



ANNUAL REPORT 2018-2019







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**Attached Documents:
Annual Financial Statements**

Council Banker: Commonwealth Bank of Australia

Auditor: Auditor General of Queensland

Copies of this Annual Report can be obtained by telephoning Council on 4776 4600.

A fee of \$33 applies for printed copies or refer to Council's website www.hinchinbrook.qld.gov.au to download a pdf version.



OUR MISSION

Our Council mission is to shape a positive future for the Hinchinbrook community by understanding community needs and wants, building on our inherent strengths, recognising and maximising opportunities and facing our challenges head on. To do this, Council will wisely prioritise the use of our resources and deliver meaningful services.

We will celebrate small town living and continue to be inspired by our natural environment. We will value our heritage and embrace the future as a can do, inclusive and resilient community.

Our Council will be an active participant in shaping a prosperous future for Hinchinbrook. Council will work together with our community groups, organisations, individuals and other levels of government to deliver a flourishing community that is an exemplar of modern Northern Australian tropical living.



OUR VISION

Hinchinbrook Shire – Small Town Northern Australia – Tropical Living at its Best

Our vision for Hinchinbrook Shire is to position our community as offering the best whole of life, birth to active aged living, small town, Northern Australian, tropical lifestyle experience. We want Hinchinbrook to be known for offering a wonderful lifestyle, in one convenient, culturally diverse, prosperous and incredibly beautiful location.



HINCHINBROOK AT A GLANCE

MEDIAN AGE



50.3

LOCAL GOVERNMENT AREA

2,810km²



POPULATION

10,879



PERSONS PER HOUSEHOLD



2.3

PUBLIC PARKS

49

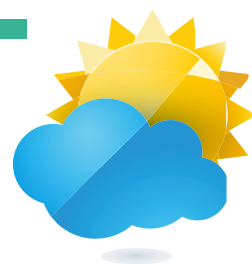


POPULATION DENSITY

4.2 PERSONS/KM²

AVERAGE TEMPERATURE RANGE

18.8°C -
27.8°C



RATEABLE PROPERTIES

6,619



RATES, LEVIES AND CHARGES REVENUE
2018-2019

\$25.1m

*Hinchinbrook Shire Council uses a range of sources to compile this information including the Australian Bureau of Statistics, Data by Region, 2016-2017 and Bureau of Meteorology.



**COUNCILLOR RAMON JAYO****Mayor of Hinchinbrook****Office of the Mayor and CEO Portfolio (Chair)**

0427 875 607

mayor@hinchinbrook.qld.gov.au

SERVICE TO COUNCIL: ELECTED 30 MARCH 2016

2018-2019 proved yet another demanding year on many fronts, the least being damage and disruption caused by the monsoon event in January – February 2019, the effects of which are still being felt.

Over \$10 million damage to community infrastructure was sustained and from a district productivity perspective, cane yield loss is estimated at approximately 1 million tonne.

Despite the impacts, the most pleasing aspect of the year was the resilience shown by our community and the speed and efficiency in attending to clean up and returning life to normal, or as best part of normal as possible, with little fuss. It would be remiss of me not to acknowledge the State and Federal Governments for the disaster relief funding support for this district. The funding has enabled much damage to be repaired and has proved an excellent economic stimulus for employment and job opportunities in the district.

In addition to the disaster repair work, I am pleased to report that Council staff were able to implement a significant portion of the district capital works program with notable jobs achieved including -

- Footpath and kerb and channel rehabilitation from Lannercost Street adjacent to Hawkins Street;
- Kerb crossing improvements undertaken on non-compliant crossings;
- Nebbias Road, Zammits Road and Jourama Road seal extension works;
- Dungeness Floating Walkway;
- Mt Fox camp ground – new septic system installed;
- Replacement sewerage switchboards installed;
- Water Main renewed in Lyon Street;
- Resealing works on Wallaman Falls Road, Elphinstone Pocket Road, Four Mile Road and Taylors Beach Road;
- Rehabilitation works on Cooks Lane;
- Lucinda swimming enclosure improvement works;
- Wallis Street widening;
- Boat Ramp Road seal extension;
- Upgrade from gravel to seal of Palm Street parking area; and
- New playground equipment at Vince Corbett/Progress Park.

Council's commitment to job creation through diversification has not waived and much work has been undertaken in areas of agriculture and tourism development during the year.

A study into suitability of complimentary crops to sugar cane was completed and released and workshops held with interested growers towards facilitating complementary cropping.

Workshops have also been held to determine pathways for value adding to cane through the renewable energies and Queensland Biofutures Program and works to propel our cane industry into the green energy space continues.



We have a strong focus on delivering community events and the economic benefits to the community are steadily increasing.

Significant scientific research has been undertaken towards meeting the environmental criteria to establish better marine access for our community recreational users and visitors alike and we are now in a position to state our case to the State Government without further delay.

From a financial perspective, I am pleased to report that Council again achieved an unqualified audit report and that the sustainability ratios continue to be met. We have achieved this outcome whilst limiting rate increases below inflation and looking closely at costs and expenditure in general.

An ongoing effort of this Council is to finalise legacy issues requiring significant capital expenditure. Issues include remediation works to Warrens Hill damaged as a consequence of Cyclone Yasi activities, ongoing issues with information technology systems and replacement repairs to ageing Shire Hall airconditioning and catering equipment, to name a few.

The above represent only a snapshot of works and activities for the year, but more detailed and in depth information is documented in the reports following. I recommend the reading to you as a more detailed account of Council's operations.

In closing, may I assure you that Councillors and staff are working hard towards achieving outcomes for the future attractiveness, appeal and sustainability of our community and will continue to do so to make our community a prosperous and liveable place for which it has been traditionally known.

I sincerely thank my fellow Councillors, CEO Alan and all staff for their continuing loyalty, hard work and dedication to our community.

Ramon Jayo
Mayor
Hinchinbrook Shire Council





COUNCILLOR MARY BROWN

Deputy Mayor

Development and Planning Portfolio (Chair)

Office of the Mayor and CEO (Deputy)

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SERVICE TO COUNCIL: ELECTED 30 MARCH 2016

This past year has been a very eventful year across the region with varying weather events challenging our community. As a community, we rally together and with support agency assistance, we have worked hard to overcome the impact of these events and continue to strive to grow and sustain our vibrant way of life.

The focus on tourism development in the Shire has continued this year, with the economic development team continuing to work on marketing the Shire, supporting industry to develop their tourism products, and ultimately attract more visitation to the Shire. Currently work on the early development of several significant projects which are expected to drive increased visitation to the Shire is underway.

The announcement that three significant projects to the west of the Shire are progressing toward construction phase, will provide opportunities for local businesses, and employment to Shire residents. Local information sessions in relation to these projects have been exceptionally well attended, with proponents confirming their appreciation of the interest shown and committed to updating the community on progression to construction.

Business investment in the Shire continues to be seen, and with so many potential opportunities emerging within the region, the year ahead is promising. Council will continue to strive to ensure the Shire is well placed to capitalise on any prospects.



COUNCILLOR ANDREW CRIPPS

Community Services Portfolio (Chair)

Corporate Services Portfolio (Deputy)

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SERVICE TO COUNCIL: ELECTED at COUNCIL BY-ELECTION

16 OCTOBER 2018

It has been my pleasure to serve the Hinchinbrook community as a Councillor since October 2018. I thank the community for their support. I would also like to thank Council staff for the friendly way they have welcomed and worked with me.

In the Community Services area, the most significant initiative in Council's 2019-2020 budget is the sizeable reduction in hire fees for Council facilities, including the Shire Hall, Hinchinbrook Meeting Place, Ingham Showgrounds and the Halifax Hall.

Council has re-established the Ingham Showgrounds Users Advisory Management Committee, to guide future use priorities. With the completion of the under-cover arena, Council has worked with a number of users to host several events using this new facility.

Council is keen to see the Ingham Showgrounds once again become a hub for the community. In the area of Corporate Services, Council has focused on maintaining our financial sustainability and minimising any necessary cost increases.

It has been a pleasure to represent Council at meetings of the Herbert River Pastoral and Agricultural Show Association, Forrest Beach Progress Association, North Queensland Sports Foundation and the Lower Herbert Water Management Authority.



COUNCILLOR ANDREW LANCINI

Environmental Services Portfolio (Chair)

Development and Planning Portfolio (Deputy)

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SERVICE TO COUNCIL: RE-ELECTED 30 MARCH 2016

PREVIOUS TERMS: 6 APRIL 1994 TO 9 MAY 2012

Environmental Services have been involved in a number of initiatives during the 2018-2019 financial year including the introduction of single use plastic bag ban, introduction of the container refund scheme and Pelorus Island wild goat control program. Preparations for the implementation of the Waste Disposal Levy have been undertaken with a focus on the Shire's commercial sector. Also, reform into animal management fees and charges and community consultation with regard to the number of animals permitted to be owned under a permit system under the Local Law were undertaken. Council again participated in the Future Leaders Eco Challenge with local schools and the Great Barrier Reef Marine Park Authority.



COUNCILLOR KATE MILTON

Environmental Services Portfolio (Deputy)

Infrastructure Services Delivery Portfolio (Deputy)

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SERVICE TO COUNCIL: ELECTED 30 MARCH 2016

The start to 2019 was exceptionally wet causing many problems for Council's infrastructure service delivery as well as a very late start to the planting season for many farmers in the district. Erosion in paddocks, creeks and rivers has been a cause of concern for all. Cattle producers experienced a troubled start to the year with some cattle losses as well as many fences and roads needing replacement and repairs. The Category D funding of up \$75,000 for affected farmers and graziers has gone a long way in aiding the recovery process. Council recognised the hardships experienced by the community as a whole and used funding provided by the Federal Government to provide a 0% General Rate increase as well as addressing drainage issues in the Shire.

Staff have been busy controlling weeds and feral pigs within the Shire. We were on the verge of being ticked off, to having eradicated Mikania Vine. A new infestation on the banks of the Herbert River has seen staff respond quickly to control and investigate for further spread.

A hot topic this year is the spread of Navua Sedge in the Shire. Council has been working with landholders and government representatives to identify concerns regarding Navua Sedge as well as lobbying for funding to investigate biocontrol agents and other methods to manage this invasive weed.

The implementation of the State Government's waste levy has seen changes to the way we manage commercial rubbish. Council encourages everyone to recycle as much waste as possible to avoid having to pay the levy as well as reducing waste to landfill. The container collection depot at Mams has been well received with many individuals and groups taking advantage of the opportunity to raise revenue.

The past 12 months has been very busy for Council and I would like to commend and thank our staff for the service and commitment they have provided to our community.



COUNCILLOR MARC TACK

Corporate Services Portfolio (Chair)
Community Services Portfolio (Deputy)

0437 015 884

mtack@hinchinbrook.qld.gov.au

SERVICE TO COUNCIL: ELECTED 17 MAY 2012

In the past twelve months, through the proactive approach of Councillors and staff, Council has achieved a number of significant milestones in relation to providing infrastructure, facilities, and a number of new community services.

The water park at the Ingham pool and toilets in Lannercost Street as well as a number of significant maintenance and capital projects have been delivered. Council has also achieved a balanced budget with no increase in general rates.

I would like to take this opportunity to thank Councillors and staff for their commitment and support over the last twelve months.



COUNCILLOR WALLY SKINNER

Infrastructure Services Delivery Portfolio (Chair)

0408 724 324

wskinner@hinchinbrook.qld.gov.au

SERVICE TO COUNCIL: ELECTED 17 MAY 2012

The last year has seen Council in familiar territory with balancing the impacts of further natural disasters as well as the need to provide services, perform maintenance and deliver capital works. A number of long awaited projects were completed in relation to bitumen sealing, drainage improvements, dust nuisance remedies and bridge upgrades. These works will have a positive impact on the liveability of the Shire for our residents.

Managing the Natural Disaster Relief and Recovery Arrangements has placed considerable additional workload on Council staff and they are to be commended for their efforts. Getting the optimum return from our submissions to Federal and State Governments relies on significant attention to detail and record keeping and our efforts have not gone unrewarded. We have had a high percentage of acceptances of our claims meaning ratepayers are not out of pocket as a result of the impact of these weather events.

Our staff has also placed considerable additional focus on the maintenance and upgrade of our public open spaces and cemeteries. This has resulted in a more pleasurable user experience and we have noticed increased utilisation of our parks following the provision of much improved playground equipment at Forrest Beach and the new covered shelters in Herbert Street to name a couple.

All in all, we can look back on a year of solid performance and a Council ending the financial year in a sound fiscal position. I believe Councillors and staff can feel well satisfied with their efforts on behalf of our residents and visitors.





2018-2019 COUNCIL COMMUNITY EVENTS

JULY

- NAIDOC Flag Raising Ceremony (TCEC)
- Think Business - Superannuation and Success (REC)
- Exhibition – 41 Hinchinbrook Art Awards (TRAG);
- Workshops Sally Moroney Tree of Life Dream Catcher (TRAG)
- Workshops Pam Findlay children's introduction to painting (TRAG)
- Silver Beard – Magic Show – School Holiday Activity (HSL)
- Food Art – Halifax Library – School Holiday Activity (HSL)

AUGUST

- Think Business - Accounting in Business (REC)
- Seniors Workshop – Floral Art – Janeen Hulbert (TRAG)
- Seniors Workshop – Pencil Drawing – Barbara Horsley (TRAG)
- Seniors Workshop – Macramé Renee Poppi (TRAG)
- Trainee E-Skills (HSL)
- Genealogy Workshop (HSL)
- Kookoo Kookaburra – Children's Show (HSL)

SEPTEMBER

- Think Business - Business Plans and Planning (REC)
- Workshop – Mini Mosaic Linda Bates (TRAG)
- Workshop – Bead making Linda Bates (TRAG)
- Coding and Robotics (HSL)

OCTOBER

- Think Business - Small Business Tips (REC)
- Exhibition - Art-tones (TRAG)
- School Holiday workshops – Portraits (TRAG)
- School Holiday workshop – Introduction to Printmaking (TRAG)
- Workshop – Bead making (TRAG)
- Indigenous Tiny Tots (HSL)

NOVEMBER

- Teatro alla Scala Ballet performance Halifax (REC)
- Think Business - Legal Safeguard your Business (REC)
- Exhibitions – Ingham State High School; Josie Barrett Indigenous painting group; Ever Glow craft group (TRAG)
- Workshop – Christmas wreaths and Christmas trees using natural materials (TRAG)
- Digital Honour Roll – Interactive Screen Unveil - Mini Museum (HSL)

DECEMBER

- Festival of Small Halls (REC)
- Christmas in Hinchinbrook (REC)
- Santa Claus Hunt (HVIL)
- Exhibition – Ingham Arts Action annual exhibition (TRAG)
- Wearable Art information night and concept development workshop (TRAG)
- Workshops – Christmas crafts (TRAG)

JANUARY

- Home Day Care Visit (HSL)
- Summer Reading Club – Presentation Party
- Messy Play – Inaugural (HSL)

FEBRUARY

- Yoga for Mums and Bubs (TCEC)
- Exhibition – Wanderlust – Flying Arts Touring Exhibition (TRAG)
- Flying Arts workshop – lino cut and motion picture collage (TRAG)
- Library Lovers (HSL)
- Genealogy Workshop (HSL)

MARCH

- Think Business - Digital Marketing for Business (REC)
- Exhibition – Kevin McNamara – Traditional Woodcarving (TRAG)
- Robo Connect (HSL)
- Tech @ TYTO (HSL)

APRIL

- Movie Magic (TCEC)
- Think Business: One on One Digital Marketing mentoring sessions (REC)
- Easter Egg Hunt (HVIL)
- Exhibition – 5th Annual Birdlife Awards (TRAG)
- Zany Zoo and Baby Welcoming Ceremony (HSL)
- National Heritage Month (HSL)

MAY

- Find Your Future in Hinchinbrook (REC)
- Tasman Turtle's Picnic Day (TCEC)
- Yoga for seniors exclusive (TCEC)
- Think Business: Marketing essentials for Business and Event Coordinators (REC)
- Exhibition – Wearable Art – Response to Wetlands (part of Tasman Turtle event) (TRAG)
- National Heritage Month (HSL)
- F5F Sensory Play Tent – Tasman Turtle Picnic Day (HSL)
- Genealogy Workshop (HSL)
- National Simultaneous Story Time (HSL)
- Cyber Safety Workshop (HSL)

JUNE

- I Spy at TYTO – School Holiday Activity (HSL)

REGULAR EVENTS

The following community events occurred on a regular basis in 2018-2019:

- Movie Magic (TCEC)
- Tea and Trivia (TCEC)
- Hinchinbrook Bird Count (HVIL)
- TYTO Wetlands Guided Tours (HVIL)
- Sugar Tracks Tours (HVIL)
- TYTO Wetlands Nature Walk (HVIL)
- Tiny Tots (HSL)
- Story Time (HSL)
- E-Skills (HSL)
- Freestyle Audio (HSL)
- Pilates in the Parklands (TCEC)

TRAG - TYTO Regional Art Gallery
HSL - Hinchinbrook Shire Library
HVIL - Hinchinbrook Visitor Information Lounge

REC - Regional Events Coordinator
TYTO - TYTO Parklands
TCEC - TYTO Conference and Events Centre





ALAN RAYMENT

Chief Executive Officer

It is an honour to be representing the Hinchinbrook Shire Council as its Chief Executive Officer.

The Annual Report is an essential document that provides a summary of the organisations achievements throughout the year whilst linking those aspects in the context of financial sustainability and compliance.

Throughout the year, Councillors worked to establish Policy and Direction while staff worked across a wide variety of projects implementing important maintenance and capital (upgrade/new) tasks. There is a need for Council to both manage the day to day maintenance and operational tasks with that of the long term needs for the community. As such, Council remains vigilant in assessing both aspects and actioning same.

Achieving financial sustainability, whilst maintaining and improving services to sustain a vibrant and liveable community, are key milestones for any progressive local authority. In order to minimise pressure on ratepayers, Council has actively pursued external revenue opportunities to reduce such pressure and to improve functionality of our Shire. Accordingly external funding of significance was delivered for the following projects:

- QRA Flood Damage Roadworks;
- Digital Honour Roll - Putting a Face and a Story to a Name;
- Flood Monitoring Instruments - Remote Cameras and River Gauges;
- Kerb Crossings;
- Hinchinbrook Shire Library - Tech Savvy;
- Age Friendly Seating; and
- Pig Eradication and Management Program.

Whilst increasing revenue is essential, so too is the containment and understanding of operational expenditure in order to remain a financially sustainable local authority. Council continually assessed the cost benefit and asset management impacts of projects and tasks. This aspect is ongoing and as our organisation matures in this space, it is pleasing to report that our budgeted projection was improved by \$2,494,217.

More assessment and initiatives are planned for the upcoming year but importantly, Council finalised 2018-2019 in a strong financial position. It has the ability to take advantage of opportunities and progress initiatives that will benefit the Shire into the future.

Following on from the March 2018 flood events, our Shire was again subjected to significant natural disaster events that impacted not only the community, but also the ability for planned projects to be completed. Extreme heat conditions and bush fires in November 2018 were subsequently superseded by riverine flooding and flash flooding events throughout December 2018 to March 2019. During these events, Council continued to adapt and manage the issues in association with the community via a mature Natural Disaster Management framework.

Importantly, Council worked effectively to assess the damage that disrupted significant road and civil construction projects to not only have the functionality of road networks reinstated, but also to provide much needed economic stimulus to our local businesses. Accordingly, the following were significant packages of works released and actioned utilising special flood damage funding:

- \$2.8M of reconstruction works have been completed on Wallaman Falls Road; and
- \$1.8M of Emergent Works repairs were undertaken following heavy rains in December 2018 and Monsoonal Rain/Flooding in February/March 2019.

