u>	

(a) Rates, levies and charges

2020 Accounting Policy: Rates and annual charges are recognised as revenue when Council obtains control over the assets comprising these receipts which is the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.

2019 Accounting Policy: Rates are recognised as revenue at the start of the rating period. If a ratepayer pays their rates before the start of the rating period, they are recognised as revenue when they are received.

	2020 \$	2019 \$
General rates	849,224	839,739
Separate rates	29,035	28,846
Water	374,016	365,761
Sewerage	327,925	312,393
Garbage charges	87,172	85,356
Total rates and utility charge revenue	<u>1,667,372</u>	<u>1,632,095</u>
Less: Discounts	-	194
Less: Pensioner remissions	(1,492)	(2,800)
	<u>1,665,880</u>	<u>1,629,489</u>

Richmond Shire Council
Notes to the financial statements
For the year ended 30 June 2020

3 Revenue (cont.)

(b) Fees and charges

2020 Accounting Policy: Revenue arising from fees and charges is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

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

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

Revenue from infringements is recognised on issue of infringement notice after applying the expected credit loss model relating to impairment of receivables for initial recognition of statutory receivables.

2019 Accounting Policy: Fees and charges are recognised when Council is unconditionally entitled to those funds. Generally this is upon lodgement of the relevant applications or documents, issuing of the infringement notice or when the service is provided.

	2020	2019
	\$	\$
Agistment fees	204,855	73,826
Caravan park fees	310,615	320,365
Consumer direct care fees	286,962	105,914
Live weigh scale fee	145,952	-
Saleyard fees	-	89,033
Other fees	119,821	238,664
	<u>1,068,205</u>	<u>827,802</u>

(c) Sales revenue

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

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

	2020	2019
	\$	\$
Sale of services		
Road maintenance performance contract (RMPC)	834,079	2,115,557
Main Roads flood damage	8,672,631	3,465,454
Main Roads contract works	286,945	111,115
Private works	420,703	60,693
	<u>10,214,358</u>	<u>5,752,819</u>

Richmond Shire Council
Notes to the financial statements
For the year ended 30 June 2020

3 Revenue (cont.)

(d) Grants, subsidies and contributions

2020 Accounting Policy:

Grant Income Under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligation is satisfied.

The performance obligations are varied based on the agreement but include clean up and repair of assets, community and home support services, etc. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Grant Income Under AASB 1058

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

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Capital Grants

Capital grants received to enable Council to acquire or construct an item of property, plant and equipment to identified specifications which will be under Council's control, and which is enforceable, are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

Where assets are donated or purchased for significantly below fair value, revenue is recognised when the asset is acquired and controlled by Council.

2019 accounting policy:

Grants, subsidies, donations and contributions that are non-reciprocal in nature are recognised as revenue when Council obtains control over them, which is usually upon receipt of funds. Where grants are received that are reciprocal in nature, revenue is recognised as the various performance obligations under the funding agreement are fulfilled. In 2019, Council did not have any reciprocal grants.

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

Richmond Shire Council
Notes to the financial statements
For the year ended 30 June 2020

	2020	2019
	\$	\$
(i) Recurrent		
General purpose grants	3,833,995	3,493,477
State government subsidies and grants	1,159,554	1,427,821
Commonwealth government subsidies and grants	369,667	271,608
Other	8,000	-
	<u>5,371,216</u>	<u>5,192,907</u>
(ii) Capital		
Government subsidies and grants	12,768,842	8,701,207
	<u>12,768,842</u>	<u>8,701,207</u>
Total grants, subsidies, contributions and donations	<u>18,140,058</u>	<u>13,894,113</u>
4 Rent and other income		
(a) Rental income		
Rent from other property is recognised as income on a periodic straight line basis over the lease term.		
Property rentals	190,239	184,942
	<u>190,239</u>	<u>184,942</u>
(b) Interest received		
Interest received from term deposits is accrued over the term of the investment.		
Interest received from term deposits	49,714	88,335
Interest from overdue rates and utility charges	19,328	19,537
	<u>69,042</u>	<u>107,871</u>
(c) Other income		
Airport income	55,610	-
Fuel rebate	84,508	-
Other income	74,943	42,993
	<u>215,061</u>	<u>42,993</u>
5 Employee benefits		
Total staff wages and salaries	4,552,342	4,011,943
Councillors' remuneration	379,507	365,330
Annual and long service leave entitlements	555,004	555,951
Superannuation	543,230	586,657
	<u>6,030,083</u>	<u>5,519,881</u>
Other employee related expenses	278,803	714,078
	<u>6,308,886</u>	<u>6,233,959</u>
Less: Capitalised employee expenses	(384,600)	(64,305)
	<u>5,924,286</u>	<u>6,169,654</u>
Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties.		
Total council employees at the reporting date:	2020	2019
Elected members	6	6
Administration staff	22	27
Depot and outdoors staff	57	55
Total full time equivalent employees	<u>85</u>	<u>88</u>

Richmond Shire Council
Notes to the financial statements
For the year ended 30 June 2020