It is acknowledged that other capital works projects were impacted with the extreme weather however a large



number of projects were successfully completed:

- \$7.8M spent on roads infrastructure across the Shire including:
 - \$280k on Cooks Lane;
 - \$150k footpath rehabilitation ;
 - \$320k bitumen reseals;
 - \$70k Taylors Beach (Victoria Creek) dredging;
 - \$170k kerb crossing improvements;
 - \$320k Nebbias Road bitumen seal extension;
 - \$200k Barberos Road bitumen seal;
 - \$150k Jourama Road bitumen seal upgrade;
 - \$797k shared concrete pathways (Building our Regions);
 - \$700k Long Pocket Road bitumen upgrade;
 - \$480k Bosworths Road bitumen upgrade;
 - \$270k Stone Street bitumen widening; and
 - \$250k Forrest Beach (Vince Corbett Park) playground upgrade.
- \$1.3M spent on Water and Sewerage Infrastructure;
- \$3.7M committed to major upgrade of the Ingham Water Treatment Plant;
- \$300k spent on Ingham CBD Amenities;
- \$300k spent on Herbert Street Shelters;
- The 2017-2019 Works 4 Queensland scheme was completed:
 - Lucinda swimming enclosure;
 - Multipurpose Sports Arena;
 - Toilet block Lannercost Street;
 - Bosworths Road seal;
 - Shade structure Mercer Lane and Johnstone Street carpark;
 - Wallis Street widening;
 - Boat Ramp Road, Taylors Beach sealing;
 - Stone Street widening;
 - Herbert Street space activation;
 - Palm Street, Forrest Beach; and
 - Vince Corbett Park playground.

Other improvements and initiatives commenced throughout 2018-2019 were:

- Update to Council's branding;
- Adoption of Council Identity Manual;
- Implementation of Developmental Leadership Group;
- Update of Safety framework; and
- Review of Development Action Plan.

As 2018-2019 came to a successful close, significant budgeting, planning and considerations were being planned for the 2019-2020 year. The upcoming year will be challenging but also an opportunity for our organisation to develop and mature in its aim to deliver effective services for the community of Hinchinbrook.

Alan Rayment
Chief Executive Officer
Hinchinbrook Shire Council



EXECUTIVE MANAGEMENT TEAM

	CORPORATE SERVICES	DEVELOPMENT, PLANNING AND ENVIRONMENTAL SERVICES
RESPONSIBILITIES	<ul style="list-style-type: none"> • Strategic Financial Management • Information Technology and Communication Services • Customer Services • Records Management • Finance and Accounts • Budget Management • Treasury, Insurance and Governance • Facilities Management • Public Amenities 	<ul style="list-style-type: none"> • Economic Development • Town Planning • Building and Regulatory Services • TYTO Precinct • Land Dealings and Leasing • Environmental Health Services • Business Licensing • Mosquito Control • Animal Management • Local Laws • Cemeteries • Waste Management • Natural Resource Management • Community Services
HIGHLIGHTS	<ul style="list-style-type: none"> • The Queensland Audit Office assessment of Council's overall financial sustainability was found to be low risk • Queensland Audit Office recognition by green traffic light of timeliness, quality of financial statements and effectiveness of internal controls • Overseeing Council's operations to be within Budget for 2018-2019 • Successful completion of the year's statutory accounts, including an unqualified audit report • Successful preparation of the 2019-2020 budget within financial constraints • Maintaining Council facilities and communication with facility lessees to support the liveability of Hinchinbrook Shire • Recognising value from implementing improvements based on the internal audit program 	<ul style="list-style-type: none"> • Community consultation on number of animals permitted to be owned under a permit system • Significant reform to animal management fees and charges to reflect intent of legislation • Queensland Government funded software upgrade at weigh-bridge in preparation for waste levy implementation • Preparations for waste disposal levy implementation with a focus on the Shire's commercial businesses for community engagement opportunities • Pelorus Island wild goat control program • Introduction of single use plastic bag ban and container refund scheme • Future Leaders Eco Challenge (FLEC) with local schools and GBRMPA • Planning Scheme implementation • Introduction of the Development Planning App • New Lease Agreement for the Hinchinbrook Aquatic Centre • Renewal of ongoing Leases/Agreements
CHALLENGES	<ul style="list-style-type: none"> • Management of ever-changing IT environment • Ongoing management of budgetary pressures • Maximising value from the records, customer service and financial software services • Managing budgeting and rating during significant property valuation changes • Attracting suitably skilled staff to fill positions 	<ul style="list-style-type: none"> • Environmental Evaluation issued by Department of Environment and Science to implement leachate management requirements at Warrens Hill Waste Facility • Waste disposal levy implementation • Resourcing constraint for waste management and compliance • Cemetery historical records database

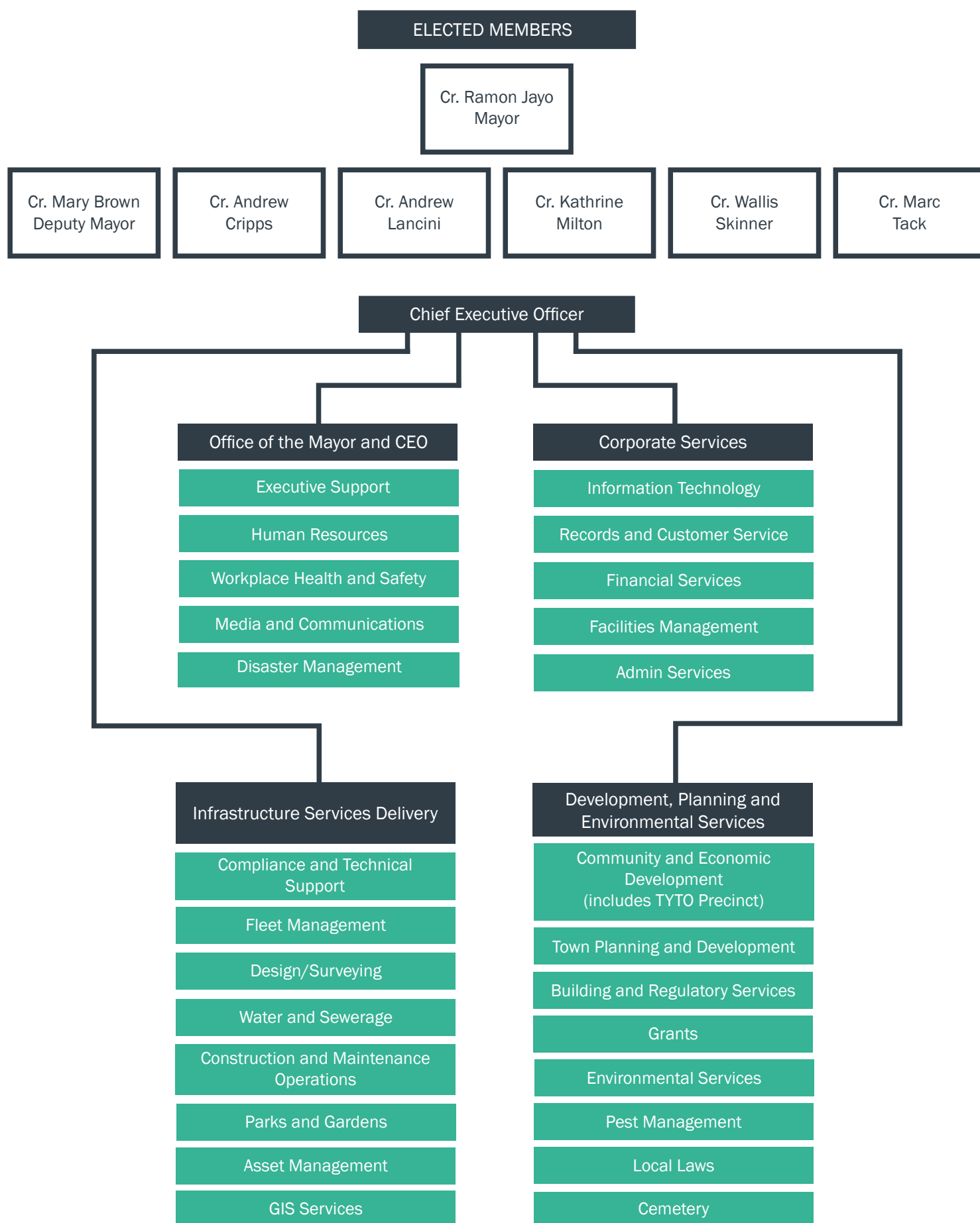


EXECUTIVE MANAGEMENT TEAM

	INFRASTRUCTURE SERVICES DELIVERY	OFFICE OF THE MAYOR AND CEO
RESPONSIBILITIES	<ul style="list-style-type: none"> • Roads • Drainage • Water and Sewerage Services • Technical Support • Assets and Geospatial Information Services • Plant Management • Survey • Parks and Gardens 	<ul style="list-style-type: none"> • Human Resources • Workplace Health and Safety • Executive Support • Media and Communications • Disaster Management • Community Engagement • Public Consultation • Governance • Policy Frameworks • Statutory Compliance • Representation to Government - State and Federal
HIGHLIGHTS	<ul style="list-style-type: none"> • Completion of the Wallaman Falls landslip project • Upgrade of the Dungeness boat ramp pontoon • Continued roll out of the footpath connectivity project funded by Building our Regions program • Completion of dredging of Taylors Beach - Victoria Creek to maintain marine access • Completion of Long Pocket Road - bitumen widening project 	<ul style="list-style-type: none"> • Implementation of the Council Identity Manual • Successful public communication during disaster and emergency events • Three existing Trainees completed their Traineeships with two remaining with Council and one gaining other local employment • Three new Trainees and one Apprentice commenced in March 2019 • New Strategic Safety Plan approved and operational • Corporate Safety Risk Register completed • Disaster Management Pillowcase Project educational program delivered to year 3 and 4 students throughout the district • Production of Hinchinbrook's Emergency Action Guide • Implementation of Senior Leadership Team and Developmental Leadership Group
CHALLENGES	<ul style="list-style-type: none"> • Sustained periods of wet weather and heavy rain throughout the year including two separate natural disasters in December 2018 and February 2019 	<ul style="list-style-type: none"> • Restructure and review of Workplace Health and Safety systems • Disaster Management funding constraints • Community education and engagement in economic development and diversification



ORGANISATIONAL STRUCTURE





**Corporate Plan
5 Year**



**Operational Plan
12 Month**



**Budget
12 Month**



Council's 2018-2019 Annual Report demonstrates our desire to improve our commitment to accountability and transparency. The report provides an overview of our activities, actions and outcomes from the period of 1 July 2018 through to 30 June 2019.

Reported items link back to Council's 12 month Operational Plan and five year Corporate Plan. The Community Financial Report for this year commences on page 66.

As a resident, ratepayer, investor, business or community member you have an interest in understanding what Council is achieving. This report aims to give you that information in a user friendly format while fulfilling our legislative responsibilities to govern and deliver in an open and transparent manner.

Some of the information in this report is what Council is required to present, some is ancillary information that may be of interest and some is clearly provided for the feel good factor, to celebrate what we are and who we are as an organisation and as a community.





View along the Herbert River, Hinchinbrook Shire.

CORPORATE AND OPERATIONAL PLAN OUTCOMES

STRATEGIC DIRECTION ONE

FISCALLY RESPONSIVE AND RESPONSIBLE MANAGEMENT OF PUBLIC INFRASTRUCTURE AND ASSETS

Hinchinbrook Shire Council builds, owns and funds the maintenance of infrastructure that it sees as a benefit to the community. In some areas Council is the only entity that will perform the function of providing public infrastructure. Council provides public infrastructure on the basis that it is an asset to the community, that the community values the provision of this infrastructure and that the infrastructure provides a contribution to the community that is tangible, vital and essential.

Council is committed to supplying infrastructure in an efficient and coordinated manner that provides consistent delivery of services and is seen as value for money by the users of such infrastructure. Further, Council considers infrastructure provision with regard to the impacts on the natural environment, the value add of the amenity to existing infrastructure, and health and safety of the community.

Council will ensure a coordinated and integrated approach to infrastructure planning, implementation, maintenance and renewal. Public infrastructure and assets provided by Council can include:

- Road and drainage network
- Water and sewerage network
- Waste management and transfer station facilities
- Hinchinbrook Aquatic Centre
- TYTO Precinct
- Parks, gardens and reserves with pathways, structures, playgrounds, fitness equipment and picnic facilities
- Marine recreational infrastructure - boat ramps, jetties and fishing platforms
- Buildings, like the Shire Hall, smaller community halls and the Kelly Theatre



STRATEGIC DIRECTION ONE

- 1.1 Plan and execute timely preventative maintenance regimes that extend the useful life of roads, water and sewerage network infrastructure in a cost effective manner

- 1.2 Plan and execute timely preventative maintenance regimes for building assets that extend the useful life in a cost effective manner

- 1.3 Ensure that proposed extensions to road, water or sewerage networks have a demonstrated social and economic imperative

- 1.4 Be open to innovative and alternate solutions for the provision of ongoing public infrastructure needs

- 1.5 Ensure that public infrastructure contributes to lifestyle aspirations of current residents, underpins population attraction and acts as an enabler for economic growth in tourism in particular

1.1 PLAN AND EXECUTE TIMELY PREVENTATIVE MAINTENANCE REGIMES THAT EXTEND THE USEFUL LIFE OF ROADS, WATER AND SEWERAGE NETWORK INFRASTRUCTURE IN A COST EFFECTIVE MANNER

ASSET MANAGEMENT ACTIVITIES

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Continued refinement of long term asset management plans	1.1.1	Continued improvement of Asset Data and condition rating information as identified in the adopted Asset Management Plans, in particular to ensure annual diminution of life is accurately reflected by June 2019	Infrastructure Services Delivery	Corporate Services

Transport assets and Building assets have been reviewed and condition rated throughout all asset classes. The Transport asset unit rates have also been reviewed and updated where required based on actual production rates or first principle calculation of unit rates.

ROADS HEIRARCHY

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Development of a roads hierarchy and associated service levels	1.1.2	Review and rationalise categorisation of Class 5 and 6 roads across the network to improve equity and consistency of road infrastructure services provided for the Community	Infrastructure Services Delivery	Corporate Services

A comprehensive review of the road register has been undertaken and geo-spatial mapping of the road formations has been completed.

Significant work has been completed to contribute to the updating of road maintenance policies and practices to achieve the equitable management of road assets, in particular the end of network unsealed roads.

MAINTENANCE REGIMES

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Planned preventative maintenance regimes are comprehensive in nature and costed for inclusion in ten year forward budgets	1.1.3	Continued improvement of the Transport Asset maintenance annual schedule by June 2019	Infrastructure Services Delivery	Corporate Services

Works scheduling across transport, storm water and public open spaces has been completed and is now part of routine reporting to Council on a 3 monthly basis.

1.2 PLAN AND EXECUTE TIMELY PREVENTATIVE MAINTENANCE REGIMES FOR BUILDING ASSETS THAT EXTEND THE USEFUL LIFE IN A COST EFFECTIVE MANNER

PREVENTATIVE MAINTENANCE PLANS

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Development of preventive maintenance plans for all building assets, including exit strategies for assets deemed surplus to needs	1.2.1	Refine preventative maintenance plan and include in ten year budget for Council owned buildings	Development, Planning and Environmental Services	Corporate Services

All building assets are inspected on an annual basis to inform current and future year budgets that will allow the assets to reach their potential useful life.

Further scrutiny of unplanned maintenance works into categories is being developed to identify any areas that may have been overlooked in budgeting for scheduled maintenance.



1.3 ENSURE THAT PROPOSED EXTENSIONS TO ROAD, WATER OR SEWERAGE NETWORKS HAVE A DEMONSTRATED SOCIAL AND ECONOMIC IMPERATIVE

WATER SECURITY

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Investigate Water Security options for the Hinchinbrook Shire Water Scheme	1.3.1	Progress the Como Road Bores duplication and Ingham Water Treatment Plant upgrade project to completion and commissioning by June 2019	Infrastructure Services Delivery	Corporate Services

Significant works were completed by June 2019, with commissioning of the project forecast for December 2019.

CANE EXPANSION AREAS

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Investigation of access to identified cane expansion areas in collaboration with industry stakeholders	1.3.2	Business case and funding models explored on a case by case basis. Study to investigate agricultural viability for the diversification of primary production as well as expansion of cane production.	Development, Planning and Environmental Services	Corporate Services

North Queensland Agricultural Market and Supply Chain Study was launched and the Agricultural Diversification initial report has been finalised.

1.4 BE OPEN TO INNOVATIVE AND ALTERNATE SOLUTIONS FOR THE PROVISION OF ONGOING PUBLIC INFRASTRUCTURE NEEDS

PRIORITY INFRASTRUCTURE

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Prior to the end of useful life of current assets review innovative and alternate solutions	1.4.1	Local Government Infrastructure Plan will commence 2 July 2018	Development, Planning and Environmental Services	Corporate Services

The *Local Government Infrastructure Plan* has been adopted as part of the *Hinchinbrook Shire Council 2017 Planning Scheme*.

1.5 ENSURE THAT PUBLIC INFRASTRUCTURE CONTRIBUTES TO LIFESTYLE ASPIRATIONS OF CURRENT RESIDENTS, UNDERPINS POPULATION ATTRACTION AND ACTS AS AN ENABLER FOR ECONOMIC GROWTH IN TOURISM IN PARTICULAR

DREDGING DUNGENESS

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Maintain access to and improve recreational boating and fishing facilities	1.5.1	Continue works towards achieving deep water access for marine tourism and recreational purposes	Infrastructure Services Delivery	Development, Planning and Environmental Services

Consultation with referral agencies has been undertaken along with environmental impact studies and coastal engineering and modelling of the proposed dredging with the aim of Council submitting a Development Application.



RECREATIONAL BOATING FACILITIES

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Maintain access to and improve recreational boating and fishing facilities	1.5.2	Carry out Quantity Surveyor Report and Business Plan for Forrest Beach marine access	Infrastructure Services Delivery	Development, Planning and Environmental Services

Quantity Surveyor Report has been completed. A further engineering assessment of the various options including alternative locations such as Cassady Creek was also undertaken to identify the best options available.

IMPROVEMENTS TO RECREATIONAL BOATING FACILITIES

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Maintain access to and improve recreational boating and fishing facilities	1.5.3	Advocate for improvement of recreational boating facilities	Infrastructure Services Delivery	Development, Planning and Environmental Services

Mayor travelled to Canberra to lobby the Federal Government for improved access to Dungeness, Lucinda via dredging.

Upgrade of the Dungeness boat ramp was completed to provide additional pontoon facilities to the existing boat ramp which was funded by the Department of Transport and Main Roads.

PARKS AND RESERVES HIERARCHY

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Development of a parks and reserves hierarchy and associated service levels	1.5.4	Complete community engagement on parks and reserves service level expectations and private land maintenance by 31 December 2017	Development, Planning and Environmental Services	Corporate Services

Park Hierarchy and levels of service have been discussed with Council and financial analysis of current levels of service are reported to Council on a monthly basis.



Rotary Park, Ingham.



STRATEGIC DIRECTION TWO

RESPONSIVE AND RESPONSIBLE MANAGEMENT OF LAND

Hinchinbrook Shire Council seeks to achieve a sustainable, well managed and enviable natural and built environment. That is a Shire that provides a balance between the development of built infrastructure, demonstrating sound land use principles, while valuing the conservation of our diverse natural resources for the enjoyment of all. This will be achieved by delivering an enabling Town Planning Scheme, by the development of natural resource management plans, and increasing community awareness of associated issues.

STRATEGIC DIRECTION TWO

2.1 Delivery of a robust and meaningful Town Planning Scheme

2.2 Provision of reliable flood data and intelligence

2.3 Riverine and riparian environment and management

2.4 Natural resource management



2.2 PROVISION OF RELIABLE FLOOD DATA AND INTELLIGENCE

REVISED FLOOD STUDY

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Revision of the existing flood study	2.2.1	Investigate external funding opportunities for flood resilience projects such as the Bridge over Palm Creek (Dutton Street)	Infrastructure Services Delivery	Development, Planning and Environmental Services

Funding has been secured for completing detailed design, specifications and documentation of the Dutton Street Bridge.

2.3 RIVERINE AND RIPARIAN ENVIRONMENT AND MANAGEMENT

FUNDING OF THE HERBERT RIVER IMPROVEMENT TRUST

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Funding of the Herbert River Improvement Trust	2.3.1	Funds allocated and payment will be made in accordance with arrangements by Herbert River Improvement Trust	Office of the Mayor and CEO	Corporate Services

Council contribution for 2018-2019 was paid.