	<u>2020</u>	<u>2019</u>
	\$	\$
6 Materials and services		
Audit of annual financial statements by the Auditor-General of Queensland	53,690	62,373
Donations paid	18,322	342,913
WPHS - quality assurance	133,542	66,963
Admin contractors	84,518	117,816
Insurance	488,260	69,877
Subscriptions	80,125	26,244
Computer expenses	317,890	607,486
Staff training	58,815	28,337
Private works	252,789	37,716
Engineer expenses	45,463	51,235
Council roads	1,153,311	1,213,860
Main roads	3,531,704	2,910,150
Workshop expenses	1,115,152	1,579,669
Community development	75,464	110,029
Pool expenses	120,270	78,352
Museum expenses	281,413	288,672
Council houses and buildings	253,503	386,506
Street cleaning	137,149	251,911
Stock routes	30,476	62,454
Parks & gardens	267,459	224,869
Caravan park expenses	273,746	279,183
Water & sewerage	659,713	500,588
Other Material and Services	717,902	751,449
	<u>10,150,675</u>	<u>10,048,653</u>
7 Capital income/expenses		
Gain/(Loss) on disposal of non-current assets		
Proceeds from the sale of property, plant & equipment	435,181	11,527
Less: Book value of property, plant and equipment sold	<u>(1,775,921)</u>	<u>(107,437)</u>
Total profit/(loss) on disposal of non-current assets	<u>(1,340,740)</u>	<u>(95,910)</u>
8 Cash and cash equivalents		
Cash and cash equivalents in the statement of cash flows include cash on hand, all cash and cheques received 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 cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.		
Cash at bank and on hand	6,048,915	275,615
Term deposits	3,999,106	5,526,071
Balance per statement of cash flows	<u>10,048,021</u>	<u>5,801,685</u>
Councils cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:		
Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:		
Unspent government grants and subsidies	6,131,405	2,896,059
Internally imposed expenditure restrictions at the reporting date:		
Future recurrent expenditure	<u>1,243,385</u>	<u>850,000</u>
Total unspent restricted cash	<u>7,374,790</u>	<u>3,746,059</u>

Richmond Shire Council
Notes to the financial statements
For the year ended 30 June 2020

	2020 \$	2019 \$
8 Cash and cash equivalents (cont.)		
Cash and deposits at call are held in the National Australia Bank and Suncorp in normal term deposits and business cheque accounts.		
	Short Term	Long Term
National Australia Bank	AA-	AA-
Suncorp	A+	A+
The Council may be exposed to credit risk through its investments in the QTC Cash Fund and QTC Working Capital Facility. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed. Working Capital Facility deposits have a duration of one day and all investments are required to have a minimum credit rating of "A-", therefore the likelihood of the counterparty having capacity to meet its financial commitments is strong.		
9 Trade and other receivables		
Receivables are amounts owed to Council at year end. They are recognised at the amount due at the time of sale or service delivery. Settlement is required within 30 days after the invoice is issued.		
Debts are regularly assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written-off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue.		
Because Council is empowered under the provisions of the <i>Local Government Act 2009</i> to sell an owner's property to recover outstanding rate debts, Council does not impair rate receivables.		
Current		
Rateable revenue and utility charges	208,262	210,758
Other debtors	1,335,225	2,262,615
	1,543,487	2,473,373
Interest is charged on outstanding rates at a rate of 8% per annum. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.		
10 Inventories		
Inventories held for resale are valued at the lower of cost and net realisable value and include, where applicable, direct material, direct labour and an appropriate portion of variable and fixed overheads. Costs are assigned on the basis of weighted average cost.		
Inventories held for distribution are:		
- goods to be supplied at no or nominal, charge, and		
- goods to be used for the provision of services at no or nominal, charge.		
These goods are valued at cost, adjusted, when applicable, for any loss of service potential.		
Land acquired by Council with the intention of reselling it (with or without further development) is classified as inventory. This land is valued at the lower of cost or net realisable value. As an inventory item, this land held for resale is treated as a current asset. Proceeds from the sale of this land will be recognised as sales revenue on the signing of a valid unconditional contract of sale.		
Inventories held for sale		
Inventories held for sale:		
History books (Valued at the lower of cost and net realisable value)	5,690	5,690
Inventories for consumption:		
Quarry, fuel, road materials and stores (Valued at the lower of cost and selling price less cost to sell)	428,473	624,245
Land purchased for development and sale:		
Cost of acquisition and development costs capitalised	1,005,000	1,025,000
Total inventories	1,439,163	1,654,935

Richmond Shire Council

Notes to the financial statements For the year ended 30 June 2020

11 Property, plant and equipment

Council - 30 June 2020

Note	Land and Improvements	Buildings	Plant and Equipment	Road and Bridge	Water	Sewerage	Other Assets	Work in Progress	Total
Basis of measurement	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
	Level 2	Levels 2 & 3	Level 2	Level 3	Level 3	Level 3	Level 3		
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening gross value as at 1 July 2019	1,408,000	41,703,489	15,150,892	166,540,841	15,581,680	7,044,641	1,561,315	5,210,938	254,201,796
Additions at cost									
- Renewals	-	-	-	-	-	-	-	13,338,816	13,338,816
- Other additions	3,597	-	1,239,544	-	-	-	-	1,129,615	2,372,756
Disposals	(32,000)	(1,107,210)	(1,451,889)	-	(321,700)	-	-	-	(2,912,799)
Revaluation adjustment to asset revaluation surplus	5,363	392,982	-	(4,608,362)	16,933	-	50,875	-	(4,142,209)
Transfers between classes	31,330	2,424,401	-	8,000,058	199,857	-	81,927	(10,737,573)	-
Closing gross value as at 30 June 2020	1,416,290	43,413,662	14,938,547	169,932,537	15,476,770	7,044,641	1,694,117	8,941,796	262,858,360

Accumulated depreciation

Opening balance as at 1 July 2019	-	10,884,906	8,904,076	34,336,902	2,173,897	1,519,944	294,553	-	58,114,278
Depreciation provided in period	-	819,850	694,371	2,916,215	277,058	85,232	177,816	-	4,970,542
Depreciation on disposals	-	(236,394)	(813,151)	-	(87,333)	-	-	-	(1,136,878)
Revaluation adjustment to asset revaluation surplus	-	(799,121)	-	(5,576,838)	208,457	(17,590)	12,010	-	(6,173,082)
Accumulated depreciation as at 30 June 2020	-	10,669,243	8,785,298	31,676,279	2,572,079	1,587,586	484,379	-	55,774,864

Total written down value as at 30 June 2020

	1,416,290	32,744,419	6,153,248	138,256,258	12,904,691	5,457,054	1,209,738	8,941,796	207,083,497
Range of estimated useful life in years	Not depreciated	10 - 80	5 - 20	10-1000	5 - 80	10 - 80	10 - 1000	-	-

Richmond Shire Council
Notes to the Financial Statements
For the year ended 30 June 2020

11 Property, plant and equipment

Council - 30 June 2019

Note	Land and Improvements	Buildings	Plant and Equipment	Road and Bridge	Water	Sewerage	Other Assets	Work in Progress	Total
Basis of measurement	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
Asset values	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening gross value as at 1 July 2018	1,398,022	39,937,444	15,209,541	162,509,018	15,297,333	6,452,128	1,105,267	3,420,696	245,329,449
Opening balance adjustment	(10,022)	-	-	115,343	(115,343)	-	-	-	(10,022)
Additions at cost	-	-	120,432	-	-	-	-	6,088,748	6,209,180
Disposals	-	-	(179,080)	-	(113,419)	-	-	-	(292,499)
Impairment	-	(6,645)	-	(564,462)	-	-	-	-	(571,107)
Revaluation adjustment to asset revaluation surplus	-	494,557	-	2,173,751	255,975	592,513	-	-	3,516,796
Transfers from inventory	20,000	-	-	-	-	-	-	-	20,000
Transfers between classes	-	1,278,133	-	2,307,191	257,134	-	456,048	(4,298,506)	-
Closing gross value as at 30 June 2019	1,408,000	41,703,489	15,150,892	166,540,841	15,581,680	7,044,641	1,561,315	5,210,938	254,201,796
Accumulated depreciation									
Opening balance as at 1 July 2018	-	9,141,482	8,228,992	29,127,344	3,324,821	2,164,440	121,712	-	52,108,790
Depreciation provided in period	-	792,169	841,165	2,475,977	424,529	115,686	172,841	-	4,822,365
Depreciation on disposals	-	-	(166,080)	-	(29,004)	-	-	-	(195,085)
Impairment	-	(1,166)	-	(251,902)	-	-	-	-	(253,068)
Revaluation adjustment to asset revaluation surplus	-	952,421	-	2,985,482	(1,546,448)	(760,182)	-	-	1,631,273
Transfers between classes	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 30 June 2019	-	10,884,906	8,904,076	34,336,902	2,173,897	1,519,944	294,553	-	58,114,278
Total written down value as at 30 June 2019	1,408,000	30,818,585	6,246,816	132,203,940	13,407,783	5,524,696	1,266,762	5,210,938	196,087,519
Range of estimated useful life in years	Not depreciated	10 - 80	5 - 20	10 - 1000	5 - 80	10 - 80	10 - 1000	-	-

Richmond Shire Council
Notes to the financial statements
For the year ended 30 June 2020

11 Property, plant and equipment (cont.)

(a) Recognition

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

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

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

Land under roads

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

(b) Measurement

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

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

Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of assets are also included in their cost.

Property, plant and equipment received in the form of contributions, are recognised as assets and revenues at fair value.

(c) Depreciation

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

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

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

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

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements to the Council or the unexpired period of the lease, whichever is the shorter.

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

Richmond Shire Council
Notes to the financial statements
For the year ended 30 June 2020

11 Property, plant and equipment (cont.)

(d) Impairment

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

(e) Valuation

(i) Valuation processes

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

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers to determine the fair value for each class of property, plant and equipment assets at least once every 3 years. This process involves the valuer physically sighting a representative sample of Council assets across all asset classes and making their own assessments of the condition of the assets at the date of inspection.