2.4 NATURAL RESOURCE MANAGEMENT

PEST AND WEED MANAGEMENT – VECTOR CONTROL AND PUBLIC EDUCATION

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Pest and weed management activities	2.4.1	Continuous monitoring and improvement of vector control practices and public education delivered by June 2019	Development, Planning and Environmental Services	Nil

Greening Australia is a key stakeholder with the Palm Creek system to improve its natural function and to control pest and weed infestations, silting up, lack of fish passage and poor riparian corridors.

HINCHINBROOK PEST MANAGEMENT PLAN

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Pest and weed management activities	2.4.2	Review and implement the <i>Hinchinbrook Local Government Area Biosecurity Plan</i> in cooperation with primary producers and other key stakeholders by June 2019	Development, Planning and Environmental Services	Infrastructure Services Delivery

Council has secured \$100,000 over 3 years from Greening Australia to implement initiatives. These include weed control, and re-vegetation activities and control of Feral Pigs.



HINCHINBROOK COMMUNITY FERAL PIG MANAGEMENT

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Pest and weed management activities	2.4.3	Continue the <i>Hinchinbrook Community Feral Pig Management Program</i> – implement all activities by June 2019	Development, Planning and Environmental Services	Infrastructure Services Delivery

646 feral pigs controlled, which has helped rejuvenate mangroves and wetlands and breeding turtles, all of which suffer loss to marauding pigs.

REVEGETATION PROJECTS

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Involvement in catchment management activities	2.4.4	Develop, assist with and carry out revegetation projects including promotion of <i>National Tree Day</i> by 30 June 2019	Development, Planning and Environmental Services	Infrastructure Services Delivery

Community events such as tree planting adjacent to TYTO wetlands were undertaken in July 2018. Council continues to work closely with volunteer groups, and the State Government regarding the Flying Fox Roost.

REEF GUARDIAN ACTION PLAN

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Stewardship of the Great Barrier Reef	2.4.5	Implement agreed activities from the Reef Guardian Action Plan by June 2018	Development, Planning and Environmental Services	External Agencies

Council have worked closely with all stakeholders and continues to be committed to protecting the Great Barrier Reef and implementing the Reef Guardian Action Plan.

BIOSECURITY

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Biosecurity	2.4.6	Meet Council's obligations under the new <i>Biosecurity Act 2014</i> preventing, responding to and assisting recovery from pests and diseases, thereby keeping Hinchinbrook's land and environment healthy and resilient	Development, Planning and Environmental Services	External Agencies

Council had a very productive year meeting all obligations under the *Biosecurity Act 2014* by managing numerous pest species across the Shire. These species included Acacia, Mikania Vine, Pond Apple, Thunbergia, Hygrophilia and Singapore Daisy eradication programs.

Council also continued the Wild Dog and Feral Pig Management Programs and promoted the control of these species through media outlets to the public during 2018-2019.



Aerial View, Hinchinbrook Shire



STRATEGIC DIRECTION THREE

RESPONSIVE AND RESPONSIBLE LOCAL REPRESENTATION

Councillors will provide strong local leadership, underpinned by responsible governance processes, demonstrating respect for the democratic process. Councillors will communicate openly, be accountable for decisions made and be willing to engage with the community.

Council will advocate to State and Federal Governments and agencies to deliver outcomes that address the needs of our community.

Council will create an organisation that is empowered to act and develop an internal capacity to respond and to change. Council will seek to be aware of external factors that impact on Local Government as a whole and on Hinchinbrook specifically.

STRATEGIC DIRECTION THREE

3.1 Councillor two way engagement with our community

3.2 Communication with the community

3.3 Influencing other levels of Government

3.4 Policy and Procedure

3.5 Organisational Capacity



3.1 COUNCILLOR TWO WAY ENGAGEMENT WITH OUR COMMUNITY

COMMUNITY SHED MEETINGS

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Community Shed Meetings	3.1.1	Hold annual Community Shed Meetings as per identified schedule	Office of the Mayor and CEO	All

Community shed meetings were held for Bambaroo, Lower Herbert and Mt Fox between August 2018 and May 2019. Councillors continue to attend various community progress meetings on a monthly basis.

COUNCILLOR REPRESENTATION

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Provide Councillor representation at recognised community group meetings	3.1.2	Facilitate an annual review of Councillor nominations for representational roles	Office of the Mayor and CEO	All

Annual review of Councillor nominations for representational roles occurred in January 2019.

3.2 COMMUNICATION WITH THE COMMUNITY

ANNUAL COMMUNICATION PLAN

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Communications Plan developed and executed	3.2.1	<i>Annual Communication Plan</i> developed and presented to Council by March 2019	Office of the Mayor and CEO	All

Annual Communication Plan developed and presented to Council in May 2019.

COMMUNICATION PLAN ACTIVITY REPORT

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Communications Plan developed and executed	3.2.2	Activity and outcome report presented twice a year to Councillors	Office of the Mayor and CEO	All

Outcome and Activity Report presented to Council in December 2018 and March 2019.

ONLINE CONTENT

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Further Development of Online Content	3.2.3	Continue to develop online functionality including the ability to apply/lodge applications through the Hinchinbrook Shire Council website	Office of the Mayor and CEO	All

Online functionality continues to be built into the Council website on an as needed basis and online factsheets also incorporated in the 2018-2019 financial year.

COUNCIL WEBSITE

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Further Development of Online Content	3.2.4	Review strategies implemented to ensure website content is accurate and up-to-date	Office of the Mayor and CEO	All

Procedure developed to ensure accuracy of website content and web content continues to be managed by each department. Cloud based Intranet options being investigated for future use.

FACTSHEETS

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Communications Plan developed and executed	3.2.5	Ensure policies and services factsheets are available online	Office of the Mayor and CEO	All

Policies and Procedures updated on Council's Policies and Procedures webpage as required and Factsheets available in various sections of Council's website.



STRATEGIC DIRECTION THREE

COMMUNITY ENGAGEMENT

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Further development of online content	3.2.6	Increase community engagement through social media platforms including <i>Hinchinbrook Shire Council</i> , <i>VisitTYTO</i> , <i>Hinchinbrook Disaster Information</i> and <i>The Hinchinbrook Way</i> pages.	Office of the Mayor and CEO	All

Social Media engagement continues to grow, especially with regard to Disaster Information and Emergency News. Social Media platforms to be reviewed as per 2019-2020 Operational Plan.

RATEPAYERS NEWSLETTER

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Continued publication of a ratepayers newsletter	3.2.7	Three ratepayer newsletters published by June 2019	Office of the Mayor and CEO	All

Three ratepayer newsletters were published in the 2018-2019 financial year, these included the Budget Summary, Disaster Newsletter and The Hinchinbrook Report.

3.3 INFLUENCING OTHER LEVELS OF GOVERNMENT

AT RISK COMMUNITY MEMBERS

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
On an as identified basis an advocacy role with other levels of government and service providers of programs to address the needs of at risk community members and youth	3.3.1	Continue and foster partnerships with various agencies to promote activities and programs for the betterment of the community	Office of the Mayor and CEO	Corporate Services

Actioned various initiatives identified in the Ageing in Place Strategy, through partnership with the Ageing in Place Committee.

Consultation between Council Officers and the Chief Executive Officer of the Hinchinbrook Community Support Centre facilitated the finalisation of the draft Service Level Agreement (SLA).

GRANT FUNDING

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Support for community health service providers to address the needs of at risk community members	3.3.2	Review the grant funding service as provided by the <i>Hinchinbrook Community Support Centre</i> by June 2019	Development, Planning and Environmental Services	Nil

Consultation between Council Officers and the Chief Executive Officer of the Hinchinbrook Community Support Centre facilitated the finalisation of the draft Service Level Agreement (SLA).

ADVOCACY ROLE – AT RISK COMMUNITY MEMBERS

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Support for community health service providers to address the needs of at risk community members	3.3.3	Continue community activities focused on Seniors	Office of the Mayor and CEO	Development, Planning and Environmental Services

Council hosted a number community activities with a focus on senior participation such as Seniors Morning Tea, Tea and Trivia and Pilates in the Parkland.

ADVOCACY ROLE – YOUTH

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Support for community health service providers to address the needs of at risk community members	3.3.4	Build capacity and influence early childhood health and learning via community programming and partnerships with community organisations	Office of the Mayor and CEO	Development, Planning and Environmental Services

Advocacy achieved through the delivery of early childhood health programs held at TYTO.



REGIONAL AGENDA

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Support for community health service providers to address the needs of at risk community members	3.3.5	Host community events with inclusive additions for elderly persons and those living with a disability. Minimum two per year to be included in programming.	Development, Planning and Environmental Services	Nil

A number of inclusive events were held throughout 2018-2019 including Tea and Trivia events, eSkills computer classes, health and wellbeing fitness programs, Seniors Week activities, Seniors Morning Tea, and Christmas events.

LGAQ CONFERENCES

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Advocate for the delivery of the State's regionalisation agenda specifically as it relates to population growth and regional investment	3.3.6	Participate in State Government forums to influence the regional agenda	Office of the Mayor and CEO	All

Ongoing collaboration as required.

LGAQ CONFERENCES

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Membership of LGAQ and participation in relevant discussions and agendas	3.3.7	State and Regional LGAQ conferences and meetings attendance	Office of the Mayor and CEO	Nil

Attended by Councillors and Chief Executive Officer as required.

3.4 POLICY AND PROCEDURE

PROCUREMENT POLICY

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Local Buy first preference policy development	3.4.1	Procurement Policy, which provides for Buy Local preference, to continue to be applied, to be reviewed by 31 December 2018	Corporate Services	All

Policy refined and adopted in June 2018 with guiding procedures in development.

3.5 ORGANISATIONAL CAPACITY

ORGANISATIONAL STRUCTURE

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Review of the organisational structure and resourcing in response to our strategic direction	3.5.1	Continue implementation of a program to introduce apprentices and trainees into Council for 2018-2019	Office of the Mayor and CEO	All

Three trainees and one apprentice commenced with Council in March 2019.

EMPLOYEE INDUCTION PROGRAM

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Review of the organisational structure and resourcing in response to our strategic direction	3.5.2	<i>Corporate Culture Program</i> , policy and training to be implemented by 31 December 2018	Office of the Mayor and CEO	All

Cultural Heritage and Cultural Awareness training held throughout Council in May 2019.



STRATEGIC DIRECTION THREE

HUMAN RESOURCES – STAFF ATTENDANCE ORDINARY MEETING

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Review of the organisational structure and resourcing in response to our strategic direction	3.5.3	Continued program of business improvement initiatives, innovations leading to enhanced service delivery and operational efficiencies and sustainable work practices. This will occur through the <i>Business Improvement Team</i>	Office of the Mayor and CEO	All

Initiatives implemented through Senior Leadership Team.

ORGANISATIONAL STRUCTURE

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Review of the organisational structure and resourcing in response to our strategic direction	3.5.4	Staged review of service levels across the organisation to identify improved practices and cost efficiencies that could be achieved. First stage to be completed by 30 November 2018	Office of the Mayor and CEO	All

Review commenced and continued in 2019.

STAFF TRAINING

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Development of our human resources	3.5.5	Annual delivery of employee training on an as needs basis <ul style="list-style-type: none"> • Code of Conduct • Customer Service • Workplace Health and Safety 	Office of the Mayor and CEO	Nil

Online induction training commenced which included Workplace Health and Safety, Code of Conduct and a number of Human Resource Policies. Refresher training commenced for all existing employees.

PERFORMANCE APPRAISALS

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Development of our human resources	3.5.6	Continued implementation of performance appraisals and safety training for all staff	Office of the Mayor and CEO	All

Performance Appraisals carried out in June/July 2018. First aid, asbestos, confined space, working at heights, and internal role/task training carried out throughout the year.

STAFF TRAINING

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Development of our human resources	3.5.7	Customer Service – continue sustainable levels of service and review improved practices, efficiencies and responsible timeframes in line with the Customer Service Charter for community transparency by 31 December 2018	Office of the Mayor and CEO	All

Continual review and focus on Customer Service and investigation of various gateways that impact on targets being met such as the CRM system and timely feedback on queries/complaints.



3.6 WORKPLACE HEALTH AND SAFETY COMMITTEE

RISK REGISTER

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Annual review of Hinchinbrook Shire Council Central Risk Register	3.6.1	EMT to meet annually to review Council wide risks to determine risk control measures. Any outstanding actions to be uploaded into TechOne Safety.	Office of the Mayor and CEO	All

Executive Management Team constantly reviewing issues and risk control measures.

SAFETY MANAGEMENT PLAN IMPLEMENTATION

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Safety Management System maintenance	3.6.2	Implementation of Safety Management Plan (SMP).	Office of the Mayor and CEO	All

Strategic Safety Plan and Action Plan for 2019-2021 drafted for review for adoption by Council in July 2019.

SAFETY MANAGEMENT PLAN ACTIONS

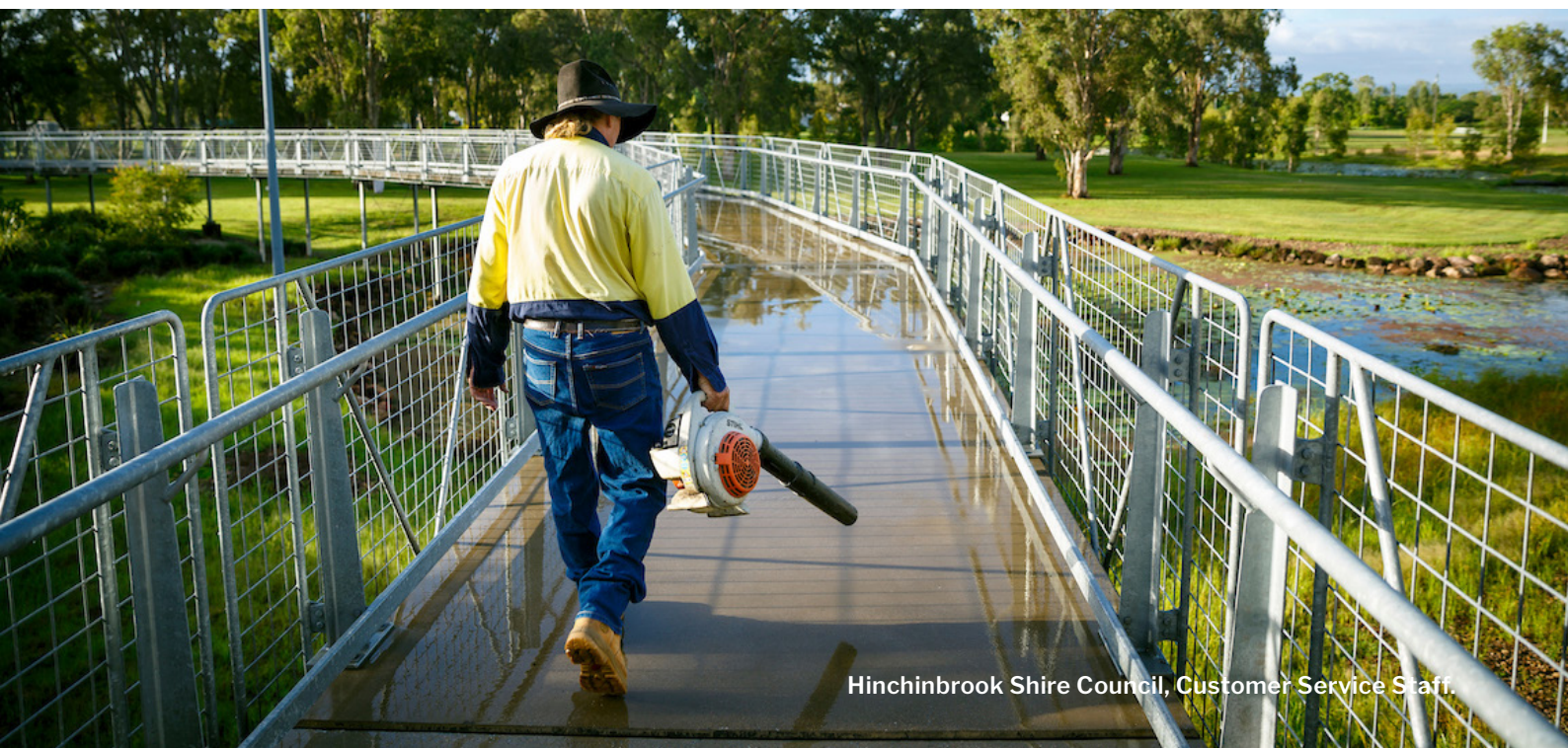
Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Safety Management System maintenance	3.6.3	SMP status report to be reviewed each quarter by the EMT and follow up actions determined and assigned as required.	Office of the Mayor and CEO	All

Executive Management Team advised monthly of outstanding actions and SMP Status Report reviewed quarterly.

RECTIFICATION ACTION PLAN

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Safety Management System maintenance	3.6.4	Rectification Action Plan (TechOne Safety actions) to be reviewed quarterly by EMT and follow up actions determined and assigned as required.	Office of the Mayor and CEO	All

Executive Management Team advised monthly of outstanding actions and Rectification Action Plan reviewed quarterly.





STRATEGIC DIRECTION FOUR

COUNCIL'S ROLE IN CREATING AN ENVIABLE LIFESTYLE AND CONTRIBUTION TO THE WHOLE OF LIFE LIVEABILITY OF OUR SHIRE

Notwithstanding the delivery of roads, water and sewerage networks, Council makes many other contributions to our community to endeavour to create a highly desirable environment, where lifestyle, liveability and prosperity are key outcomes. Our community values our relaxed lifestyle and seeks to preserve this in tandem with creating a healthy, vibrant and inclusive place to live.

Arts and culture are an integral part of life for our communities. Council recognises the importance arts and culture plays in our region and is committed to developing and expanding arts and cultural activities that have the capacity to enrich the lives of our residents. Council actively supports arts and cultural groups through its ongoing support for the Regional Arts Development Fund, together with its community assistance program.

Community partnerships are about Council working with residents, community groups and other government agencies to improve the social well-being of the community, making our community a more desirable place to live. It is about partnerships, building capacity, listening to and learning from the community and building the future together.

Council acknowledges the issues of our ageing population and will work to identify strategies to support the needs of older people. We want to recognise the skills and experience of older people to ensure they feel valued and supported in our community. Council sees direct employment opportunities and support service provision for older people as a way to diversify our employment base and assist in the attraction of new residents to Hinchinbrook.



STRATEGIC DIRECTION FOUR

4.1 Arts and Cultural Investment

4.2 Provision of Recreation Opportunities

4.3 Community Partnership Support

4.4 Living well over 60 with a highly desirable lifestyle

4.5 Regulatory Functions that underpin liveability

4.6 Educational Opportunities that support population attraction



STRATEGIC DIRECTION FOUR

4.1 ARTS AND CULTURAL INVESTMENT

TYTO SIGNATURE EVENT

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Maximise the use of the TYTO Precinct for the delivery of arts and cultural programs	4.1.1	Expand annual Tasman Turtle Picnic Day signature event to attract families from across the region in 2019	Development, Planning and Environmental Services	Office of the Mayor and CEO

The Tasman Turtle Picnic Day event continues to grow, with an increased attendance of 2,084 when compared to 2017-2018.

CULTURAL TOURING PROGRAMS

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Maximise the use of the TYTO Precinct for the delivery of arts and cultural programs	4.1.2 (a)	Present two state cultural touring programs to increase patronage from all regional areas with a focus on Townsville. Continue to present art and cultural programming in the annual event program. Continue to present two printed community event programs per year to increase awareness of art and cultural programming. Distribution to include Townsville and other regional areas.	Development, Planning and Environmental Services	Nil

Hinchinbrook Shire Council partnered with QPAC to present La Scalla Ballet live simulcast at Halifax in November 2018.

Art and Cultural Events continue to be advertised in Council's bi-annual Event Program along with Hinchinbrook Shire Council Calendar of Events, Hinchinbrook Way Calendar of Events, Duo Magazine and PAK Mag.

EVENTS TO ATTRACT TOURISTS

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Maximise the use of the TYTO Precinct for the delivery of arts and cultural programs	4.1.2 (b)	Development of the <i>Sports and Recreation Facility Program</i>	Development, Planning and Environmental Services	Nil

Event Program for June - December has commenced.

- Documentation of Public Art within the region is ongoing;
- Negotiations and planning of further public art works ongoing; and
- Turtle sculpture designed and produced with RADF funding installed in Lannercost Street in the garden near the new public toilets.

REGIONAL ARTS DEVELOPMENT FUND

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Continued funding of the Regional Arts Development Fund program	4.1.3	Apply for RADF funding under new modelling. Implement RADF program in accordance with adopted guidelines with or without state government funding. Increase the accessibility of programs to all Hinchinbrook residents by holding RADF workshops throughout a range of areas within the Shire, through Inflight programming.	Development, Planning and Environmental Services	Nil

TYTO Regional Art Gallery was successful in securing funding through Arts Queensland to the value of \$30,000, contributing to several projects throughout the community.



4.2 PROVISION OF RECREATION OPPORTUNITIES

KELLY THEATRE LEASE

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Continued community partnerships for the delivery of services at the Kelly Theatre	4.2.1	Continue engagement with the lessees of the Kelly Theatre, Council through Economic Development will continue to support the Kelly Theatre through advertising which promotes the region	Development, Planning and Environmental Services	Nil

Council continued support of the Kelly Theatre during 2018-2019 including advertising opportunities and maintenance support as required.

HINCHINBROOK AQUATIC CENTRE LEASE

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Continued community partnerships for the delivery of services at the Hinchinbrook Aquatic Centre	4.2.2	Continue engagement with the lessees of the <i>Hinchinbrook Aquatic Centre</i>	Development, Planning and Environmental Services	Nil

Council continued support of the Hinchinbrook Aquatic Centre during 2018-2019 including advertising opportunities and maintenance support as required.

SCHOOL HOLIDAYS PROGRAM

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
School holidays program featuring children/youth activities	4.2.3	Build capacity via the delivery of community programming during the September, July and April school holiday period	Development, Planning and Environmental Services	Nil

The following Children's activities were undertaken during the school holiday periods of 2018-2019:

- RADF Workshop, GOMA for Kids
- Just For Kids!
- Double Daw
- Nature Bingo
- Turtle Counting and Feeding
- White Wizard
- Laser Tag
- Santa Hunt
- Movie Magic x 3
- Book Week / Find Your Treasure
- Food Art @ Halifax
- KooKoo Kookaburra
- Tiny Tots @ TYTO
- First 5 Forever
- Story Time
- ROBOTICS
- Robo Connect
- Tasman Turtle Picnic Day
- Messy Time
- Annual Easter Egg Hunt
- Zany Zoo and Baby Welcoming Ceremony
- Library Week Activities

SCHOOL HOLIDAYS PROGRAM

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Continued support for Hinchinbrook based events that provide both economic returns by way of visitation and opportunities for participation by the community	4.2.4	Budget provision made to support a mix of Hinchinbrook based events	Development, Planning and Environmental Services	Nil

Several community groups and organisations were supported through the Community Activity Grants for Hinchinbrook based events during 2018-2019. A number of events provided economic return to the Shire by way of visitation and participation.



STRATEGIC DIRECTION FOUR

4.3 COMMUNITY PARTNERSHIP SUPPORT

COMMUNITY PARTNERSHIP SUPPORT

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Continue to provide funding for community groups to deliver on the wider social welfare agenda	4.3.1	Develop <i>Community Partner Programs</i> with one new partnership per pillar of art, culture, nature and knowledge. Assess the <i>Community Activity Grant</i> program in 2019 to ensure economic returns are enhanced, which assist community groups.	Development, Planning and Environmental Services	Corporate Services

The Community Activity Grants process is under review by relevant Council staff. Council continue to assess the economic return of all events and activities funded through the Community Activity Grants program.

4.4 LIVING WELL OVER 60 WITH A HIGHLY DESIRABLE LIFESTYLE

FORREST GLEN RETIREMENT VILLAGE

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Advocate for adequate local facilities and services to support older residents, particularly those that allow them to live longer in their own homes	4.4.1	Progress the handover of ownership of <i>Forrest Glen Retirement Village</i> to the <i>Hinchinbrook Community Support Centre</i>	Development, Planning and Environmental Services	Nil

Council has addressed the Native Title matter and additional land has been acquired. Council is in the process of handing the facility over to the Hinchinbrook Community Support Centre.

ADVOCACY ROLE – OLDER RESIDENTS

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Advocate for adequate local facilities and services to support older residents, particularly those that allow them to live longer in their own homes	4.4.2	On an as identified basis, undertake an advocacy role with other levels of government and service providers of programs to address the needs of older residents	Development, Planning and Environmental Services	Nil

Ageing in Place Committee continues to investigate available programs.

CHECKLIST OF ESSENTIAL FEATURES OF AGE FRIENDLY CITIES

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Self-assess Hinchinbrook against the World Health Organisation Checklist of Essential Features of Age Friendly Cities	4.4.3	Continue to progress the <i>Ageing in Place Committee</i> and monitor outcomes	Development, Planning and Environmental Services	Nil

The Ageing in Place Committee met on a bi-monthly basis. Meeting minutes are maintained by Council.

PLAN TO ADDRESS SHORTCOMINGS

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Plan to address shortcomings	4.4.4	Report prepared for Council during 2018-2019 with budget items for consideration in 2019-2020	Development, Planning and Environmental Services	Nil

Undertaken as part of the Ageing in Place Committee an allocation for projects has been included in the 2019-2020 Budget for consideration.



4.5 REGULATORY FUNCTIONS THAT UNDERPIN LIVEABILITY

RESPONSE TO ANIMAL COMPLAINTS

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Provide meaningful Animal Control Services	4.5.1	Respond to complaints in a timely manner and execute appropriate actions	Development, Planning and Environmental Services	Nil

Council continued to respond to animal complaints in a timely manner. 925 requests responded to in 2018-2019.

RE-HOME UNWANTED ANIMALS – WELFARE ORGANISATION PARTNERSHIP

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Provide meaningful Animal Control Services	4.5.2	Continue to partner with animal welfare organisations to attempt to re-home unwanted animals	Development, Planning and Environmental Services	Nil

Council continued to partner with welfare organisations, and use social media to rehome unwanted animals.

RESPONSE TO BUSINESS LICENSING COMPLAINTS

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Provide meaningful business licensing activities	4.5.3	Respond to complaints in a timely manner and execute appropriate actions	Development, Planning and Environmental Services	External Agencies

Very few food related complaints were received. Those that were received during 2018-2019 were given a high priority.

BUSINESS LICENSING

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Provide meaningful business licensing activities	4.5.4	Continue to provide opportunities for business owners to meet their compliance responsibilities	Development, Planning and Environmental Services	External Agencies

Three new food businesses were established and four were sold. Businesses continue to utilise Council's subscription to the comprehensive and interactive *I'm Alert Food Handling Course* free of charge on Council's website.

REGULATORY AND ENFORCEMENT ACTION

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Provide timely building regulatory functions and enforcement action as necessary	4.5.5	Respond to complaints in a timely manner and execute appropriate actions that safeguard the public interest Undertake appropriate legal actions against non-compliant activities	Development, Planning and Environmental Services	Infrastructure Services Delivery

Various complaints received and actioned in a timely manner, with processes being streamlined for the benefit of Council and the customer. Building work complaints received have been attended to and action taken.



4.6 EDUCATIONAL OPPORTUNITIES THAT SUPPORT POPULATION ATTRACTION

INGHAM CBD REVITALISATION PROJECT

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Foster partnership opportunities with vocational and tertiary educational service providers	4.6.1	Continue to collaborate with universities to establish course components within the Shire	Development, Planning and Environmental Services	Office of the Mayor and CEO

One Edu Tourism Group from University of North Carolina visited in 2018 using TYTO as a case study on Urban Restoration - Building capacity to influence economic development via tourism.

INGHAM CBD REVITALISATION PROJECT

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Foster partnership opportunities with vocational and tertiary educational service providers	4.6.2	Introduce one new collaborative partnership program to marry with curriculum in technology based learning	Development, Planning and Environmental Services	Nil

A grant was successfully obtained from Techy Savvy Regional Grants QLD to deliver Robo Connect workshops throughout 2018-2019.

INGHAM CBD REVITALISATION PROJECT

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Foster partnership opportunities with vocational and tertiary educational service providers	4.6.3	Continue to participate in the regional tourism programs	Development, Planning and Environmental Services	Nil

Council partnered with Townsville Enterprise Limited to deliver a social media workshop via the Think Business Program. Townsville Enterprise also delivered a Knowledge Exchange Workshop.



Yanks Jetty, Hinchinbrook Shire



STRATEGIC DIRECTION FIVE

COUNCIL'S ROLE IN CREATING AND SUPPORTING THE ECONOMIC PROSPERITY OF OUR SHIRE

The identification of opportunities to enhance the economic viability of our community is a key priority for Council. To this end we will implement strategies to achieve a strong and sustainable local economy that supports the growth of new and existing industry and business activities and provide long term employment opportunities for all age groups.

The focus of Council's Disaster Management Program is on minimising the effects of natural disasters on our community, both from an individual harm prevention minimisation perspective and more widely from an economic loss perspective. Council will continue to liaise with emergency service providers and will strive to build resilience and capacity in our communities to survive natural disaster events, to manage the immediate outcomes of such events and to thrive afterwards.

STRATEGIC DIRECTION FIVE

5.1 Our Ingham CBD is attractive, alive and diverse

5.2 Support for business diversity and employment growth

5.3 Tourism development

5.4 Natural Disaster Management

5.5 Shire wide branding

5.6 Natural Disaster Management

5.7 Hinchinbrok Visitor Information Lounge



5.1 OUR INGHAM CBD IS ATTRACTIVE, ALIVE AND DIVERSE

INGHAM CBD REVITALISATION PROJECT - MASTER PLAN

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
CBD refresh and associated actions	5.1.1	Undertake master planning of Rotary Park to develop an integrated approach to the future development of the park	Development, Planning and Environmental Services	Infrastructure Services Delivery

Draft Master Plan documents were prepared for review and consultation.

INGHAM CBD REVITALISATION PROJECT - ON-GROUND WORKS

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
CBD refresh and associated actions	5.1.2	Continuation and expansion of the <i>Christmas in Hinchinbrook Project</i> by December 2019	Development, Planning and Environmental Services	Infrastructure Services Delivery

Appropriate budget was allocated to allow for the growth of the Christmas in Hinchinbrook initiative.

HERBERT STREET REVITALISATION

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
CBD refresh and associated actions	5.1.3	Completion of Herbert Street revitalisation project by June 2019	Development, Planning and Environmental Services	Infrastructure Services Delivery

The design and construction of five shelters representing *The Hinchinbrook Way* was completed during the 2018-2019 period.

LANNERCOST STREET REVITALISATION

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
CBD refresh and associated actions	5.1.4	Lannercost Street Revitalisation Project 30 December 2018	Development, Planning and Environmental Services	Infrastructure Services Delivery

Procurement was completed for the following components of the Lannercost Street Revitalisation Project:

- Heritage Consultancy;
- Manufacture of new rubbish bins;
- Seating; and
- Underground service location.

5.2 SUPPORT FOR BUSINESS DIVERSITY AND EMPLOYMENT GROWTH

PROCUREMENT POLICY - LOCAL PREFERENCE MECHANISM

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Local buy first preference policy development	5.2.1	<i>Procurement Policy</i> , which provides for buy local preference, to continue to be applied and promoted within the Shire	Corporate Services	All

Functional application of the Local Buy first preference adopted in June 2018 continues to develop throughout the organisation.



STRATEGIC DIRECTION FIVE

CREATION OF BUSINESS FRIENDLY ENVIRONMENT

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Local buy first preference policy development	5.2.2	Creation of business friendly environment by reduction of red tape and simplification of licensing processes	Development, Planning and Environmental Services	Office of the Mayor and CEO

Simplification of processes have commenced including development reports, safety systems and templates in accordance with the implementation of the Council Identity Manual.

AGRICULTURAL DIVERSIFICATION

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Implement Economic Development Strategy and focus on short term actions.	5.2.3	Encourage and promote diversification in agriculture complimentary to sugar cane	Development, Planning and Environmental Services	Nil

Herbert Valley Alternative Cropping Study complete. Community Forum "Diversifying our District" held in April 2019.

PROMOTE DIVERSIFICATION AND AGRICULTURE

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Implement Economic Development Strategy and focus on short term actions.	5.2.4	Promote diversification in agricultural practices and enhance focus and delivery of tourism product including economic and agricultural tourism	Development, Planning and Environmental Services	External Agency

Council, in partnership with Townsville Enterprise Limited, and the Department of State Development, participated in several workgroups aimed at identifying and delivering tourism, economic, and agricultural development projects and initiatives.

TOWNSVILLE ENTERPRISE LIMITED

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Implement Economic Development Strategy and focus on short term actions.	5.2.5	Work with Townsville Enterprise Limited to partner on projects of benefit to the Hinchinbrook Shire	Development, Planning and Environmental Services	External Agency

Continue to review Draft Tourism Development Strategy in consultation with Townsville Enterprise Limited.

HINCHINBROOK CHAMBER OF COMMERCE, INDUSTRY AND TOURISM

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Implement Economic Development Strategy and focus on short term actions.	5.2.6	Coordination of at least two focus group meetings to progress into economic development actions	Development, Planning and Environmental Services	External Agency

Council partnered with the Hinchinbrook Chamber of Commerce, Industry and Tourism to deliver and grow the Think Business, business development program.



RENEWABLE ENERGIES

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Implement Economic Development Strategy and focus on short term actions.	5.2.7	Investigate opportunities for renewable energies, such as solar, for cost reduction purposes	Infrastructure Services Delivery	Corporate Services

Two site locations have been investigated in Ingham and Halifax. Council have commenced working on a feasibility study and business cases for the project.

INVESTMENT PROSPECTUS

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Implement Economic Development Strategy and focus on short term actions.	5.2.8	Design and promote an investment prospectus to entice new businesses, development and jobs within the region	Development, Planning and Environmental Services	External Agency

Council developed and produced an Economic Development Snapshot, Liveability Brochure and an Investment Prospectus has been drafted and is under review.

BUSINESS WORKSHOPS

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Implement Economic Development Strategy and focus on short term actions.	5.2.9	Continue to provide capacity building workshops for local business development	Development, Planning and Environmental Services	External Agency

The following Think Business Workshops were hosted by Council in 2018-2019:

- July 2018 - Superannuation and Succession Planning;
- August 2018 - Accounting in Business Workshop;
- September 2018 - Business Plans and Planning;
- February 2019 - Tourism Trade Distribution Workshop;
- March 2019 - Digital Marketing for Businesses;
- April 2019 - Product Photography for Businesses; and
- May 2019 - Marketing Essentials for Businesses and Event Coordinators.

IDENTIFY AND SUPPORT POTENTIAL BUSINESS OPPORTUNITIES

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Implement Economic Development Strategy and focus on short term actions.	5.2.10	Identify and support potential business opportunities for locals and newcomers to the Shire	Development, Planning and Environmental Services	External Agency

Council has liaised with key stakeholders in upcoming major utility and military projects within the region to identify economic opportunity for local businesses and residents.

ECONOMIC DEVELOPMENT NODES

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Implement Economic Development Strategy and focus on short term actions.	5.2.11	Facilitate planning for infrastructure in key economic development nodes	Development, Planning and Environmental Services	External Agency

Council continued to progress development investigations for the Industrial Estate and Dungeness.



STRATEGIC DIRECTION FIVE

BUDGET ALLOCATION CHAMBER OF COMMERCE

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Funding of the Hinchinbrook Chamber of Commerce, Industry and Tourism	5.2.12	Budget allocation made and funds transferred by December 2018	Development, Planning and Environmental Services	External Agency

Council and the Hinchinbrook Chamber of Commerce, Industry and Tourism did not come to a mutual agreement on a Service Level Agreement for the 2018-2019 financial year.

Council resolved to recognise the work of the Hinchinbrook Chamber of Commerce, Industry and Tourism within the business community, providing financial support in the sum of \$5,000, and to retain the balance of funds (\$10,000) for disbursement on economic development projects as may be approved by Council.

5.3 TOURISM DEVELOPMENT

EVENTS AT TYTO ACTIVITY PLAN

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Event activity at the TYTO Precinct	5.3.1	Yearly event program presented with a mix of activities, workshops and events that have appeal to visitors. Introduce one exclusive niche cultural ticketed event to the external market. Maintain Townsville marketing to build awareness of community precinct and to increase capacity. Expand Hinchinbrook Market Day to attract day visitation from regional areas as day trip market and a must do activity for visitors to the region. Increase exposure of events, services and programming at regional roadshows and expos. To be done in partnership with local operators and The Hinchinbrook Way.	Development, Planning and Environmental Services	Nil

TYTO presented a calendar of events, including posters which was approved and is being presented through the Event Program.

A niche cultural ticketed event to the external market was presented with Festival of Small Halls with an attendance of 62 at \$20pp.

The Hinchinbrook Market Day was cancelled due to lack of participation.

Increased exposure of events, services and programming was achieved through marketing initiatives with The Hinchinbrook Destination Guide, Social Media, Duo Magazine and attendance at Travel Shows. 2,065 Event Program Guides and 1,177 posters were distributed to 114 local business outlets.

EVENTS AT TYTO ACTIVITY PLAN PRESENTATION

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Event funding support program	5.3.2	Activity and outcomes report presented twice a year to Councillors	Development, Planning and Environmental Services	Nil

Activity reports presented to Council monthly. Reports include Infographics to visually display visitation and economic contribution trends.

SUPPORT COMMUNITY EVENTS

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Event funding support program	5.3.3	Budget provision made to support a mix of Hinchinbrook based events	Development, Planning and Environmental Services	Corporate Services

Council continued to support several community events through the Community Activity Grants program.



MEMBERSHIP WITH TOWNSVILLE ENTERPRISE LIMITED

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Ongoing membership of Townsville Enterprise Limited	5.3.4	Continued membership of Townsville Enterprise Limited and annual review of service level agreement	Development, Planning and Environmental Services	External Agency

Council maintained its Silver Level Membership with Townsville Enterprise Ltd. A draft Service Level Agreement for the 2019-2020 period has been prepared for review.

5.4 NATURAL DISASTER MANAGEMENT

LOCAL DISASTER MANAGEMENT PLAN

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Local Disaster Management coordination, awareness raising, planning, service provision and recovery activities	5.4.1	Local Disaster Management Plan in place, reviewed annually and adopted by Council prior to December 2018 Increase public awareness of natural disaster management	Office of the Mayor and CEO	All

Annual Plan review in progress. Disaster Dashboard installed and well received by public during two Local Disaster Management Group disaster activations in December 2018 and February 2019 using new Guardian IMS system.

Emergency Action Guide produced for distribution to public at community awareness functions eg. Maraka and Council foyer static display.

2018 Recovery Plan continues to be reviewed.

RADIO REPEATER

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Local Disaster Management coordination, awareness raising, planning, service provision and recovery activities	5.4.2	Review, renew and replace as required, existing two way radio repeater systems for disaster management purposes by 30 September 2018	Office of the Mayor and CEO	All

Council acquired Channel 7 repeater system for Warrens Hill in June 2019. All infrastructure reviewed and replacement equipment ordered for installation.

OLD AGE CARE FACILITIES

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Local Disaster Management coordination, awareness raising, planning, service provision and recovery activities	5.4.3	Undertake resilience and response auditing for old age care facilities and services	Office of the Mayor and CEO	All

This project was undertaken in November and December 2018. Three nursing homes and Blue Care Ingham were engaged.

VISUAL MONITORING SYSTEMS

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Local Disaster Management coordination, awareness raising, planning, service provision and recovery activities	5.4.4	Finalise the installation of the live stream, real time visual monitoring devices at the Ingham Pump Station and Gairloch Bridge flood gauges	Office of the Mayor and CEO	All

Installation of CCTV cameras at the Ingham Pump Station and Gairloch River gauges is now complete, allowing remote monitoring of the river height indicators in real time. This assists in verifying the data available on the BOM website to ensure equipment is operating correctly.



5.5 SHIRE WIDE BRANDING

SHIRE WIDE BRANDING PROJECT

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Develop and finalise shire wide branding project	5.5.1	Continue to implement branding and work with local businesses to become a part of the brand story	Development, Planning and Environmental Services	External Agencies

97 businesses, community organisations and community facilities are listed on the Hinchinbrook Way Website.

23 local business employees are enrolled in the Welcomer Program.

A draft brand manual has been prepared for review and inclusion into Council Identity Manual.

A total of 10,815 Hinchinbrook Destination Guides were distributed through 181 local business houses.