In the intervening years, Council uses desktop valuation provided by valuers to form the basis of a management valuation for infrastructure asset classes. With respect to the valuation of the land and improvements, buildings and major plant asset classes in the intervening years, management engage independent, professionally qualified valuers to perform a "desktop" valuation. A desktop valuation involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

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

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

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

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

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

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

Richmond Shire Council
Notes to the financial statements
For the year ended 30 June 2020

11 Plant, property and equipment (cont.)

(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)

Land fair values were determined by independent valuer, APV Valuers & Asset Management. A full comprehensive valuation for land was performed at 30 June 2018. A desktop valuation has been performed for the year ended 30 June 2020. They were valued using the sales comparison approach and then adjusted as required based on key attributes.

Buildings (level 2 and 3) and Other infrastructure assets (Level 3)

Buildings and other infrastructure assets are reported at fair value with a full comprehensive valuation performed at 30 June 2018 by APV Valuers & Asset Management. A desktop valuation has been undertaken for the year ended 30 June 2020.

Desktop valuation is produced by indexing the various unit rates and adjusting the asset register for additions, deletions, changes in consumption score and other assumptions.

The fair value is then determined on the same basis as described for a comprehensive valuation with the following exception.

If the consumption score remains unchanged from the previous valuation the valuation will adjust for the amount of depreciation expense which would have been charged to the asset since the last comprehensive valuation. i.e. If the valuation is 12 months later the valuation will calculate the value (as per the comprehensive valuation approach) and then deduct 12 months of depreciation expense.

If however the consumption score has changed – this is interpreted as being more up to date than the previous consumption score and the valuation does not adjust for additional depreciation. For example – the asset may have been subject to major CAPEX during the year and after the work was completed the consumption score of the asset was updated to reflect the work undertaken. Likewise, the asset may have experienced an impairment event and the consumption score was updated to reflect the event.

Roads infrastructure assets (Level 3)

Roads infrastructure assets have been valued at fair value with a full comprehensive valuation performed at 30 June 2018 by APV Valuers & Asset Management (APV). A desktop valuation has been undertaken for the year ended 30 June 2020.

APV's indexation figures used for this desktop revaluation have been developed as follows:

Reference to costing guides issued by the Australian Institute of Quantity Surveyors, Rawlinson's (Australian Construction Handbook), Construction Data from the Australian Bureau of Statistics and its own internal market research and costings.

This valuation covers assets including Bridge, Culverts, Kerbs, Pathways, Roads, Stormwater Drains and Traffic Management Assets and Devices.

As this was a desktop valuation APV did not physically inspect any assets. These were inspected as part of the previous comprehensive valuation. For the desktop valuation reliance was placed on the council advising of any changes in the physical characteristics or condition (including impairment) of the assets.

Water and Sewerage Infrastructure Assets (Level 3)

The fair value of water and sewerage infrastructure assets were determined by independent valuer, APV effective 30 June 2019 through a comprehensive valuation. A desktop valuation assessment for water and sewerage infrastructure assets was performed at 30 June 2020.

Desktop valuation is produced by indexing the various unit rates and adjusting the asset register for additions, deletions, changes in consumption score and other assumptions.

The current market that the assets are valued in is being impacted by the uncertainty that the COVID-19 outbreak has caused. The effects of this is not yet known and as at the date of valuation APV valuers consider that there will be some variability of valuation inputs resulting in a degree of valuation uncertainty. It was advised by APV Valuers to Richmond Shire Council to wait 12 months to make any adjustments and conduct a desktop valuation for 2021 to reassess the values based on supporting evidence.

Richmond Shire Council
Notes to the financial statements
For the year ended 30 June 2020

11 Plant, property and equipment (cont.)

APV's indexation figures used for this desktop revaluation have been developed as follows:

Reference to costing guides issued by the Australian Institute of Quantity Surveyors, Rawlinson's (Australian Construction Handbook), Construction Data from the Australian Bureau of Statistics and its own internal market research and costings.

As this was a desktop valuation APV did not physically inspect any assets. These were inspected as part of the previous comprehensive valuation. For the desktop valuation reliance was placed on the council advising of any changes in the physical characteristics or condition (including impairment) of the assets.

Richmond Shire Council
Notes to the financial statements
For the year ended 30 June 2020

12 Contract balances

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

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

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

	2020
	\$
(a) Contract assets	1,500,840
(b) Contract liabilities	
Funds received upfront to construct Council controlled assets.	6,060,462
Deposits received in advance of services provided	70,942
	6,131,405
Current Contract Liabilities	6,131,405
	6,131,405
Revenue recognised that was included in the contract liability balance at the beginning of the year.	
Funds to construct Council controlled assets	2,860,653
Deposits received in advance of services provided	35,406
	2,896,059

Significant changes in contract balances

The contract assets and liabilities have arisen on adoption of AASB 15 and AASB 1058. Previously the revenue was recognised on receipt and therefore there was no impact on the Statement of Financial Position.