5.6 HINCHINBROOK WAY

PRINT MATERIAL

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Develop a comprehensive marketing campaign including the following media avenues	5.6.1	Produce high quality print material	Development, Planning and Environmental Services	Nil

10,000 Hinchinbrook Destination Guides were ordered and distributed in April 2019 to local business houses and information centres within a 400km radius. A Liveability Brochure, and Economic Development Snapshot were produced for distribution.

DRIVE SIGNAGE

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Develop a comprehensive marketing campaign including the following media avenues	5.6.2	Install Hinchinbrook Way drive signage throughout the district	Development, Planning and Environmental Services	Nil

Drive signage design concepts have been drafted for review.

SOCIAL MEDIA OPPORTUNITIES

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Develop a comprehensive marketing campaign including the following media avenues	5.6.3	Further development of social media opportunities	Development, Planning and Environmental Services	Nil

A total of 122 posts and 9 videos were advertised through the Hinchinbrook Way Facebook page with a combined reach of 734,751 and an additional 987 individuals following the Hinchinbrook Way Facebook page.

ADVERTISEMENTS

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Develop a comprehensive marketing campaign including the following media avenues	5.6.4	Production of media advertisements	Development, Planning and Environmental Services	Nil

Hinchinbrook Shire featured in 2 episodes of Creek to Coast on 11 August, repeated on 18 August and on 24 September. 1 episode of I Fish on 24 September.

10,000 Hinchinbrook Destination Guides were produced in April 2019.



HINCHINBROOK WAY WALK

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Finalise the Hinchinbrook Way Walk	5.6.5	Continue to promote Hinchinbrook Way Walk	Development, Planning and Environmental Services	Nil

The Hinchinbrook Way Walk was advertised in the Hinchinbrook Destination Guide, through the Hinchinbrook Way Website and Hinchinbrook Visitor Information Lounge.

HINCHINBROOK WAY DRIVE LOOP

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Complete Stage 1 of the Hinchinbrook Way Drive Loop in the Lower Herbert, Forrest Beach area	5.6.6	Stage 1 being design package complete. Stage 2 implementation to be completed by 30 June 2019 subject to Road Corridor Permit and QTDDIF funding application	Development, Planning and Environmental Services	Nil

Project was put on hold for review, based on requirements of application.

5.7 VISITOR INFORMATION LOUNGE

HINCHINBROOK VISITOR INFORMATION LOUNGE REFURBISHMENT

Proposed Actions Over 2014-2019	2018-2019 Action Measure		Lead	Associated
Refurbishment of the internal layout to the Visitor Information Lounge	5.7.1	Development and implementation of the refurbishment of the <i>Hinchinbrook Visitor Information Lounge</i>	Development, Planning and Environmental Services	Nil

Conceptual plans were presented to Council on 17 July 2018 for review. Final concept draft was received on 12 June 2019.



Jourama Falls, Hinchinbrook Shire

LEGISLATIVE INFORMATION

The Local Government Regulation 2012 formally requires Council to produce an Annual Report. Council must adopt the Annual Report within one month after the day the Auditor-General gives the Auditor-General's Audit Report about the local government's Financial Statements for the financial year to the local government.

In addition, Council is required to comply with specific requirements in numerous other pieces of legislation.

Council has complied with this section of the Local Government Regulation 2012 with the Annual Report being adopted by Council at its Special Meeting held on 13 November 2018.

SIGNIFICANT BUSINESS ACTIVITIES AND COMMERCIAL BUSINESS

Council had the following business activities in 2018-2019, none of which are deemed "significant" and do not form a separate identity:

- Water supply;
- Sewerage;
- Waste management; and
- Building certification.

Council elected not to apply the Code of Competitive Conduct to these business activities during 2018-2019.

EXECUTIVE REMUNERATION

Section 201 of the *Local Government Act 2009*, requires Council to state the total remuneration packages, in bands, payable during the financial year to senior employees.

The following annual remuneration packages were payable to senior executive management staff as follows:

Annual Remuneration Package Range	Number of Packages
\$100,000 to \$200,000	3
\$200,000 to \$300,000	1

PUBLIC INTEREST DISCLOSURE

Council has not received any public interest disclosures for the financial year.

ELECTED MEMBERS' COUNCILLOR EXPENSES REIMBURSEMENT POLICY

Council, pursuant to *sections 247 and 250* of the Local Government Regulation 2012 adopted the following resolution on 26 April 2016 at its General Meeting. A copy of this Policy can be viewed on Council's website (Policies) or inspected at the Council Office.

2.5.7 COUNCILLOR EXPENSES REIMBURSEMENT POLICY

Consideration of Report to Council from Chief Executive Officer dated 11 April 2016 regarding adoption of the Councillor Expenses Reimbursement Policy.

Moved Councillor Lancini

Seconded Councillor Brown

Council Resolution - That Council adopt the Councillor Expenses Reimbursement Policy as presented.

Carried – 260416-30



ELECTED REPRESENTATIVES

Remuneration Paid to Elected Members

Remuneration Paid To Councillors 2018-2019						
Councillor	Meeting and Other Representations				Councillor Allowance	Employer Super Contribution
	Council Meetings / Special Meetings / Deputations	Member Meetings	Conferences Professional Development Training	Other		
Ramon Jayo	47	138	19	429	\$103,918.00	\$12,470.16
Mary Brown	49	115	18	77	\$59,952.00	\$7,542.24
Wally Skinner	43	55	8	52	\$51,958.00	\$6,582.96
Kate Milton	46	43	10	55	\$51,958.00	\$6,582.96
Andrew Cripps	32	37	5	56	\$36,873.39	\$4,711.86
Marc Tack	45	48	8	73	\$51,958.00	\$6,582.96
Andrew Lancini	55	67	11	50	\$51,958.00	\$6,582.96
Maria Bosworth	-	-	-	-	\$8,469.27	\$1,041.33

During the year, Councillors accrued the following expenses in accordance with the *Expenses Reimbursement Policy*:

Councillor	Accommodation/ Travel	Meals	Conferences Professional Development Registration	Communication Allowance	Mileage	Computer Consumables Allowance	Corporate Uniform Allowance
Ramon Jayo	\$3,813.95	\$733.78	\$2,178.64	nil	nil	nil	\$225.00
Mary Brown	\$131.82	\$44.41	\$1,158.55	\$2,500.00	nil	\$400.00	\$225.00
Wally Skinner	\$791.72	nil	\$1,905.00	\$2,500.00	\$628.32	\$400.00	\$225.00
Kate Milton	\$2,311.37	nil	\$815.00	\$2,500.00	nil	\$400.00	\$225.00
Andrew Cripps	\$1,121.23	\$169.95	\$6,228.64	\$1,774.17	nil	\$617.89	\$348.44
Marc Tack	\$1,132.23	\$196.75	\$1,175.00	\$2,500.00	nil	\$400.00	\$225.00
Andrew Lancini	\$1,736.45	\$13.64	\$1,905.00	\$2,500.00	\$2,933.10	\$400.00	\$225.00
Maria Bosworth	nil	nil	nil	\$208.37	nil	nil	nil

COUNCILLOR CONDUCT

In accordance with *Section 186* of the Local Government Regulation 2012, the following occurred in 2018-2019 relating to Councillor Conduct:

Section	Legislation	Comment
186 (f)	Local Government Regulation 2012	Nil complaints.

ADMINISTRATIVE ACTION COMPLAINTS

Hinchinbrook Shire Council is committed to upholding excellent standards. Accordingly Council has an Administrative Action Complaints Policy and related Procedures that ensures client complaints are managed in a fair, effective and efficient manner. The Administrative Action Complaints Policy and Procedures are reviewed yearly, during which time the performance in addressing these complaints is assessed. The assessment for 2018-2019 identified that the process is performing satisfactorily.

The following report for the 2018-2019 financial year is in accordance with the provisions of the general complaints process as outlined in the *Local Government Act 2009*:

Administrative Action Complaints	
made to Council during 2018-2019	1
resolved under the complaints management process	0
not resolved under the complaints management process	1
included in the 'not resolved' category above which were made in a previous financial year	0

OVERSEAS TRAVEL

There was no overseas travel.

SUPPORTING OUR COMMUNITY

Section 190(1)(g) of the Local Government Regulation 2012 states that Council must include a summary of all concessions for rates and charges granted.

Rates Concessions		
	2017-2018	2018-2019
Pensioner Remission	\$231,174	\$228,770
Not for profit/charitable organisation remission	\$79,985	\$83,952
Financial Hardship	\$0	\$0



GRANTS TO COMMUNITY ORGANISATIONS

Section 189 of the Local Government Regulation 2012 requires Council to report a summary of grants provided to community organisations for the 2018-2019 financial year.

DONATIONS/SPONSORSHIPS - SUPPORT FOR EVENTS AND GRANTS TO COMMUNITY ORGANISATIONS	2018-2019 APPROVED \$
Cancer Council Queensland - Relay for Life	500.00
Dementia Australia (Qld) Café Connect - Community Activity Grant	500.00
Forrest Beach Progress Association - Community Activity Grant	2,500.00
Forrest Beach Surf Life Saving Club Assoc Inc - Community Grant	1,711.00
Halifax Progress Association - Community Activity Grant	3,800.00
Herbert Cane Productivity Services Ltd - Regenerative Cane Farming Forum March 2019	909.09
Herbert River Catchment Landcare Group - Community Activity Grant	1,000.00
Herbert River Men's Shed - Community Grant	1,500.00
Herbert River Museum Gallery Inc - Annual Financial Assistance 2018-2019	4,000.00
Herbert River Quilters - Community Activity Grant	1,867.00
Herbert River Rugby League Inc - Intrust Super Cup Game	5,000.00
Hinchinbrook Archery Club - Come in try days	1,000.00
Hinchinbrook Community Support Centre Inc - Annual Financial Assistance	45,000.00
Hinchinbrook Community Support Centre Inc - Community Grants Officer	23,000.00
Hinchinbrook Community Support Centre Inc - Out & About Community Transport	3,000.00
Hinchinbrook Sportsfishing Club - Community Grant Funding	3,700.00
Hitch-n- Ride Horse Sports Club - Community Activity Grant	1,000.00
Ingham Arts Festival Assoc Inc - Community Grant Funding 2018	1,900.00
Ingham Arts Festival Assoc Inc - Community Grant Funding 2019	1,900.00
Ingham Bowls Club - Invitation 4's	400.00
Ingham Family History Assoc Inc - Community Activity Grant	8,000.00
Ingham Ladies Bowls Club Inc - Allamanda Fours Bowling Competition	250.00
Ingham Meals on Wheels - Annual Financial Assistance	3,600.00
Ingham State Primary School Parents & Citizens Assoc - Community Activity Grant	2,000.00
Ingham Tennis Assoc - Ingham Open Tennis Championships	1,000.00
Leukaemia Foundation - Community Activity Grant	500.00
Lucinda Progress Association - Lucinda Christmas Carols	900.00
Macknade Bowls Club Inc - Mixed Fours Carnival	250.00
Macknade State School P&C Association - 125 Year Celebrations - Community Activity Grant	2,000.00
Maraka Queen Entrant - Sponsorship	350.00
Mungalla Aboriginal Corporation - On Country Event at Mungalla Station	10,000.00
Noorla Bowls Club - Community Grant Funding	500.00
NQ Sports Foundation Ltd - Membership	2,697.09
NQ Sportstar Awards - Community Activity Grant	413.11
QCWA Abergowrie Long Pocket - Party in the Paddock	500.00
Sporting Grant - Deegan Mancinelli	250.00
St Teresa's Agricultural College Abergowrie - NAIDOC Celebrations	1,500.00
Taylors Beach Association - Family Fishing Competition	859.00
The Cathedral School of St. Anne and St. James - Community Activity Grant	1,500.00
Women in Sugar Herbert - Community Activity Grant	3,500.00



DONATIONS/SPONSORSHIPS - SUPPORT FOR EVENTS AND GRANTS TO COMMUNITY ORGANISATIONS	2018-2019 APPROVED \$
FESTIVAL CASH SPONSORSHIP	
ALGWA Conference - Sponsorship	2,500.00
Australian Italian Festival Assoc Inc - Sponsorship of the Australian Italian Festival	30,000.00
Herbert River Pastoral Association - Ingham Show July - Sponsorship	24,000.00
Ingham Sugar City Rodeo - 2018 Rodeo Sponsorship	3,500.00
Rotary Ingham Maraka Festival - 2018 Sponsorship	12,000.00

GRANTS TO COMMUNITY ORGANISATIONS

Section 189 of the Local Government Regulation 2012 requires Council to report a summary of grants provided to community organisations for the 2018-2019 financial year.

DONATIONS/SPONSORSHIPS - SUPPORT FOR EVENTS AND GRANTS TO COMMUNITY ORGANISATIONS	2018-2019 APPROVED \$
OTHER ORGANISATIONS	
Herbert River Improvement Trust	240,000.00
Lower Herbert Water Management Authority - 2018-2019	41,157.11
Marine Media Group Pty Ltd - International Fishing Series - AFC Series XVI	22,500.00
Queensland Museum - Community Pass Membership 2017-2018	7,800.00
Queensland Museum - Community Pass Membership 2018-2019	6,000.00
Townsville Enterprise - Edutourism Program 2018-2019	2,000.00
Townsville Enterprise - North Qld Agricultural Market Supply Study	3,272.73
Townsville Enterprise - Paluma to Wallaman Trail Concept Plan Development	15,000.00

REGIONAL ARTS DEVELOPMENT FUND (RADF) GRANTS		
Completed projects for 2018-2019 funding:		
Basket Workshops	Sally Maroney's Wild Things	\$ 2,104.00
Hotel Pantelone	Blue Roo Theatre Company	\$8,000.00
Adventures in Filmmaking	Hinchinbrook Community Support Centre	\$5,900.00
Pottery/Clay Workshops and Glass Bead Workshops	Cadaghi Pottery Linda Bates	\$2,500.00
Senior Week Masterclasses	Barbara Cheshire	\$470.00
TOTAL		\$18,974.00



MAYOR'S DISCRETIONARY FUND	2018-2019 APPROVED \$
Bravehearts Foundation - The Mower Man	100.00
Ingham State High School - Let's get the party started funding	500.00
TOTAL	600.00

LAND AND ROADS

Hinchinbrook Shire Council controls 431km of sealed roads and 268km of unsealed roads. 181km of roads (Transport and Main Roads) is not controlled by Council. Furthermore there is approximately 677km of additional gazetted roads not maintained by Council of which some is formed and / or paved.

Hinchinbrook Shire Council controls 4,361ha of reserve land that is a reserve under the *Land Act 1994*.

CHANGES TO COUNCIL TENDERS

In accordance with *Section 190(e)* of the Local Government Regulation 2012, Council is required to report the number of invitations to change tenders during the financial year.

Tenderers were invited to change the following tenders to take into account a change in tender specifications during 2018-2019:

- HSC 19/20 - GIS Professional Service Provider - Three year service contract;
- HSC 18/07 - Offer to Undertake Regulatory Pavement Marking;
- HSC 18/10 - Insitu Stabilising of Class 5 Roads;
- HSC 19/01 - Sir Arthur Fadden Parade Shared Footpath Connectivity Project;
- HSC 19/03 - Bosworths Road Upgrade;
- HSC 19/13 - QCOAST2100 Coastal Hazard Adaptation Strategy (Phase 3 to 8);
- HSC 19/23 - 19-01PK03 - Nebbias Road Restoration Works;
- HSC 19/22 - 19-01PK02 - Roads Map One (1) Restoration Works;
- HSC 19/21 - 19-01PK01 - Barbagallos Road Restoration Works;
- RF003184 - Dalrymple Creek Bridge Remedial Works;
- HSC 19/11 - Tender for Supply of Palm Creek Bridge Design; and
- HSC 18/13 - Baillies Bridge Culvert Replacement.

COUNCIL REGISTERS

Council is required to include in its Annual Report a list of Registers kept by Council and open to public inspection. Council's response to *Section 190(f)* of the Local Government Regulation 2012, is detailed below:

- Register of Assets
- Register of Asbestos in Buildings
- Register of Burials
- Register of Complaints
- Register of Conflicts of Interest
- Register of Contracts
- Register of Corporate Risks
- Register of Councillor Electoral Gifts
- Register of Councillors' Gifts and Hospitality Benefits
- Register of Councillors' Interests
- Register of Councillors' Membership of Organisations
- Register of Delegations by Chief Executive Officer
- Register of Delegations by Local Government
- Register of Development Applications
- Register of Dogs
- Register of Fees and Charges
- Register of Impounded Animals
- Register of Local and Subordinate Local Laws
- Register of Material Personal Interests
- Register of Mobile Food Vans
- Register of Roads

JOINT LOCAL GOVERNMENT ACTIVITY

The Local Government Regulation 2012, requires Council to report details of action taken in relation to, and expenditure on, a service, facility or activity:

- (i) supplied by another Local Government under an agreement for conducting a joint government activity; and
- (ii) for which the local government levied special rates or charges for the financial year.

Council had no details to report for the year under this section.

INTERNAL AUDIT

Hinchinbrook Shire Council has established an Internal Audit function in accordance with Section 207 of the Local Government Regulation 2012.

KPMG Enterprise was appointed as Council's Internal Auditor in August 2017. The appointment runs until 30 June 2020 with an option for Council to extend this by a further one (1) year.

During 2018-2019 KPMG Enterprise conducted Internal Audit reviews in the following areas:

- Customer Request Management;
- Cyber Security;
- Procurement, Tendering and Contract Management; and
- Records Management.

AUDIT COMMITTEE

The Committee met in September and October of 2018 and February and May of 2019. Council's Chief Executive Officer and Chief Financial Officer provide management representation at Audit Committee meetings as required.

The Audit Committee oversee the Internal Audit function requesting an update on each audit conducted to be provided at each Audit Committee meeting. Accordingly, the Audit Committee provides an effective and independent risk management structure that adds value to Council through the collaboration of Council representatives, independent specialists and management.

COMMITMENT TO PUBLIC SECTOR ETHICS

Public Sector entities must adhere to the *Public Sector Ethics Act 1994* and must implement a Code of Conduct and conduct training at least every 12 months. The Code details the ethics, principles and obligations required of government employees.

New employees continue to receive Code of Conduct training as part of their corporate orientation. A number of new employees attend an Ordinary Meeting of Council as part of the induction process to fully demonstrate aspects spoken to at the Code of Conduct training.

COMPETITIVE NEUTRALITY

No complaints were received in 2018-2019 concerning this matter.



HINCHINBROOK SHIRE HALL

LANNERCOST



The Community Financial Report is a brief summary of the information contained in Council's 2018-2019 Financial Statements and is intended to provide an overview of Council's financial position and performance for 2018-2019.

For more detail on Council's financial results and financial position please see the detailed Financial Statements in the next section of this Annual Report.

SIMPLIFIED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE	2018-2019 \$000	2017-2018 \$000
Operating Revenue	36,247	30,332
Less salaries and wages and materials and services and finance costs	(28,574)	(24,229)
Surplus from operations before depreciation	7,673	6,103
Add grants and subsidies received to be spent on assets	4,326	5,949
Funds available for capital investment	11,999	12,052
Less Depreciation	(9,157)	(8,427)
Less adjustments for asset disposals and capital related capital related provisions	(1,762)	(2,600)
Net Result for the Period	1,080	1,025

INCOME STATEMENT COMPARED WITH CASH FLOW STATEMENT

The income statement describes transactions that relate to the reporting year.

Some transactions have not become cash transactions at the reporting date such as expenses reported when the invoice has been received but not yet paid or revenue reported when an invoice has been issued but payment not yet received.

The income statement includes depreciation, a non-cash expense, to show that asset value has been used during the year but does not include cash paid for assets during the year.

The cash flow statement describes movement in cash alone.

CASHFLOW STATEMENT - CASH IN/OUT	2018-2019 \$000	2017-2018 \$000
We received from all sources (includes ratepayers, customers, other government departments and interest)	38,346	34,636
We paid operating costs of	(26,891)	(23,827)
We sold plant and equipment for	206	270
We paid for assets - property, plant equipment	(11,926)	(11,883)
Bank Balance increased/(decreased) by	(266)	(804)
Bank balance at beginning of the year	28,382	29,186
Bank balance increase/(decrease)	(266)	(804)
Bank balance at the end of the year	28,116	28,382

SIMPLIFIED BALANCE SHEET	JUNE 2019 \$MILLION	JUNE 2018 \$MILLION
What we have in the bank (a)	28.1	28.4
Other Assets (b)	325.8	290.7
Our Total Assets (a) + (b)	353.9	319.1
What we owe our suppliers and employees	8.0	6.7
Other Liabilities	6.6	4.9
Our Total Liabilities	14.6	11.6
Net Community Assets (Wealth)	339.3	307.5



HOW COUNCIL EARNED OPERATING REVENUE

SOURCES	2018-2019 %
General Rates	45%
Water Rates	10%
Sewerage Rates	7%
Cleansing	4%
Waste Management	3%
Fees and Charges	3%
Interest	3%
Subsidies, Grants and Donations	21%
Recoverable Works and Other	4%

OPERATING REVENUE

Council endeavours to maximise revenue from sources other than rates by actively pursuing grants and subsidies from the State and Federal Government.

Fees and charges are reviewed each year and are generally applied on a full cost recovery basis to ensure the user pays as much as is required.

These strategies assist in minimising reliance on the General Rate to fund Council's operations.

COUNCIL OPERATING EXPENSES

SOURCES	2018-2019 %
Employee Costs	42%
Materials and Services	34%
Depreciation	24%

THE COMMUNITY INFRASTRUCTURE COUNCIL MANAGES

Council owns and manages \$286 Million worth of infrastructure providing benefits to the community. The accounting standards require Council to ensure that infrastructure assets are recorded at fair value.

INFRASTRUCTURE	\$MILLION
Land and Land Improvements	10
Buildings and Structures	44
Fleet Assets	5
Road and Drainage Network	211
Water	23
Sewerage	14
Computer Network	2
Plant and Equipment	1
Work in Progress	10

HOW COUNCIL FUNDED INVESTMENT IN COMMUNITY INFRASTRUCTURE

COMMUNITY INFRASTRUCTURE	%
Government Grants and Subsidies	21%
Funded by Council	79%



FINANCIAL SUSTAINABILITY INDICATORS

AS AT 30 JUNE 2019	TARGET RATIO	ACTUAL 2018-2019	ORIGINAL BUDGET 2018-2019
Asset Sustainability Ratio Capital expenditure on Replacement Assets/ Depreciation The extent to which depreciation is matched by current year asset replacements	>90%	40%	70%
Net Financial Liabilities Ratio Total liabilities less current assets divided by total operating revenue Measures the extent to which the net financial liabilities of Council can be serviced by operating revenues	<60%	-53%	-40%
Operating Surplus Ratio Net result (excluding capital items) divided by total operating revenue (excluding capital items) Measures the operating surplus each year as a percentage of total operating revenue	0%-10%	-4.1%	-9%


Note - several of these ratios, and their respective budgets, can be heavily influenced by the volume and the timing of various income and expenditure streams that are outside the control of Council.


OVERALL FINANCIAL SUSTAINABILITY AT 30 JUNE 2019 -

Please see below an extract from Queensland Audit Office regarding the Assessment of financial sustainability.


Our assessment of financial sustainability risk factors does not take into account Council's long-term forecasts or credit assessments undertaken by Queensland Treasury Corporation. We calculate the overall financial sustainability risk assessment using the ratings determined for each measure using the criteria in the table below.

Risk level Detail of risk

Higher risk  Higher risk of sustainability issues arising in the short to medium term if current operating income and expenditure policies continue, as indicated by average operating deficits (losses) of more than 10 per cent of operating revenue.

Moderate risk  Moderate risk of sustainability issues over the longer term if current debt financing and capital investment policies continue, as indicated by:

- Current net financial liabilities more than 80 per cent of operating revenue or
- Average asset sustainability ratio less than 50 per cent or
- Average operating deficits (losses) over the last 5 years of between 2 and 10 per cent of operating revenue or
- Realising two or more of the individual ratios for moderate risk assessments (per the table above)

Lower risk  Lower risk of financial sustainability concerns based on current income, expenditure, asset investment and debt financing policies.



COMMUNITY FINANCIAL REPORT

KEY STATISTICS - 12 YEARS AT A GLANCE

	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Total Number of Rate able Properties	6,363	6,444	6,521	6,533	6,580	6,608
Total Rate Revenue (net of discount and remission)	\$13.621M	\$14.510M	\$15.921M	\$17.952M	\$19,180M	\$20.116M
*General Rate Revenue (excluding pre-paid rates)	\$10.856M	\$11.564M	\$12.529M	\$13.706M	\$14.789M	\$15.908M
% Change in General Rate	8.22%	6.52%	8.34%	9.40%	7.90%	7.57%
*Water Base Charge for 20mm Service	\$237.35	\$251.59	\$270.46	\$292.10	\$335.92	\$346.00
Water Consumption per kl Rate	48 cents	51 cents	55 cents	59 cents	68 cents	78 cents
*Sewerage Utility Charge for Dwelling	\$457.59	\$485.03	\$533.54	\$576.24	\$662.69	\$695.80
*Garbage Collection Utility Charge	\$125.15	\$132.66	\$145.93	\$157.60	\$169.34	\$220.00
*Waste and Environment Levy	\$136.40	\$144.58	\$159.04	\$171.76	\$184.56	\$140.00
Rate Arrears Balance	0.204M	\$0.342M	\$0.983M**	\$0.838M	\$1.461M	\$0.580M
Fees and Charges Received	\$1.121M	\$1.285M	\$1.233M	\$1.403M	\$1.345M	\$1.882M
Operating Revenue	\$18.779M	\$21.060M	\$25.206M	\$34.458M	\$51.341M	\$38.367M
Operating Grants, Subsidies and Contributions	\$1.760M	\$2.243M	\$5.902M	\$13.058M	\$26.703M	\$11.211M
Recoverable Works	\$1.191M	\$1.776M	\$1.285M	\$1.108M	\$2.700M	\$3.645M
Total Property, Plant and Equipment WDV	\$172.997M	\$179.200M	\$191.085M	\$194.835M	\$249.061M	\$289.232M
Net Community Assets	\$183.315M	\$189.578M	\$203.44M	\$209.936M	\$266.938M	\$309.219M
Capital Expenditure (Excluding debt repayment but including contributed assets)	\$6.556M	\$8.168M	\$14.122M	\$15.518M	\$9.929M	\$40.857M
Debt Repayment (Principal and Interest)	Nil	Nil	Nil	Nil	Nil	Nil
Loan Balance	Nil	Nil	Nil	Nil (\$6M redraw facility QTC)	Nil	Nil
Remaining Term of Debt	Nil	Nil	Nil	Nil	Nil	Nil

* The reduction in various rates and charges in the table above are the result of Council electing in 2014-2015 to give the 15% early payment discount to all ratepayers and therefore automatically reduce invoiced amounts accordingly. Overall net rates and charges have increased from \$22.344 Million to \$22.929 Million in 2014-2015 equal to a \$552,000 increase (2.4%).



2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2018-2019	
6,634	6,661	6,639	6,643	6,648	6,619	Total Number of Rateable Properties
\$21.171M	\$22.377M	\$22.929M	\$24.140M	\$24.390M	\$25.109M	Total Rate Revenue (net of discount and remission)
\$16.559M	\$17.634M	\$15.526M*	\$16.154M	\$16.473M	\$16.742M	*General Rate Revenue (excluding pre-paid rates)
4.09%	5.17%	-11.95*	4.04%	1.97%	0.5%	Change in General Rate
\$356.40	\$374.20	\$334.00	\$354.10	\$362.90	\$377.20	*Water Base Charge for 20mm Service
84 cents	88 cents	92 cents	97 cents	99 cents	\$1.03	Water Consumption per kl Rate
\$730.80	\$767.20	\$684.60*	\$725.90	\$744.10	\$733.50	*Sewerage Utility Charge for Dwelling
\$231.00	\$242.55	\$216.50*	\$229.50	\$233.00	\$242.20	*Garbage Collection Utility Charge
\$147.00	\$154.35	\$137.75*	\$146.00	\$148.20	\$154.10	*Waste and Environment Levy
\$0.771M	\$0.945M	\$1.118M	\$1.375M	\$1.765M	\$2.780M	Rate Arrears Balances
\$1.093M	\$1.120M	\$0.829M	\$0.814M	\$0.983M	\$0.981M	Fees and Charges Received
\$60.660M	\$51.812M	\$45.306M	\$36.736M	\$30.920M	\$36.247M	Operating Revenue
\$34.111M	\$26.134M	\$19.455M	\$9.691M	\$3.438M	\$7.767M	Operating Grants, Subsidies and Contributions
\$3.459M	\$1.331M	\$1.117M	\$1.033M	\$0.983M	\$0.919M	Recoverable Works
\$242.353M	\$239.149M	\$275.067M	\$298.132M	\$296.058M	\$320.166M	Total Property, Plant and Equipment WDV
\$254.650M	\$248.590M	\$284.616M	\$317.771M	\$320.646M	\$339.350M	Net Community Assets
\$17.867M	\$13.715M	\$13.330M	\$11.603M	\$7.686M	\$13.827M	Capital Expenditure (Excluding debt repayment but including contributed assets)
Nil	Nil	Nil	Nil	Nil	Nil	Debt Repayment (Principal and Interest)
Nil	Nil	Nil	Nil	Nil	Nil	Loan Balance
Nil	Nil	Nil	Nil	Nil	Nil	Remaining Term of Debt



**HINCHINBROOK SHIRE COUNCIL
FINANCIAL STATEMENTS
2018-2019**



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Management Certificate

Independent Auditor's Report

Current Year Financial Sustainability Statement

Certificate of Accuracy - for the Current Year Financial Sustainability Statement

Independent Auditor's Report (Current Year Financial Sustainability Statement)

Unaudited Long Term Financial Sustainability Statement

Certificate of Accuracy - for the Long Term Financial Sustainability Statement



HINCHINBROOK SHIRE COUNCIL
Statement of Comprehensive Income
For the year ended 30 June 2019

	Note	2019 \$000	2018 \$000
Income			
Revenue			
Recurrent Revenue			
Rates, levies and charges	3(a)	25,109	24,842
Fees and charges	3(b)	981	894
Rental income		170	176
Interest received		927	861
Sales revenue	3(c)	919	917
Other income		373	172
Grants, subsidies, contributions and donations	4(a)	7,767	2,471
		<u>36,247</u>	<u>30,332</u>
Capital Revenue			
Grants, subsidies, contributions and donations	4(b)	4,326	5,949
Total Income		<u>40,573</u>	<u>36,280</u>
Expenses			
Recurrent Expenses			
Employee benefits	5	(15,653)	(15,415)
Finance costs		(72)	(50)
Materials and services	6	(12,848)	(8,764)
Depreciation and amortisation	10(a)	(9,157)	(8,427)
		<u>(37,731)</u>	<u>(32,656)</u>
Capital Expenses	7	(1,762)	(2,600)
Total Expenses		<u>(39,493)</u>	<u>(35,256)</u>
Net Result		<u>1,080</u>	<u>1,025</u>
Other Comprehensive Income			
Items That Will Not Be Reclassified To Net Result			
Increase/(decrease) in Asset Revaluation Surplus	14	30,805	(14,206)
Total Other Comprehensive Income For The Year		<u>30,805</u>	<u>(14,206)</u>
Total Comprehensive Income For The Year		<u>31,885</u>	<u>(13,181)</u>

Rounding differences may apply.

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



HINCHINBROOK SHIRE COUNCIL

Statement of Financial Position

As at 30 June 2019

	Note	2019 \$000	2018 \$000
Current Assets			
Cash and cash equivalents	8	28,116	28,382
Trade and other receivables	9	5,233	4,772
Inventories		447	392
Total Current Assets		33,797	33,545
Non-current Assets			
Property, plant and equipment	10	320,166	285,529
Total Non-current Assets		320,166	285,529
Total Assets		353,962	319,074
Current Liabilities			
Trade and other payables	11	5,531	3,752
Provisions	12	2,227	255
Other liabilities	13	467	-
Total Current Liabilities		8,225	4,007
Non-current Liabilities			
Trade and other payables	11	-	677
Provisions	12	6,387	6,926
Total Non-current Liabilities		6,387	7,602
Total Liabilities		14,613	11,609
Net Community Assets		339,350	307,465
Community Equity			
Asset Revaluation Surplus	14	174,006	143,201
Retained Surplus		165,344	164,264
Total Community Equity		339,350	307,465

Rounding differences may apply.

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



HINCHINBROOK SHIRE COUNCIL
Statement of Changes in Equity
For the year ended 30 June 2019

	Retained Surplus	Asset Revaluation Surplus Note 14	Total
	\$000	\$000	\$000
Balance at 1 July 2018	164,264	143,201	307,465
Net result	1,080	-	1,080
Other comprehensive income for the year			
Revaluation of Property, Plant and Equipment	-	30,781	30,781
Change in value of rehabilitation of land	-	24	24
Total Comprehensive Income For The Year	1,080	30,805	31,885
Balance at 30 June 2019	165,344	174,006	339,350
Balance at 1 July 2017	163,239	157,407	320,646
Net result	1,025	-	1,025
Other comprehensive income for the year			
Revaluation of Property, Plant and Equipment	-	(13,434)	(13,434)
Change in value of rehabilitation of land	-	(1,040)	(1,040)
Assets not previously recognised		268	268
Total Comprehensive Income For The Year	1,025	(14,206)	(13,181)
Balance at 30 June 2018	164,264	143,201	307,465

Rounding differences may apply.

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



HINCHINBROOK SHIRE COUNCIL
Statement of Cash Flows
For the year ended 30 June 2019

	Note	2019 \$000	2018 \$000
Cash Flows From Operating Activities:			
Receipts from customers		37,419	33,775
Payments to suppliers and employees		(26,891)	(23,827)
Interest received		927	861
Net Cash Inflow (Outflow) From Operating Activities	19	11,455	10,809
Cash Flows From Investing Activities:			
Payments for property, plant and equipment		(11,926)	(11,883)
Proceeds from sale of property, plant and equipment	7	206	270
Net Cash Inflow (Outflow) From Investing Activities		(11,720)	(11,613)
Net Increase (Decrease) In Cash And Cash Equivalent Held		(266)	(804)
Cash And Cash Equivalents At Beginning Of The Financial Year		28,382	29,186
Cash And Cash Equivalents At End Of The Financial Year	8	28,116	28,382

Rounding differences may apply.

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



HINCHINBROOK SHIRE COUNCIL Notes to the Financial Statements For the year ended 30 June 2019

1. Significant Accounting Policies

1(a) Basis of Preparation

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

These general purpose financial statements are for the period 1 July 2018 to 30 June 2019 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

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

These financial statements have been prepared under the historical cost convention except for certain classes of property, plant and equipment which are measured at fair value.

Recurrent/capital classification

Revenue and expenditure are presented as "recurrent" or "capital" in the Statement of Comprehensive Income on the following basis:

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

The following transactions are classified as either "Capital Income" or "Capital Expenses" depending on whether they result in accounting gains or losses:

- disposal of non-current assets
- discount rate adjustments to restoration provisions

All other revenue and expenses have been classified as "recurrent".

1(b) New and revised Accounting Standards

This year Council has applied AASB 9 *Financial Instruments* for the first time. AASB 9 replaces AASB 139 and relates to the recognition, classification and measurement of financial assets and financial liabilities. Implementing AASB 9 has resulted in a change to the way Council calculates impairment provisions, which are now based on expected credit losses instead of incurred credit losses.

Council has not restated comparative figures. This means the new impairment rules are reflected in the receivables balance at 30 June 2019, but not 30 June 2018.

On 1 July 2018 (the date of initial application), Council re-assessed the classification, measurement category and carrying amount of each financial instrument (listed below) in accordance with AASB 9. There were some changes to classification, but this did not result in changes to measurement categories (listed below). Carrying amounts were also unchanged.

Financial Asset/Liability	Measurement category (unchanged)
Cash and cash equivalents	Amortised cost
Trade receivables	Amortised cost
Trade payables	Amortised cost



HINCHINBROOK SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2019

Some Australian Accounting Standards and Interpretations have been issued but are not yet effective. Those standards have not been applied in these financial statements. Council will implement them when they are effective. The standards that are expected to have a material impact upon Council's future financial statements are:

Standard and impact	Date council will apply the standard
<p><u>AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities and AASB2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities</u></p> <p>AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15, and AASB 2016-9. These Standards supersede the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 <i>Contributions</i>.</p>	01 July 2019

Identifiable impacts at the date of this report are:

Some grants received by the Council will be recognised as a liability, and subsequently recognised progressively as revenue as the Council satisfies its performance obligations under the grant. At present, such grants are recognised as revenue upfront.

Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. Council receives several grants from the Federal Government and State Government for which there are no sufficiently specific performance obligations. These are expected to continue being recognised as revenue upfront assuming no change to the current grant arrangements.

Depending on the respective contractual terms, the new requirements of AASB 15 may potentially result in a change to the timing of revenue from sales of Council's goods and services such that some revenue may need to be deferred to a later reporting period to the extent that the Council has received payment but has not met its associated performance obligations (such amounts would be reported as a liability in the meantime).

Prepaid rates will not be recognised as revenue until the relevant rating period starts. Until that time these receipts will be recognised as a liability (unearned revenue). There will be no impact upon the recognition of other fees and charges.

Based on Council's assessment, if Council had adopted the new standards in the current financial year it would have had the following impacts:

- Revenue decrease of \$2.2M due to deferral of grant funding, pre-paid rates, and other sales related revenue (based on the facts available to Council at the date of assessment).
 - There would be an equal reduction in the reported equity as the reduced revenue will require an increase in recognition of contract liabilities, and statutory receivables.
 - Net result would be lower on initial application as a result of decreased revenue.
- A range of new disclosures will also be required by the new standards in respect of the Council's revenue.

Transition method

The Council intends to apply AASB 15, AASB 1058 and AASB 2016-8 initially on 1 July 2019, using the modified retrospective approach. The recognition and measurement principles of the standards will be retrospectively applied for the current year and prior year comparatives as though the standards had always applied, consistent with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

Other amended Australian Accounting Standards and Interpretations which were issued at the date of authorisation of the financial report, but have future commencement dates, are not likely to have a material impact on the financial statements.

HINCHINBROOK SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2019

1(c) Critical accounting judgements and key sources of estimation uncertainty

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

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

Valuation and depreciation of property, plant and equipment - Note 10

Provisions - Note 12

Contingent liabilities - Note 16

Financial instruments - Note 21

1(d) Capital and operating expenditure

Direct labour and an appropriate proportion of overheads incurred in the acquisition or construction of assets are treated as capital expenditure. Assets under construction are not depreciated until they are completed and commissioned, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class. Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity and useful life of the non-current asset is expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

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.

1(e) National Competition Policy

Council has reviewed its business activities and elected not to apply the Code of Competitive Conduct to those activities during the year ended 30 June 2019.

1(f) Rounding and Comparatives

Any minor differences between calculated balances in the financial statements and the related notes are due to rounding.

Amounts included in the financial statements have been rounded to the nearest \$1,000, or where that amount is \$500 or less, to zero.

1(g) 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.



HINCHINBROOK SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2019

2. Analysis of results by function

(a) Components of Council Functions

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

Corporate Services

The goal of this program is to facilitate the business of Council in a timely and professional manner and to ensure that the resources of Council are effectively and efficiently utilised. The program includes activities related to rating, financial reporting, information technology services, records management and facilities.

Corporate Governance

The objective of corporate governance is for Council to be open, accountable, transparent and deliver value for money outcomes. This function includes strategic and operational planning, risk management, legal and administrative support. The Councillors and Chief Executive Officer are included in corporate governance.

Development, Planning and Environment Services

The goal of this program is to encourage the development of a sound and diverse economic base for the Shire and to facilitate creation of, and access to, business and tourism opportunities. The program includes activities related to economic development, tourism, library services, planning and development, support for festivals and events and art and cultural services.

Waste Management

The goal of this program is to develop, maintain and promote an environmentally sustainable waste management system. The program includes activities that relate to recycling and waste management.

Engineering Services

The goal of this program is to enhance and maintain the quality of life of people in the Shire by the provision of engineering and appropriate infrastructure maintenance and development. The program includes activities related to asset management, construction and maintenance and marine infrastructure management.

Building Certification Service

The goal of this program is to provide a Building Certification Service.

Water

The goal of this program is to ensure sustainable management of the Shire's water resources to provide safe and reliable services. The program includes activities related to asset management, and to water connections, reticulation, storage and treatment.

Sewerage

The goal of this program is to provide and ensure safe and reliable environmentally sustainable sewerage systems. The program includes activities related to asset management and sewerage treatment.

HINCHINBROOK SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2019

(b) Income and expenses defined between recurring and capital, and assets at written down value are attributed to the following functions:

Functions	Gross Program Income			Total Income			Gross Program Expenses			Total Expenses			Net result from recurrent operations			Net Result			Assets		
	Recurrent 2019 \$000	Grants	Other	Recurrent 2019 \$000	Grants	Other	Recurrent 2019 \$000	Capital 2019 \$000	Other	Recurrent 2019 \$000	Capital 2019 \$000	Other	Recurrent 2019 \$000	Capital 2019 \$000	Other	Recurrent 2019 \$000	Capital 2019 \$000	Other	Recurrent 2019 \$000	Capital 2019 \$000	Other
Corporate Services	1,918	17,639	983	-	5,151	(4,932)	(5)	-	-	5,151	(4,932)	(5)	14,625	(140)	-	14,625	(140)	-	58,541	-	-
Corporate Governance	83	9	-	-	2,136	(2,417)	-	-	-	2,136	(2,417)	-	(2,324)	(239)	-	(2,324)	(239)	-	-	-	-
Development, Planning and Environmental Services	278	631	308	-	5,040	(5,320)	-	-	-	5,040	(5,320)	-	(4,411)	227	-	(4,411)	227	-	16,425	-	-
Waste Management	-	2,804	34	-	2,838	(2,102)	(1,271)	-	-	2,838	(2,102)	(1,271)	703	(289)	-	703	(289)	-	1,098	-	-
Engineering Services	5,472	908	1,829	1,767	18,897	(18,967)	(474)	-	-	18,897	(18,967)	(474)	(12,608)	(1,133)	-	(12,608)	(1,133)	-	236,167	-	-
Building Certification	-	115	-	-	115	(120)	-	-	-	115	(120)	-	(5)	(7)	-	(5)	(7)	-	-	-	-
Water	-	3,824	4	-	3,828	(2,128)	(12)	-	-	3,828	(2,128)	(12)	1,697	1,668	-	1,697	1,668	-	26,006	-	-
Sewerage	15	2,549	2	-	2,567	(1,725)	-	-	-	2,567	(1,725)	-	839	993	-	839	993	-	15,725	-	-
Total	7,767	28,480	2,559	1,767	40,573	(37,731)	(1,762)	-	-	40,573	(37,731)	(1,762)	(1,484)	1,080	-	(1,484)	1,080	-	353,962	-	-

Functions	Gross Program Income			Total Income			Gross Program Expenses			Total Expenses			Net result from recurrent operations			Net Result			Assets		
	Recurrent 2018 \$000	Grants	Other	Recurrent 2018 \$000	Grants	Other	Recurrent 2018 \$000	Capital 2018 \$000	Other	Recurrent 2018 \$000	Capital 2018 \$000	Other	Recurrent 2018 \$000	Capital 2018 \$000	Other	Recurrent 2018 \$000	Capital 2018 \$000	Other	Recurrent 2018 \$000	Capital 2018 \$000	Other
Corporate Services	2,085	17,358	1,226	-	7,173	7,171	2	-	-	7,173	7,171	2	12,272	(299)	-	12,272	(299)	-	52,771	-	-
Development, Planning and Environmental Services	238	502	337	-	4,875	5,092	17	-	-	4,875	5,092	17	(4,352)	486	-	(4,352)	486	-	14,806	-	-
Waste Management	-	2,750	(12)	-	2,738	1,909	1,975	-	-	2,738	1,909	1,975	841	(916)	-	841	(916)	-	990	-	-
Engineering Services	133	883	3,379	11	14,104	14,450	517	-	-	14,104	14,450	517	(13,433)	(1,616)	-	(13,433)	(1,616)	-	211,889	-	-
Building Certification	-	115	-	-	115	102	-	-	-	115	102	-	12	12	-	12	12	-	-	-	-
Water	-	3,779	1,000	5	4,785	2,207	64	-	-	4,785	2,207	64	1,572	2,472	-	1,572	2,472	-	23,443	-	-
Sewerage	15	2,474	-	2	2,491	1,725	26	-	-	2,491	1,725	26	764	886	-	764	886	-	14,175	-	-
Total	2,471	27,861	5,930	19	36,280	32,656	2,600	-	-	36,280	32,656	2,600	(2,324)	1,025	-	(2,324)	1,025	-	319,074	-	-



HINCHINBROOK SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2019

	2019 \$000	2018 \$000
3 Revenue		
(a) Rates, levies and charges		
General Rates	16,742	16,659
Rural Fire Brigade Special Charge	23	23
Forrest Beach Water Special Charge	6	6
Waste Management Levy - Separate Charge	1,019	1,000
Water Base Charge	2,304	2,259
Water Consumption Charge	1,440	1,422
Sewerage	2,538	2,463
Cleansing Charge	1,350	1,320
	25,422	25,153
Less: Concessions	(313)	(311)
Net Rates and Utility Charges	25,109	24,842

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 in the year in which they have been received.

(b) Fees and charges		
Animal Registration Fees	45	31
Application Fees	166	168
Cemetery Fees	109	101
Facility Hire	73	52
Licence and Registration Fees	36	32
Waste Disposal Fees	396	367
Other Fees and Charges	157	141
	981	894

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.

(c) Sales revenue		
Private and Recoverable Works	890	885
Other Sales Revenue	29	32
	919	917

Revenue from private 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 at the reporting date. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed.

4 Grants, subsidies, contributions and donations

(a) Recurrent		
Contributions	197	153
State Government Grants and Subsidies	393	234
Commonwealth Government Grants and Subsidies	1,059	60
NDRRA Subsidy	4,234	27
General Purpose Grants	1,883	1,997
	7,767	2,471

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them. Council does not currently have any reciprocal grants.

HINCHINBROOK SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2019

	2019 \$000	2018 \$000
(b) Capital		
Contributions	29	19
Contributed Assets	1,767	-
Other State Government Subsidy	2,203	4,829
Roads to Recovery Subsidy	-	405
TIDS Subsidy	328	696
	4,326	5,949

Capital Revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets.

(c) Conditions over Contributions

Contributions and grants which were recognised as income during the reporting period and which were obtained on the condition that they be expended in a manner specified by the contributor but had not been expended at the reporting date:

Grants and contributions for expenditure on infrastructure	1,759	2,604
Grants and contributions for operating purposes	1,238	111
	2,997	2,715

Contributions and grants which were recognised as income during a previous reporting period and were expended during the current reporting period in accordance with the Council's obligations:

Grants and contributions expended on infrastructure	2,604	2,293
Grants and contributions for operating purposes	111	91
	2,715	2,384
Net increase/(decrease) in restricted assets (cash) at period end	282	331

5 Employee benefits

Total wages and salaries	11,112	10,407
Councillors' remuneration	438	425
Annual, sick and long service leave entitlements	2,343	2,162
Superannuation	2,134	2,124
	16,027	15,119
Other employee related expenses	559	1,273
	16,586	16,392
Less : Capitalised employee costs	(933)	(977)
	15,653	15,415

Total Council Employees at the reporting date:	2019	2018
Elected members	7	7
Administration, depot and outdoors staff	183	183
Total full time equivalent employees	190	190

The superannuation expense for the reporting period is the amount of the contribution the Council makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in Note 17.

HINCHINBROOK SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2019

	2019 \$000	2018 \$000
6 Materials and services		
Internal Audit Fees	64	31
External Audit Fees	69	79
Communications and IT	784	729
Consultancies and Professional Services	1,130	575
Contractors and Hire Expenses	6,451	3,270
Donations and Contributions	384	361
Electricity	1,187	1,224
Precept Payments	274	274
Insurance	411	411
Memberships, Licenses and Subscriptions	276	307
Minor Equipment and Consumables	199	182
Other Materials and Services	472	396
Raw Materials	1,052	831
Testing	95	94
	12,848	8,764

\$5,529,021 worth of expenditure relating to natural disaster events was included in employee benefits and materials and services expenses in 2019. \$1,239,388 was incurred in 2018.

7 Capital expenses		
Gain/(loss) on the disposal of non-current assets		
Proceeds from the sale of property, plant and equipment	206	270
Less: Book value of property, plant and equipment sold	(697)	(819)
Less: Write off of prior year work in progress	-	(75)
	(491)	(625)
Change in value of landfill restoration provision	(1,271)	(1,975)
	(1,762)	(2,600)

8 Cash and cash equivalents		
Cash at bank and on hand	335	517
QTC - Cash Fund	27,781	27,865
Balance per cash flow statement	28,116	28,382

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

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

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

Unspent government grants and subsidies - Operating purposes	1,238	111
Unspent government grants and subsidies - Capital purposes	1,759	2,604
Amount held for SES funding purposes	25	30
Waste levy refund received in advance	417	-
Total unspent restricted funds	3,439	2,745

Cash at bank and on hand at 30 June 2019 includes \$417,063 received from the State government to mitigate the direct impacts on households of the State Waste Levy, which comes into effect from 1 July 2019. This money has been set aside to help fund Council's 2019-20 Levy expense.

Trust Funds

Trust funds held for outside parties

Monies collected or held on behalf of another entity yet to be paid out to or on behalf of that entity	193	167
	193	167

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

HINCHINBROOK SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2019

	2019 \$000	2018 \$000
9 Trade and other receivables		
Receivables		
Current		
Rates and utility charges	2,780	2,432
Government grants and subsidies	1,532	1,280
Other debtors	238	602
Less impairment	(8)	(8)
	4,542	4,307
Receivables (non-financial instruments)		
GST	457	284
Prepayments	235	181
	691	465
Total current receivables	5,233	4,772

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

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

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

Because Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's freehold property to recover outstanding rate debts, Council does not impair any rate receivables for freehold properties. Council does impair rate receivables where outstanding rates debts apply to leasehold land.

Interest is charged on outstanding rates at a rate of 11% per annum. From 1 July 2019, interest will be charged at a rate of 9.83%. No interest is charged on other debtors.

Council applied AASB 9 for the first time this year. As a result Council has calculated the impairment of receivables in a different way for 2019, using a lifetime expected loss allowance. The change in calculation methodology has not resulted in a material difference, and as such, comparative balances have not been restated, and an opening balance adjustment has not been recorded.



HINCHINBROOK SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2019

10(a) Property, Plant and Equipment

	Land and Land Improvements	Buildings and Structures	Fleet Assets	Roads, Drainage and Bridges Network	Water	Sewerage	Computer Network	Plant and Equipment	Work in Progress	Total
	2019 Fair Value \$'000	2019 Fair Value \$'000	2019 Cost \$'000	2019 Fair Value \$'000	2019 Fair Value \$'000	2019 Fair Value \$'000	2019 Cost \$'000	2019 Cost \$'000	2019 Cost \$'000	2019 \$'000
Basis of measurement Asset Values										
Opening gross value as at 1 July 2018	11,711	52,472	8,201	286,172	40,543	28,220	5,452	2,551	4,937	440,261
Additions	-	-	-	-	-	-	-	-	11,926	11,926
Completed Asset transferred from Work in Progress	181	1,021	1,471	3,911	47	52	63	151	(6,896)	(0)
Contributed Assets	-	430	-	1,470	-	-	-	-	-	1,901
Disposals	-	-	(1,010)	(545)	(24)	-	(11)	(14)	-	(1,603)
Revaluation adjustment	956	7,622	-	25,872	3,206	1,639	-	-	-	39,295
Reconciliation adjustments	-	-	(28)	205	(2)	2	(5)	-	-	171
Closing gross value as at 30 June 2019	12,848	61,546	8,635	317,085	43,771	29,913	5,499	2,688	9,967	491,951
Accumulated Depreciation										
Opening balance as at 1 July 2018	(3,315)	(16,566)	(3,338)	(94,618)	(17,993)	(14,317)	(3,111)	(1,476)	-	(154,732)
Depreciation provided in period	(244)	(966)	(651)	(5,201)	(790)	(520)	(599)	(186)	-	(9,157)
Depreciation on disposals	-	-	724	151	12	-	11	9	-	907
Depreciation on contributed assets	-	(134)	-	-	-	-	-	-	-	(134)
Revaluation adjustment	347	(81)	-	(6,441)	(1,484)	(855)	-	-	-	(8,514)
Reconciliation adjustments	-	1	(5)	(13)	(142)	(0)	4	(1)	-	(155)
Accumulated depreciation as at 30 June 2019	(3,213)	(17,745)	(3,269)	(106,122)	(20,397)	(15,692)	(3,695)	(1,654)	-	(171,785)
Total written down value as at 30 June 2019	9,636	43,801	5,366	210,963	23,374	14,222	1,804	1,034	9,967	320,166
Land: Not depreciated.										
Improvements:										
15 - 50		10 - 100	4 - 15	12 - 100	5 - 75	5 - 70	3 - 17	5 - 100		
Range of estimated useful life in years										
Additions by asset class comprise:										
Renewals	482	344	1,474	1,974	389	282	143	24	-	5,111
Other Additions	254	1,291	150	3,056	1,301	52	137	575	-	6,815
Total Additions	736	1,635	1,623	5,030	1,690	334	280	599	-	11,926



FINANCIAL STATEMENTS

HINCHINBROOK SHIRE COUNCIL Notes to the Financial Statements For the year ended 30 June 2019

10(b)

	Land and Land Improvements	Buildings and Structures	Fleet Assets	Roads, Drainage and Bridges Network	Water	Sewerage	Computer Network	Plant and Equipment	Work in Progress	Total
	2018 Fair Value \$000	2018 Fair Value \$000	2018 Cost \$000	2018 Fair Value \$000	2018 Fair Value \$000	2018 Fair Value \$000	2018 Cost \$000	2018 Cost \$000	2018 Cost \$000	2018 \$000
Basis of measurement	11,633	50,371	7,690	281,119	40,144	27,495	5,278	2,374	3,977	430,081
Asset Values	-	-	-	268	-	-	-	-	11,959	12,226
Opening gross value as at 1 July 2017	78	2,152	1,311	5,517	650	863	174	177	(10,923)	-
Additions	-	(50)	(799)	(733)	(251)	(137)	-	-	-	(1,971)
Completed Asset transferred from Work in Progress	-	-	-	-	-	-	-	-	(75)	(75)
Disposals	-	-	-	-	-	-	-	-	-	-
Write-off of Work in Progress	-	-	-	-	-	-	-	-	-	-
Closing gross value as at 30 June 2018	11,711	52,472	8,201	286,172	40,543	28,220	5,452	2,551	4,937	440,261
Accumulated Depreciation	(3,095)	(15,683)	(3,331)	(76,912)	(17,378)	(13,926)	(2,398)	(1,299)	-	(134,023)
Opening balance as at 1 July 2017	(220)	(909)	(537)	(4,559)	(811)	(502)	(713)	(176)	-	(8,427)
Depreciation provided in period	-	26	530	287	196	112	-	-	-	1,152
Depreciation on disposals	-	-	-	(13,434)	-	-	-	-	-	(13,434)
Revaluation adjustment	(3,315)	(16,566)	(3,338)	(94,618)	(17,993)	(14,317)	(3,111)	(1,476)	-	(154,732)
Accumulated depreciation as at 30 June 2018	-	-	-	-	-	-	-	-	-	-
Total written down value as at 30 June 2018	8,396	35,906	4,864	191,554	22,550	13,904	2,341	1,076	4,937	285,529

Land: Not depreciated.
Improvements:
15 - 50

Range of estimated useful life in years

10 - 100 4 - 15 12 - 100 5 - 75 3 - 17 5 - 100



HINCHINBROOK SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2019

10 Property, Plant and Equipment

10(c) Recognition and measurement

Capitalisation Thresholds

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

Acquisition of Assets

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

All asset acquisitions are accounted to work in progress and when completed are transferred from work in progress to the relevant asset class.

Land Under Roads

Land under roads acquired before 30 June 2008 is recognised as a non-current asset where Council holds title or a financial lease over the asset.

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

10(d) Depreciation

Land is not depreciated as it has an unlimited useful life. Depreciation on 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 for all Council assets.

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

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

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.

10(e) Impairment

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

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

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

HINCHINBROOK SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2019

10(f) Valuation

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by comprehensively revaluing these assets at least once every five years with interim valuations using a suitable index, being otherwise performed on an annual basis where there has been a material variation in the index. Ongoing monitoring of asset conditions through work programs, maintenance schedules and onsite observations allows any material change in asset conditions to be recognised. In a year of formal revaluation the valuer physically sights a representative sample of the asset class being revalued and makes assessments of the condition of the assets at the date of inspection.

Any revaluation increment arising on the revaluation of an asset is credited to 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 relating to that asset class.

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

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

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

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

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

The table presents the Council's assets measured and recognised at fair value at 30 June 2019.

At 30 June 2019	Note	Level 1	Level 2	Level 3
		\$000	\$000	\$000
Recurring fair value measurements				
Land and land improvements	10(a)	-	3,398	6,238
Buildings and structures	10(a)	-	-	43,801
Road, bridges and drainage network	10(a)	-	-	210,963
Water infrastructure	10(a)	-	-	23,374
Sewerage infrastructure	10(a)	-	-	14,222
		-	3,398	298,597

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.

(ii) Valuation techniques used to derive fair values

Specific valuation techniques used to value Council assets comprise:

Land and land improvements

Land and land improvements were comprehensively revalued by independent valuer, APV Valuers and Asset Management effective 30 June 2019. Level 2 valuation inputs were used to value land in freehold title where comparable sales data exists. The property is compared to recently sold properties which are of a similar type. This comparison is adjusted to take in to consideration the characteristic of the land, such as size, zoning, topography and configuration. The most significant inputs into this valuation approach are price per square metre.

Level 3 valuation inputs have been utilised for land improvements where limited or no active market exists. Unobservable inputs have been utilised in assessing the fair value, which requires extensive professional judgement in determining estimates of residual value, pattern of consumption and its relationship to the remaining service potential of the depreciable amount.

Buildings and structures

The fair value of buildings and structures were also determined by independent valuer, APV Valuers and Asset Management effective 30 June 2019. Where there is a market for Council building assets, fair value has been derived using a combination of sales direct comparison approach and capitalisation of income approach. Fair value has been derived from sales prices of comparable properties after adjusting for differences in key attributes such as property size, and taking into account current rental yields, vacancy rates and price per square metre.

Specialised buildings, as well as some non-specialised properties without sufficient evidence to support a market approach, were valued using the cost approach. The approach estimated the replacement cost for each building by componentising the buildings into significant parts with different useful lives, taking into account a range of factors, such as the average cost of construction, pattern of consumption and asset condition.

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



HINCHINBROOK SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2019

Infrastructure assets

All Council infrastructure assets were fair valued using written down current replacement cost. This valuation comprises the asset's current replacement cost (CRC) less accumulated depreciation calculated on the basis of such cost to reflect the already consumed service potential of the asset.

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

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

Roads, drainage and bridges network

Roads

Current replacement cost

Council categorises its road infrastructure into urban and rural roads and then further sub-categorises these into sealed and unsealed roads. All roads are then componentised into formation, pavement and seal (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

Following condition assessments performed by independent consultants, Pavement Management Services (PMS) (sealed roads) and Civil Project Services (unsealed roads) effective 30 June 2019, CRC was calculated by reference to the revised asset linear and area specifications, applying unit rates derived from Council's first principles exercise and recent projects, also performed as at 30 June 2019.

The first principles calculation developed a unit rate for sealed road components based on a typical reconstruction project within the Hinchinbrook region, taking into consideration the average size of a project (length and width), distance from Council's Works Depot, and pavement type and depth. Various sources were used to obtain unit rates, including a number of standing offer arrangements for materials and plant.

The first principles exercise was performed by independent consultants, Langtree Consulting. The methodology applied in undertaking the calculation, including design and construction procedures, was verified by Council's Designer and Works Manager.

The unit rate for unsealed roads is based on undertaking a gravel resheet for the purpose of renewing the asset. Gravel resheeting is the process of applying a layer of gravel (usually 150mm) to a section of unsealed road. The process requires the loosening of the existing surface, spreading the new gravel and compaction. Council undertake an annual gravel resheeting program, which has been used to derive an average unit rate for these roads.

Accumulated depreciation

In determining the level of accumulated depreciation, remaining useful lives were calculated based on condition assessments. The condition profiles were provided by independent consultants after onsite inspections of the Hinchinbrook Shire Council road network.

Drainage infrastructure

Current replacement cost

A full revaluation of drainage infrastructure was undertaken by independent valuers, Langtree Consulting, effective 30 June 2019. Drainage infrastructure consists of rural pipes and culverts as well as urban stormwater assets. Unit rates were developed based on first principle estimation methodology.

Consistent with roads, Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment and that a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

Where drainage assets are located underground and physical inspection is not possible, the age, size and type of construction material, together with current and planned maintenance records are used to determine the fair value at reporting date.

Accumulated depreciation

In determining the level of accumulated depreciation, drainage assets were disaggregated into significant components which exhibited different useful lives. Estimates of expired service potential and remaining useful lives were determined on a straight line basis based on industry standard practices and past experience, supported by maintenance programs.

Estimated useful lives are disclosed in note 10(a).

Bridges

An internal review of Council's bridge assets is undertaken by Council's qualified engineering staff annually with the calculation and application, in the event of a material change in value, of unit rates obtained from the average unit rate for bridgeworks completed during the year and after consideration of the road and bridge construction index.

In 2017, Langtree Consulting was engaged to further componentise Council's bridge network, to better reflect the useful lives of each asset component. This also allowed for a more accurate CRC to be applied to each component.

Consistent with roads, Council assumes that environmental factors such as soil type, climate and topography are consistent across each bridge and that a bridge is designed and constructed to the same standard and uses a consistent amount of labour and materials.

HINCHINBROOK SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2019

Water and Sewerage Infrastructure

Current replacement cost

An internal review of Council's water and sewerage infrastructure fair values is undertaken by Council's qualified engineering staff annually. Where a material change in cost driver values is assessed the assets are revalued using unit rates obtained from the average unit rate for water and sewerage construction works completed during the year and after consideration of the non-residential building construction index. The assets are disaggregated to component level to ensure a reliable measure of cost and service capacity and deterioration of estimated life. Where water and sewerage infrastructure assets are located underground and physical inspection is not possible, the age, size and type of construction material, together with current and planned maintenance records are used to determine the fair value at reporting date. A revaluation adjustment was recorded as at 30 June 2019 for both water and sewerage asset classes, based on an index of 8% for both classes.

Accumulated depreciation

In determining accumulated depreciation, assets were either subject to a site inspection or an assessment to determine remaining useful life. Where site inspections were conducted (i.e. for active assets above ground), the assets were allocated a condition assessment, which was used to estimate remaining useful life as tabled below.

Condition rating	Condition description	Description explanation	Remaining useful life %
1	As new/ excellent	Asset "as new"	95% of useful life
2	Good	Asset is reliable, asset operates as intended and its appearance and structural integrity is up to the standard expected of an operating asset.	75% of useful life
3	Fair	Asset is reliable and operates as intended, but its appearance and structural integrity are questionable.	50% of useful life
4	Poor	Asset still operates, but does not meet intended duty or does not appear sound.	25% of useful life
5	Unserviceable	Asset is not functioning/ needs immediate attention.	5% of useful life

Where site inspections were not conducted (i.e. for passive assets and active assets for which no site inspections were undertaken), the remaining useful life was calculated on an age basis after taking into consideration current and planned maintenance records.

For wastewater gravity mains the assumption that the pipes will be relined was adopted. The fair value for sewer gravity mains was determined as follows:

- For all pipes, replacement cost was determined based on replacement by trench excavation, useful life was determined as the pipe useful life plus the reline useful life, and the pipe fair value was based on age.
- Where pipes have been relined, the total pipe useful life was determined as the pipe age when the reline occurred plus the reline life.
- The relining of pipes was valued at reline rates and depreciated over the reline life. The reline fair value was based on age.



HINCHINBROOK SHIRE COUNCIL **Notes to the Financial Statements** **For the year ended 30 June 2019**

	2019 \$000	2018 \$000
11 Trade and other payables		
Current		
Trade creditors and accruals	3,394	2,422
Annual leave	1,980	1,178
Rostered days off	88	83
Time in lieu	69	69
	5,531	3,752
Non-current		
Annual leave	-	677

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

Liabilities are recognised for employee benefits such as wages and salaries, annual leave and long service leave in respect of services provided by the employees up to the reporting date. 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. This methodology was applied for the first time as at 30 June 2019.

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

12 Provisions		
Current		
Long Service Leave	2,227	255
	2,227	255
Non-Current		
Ingham Landfill Site Restoration	2,859	2,036
Taylors Beach Landfill Site Restoration	908	638
Forrest Beach Landfill Site Restoration	514	360
Lucinda Landfill Site Restoration	189	132
Warren's Hill Landfill Site Restoration	1,697	1,703
Long Service Leave	220	2,057
	6,387	6,926

The following information for the Ingham, Taylors Beach, Forrest Beach and Lucinda landfill sites is based on an estimate to undertake remediation works at these closed landfill sites. Council is continuing monitoring and testing of these sites. The remediation works are expected to occur over the next 10 years, with Council continuing to investigate options for remediation works.

2019	Ingham	Taylors Beach	Forrest Beach	Lucinda	Total
Landfill Site Restoration	\$000	\$000	\$000	\$000	\$000
Balance at beginning of financial year	2,036	638	360	132	3,165
Increase in provision due to unwinding of discount	22	7	4	1	34
Increase in provision due to change in timing and discount rates	801	264	150	56	1,271
Balance at end of financial year	2,859	908	514	189	4,470
2018	Ingham	Taylors Beach	Forrest Beach	Lucinda	Total
Landfill Site Restoration	\$000	\$000	\$000	\$000	\$000
Balance at beginning of financial year	721	233	149	111	1,214
Increase in provision due to revised estimate of costs	1,315	405	211	21	1,951
Balance at end of financial year	2,036	638	360	132	3,165

HINCHINBROOK SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2019

	2019 \$000	2018 \$000
Warren's Hill Landfill Site Restoration		
Balance at beginning of financial year	1,703	640
Increase in provision due to unwinding of discount	18	23
Increase (decrease) in provision adjusted to Asset Revaluation Surplus	(24)	1,040
Balance at end of financial year	1,697	1,703

This is the present value of the estimated cost of restoring the landfill site to a useable state at the end of its useful life. The costs above relate to the two active cells at Warren's Hill. The projected cost is \$1.676m and this cost is expected to be incurred in stages for each cell.

A provision is made for the cost of restoration of assets and other future restoration costs where it is probable Council will be liable, or required, to incur such a cost on the cessation of use of the facility. This liability is provided in respect of landfill sites.

The provision is measured at the expected cost of the work required discounted to current day values using an appropriate rate. The current Commonwealth Government bond rate is considered an appropriate rate. The calculation of the provision requires assumptions such as the 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 landfill sites is reviewed at least annually and updated based on the facts and circumstances available at the time.

Landfill sites may be located on State reserves which the Council does not control. The cost of the provisions for restoration of these is therefore treated as an expense in the year the provision is first recognised. Changes in the provision not arising from the passing of time are treated as an expense or income.

Changes to the provision resulting from the passing of time (the unwinding of the discount) are treated as a finance cost.

Long service leave		
Balance at beginning of financial year	2,312	2,114
Long service leave entitlement arising	437	355
Long service entitlement extinguished	(62)	(30)
Long service entitlement paid	(240)	(127)
Balance at end of financial year	2,447	2,312

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in Council's employment or other associated employment which would result in 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 twelve months, long service leave is classified as a currently liability. Otherwise it is classified as non-current. This classification has been adopted for the first time as at 30 June 2019.

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Other liabilities

Waste levy refund received in advance	417	-
Other revenue received in advance	50	-
	467	-

The State government made an advance payment to Council in June 2019 to mitigate the impacts on households for 2019-20 of the State Waste Levy, which takes effect from 1 July 2019. The Council will be liable to the State for payment of the Levy on most forms of commercial and household waste delivered to its disposal sites from 1 July 2019. The State is required to make an annual payment to the Council that essentially refunds the Council for the portion of the Levy that relates to households. Council will fund the portion of the Levy that relates to commercial waste through charges to commercial users of disposal sites from 1 July 2019. As the receipt from the State in June 2019 is for a refund of Council's 2019-20 Levy expense, the full amount has been recognised as a liability at 30 June 2019.

HINCHINBROOK SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2019

	2019 \$000	2018 \$000
14 Asset Revaluation Surplus		
Movements in the asset revaluation surplus were as follows:		
Balance at beginning of financial year	143,201	157,407
<i>Net adjustment to capital non-current assets at end of period to reflect a change in fair value:</i>		
Buildings and structures	7,542	-
Road and drainage network	19,430	(13,166)
Water	1,722	-
Sewerage	784	-
Land and land improvements	1,303	-
Change in value of rehabilitation of land	24	(1,040)
Movements total	30,805	(14,206)
Balance at end of financial year	174,006	143,201

Asset revaluation surplus analysis

The closing balance of the asset revaluation surplus comprises the following asset categories:

Land and improvements	4,711	3,384
Buildings	20,136	12,594
Road, drainage and bridge network	133,399	113,969
Water	8,823	7,101
Sewerage	6,937	6,153
	174,006	143,201

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

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

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

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

15 Commitments for Expenditure

Contractual commitments at balance date but not recognised in the financial statements are payable as follows:

Contract for refuse disposal in place until 30 June 2020. Payment per annum subject to various indices. Value of contract presented is based on payment for 2018/19.	740	1,491
	740	1,491

16 Contingent Liabilities

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

Local Government Workcare

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

The Council's maximum exposure to the bank guarantee is:	275	227
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HINCHINBROOK SHIRE COUNCIL Notes to the Financial Statements For the year ended 30 June 2019

2019 \$000	2018 \$000
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Local Government Mutual

Hinchinbrook Shire Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or being 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 of any year that a deficit arises.

As at 30 June 2018 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

17 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 AASB 119 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 Hinchinbrook 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.

There are currently 62 entities contributing to the scheme and any changes in contribution rates would apply equally to all 62 entities. Hinchinbrook Shire Council made less than 4% of the total contributions to the plan in the 2018-19 financial year.

	Note	2019 \$000	2018 \$000
Superannuation contributions made to the Regional Defined Benefits Fund		256	265
Other superannuation contributions for employees		1,878	1,860
Total superannuation contributions paid by Council for employees:	5	2,134	2,124

18 Joint Arrangement

Hinchinbrook Community Wetlands

The Council has a 50% share joint arrangement interest in the Hinchinbrook Community Wetland (an unincorporated body jointly managed by Council and a third party). The principal activity of which is to develop and maintain a local wetland to treat waste water. Council's share of the results and net assets of this body are as follows:

Ordinary revenues	15	15
Ordinary expenses	(36)	(45)
Net result	(21)	(30)
Sewerage Infrastructure Assets 50% only	594	564



HINCHINBROOK SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2019

	2019 \$000	2018 \$000
19 Reconciliation of net result for the year to Net Cash Inflow (Outflow) from Operating Activities		
Net Result	1,080	1,025
Non-cash operating items :		
Depreciation and amortisation	9,157	8,427
Increase/(decrease) in provision to Asset Revaluation Surplus	24	(1,040)
	10,262	8,411
Investing and development activities :		
Net (profit)/loss on disposal of non-current assets	491	625
Write-off of work in progress	-	(75)
Property, plant and equipment adjustments	30	-
Contributed assets	(1,767)	-
	(1,246)	549
Changes in operating assets and liabilities :		
(Increase)/decrease in receivables	(461)	(1,645)
(Increase)/decrease in inventories	(55)	(15)
Increase/(decrease) in creditors and accruals	973	295
Increase/(decrease) in other liabilities	467	-
Increase/(decrease) in provisions	1,563	3,213
	2,488	1,849
Net cash inflow from operating activities	11,504	10,809
20 Events after the reporting period		
There were no material adjusting events after the balance date that require disclosure.		



HINCHINBROOK SHIRE COUNCIL Notes to the Financial Statements For the year ended 30 June 2019

21 Financial Instruments

The effect of initially applying AASB 9 on the Council's financial instruments is described in Note 1(b). Comparative information has not been restated to reflect the requirements.

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

- credit risk
- liquidity risk
- market risk

Risk Management Framework

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

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

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

The Council's audit committee oversees how management monitors compliance with the Council's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Council. The Council audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

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.

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

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

Cash and cash equivalents

The Council may be exposed to credit risk through its investments in the QTC Cash Fund. 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.

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. As the area is largely agricultural based, there is also a concentration in the agricultural industry.



HINCHINBROOK SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2019

A summary of the Council's exposure to credit risk at period ending 30 June 2019 for which impairment requirements of AASB 9 *Financial Instruments* have been applied, being for statutory charges (non-rates and charges) and other debtors:

	2019 \$000	2018 \$000
Subject to impairment		
Not past due	174	430
Past due 31-60 days	1	3
Past due 61-90 days	8	5
More than 90 days	56	165
Total gross carrying amount	239	603
Loss allowance	(8)	(8)
	231	595
Not subject to impairment		
Rates and charges	2,780	2,432
Government grants and subsidies	1,532	1,280
	4,312	3,712

Liquidity Risk

Liquidity risk is the risk that the Council will encounter difficulty in meeting 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.

Hinchinbrook Shire Council is exposed to liquidity risk through its normal course of business. The Council does not have any borrowings or external loans, limiting their exposure to liquidity risks.

The Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities to cater for unexpected volatility in cash flows. Unrestricted access was available at balance date to the lines of credit listed below:

	2019 \$000	2018 \$000
Bank overdraft facility	150	150

Market Risk

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

Interest Rate Risk

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

Sensitivity

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

A reasonably possible change in interest rates (assumed to be 1%) would have an impact of \$281,000 (30 June 2018: \$284,000) on the profit and equity of the Council, 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.

HINCHINBROOK SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2019

2019	2018
\$000	\$000

22 Transactions with related parties

(a) Transactions with key management personnel (KMP)

KMP includes the Mayor, Councillors, Council's Chief Executive Officer and other Executive Managers.

Compensation paid to KMP:

Short-term employee benefits

1,458	1,207
-------	-------

Post-employment benefits

90	74
----	----

Long-term benefits

69	24
----	----

Total KMP compensation

1,618	1,306
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Further detail in relation to KMP remuneration is included in the annual report.

(b) Transactions with other related parties

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

Details of transactions between Council and other related parties are disclosed below:

Payment of precept to Associate

243	243
-----	-----

Employee expenses for close family members of KMP

374	342
-----	-----

Fees and charges charged to entities controlled by KMP

3	4
---	---

Purchase of materials and services from entities controlled by KMP

104	71
-----	----

Total transactions with other related parties

724	660
------------	------------

All close family members of KMP were employed through an arm's length process. They are paid in accordance with the Award for the job they perform. The Council employs 183 full time equivalent staff of which 4 are close family members of KMP at reporting date.

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

Unleaded petrol and diesel fuel

Motor vehicle tyres and tyre repairs

Maintenance materials and labour

Recruitment advice

Certificates of inspection

Consultancy services

Included in the above disclosure are consultancy services purchased from Front Row Advisory Services Pty Ltd amounting to \$72,875 during 2018-19. During this time Councillor Andrew Cripps was the owner of this business. Front Row Advisory Services Pty Ltd was awarded this contract prior to Councillor Cripps being elected as councillor. The awarding of the contract was publicly disclosed and Front Row Advisory Services Pty Ltd is disclosed on Councillor Cripps' register of interest. All purchases were at arm's length, on normal terms and conditions and were in the normal course of council's operations. As at 30 June 2019 there were no amounts owed by council to the company.

(c) Outstanding balances

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

Employee expenses for close family members of KMP

24	31
----	----

Entities controlled by KMP

-	1
---	---

Total outstanding balances

24	32
-----------	-----------

No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed to related parties.

(d) Loans and guarantees to/from related parties

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

(e) Commitments to/from other related parties

Council has no outstanding commitments to/from other related parties.

It has been determined that the aggregate of any related party transactions which occurred on no different terms to that of the general public is not material for disclosure in these general purpose financial statements.



HINCHINBROOK SHIRE COUNCIL
MANAGEMENT CERTIFICATE
For the year ended 30 June 2019

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

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

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 1 to 28, 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.

R Jayo
Mayor

Date: 11 October 2019

A Rayment
Chief Executive Officer

Date: 11 October 2019



INDEPENDENT AUDITOR'S REPORT

To the Councillors of Hinchinbrook Shire Council

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Hinchinbrook Shire Council (the council).

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2019, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and Chief Executive Officer.

Basis for opinion

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

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

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

Other information

Other information comprises the information included in Hinchinbrook Shire Council's annual report for the year ended 30 June 2019, but does not include the financial report and my auditor's report thereon. At the date of this auditor's report, the other information was the current year financial sustainability statement and long-term financial sustainability statement.

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



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

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

Responsibilities of the council for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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



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

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

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2019:

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

Sri Narasimhan
as delegate of the Auditor-General

14 October 2019

Queensland Audit Office
Brisbane



HINCHINBROOK SHIRE COUNCIL

2018-2019 Current-Year Financial Sustainability Statement

Certificate of Accuracy - for the Current-Year Financial Sustainability Statement

Independent Auditor's Report (Current-Year Financial Sustainability Statement)



HINCHINBROOK SHIRE COUNCIL Current Year Financial Sustainability Statement For the year ended 30 June 2019

Measures of Financial Sustainability	How the measure is calculated	Actual	Target
Council's performance at 30 June 2019 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-4.1%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	40%	Greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	-53%	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 2019.




HINCHINBROOK SHIRE COUNCIL
Current-year Financial Sustainability Statement
For the year ended 30 June 2019

Certificate of Accuracy
For the year ended 30 June 2019

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 long-term financial sustainability statement has been accurately calculated.



Mayor
R Jayo

Date: 11 October 2019



Chief Executive Officer
A Rayment

Date: 11 October 2019



INDEPENDENT AUDITOR'S REPORT

To the Councillors of Hinchinbrook Shire Council

Report on the current year financial sustainability statement

Opinion

I have audited the accompanying current year financial sustainability statement of Hinchinbrook Shire Council (the council) for the year ended 30 June 2019, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with section 212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Hinchinbrook Shire Council for the year ended 30 June 2019 has been accurately calculated.

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

Other information comprises the information included in Hinchinbrook Shire Council's annual report for the year ended 30 June 2019, but does not include the current year financial sustainability statement and my auditor's report thereon. At the date of this auditor's report, the other information was the general purpose financial statements and long-term financial sustainability statement.

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



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

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

Responsibilities of the council for the current year financial sustainability statement

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

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

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

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

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

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



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

14 October 2019

Sri Narasimhan
as delegate of the Auditor-General

Queensland Audit Office
Brisbane



HINCHINBROOK SHIRE COUNCIL

2018-2019 Long-Term Financial Sustainability Statement

Certificate of Accuracy - for the Long-Term Financial Sustainability Statement



HINCHINBROOK SHIRE Long-Term Financial Sustainability Statement For the year ended 30 June 2019

Measures of Financial Sustainability	Measure	Target	Actuals at 30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028
Operating surplus ratio	Net operating result divided by total operating revenue	Between 0% and 10%	(4.1%)	(10.9%)	(8.7%)	(8.0%)	(6.3%)	(4.8%)	(3.4%)	(2.1%)	(0.7%)	0.6%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	Greater than 90%	40%	140%	292%	77%	68%	73%	78%	82%	87%	92%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	Not greater than 60%	(53%)	(46%)	(40%)	(37%)	(36%)	(35%)	(34%)	(33%)	(32%)	(32%)

Hinchinbrook Shire Council's Financial

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.




HINCHINBROOK SHIRE COUNCIL
Long-Term Financial Sustainability Statement
For the year ended 30 June 2019

Certificate of Accuracy
For the long-term financial sustainability statement prepared as at 30 June 2019

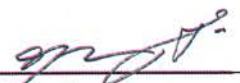
This long-term financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the regulation).

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



Mayor
R Jayo

Date: **11** October 2019



Chief Executive Officer
A Rayment

Date: **11** October 2019



HINCHINBROOK SHIRE COUNCIL

CONTACT COUNCIL

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 [HinchinbrookShireCouncil](#)

 [HinchinbrookDisasterInformation](#)

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