13 Trade and other payables

Creditors are recognised when goods or services are received, at the amount owed. Amounts owing are unsecured and are generally settled on 30 day terms.

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

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

Council has an obligation to pay sick leave on termination to certain employees and therefore a liability has been recognised for this obligation.

	2020	2019
	\$	\$
Current		
Creditors and accruals	3,915,428	2,069,429
Annual leave	462,737	390,583
Other entitlements	26,020	26,020
	4,404,185	2,486,032

Richmond Shire Council
Notes to the financial statements
For the year ended 30 June 2020

14 Borrowings

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Thereafter, they are measured at amortised cost. Principal and interest repayments are made quarterly in arrears.

All borrowings are in \$A denominated amounts and interest is expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment date is 15 March 2027. There have been no defaults or breaches of the loan agreement during the period.

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

	2020 \$	2019 \$
Current		
Loans - Queensland Treasury Corporation		
Opening balance	512,695	498,204
Re-calssified as current	530,000	512,650
Principal repayments	(513,039)	(498,159)
Book value at end of period	529,656	512,695
Non-current		
Loans - Queensland Treasury Corporation		
Opening balance	3,892,480	4,405,131
Re-calssified to current	(530,000)	(512,650)
Book value at end of period	3,362,480	3,892,480
Loans - Queensland Treasury Corporation		
Opening balance	4,405,176	4,903,335
Principal repayments	(513,039)	(498,159)
Book value at end of period	3,892,137	4,405,176

15 Provisions

Long Service Leave

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

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.

Refuse dump restoration

A provision is made for the cost of restoring refuse dumps where it is probable the Council will be liable, or required, to do this when the use of the facilities is complete.

The provision for refuse restoration is calculated as the present value of anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites. The calculation of this provision requires assumptions such as application of 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. The provision recognised for dump sites is reviewed at least annually and updated based on the facts and circumstances available at the time. Management estimates that the site will close in 2021 and that the restoration will occur progressively over the subsequent thirty years.

Richmond Shire Council
Notes to the financial statements
For the year ended 30 June 2020

	2020	2019
	\$	\$
15 Provisions (cont.)		
Current		
Long service leave	799,175	761,694
	799,175	761,694
Non-current		
Refuse restoration	124,446	125,600
Long service leave	76,430	243,072
	200,876	368,672
 Details of movements in provisions:		
Restoration of refuse dump		
Balance at beginning of financial year	125,600	88,820
Net increase/(decrease) due to change in discount rate and estimated cost	(1,154)	36,780
Balance at end of financial year	124,446	125,600
 Long service leave		
Balance at beginning of financial year	1,004,765	780,698
Long service leave entitlement arising	112,044	296,779
Long service leave entitlement extinguished	(73,224)	-
Long service leave entitlement paid	(167,980)	(72,712)
Balance at end of financial year	875,605	1,004,765
	2020	2019
	\$	\$
16 Asset revaluation surplus		
Movements in the asset revaluation surplus were as follows:		
Balance at beginning of financial year	101,163,938	99,283,894
Net adjustment to non-current assets at end of period to reflect a change in current fair value:		
Land	5,363	-
Buildings	1,192,103	(463,343)
Roads & Bridge Network	968,476	(811,730)
Water Infrastructure	(191,524)	1,802,423
Sewerage Infrastructure	17,590	1,352,694
Other assets	38,865	-
Balance at end of financial year	103,194,811	101,163,938
 The closing balance of the asset revaluation surplus comprises the following asset categories:		
Land	718,387	713,024
Buildings	18,872,400	17,680,297
Roads & Bridge Network	74,043,760	73,075,284
Water Infrastructure	4,572,609	4,764,133
Sewerage Infrastructure	4,948,790	4,931,200
Other assets	38,865	-
	103,194,811	101,163,938

Richmond Shire Council
Notes to the financial statements
For the year ended 30 June 2020

17 Contingent liabilities

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

Local Government Mutual

The 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.

The latest audited financial statements for LGM Queensland are as at 30 June 2020 and show accumulated member funds (equity) of \$74,664,079.

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 bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$86,649 (\$76,444 - 2019).

18 Superannuation

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

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

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

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

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

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

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

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

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

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

	<u>Note</u>	<u>2020</u> <u>\$</u>	<u>2019</u> <u>\$</u>
Superannuation contribution made to the Regional Defined Benefit Fund		-	8,376
Other superannuation contribution to employees		543,230	578,281
Total superannuation contributions paid by Council for employees	5	543,230	586,657

Richmond Shire Council
Notes to the financial statements
For the year ended 30 June 2020

	Note	2020	2019
		\$	\$
19 Trust funds			
Trust funds held for outside parties			
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities		161,440	60,702
		<u>161,440</u>	<u>60,702</u>

Council performs only a custodial role in respect of these monies. As these funds cannot be used by the Council, they are not brought to account in these financial statements.

20 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities

Net result		9,046,363	1,159,058
Non-cash items:			
Depreciation and amortisation	11	4,970,542	4,822,365
Impairment of assets	7	-	312,515
Record transfer to land assets		-	(20,000)
Net (profit)/loss on disposal of non-current assets	7	1,340,740	95,910
Capital grants and contributions	3(d)	(12,768,842)	(8,701,207)
Additional impairment of debtors		229	-
		<u>2,589,034</u>	<u>(2,331,358)</u>
Changes in operating assets and liabilities:			
(Increase)/ decrease in trade & other receivables	9	929,658	(1,200,359)
(Increase)/decrease in inventory	10	215,772	118,758
(Increase)/decrease in other assets		8,960	23,729
(Increase)/decrease in contract assets	12	-	-
Increase/(decrease) in trade & other payables	13	1,919,307	1,282,492
Increase (decrease) in contract liabilities	12	1,037,283	-
Increase/(decrease) in provisions	15	(130,315)	260,848
		<u>3,980,665</u>	<u>485,467</u>
Net cash inflow from operating activities		<u>6,569,699</u>	<u>(1,845,891)</u>

21 Reconciliation of liabilities arising from finance activities

	Note	As at	Cash Flows	As at
		30 June 2019		30 June 2020
Loans		4,405,176	(513,039)	3,892,137
	14	4,405,176	(513,039)	3,892,137
		<u>4,903,335</u>	<u>(498,159)</u>	<u>4,405,176</u>
Loans		4,903,335	(498,159)	4,405,176
	14	4,903,335	(498,159)	4,405,176

Richmond Shire Council
Notes to the financial statements
For the year ended 30 June 2020

22 Changes in accounting policy

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

Adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019. In relation to AASB 16, Council has not recognised right-of-use assets and lease liabilities as at 1 July 2019 there is no operating lease where Council is a lessee.

The impact of adopting these standards and associated transition disclosures are provided below:

Revenue standards - AASB 15 and AASB 1058

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

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

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

The changes in accounting policies on adoption of AASB 15 and AASB 1058 are disclosed in Note 3.

Opening contract balances on transition at 1 July 2019

	Balance at 1 July 2019 \$
Contract liabilities	
- Under AASB 15	328,925
- Under AASB 1058	2,860,653
Total contract liabilities	3,189,578

Prior to the implementation of the new standards, Council already recognised a deferred liability of \$293,519 as at 30 June 2019 (recognised in Creditors and accruals in note 13). Therefore the retained earnings adjustment on adoption of the revenue standards was only to \$2,896,058 as disclosed in Note 12(b).

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

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

Statement of financial position at 30 June 2020

	Carrying amount per Statement of Financial Position Dr / (Cr) \$	Adjustments Dr / (Cr) \$	Carrying amount if previous standards had been applied \$
Contract assets	1,500,840	(1,500,840)	(0)
Contract liabilities -current	(6,131,405)	6,131,405	0
Retained earnings	(103,214,577)	(4,630,564)	(107,845,141)
	(107,845,142)	-	(107,845,141)

Richmond Shire Council
Notes to the financial statements
For the year ended 30 June 2020

22 Changes in accounting policy (cont.)

Statement of comprehensive income for the year ended 30 June 2020

	Balances per Statement of Comprehensive Income Dr / (Cr) \$	Adjustments Dr / (Cr) \$	Carrying amount if previous standards had been applied \$
Revenue - operating and capital			
Grants	18,140,058	2,304,141	20,444,199
	<u>18,140,058</u>	<u>2,304,141</u>	<u>20,444,199</u>

The adjustments above relate to the recognition of contract assets and contract liabilities for revenue streams where the revenue is recognised overtime rather than on receipt of funding under AASB 1004.

Statement of cash flows for the year ended 30 June 2020

The adoption of AASB 15 and AASB 1058 has not caused material changes to the Statement of Cash Flows for the year ended 30 June 2020.

23 Controlled entity that has not been consolidated

The Kronosaurus Korner Board Inc. is an incorporated association and does not have any share capital.

The financial statements of The Kronosaurus Korner Board Inc. have not been consolidated with Council's financial statements as at the reporting date due to the association's immateriality.

Information relating to the financial position of the controlled entity is set out below.

	2020 \$	2019 \$
Revenue from operations	367,554	300,383
Contributions from Council for operating funding	280,000	285,000
Expenditure from operations	(666,563)	(594,234)
Net result from operations	<u>(19,009)</u>	<u>(8,851)</u>
Assets	314,097	289,997
Liabilities	(126,630)	(83,521)
Net assets at the reporting date	<u>187,467</u>	<u>206,476</u>

Richmond Shire Council
Notes to the financial statements
For the year ended 30 June 2020

24 Transactions with related parties

(a) Subsidiaries

The group consists of Richmond Shire Council and one controlled entity. Details of the controlled entity are disclosed in Note 23.

The following transactions occurred with subsidiaries:

Subsidiary	Grants and subsidies provided by council		Goods and services supplied by council, on normal terms and conditions			
			Building Maintenance		Garbage charges	
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
Kronosaurus Korner	280,000	285,000	-	172	2,841	3,934
Total	280,000	285,000	-	172	2,841	3,934

Council provides free rental to Kronosaurus Korner, which is dependent on Council. All funding support given to subsidiaries was agreed to by the Council for the 2019-20 financial year.

(b) Transactions with Key Management Personnel (KMP)

KMP include the Mayor, Councillors, Council's Chief Executive Officer and executive management. The compensation paid to KMP for 2019-20 comprises:

	2020	2019
	\$	\$
Short-term employee benefits	966,364	826,914
Post-employment benefits	100,689	61,110
Long-term benefits	15,603	122,486
Total	1,082,656	1,010,510

Detailed remuneration disclosures are provided in the annual report.

(c) Transactions with other related parties

Other related parties include the close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members. Close family members include a spouse, child and dependent of a KMP or their spouse.

Details of transactions between council and other related parties are disclosed below and were at arms length and on commercial terms:

Details of Transaction	2020	2019
	\$	\$
Employee expenses for close family members of key management personnel	109,004	114,343
Purchase of materials and services from entities controlled by key management personnel	416,457	759,445

(i) All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with the Award for the job they perform.

The council employs 85 staff of which only 2 are close family members of key management personnel.

(ii) Council purchased materials and services from entities controlled by key management personnel. All purchases were at arm's length and in the normal course of Council operations. The total disclosed includes the following:

Purchase of materials and services from entities controlled by key management personnel	Details of related party	2020	2019
		\$	\$
Disaster assistance services	Fox Helicopters, a company controlled by Councillor Patsy-Ann Fox	7,134	540,609
Fencing and labour, materials supply and equipment hire	Golden Run Contracting, a company controlled by a close family member of Councillor John Macarthur Wharton	299,747	170,313
Hire of plant and equipment	Kuhl & Co, a company controlled by Councillor June Kuhl	17,820	
Fencing and labour, materials supply and equipment hire	Lachlan Dowling & TJ Dowling Family Trust, a company controlled by a close family member of CEO Peter Bennett	80,530	
Other materials and services	Various other related parties	11,227	48,523
Total		416,457	759,445

Richmond Shire Council
Notes to the financial statements
For the year ended 30 June 2020

24 Transactions with related parties (cont.)

(d) Outstanding balances

There are no outstanding balances at the end of the reporting period in relation to transactions with related parties.

(e) Loans and guarantees to/from related parties

Council does not make loans to or receive loans from related parties. No guarantees have been provided.

(f) 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 Richmond Council Shire. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

- Payment of rates
- Use of the Richmond Shire Council's swimming pool
- Dog registration
- Borrowing books from a council library

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

Richmond Shire Council
Notes to the financial statements
For the year ended 30 June 2020

25 Financial instruments

(a) Financial assets and financial liabilities

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

Credit risk
Liquidity risk
Market risk

Financial risk management

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

Council's management approves policies for overall risk management, as well as specifically for managing credit, liquidity and market risk.

Council's risk management policies are established to identify and analyse the risks faced, to set appropriate limits and controls and to monitor these risks and adherence against limits. The Council aims to manage volatility to minimise potential adverse effects on the financial performance of the Council.

Richmond Shire Council does not enter into derivatives.

Credit risk

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

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations. The carrying amount of financial assets represents the maximum credit exposure.

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

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

Financial assets	Note	2020	2019
		\$	\$
Cash and cash equivalents	8	10,048,021	5,801,685
Receivables - rates	9	208,262	210,758
Receivables - other	9	1,335,225	2,262,615
Total financial assets		11,591,508	8,275,058

Cash and cash equivalents

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

Trade and other receivables

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

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

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

Richmond Shire Council
Notes to the financial statements
For the year ended 30 June 2020

25 Financial instruments (cont.)

	2020	2019
	\$	\$
Not past due	1,475,851	2,364,958
Past due 31-60 days	2,336	17,356
Past due 61-90 days	640	1,099
More than 90 days	66,778	91,849
Impaired	(2,118)	(1,889)
Total	1,543,487	2,473,373

Liquidity risk

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

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

Exposure to liquidity risk

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

The Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in note 8.

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

	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
2020					
Trade and other payables	3,915,428	-	-	3,915,428	3,915,428
Loans - QTC	636,965	2,547,858	1,114,688	4,299,511	3,892,137
	4,552,393	2,547,858	1,114,688	8,214,939	7,807,565
2019					
Trade and other payables	2,069,429	-	-	2,069,429	2,069,429
Loans - QTC	636,965	2,547,858	1,751,653	4,936,476	4,405,176
	2,706,394	2,547,858	1,751,653	7,005,905	6,474,605

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

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.

Richmond Shire Council
Notes to the financial statements
For the year ended 30 June 2020

25 Financial instruments (cont.)

Interest rate risk

Richmond Shire Council is exposed to interest rate risk through investments with National Australia Bank and Suncorp Metway and borrowings with QTC.

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

Sensitivity

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

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

	Net carrying amount \$	Effect on Net Result		Effect on Equity	
		1% increase \$	1% decrease \$	1% increase \$	1% decrease \$
2020					
QTC cash fund	3,999,106	39,991	(39,991)	39,991	(39,991)
Loans - QTC*	3,892,137	-	-	-	-
Net total		39,991	(39,991)	39,991	(39,991)
2019					
QTC cash fund	5,526,071	55,261	(55,261)	55,261	(55,261)
Loans - QTC*	4,405,176	-	-	-	-
Net total		55,261	(55,261)	55,261	(55,261)

In relation to the QTC loans held by the 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.

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

QTC Client Specific Pool - client specific pool products are often rebalanced to a target benchmark duration. This partially exposes clients to the level of interest rates at the time of rebalancing. Sensitivity on these products is provided by QTC through calculating the interest effect over the period.

Fair value

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

26 Commitments for expenditure

Contractual commitments	2020	2019
Contractual commitments at end of financial year but recognised in the financial statements are as follows:		
Refuse Tip Management Contract	267,960	167,500
Swimming Pool	-	190,000
Richmond Sale Yard Services	58,000	116,000
Wild Dog Trapping	60,000	120,000
	385,960	593,500
These expenditures are payable as follows:		
Within one year	251,980	303,970
One to five years	133,980	53,530
	385,960	357,500

Richmond Shire Council
Notes to the financial statements
For the year ended 30 June 2020

26 Commitments for expenditure (cont.)

Capital Commitments

Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities:

Property, Plant and Equipment

Road, drainage and bridge network	1,203,953	198,704
Buildings	160,289	28,185
Other	48,830	980
	<u>1,413,072</u>	<u>227,869</u>

These expenditure are payables as follows:

Within one year	1,413,071	227,869
One to five years	-	-
	<u>1,413,071</u>	<u>227,869</u>

27 Events after the reporting period

The global COVID-19 pandemic and the subsequent restrictions imposed by the Commonwealth and Queensland governments have caused disruption to business and economic activity. The Commonwealth and Queensland governments implemented bio-security and specific access restrictions for remote communities, including the Richmond community. The bio-security restrictions were lifted by the Commonwealth government from 12 June 2020 and all travel restrictions including entry and quarantine requirements were lifted by the Queensland government from 3 July 2020, the latter removing and applying the same provisions as other areas of Queensland.

Council did experience challenges in securing the services of specialised trades people, in particular mechanics and electricians, required to carry out regular and necessary maintenance of Councils assets used to provide services to the community and to carry out the contract and recoverable works.

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

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

28 Impacts of COVID-19 Pandemic

Council undertook the following key actions during the current year in response to the COVID-19 pandemic, some of which will also impact the financial results for the 2020-21 financial year:

- Residential general rates increase limited to CPI for the 2020-21 financial year; and
- Council has included \$530,000 in its budget for 2020-21 for COVID-19 recovery initiatives under Works for QLD and QLD Health funding.

The impact of these measures is not material to the 2019-20 financial statements of Council and is not expected to be material for the 2020-21 financial year.

Richmond Shire Council
Financial statements
For the year ended 30 June 2020

Management Certificate
For the year ended 30 June 2020

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

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

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements 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
J.M. Wharton

Chief Executive Officer
P.L. Bennett

Date:

Date:

Richmond Shire Council
Current-year Financial Sustainability Statement
For the year ended 30 June 2020

Measures of Financial Sustainability

Council's performance at **30 June 2020** against key financial ratios and targets:

	How the measure is calculated	Actual - Council	Target
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-12.67%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	311.93%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	4.25%	not greater than 60%

Note 1 - Basis of Preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the Financial Management (Sustainability) Guideline 2013. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended **30 June 2020**.

Certificate of Accuracy
For the year ended 30 June 2020

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

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



Mayor
John Wharton

Date:



Chief Executive Officer
Peter Bennett

Date:

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

Measures of Financial Sustainability	Measure	Target	Actuals at 30 June 2020	Projected for the years ended									
				30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030
Council													
Operating surplus ratio	Net result divided by total operating revenue	Between 0% and 10%	-12.67%	-18.4%	-14.9%	15.9%	17.5%	18.9%	20.4%	18.3%	17.9%	18.3%	18.6%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	311.93%	564.9%	128.5%	172.4%	175.0%	167.8%	192.2%	193.7%	203.8%	176.3%	188.3%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%	4.25%	11.96%	12.6%	6.4%	0.3%	-6.7%	-11.9%	-19.8%	-23.7%	-30.8%	-36.1%

Richmond Shire Council's Financial Management Strategy

Council measures revenue and expenditure trends over time as a guide to future requirements and to make decisions about the efficient allocation of resources to ensure the most effective provision of services. Council ensures that its financial management strategy is prudent and that its long-term financial forecast shows a sound financial position whilst also being able to meet the community's current and future needs.

Certificate of Accuracy
For the long-term financial sustainability statement prepared as at 30 June 2020

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

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



Mayor
John Wharton

Date:



Chief Executive Officer
Peter Bennett

Date: