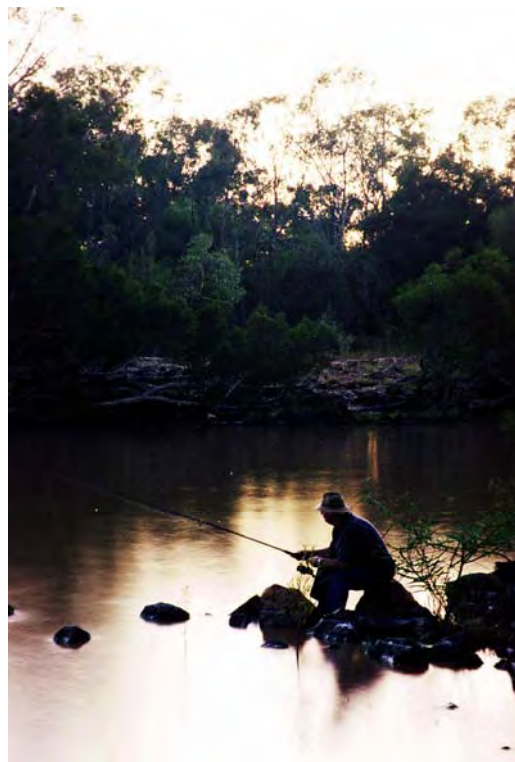




# Annual Report

2004 - 2005





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## From our Mayor Cr. Robert Buchan



The year 2006 is nearly upon us and it is time to reflect on the past twelve months. The year started with a good Season and a run in the river. The biggest cotton crop for some time was produced but with the lowest price for recent years badly affecting those who had not forward sold their crop. Grapes and other small crops have done well but also have had to battle for fair market returns. The cattle and sheep industries also continue to contribute to the economy of

the Shire. Macropod-harvesting and processing provides a living for many persons throughout our Shire. A new large supermarket built in St George and a new business painting aircraft in St George proves that there is support for new business activities and a strong belief in the future of the Balonne Shire. We are fortunate to have the many support industries from transport, machinery, shopping, accommodation, catering, hospitals, medical services and all other business that make our Shire a good place in which to reside. I mention these things because without a strong viable economy in our Shire, we have nothing.

The resignation of Cr Wicks in February, 2005, necessitated the need for a new by-election to be held during this year. As a result of this By-election Cr Andrew Sevil was duly elected to the position of Councillor and attended his first Council Meeting on 20<sup>th</sup> May, 2005. I would like to thank Cr wicks for his contribution to the Shire during his tenure and extend a warm welcome to Cr Sevil.

Council spending has to be done responsibly and a must ensure that only equipment that is needed and is going to get adequate use be purchased. Balancing where funding is to be spent is always difficult because the demands on our relatively limited resources are many and great. We must not leave future generations with debt that they cannot service. Cost shifting from State Government can be a problem they can devolve activities by Legislation to us and we have to fund them forever. There can be many examples of this. I also believe we will see a large increase in water supply charges in the near future. Council is looking at an upgrade of our administration building after 4 decades, I think it is about time and we are hope to start planning this project reasonably soon.

Engineering services have changed from Consultants to employing our own Director of Technical Services for our engineering work with Consultants used only for specialised purposes. I must acknowledge many long serving employees with decades of service to Council. Some have time up to and exceeding 40 years. The dedication and knowledge that these many employees have must be recognised and appreciated by all of us. Thanks to all of them. I would also like to acknowledge the assistance and support from our former Shire Clerk and Chief Executive Officer Mr Jack King OAM who willingly and capably filled the position of Acting Chief Executive Officer for a five month period during the 2004/2005 financial year.

Having said the above we are fortunate to live in this part of Australia with a diversity of businesses and a positive attitude from most of our Shire residents. Keep our spending under control, watch out for cost shifting from the State Government, receive as many grants as possible from State and Federal Government, keep our tourism program expanding and I see an even brighter future for our Balonne Shire.

R.E. Buchan,  
MAYOR

## KEY CONTACTS

**Postal Address:** Balonne Shire Council  
PO Box 201, St. George 4487

**Administration Office:** 118 Victoria Street, St. George  
Phone (07) 4620 8888  
Fax (07) 4620 8889

**Health Office:** 118 Victoria Street, St. George  
Phone (07) 4620 8844  
Fax (07) 4620 8845

**Works Depot:** 193-199 Grey Street, St. George  
Phone (07) 4620 8855  
Fax (07) 4620 8856

**After Hours Emergencies:** Phone 0407 253 858

**Website:** [www.balonne.qld.gov.au](http://www.balonne.qld.gov.au)

**Email Address:** [council@balonne.qld.gov.au](mailto:council@balonne.qld.gov.au)

## Shire Profile

### Statistics

Balonne Shire is located in Queensland on the New South Wales border some 500 kilometres from the east coast of Australia.

The Shire has a predominantly rural-based economy with cotton, wool, beef and grain production being the most common primary industries. Rural industry has created and is supported by the Towns of St. George, Dirranbandi, Bollon, Thallon, Mungindi and Hebel. Small localities such as Nindigully, Boolba and Alton are important meeting places for the rural communities.

The existence of these distinct communities spread across over 31,000 square kilometres of Queensland presents a special challenge to the Balonne Shire Council as it carries out the functions of local government. These functions, which have been determined on the basis of community needs and in some cases through the devolution of powers from the State Government include, in broad terms, the provision of transport infrastructure, community recreational, sporting and cultural facilities, the control of building and development, the administration of public and environmental health, the promotion of tourism and economic development and the provision of urban water supplies, sewerage and cleansing services.

Land Area	31,130 square kilometres
Length of Roads	2,388 kilometres
Resident Population	5,564 (2001 Census)
No. of Properties	2,714
No. of Rateable Properties	2,246
Valuation	\$171,567,970
Water Connections	1,570
Sewerage Connections	1,290
Rate / Utility Charge Revenue	\$4.9 million
Nett Operating Revenue	\$12.2 million
Nett Operating Expenditure	\$12.9 million
Council Bank	Westpac
Auditor	Phillip Fitzgerald, Brisbane

### Council Meetings

General Meeting	3 <sup>rd</sup> Friday of each Month
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Council meets at the Council Chambers which are located in the Administration Office, St. George. One meeting each year is usually held in another town within the Shire.

General Meetings commence at 9.00am.

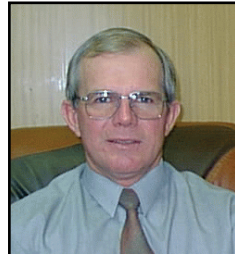




## Elected Council



**Cr. Robert Buchan**  
**MAYOR**  
(from 27<sup>th</sup> March, 2004)  
18 Cutler Court  
St. George Q 4487  
Ph 4625 5960 (h) Fax 4625 3620



**Cr. Richard Knights**  
**DEPUTY MAYOR**  
(from 27<sup>th</sup> March, 2004)  
"Acme Downs"  
Bollon Q 4488  
Ph 4625 7367 (h) Fax 4625 7336



**Cr. Robert Connolly**  
4 Cutler Ct  
St. George Q 4487  
Ph 4625 4240 (h) Fax 4625 4209



**Cr. Robyn Fuhrmeister**  
Surat Road  
St. George Q 4487  
Ph 46255168 (h) Fax 46253504



**Cr. Peter Powne**  
(from 27<sup>th</sup> March, 2004)  
PO Box 29  
Bollon Q 4488  
Ph 4625 6197 (h) Fax 4625 6197



**Cr. Michael Hetherington**  
"Bimbibi"  
Thallon Q 4497  
Ph 4625 9101 (h) Fax 4625 9101



**Cr. Ross Wicks**  
(to 18th February 2005)



**Cr. Richard Marsh**  
11 Henry St  
St. George Q 4487  
Ph 4625 3197 Fax 4525 3997

For the People  
**Ralonne**  
Shire Council  
Annual Report 2004 - 2005



**Cr. Rodney Beeson**  
(from 27<sup>th</sup> March, 2004)  
PO Box 135  
St. George Q 4487  
Ph 4625 3431 (h) Fax 4625 3304



**Cr. John Kennedy**  
(from 27<sup>th</sup> March, 2004)  
"Moombah"  
Teelba Road  
St. George Q 4487  
Ph 4669 5115 (h) Fax 4669 5174



**Cr. Andrew Sevil**  
(from 23<sup>rd</sup> April 2005)  
"Whyenbah"  
ST GEORGE, Q 4487  
Ph 4620 7030 (h) Fax 4625 8227

## Council's Mission

*"To implement community needs by providing quality leadership and delivering efficient and effective services in partnership with the community."*



## Councillors Remuneration

In accordance with Section 534(g) of the Local Government Act, 1994 the Council must disclose the total remuneration paid or provided by it to each of its Councillors during the year and the total superannuation paid in respect of each Councillor. The remuneration paid to the Mayor and Councillors during the 2004/05 financial year is detailed in the following table:-

Councillor	General Meetings Eligible for Attendance	General Meetings Attended	Other Meetings Attended	Meeting Fees	Travel & Out of Pocket Expenses	Mayoral & Deputy Mayoral Allowance	Councillors Allowance	Communication Allowance
Cr RE Buchan	12	12	7	4,626.00	300.00	17,000.00	-	1,500.00
Cr MD Hetherington	12	12	22	5,760.00	2,629.00	-	4,000.00	1,500.00
Cr RG Fuhrmeister	12	12	69	10,944.00	808.56	-	4,000.00	1,500.00
Cr RW Marsh	12	12	27	5,976.00	200.00	-	4,000.00	1,500.00
Cr RM Wicks (to 18/02/05)	7	7	15	3,888.00	1,735.90	-	2,533.33	960.49
Cr RG Connolly	12	10	22	5,724.00	350.00	-	4,000.00	1,500.00
Cr PA Powne	12	12	14	4,464.00	2,464.36	-	4,000.00	1,500.00
Cr JB Kennedy	12	11	12	4,176.00	1,786.02	-	4,000.00	1,500.00
Cr RC Beeson	12	11	7	3,024.00	-	-	4,000.00	1,500.00
Cr RT Knights	12	12	31	9,360.00	6,712.69	7,000.00	-	1,500.00
Cr AF Sevil (from 09/05/2005)	2	2	3	828.00	392.84	-	582.42	212.53
<b>TOTAL</b>				<b>58,770.00</b>	<b>17,379.37</b>	<b>24,000.00</b>	<b>31,115.75</b>	<b>14,673.02</b>

Superannuation – Nil.

Refer also to [Appendix 4](#) for details of the Councillors Remuneration Package for the 2004/05 financial year.

## From our Chief Executive Officer

The Motto of the Balonne Shire Council is "For the people" and in this respect over the past financial year our aim is to deliver valuable and appreciated services to the residents of the Balonne Shire. In delivering these services Council this year, adopted a new Corporate Plan that will take us forward from 1<sup>st</sup> July, 2005, to 30<sup>th</sup> June, 2009. As well as stating our vision, purpose and values the Corporate Plan sets out a number of major programmes for Council to follow which includes finance, administration/corporate services, planning and development, transport and drainage infrastructure services, community and cultural, environmental and health services, commercial services, urban waste water, urban water and cleansing.

Council is now in a position over the next five years to deliver on these defined programs.

During the year 2004/2005, Council through its Annual Report is able to report to the community on the Council's achievements and initiatives successes and difficulties encountered over the twelve month period. In this regard Council remains in a sound financial position as detailed in the audited statements and was able to undertake many projects that benefit the Shire as a whole.

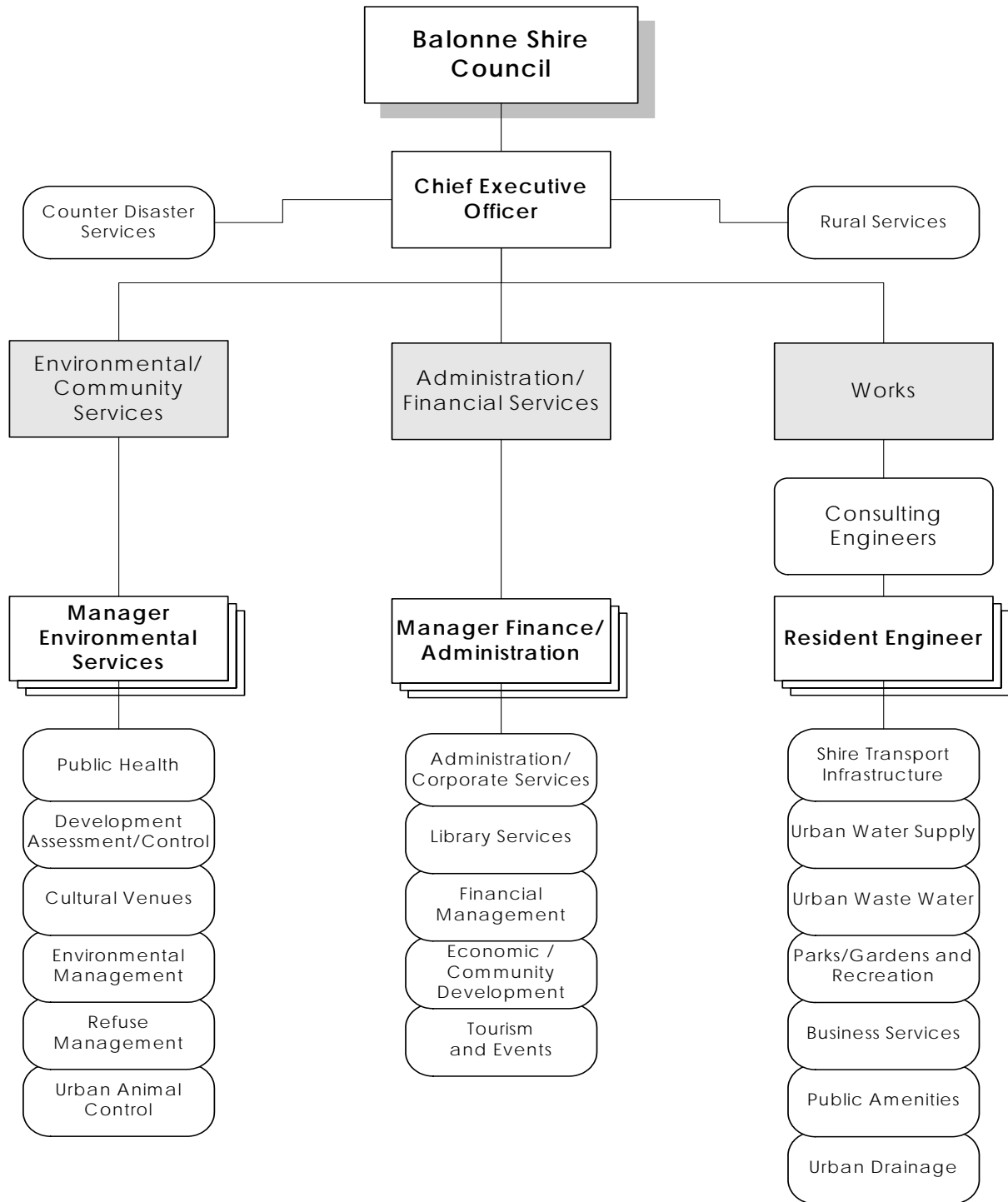
An emerging issue affecting most Local Governments and especially those rural and remote Local Authorities, is the difficulty in attracting quality Staff to Senior positions within the organisation. This issue is continuously ongoing and will continue to dog Local Governments for many years in the future unless new directions are taken such as addressing the issue of maintaining original employees and promoting them appropriately, training new employees and providing them with work conditions that entice them to stay within the organisation for long periods of time. If Council can address these two issues regarding training and retaining employees, we will be a better organisation to advance into the future years.

Local Government today seems to be in demand to provide the less traditional services including such things as community centres, passive recreation and sporting facilities. As well there are now new core businesses within Local Government such as tourism, economic development, welfare, improved information technology, environmental protection and many other demands. In many cases Council is being requested to provide more and more services with limited funding to provide those services.

Through the professional practices and dedicated efforts of the Staff, this Council's strategic and operational objectives have been achieved. Every Member of Staff has contributed or participated in these successful work activities and they are to be congratulated and thanked for their wonderful efforts.

Allan Young  
**CHIEF EXECUTIVE OFFICER**

## Corporate Structure



## Our Goals

In order to achieve Council's Mission, Council adopted a corporate approach and divided Council functions into ten (10) Major Programmes. Each of these Programmes has been allocated a key goal and these goals are used as the basis for formulating the strategies and actions required to achieve the desired Programme outcomes as documented in the Corporate Plan.

### **Finance (0100)**

Goal: *To achieve maximum community benefit from available financial resources.*

### **Administration / Corporate Services (0200)**

Goal: *To effectively and efficiently administer the affairs of Council and to provide quality service to it's Customers.*

### **Planning & Development (0300)**

Goal: *To implement appropriate planning controls to ensure and encourage the balanced quality development of the Shire and promote the Shire as a desirable place to live, work and visit.*

### **Transport & Drainage Infrastructure Services (0400)**

Goal: *To provide efficient and effective transport and drainage infrastructure.*

### **Community & Cultural (0500)**

Goal: *To encourage and participate in the continuing development of community services and cultural activities and to foster strong community spirit.*

### **Environmental & Health Services (0600)**

Goal: *To implement policies and operational programmes which will contribute to the environmental health and well-being of the community.*

### **Business Services (0700)**

Goal: *To undertake private works within the scope of Council's expertise in an efficient and cost-effective manner.*

### **Urban Waste Water (4000)**

Goal: *To provide efficient, effective and environmentally sound waste water disposal services in the Towns of St. George, Dirranbandi and Bollon.*

### **Urban Water (5000)**

Goal: *To provide efficient, effective and environmentally sensitive water supplies to the Towns of St. George, Dirranbandi, Bollon, Thallon, Hebel and Mungindi (Queensland).*

### **Cleansing (6000)**

Goal: *To provide efficient, effective and environmentally sensitive refuse collection and / or disposal services in all towns.*

## Standing Committees

Standing Committees have been formed in order to streamline Council business. These Committees meet as required on an irregular basis.

### ***FINANCE COMMITTEE***

The Council as a Committee of the whole, by Authority of Resolution dated 11<sup>th</sup> April, 2000.

### ***WORKS COMMITTEE***

The Council as a Committee of the whole, by Authority of Resolution dated 11<sup>th</sup> April, 2000.

### ***AGENDAS AND MINUTES***

Agendas are prepared for all Council General Meetings and are available for public display no less than two days prior to those meetings. Un-confirmed minutes of all Council General Meetings are available for public display within five working days after the Meeting.

### ***ADVISORY COMMITTEES AND STATUTORY BODIES***

A number of Advisory Committees (that may also include staff and members of the general public), are established from time to time to investigate and deal with particular issues or programmes and meet as required.

Council representation on Statutory Bodies and Advisory Committees is established at the commencement of and as required throughout the term of the Council. Details of committee membership are documented in the publicly available Freedom of Information - Statement of Affairs.

## 0100 - Finance

**Goal:** *To achieve maximum community benefit from available financial resources.*

Council's financial statements have been prepared on an accrual basis as required by the Local Government Finance Standards. The audited financial statements for the Year ended 30 June, 2005 are included in this report as [Appendix 2](#).

### Trust Fund

The Council acts as trustee for certain funds and as at 30 June, 2005 a total amount of \$47,822.92 was held. These funds comprise mainly refundable security deposits or monies collected or held on behalf of another entity for repayment to or on behalf of that entity.

### National Competition Policy

The following activities of the Council are considered to be business activities under the Code of Competitive Conduct as referred to under Chapter 9 of the *Local Government Act 1993*:-

- Road/Street Construction Program
- Urban Water Supply Program
- Sewerage Program

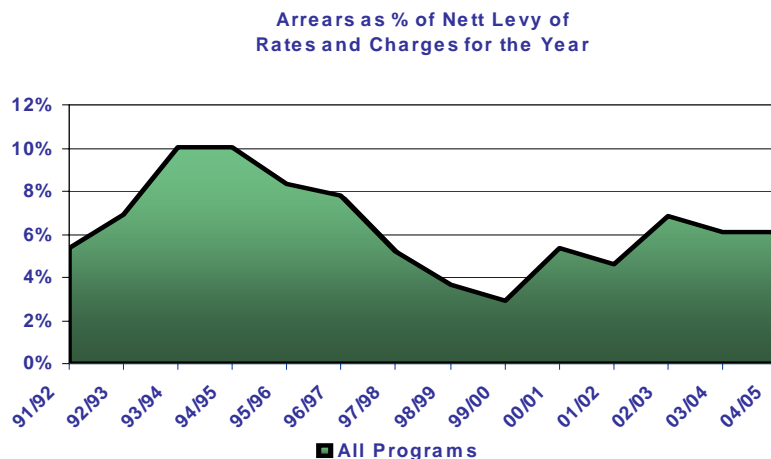
During the 2000/01 year the Council considered a consultant's report on the application of the Code and the implementation of full cost pricing to the above programs. Council has resolved not to apply the Code of Competitive Conduct as it believes there is no benefit to the community in implementing this code.

***0100-1 Strategy: Maintain, through the Revenue and Borrowing Policies, an equitable and effective system of revenue raising and collection.***

Council's Revenue Policy details the philosophy adopted in determining rating and charging methodologies for the 2004/05 financial year and is included with this report as [Appendix 1](#).

Rates and utility charges remain the primary source of finance and it is pleasing to note that the majority of ratepayers and service users met their commitments within the year. Arrears of rates and charges for the year has remained steady approximately 5.07% expressed as a % of nett rates/charges levied in the year (5.7% as at 30 June, 2004). This result reflects a partial recovery from the drought conditions which have affected the Shire during recent years. (Refer to [FIGURE 1](#) below)

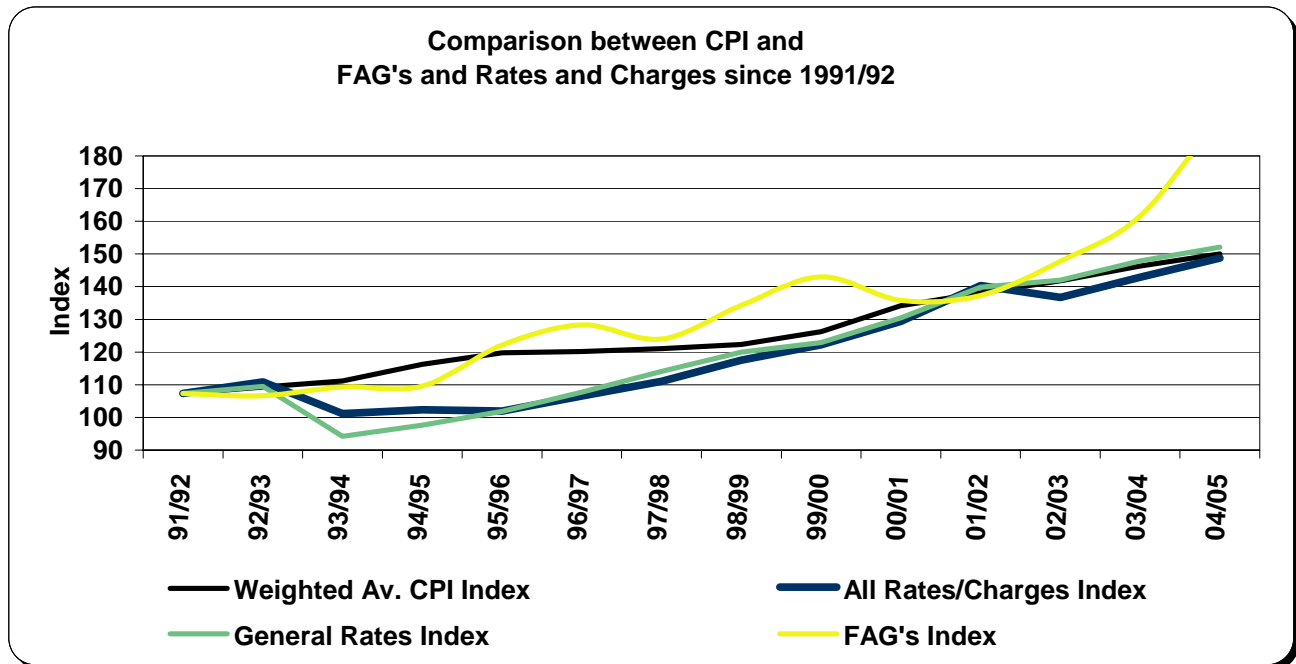
**FIGURE 1**





The graph at **FIGURE 2** provides an indication of the movement in nett rates and charges revenue compared with the movement in the Consumer Price Index (Weighted Average CPI) & Financial Assistance Grants (FAGs) since 1991/92.

**FIGURE 2**



Pensioner rate remissions totalling \$24,009 (\$23,476 in 2003/04) were granted to qualifying ratepayers during the 2004/05 year.

Details of Council's Pensioner Remission Policy are included in the Revenue Policy (Refer [Appendix 1](#)).

Council also provides administrative support to the State Government Pensioner Rate Subsidy Scheme which presently provides rebates of up to \$150 per annum to qualifying pensioners.

***0100-2 Strategy: Maintain an equitable and effective system of general charges for miscellaneous services.***

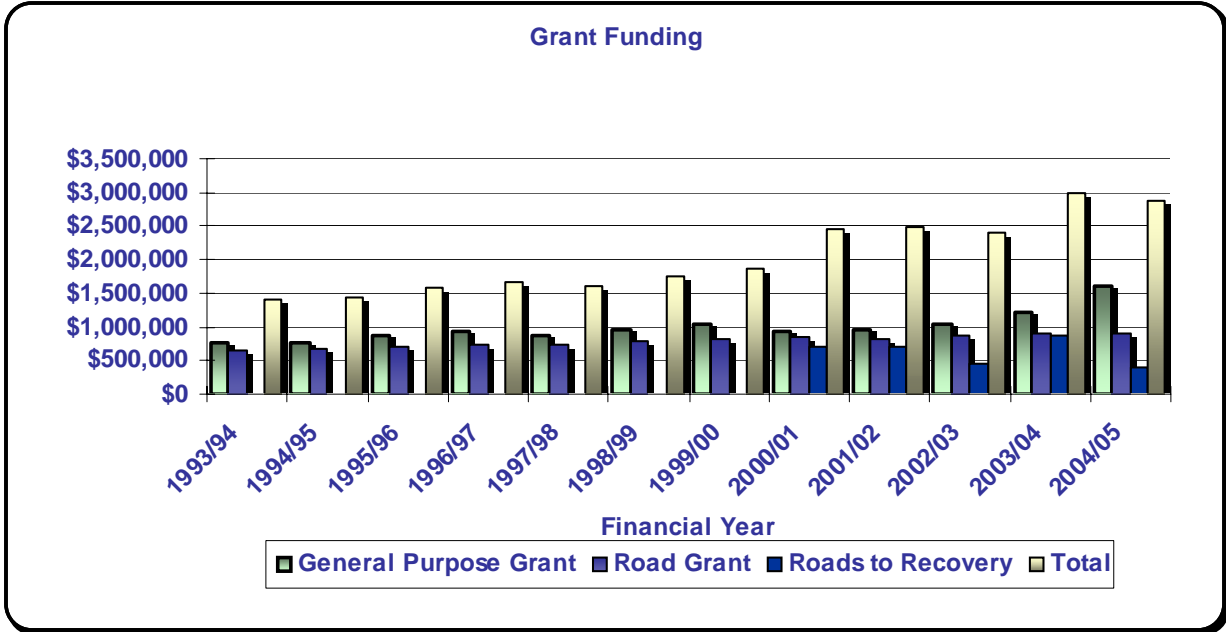
General charges are those levied on the users of miscellaneous Council facilities and services, including the registration of dogs, hire of halls & showgrounds, purchase of Council documents, cemetery services, etc. There is typically a significant level of cross-subsidisation built into general charges reflecting the Council's community service obligations. The Council has continued to exercise restraint in the setting of general charges with minor increases to a limited number of charges in the 2004/05 year. A register of these charges is kept by Council and is freely available for examination upon request or from the Council website.

***0100-3 Strategy: Identify and pursue all relevant funding sources available to help provide services to Balonne Shire communities.***

The Local Government Grants Commission is the body responsible for administering the distribution of local governments' share of the federally-funded general purpose and roads grants. During 2004/05, the impasse between the State and Federal Government regarding the phase-in of the new grant methodology was resolved and the Council received increased funding from this program.

The 2004/05 financial year was the last year of operation for the Federal "Roads to Recovery" funding, although during the year it was announced that Roads to Recovery #2 will commence in 2005/06. Local Governments across Australia continue to argue that the quantum of funding for local roads is inadequate and that the commitment needs to be increased over the long term.

The following graph (FIGURE 3) details the movement in these grants since 1993/94: -

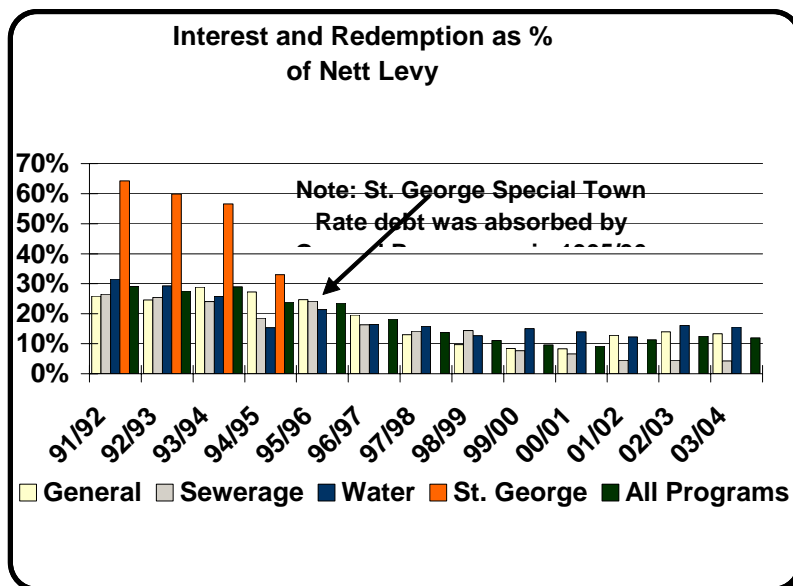


Total Subsidies and Grants received or receivable by Council for the year amounted to \$4,640,000 (\$3,476,000 in 2003/04) and are detailed in the Financial Statements (Appendix 2)

*0100-4 Strategy: Implement a Borrowing Policy which maintains a performance standard that annual Interest and Redemption expense does not exceed 30% of annual nett General Rates and Utility Charges revenue for each programme.*

No borrowings were raised during 2004/05, leaving Council with a total loan liability of \$3,839,000 at 30 June 2005. The graph at FIGURE 4 shows interest and redemption payments as a percentage of the nett rates and charges levied since 1991/92. It can be seen that the total interest and redemption payments for all funds is presently 12.3% (approx.) of nett rates and charges levied. The Council's Corporate Plan and Borrowing Policy require that this figure generally remains below a threshold of 30%. Council's Borrowing Policy is detailed in Appendix 5.

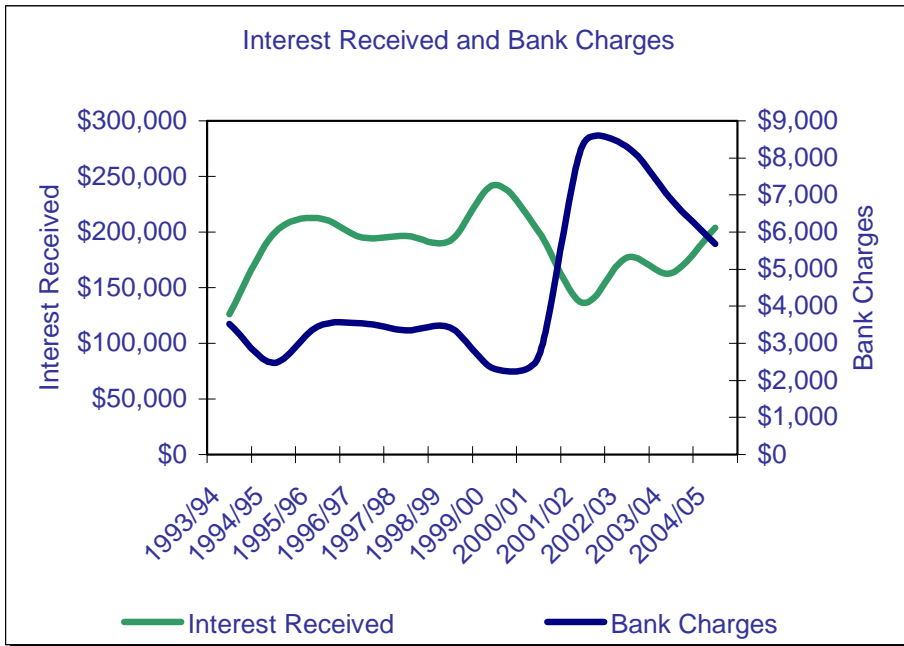
FIGURE 4



**0100-5 Strategy: Maximise return on surplus cash and minimise bank charges through effective investment/cash management.**

Council continues to maximise return on its investment of surplus cash through the use of the short term money market. Interest revenue has increased in comparison to levels achieved in 2003/04, which has been attributed to increase in excess funds as a result increased road subsidies. Bank charges have also decreased slightly during the current financial year.

Interest received from investments and bank charges paid since the 1993/94 financial year are detailed in the following graph (FIGURE 5):-



**0100-6 Strategy: Manage the replacement and expansion of Council's assets.**

The graphs at FIGURES 6 and 7 indicate in broad terms Council's principal sources of revenue and how that revenue was applied in 2004/05. It can be seen that Council relies on external revenue to the extent of 47.6% and that rates and utility charges account for 46.1% of total revenue.

Revenue was applied in four broad categories as indicated below in FIGURE 6. It can be seen that 40.4% of operating revenue was applied to the funding of asset depreciation and 58.8% to operational expenditure. Finance costs represent the interest paid or payable in relation to Council's borrowings.

FIGURE 6

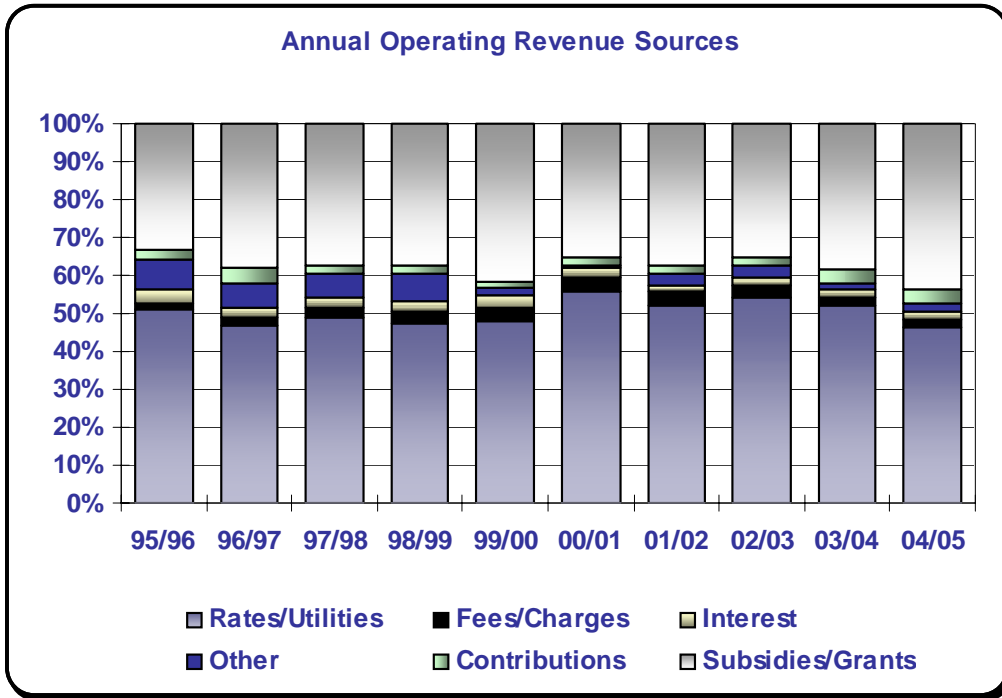
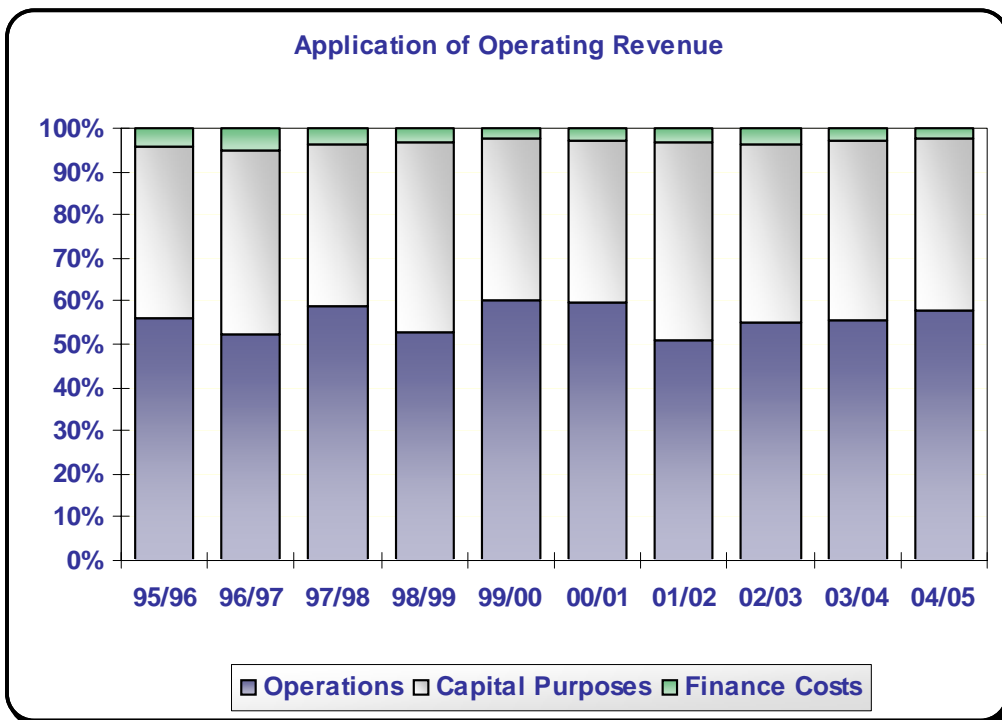


FIGURE 7



## 0200 - Administration/Corporate Services

**Goal:** *To effectively and efficiently administer the affairs of Council and to provide quality service to its customers.*

Customer service is the primary focus of this programme and it is perhaps best understood by examining who Council's customers are. From a staff point of view, the Council's customers are its Shire ratepayers & residents, the Mayor and Councillors, the general public, Government Departments (both State and Federal) including elected representatives, community organisations and fellow employees. Whilst it is incumbent upon all staff to provide good customer service it is the primary role and reason for the existence of the Administration Section of the Council.

The specific achievements of the Administration Section are often complicated to define as performance in this area is difficult to measure in quantitative terms. Administration is involved in, and has an important role to play, in every aspect of the Council's operations.

**0200-1 Strategy:** *Maintain an efficient, committed and appropriately skilled workforce.*

The Local Government Amendment Regulation (EEO) was introduced during the 1994/95 year and requires all Councils to implement management plans for Equal Employment Opportunity. Council has prided itself on employing people on the basis of equity and merit and has developed a formal EEO management plan which ensures:-

- the optimum use of talents, skills, resources and qualifications of employees;
- that no job applicant or employee is subject to direct or indirect discrimination on the grounds of gender, sexual preference, marital status, parenthood, physical or mental impairment, race, national origin, religious or political conviction;
- that no job applicant or employee is disadvantaged by conditions or requirements which cannot be shown to be necessary for the performance of the relevant position.

Council is aware that all staff are in a position of trust and that fair and ethical behaviour is essential to ensure that relationships with the public, suppliers and governments are maintained at a high standard. The requirements of staff in this regard are detailed in a Code of Conduct and staff are provided with a copy of the Code on commencing employment with the Council.

Enterprise Bargaining continues to be a major issue within the local government industry. Negotiations on a fifth State Award agreement was completed during 2004/05, while negotiations on the fourth Federal Award agreement commenced during 2004/05.

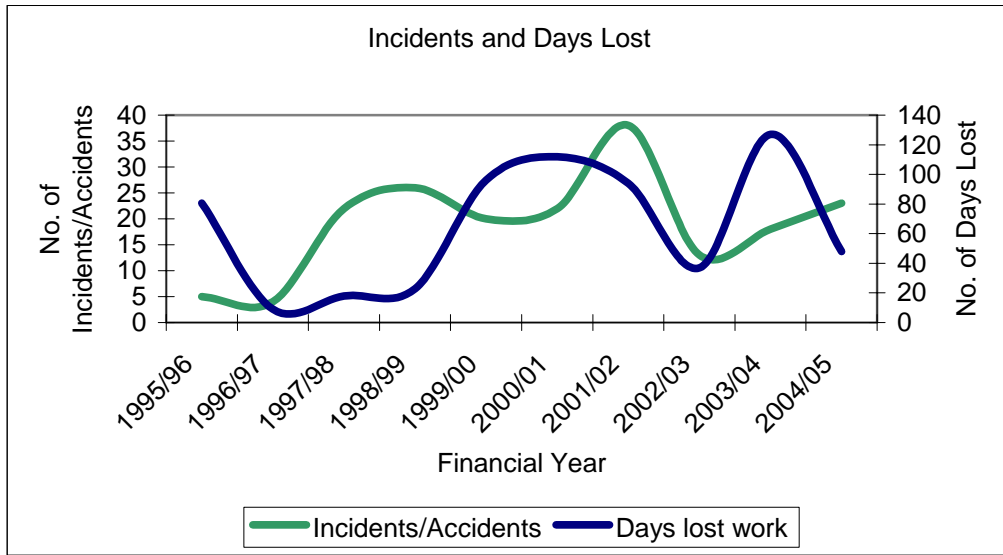
Workplace Health and Safety is an increasingly important consideration in all areas of Council activity. Council continues to provide the necessary resources to meet its obligations under the Workplace Health & Safety legislation but emphasis must continue to be given to health and safety considerations when staff carry out their day-to-day duties. On commencing employment with the Council, new staff undertake safety induction training in an attempt to heighten awareness of their responsibilities in this regard. More specific training is provided to staff as needs are identified on an on-going basis.

A joint Council and Staff responsibility exists to monitor, document and where necessary, adjust work procedures to ensure maintenance of the health and safety of all concerned. Council's sub-contractors must also be fully aware of their responsibilities in regard to workplace safety issues and conditions to this effect have been incorporated into relevant tender documents and specifications.

  
**Annual Report 2004 - 2005**

Council's Workplace Health and Safety Officer reported that during the 2004/05 year some 23 reported incidents/accidents resulted in 48 days lost work. The following graph (FIGURE 8) indicates performance in this important area since the 1995/96 financial year:-

**FIGURE 8**




The following tables indicate staff turnover and the composition of staffing levels at the close of the year:-

Financial Year	Staffing as at close of year	Resignations etc.		Appointments
		Number	%	
1995/96	79	20	25.3	19
1996/97	84	9	10.7	6
1997/98	90	14	15.6	10
1998/99	89	25	28.1	23
1999/00	94	23	24.5	25
2000/01	84	11	13.1	6
2001/02	85	20	23.5	18
2002/03	87	16	18.4	18
2003/04	79	29	36.7	21
2004/05	82	19	23.2	24

Employee Type	Male		Female		Total	
	Number	%	Number	%	Number	%
Full-Time	58	68.35	16	18.99	74	87.34
Casual / Part-Time	0	0.00	8	12.66	8	12.66
Total	58	68.35	24	31.65	82	100.00

During the year Council continued to actively employ apprentices / trainees under the State Government "Breaking the Unemployment Cycle" initiative. This is proving to be a worthwhile initiative and will be continued.



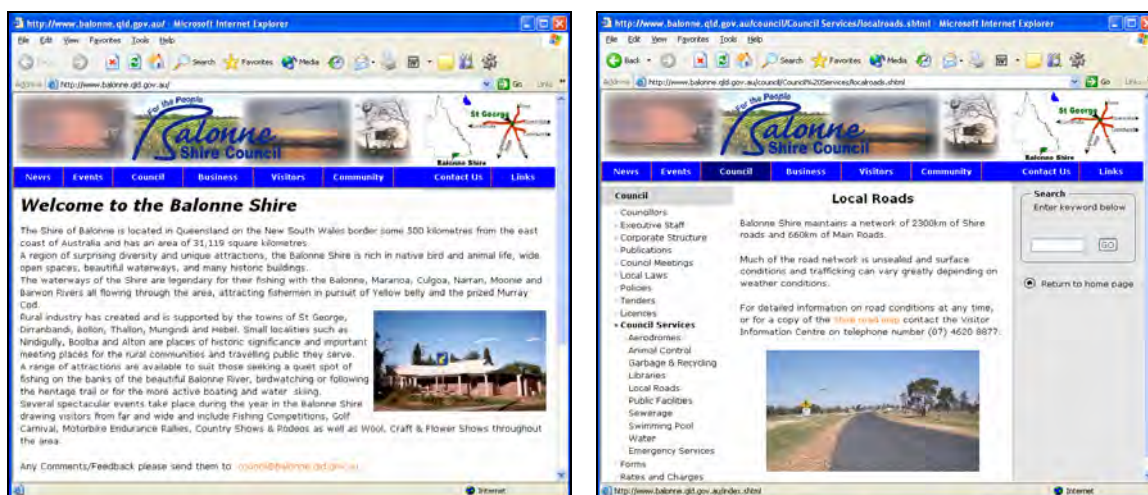
  
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**0200-2 Strategy: Enhance Council's communication and decision making processes through appropriate public relations and community consultation processes.**

The primary aims of this particular strategy include the achievement of a public perception of openness & transparency, along with increased Council awareness & accountability and the provision of maximum public information.

Publication of newsletters summarising the annual budget commenced in 1996/97. Every ratepayer receives a copy of this newsletter with their first and second moiety rate notice.

**Our Website**



The original Council website which was created by staff in 2001 was decommissioned in October 2003 when the Council converted to an off-site system under the "Networking the Nation" project. The new-look website is far more functional and has now become a well utilised business tool which is easy for the public to navigate. The Council continues to receive favourable comments from the public with regards to the format and quality of the site, which can be accessed at [www.balonne.qld.gov.au](http://www.balonne.qld.gov.au). Considerable time is being invested in keeping information on the site up-to-date and relevant to the interests of Shire residents and visitors. Any feedback on the site would be welcomed.

**Complaints Management**

The "Request For Action" (RFA) system has now completed its seventh year of operation. This system was originally developed with the aim of providing better customer service in regard to the many small requests and complaints which the Council receives from the public on a daily basis. These requests are logged on a computer system which allows regular follow-up reporting to ensure that the request is attended to as considered appropriate, or alternatively if it has not been addressed information is sought as to why this has been the case. The RFA system has been well received by the public and staff alike and continues to be integral in ensuring that Council is accountable to the general public in responding to their needs and concerns.

Public consultation is fundamental to the reforms taking place in Local Government and is seen as an important component of major decision making process. The vastness of the Shire in terms of distance makes the process of public consultation difficult and consequently Council often relies on the local print & radio media and on the circulation of letters to canvass the views of the public on certain issues.

A large number of Council documents are available for inspection or purchase by the public. A listing of those Registers and Documents available at the Council Office is included in this report as Appendix 3. Many of these documents can also be viewed on the Council Web Site.

***0200-3 Strategy: Provide appropriate office and information technology resources to help Council achieved it's corporate and administrative objectives.***

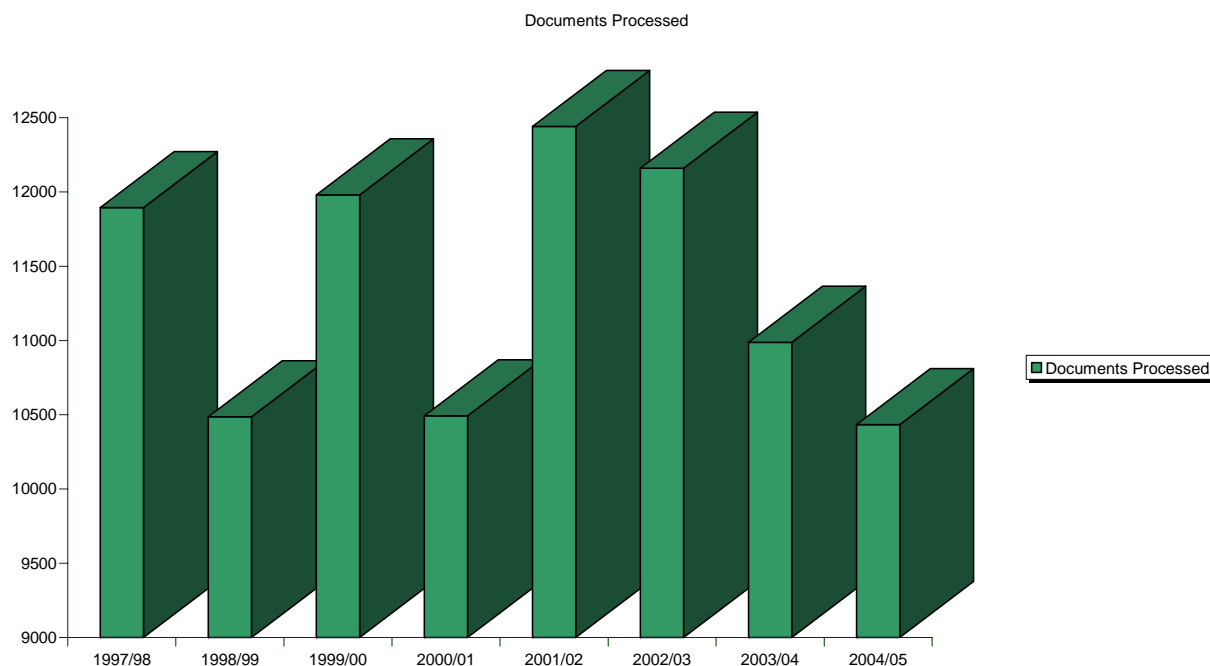
This strategy aims to ensure that an appropriate level of resources is afforded to the Council staff so as to most efficiently assist elected representatives of the Council as they deal with the many issues upon which they are required to make decisions. Concise, timely, accurate, unbiased and properly formatted information is the key to success in this regard. Whilst there is always room for improvement, word processing, spreadsheet software and computerised accounting & database management systems are now accessible to most staff. Improved Council Policy in recent years has yielded a higher standard in this important area of operational support.

The replacement / enhancement of the Council's data management systems, including computer hardware and software is an ongoing and integral process. A total of \$75,305 (\$60,757 in 2003/04) was expended on computer system replacement / enhancement during the year.

The Council's daily correspondence (both inward and outward) continues to be stored electronically on a computerised filing system which has resulted in secure storage, quick retrieval and significant savings in staff time.

The following graph (FIGURE 9) indicates the number of documents (including incoming and outgoing correspondence) registered in the electronic filing system for each financial year since 1997/98:-

**FIGURE 9**



***0200-4 Strategy: Lobby other tiers of government on behalf of Balonne Shire communities with regard to the provision of services in the Shire.***

During 2004/05, the Balonne Shire Council continued to lobby both State and Federal Governments on behalf of the community in an effort to secure a better range of services within the Shire. While some lobbying is done directly by the Council, to a larger extent it is carried out by the Local Government Association of Queensland, who actively campaigns on behalf of member Councils.

## 0300 – Planning & Development

**Goal:** To implement appropriate planning controls to ensure and encourage the balanced quality development of the Shire and promote the Shire as a desirable place to live, work and visit.

**0300-1 Strategy:** Implement, through the Shire Planning Scheme and the Integrated Planning Act, appropriate controls over development to foster land uses and attitudes that enhance the quality of the natural and built environment.

Council is obliged to administer many laws associated with Planning and Development which is governed by State Legislation. Council must apply these laws and policies to ensure that the future of the Shire is sustainable, therefore difficult decisions which balance the need for economic growth and environmentally neutral and sustainable use must be made from time to time.

Whilst all applications made under Council's Planning Scheme are made to Council, applications for Development – Building Work may either be made to Council or to a Private Certifier.

It is interesting to note that the volume of building work that is being privately certified remains very low. Council continues to process most of the Building Applications within the Shire with only a few being processed by Private Certifiers (FIGURE 10):-

FIGURE 10

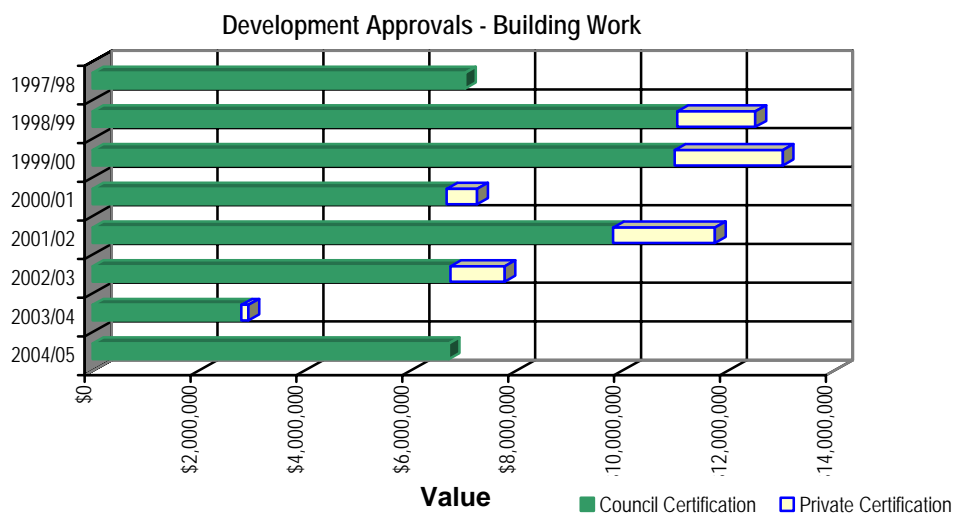
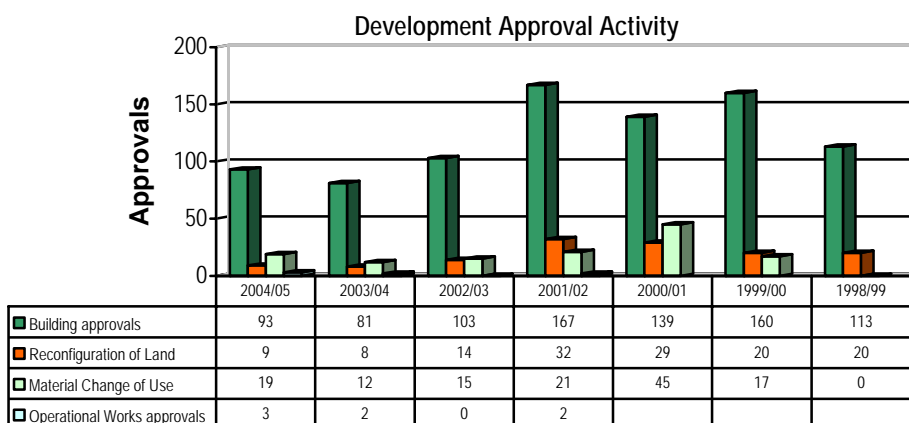


FIGURE 11



Administrative costs associated with development approvals were \$44,468.06 with fees of \$37,999.18 received.

***0300-2 Strategy: Foster the development of new and existing industries.***

Rainfalls experienced early 2004 partially alleviated the drought conditions which have been ongoing in the Balonne Shire in recent years and resulted in increased interest in private investment, particularly within the St. George district. It is this sustainable growth that has seen little need for the Council to actively pursue this strategy. Economic development in the Shire has been at a reasonably high level for a number of years as reflected by the Development Approval figures which feature elsewhere in this report.

Many experienced adequate winter rainfalls which resulted in better cropping conditions for many agricultural industries throughout the Balonne Shire. Although the drought continues to effect many aspects of our rural lifestyle and livelihood the improved conditions were welcomed.

Council has continued to maintain membership and participation in the Maranoa and District Regional Organisation of Councils (MADROC) as a regional body to assist with Regional Economic Development and as a forum for other regional issues. During 2004-05 Balonne Shire supported MADROC's leadership in the formation of MADRPAC which Council hopes will increase communication between levels of government regarding their roles and result in an improved provision of services in the Shire.

The Council has also continued to provide monetary support to the Balonne Financial Advisory Service to assist with the provision of their financial counselling to rural clients. This service has been invaluable during the ongoing drought throughout the Shire.

***0300-3 Strategy: Facilitate development of the tourism potential of the Shire.***

Tourism is seen as a major source of additional revenue for the Balonne Shire and is an industry which continues to grow at a phenomenal rate.

Visitation to the Balonne Shire has increased by 29% in comparison to 2003/04, based on the number of visitors to the Balonne Shire Visitor Information Centre. Visitors to the Centre during 2004/05 amounted to 16,373 approximately compared to 12,607 during 2003/04.

The Information Centre continues to be a place for locals to source local art and craft, to access the internet and other computing applications and to source information on the Balonne Shire and other areas in Australia.



It is anticipated that tourism in the Balonne Shire will continue to grow while ever the major access roads are increasing in standard and key development strategies are being implemented. Road links including the Moonie Highway and the Great Inland Way have continues to see upgrades which encourages additional visitors to the Shire as they venture to outback Queensland.

The Council undertakes a variety of promotional activities including being the driving force behind the production of the tourism brochure 'Window of the West'.

The Balonne Shire benefits from membership of the Toowoomba and Golden West Regional Tourism Association (TGWRTA) and the representation they provide for us at various Camping and Motor-home Shows Australia wide. During 2004/05 co-operation increased between the Shires represented by TGWRTA through the forum of the Western Downs Tourism Advisory Group, which has resulted in several new marketing strategies as a region.

***0300-4 Strategy: Facilitate local economic development strategies and their implementation through consultation with local industry sectors, regional forums and relevant government departments.***

During the year the Council renewed its membership of the Maranoa and District Regional Organisation of Councils (MADROC), which has the objective of collectively promoting economic development within the region. MADROC encompasses the Shires of Balonne, Warroo, Booringa, Bungil & Bendemere and continues to be a significant driver of regional economic growth. During 2004/05 MADROC has also expanded to include Roma Town Council, Murrilla Shire and Tara Shire.

Continued success of the Maranoa Health Enhancement Project which is a key project of MADROC has resulted in improved access to some medical services across the Balonne Shire.

Council was disappointed to experience the removal of funding for the Regional Business Advisor, which was based in Roma assisted many local businesses with planning and guidance.

***0300-5 Strategy: Promote the introduction of emerging technologies to ensure Balonne Shire is a progressive and effective place to conduct and develop business.***

It is clear that internet technology is and will continue to play an immensely vital role in many areas of our business. The ability of our Shire's business units to compete in the global economy will be directly impacted upon by our ability to communicate across the internet and other channels such as the mobile telephone networks. Balonne Shire Council supported the promotion of ADSL to residents of St. George and Dirranbandi and was pleased with the positive result of Telstra installing both communities with ADSL networks during 2004/05. CDMA network coverage has continued to improve in the southern end of the Balonne Shire near Hebel during 2004/05 and many travellers have enjoyed improved coverage on the Moonie Highway whilst travelling in the Shire.

***0300-6 Strategy: Facilitate the provision of caravan and camping accommodation in the Shire.***

The Council offered the St. George Caravan Park for sale during 2004/05 and it was sold to a business person keen to pursue it as a private facility to ensure this service continues to provide a range of accommodation options for itinerant workers, semi-permanent residents and visitors.

Problems continue with campers who attempt to camp on streets or parks within town areas of the Shire. This practice has caused some concern for owners of Caravan Parks throughout the Shire and is now considered to be an ongoing problem which will need continual monitoring and vigilance.

Pressure by some members of the Campervan and Motorhome Club of Australia to provide free camping facilities in the towns where private caravan park / camping facilities are available, has so far been resisted. The Council's current position on this matter is that in such towns, camping on streets / parks / reserves inside the town boundaries is prohibited. The use of commercially-provided facilities is strongly encouraged in an effort to support the local economy.



## 0400 – Transport & Drainage Infrastructure Services

**Goal:** *To provide efficient and effective transport and drainage infrastructure.*

The Transport and Drainage Infrastructure Services Programme covers the basic services of roads, streets, bridges, and other services including stormwater drainage, works depots, aerodromes, plant, flood mitigation and other miscellaneous works. It is this programme under which most of the works staff are employed, and is the major area of Council's activity.

Overall expenditure for the programme is summarised below:

	2004/05	2003/04	2002/03	2001/02	2000/01	1999/00
Total Expenditure	\$8.84 million	\$7.63 million	\$7.48 million	\$7.28 million	\$7.47 million	\$5.26 million

**0400-1 Strategy:** *Develop and implement programs for the design, construction and maintenance of roads, streets, footpaths, bridges and related drainage systems.*

The major part of Council's road construction programme is funded from The Queensland Government Roads and Drainage Grant, the Federal Government Road Grant and the Federal Government Roads to Recovery Grant. The Queensland Government Department of Main Roads Transport Infrastructure Development Scheme also provides significant subsidy towards Council's Road Works Programme.

Grant figures are summarised below:

	2004/05	2003/04	2002/03	2001/02	2000/01	1999/00
Old Govt - Roads and Drainage Grant	\$150,597	\$139,352	\$135,952	\$134,606	\$133,273	\$132,802
Federal Govt - Road Grant	\$907,196	\$899,090	\$877,753	\$826,810	\$848,234	\$809,620
Federal Govt - Roads to Recovery Grant	\$387,653	\$888,579	\$464,083	\$696,120	\$348,060	-
Transport Infrastructure Development Scheme	\$156,154					

The roadworks construction programme is determined each year utilising the Five Year Capital Road / Street / Bridge Works Programme. This is a very comprehensive document which lists every road and street in the Shire, and all known works which are required. The document is constantly being updated by Council's Works Department. A two-day road inspection tour is undertaken each year by Council. The five year programme is confirmed and the final details of the years construction programme are set on completion of the inspections.



**Barlee Street, St George**

Major roadworks projects undertaken during the year included The bitumen sealing of a further 5km of the Noondoo-Thallon Rd, edge repairs and bitumen resealing of Fernlee Rd, regravelling of sections of Whyenbah Rd and gravelling sections of Ballangarry Rd. The major street works projects were the widening and kerb and channelling of sections of St Georges Terrace and Barlee St in St George.

Flood damage repair works from the January 2003 event have continued, with the bulk of the work being completed during the year.

Over the past two years, the Queensland Government, in conjunction with the Queensland



  
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Local Government Association has been implementing The Roads Alliance throughout the state. Balonne Shire Council has joined a group of 14 Councils to form the South West / Western Downs Regional Roads Group (SW/WDRRG).

The Road Alliance is now well established, and substantial amounts of road funding have been forthcoming through this area wide approach.

Expenditures on various Council projects / activities under this programme for the year are detailed below:-

**Maintenance**

	2004/05	2003/04	2002/03	2001/02	2000/01	1999/00
Streets	\$393,836	\$467,526	\$469,835	\$457,809	\$530,719	\$505,747
Rural Roads	\$1,084,498	\$985,754	\$1,035,538	\$1,087,191	\$1,139,716	\$909,744
Bridge Maintenance	\$7,508	-	\$5,174	\$37,988	\$41,130	\$23,692
Depreciation	\$2,341,022	\$2,755,924	\$2,872,120	\$2,966,921	\$3,175,440	\$3,180,437

**Flood Damage Restoration**

	2004/05	2003/04	2002/03	2001/02	2000/01	1999/00
Roads/Streets (Shire)	\$1,014,751	\$165,516	\$65,633	\$207,003	\$95,477	\$1,140,259

**Capital Works**

RURAL ROADS	2004/05 Expenditure
<b>2002/03 SHIRE ROADS CAPITAL WORKS</b>	
Warrie Rd – Gravelling sections 4 km long	\$12,056
<b>2003/04 SHIRE ROADS CAPITAL WORKS</b>	
Springwell Rd – re-gravelling sections	\$21,335
Weir Rd – bitumen resealing	\$112,479
Whyenbah Rd – re-gravelling south from Brookdale	\$80,602
Noondoo-Thallon Rd – Construction and bitumen sealing 5km through Mina Belle Plains	\$243,225
Jakelwar-Goodooga Rd – Bitumen resealing	\$103,677
<b>2004/05 SHIRE ROADS CAPITAL WORKS</b>	
Nindigully Streets – Boundary location survey	\$1,526
Buckinbah Rd – Bitumen resealing	\$27,185
Noondoo- Mungindi Rd – Forming and drainage – Dellapool corner	\$22,691
Thungaby Rd – regravelling shoulders sections 0-6km	\$27,570
Whyenbah Rd – 6km regravelling sections from Brookdale to Whyenbah	\$165,025
Fernlee Rd – bitumen resealing	\$175,826
Fernlee rd – edge repairs sections 2km to 18 km	\$93,908
Mulga downs Rd – 2km regravelling sections 35 to 45km	\$2,772
Runnymede Rd – bitumen resealing	\$7,954
Noondoo-Thallon Rd – construction and bitumen sealing Birra Birra to Pine Park Rd 28 to 32km	\$42,185
Bollon Dirranbandi Rd – bitumen resealing 53.8km to 54.6km	\$12,239
Bollon Dirranbandi Rd – loam resheeting through Mona 71.3 to 74.3km	\$0
Bollon Dirranbandi Rd – replace cancer culverts floodplain area	\$3,811
Rural Addressing – whole of St George, Thallon and Bollon districts	\$17,064
Ballangary Rd – gravelling 5km sections from 5 to 18km	\$114,551
Kooroon/Teelba Rd – concrete inverts	\$2,079



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TOWN STREETS	2004/05 Expenditure
<b>1999/2000 TOWN STREETS CAPITAL WORKS</b>	
Victoria St, St George – Kerb and channel sections Henry to Scott	\$ 25,410
<b>2003/04 TOWN STREETS CAPITAL WORKS</b>	
Herbert St, St George – Construction and bitumen sealing (Kerr subdivision contribution)	\$14,323
Thallon Footpaths – William St from school to railway.	\$5,588
<b>2004/05 TOWN STREETS CAPITAL WORKS</b>	
St George footpaths- replace broken sections all areas	\$27,363
Alfred Street, St George – bitumen resealing sections	\$24,666
St George footpaths – Victoria St paving (Balonne Hardware)	\$29,405
Grey St (Carnarvon Hwy) – street tree planting	\$523
Barlee St, St George – Widening and kerb and channel Aldridge to Arthur	\$52,770
Church St, St George – construct kerb and channel Church to Alfred	\$12,003
St George footpaths – Grey St (Marie to Arthur)	\$9,584
St Georges Tce – widening and kerb and channel (Roe to Barlee)	\$97,285
<b>STORMWATER DRAINAGE – UNDER GROUND</b>	
<b>2004/05 Expenditure</b>	
<b>2004/05 STORMWATER DRAINAGE CAPITAL WORKS</b>	
St George Stormwater – Henry St CBD 5 new inlet pits	\$7,219

### *Flood Damage*

2004 SHIRE ROADS FLOOD DAMAGE	2004/05 Expenditure
Ballangarry Rd	\$93,080
Bimbil Rd	\$17,548
Chelmer Rd	\$33,291
Dunkerry Rd	\$35,350
Noondoo-Mungindi Rd	\$298,733
Flinton Rd	\$6,449
Gunnindaddy Rd	\$61,676
Kooroon Rd	\$19,712
Ramalis Rd	\$24,407
Teelba Rd	\$4,104
Wanganui Lane	\$10,781
Warrie Rd	\$24,902
Talwood Mungindi Rd	\$26,734
Whyenbah Rd	\$92,889
Ballandool Rd	\$28,441
Cubbie Rd	\$25,373
Davirton Rd	\$10,407
Hebel Goodooga Rd	\$28,248
Hoolavale Rd	\$88,396
Koomalah Rd	\$50,886
Minum Rd	\$16,384
Narine Rd	\$16,687
Narline Rd	\$70,536
Openbah Rd	\$2,841
Woolerbilla Rd	\$40,113
Mulga Downs Rd	\$13,814
Bollon Dirranbandi Rd	\$1,574
Noondoo Thallon Rd	\$97,368
Jakelwar Goodooga Rd	\$22,971



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***0400-2 Strategy: Efficiently manage the operation of associated activities such as works depots, workshops and plant fleets to facilitate the efficient and effective provision and maintenance of Shire infrastructure.***

Council's Works Depots in St. George, Dirranbandi, Bollon and Thallon are now all at a high standard. Therefore, no significant capital works were undertaken during the year. A new stockpile yard was established in McCarthy St, Dirranbandi, which has opened up an area in the existing depot yard for improved camp facilities.

Major plant purchases during the year included three (3) sedans/wagons, eight (8) utilities, one (1) grader, upgrade to the bitumen patching truck, one (1) sewer main cleaner, and one (1) ride on mower.

Costings are detailed below:

PLANT	2004/05	2003/04	2002/03	2001/02	2000/01	1999/00
Plant Hire Revenue	\$2.17 million	\$2.15 million	\$2.20 million	\$2.24 million	\$1.82 million	\$2.14 million
Plant Maintenance/Operation Expenditure	\$1.29 million	\$1.28 million	\$1.37 million	\$1.25 million	\$1.28 million	\$1.44 million
Plant Purchases	\$676,997	\$778,524	\$408,914	\$1.19 million	\$653,679	\$332,000
Plant Trade-in / Sales	\$283,364	\$296,742	\$276,151	\$515,454	\$260,977	\$115,000
Depreciation	\$1,103,646	\$630,087	\$439,335	\$427,149	\$431,406	\$214,320

DEPOTS	2004/05	2003/04	2002/03	2001/02	2000/01	1999/00
Works Depot Maintenance	\$76,862	\$88,188	\$104,851	\$95,926	\$103,486	\$100,571
Works Depot Capital	\$15,012	\$14,803	\$3,361	\$1.32 million	\$548,483	\$97,410
Depreciation	\$69,167	\$59,974	\$60,253	\$115,746	\$93,691	\$36,489

***0400-3 Strategy: Facilitate the development of flood mitigation plans and the provision and maintenance of necessary flood mitigation works.***

Council constructs and maintains works to protect the Shire's towns from the effects of flooding. The major assets are the levee banks surrounding the towns of Mungindi, Dirranbandi and Thallon. No capital works were undertaken during the year. Funding applications have been submitted to the State and Federal Governments for funding under the Flood Mitigation Scheme, for improvement to the Mungindi Levee Bank in the areas of the Carnarvon Hwy crossing, and the area around the hospital.

Costings are detailed below:

FLOOD MITIGATION	2004/05	2003/04	2002/03	2001/02	2000/01	1999/00
Expenditure – Capital	-	-	-	-	\$311,551	\$20,647
Expenditure – Special Maintenance	-	-	\$288	\$20,042	-	-
Revenue (State Grants)	-	-	-	-	\$65,718	-
Depreciation	-	\$3,057	\$11,189	-	-	-



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***0400-4 Strategy: Maintain aerodromes and authorised landing areas to the required statutory standards***

Regular inspections by Consultants, Aerodrome Operation Support, indicate that Council's aerodromes in St. George, Dirranbandi and Bollon continue to meet the required standards.

During the year, Council has improved and sealed the access roads to facilities in the St George aerodrome.

St George has been included in the list of security controlled aerodromes across Australia following terrorist activities over recent years. Some new security measures are being implemented as a result. Funding has been applied for to improve the terminal facilities for passenger baggage handling, and for security lighting near the main apron area and light aircraft area. Passengers may also see the implementation of baggage and passenger screening in early 2006.

Costings are detailed below:

	2004/05	2003/04	2002/03	2001/02	2000/01	1999/00
Maintenance Expenditure	\$71,517	\$85,031	\$70,506	\$60,472	\$93,691	\$90,097
Depreciation	\$281,649	\$159,281	\$115,190	\$115,746	-	-
Special Maintenance	\$4,401	-	\$9,860	-	-	-
Capital Expenditure	\$31,539	\$25,758	\$61,374	-	\$220,546	-
State Subsidy	-	-	\$22,500	-	\$35,000	-
Lease Charges	\$8,921	\$15,587	\$10,801	-	-	-

***0400-5 Strategy: In partnership with the electricity supplier to the area, provide an adequate system of street lighting***

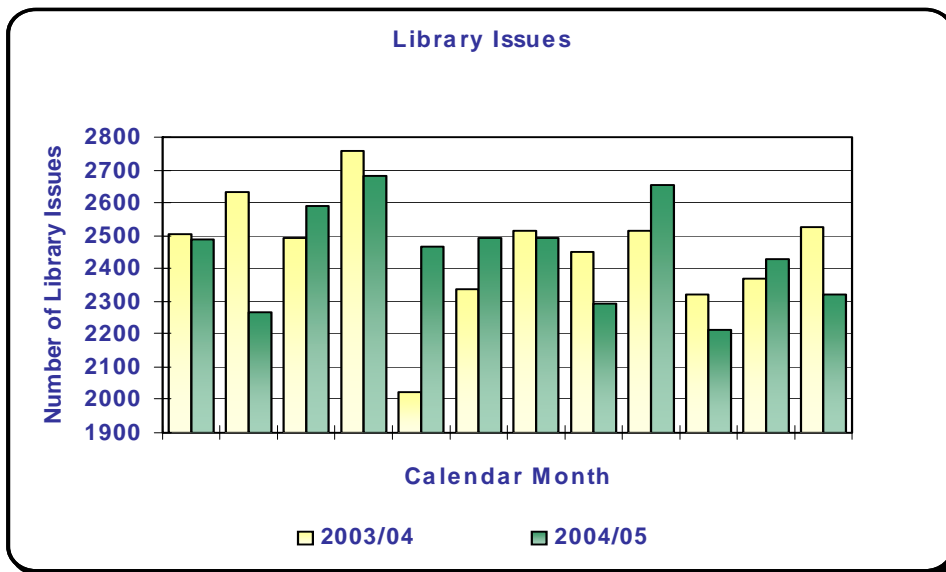
Council funds the installation and maintenance of street lighting in all Shire towns. Ergon Energy is the supplier in St. George, Dirranbandi, Bollon, Thallon and Hebel. Country Energy (NSW) is the supplier in Mungindi. Minor upgrading of lighting and installation of additional lights in selected locations has been undertaken during the year.

## 0500 – Community & Cultural

*Goal: To encourage and participate in the continuing development of community services and cultural activities and to foster strong community spirit.*

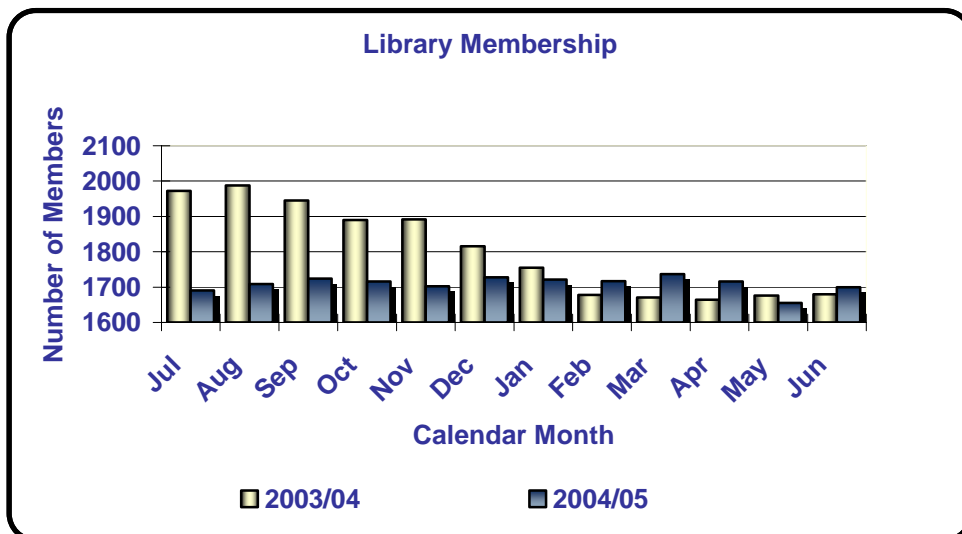
*0500-1 Strategy: Provide a comprehensive library service for the recreation, reference and information needs of the community.*

Total library borrowings for the year were 26,231 (29,435 during 2003/04). The following graph (FIGURE 10) indicates the borrowings per month for the current and previous financial year:-

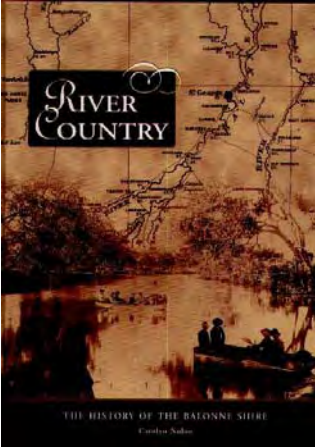


Member numbers continued to increase over the course of 2004/05. New programs & initiatives including storytelling and activity sessions are to be implemented during the 2004/05 year in an effort to boost member numbers.

Membership trends during the 2003/04 and 2004/05 financial years are indicated in the following graph (FIGURE 11):-



**0500-2 Strategy: In partnership with the community, facilitate the preservation of the history of the Shire.**



The publication "River Country – The History of the Balonne Shire" was completed by Ms Carolyn Nolan and launched at the Shire Centenary Celebrations in St George during 2002/03.

The current year has seen further sales of both this publication and the earlier "St. George's Bridge" book. The books continue to be available for purchase at a number of outlets throughout the Shire.

**0500-4 Strategy: Provide appropriate staff housing.**

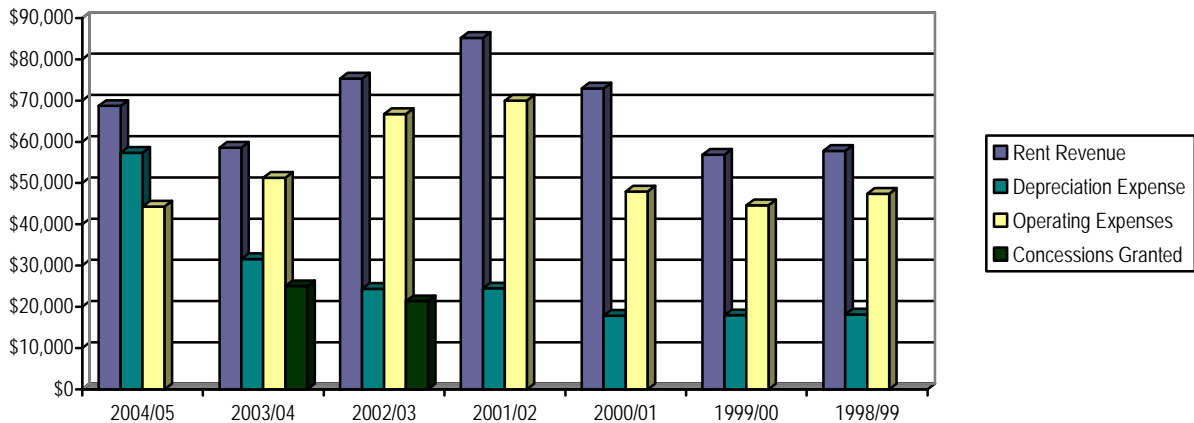
The Council owns thirteen (13) houses and four (4) flats throughout the Shire. Whilst these premises are intended primarily for staff accommodation, a number have been leased to the public.

Several house remained vacant for several months during the year for various reasons.

The capital works renovations and the provision of a garage to the Overseers house in McGahan Street was completed. New aluminium windows and screens were also installed in Council's Grey Street house.

**FIGURE 14**

**Council Housing Revenue/Expenses**





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***0500-5 Strategy: Facilitate the provision of television communication services in response to community need.***

Council has for many years owned and operated television retransmission services in Bollon (ABC, 7 Central, Imparja and SBS) and Dirranbandi (7 Central, Imparja and SBS), and more recently the Rebel FM radio retransmission service in Dirranbandi.

Council, in conjunction with the Thallon Progress Association, has been working to source funding to provide television services in Thallon. This service is currently being provided by Queensland Rail.

Costings are detailed below:

	2004/05	2003/04	2002/03	2001/02	2000/01	1999/00
Maintenance Expenditure	\$4,425	\$5,245	\$2,679	\$3,087	\$5,236	
Capital Expenditure	\$5,156		\$5,600	\$15,854	\$26,435	\$26,041
TV Black Spot Subsidy	-		\$5,600	\$24,139	\$9,285	
Depreciation	\$9,016	\$5,013	\$5,013	\$4,869	\$1,984	\$1,484

***0500-6 Strategy: In conjunction with the community, facilitate the provision of recreation and sporting facilities to meet community needs.***

This strategy guides the ongoing development and maintenance of Council's recreation and sporting facilities, including showgrounds in St. George, Dirranbandi, Bollon, Thallon and Hebel, as well as the Rowden Park sporting facility in St George and contributions to similar privately-owned and operated facilities. All facilities are managed in conjunction with sporting and community groups, who put many hours of voluntary works and fundraising into the facilities.

Council, in conjunction with the St George Netball Club, has secured funding for the construction of four new concrete and synthetic surface netball courts. These will be completed for the 2006 netball season, and will enable the playing of summer fixtures under lights.

Costings are detailed below:

<b>SPORTING FACILITIES</b>	2004/05	2003/04	2002/03	2001/02	2000/01	1999/00
Maintenance/Operations Expenditure	\$39,501	\$40,337	\$42,615	\$32,742	\$51,692	-
Hire Charges	\$3,459	\$881	\$929	\$846	-	-
Special Maintenance Expenditure	\$15,295	\$101,719	\$5,048	\$3,906	-	-
Capital Expenditure / Contributions	\$475,710.9 4	\$6,875	-	\$148,476	\$19,767	\$186,998
State Subsidy	-	-	\$25,000	\$49,884	\$15,000	-
Contributions Received	-	-	\$25,933	-	-	-
Depreciation	\$26,659	\$21,999	\$20,721	\$17,803	\$13,161	\$9,095

No major works were undertaken at any of the shire's showgrounds.

Costings are detailed below:

<b>SHOWGROUNDS</b>	2004/05	2003/04	2002/03	2001/02	2000/01	1999/00
Hire Charges	\$9,377	\$8,301	\$6,239	\$9,562	\$21,500	\$30,279
Capital Expenditure	-	\$85,886	\$4,024	\$34,594	\$34,895	\$10,090
Contributions Received	-	\$50,449	\$4671	-	-	-



***0500-7 Strategy: Provide appropriate support and sponsorship for community employment / correctional programmes that benefit the Shire.***

The WORC programme continued to operate within the Shire with camps at Dirranbandi and St George. Unfortunately due to the lack of prisoners within the Scheme the programme slowed down with often few or no prisoners in Camp.

With the realignment of the Scheme to the Darling Downs Correctional Centre in the new financial year the future of the Scheme looks set to improve.

***0500-8 Strategy: Provide effective counter disaster and emergency planning and response services in conjunction with the community and emergency service organizations.***

Whilst there is a small nucleus of dedicated volunteers, more members are required for the organisation throughout the Shire. The assistance of the district office at Roma and local instructors must be acknowledged in their efforts to continue the provision of a wide range of training.

Volunteers have again been able to participate in a wide range of training activities and were fortunate in only needing to be activated on a small number of occasions.

A new shed was constructed at St George to store the group's equipment.

Expenditure on State Emergency operations for the year totalled \$7,732.65.

Capital Expenditure State Emergency operations for the year totalled \$9,783.67.

***0500-9 Strategy: Provide and maintain public parks and gardens to meet community needs.***

Development and maintenance of parks and gardens has continued during the year.

Development of the Blondie Codrington Riverbank Parkland has continued in St George with the traditional assistance of the WORC. Sprinkler systems have been extended to several areas.

In other areas, the WORC is continuing development of the Dirranbandi river park. Improvement to the River Crossing Park in Mungindi have commenced with the assistance of the Mungindi Progress Association.

Costings are detailed below:

	2004/05	2003/04	2002/03	2001/02	2000/01	1999/00
Hire Charges	\$75	\$1,261	\$1,738	\$616	-	-
Capital Expenditure	\$31,275	\$96,417	\$3,080	\$55,840	\$89,330	\$83,302
Contributions	-	\$2,000	6,547	-	-	-

***0500-10 Strategy: Maintain support for arts and culture in accordance with Council's Art and Cultural Policy.***

2001/02 saw the adoption by Council of a new Art and Cultural Policy following consultation primarily with the Regional Art Development Fund (RADF) Committee.

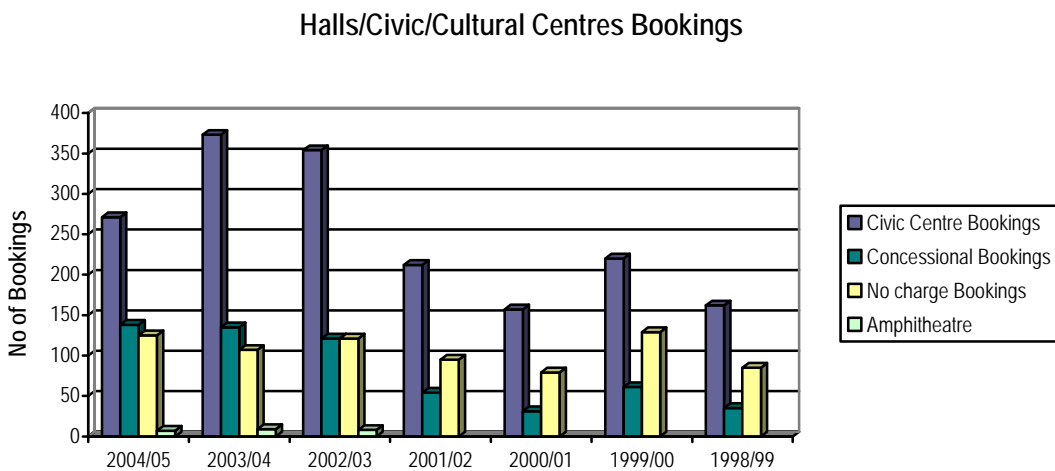
The RADF Program completed another successful year, with almost \$25,463 contributed to various qualifying Arts / Cultural projects throughout the Shire. This program, which has proven to be very popular within the community, is funded generally on a 2/3 State, 1/3 Local Government basis. Submissions for RADF funding are invited in two rounds (May and November) each year. Applications are assessed by the RADF committee.

**0500-11 Strategy: Provide and administer venues for a variety of recreational, cultural and other community-based activities.**

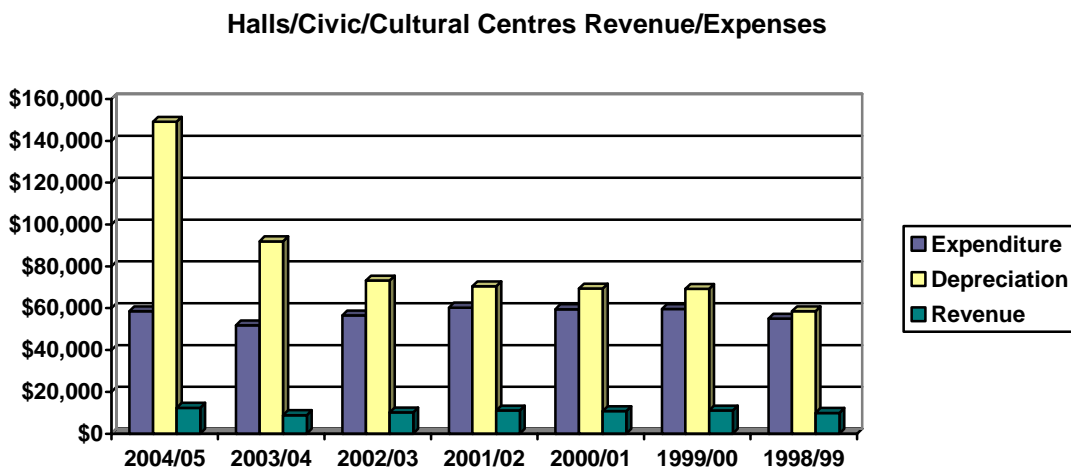
Under the RLIP Scheme a new building was constructed adjacent to the Shire Hall at Hebel for use by the visiting Doctor and medical specialists. The provision of this facility ensured the continuity of a Doctors service in Hebel and solved the problem of residents having to travel to Dirranbandi.

Council owns and operates Cultural Centres / Halls in St George, Dirranbandi, Hebel, Bollon, and Thallon. Qualifying community groups are able to hire these facilities for various functions at concessional rates. The revenue on these facilities is shown in [Figure 16](#) below.

**Figure 15**



**FIGURE 16**



Capital Works and major maintenance works completed on halls & civic centres during the year totalled \$6,538.16.

New tables were provided for the St George Cultural Centre. An additional electric stove was installed at Hebel and a Flag Pole was installed at the Thallon Hall.



**Annual Report 2004 - 2005**

***0500-12 Strategy: Promote community well-being by working cooperatively with the community and other levels of government to plan for and provide access to services and facilities.***

During the year the Council contributed support in the form of staff time, resources and cash towards a number of joint Council / Community / Government projects.

An example is the \$3,776.66 contribution to St George and District Fishing and Restocking Club of restocking fingerlings for waterways in the Balonne Shire.

***0500-13 Strategy: Support appropriate events, festivals and promotions throughout the Shire.***

The Council recognises the importance of events, festivals and promotions in encouraging the development of community spirit, visitation to the Shire and enjoyment.

In addition to the more significant events are listed in detail below, the Council assisted with many small community events both directly and indirectly by providing suitable facilities right across the Shire and through sponsorship, mentoring and in-kind support.

Each year the Council assists with the organization of Australia Day activities that are rotated through the towns in the Shire. Australia Day 2005 activities were held in St. George at the Apex Park on the Blondie Codrington Riverbank Parkland. With the assistance of the Lions Club of St. George, Scouts, Girl Guides, Cadets and the Combined Churches Choir many local residents enjoyed breakfast on the river and the awards presentations that followed.

The Shire was fortunate to host many events during 2005 which contribute to our rural lifestyle and provide economic activity in our communities. Events range from traditional Shows, Rodeos, Fetes & Fishing Competitions to one off events that community groups attract to the Shire including in 2005 the Nindigully B & S and the Mungindi Art Competition.

The Council also co-sponsored in 2004 the third Rotary Balonne Shire Business Awards Presentation Dinner. This event was a celebration of our local small businesses and their contribution to our rural lifestyle. The response from the business community during this event was overwhelming.

***0500-14 Strategy: Provide financial assistance grants to community organisations, supporting them in undertaking community service activities.***

Direct cash funding was provided by Council to assist the following community based organisations during the year:-

<b>Organisation</b>	<b>Grant</b>
Beardmore Youth Camp	\$3,000
Mungindi Community Preschool	\$200
Roma Police District – Crime Prevention Contribution	\$150
Dirranbandi Ladies Hospital	\$100
St George State High School	\$700
Australian Red Cross	\$5,500
St George Scout Group	\$500
Balonne Financial Advisory Service	\$3,000

In addition, numerous minor grants were provided to assist in the staging of various community activities. Free or concessional use of Council facilities by charitable / not-for-profit organisations was also granted on many occasions by the Council.

## 0600 – Environmental Services

**Goal:** *To implement policies and operational programmes which will contribute to the environmental health and well-being of the community*

Globally there has been, over recent years, a major increase in emphasis on matters relating to the environment in which we live. New international, national and state laws have been enacted which prescribe in more detail the way in which people may use the natural environment. This programme is about the services that are provided at a local level to maintain a standard of living that is sustainable in the long term and is acceptable to the local community.

**0600-1 Strategy:** *Effectively control urban animals in the Shire and promote responsible animal ownership.*

A direct result of Council's decision to enforce its Local Law and Policy on animal control has ensured that a total of one thousand, one hundred and forty (1140) dogs were registered during the 2004/05 year.

Expenditure on urban animal control amounted to \$59626.48 including depreciation expense, with dog registration, infringement notices and impounding fees of \$26,682.70 received during the year.

Council has issued infringement notices for offences under its Animal Control Local Laws. Twenty-two (22) Infringement Notices were issued with sixteen (16) of them being referred to SPER for collection.

It is unfortunate that so many dogs that were impounded during the period were not claimed and were subsequently destroyed.

A number of dogs were stolen from Council's Pound during the year. On several occasions the offenders were appended and legal action was taken against them

Refer to the following graphs in relation to the Animal Control Area:-

**FIGURE 17**

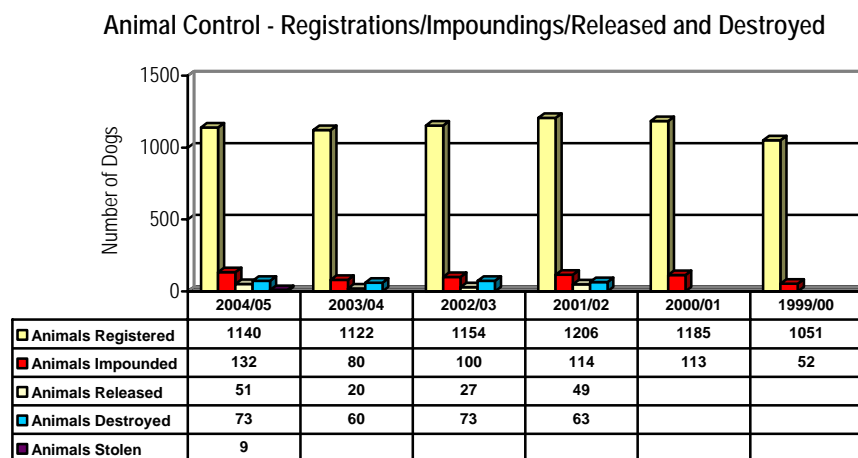
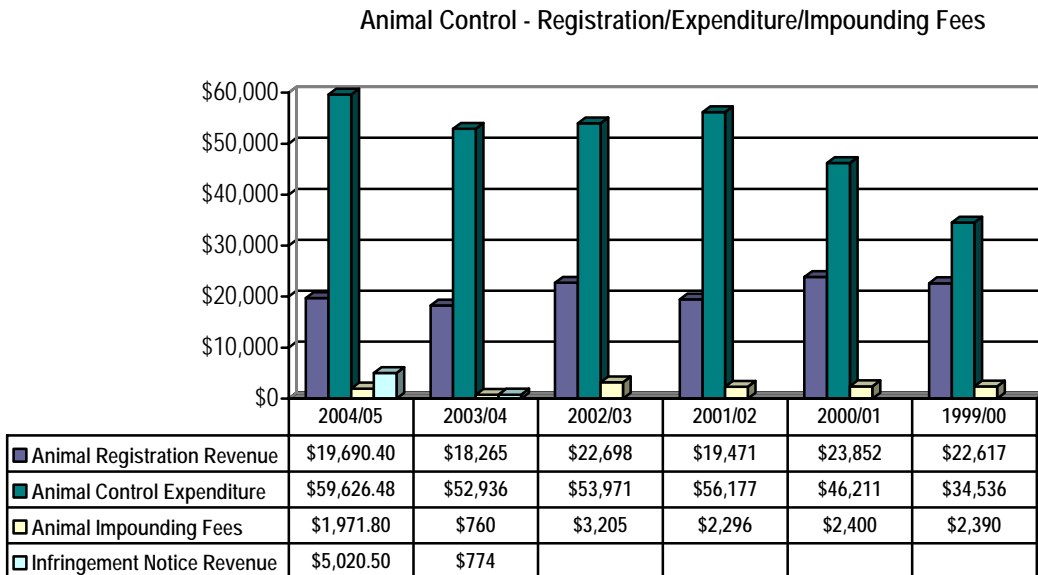


FIGURE 18



**0600-4 Strategy: Implement adequate health inspection and education programmes to achieve the standard prescribed by health legislation.**

A total of one hundred and twenty-six (126) licences were issued by Council under the Health Act and other State legislation during the year. Premises licensed by Council include fuel and food premises such as hotels, cafes, and businesses requiring a licence under the Environmental Protection Act.

All licensed premises were inspected on at least two occasions during the year.

FIGURE 19



**0600-5 Strategy: Promote public immunisation**

Due to changes in public immunisation procedures, no work was undertaken under this strategy during the year.

***0600-6 Strategy: Promote recycling alternatives***

Council has promoted the recovery of steel from its dumps throughout the year with large volumes of steel and car bodies being collected and returned to Brisbane for recycling. Council has also participated in Planet Arks Close the Loop project and is recycling computer and photocopier cartridges. A project to recycle old telephone books was not successful.

The public oil recycling scheme at Council's dumps in St George and Dirranbandi is proving popular with increased volumes of oil being collected.



Collection of Steel & Car Bodies from the St George Garbage Dump

***0600-7 Strategy: Develop, implement and maintain a corporate environment management system that effectively addresses responsibilities under relevant environmental legislation.***

The Environmental Protection Act imposes a duty upon the citizens of Queensland to lessen the impact of human activities on the environment. This Council, like all other Queensland Local Governments has been charged with the responsibility of administering many of the provision of this new act at the local level.

The challenge is to continue to apply this legislation and the many Environmental Protection Policies in a way which will achieve realistic environmental goals whilst minimising economic impact on the many small businesses which are affected.

Licensing under the Environmental Protect Act has continued with forty licences being issued during the year. It is pleasing to note the increased environmental awareness amongst the community and the improved working practices of licensed businesses.

Council itself is the operator/owner of a number of environmentally relevant activities and has developed and implemented an Integrated Environmental Management Plan for its own operators. No breaches of the licences issued for these Council activities such as the operation of water/sewerage treatment plants and operation of works depots were reported. Council's Environmental Health Staff carry out inspections on these premises on a regular basis.

An Officer from the Department of Environment carried out an audit of Council's ERA's during the period.

**0600-8 Strategy: Maintain Council's commitment to Rural Services including effective pest and rural lands management.**

The Environmental Services Programme also funds Council rural services activities. Precepts totalling \$186,163 (\$181,664 in 2002/03) were paid to the Rural Lands Protection Board in 2004/05. Most of this funding is used to maintain the Dingo Barrier Fence.

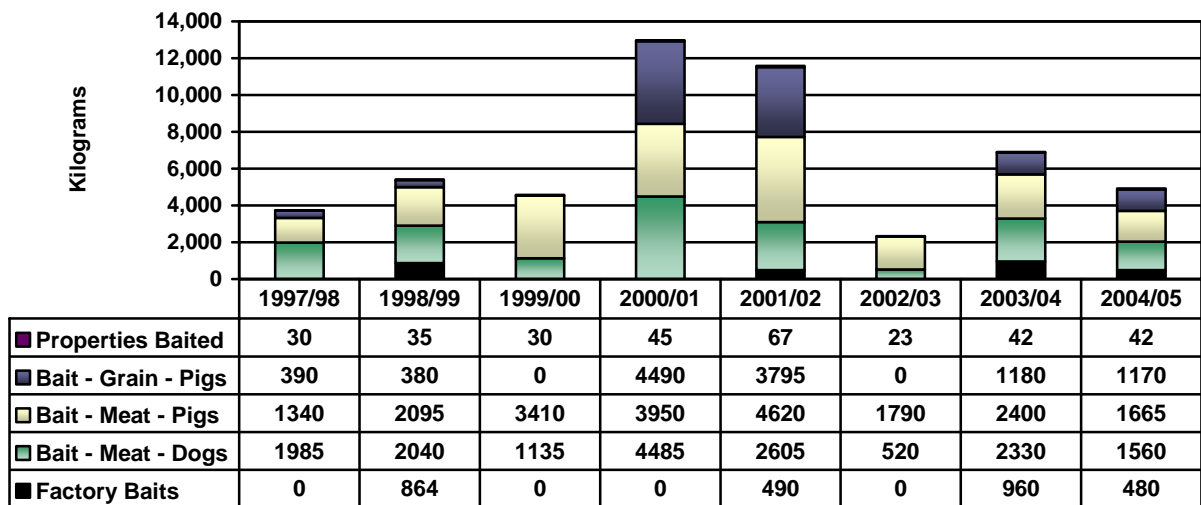
Expenditure on stock routes maintenance, watering facilities maintenance, local feral animal control, pest weed control and precepts totalled \$299,546 for the year. This figure includes recoverable expenditure of \$13,550 relating to works undertaken by the Council on behalf of the Department of Natural Resources (stock route watering facilities mostly in conjunction with the Great Artesian Basin Sustainability Initiative – i.e. bore piping projects).

During the year a total of 16 travelling stock permits for 14,467 cattle were issued. A further 4 permits for the agistment of stock on stock routes and related reserves were issued for 164 cows and 114 Calves.

Baiting of feral dogs and pigs continued during the year with some 42 properties involved in the placement of baits as detailed following:-

**FIGURE 20**

**1080 Baiting**





## 0700 – Business Services

**Goal:** *To undertake private works within the scope of Council's expertise in an efficient and cost effective manner.*

**0700-1 Strategy:** *Bid for and carry out the construction and maintenance of state controlled roads where such works are beneficial to the Shire and Council.*

The Council carries out work for the Queensland Department of Main Roads on a negotiated contract basis. This includes all maintenance and construction works. The negotiated contract protocol states that contracts be nil profit. This process has been operating successfully, and to the mutual benefit of both Council and Main Roads for the past nine years.

Main Roads strategies are changing towards rehabilitation works rather than new capital works. Smaller projects such as short widening jobs are being undertaken as Minor Works, which is substantially reducing the documentation processes and overheads costs.

The major projects during the year were undertaken on the Castlereagh Hwy south of Dirranbandi. These included the construction of approaches to the new Narran River Bridge ( the bridge being constructed under contract by Main Roads), and replacement of culverts.



**Narran River Bridge**



**Castlereagh Highway – Narran River Approaches**

Costings are detailed below:

	2004/05	2003/04	2002/03	2001/02	2000/01	1999/00
RMPC and Bulk Maintenance	\$777,473	\$741,915	\$1.04 million	\$786,074	\$595,814	\$554,226
RPC Construction Works & Minor Works	\$1.11 million	\$987,099	\$1.19 million	\$1.43 million	-	-

**0700-2 Strategy:** *Carry out private works as appropriate and in conformity with Council's Private Works Policy.*

Council undertakes private works as requested from time to time during the year. Council's Private Works Policy, in general terms requires that Council not compete in any significant way with local private enterprise when accepting these usually minor requests for works. Hence, a considerable number of requests are referred to locally-based contractors. The major demand for private works is grading of roads to remote properties, and small bitumen sealing projects.

Costings are detailed below:

	2004/05	2003/04	2002/03	2001/02	2000/01	1999/00
Private Works Amount	\$75,840	\$84,242	\$78,115	\$79,599	\$111,678	\$145,618

## 4000 – Urban Waste Water

**Goal:** *To provide efficient, effective and environmentally sound waste water disposal services in the towns of St. George, Dirranbandi and Bollon.*

**4000-1 Strategy:** *Maintain economically viable and environmentally sound urban waste water disposal systems.*

This programme funds the provision of sewerage services in the towns of St. George, Dirranbandi and Bollon. All sewerage systems operated effectively during the year with only normal maintenance required.

Planning for the new Sewerage Treatment Plant in St George is well advanced. The proposed site is vacant land at the rear of the aerodrome. A Planning Report is now being prepared for effluent re-use in accordance with the Department of Natural Resources and Mines and Environmental Protection Authority requirements. The proposal is to sell the effluent to neighbouring properties, who will use it in their irrigation enterprises. DNR approval for subsidy has been received. The Development Application for the project has been submitted. The Environmental Protection Agency has now requested further details, which are being developed.

Other projects during the year included the installation of a new rising main in Dirranbandi.

**4000-2 Strategy:** *Maintain, through the revenue and Borrowing Policies, an equitable and effective system of revenue raising and collection.*

Costings are detailed below:

	2004/05	2003/04	2002/03	2001/02	2000/01	1999/00
Operating Costs	\$197,778	\$188,206	\$186,113	\$220,763	\$320,271	\$312,977
Sewerage Charge Revenue	\$615,046	\$684,315	\$637,997	\$522,210	\$567,469	\$527,276
Finance Costs	\$24,107	\$18,881	\$20,327	\$10,263	\$29,500	\$66,816
Capital Costs	\$28,366	\$465,282	\$9,482	-	-	\$15,800
Special Maintenance	\$495	\$42,721	\$11,079	\$20,380	-	-
Depreciation	\$199,533	\$161,224	\$129,824	\$142,607	\$144,107	\$145,000
Sewerage Charge (\$/unit) before 15% discount	\$6.37	\$6.21	\$6.21	\$5.58	\$5.42	\$5.29

## 5000 – Urban Water

**Goal: To provide efficient, effective and environmentally sensitive water supplies to the towns of St. George, Dirranbandi, Bollon, Thallon, Hebel and Mungindi (Queensland).**

**5000-1 Strategy: Maintain economically viable and environmentally sound urban water supply systems.**

The provision of a domestic water supply for the Towns of St. George, Dirranbandi, Thallon, Mungindi, Hebel and Bollon is funded under this programme.

St. George has a dual supply of untreated bore and river water whilst, Dirranbandi, Thallon and Bollon are serviced by a single treated river / creek water supply with the Dirranbandi supply being supplemented by an artesian bore. The town of Hebel is supplied by a single untreated artesian bore water supply. The town of Mungindi (Qld) is supplied with treated water by Moree Plains Shire Council from the Mungindi (NSW) town supply.

Free flowing artesian bores were constructed in Bollon and Thallon. Both bores have a good quality and ample quantity of water to supply the towns' needs. Consultation with the communities on how the bore water is to be utilised is ongoing, with Thallon being connected to the artesian supply in June 2005.

Major maintenance was required on the St George bore, with the supply being disrupted for two days due to pump breakdowns. A new pumping system has been ordered. Tenders were also called for a replacement artesian bore in St George. No tender was accepted due to high costs. Tenders are to be recalled at a later date.

**5000-2 Strategy: Maintain, through the Revenue and Borrowing Policies, an equitable and effective system of revenue raising and collection.**

Costings are detailed below:

	2004/05	2003/04	2002/03	2001/02	2000/01	1999/00
Operating Costs	\$617,516	\$594,697	\$642,779	\$641,277	\$604,827	\$498,782
Water Charge Revenue	\$825,164	\$859,136	\$830,947	\$955,936	\$997,844	\$948,259
Interfund Transfer from General Fund	\$250,000	\$250,000	\$250,000	-	-	-
Finance Costs	\$33,835	\$39,509	\$46,220	\$55,586	\$58,625	\$63,260
Capital Costs	\$256,589	\$281,313	\$30,100	-	\$208,808	\$46,000
Special Maintenance	\$8,263	\$1,517	\$12,702	-	-	-
Depreciation	\$379,465	\$272,677	\$225,704	\$276,508	\$293,067	\$290,000
Water Charge (\$/unit) before 15% discount	\$4.94	\$4.49	\$4.49	\$5.98	\$5.82	\$5.68

## 6000 – Cleansing

*Goal: To provide efficient, effective and environmentally sensitive refuse collection and/or disposal services in all towns.*

*6000-1 Strategy: Maintain an effective refuse collection and disposal service in the Towns of St. George, Dirranbandi, Bollon, Mungindi and Thallon.*

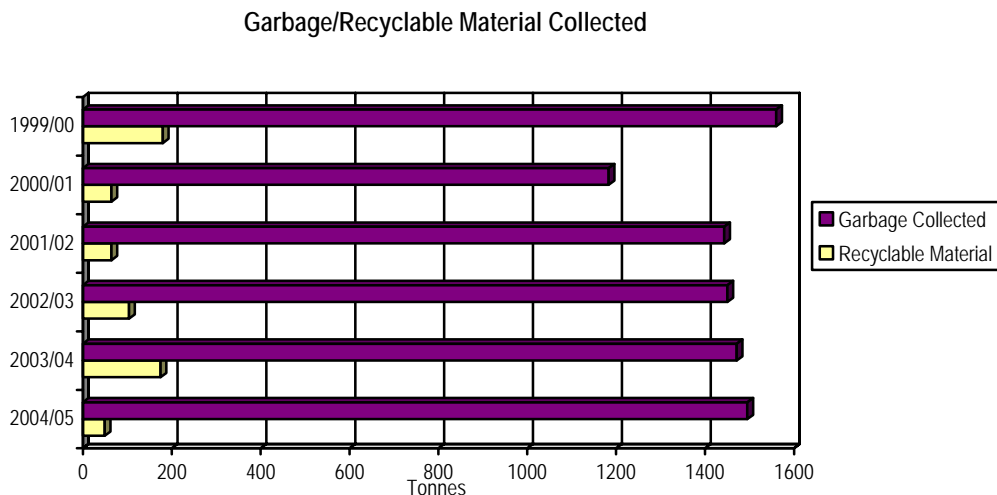
JJ Richards & Sons continued in the 2004/05 financial year as Council's Garbage Contractors. Their service includes the supply and maintenance of 200 litre wheelie bins and a transfer station at St George for the collection of recyclable material.



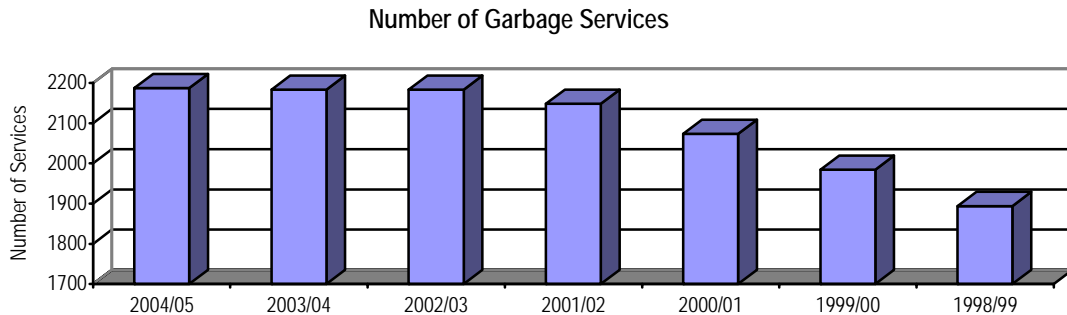
Recycling at the St George Garbage Dump

The arrangement with JJ Richards continues to be effective however a decline in the quality of the recycling material placed in bins is the cause of some concern.

**FIGURE 21**



**FIGURE 22**



***6000-2 Strategy: Maintain an effective refuse disposal service in the Town of Hebel.***

The refuse tip at Hebel was maintained in a satisfactory condition throughout the year and caused no nuisance. Credit must be given to the residents of Hebel for correctly disposing of their refuse.



Hebel Town Dump

***6000-3 Strategy: Maintain all Council refuse tips in an environmentally sensitive and cost effective manner.***

All of the garbage and recycling material collected by Council's Contractor was disposed of at the St George Garbage Dump. Dumps throughout the Shire were regularly maintained by Council employees and were inspected at least monthly by Council's Environmental Health Officer.

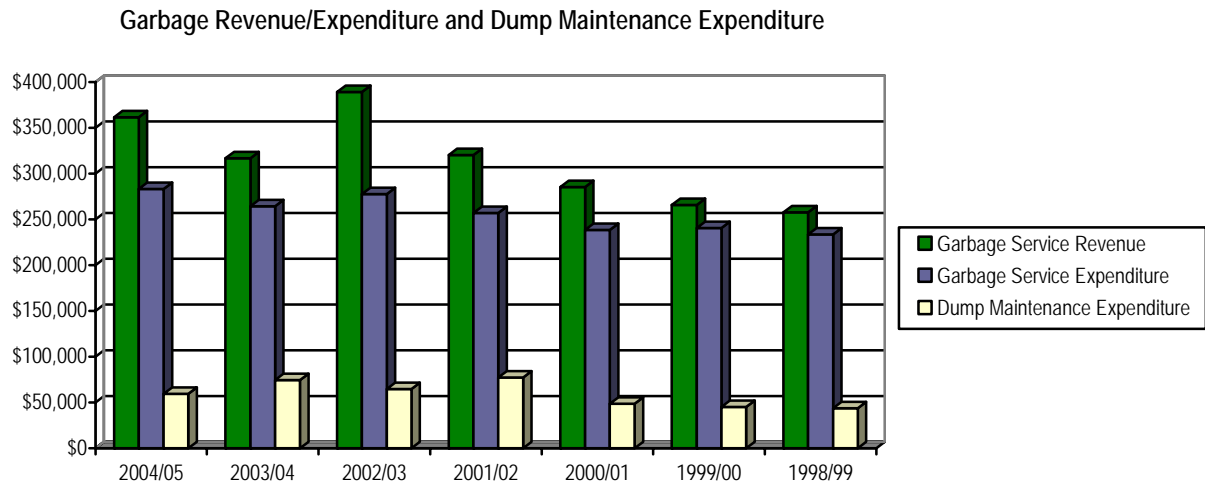
Problems continue to be caused particularly at the St George Dump by unknown persons who constantly light fires or burn tyres that have been disposed of at the dump. These fires often resulted in the need for QFRS to attend and put the fires out.

Council resolved to prohibit the disposal of tyres from its dumps as from 1<sup>st</sup> October, 2005.

*6000-4 Strategy: Maintain, through the Revenue and Borrowing Policies, an equitable and effective system of revenue raising and collection.*

Please refer to the following graphical information in relation to the Cleansing function:-

**FIGURE 23**



Costings are detailed below:

	2004/05	2003/04	2002/03	2001/02	2000/01	1999/00
Cleansing Charge Revenue (Net)	\$320,235	\$316,750	\$389,322	\$274,235	\$285,370	\$265,869
Refuse Collection Contract Expenses	\$ 256,902	\$264,339	\$277,497	\$256,092	\$238,397	\$240,443
Dump Maintenance Expenses	\$ 77,397	\$74,455	\$64,796	\$77,381	\$48,647	\$43,804
Special Maintenance	-	\$3,310	-	\$10,817	-	-
Cleansing Charge (\$/unit) before 15% discount – Wheelie Bin Service	\$8.48	\$8.27	\$8.00	\$7.42	\$7.20	\$7.02
Cleansing Charge (\$/unit) before 15% discount – Hebel, Mungindi	\$8.48	\$8.27	\$8.00	\$5.16	\$5.00	\$4.88

## Appendices

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<i>Appendix 2</i>	<i>Audited Financial Statements 2004/2005</i>
<i>Appendix 2A</i>	<i>Community Financial Report 2004/2005</i>
<i>Appendix 3</i>	<i>Listing of Documents and Registers</i>
<i>Appendix 4</i>	<i>Remuneration Package for Councillors 2004/2005</i>
<i>Appendix 5</i>	<i>Borrowing Policy 2004/2005</i>







# REVENUE POLICY

2004/2005



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## **1.0 Background**

The Local Government Act, 1993 imposes a requirement on Council to publish a Revenue Policy which clearly establishes the principles used by Council in exercising its revenue raising powers.

This Revenue Policy must be reviewed and adopted each year prior to the Council setting its budget and provides detail of the principles in the following areas:-

- The making of rates and charges
- The levying of rates
- The recovery of rates and charges
- The exercise of the concession powers

Section 963(1) of the Act empowers a Local Government, for a financial year, to make and levy:-

- (a) general rate or differential general rates; and
- (b) minimum general rate levies; and
- (c) separate rates and charges; and
- (d) special rates and charges; and
- (e) utility charges.

Section 963(2) further allows a local government to make general charges.

## **2.0 POLICY - General Rate or Differential General Rates**

Section 965 of the Act requires a local government to make a general rate or differential general rates each financial year.

Council accepts the unimproved value of land as the prime indication of ability to pay and accordingly adopts a single general rate for both rural and urban rateable lands throughout its area, regardless of land use.

A single general rate is made and levied on the basis of the unimproved value of rateable land as supplied by the valuing authority.

Council does not consider that the levying of differential general rates is currently required.

## **3.0 POLICY - Minimum General Rate**

Section 967 of the Act empowers Council to identify land for minimum general rating purposes in any way it considers appropriate.

The Council adopts a single minimum general rate for all rateable lands throughout its area, rural or urban, regardless of land use.

The minimum general rate is specified annually in dollar terms at Council's budget meeting.

## **4.0 POLICY - Separate Rates and Charges**

Separate rates and charges are defined under Part 3 of Chapter 1 of the Act as being rates and charges made and levied equally on all lands in the local government area.

Section 972 of the Act empowers a local government to make and levy a separate rate or charge for a service, facility or activity.

The Council does not propose to levy separate rates and charges.

## **5.0 POLICY - Special Rates and Charges**

Special rates and charges are defined in Part 3 of Chapter 1 of the Act as rates and charges made on some but not all land in the local government area.

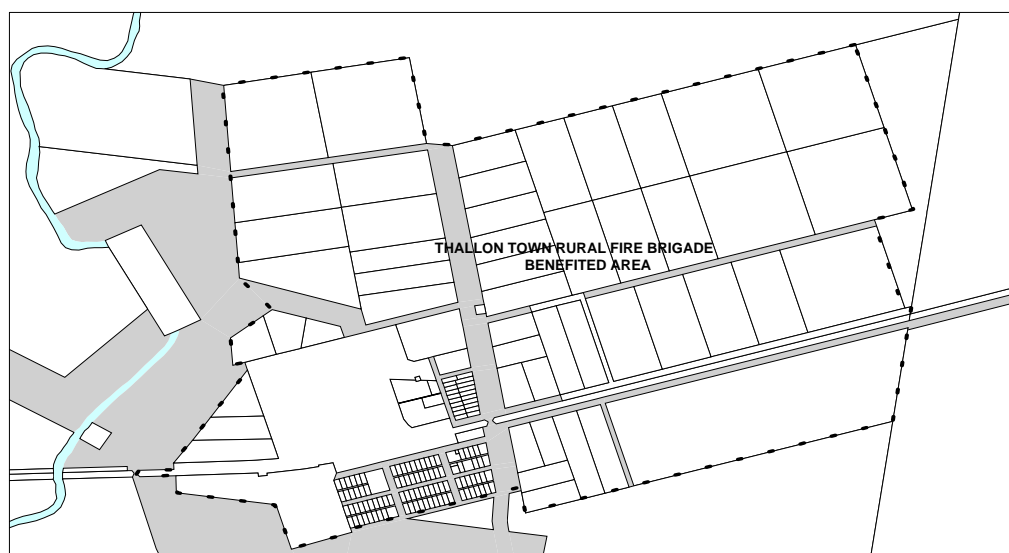
Section 971(1) of the Act empowers Council to make and levy a special rate or charge on rateable land for a service, facility or activity which it considers will specially benefit the land or which the land will have special access to.

Section 971(2) provides that the special rate or charge may be made on the basis the Council considers appropriate.

The Council will, after consultation with the Thallon Town Rural Fire Brigade, will set a special charge for the purposes of raising revenue to fund the operation of the Thallon Town Rural Fire Brigade.

### **5.1 POLICY - Thallon Town Rural Fire Brigade Special Charge**

To fund the operation of the Thallon Town Rural Fire Brigade, the Council has resolved to levy a special charge on those rateable properties contained in the benefited area as defined on the following map:-



## **6.0 POLICY - Utility Charges**

Sections 973(1) and (2) empower Council to make and levy a utility charge on any land (including non-rateable land) or structure for the supply of water, gas or sewerage services.

A utility charge for cleansing may also be made if the land or structure is occupied.

### **6.1 POLICY - Water Utility Charges**

Council considers that the principles of equity should apply in the pricing of it's water and that it has an obligation to all communities to charge a constant rate for similar consumers throughout it's urban water supplies. The principle of "user pays" is partly implemented for those services which are metered.

This is achieved by setting the base charge for water at a level which would achieve full cost recovery in the town with the lowest cost water supply.

The resulting base water charge is then applied to all towns regardless of the makeup of the various supplies.

This policy results in a shortfall in revenue for those towns which have a water supply that costs more than that of the town with the lowest cost.

The Council funds this community service obligation through the transfer of the funding shortfall from it's General Fund to the Water Program.

#### **6.1.1 POLICY - Base Water Charge**

Each premises connected to the urban water supply is categorised by the Council on the basis of land use taking into consideration the principles of equity and capacity to pay.

#### **6.1.2 POLICY - Base Water Allocation**

Each premises which has a metered water supply is assessed on the basis of their land use and is granted a base water allocation expressed in kilolitres per year per charging unit. Again, the principles of social equity, land use and capacity to pay are considered in setting this water allocation.

#### **6.1.3 POLICY - Excess Water Charge**

An excess water charge will be determined annually by the Council and is set at a level which will discourage excessive water usage. The excess water charge is expressed in terms of price per kilolitre of water used in excess of the base allocation.

A separate excess water charge will apply for each of the following types of water supply:-

- Untreated bore water
- Untreated river/creek water
- Treated water
- Blended treated/untreated bore water

#### **6.1.4 POLICY - Un-connected Property Water Charge**

For the purposes of clause 6.1.4, the term "property" means a parcel of land with separate title.

A "Un-connected property" water charge shall apply to a property where such property is not connected to the water supply but is located within the urban water supply area.

The following classes of property shall be exempt from the "Un-connected property" water charge:-

- a. Charitable, Not-for-Profit, Religious and Educational facilities including Aged and Child Care facilities, Student Hostels; and
- b. For a period of three (3) full financial years commencing after the date of registration of the survey plan, those lots of land in a development where the water supply reticulation was provided by the original developer and where such lots remain unsold by the original developer.
- c. Where a building from a neighbouring property encroaches on the unconnected property.
- d. Where the property has no legal access.
- e. Where the property is of such a small size and/or irregular shape that, in the opinion of the Council, it could not be sold and used for any purpose consistent with the area.

#### **6.1.5 POLICY - Un-metered Water Supply Charge**

Charging for un-metered water supplies shall comprise an annual base water charge only as defined in clause 6.1.1.

### **6.2 POLICY - Sewerage Utility Charge**

The Council considers that the principle of equity should apply in the pricing of it's sewerage/cleansing services and accordingly charges at a constant rate throughout it's area.

#### **6.2.1 POLICY - Sewerage Charge**

This charge applies only to the towns of St. George, Dirranbandi and Bollon.

Each premise connected to or serviced by a town sewerage scheme is categorised on the basis of land use, in some cases the number of toilet pedestals, length of urinals etc. taking into consideration the principles of social equity and capacity to pay.

#### **6.2.2 POLICY - Un-connected Property Sewerage Charge**

For the purposes of clause 6.2.2, the term "property" means a parcel of land with separate title.

A "Un-connected property" sewerage charge shall apply to a property where such property is not connected to the sewerage system but is located within the sewered area.



The following classes of property shall be exempt from the "Un-connected property" sewerage charge:-

- a. Charitable, Not-for-Profit, Religious and Educational facilities including Aged and Child Care facilities, Student Hostels; and
- b. For a period of three (3) full financial years commencing after the date of registration of the survey plan, those lots of land in a development where the sewerage reticulation was provided by the original developer and where such lots remain unsold by the original developer.
- c. Where a building from a neighbouring property encroaches on the unconnected property.
- d. Where the property has no legal access.
- e. Where the property is of such a small size and/or irregular shape that, in the opinion of the Council, it could not be sold and used for any purpose consistent with the area.

### **6.3 POLICY - Cleansing Charge**

All towns, with the exception of Hebel, are provided with a door-to-door cleansing service. All towns are provided with a refuse tip.

The minimum number of cleansing services provided to a particular premise is determined on the basis of an annual assessment by the Council. A door-to-door cleansing service is defined as the collection and disposal of one (1) or more standard rubbish bins per week.

The owner of a premise has the right to request additional cleansing services which will be supplied at the appropriate charge depending on whether the request is for a regular or once-off service.

Council does not apply a direct user pays charge for public use of it's refuse tips. A minimum cleansing charge shall apply to all occupied properties within the gazetted boundaries of all towns (including Hebel) to recover part of the costs associated with operating refuse tips.

## **7.0 POLICY – Regulatory Fees and Commercial Charges**

### **7.1 Regulatory Fees**

Section 1071A the *Local Government Act, 1993* empowers the Council to fix, by local law or resolution, a fee for any of the following:-

- (a) an application for, or the issue of an approval, consent, licence, permission, registration or other authority under a local government Act;
- (b) recording a change of ownership of land;
- (c) giving information kept under a local government Act;
- (d) seizing property or animals under a local government Act;
- (e) Infrastructure charges – A local government may fix a charge for the capital cost of an infrastructure item (s. 5.1.5 *Integrated Planning Act 1997*).

Such regulatory fee must not be more than the cost of providing the service or taking the action for which the fee is charged.

Information about the fee must be recorded in the Council's Register of Regulatory Fees.

### **7.1 POLICY – Commercial Charges**

Section 36 (General Powers) of the *Local Government Act, 1993* provides the Council, as a legal entity, to charge for services and facilities it supplies other than a service or facility for which a regulatory fee may be fixed.

Such commercial charges are for transactions where the Council is prepared to provide a service and the other party to the transaction can choose whether or not to avail itself of the service.

The making of commercial charges may be delegated (recorded in the Delegations Register).

Commercial Charges are subject to the Goods and Services Tax.

Such charges may be reviewed by the Council at any time and will be recorded with the Register Regulatory Fees as a listing of Commercial Charges.

The nature, level and standard of the entitlement, facility or service is considered by the Council in the setting of commercial charges. Central to deliberations on these matters is the Council's community service obligation and the principle of social equity. The principle of "user pays" is considered only where the provision of a service, entitlement or facility may be in direct competition with private enterprise.

## **8.0 POLICY - Levying of Rates and Utility Charges**

Section 1008 of the Act prescribes the manner in which Council can issue notice of a levy of rates and utility charges.

### **8.1 POLICY - Rates and Utility Charges (other than Excess Water Charges)**

Council levies its rates and utility charges in two (2) moieties each financial year. The amounts levied in respect of rates and utility charges for each moiety, represent one half of the amounts to be levied for the full financial year.

Base water charges for new connections will be levied on a pro-rata basis from the date of connection.

Sewerage charges for new connections will be levied on a pro-rata basis from the date of connection to the sewerage system.

Cleansing charges for new services/additional bins will be levied on a pro-rata basis from the date of delivery of the bin/s.

### **8.2 POLICY - Excess Water Charges**

Water meters will be read twice annually on or about 31st December and 30th June. The 31st December reading will be used to predict annual water usage for each consumer. Consumers will at this stage be warned if their consumption pattern is likely to result in excess water charges at the conclusion of the financial year.

Excess water charges will be levied annually after the final meter readings for the year which will take place on or about the 30th June and included with the first moiety rate notice.

However, excess water charges may also be levied on a pro-rata basis for consumption of water for part of a year.

## **9.0 POLICY - Discount for Prompt Payment**

The Council allows discount for prompt payment of rates/charges as a means to ensuring a timely flow of cash to fund its operations.

Section 1014 of the Act requires the Council to set, by resolution at its Budget Meeting, the date by which, or the time within which, each rate must be paid. The date by which, or the time within which, the rate must be paid must be at least 30 days after the issue of the rate notice and must be the same date or time for each person liable to pay a rate.

Section 1019(6) of the Act states that the local government may allow more than one (1) amount of discount or percentage discount for a rate only if the local government—

(a) decides more than one (1) discount date or discount period for the rate; and

(b) allows a different amount of discount or percentage discount for each discount date or discount period decided.

It is the policy of the Council that two (2) discount periods will apply for each rate moiety.

Discounts, at the rates and for the periods set by the Council annually at it's annual budget meeting, are granted for prompt payment of:-

- General Rates; and
- Urban Water Charges incl. Excess Water Charges; and
- Rural Residential Water Charges incl. Excess Water Charges; and
- Sewerage Charges; and
- Cleansing Charges; and
- Thallon Town Rural Fire Brigade Special Charge.

## **10.0 POLICY - Interest on Overdue Rates**

Section 1018 of the Act provides that an overdue rate may bear interest at the percentage and from the day decided by Council.

The rate of interest is set by Council annually at a level which will encourage the prompt payment of rates and charges.

The Council defines an overdue rate as those rates remaining unpaid at the end of the preceding financial year.

Interest will be charged by Council on the following overdue rates/charges:

- General Rates; and
- Urban Water Charges incl. Excess Water Charges; and
- Rural Residential Water Charges incl. Excess Water Charges; and
- Sewerage Charges; and
- Cleansing Charges; and
- Thallon Town Rural Fire Brigade Special Charge; and
- Charges on Land/Legal Fees.

## **11.0 POLICY - Remission for Occupancy/Ownership by Pensioners**

Section 1031(1)(a) of the Act empowers Council, if it so desires, to remit the whole or part of unpaid rates applicable to any land within it's area.

Section 1034 of the Act empowers Council to allow, if it so desires, a remission of rates on land wholly or partially occupied but not owned by pensioners.

Regulation 4 of the Local Government Regulation 1994 defines "pensioner" to be a pensioner under a law of the Commonwealth.

The Council will grant an annual remission of rates for land owned or occupied either fully or partially by a

pensioner provided that the land is the principal place of residence for the pensioner.

The Council will also provide administrative support to the State Government Pensioner Rate Subsidy Scheme.

## **12.0 POLICY - Payment of Rates by Instalments**

Section 1015 of the Act provides that a local government may, by resolution made at its budget meeting, authorise the payment of rates by instalments on the terms it determines.

The terms may provide for the payment of a premium and for the application of interest charges on overdue rates and for the immediate payment of future instalments if such terms are not met.

Council has not made a resolution to accept arrangements to pay under Section 1015 of the Act.

Section 1031 of the Act allows Council to accept a composition or other arrangement for unpaid rates on a case by case basis.

Council will accept applications for payment of rates by instalments from property owners who can demonstrate a genuine financial hardship. Council have determined that each such application is to be assessed on its merits.

All instalment plans must have the effect of liquidating the debt by no later than the end of the current financial year unless Council, by resolution, determines otherwise.

Interest will continue to be charged on overdue rates which are subject to an instalment payment plan.

No premium will be charged for the payment of rates by instalments under such arrangements.

The applicant must comply strictly with the terms of the instalment plan agreed to. Default will result in Council requiring immediate full payment of future instalments.

## **13.0 POLICY - Financial Assistance Grants**

The Council receives an annual untied Financial Assistance Grant from the Federal Government via the Queensland Local Government Grants Commission. This grant comprises an Identified Road Component and a General Purpose Component.

The total identified road component of the annual Financial Assistance Grant shall be appropriated for Capital Works on Councils Road and Street network.

The total general purpose component shall be used as general revenue.



## **14.0 POLICY - Developer Contributions**

The unexpended balance of developer contributions shall be appropriated to a constrained works reserve at the close of each financial year.

Such constrained works reserve shall indicate the nature of the works to be undertaken using the developer contribution.

A developer contribution shall be expended only on works for which the contribution was made.

# Balonne Shire Council

Annual Financial Statements  
for the Year Ended  
30 June 2005



# Balonne Shire Council

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**Management Certificate**  
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## Balonne Shire Council Statement of Financial Performance

For the year ended 30 June 2005

	<u>Notes</u>	<u>2005 Actual</u>	<u>2004 Actual</u>
Revenue from ordinary activities	3	12,191,000	10,644,000
Expenses from ordinary activities	4	(12,885,000)	(11,137,000)
Borrowing costs	5	(265,000)	(269,000)
<b>Result from ordinary activities</b>		<b>(959,000)</b>	<b>(763,000)</b>
<b>Net result</b>		<b>(959,000)</b>	<b>(763,000)</b>
Increase (decrease) in asset revaluation reserve	26	49,243,000	16,964,000
<b>TOTAL CHANGE IN COMMUNITY EQUITY</b>		<b>48,285,000</b>	<b>16,201,000</b>

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

## Balonne Shire Council Statement of Financial Position

As at 30 June 2005

	<u>Notes</u>	<u>2005 Actual</u>	<u>2004 Actual</u>
<b>Current Assets</b>			
Cash assets	14	3,319,000	2,693,000
Receivables	16	1,405,000	1,351,000
Inventories	17	248,000	278,000
Other financial assets	18	133,000	101,000
		<b>5,105,000</b>	<b>4,423,000</b>
<b>Non-current Assets</b>			
Inventories	17	308,000	308,000
Property, plant and equipment	19	119,245,000	71,241,000
Receivables		11,000	18,000
Capital works in progress	20	639,000	1,442,000
		<b>120,204,000</b>	<b>73,009,000</b>
<b>TOTAL ASSETS</b>		<b>125,308,000</b>	<b>77,432,000</b>
<b>Current Liabilities</b>			
Payables	21	225,000	226,000
Tax liability	22	103,000	78,000
Interest bearing liabilities	23	403,000	341,000
Employee benefits	24	310,000	320,000
Other	25	15,000	2,000
		<b>1,056,000</b>	<b>967,000</b>
<b>Non-current Liabilities</b>			
Interest bearing liabilities	23	3,436,000	3,839,000
Employee benefits	24	697,000	791,000
		4,133,000	4,630,000
<b>TOTAL LIABILITIES</b>		<b>5,189,000</b>	<b>5,597,000</b>
<b>NET COMMUNITY ASSETS</b>		<b>120,119,000</b>	<b>71,835,000</b>
<b>Community Equity</b>			
Asset revaluation reserve	26	101,432,000	52,188,000
Other reserves	27	3,753,000	3,018,000
Retained surplus (deficiency)		14,934,000	16,629,000
<b>TOTAL COMMUNITY EQUITY</b>		<b>120,119,000</b>	<b>71,835,000</b>

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

**Balonne Shire Council**  
**Statement of Cash Flows**  
For the year ended 30 June 2005

	<u>Notes</u>	<u>2005 Actual</u>	<u>2004 Actual</u>
<b>Cash flows from operating activities:</b>			
Receipts from customers		12,298,000	10,282,000
Payments to suppliers and employees		(8,214,000)	(7,089,000)
Interest received		220,000	194,000
Borrowing costs		(265,000)	(269,000)
<b>Net cash inflow (outflow) from operating activities</b>	35	<b>4,039,000</b>	<b>3,118,000</b>
<b>Cash flow from investing activities:</b>			
Payments for property, plant and equipment		(3,468,000)	(3,799,000)
Net movement in loans to community organisations		7,000	5,000
Proceeds from sale of property, plant and equipment	10	388,000	297,000
Proceeds from sale of developed land		0	47,000
<b>Net cash inflow (outflow) from investing activities</b>		<b>(3,073,000)</b>	<b>(3,450,000)</b>
<b>Cash flow from financing activities</b>			
Proceeds from borrowings	28	0	332,000
Repayment of borrowings	28	(341,000)	(292,000)
<b>Net cash inflow (outflow) from financing activities</b>		<b>(341,000)</b>	<b>40,000</b>
<b>Net increase (decrease) in cash held</b>		<b>625,000</b>	<b>(293,000)</b>
Cash at beginning of reporting period		2,693,000	2,986,000
<b>Cash at end of reporting period</b>	14	<b>3,319,000</b>	<b>2,693,000</b>

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

APPENDIX 2

**Balonne Shire Council**  
**Statement of Changes in Equity**  
For the year ended 30 June 2005

Notes	Total		Retained surplus		Asset revaluation reserve		Other reserves	
					Note 26		Note 27	
	2005 Actual	2004 Actual	2005 Actual	2004 Actual	2005 Actual	2004 Actual	2005 Actual	2004 Actual
<b>Council</b>								
Balance at beginning of period	71,835,000	55,633,000	16,629,000	17,796,000	52,188,000	35,224,000	3,018,000	2,613,000
Net result for the period	(959,000)	(763,000)	(959,000)	(763,000)	0	0	0	0
Transfers to reserves	0	(617,000)	(1,321,000)	(1,146,000)	0	0	1,321,000	529,000
Transfers from reserves	0	621,000	586,000	742,000	0	0	(586,000)	(121,000)
Asset revaluation adjustments	49,243,000	16,964,000	0	0	49,243,000	16,964,000	0	0
Balance at end of period	<b>120,119,000</b>	<b>71,835,000</b>	<b>14,934,000</b>	<b>16,629,000</b>	<b>101,432,000</b>	<b>52,188,000</b>	<b>3,753,000</b>	<b>3,018,000</b>

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

## Balonne Shire Council

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2005

#### Note 1: Summary of Significant Accounting Policies

These financial statements, which are general purpose financial statements, have been drawn up in accordance with Australian Accounting Standards, Urgent Issues Group consensus views, the *Local Government Act 1993* and the *Local Government Finance Standard 1994*. Except where stated, the financial statements have been prepared in accordance with the historical cost convention. The accounting policies adopted are consistent with those for the previous year and the accrual basis of accounting has been used.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report.

##### (a) Trust Funds Held for Outside Parties

Funds held in the Trust Account on behalf of outside parties include those funds from the sale of land for arrears OF rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies (e.g. wages) paid into the Trust Account by the Council. The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements.

The monies are disclosed in Note 34 to the financial statements for information purposes only.

##### (b) Taxation

Income of local authorities and public authorities is exempt from Commonwealth taxation except for Fringe Benefits Tax and Goods and Services Tax ('GST'). As such, input tax credits receivable and GST payable from/to the Australian Tax Office are recognised and accrued.

##### (c) Inventories

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

Balonne Shire Council does not recognise treated water as inventory because it is considered the value is not material and the cost of calculating that value would outweigh the benefits obtained from recognising it. Treated water is mainly contained in reticulation pipes and it would not be feasible to sell the water without replacing it with other treated water.

##### (d) Land Held for Resale

Land approved by Council for resale is classified as inventory. If acquired as an inventory item the land is valued at the lower of cost or net realisable value; otherwise it is valued at the lower of carrying value on transfer to inventory or net realisable value. That portion of the land that is not expected to be sold within 12 months is classified as a non-current inventory asset and the balance as a current inventory asset.

Profit arising upon sale of land is recognised in the Statement of Financial Performance on the signing of a valid unconditional contract of sale.

##### (e) Construction Contracts and Work in Progress

The cost of property, plant and equipment being constructed by the Council includes the cost of materials and direct labour and an appropriate proportion of labour overheads.

##### (f) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

##### (f)(i) 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 in, architect's fees and engineering design fees and all other establishment costs

## Balonne Shire Council

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2005

#### Note 1: Summary of Significant Accounting Policies (cont.)

Non-monetary assets, including property, plant and equipment, received in the form of contributions, are recognised as assets and revenues at fair value by Council valuation. Fair value means the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Actual cost is used for the initial recording of all acquisitions of assets unless these have been received as a result of a local government restructure.

In the latter case, the assets transferred at no cost, or for a nominal consideration are recognised at their gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation offset, or at their fair values.

**(f)(ii) Non-current assets threshold**

Items of property, plant and equipment with a total value of less than \$5,000, except for land, network assets and fleet items (an aggregate of interrelated assets) or \$1,000 in the case of Office Equipment and Furniture, are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

**(f)(iii) Capital and operating expenditure**

Wage and materials expenditure incurred for the acquisition or construction of assets are treated as capital expenditure. Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity 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.

**(f)(iv) Valuation**

Land, buildings, infrastructure and heritage and cultural assets are measured at fair value in accordance with AASB 1041 *Revaluation of Non-Current Assets and the Local Government Finance Standard 1994*. All other non-current assets, principally plant and equipment and intangibles, are measured at cost.

Assets which have a useful life of ten years or less or cost less than \$50,000 are shown in the financial statements at their historical cost less accumulated depreciation.

Non-current physical assets measured at fair value are comprehensively 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. Only those assets, the total values of which are material, compared to the value of the class of assets to which they belong, are comprehensively revalued.

Details of valuers and methods of valuations are disclosed in Note 19.

**(f)(v) Depreciation**

Land is not depreciated as it has an unlimited useful life. Depreciation on property, plant and equipment 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.

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.

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

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

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



## Balonne Shire Council

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2005

#### Note 1: Summary of Significant Accounting Policies (cont.)

Separately identified components of assets are measured on the same basis as the assets to which they relate and are recognised as a separate asset. These items or components may be replaced during the life of the complex asset. Each component is depreciated over its individual life or the life of the complex asset if shorter.

The estimated useful lives of property, plant and equipment are reviewed annually. For each class of depreciable asset the following depreciation rates were used.

<u>Asset</u>	<u>Range of estimated useful life in years</u>
Land	Not depreciated
Buildings	15 - 80
Transport Infrastructure	10 - 100
Water Supply Infrastructure	15 - 60
Sewerage Supply Infrastructure	15 - 100
Plant and Equipment	5 - 40
Furniture and Fittings	5 - 40
Other Non-Current Assets	5 - 80

Asset Categories of Plant and Equipment, Furniture and Fittings, Strategic Plan and Other Non-Current Assets are depreciated using the reducing balance method and the following are the indicative depreciation rates that may be used.

Motor Vehicles	20% to 79%
Strategic Plan	20%

#### ***(f)(vi) Unfunded Depreciation***

Balonne Shire Council has elected not to fund depreciation expenses in circumstances where the respective assets will not be replaced or external funding sources other than loans will be obtained to fund their replacement. Depreciation is funded to the extent necessary to meet future replacement capital works.

#### **(g) Leases**

Leases of plant and equipment under which the Council assumes substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are classified as finance leases. Other leases, where substantially all the risks and benefits remain with the lessor, are classified as operating leases.

#### ***(g)(i) Finance leases***

Balonne Shire Council does not have any Finance Leases.

#### ***(g)(ii) Operating leases***

Payments made under operating leases are expensed in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

#### **(h) Receivables**

Trade debtors are recognised at the nominal amounts due at the time of sale or service delivery, settlement on trade debtors being generally required within 30 days from the invoice date.

The collectability of receivables is assessed periodically with provision being made for doubtful debts. All known bad debts were written-off at 30 June.

Loans and advances are recognised at their face values. Terms are usually a maximum of five years with interest charged at negotiated rates. Security is not normally obtained.

## Balonne Shire Council

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2005

#### Note 1: Summary of Significant Accounting Policies (cont.)

**(i) Other Financial Assets**

Other Financial Assets are brought to account at the lower of cost and recoverable amount and are disclosed at the fair values indicated in Note 18. Interest and dividend revenues are recognised on an accrual basis.

**(j) Payables**

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

**(k) Employee Benefits**

Employee benefits are accrued for such items as wages and salaries, annual leave and long service leave in respect of services provided by the employees up to the reporting date. Liabilities for employee entitlements are assessed at each reporting date. 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. Where it is expected that the leave will be taken in the next twelve months the liability is treated as a current liability. Otherwise the liability is treated as non-current.

**(l)(i) *Salaries and wages***

A liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date. This liability is treated as a creditor of the Council and not as an employee benefit.

**(l)(ii) *Annual leave***

A liability for annual leave is recognised and based on current wage and salary levels and includes related employee on-costs.

**(l)(iii) *Superannuation***

The superannuation expense for the reporting period is the amount of the contribution the local government makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in Note 32.

**(l)(iv) *Long service leave***

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The interest rates attaching as at the reporting date, to Commonwealth Government guaranteed securities are used to discount the estimated future cash outflows to their present value. The value of the liability was calculated using current pay rates and includes related employee on-costs.

**(m) Interest Bearing Liabilities**

Loans payable are recognised at the face value of the principal outstanding, interest being expensed or otherwise recognised as it accrues. The fair value of these loans is disclosed in Note 28.

**(n) Rates, Grants and Other Revenue**

Rates, Grants and Other Revenue are recognised as revenues when the Council obtains control over assets comprising the contributions. Receivables are recorded at nominal amounts less any provision for doubtful debts. Credit terms for other debtors are 30 days while credit terms for Rates Receivables are in accordance with Council's Revenue Policy, where 15% discount is offered for payment within 30 days or 7.5% discount for payment within 60 days.

## Balonne Shire Council

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2005

## Note 1: Summary of Significant Accounting Policies (cont.)

### **(n)(i) Rates**

Control over assets acquired from rates is obtained at the commencement of the rating period. Where rate monies are received prior to the commencement of the rating period, the amount is recognised as revenue in the period in which they are received.

### **(n)(ii) Grants and subsidies**

Control over granted assets is normally obtained upon their receipt or, if earlier, when the Council becomes unconditionally entitled to the grant. These amounts are recognised as revenue in the period in which they are received.

### **(n)(iii) Non-cash contributions**

Non-cash contributions in excess of \$5,000 in value, are recognised as revenue and as non-current assets. Non-cash contributions below \$5,000 are recorded as revenue only (refer Note 1.(f)(ii)).

### **(n)(iv) Other revenue including contributions**

Other Revenue is recognised as a receivable when it is probable that it will be received and the amount is known, otherwise the amount is recognised upon receipt.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts of those contributions are carried in the related reserve.

## **(o) Components of Equity**

### **(o)(i) Asset revaluation reserve**

The asset revaluation reserve is comprised of adjustments relating to changes in value of non-current assets which arise primarily from changes in the purchasing power of money. Net incremental changes in the carrying value of classes of non-current assets, since their initial recognition, are accumulated in this reserve.

Where a class of assets is decreased on revaluation, without a prior revaluation increment in the asset revaluation reserve, the asset revaluation decrement net of the corresponding adjustment to the accumulated depreciation is treated as an operating expense.

### **(o)(ii) Reserves held for future capital expenditure**

The following reserves are cash backed reserves and represent funds that are accumulated within the Council to meet anticipated future capital assets needs. In each case the amount relates to a perceived future requirement which is not currently a liability.

#### **(o)(ii)(i) Road Works Reserve**

This reserve has all grants, subsidies and contributions of monetary revenue received during the reported period which are constrained for the purpose of funding future road works.

As the expenditure is incurred on specified capital assets, the equivalent amounts are transferred to Retained Surplus. The closing balance reported at the period end represents amounts not yet expended.

#### **(o)(ii)(ii) Sport & Recreation Reserve**

This reserve was created to contribute to future funding for development of sport and recreation facilities in the Shire.

## Balonne Shire Council

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2005

#### Note 1: Summary of Significant Accounting Policies (cont.)

(o)(ii)(iii) Sewerage Reserve

This reserve was created to contribute to future funding for new sewerage infrastructure and provide a contingency amount to offset any major unforeseen sewerage supply works which are required.

(o)(ii)(iv) Water Reserve

This reserve was created to contribute to future funding for new water infrastructure and provide a contingency amount to offset any major unforeseen water supply works which are required.

(o)(ii)(v) Cleansing Reserve

This reserve comprises funds set aside by Council for expenditure on cleansing.

(o)(ii)(vi) Housing Reserve

This reserve was created to contribute to future housing requirements of the Council.

(o)(ii)(vii) Education Facilities Reserve

This reserve was created to contribute to future education facilities in the Shire.

(o)(ii)(viii) General Administration Reserve

This reserve was created to contribute to the acquisition of a new exchange server and a laser cheque printer and for Administration Building Future Works.

(o)(ii)(ix) Development Planning and Control Reserve

This reserve was created to contribute to the costs incurred in the review of the planning scheme.

(o)(ii)(x) Visitor Services Reserve

This reserve was created to contribute to the costs of installing interpretative signage within the Shire.

(o)(ii)(xi) Works Depot Reserve

This reserve was created to contribute to the costs involved in decontamination of the former Roe Street Depot site and to erect old welder's shed at the new St George Work's Depot (including walls).

(o)(ii)(xii) Parks and Gardens Reserve

This reserve was created to contribute to the costs involved in installation of pumping and irrigation equipment on the Riverside Parklands, Hebel Parks (WORC and Community Group projects), RSLA Sub-Branch relocate Cenotaph to Blondie Codrington Parkland, Thallon Park Playground Redevelopment with soft fall and shade structure, St George and Dirranbandi Riverbank Parklands WORC projects plus St George Riverbank Security Improvement Program Stage 2.

(o)(ii)(xiii) Showgrounds Reserve

This reserve was created to contribute to the construction of buildings at the Bollon and Dirranbandi Showgrounds.

## Balonne Shire Council

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2005

#### Note 1: Summary of Significant Accounting Policies (cont.)

(o)(ii)(xiv) Economic Development Reserve

This reserve was created to contribute to the production of a regional promotional video via the Maranoa & District Regional Organisation of Council.

(o)(ii)(xv) Works Administration Reserve

This reserve was created to contribute to the costs of conducting an asbestos audit on all Council-owned workplaces, provide Earth Linkages to all Council Workplaces and Halls and to provide smoke detectors for and Fire Alarms to St George Civic Centre, St George Workshop and the Dirranbandi Depot.

(o)(ii)(xvi) Aerodrome Reserve

This reserve was created to contribute to the replacement of the boundary fence at the Dirranbandi Aerodrome and for the St George Aerodrome Terminal Building.

(o)(ii)(xvii) Public Communication Facilities Reserve

This reserve was created to contribute to the cost of installing a television retransmission facility at Thallon.

(o)(ii)(xviii) Swimming Pools Reserve

This reserve was created to contribute to the cost of installing a disabled change-room / shower at the St. George Swimming Pool Complex and the Dirranbandi Swimming Pool (subject to agreement with Education Queensland)

(o)(ii)(xix) Public Conveniences Reserve

This reserve was created to contribute to the cost of installing new plumbing and an on-site sewerage treatment plant at the Mungindi riverbank toilets.

(o)(ii)(xx) Cemeteries

This reserve was created to fund the Thallon Lawn Cemetery Works including survey and fencing of new extensions.

**(o)(iii) Reserves held for future recurrent expenditure**

(o)(iii)(i) Emergency Services Reserve

This reserve was created to contribute to the costs of the Disaster Mitigation Plan.

(o) (iii) (ii) General Administration Reserve

This reserve was created to provide funding to investigate options for the introduction of differential rating and to implement "Service Edge" Training.

(o) (iii) (iii) Visitor Services Reserve

This reserve was created to provide funding for Tourism Photography to hire a professional photographer to collect shots across the Shire.

(o) (iii) (iv) Housing Reserve

This reserve was created to provide funding for various maintenance works the Council Owned House located at 9 Church Street, St George.

**Balonne Shire Council****Notes to and forming part of the Financial Statements****For the year ended 30 June 2005****Note 1: Summary of Significant Accounting Policies (cont.)****(o)(iv) *Retained surplus***

This represents the amount of Council's net funds not set aside in reserves to meet specific future needs. The main part of this amount is not available for Council to spend as it has already been invested in assets used to provide services.

**(p) National Competition Policy**

The Council has reviewed its activities and has identified three (3) activities that are business activities. These activities are Other Roads, Water and Sewerage. The Council has resolved not to apply the Code of Competitive Conduct to any activity of the Council.

**(q) Rounding and Comparatives**

Amounts included in the financial statements have been rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero. Due to the rounding of figures to thousands of dollars, small errors in additions will be encountered in various places throughout the financial statements and notes to the financial statements.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

**(r) Cash Assets**

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked as well as deposits at call with financial institutions. It also includes bank overdrafts and liquid investments with short periods to maturity that are readily convertible to cash at the Council's option and that are subject to a low risk of changes in value.

**(s) Adoption of Australian Equivalents to International Financial Reporting Standards (AIFRS)**

The Financial Reporting Council has determined that all entities preparing general purpose financial statements will apply the Australian Equivalents to International Financial Reporting Standards for reporting periods beginning on or after 1 January 2005.

Details of the effects of the change are shown in Note 37.

APPENDIX 2

**Balonne Shire Council**

**Notes to and forming part of the Financial Statements**

**For the year ended 30 June 2005**

**Note 2: Analysis of Results by Function**

	Grants revenue		Other revenue		Total revenue		Total expenses		Net result for period		Assets	
	2005 Actual	2004 Actual	2005 Actual	2004 Actual	2005 Actual	2004 Actual	2005 Actual	2004 Actual	2005 Actual	2004 Actual	2005 Actual	2004 Actual
<b>(a) Revenue, expenses and assets have been attributed to the following functions:</b>												
Administration / Corporate Services	21,000	8,000	44,000	89,000	65,000	97,000	766,000	803,000	(702,000)	(706,000)	1,586,000	1,634,000
Business Services	0	0	2,121,000	1,829,000	2,121,000	1,829,000	1,991,000	1,738,000	129,000	91,000	(2,000)	3,000
Cleansing	0	0	331,000	325,000	331,000	325,000	313,000	319,000	19,000	5,000	10,000	11,000
Community and Cultural	30,000	94,000	218,000	195,000	247,000	289,000	1,493,000	1,207,000	(1,245,000)	(917,000)	11,085,000	10,971,000
Environmental and Health Services	30,000	0	69,000	79,000	98,000	79,000	832,000	808,000	(734,000)	(729,000)	682,000	637,000
Finance	1,596,000	1,204,000	3,366,000	3,233,000	4,962,000	4,437,000	250,000	250,000	4,712,000	4,187,000	4,849,000	4,138,000
Planning and Development	6,000	0	66,000	37,000	73,000	37,000	254,000	209,000	(182,000)	(172,000)	354,000	317,000
Transport and Drainage Infrastructure Services	2,767,000	1,994,000	315,000	337,000	3,082,000	2,330,000	6,428,000	5,292,000	(3,346,000)	(2,961,000)	93,892,000	46,572,000
Urban Waste Water	0	0	615,000	597,000	615,000	597,000	422,000	413,000	193,000	184,000	4,545,000	4,716,000
Urban Water	191,000	176,000	840,000	773,000	1,031,000	949,000	835,000	694,000	196,000	254,000	8,307,000	8,438,000
<b>Total Council</b>	<b>4,640,000</b>	<b>3,476,000</b>	<b>7,985,000</b>	<b>7,493,000</b>	<b>12,625,000</b>	<b>10,969,000</b>	<b>13,584,000</b>	<b>11,733,000</b>	<b>(959,000)</b>	<b>(764,000)</b>	<b>125,308,000</b>	<b>77,436,000</b>



## Balonne Shire Council

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2005

#### Note 3: Revenue from Ordinary Activity

	<u>Notes</u>	<u>2005 Actual</u>	<u>2004 Actual</u>
<b>Operating income:</b>			
General rates		3,701,000	3,578,000
Rates received in advance		3,000	7,000
Water		889,000	805,000
Sewerage		704,000	679,000
Thallon fire levy		7,000	7,000
Excess water		38,000	46,000
Cleansing		375,000	364,000
Less: Discounts		(791,000)	(746,000)
Less: Pensioner remissions		(24,000)	(23,000)
Net rates and utility charges		<b>4,902,000</b>	<b>4,717,000</b>
Fees and Charges		268,000	215,000
Sales contracts and recoverable works		2,115,000	1,813,000
Government grants, contributions and donations	7	1,698,000	1,356,000
Gain on sale of developed land	9	0	(2,000)
Interest received from investments		204,000	163,000
Interest from rates and utility charges		24,000	26,000
Insurance recoupment		23,000	22,000
Other		35,000	88,000
<b>Total operating income</b>		<b>9,268,000</b>	<b>8,398,000</b>
<b>Capital income:</b>			
Government grants and contributions	7	2,969,000	2,224,000
Gain on disposal of capital assets	10	(46,000)	22,000
<b>Total capital income</b>		<b>2,923,000</b>	<b>2,246,000</b>
<b>Total revenue from ordinary activities</b>	6	<b>12,191,000</b>	<b>10,644,000</b>

#### Note 4: Expenses from Ordinary Activity

<b>Operating expenses:</b>			
Employee costs	11	4,102,000	3,673,000
Maintenance costs		2,300,000	2,510,000
Materials and services		3,539,000	2,671,000
Plant hire from capital works		(202,000)	(390,000)
Depreciation	12	5,074,000	4,487,000
Oncosts		(2,325,000)	(2,135,000)
Other expenses	13	398,000	321,000
<b>Total operating expenses before interest</b>		<b>12,885,000</b>	<b>11,137,000</b>
<b>Expenses from ordinary activities</b>	6	<b>12,885,000</b>	<b>11,137,000</b>

#### Note 5: Borrowing Cost

Finance costs charged by Queensland Treasury Corporation		265,000	269,000
	6	<b>265,000</b>	<b>269,000</b>

## Balonne Shire Council

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2005

#### Note 6: Reconciliation of Revenues and Expenses

	<u>Notes</u>	<u>2005 Actual</u>	<u>2004 Actual</u>
Total revenue for the period was derived from:			
Total ordinary revenues	3	12,191,000	10,644,000
Plus: Current cost of developed land sold	9	0	50,000
Plus: Book value of property, plant & equipment sold	10	435,000	275,000
<b>Revenues reconciled to Analysis of Results by Function</b>		<b>12,625,000</b>	<b>10,969,000</b>
Total expenses for the period were incurred as follows:			
Total ordinary expenses	4	12,885,000	11,137,000
Plus: Borrowing costs	5	265,000	269,000
Plus: Current cost of developed land sold	9	0	50,000
Plus: Book value of property, plant & equipment sold	10	435,000	275,000
<b>Expenses reconciled to Analysis of Results by Function</b>		<b>13,584,000</b>	<b>11,731,000</b>
<b>Net Results from Ordinary Activities</b>		<b>(959,000)</b>	<b>(763,000)</b>

#### Note 7: Grants, Subsidies, Contributions and Donations

**(i) Operational government grants contributions and donations are analysed as follows**

Contributions		8,000	40,000
Specific project government subsidies and grants		94,000	112,000
General purpose government grants		1,596,000	1,204,000
<b>Total operational revenue</b>	<b>3</b>	<b>1,698,000</b>	<b>1,356,000</b>

**(ii) Capital government grants contributions and donations are analysed as follows**

(a) Monetary revenue constrained for capital purposes:

Government grants and subsidies		2,950,000	2,160,000
Contributions		16,000	62,000
<b>Total constrained revenue</b>		<b>2,967,000</b>	<b>2,221,000</b>

(b) Non-monetary revenue received is analysed as follows:

Land - Lot 313 on Plan T6061		2,000	0
Coonan-Nixon Pavilion - St. George Showgrounds		0	3,000
<b>Total non-monetary assets</b>		<b>2,000</b>	<b>3,000</b>
<b>Total capital revenue</b>	<b>3</b>	<b>2,969,000</b>	<b>2,224,000</b>

## Balonne Shire Council

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2005

#### Note 8: Conditions over Contributions

	<u>Notes</u>	<u>2005 Actual</u>	<u>2004 Actual</u>
Contributions and grants which were recognised as revenues 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 for expenditure on infrastructure		9,000	0
Contributions for expenditure on infrastructure		0	0
		<b>9,000</b>	<b>0</b>
Contributions and grants which were recognised as revenues in a previous reporting period and which were expended during the current reporting period in accordance with the Council's obligations.			
Grants for expenditure on infrastructure		0	0
Contributions for expenditure on infrastructure		0	0
		<b>0</b>	<b>0</b>
<b>Net increase (decrease) in restricted asset (cash) at period end</b>		<b>9,000</b>	<b>0</b>

#### Note 9: Gain (Loss) on Sale of Developed Land (Inventory Asset)

Proceeds from sales of land developed for resale		0	47,000
Less: Current cost of developed land sold	6	0	(50,000)
	<b>3</b>	<b>0</b>	<b>(2,000)</b>

#### Note 10: Gain (Loss) on the Disposal of Non-current Assets

(i) Proceeds from the sale of property, plant and equipment		388,000	297,000
Less: Book value of property, plant and equipment sold	6	(435,000)	(275,000)
		<b>(46,000)</b>	<b>22,000</b>
	<b>3</b>	<b>(46,000)</b>	<b>22,000</b>

## Balonne Shire Council

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2005

#### Note 11: Employee Costs

	<u>Notes</u>	<u>2005 Actual</u>	<u>2004 Actual</u>
Total wages and salaries		3,460,000	3,179,000
Councillors' remuneration		149,000	117,000
Annual, sick and long service leave entitlements		372,000	351,000
Superannuation		312,000	300,000
		<b>4,294,000</b>	<b>3,946,000</b>
Other employee related expenses		418,000	341,000
		<b>4,712,000</b>	<b>4,287,000</b>
Less: Capitalised employee expenses		(610,000)	(614,000)
	4	<b>4,102,000</b>	<b>3,673,000</b>

Total Council Employees as at 30 June

2005: Office 31, Depot 51, Total Staff 82

2004: Office 27, Depot 52, Total Staff 79

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

#### Note 12: Depreciation of Non-current Assets

Land	0	0
Buildings	376,000	152,000
Plant and equipment	1,270,000	841,000
Furniture	32,000	92,000
Transport infrastructure	2,668,000	2,923,000
Water Supply Network	380,000	273,000
Sewerage Network	200,000	161,000
Strategic plan	1,000	1,000
Other assets	148,000	44,000
	<b>5,074,000</b>	<b>4,487,000</b>

##### Unfunded depreciation

##### Accumulated unfunded depreciation

Depreciation is regarded as unfunded when the cost of the depreciation is excluded from the budget in determining the level of revenue required for the year.

Depreciation is not funded when the assets it relates to are not intended to be replaced.

In the period unfunded depreciation was

<b>2,055,000</b>	<b>1,391,000</b>
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#### Note 13: Other Expenses

Audit services	36,000	31,000
Donations paid	15,000	8,000
Contribution to Skills Centre	109,000	20,000
Miscellaneous	41,000	41,000
Rural lands protection	198,000	221,000
	<b>398,000</b>	<b>321,000</b>

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## Balonne Shire Council

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2005

#### Note 14: Cash Assets

	<u>Notes</u>	<u>2005 Actual</u>	<u>2004 Actual</u>
Cash at bank and on hand		419,000	1,293,000
Deposits at call		2,900,000	1,400,000
	33	<u>3,319,000</u>	<u>2,693,000</u>
<b>Reconciliation to the statement of cash flows</b>			
Cash at the end of the period as shown in the statement of cash flows is reconciled to the statement of cash flows as follows.			
Balances as above		3,319,000	2,693,000
<b>Balance per statement of cash flows</b>		<u>3,319,000</u>	<u>2,693,000</u>

#### Note 15: Assets Subject to a Restriction

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

##### Cash

Unspent loan monies	0	43,000
	<u>0</u>	<u>43,000</u>
<b>Total unspent restricted funds for capital projects</b>	<b>0</b>	<b>43,000</b>

#### Note 16: Receivables

##### Current

Rates and utility charges	370,000	355,000
Other debtors	1,031,000	1,000,000
Less: Provision for doubtful debts	(11,000)	(11,000)
Accrued Interest	8,000	0
Loans and advances	7,000	7,000
	<u>1,405,000</u>	<u>1,351,000</u>

##### Non-current

Loans and advances	11,000	18,000
	<u>11,000</u>	<u>18,000</u>

Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on other debtors. 100 % percent of loans and advances relate to loans made to various sporting and community bodies. These loans are subject to negotiated interest rates.

#### Note 17: Inventories

##### Current

Stores and raw materials	237,000	270,000
Visitor Information Centre	11,000	8,000
	<u>248,000</u>	<u>278,000</u>

##### Non-current

Land held for development and sale	31	308,000	308,000
		<u>308,000</u>	<u>308,000</u>

## Balonne Shire Council

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2005

#### Note 18: Other Financial Assets

	<u>Notes</u>	<u>2005 Actual</u>	<u>2004 Actual</u>
Prepayments		133,000	101,000
	33	<b>133,000</b>	<b>101,000</b>
<b>Current portion - to be realised within 12 months:</b>			
Unrestricted		133,000	101,000
		<b>133,000</b>	<b>101,000</b>

#### Note 19a: Property, Plant and Equipment Valuations

Property, plant and equipment valuations were determined by reference to the following:

##### (i) Land

The valuation of land and improvements was performed by Mr Alfio Ponticello (B.Bus (R.P. Val & Admin)) of Australia Pacific Valuers Pty Ltd as at 31st March, 2004.

Land under infrastructure and reserve land does not have a value for the purpose of the Balonne Shire Council's financial statements.

##### (ii) Buildings

The valuation of buildings was performed by Mr Alfio Ponticello (B.Bus (R.P. Val & Admin)) of Australia Pacific Valuers Pty Ltd as at 31st March, 2004.

Buildings built or constructed since that date are included at cost.

##### (iii) Plant and Equipment, Furniture and Fittings and Other Non-Current Assets

The valuation of plant and equipment, furniture and fittings and other non-current assets was performed by Mr John Deac (B.Eng) of Australia Pacific Valuers Pty Ltd as at 31st March, 2004. (see Summary of accounting policies item v).

Plant and equipment under the value of \$50,000 and mobile plant and equipment with an expected life of under five years is not revalued.

##### (iv) Transport Infrastructure

The valuations of transport infrastructure assets were determined by Mr Max Henderson, Council's Director of Technical Services as at 30th June, 2005. Assets were valued at current replacement cost in accordance with the "Road Asset Valuation" Policy adopted by Council in May 1999.

Aerodrome assets within this class were valued by Mr Alfio Ponticello (B.Bus (R.P. Val & Admin)) of Australia Pacific Valuers Pty Ltd as at 31st March, 2004.

##### (v) Water Supply and Sewerage Network

The valuation of water supply and sewerage infrastructure assets was performed by Mr John Deac (B.Eng) of Australia Pacific Valuers Pty Ltd as at 31st March, 2004.

##### (vi) Strategic Plan

Council's strategic plan was acquired as at 1st January, 1996 and is being depreciated at a reducing balance rate of 20%.

## Balonne Shire Council

## Notes to and forming part of the Financial Statements

For the year ended 30 June 2005

## Note 19b: Council Property, Plant and Equipment

	LAND AND IMPROVEMENT	BUILDINGS	PLANT AND EQUIPMENT	FURNITURE AND FITTINGS	TRANSPORT INFRASTRUCTURE	WATER SUPPLY NETWORK	URBAN WASTE WATER	STRATEGIC PLAN ASSETS	OTHER NON- CURRENT	
<b>NETWORK</b>										
<b>Asset Values</b>										
Opening balance at cost	5,000	160,000	919,000	19,000	194,000	0	9,000	0	150,000	1,456,000
Opening balance at valuation	2,442,000	16,890,000	8,511,000	524,000	86,062,000	19,214,000	11,468,000	30,000	3,381,000	148,523,000
Additions at cost	10,000	249,000	753,000	21,000	2,256,000	280,000	27,000	0	678,000	4,273,000
Contributed assets at fair value	0	0	0	0	0	0	0	0	0	0
Disposals	0	(194,000)	(765,000)	0	0	0	0	0	(47,000)	(1,005,000)
Revaluations in period	0	90,000	0	0	7,878,000	0	0	0	0	7,968,000
Internal transfers	0	0	0	0	0	0	0	0	0	0
Correction of prior period error	0	0	0	0	0	0	0	0	0	0
<b>Council closing balance at cost</b>	<b>15,000</b>	<b>250,000</b>	<b>1,510,000</b>	<b>40,000</b>	<b>1,463,000</b>	<b>280,000</b>	<b>36,000</b>	<b>0</b>	<b>295,000</b>	<b>3,889,000</b>
<b>Council closing balance at valuation</b>	<b>2,442,000</b>	<b>16,945,000</b>	<b>7,908,000</b>	<b>524,000</b>	<b>94,927,000</b>	<b>19,214,000</b>	<b>11,468,000</b>	<b>30,000</b>	<b>3,868,000</b>	<b>157,326,000</b>
<b>Closing balance of Council asset values</b>	<b>2,457,000</b>	<b>17,196,000</b>	<b>9,419,000</b>	<b>564,000</b>	<b>96,390,000</b>	<b>19,494,000</b>	<b>11,504,000</b>	<b>30,000</b>	<b>4,163,000</b>	<b>161,215,000</b>
<b>Accumulated Depreciation</b>										
Opening balance	0	6,857,000	3,920,000	302,000	48,226,000	11,009,000	7,038,000	26,000	1,360,000	78,738,000
Depreciation provided in period	0	376,000	1,270,000	32,000	2,668,000	380,000	200,000	1,000	148,000	5,074,000
Written off on disposals	0	(95,000)	(449,000)	0	0	0	0	0	(23,000)	(567,000)
Adjustment on asset revaluation	0	49,000	0	0	(41,324,000)	0	0	0	0	(41,275,000)
Correction of prior period error	0	0	0	0	0	0	0	0	0	0
<b>Closing balance of accumulated depreciation</b>	<b>0</b>	<b>7,187,000</b>	<b>4,741,000</b>	<b>335,000</b>	<b>9,570,000</b>	<b>11,388,000</b>	<b>7,238,000</b>	<b>27,000</b>	<b>1,485,000</b>	<b>41,970,000</b>
<b>Total written down value at 30 June 2005</b>	<b>2,457,000</b>	<b>10,009,000</b>	<b>4,678,000</b>	<b>229,000</b>	<b>86,820,000</b>	<b>8,106,000</b>	<b>4,266,000</b>	<b>4,000</b>	<b>2,678,000</b>	<b>119,245,000</b>
<b>Total written down value at 30 June 2004</b>	<b>2,447,000</b>	<b>10,192,000</b>	<b>5,510,000</b>	<b>241,000</b>	<b>38,042,000</b>	<b>8,205,000</b>	<b>4,438,000</b>	<b>5,000</b>	<b>2,172,000</b>	<b>71,254,000</b>



## Balonne Shire Council

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2005

#### Note 20: Capital Works in Progress

	<u>Notes</u>	<u>2005 Actual</u>	<u>2004 Actual</u>
Capital works in progress at cost		639,000	1,442,000
		<b>639,000</b>	<b>1,442,000</b>

#### Note 21: Payables

##### Current

Creditors and accruals		225,000	226,000
	33	<b>225,000</b>	<b>226,000</b>

#### Note 22: Tax Liability

GST payable		84,000	70,000
Employee related tax payable		70,000	82,000
Less: GST recoverable		(51,000)	(74,000)
	33	<b>103,000</b>	<b>78,000</b>

#### Note 23: Interest Bearing Liabilities

##### Current

Loans	28	403,000	341,000
		<b>403,000</b>	<b>341,000</b>

##### Non-current

Loans	28	3,436,000	3,839,000
		<b>3,436,000</b>	<b>3,839,000</b>

#### Note 24: Employee Benefits

##### Current

Employee entitlements: Annual leave		280,000	280,000
Employee entitlements: Long service leave		30,000	40,000
		<b>310,000</b>	<b>320,000</b>

##### Non-current

Employee entitlements: Annual leave		162,000	256,000
Employee entitlements: Long service leave		535,000	536,000
		<b>697,000</b>	<b>791,000</b>

<b>Total provisions</b>		<b>1,007,000</b>	<b>1,111,000</b>
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#### Note 25: Other Liabilities

##### Current

Unearned lease premiums received in advance		15,000	2,000
		<b>15,000</b>	<b>2,000</b>

## Balonne Shire Council

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2005

#### Note 26: Asset Revaluation Reserve

	<u>Notes</u>	<u>2005 Actual</u>	<u>2004 Actual</u>
Movements in the asset revaluation reserve were as follows:			
Balance at the beginning of the period		52,188,000	35,224,000
Net adjustment to capital non-current assets at end of period to reflect a change in fair value:			
Land		0	495,000
Buildings		41,000	4,247,000
Plant & Equipment		0	1,553,000
Furniture		0	152,000
Transport Infrastructure		49,202,000	5,303,000
Water Supply Network		0	2,576,000
Sewerage Network		0	2,226,000
Strategic Plan		0	0
Other Assets		0	411,000
<b>Balance at the reporting date</b>		<b>101,432,000</b>	<b>52,188,000</b>

#### Note 27: Other Reserves

##### Composition

##### (a) RESERVES HELD FOR FUTURE CAPITAL EXPENDITURE:

(i) Road works reserve	997,000	862,000
(ii) Sport & recreation reserve	175,000	425,000
(iii) Sewerage reserve	1,011,000	678,000
(iv) Water reserve	870,000	632,000
(v) Cleansing reserve	25,000	6,000
(vi) Housing reserve	100,000	143,000
(viii) Education facilities reserve	18,000	128,000
(ix) General administration reserve	202,000	0
(x) Development planning & control reserve	3,000	7,000
(xii) Visitor services reserve	8,000	8,000
(xi) Works depot reserve	46,000	34,000
(xiii) Parks & gardens reserve	50,000	28,000
(xiv) Showgrounds reserve	0	0
(xv) Economic development reserve	5,000	5,000
(xvi) Works administration reserve	45,000	10,000
(xvii) Aerodromes reserve	16,000	11,000
(xviii) Public communication facilities	23,000	23,000
(xix) Swimming pools reserve	109,000	9,000
(xx) Public conveniences reserve	3,000	11,000
(xxi) Cemeteries	8,000	0

##### (b) RESERVES HELD FOR FUTURE RECURRENT EXPENDITURE:

(xxii) Emergency services reserve	0	0
(xxiii) General Administration Reserve	13,000	0
(xxiv) Visitor Services Reserve	1,000	0
(xxv) Housing Reserve	27,000	0
	<b>3,753,000</b>	<b>3,018,000</b>

## Balonne Shire Council

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2005

#### Note 27: Other Reserves (cont.)

	<u>Notes</u>	<u>2005 Actual</u>	<u>2004 Actual</u>
<b>(i) Road works reserve</b>			
Balance at the beginning of period		862,000	581,000
Transfer from the retained surplus grants, subsidies and contributions, constrained for capital purposes, received in period		135,000	281,000
Transfer to retained surplus, amount expended in the period		0	0
<b>Balance at the reporting date</b>		<b>997,000</b>	<b>862,000</b>
<b>(iii) Sport &amp; Recreation reserve</b>			
Balance at the beginning of period		425,000	425,000
Transfer from retained surplus, amount for future expenditure		0	0
Transfer to retained surplus, amount expended in the period		(250,000)	0
<b>Balance at the reporting date</b>		<b>175,000</b>	<b>425,000</b>
<b>(iv) Sewerage reserve</b>			
Balance at the beginning of period		678,000	697,000
Transfer from retained surplus, amount for future expenditure		334,000	(20,000)
Transfer to retained surplus, amount expended in the period		0	0
<b>Balance at the reporting date</b>		<b>1,011,000</b>	<b>678,000</b>
<b>(v) Water reserve</b>			
Balance at the beginning of period		632,000	462,000
Transfer from retained surplus, amount for future expenditure		238,000	0
Transfer to retained surplus, amount expended in the period		0	170,000
<b>Balance at the reporting date</b>		<b>870,000</b>	<b>632,000</b>
<b>(vi) Cleansing reserve</b>			
Balance at the beginning of period		6,000	1,000
Transfer from retained surplus, amount for future loan redemption		19,000	5,000
Transfer to retained surplus, amount expended in the period		0	0
<b>Balance at the reporting date</b>		<b>25,000</b>	<b>6,000</b>

## Balonne Shire Council

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2005

#### Note 27: Other Reserves (cont.)

	<u>Notes</u>	<u>2005 Actual</u>	<u>2004 Actual</u>
<b>(vii) Housing reserve</b>			
Balance at the beginning of period		143,000	143,000
Transfer from retained surplus, amount for future expenditure		100,000	0
Transfer to retained surplus, amount expended in the period		(143,000)	0
<b>Balance at the reporting date</b>		<b>100,000</b>	<b>143,000</b>
<b>(viii) Education facilities reserve</b>			
Balance at the beginning of period		128,000	150,000
Transfer from retained surplus, amount for future expenditure		0	(22,000)
Transfer to retained surplus, amount expended in the period		(110,000)	0
<b>Balance at the reporting date</b>		<b>18,000</b>	<b>128,000</b>
<b>(ix) General administration reserve</b>			
Balance at the beginning of period		0	10,000
Transfer from retained surplus, amount for future expenditure		202,000	0
Transfer to retained surplus, amount expended in the period		0	(10,000)
<b>Balance at the reporting date</b>		<b>202,000</b>	<b>0</b>
<b>(x) Development planning &amp; control reserve</b>			
Balance at the beginning of period		7,000	10,000
Transfer from retained surplus, amount for future expenditure		0	(3,000)
Transfer to retained surplus, amount expended in the period		(4,000)	0
<b>Balance at the reporting date</b>		<b>3,000</b>	<b>7,000</b>
<b>(xi) Visitor services reserve</b>			
Balance at the beginning of period		8,000	8,000
Transfer from retained surplus, amount for future expenditure		0	0
Transfer to retained surplus, amount expended in the period		0	0
<b>Balance at the reporting date</b>		<b>8,000</b>	<b>8,000</b>

## Balonne Shire Council

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2005

#### Note 27: Other Reserves (cont.)

	<u>Notes</u>	<u>2005 Actual</u>	<u>2004 Actual</u>
<b>(xii) Works Depot reserve</b>			
Balance at the beginning of period		34,000	45,000
Transfer from retained surplus, amount for future expenditure		12,000	(11,000)
Transfer to retained surplus, amount expended in the period		0	0
<b>Balance at the reporting date</b>		<b>46,000</b>	<b>34,000</b>
<b>(xiii) Parks &amp; Gardens reserve</b>			
Balance at the beginning of period		28,000	40,000
Transfer from retained surplus, amount for future expenditure		50,000	(12,000)
Transfer to retained surplus, amount expended in the period		(28,000)	0
<b>Balance at the reporting date</b>		<b>50,000</b>	<b>28,000</b>
<b>(xiv) Showgrounds reserve</b>			
Balance at the beginning of period		0	24,000
Transfer from retained surplus, amount for future expenditure		0	(24,000)
Transfer to retained surplus, amount expended in the period		0	0
<b>Balance at the reporting date</b>		<b>0</b>	<b>0</b>
<b>(xv) Economic development reserve</b>			
Balance at the beginning of period		5,000	0
Transfer from retained surplus, amount for future expenditure		0	5,000
Transfer to retained surplus, amount expended in the period		0	0
<b>Balance at the reporting date</b>		<b>5,000</b>	<b>5,000</b>
<b>(xvi) Work Administration reserve</b>			
Balance at the beginning of period		10,000	0
Transfer from retained surplus, amount for future expenditure		35,000	10,000
Transfer to retained surplus, amount expended in the period		0	0
<b>Balance at the reporting date</b>		<b>45,000</b>	<b>10,000</b>

## Balonne Shire Council

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2005

#### Note 27: Other Reserves (cont.)

	<u>Notes</u>	<u>2005 Actual</u>	<u>2004 Actual</u>
<b>(xvii) Aerodrome reserve</b>			
Balance at the beginning of period		11,000	0
Transfer from retained surplus, amount for future expenditure		5,000	11,000
Transfer to retained surplus, amount expended in the period		0	0
<b>Balance at the reporting date</b>		<b>16,000</b>	<b>11,000</b>
<b>(xviii) Public communication facilities reserve</b>			
Balance at the beginning of period		23,000	0
Transfer from retained surplus, amount for future expenditure		0	23,000
Transfer to retained surplus, amount expended in the period		0	0
<b>Balance at the reporting date</b>		<b>23,000</b>	<b>23,000</b>
<b>(xix) Swimming Pool reserve</b>			
Balance at the beginning of period		9,000	0
Transfer from retained surplus, amount for future expenditure		100,000	9,000
Transfer to retained surplus, amount expended in the period		0	0
<b>Balance at the reporting date</b>		<b>109,000</b>	<b>9,000</b>
<b>(xx) Public Conveniences reserve</b>			
Balance at the beginning of period		11,000	0
Transfer from retained surplus, amount for future expenditure		0	11,000
Transfer to retained surplus, amount expended in the period		(8,000)	0
<b>Balance at the reporting date</b>		<b>3,000</b>	<b>11,000</b>
<b>(xxi) Cemeteries reserve</b>			
Balance at the beginning of period		0	0
Transfer from retained surplus, amount for future expenditure		8,000	0
Transfer to retained surplus, amount expended in the period		0	0
<b>Balance at the reporting date</b>		<b>8,000</b>	<b>0</b>
<b>(xviii) Emergency Services reserve</b>			

## Balonne Shire Council

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2005

#### Note 27: Other Reserves (cont.)

	<u>Notes</u>	<u>2005 Actual</u>	<u>2004 Actual</u>
Balance at the beginning of period		0	11,000
Transfer from retained surplus, amount for future expenditure		0	(11,000)
Transfer to retained surplus, amount expended in the period		0	0
<b>Balance at the reporting date</b>		<b>0</b>	<b>0</b>
<b>(xix) General Administration reserve</b>			
Balance at the beginning of period		0	0
Transfer from retained surplus, amount for future expenditure		13,000	0
Transfer to retained surplus, amount expended in the period		0	0
<b>Balance at the reporting date</b>		<b>13,000</b>	<b>0</b>
<b>(xx) Visitor Services Reserve</b>			
Balance at the beginning of period		0	0
Transfer from retained surplus, amount for future expenditure		1,000	0
Transfer to retained surplus, amount expended in the period		0	0
<b>Balance at the reporting date</b>		<b>1,000</b>	<b>0</b>
<b>(xxi) Housing Reserve</b>			
Balance at the beginning of period		0	0
Transfer from retained surplus, amount for future expenditure		27,000	0
Transfer to retained surplus, amount expended in the period		0	0
<b>Balance at the reporting date</b>		<b>27,000</b>	<b>0</b>

## Balonne Shire Council

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2005

#### Note 28: Loans

	<u>Notes</u>	<u>2005 Actual</u>	<u>2004 Actual</u>
(i) Queensland Treasury Corporation	33	3,839,000	4,180,000
(ii) Other Bank loans		0	0
	<b>23</b>	<b>3,839,000</b>	<b>4,180,000</b>
Classified as:			
(i) Current	23	403,000	341,000
(ii) Non-current	23	3,436,000	3,839,000
		<b>3,839,000</b>	<b>4,180,000</b>
<b>(i) Queensland Treasury Corporation</b>			
Opening balance		4,180,000	4,449,000
Loans raised		0	332,000
Principal repayments		(341,000)	(292,000)
Adjustment to loan value due to change in interest rates		191,000	225,000
<b>Market value at period end</b>		<b>4,030,000</b>	<b>4,263,000</b>

The loan market value at 30 June 2005 is \$4,029,795.11. This represents the value of the debt if the Council repaid it at that date. The loans are held in their respective program accounts. The interest rates on Queensland Treasury Corporation borrowings range from 5.91% to 12.0+%. Based on the current level of repayments the expected term of total debt is 16.50 years (2004 – 17.51 years). Borrowings are all in Australian dollars and are guaranteed by the Queensland State Government.

#### Note 29: Commitments for Expenditure

##### (a) Capital commitments

Commitment for the construction of the following assets contracted for

at the reporting date but not recognised as liabilities:

Holden Rodeo, Mitsubishi Triton and Holden

Commodore	76,000	0
	<b>76,000</b>	<b>0</b>

These expenditures are payable:

Within one year	76,000	0
Later than 1 year but not later than 5 years	0	0
Later than 5 years	0	0
	<b>76,000</b>	<b>0</b>



## Balonne Shire Council

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2005

Notes    2005 Actual    2004 Actual

### Note 30: Contingent Liabilities

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

(a) Various claims are pending against the Council. In the opinion of the Council's solicitor the potential loss on all claims at 30 June 2005 should not exceed:

Potential loss on all claims at 30 June 2005 should not exceed:	0	0
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(c) The Balonne Shire Council is a member of the local government self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled because of insufficient funds being available to cover outstanding liabilities. Only Local Government Workcare may call on any part of the guarantee should the above circumstances arise.

The Council's maximum exposure is:	97,000	94,000
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(d) The Balonne 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 June 2004 the financial statements reported an accumulated loss of \$2,128,579. The board of management has developed a long term financial strategy to address this deficit. As at the reporting date the Council's share of any liability cannot be reliably estimated.

### Note 31: Land Held for Development and Sale

Opening balance		308,000	439,000
Land acquired for development in current period		0	13,000
Adjustment on Revaluation		0	(96,000)
Less: Cost of developed land sold		0	(48,000)
		<b>308,000</b>	<b>308,000</b>
Classified as:			
Current		0	0
Non-current	17	308,000	308,000
		<b>308,000</b>	<b>308,000</b>

Land held for development and sale is revalued when an adjustment to net realisable value is required. Where this land was originally classified as a non-current capital asset it has been revalued in accordance with the valuation criteria set out in Note 1.

### Note 32: Superannuation

The Balonne Shire Council contributes to the Local Government Superannuation Scheme (the scheme). The scheme has both defined benefits and accumulation arrangements, provided for in accordance with statutory requirements. Assets accumulate in the fund to meet member's benefits as they accrue. If that portion of the assets of the plan, intended to support employees' defined benefits, is insufficient to satisfy such entitlements payable to scheme beneficiaries, then the level and form of such benefits would need to be revised. All persons becoming permanent employees as from 1 July 1998 contribute to the scheme for defined contribution entitlements; the defined benefit section of the scheme having been closed to new entrants from that date. The Balonne Shire Council's liability in respect of defined contribution superannuation arrangements is the amount of contribution that, under the terms of the Scheme, is payable to the fund as at the reporting date. The audited general purpose financial report of the scheme as at 30 June 2004 (the most recent available) which were not subject to any audit qualification, indicates that the assets of the scheme are sufficient to meet the accrued benefits. No liability for the Council has been recognised as at the reporting date in respect of superannuation benefits for its employees.

The general purpose financial statements disclose that the most recent actuarial assessment of the scheme was undertaken as at the 30 June 2004. The actuary indicated that without improvements to benefit conditions, or other unanticipated events, current contribution rates would be sufficient to meet members benefits as they accrue.

The amount of superannuation contributions paid by Balonne Shire Council to the superannuation scheme in this period for the benefit of employees was:

Superannuation contributions paid to the Superannuation Fund in this period for the benefit of employees	312,000	300,000
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The Queensland Local Government Superannuation Board, the trustee of the scheme, advised that the Local Government Superannuation Scheme was a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation.

**Balonne Shire Council****Notes to and forming part of the Financial Statements****For the year ended 30 June 2005****Note 33a: Financial Instruments****(a) Credit Risk Exposures**

The credit risk on financial assets of the Council which have been recognised on the statement of financial position, other than investments in shares, is generally the carrying amount, net of provision for doubtful debts. The Council has no major concentration of credit risk to any single debtor or group of debtors.

**(b) Interest Rate Risk**

The Council's exposure to interest rate risk, which is the risk that the value of a financial instrument will fluctuate as a result of changes in market rates and the weighted average interest rate by maturity periods is set out in the table below. For interest rates applicable to each class of asset or liability refer to individual notes to the financial statements.

Exposure arises predominantly from assets and liabilities bearing variable interest rates as the Council intends to hold fixed assets and liabilities to maturity.

APPENDIX 2

**Balonne Shire Council**

**Notes to and forming part of the Financial Statements**

**For the year ended 30 June 2005**

**Note 33b: Financial Instruments**

	<u>Notes</u>	Floating interest rate		Fixed interest rate		Non-interest bearing		Total	
		2005	2004	2005	2004	2005	2004	2005	2004
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
<b>Financial assets</b>									
Cash assets	14	417,000	1,292,000	2,900,000	1,400,000	1,000	1,000	3,319,000	2,693,000
Receivables	16	0	0	376,000	355,000	1,040,000	1,015,000	1,416,000	1,369,000
Other cash assets	18	0	0	0	0	133,000	101,000	133,000	101,000
		<b>417,000</b>	<b>1,292,000</b>	<b>3,276,000</b>	<b>1,755,000</b>	<b>1,174,000</b>	<b>1,116,000</b>	<b>4,868,000</b>	<b>4,163,000</b>
Weighted average interest rate		3.5%	3.7%	5.6%	6.4%	0.0%	0.0%		
<b>Financial liabilities</b>									
Payables	21	0	0	0	0	225,000	226,000	225,000	226,000
Tax liability	22	0	0	0	0	103,000	78,000	103,000	78,000
Loans - Queensland Treasury Corporation	28	0	0	3,839,000	4,180,000	0	0	3,839,000	4,180,000
		<b>0</b>	<b>0</b>	<b>3,839,000</b>	<b>4,180,000</b>	<b>328,000</b>	<b>304,000</b>	<b>4,167,000</b>	<b>4,484,000</b>
Weighted average interest rate		0.0%	0.0%	6.5%	6.5%	0.0%	0.0%		
<b>Net financial assets</b>		<b>417,000</b>	<b>1,292,000</b>	<b>(563,000)</b>	<b>(2,426,000)</b>	<b>846,000</b>	<b>812,000</b>	<b>701,000</b>	<b>(321,000)</b>

## Balonne Shire Council

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2005

#### Note 34: Trust Funds

	<u>Notes</u>	<u>2005 Actual</u>	<u>2004 Actual</u>
Monies collected or held on behalf of another entity yet to be paid out, to or on behalf of that entity		5,000	49,000
Security deposits		43,000	10,000
		<b>48,000</b>	<b>59,000</b>
Weighted average interest rates		2.4	3.6

The Balonne Shire Council performs only a custodial role in respect of these monies, and because the monies cannot be used for Council, they are not brought to account in these financial statements.

#### Note 35: Reconciliation of result from ordinary activities to net cash inflow (outflow) from operating activities

Result from ordinary activities	(959,000)	(763,000)
Non-cash operating items:		
Depreciation and amortisation	5,074,000	4,487,000
Non-cash donations, subsidies and contributions	(2,000)	(27,000)
	<b>4,113,000</b>	<b>3,698,000</b>
Investing and development activities:		
Net (profit) loss on disposal of non-current assets	46,000	(19,000)
Cost of developed land sold in the period	0	48,000
Payment for land for sale and development costs in the period	0	(13,000)
	<b>46,000</b>	<b>16,000</b>
Changes in operating assets and liabilities:		
(Increase) decrease in receivables	(50,000)	(708,000)
(Increase) decrease in other operating assets	(3,000)	(13,000)
Increase (decrease) in payables	37,000	116,000
Increase (decrease) in employee provisions	(104,000)	10,000
	<b>(120,000)</b>	<b>(596,000)</b>
<b>Net cash inflow from operating activities</b>	<b>4,039,000</b>	<b>3,118,000</b>

## Balonne Shire Council

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2005

## Note 36: National Competition Policy

### (a) Type 1 and Type 2 Activities

Definitions of Type 1 and 2 activities:

Before the end of each financial year, the Minister must decide for the financial year, the expenditure amounts (the "threshold amounts") for identifying a "significant business activity" that should be a Type 1 or 2 business activity.

#### Type 1.

A significant business activity where the threshold expenditure has been set by the Minister for the year ended 30 June 2005 as follows :-

- (a) for water and sewerage combined activities - \$34.2 million
- (b) for other activities - \$20.5 million

#### Type 2.

- (a) for water and sewerage combined activities - \$10.3 million
- (b) for other activities - \$6.8 million

The Council has identified no activities which fall into the expenditure guidelines above.

### (b) Activities to which the Code of Competitive Conduct applies

A "business activity" of a local government is divided into two categories :

#### (a) Roads business activity means

- (i) the construction or maintenance of State controlled roads for which the local government submits an offer to carry out work in response to a tender invitation other than through a sole supplier arrangement; or
- (ii) submission of a competitive tender for construction or road maintenance on the local government's roads which the local government has put out to tender, or called for by another local government.

#### (b) Business activity means

- (i) trading in goods and services to clients in competition with the private sector; or
- (ii) the submission of a competitive tender in the local government's own tendering process in competition with others for the provision of goods and services to itself.

Excluded activities are (a) library services, (b) an activity or part thereof prescribed by legislation.

These business activities are referred to as type 3 activities.

Local governments may elect to apply a Code of Competitive Conduct (CCC) to their identified business activities. This requires the application of full cost pricing, identifying the cost of community service obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity. The application of the CCC to the roads business activity is compulsory.

The Council has resolved not to apply the CCC to any activities.

## Balonne Shire Council

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2005

## Note 37: Transition to International Financial Reporting Standards

Changes are being made to the Australian Accounting Standards to align Australian practice more closely with accounting in the international community. These changes will require the Council to adopt a number of different accounting policies and to present its financial reports differently for the year ending 30 June 2006 and subsequent years.

If this report (for the year ended 30 June 2005) had been prepared on the new basis the following differences would apply:

The quantified effect may vary when the financial report for the year to 30 June 2006 is finalised. Changes to accounting policy effective after 30 June 2005 which are not caused by the requirements of AEIFRS are not reflected in this note.

### 1 Employee benefits

AASB119 Employee benefits requires entitlements for annual and other leave which will not be taken within 12 months of the reporting date to be calculated at the discounted present value of the projected amount. This is shown as a non-current liability. Previously it had been taken at the nominal value.

### 2 Intangible Assets

AASB138 Intangible Assets imposes stricter criteria in respect of the recognition of intangible assets. The Town Plan, which had been shown as part of Property Plant and Equipment does not meet the criteria and will not be recognised. (Computer software will continue to be recognised as an intangible asset).

### 3 Impairment testing

AASB136 Impairment of Assets requires assets to be tested for impairment. This will mean the Council has to assess whether the benefits to be obtained from the asset (value in use) or its realisable value exceed the value at which it would be shown in the books. If they both fall short, the asset will be written down to the higher of those two values. For the Council these requirements are less severe than for many organisations as the Council carries many of its assets at depreciated replacement cost where this is equivalent to fair value, and this is one of the measures for value in use for a Not-for-Profit organisation if the asset would be replaced.

Roads which will not be replaced will be written down to nil value.

### 4 Provisions for disposal and restoration of long lived assets

AASB116 Property, Plant and Equipment requires the recognition of the present value of the estimated cost of restoring assets. This will be recognised as a liability and added to the cost of the asset. Where the asset is on a revaluation basis the increase in cost is transferred to the revaluation reserve at the next revaluation. Accordingly, where the asset has been revalued the change is reflected as a reduction in the revaluation reserve in respect of the asset class and any excess is reflected in retained surplus.

## Balonne Shire Council

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2005

#### Note 37: Transition to International Financial Reporting Standards

	<u>Notes</u>	<u>2005 Actual</u>	<u>2004 Actual</u>
If this report (for the year ended 30 June 2005) had been prepared on the new basis the following differences would apply:			
(a) Result from ordinary activities (on current basis)		(959,000)	(763,000)
Change in employee benefits		(8,000)	(8,000)
Elimination of depreciation on Town Plan		(1,000)	(1,000)
Elimination of depreciation on impaired roads		0	0
Finance cost element of increase in provision for restoration of quarry and refuse site.		0	0
Increase in provision for quarry and refuse site restoration other than finance cost element.		0	0
<b>Result from ordinary activities (on AEIFRS basis)</b>		<b>(968,000)</b>	<b>(772,000)</b>
<b>(b) Net assets (on Current basis)</b>		<b>0</b>	<b>0</b>
Adjustments based on reliable estimates:			
Change in employee benefits		(8,000)	(8,000)
Town plan derecognised		(4,000)	(5,000)
Impairment of roads		0	0
Provision for restoration of Quarry and Refuse site		0	0
Provision for restoration of Quarry and Refuse site		0	0
<b>Net assets (on AEIFRS basis)</b>		<b>(12,000)</b>	<b>(13,000)</b>
<b>(c) Equity (on Current basis)</b>		<b>0</b>	<b>0</b>
Adjustments based on reliable estimates:			
Asset Revaluation Reserve			
Restoration provisions set against existing ARR		0	0
Asset Revaluation Reserve for Plant eliminated		0	0
Retained Surplus			
Change in employee benefits		(8,000)	(8,000)
Town Plan derecognised		(4,000)	(5,000)
Impairment of roads		0	0
Restoration provisions taken from retained earnings		0	0
Other Reserves			
Constrained Works Reserve not required as unspent contributions now treated as a liability		0	0
<b>Equity (on AEIFRS basis)</b>		<b>(12,000)</b>	<b>(13,000)</b>

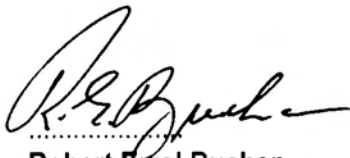
**Balonne Shire Council  
Management Certificate**

**For the year ended 30 June 2005**

This general purpose financial report has been prepared pursuant to Section 532 of the Local Government Act 1993, the Local Government Finance Standard 1994 ( the Standard ) and other prescribed requirements.

In accordance with Section 54 of the Standard we certify -

- (i) the requirements under the Local Government Act 1993 for the keeping of the accounts have been complied with in all material respects; and
- (ii) the financial statements for the year ended 30 June 2005 and supporting notes presents the Council's operating results, cash flows and financial position as required by the Local Government Act 1993.



.....  
**Robert Errol Buchan  
Mayor**

Date: 09/09/05



.....  
**John Cecil King OAM  
Acting Chief Executive Officer**

Date: 09/09/05.



## INDEPENDENT AUDIT REPORT

To the Mayor of **BALONNE SHIRE COUNCIL**

### **Matters Relating to the Electronic Presentation of the Audited Financial Report**

The audit report relates to the financial report of the Balonne Shire Council for the financial year ended 30 June 2005 included on the Balonne Shire Council's web site. The Council is responsible for the integrity of the Balonne Shire Council's web site. The audit report refers only to the financial report identified below and does not include a review of the integrity of this web site or provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of the financial report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report, available from the Balonne Shire Council, to confirm the information included in the audited financial report presented on this web site.

### **Scope**

#### *The Financial Report*

The financial report of the Balonne Shire Council consists of the statement of financial performance, statement of financial position, statement of changes in equity, statement of cash flows, statement to which the code of competitive conduct applies, notes to and forming part of the financial statements and certificates given by the Council for the year ended 30 June 2005.

#### **Council's Responsibility**

The Council is responsible for the preparation and true and fair presentation of the financial report, the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

#### **Audit Approach**

As required by law, an independent audit was conducted in accordance with *QAO Auditing Standards* to enable me to provide an independent opinion whether in all material respects the financial report is presented fairly, in accordance with the prescribed requirements.

Audit procedures included -

- examining information on a test/sample basis to provide evidence supporting the amounts and disclosures in the financial report;
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Council;
- obtaining written confirmation regarding the material representations made in conjunction with the audit; and
- reviewing the overall presentation of information in the financial report.

#### **Independence**

The *Financial Administration and Audit Act 1977* promotes the independence of the Auditor-General and QAO authorised auditors.

The Auditor-General is the auditor of all public sector entities and can only be removed by Parliament.

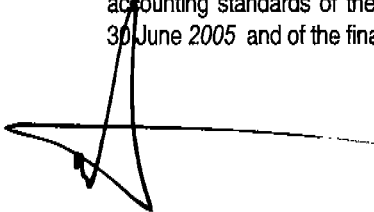
The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which powers are to be exercised.

The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

## Audit Opinion

In accordance with s.532 of the *Local Government Act 1993* I have audited the Council's financial statements, and -

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
  - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the statements have been drawn up so as to present a true and fair view in accordance with the prescribed accounting standards of the transactions of the Balonne Shire Council for the financial year 1 July 2004 to 30 June 2005 and of the financial position as at the end of that year.



PBM Fitzgerald FCA Registered Auditor  
Delegate of the Auditor-General of Queensland

Toowoomba 21 October 2005

### 30 June 2005 Vital Signs

Number of rateable Properties	2,246	Permanent Employees	74
Valuation of rateable properties	\$170.5 Million	Casual/Part Time Employees	8
Minimum General Rate for 2004/2005	275	Dogs Registered	1,140
Total Pensioner Rate Remission	\$52,529	Development Approvals	
Library Membership	1,700	<i>Building Approvals</i>	96
Library Borrowings	2,321	<i>Material Change of Use</i>	19
Population (2001 Census)	5,564	<i>Operational Works</i>	3
Cash Donations to Community Groups	\$13,150	<i>Reconfiguration of Lot</i>	9
Capital Expenditure <i>(including Work in Progress)</i>	\$3.468 Million	Length of Council Roads <i>(does not include Roads owned by Main Roads)</i>	2,388 Kilometres
Request for Action <i>(A formal request for Council to perform a task)</i>	274	Number of Halls/Cultural Centres	5
Total Depreciation <i>(The charge made to allocate the cost of an asset over its expected useful life.)</i>	\$5.074 Million	Hall/Cultural Centre Expenditure Maintained by Council <i>(including depreciation)</i>	\$223,317
Unfunded Depreciation	\$2.055 Million	Sport/Recreation Facilities Expenditure <i>(including depreciation)</i>	\$81,445
Queensland Treasury Corp Loans <i>(monies owed to QTC)</i>	\$3.839 Million	Swimming Pool Expenditure <i>(including depreciation)</i>	\$124,502
Total Area of Parks and Gardens <i>Maintained by Council</i>	65 Hectares	Tennis Court Expenditure <i>(including depreciation)</i>	\$6,212
Parks and Gardens Expenditure <i>(including depreciation)</i>	\$211,349	Number of Showgrounds <i>Maintained by Council</i>	5
Garbage Recycled	49.5 Tonnes	Showground Expenditure <i>(including depreciation)</i>	\$209,162

### Brief Overview of Financial Statements for 2004/2005

(what do these reports actually state):

#### Statement of Financial Performance:

This statement indicates how Council is obtaining and spending its monies. (Includes non-cash items)

**Operating Revenue** (Income – includes Rates, Fees and Charges, Grants and Subsidies) - **\$12,191,000**

**Operating Expenses** (Provision of Services, Maintaining Council Assets and Borrowing Costs) - **\$13,150,000**

**Net Position** (Revenue less Expenses) – **(\$959,000)**

#### Statement of Cash Flows:

States where Council's cash comes from and where it goes to.

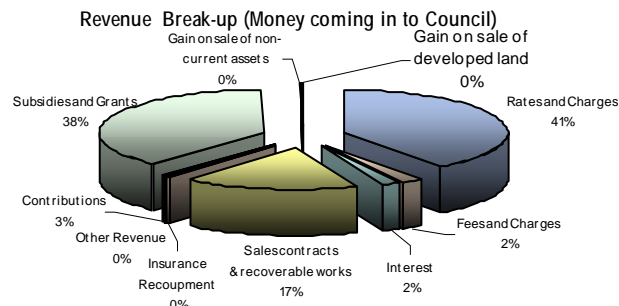
**Cash Receipts** - \$12,913,000

**Cash Payments** - \$12,288,000

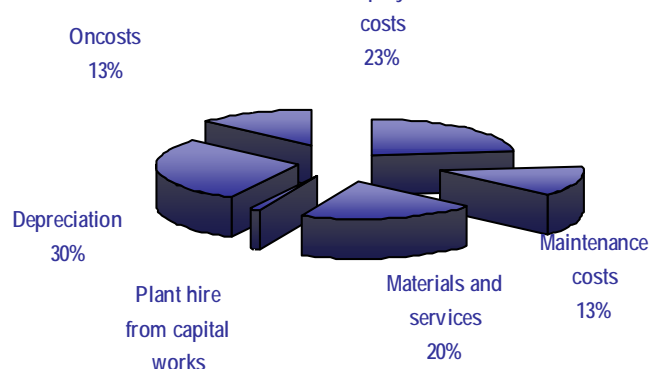
**Net increase in Cash** - \$625,000

**Cash on Hand 30 June 2004** - \$3,319,000

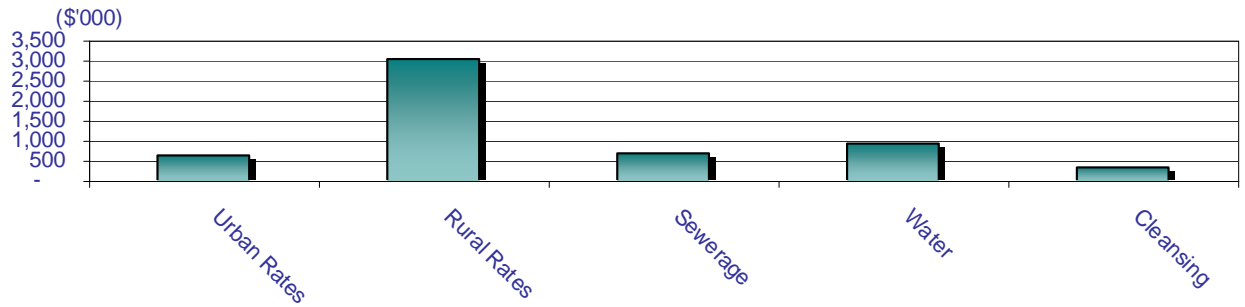
Cash on Hand includes \$2,900,000 invested with Heritage Building Society.



#### How Funds were Used in Providing Council Services



**Rates/Charges Break-up  
(What the rate payers actually pay)**



**Analysis by Function:**

States the revenue and expenditure of each Council's Function. Council's largest Function is Transport Infrastructure which includes roads, streets, aerodromes, and storm water drainage and flood mitigation.

**Revenue and Expenditure by Function (\$'000)**

	Admin	Business Services	Cleansing	Comm & Cultural	Environ & Health	Finance	Planning & Dev	Transport Infras	Waste Water	Urban Water
Revenue	65	2,121	331	247	98	4,962	73	3,082	615	1,031
Expenditure	766	1,991	313	1,493	832	250	254	6,428	422	835

**Statement of Financial Position:**

An updated version of the old Balance Sheet. This statement details Councils Assets (what it owns), Liabilities (what it owes) and Equity (which is the balance of Assets over Liabilities)

**Total Assets** – \$125,308,000

(60% is comprised of Transport Infrastructure.)

**Total Liabilities** - \$5,189,000

**Total Community Equity** - \$120,119,000

**Accumulated Surplus** (operating surplus/ deficit after funds have been appropriated to and from Reserves and adjustments made for unfunded depreciation) - \$74,000

**Borrowing Position as at 30<sup>th</sup> June 2005**

Program	Opening Loan Balance as at 1 July 2004	Closing Loan Balance as at 30 June 2005
Roads	31,698	26,409
Bridges	1,501,851	1,369,775
Stormwater Drainage	147,763	132,116
Works Depots	1,373,628	1,324,824
Swimming Pools	100,016	92,407
Halls/Civic/Cultural Centres	127,762	108,057
Urban Waste Water	354,668	323,991
Urban Water	542,851	461,571
<b>Total</b>	<b>\$ 4,180,237</b>	<b>\$ 3,839,149</b>

**Capital Expenditure (\$'000) - Assets that Council Acquired 2004/2005**

Land	Buildings	Plant & Equipment	Furniture
10	249	753	21
Transport	Urban Water	Urban Waste Water	Other Assets
2,256	280	27	678

**Trend Analysis** -Financial Ratios which give an indication of how the Council is Performing over a 3-Year Period:

	2004 /2005	2003 /2004	2002 /2003		2004 /2005	2003 /2004	2002 /2003
<b>Net Rate and Utility Charges Revenue/Total Revenue</b> (The percentage of monies from rate payers out of total Council Revenue - Basically how much does Council rely on Rate Payers for Revenue)	40.21%	44.32%	42.35%	<b>Net Debt /Total Revenue</b> (The percentage of Council's Total Debt including long term borrowings divided by Council's Total Revenue)	42.56%	52.58%	51.32%
<b>Debt Servicing and Redemption Cost / Total Revenue</b> (The percentage of Total Revenue that is required to meet Council's annual loan repayments including both interest and redemption)	4.97%	5.27%	5.25%	<b>Current Assets/Current Liabilities</b> (The ratio of Current Assets which includes Cash in Council's Bank Accounts and in Investments plus Monies owed to Council to the portion of Monies that Council is required to pay within a twelve month period.)	4.47:1	4.57:1	4.91:1
<b>Interest/Redemption / Rates and Charges</b> (Total Proportion of Rates and Charges Required to Pay Interest and Redemption Charges through the Year)	12.36%	11.89%	12.40%				

# APPENDIX 3

Balonne Shire Council

## LISTING OF DOCUMENTS AND REGISTERS

### ACCESS TO COUNCIL DOCUMENTS

Documents Available for Inspection/Sale  
Prices set for the 2004/2005 Financial Year

Document	Price
Council Agenda	\$0.25 per single A4 page \$0.45 per double-sided A4 page
Council Meeting Minutes	\$5.00 per Meeting
Standing Committee Agendas	\$0.25 per single A4 page \$0.45 per double-sided A4 page
Standing Committee Minutes	\$0.25 per single A4 page \$0.45 per double-sided A4 page
Administrative Policy Manual	\$0.25 per single A4 page \$0.45 per double-sided A4 page
Annual Budget Statement	\$10.00 per copy
Council Local Laws and Local Law Policies	\$0.25 per single A4 page \$0.45 per double-sided A4 page
Annual Report	\$5.00 per copy
Shire Planning Scheme Document	\$10.00 per copy
Development Application Register	\$0.25 per single A4 page \$0.45 per double-sided A4 page
Rating/Property/Building Search	\$72.00 per property \$100.00 per property urgent (within 2 days)
Town Planning Certificate	\$72.00 per property
Shire Street/Road Register	\$0.25 per single A4 page \$0.45 per double-sided A4 page
Cemetery Register	** \$1.10 per single sheet or part thereof (Computer Printout)
Sewerage House Drainage Plans	\$2.50 each
Shire Organisations - Address Book (8x3 Address Label Format)	** \$0.06 per record (Minimum charge ** \$1.10) No charge for charitable organisations
Shire Promotional Video	** \$10.00 each includes postage in Australia

#### Documents Available via Subscription Service

Minutes of all Council Meetings	\$60.00 per year
Building Approval Lists	\$70.00 per year

\*\* Goods and Services Tax payable

# APPENDIX 4

**Balonne Shire Council**  
*Local Government Act 1993 - Sections 237 and 465*  
**Remuneration Package for Councillors**  
**2004/2005**

## 1. PURPOSE OF THE REMUNERATION PACKAGE.

This remuneration package has the following objectives:

- (a) to fix the basis for payment to the Mayor, Deputy Mayor and Councillors for services rendered in carrying out their statutory duties;
- (b) to establish a reasonable reimbursement to Councillors for expenses reasonably incurred in carrying out their statutory duties.

## 2. PRINCIPLES ON WHICH REMUNERATION PACKAGE IS TO BE BASED

- (a) to reimburse Councillors for attendances at Meetings of the Council, it's Committees and other Organisations in an official capacity;
- (b) to reimburse Councillors for their attendance at authorised Conferences, Meetings, Inspections and Deputations;
- (c) to reimburse Councillors for attending to Ratepayers and Citizen inquiries;
- (d) the proposed remuneration to Council Members is expected to reimburse Members' time taken in attending Meetings and in carrying out research and examination of Documents to prepare fully for those Meetings. This may include such activities as site inspections and discussions with Council Officers for further information.

Council currently meets for one General Meeting each month and this includes a Finance Committee Meeting of the whole of the Council. Special Meetings are called from time to time when business requires (e.g. the preparation of Council's Budget)

A listing of fees/allowances paid to each Councillor is published in the Council's Annual Report.

### 2.1 Meeting Attendance Fees

Daily Meeting Fees will be paid for attendance of a meeting or meetings as follows:-

- (a) Council General Meetings, Council Standing Committee Meetings, Council Special Meetings; Council Authorised Conferences; Council Authorised Deputations, Council Authorised Delegations and Inspections, Council Advisory Committee Meetings and Council Authorised Community Committee Meetings.
- (b) Meeting Fees will not be paid where an Elected Member is already paid a meeting fee/allowance by the Statutory Bodies or Community Committee upon which the Elected Member directly represents Council.
- (c) Meeting fees payable are:-

	Councillor			Mayor		
	Where the meetings, inclusive of travel time, are:-					
	greater than 4 hours duration	less than 4 hours but greater than 2 hours duration	less than 2 hours duration	greater than 4 hours duration	less than 4 hours but greater than 2 hours duration	less than 2 hours duration
	(100%)	(60%)	(40%)	(110%)	(66%)	(44%)
Meeting Fees (per day)	\$180	\$108	\$72	\$198	\$119	\$79

# APPENDIX 4

**Balonne Shire Council**  
*Local Government Act 1993 - Sections 237 and 465*  
**Remuneration Package for Councillors**  
**2004/2005**

## **2.2 *Mayoral Allowance***

- (a) The annual allowance payable to the Mayor shall be \$17,000.
- (b) This allowance will be in addition to the Meeting Fees.
- (c) To facilitate administrative matters, the Council shall maintain and pay all telecommunication charges with respect to a facsimile machine installed at the Mayor's residence.

## **2.3 *Deputy Mayoral Allowance***

- (a) The annual allowance payable to the Deputy Mayor shall be \$7,000.
- (b) This allowance will be in addition to Meeting Fees.
- (c) This allowance provides for Acting Mayoral duties, as required in the absence of the Mayor.

## **2.4 *Councillor Allowance***

- (a) The annual allowance payable to a Councillor, other than the Mayor and Deputy Mayor, shall be \$4,000.
- (b) This allowance will be in addition to Meeting Fees.

## **2.5 *Communication Allowance***

- (a) Elected Members shall receive an annual Communication Allowance of \$1500 to help defray additional telephone, facsimile and postage costs associated with their duties.
- (b) This allowance will be in addition to Meeting Fees.

## **3. MOTOR VEHICLE EXPENSES**

- (a) Elected Members will be entitled to a mileage allowance on actual mileage travelled in attending to the abovementioned meetings where the Elected Member is required to use his/her private vehicle. Mileage allowance will be paid for necessary use of a private vehicle for Council business only. Council will, where possible, provide a Council vehicle or vehicles for travelling necessary for official duties and where such vehicles are made available, mileage allowance will not be paid.
- (b) The mileage rate applicable will be that of the "Engine Capacity - 2601cc and over" rate referred to in Clause 12.5 of the Queensland Local Government Officers' Award. (Currently 61.0 cents per km)

## **4. REIMBURSEMENT OF EXPENSES**

- (c) The Council will be responsible for the payment of accommodation costs (including breakfast) and travelling expenses, for both Delegates' and Observers' attendance at all Conferences, Meetings and the like at which the Council has resolved it will be officially represented.
- (d) Elected Members shall be paid an Out of Pocket Expense allowance at the rate of \$50.00 per day for Official duties outside the Shire area. Such duties may include attendance of conferences, seminars, meetings and the like. This allowance shall cover the cost of meals, other than breakfast (refer Clause 4 a) and shall be paid regardless of whether or not meals are included in the registration cost of such conferences, seminars, meetings and the like.
- (e) Council will either make payment direct to Creditors, or reimburse Elected Members for eligible expenses incurred on Official duties, on production of receipts or other acceptable evidence of expenditure, in circumstances where that Elected Member is obliged to spend his/her own funds.
- (f) Whenever practicable the Council will provide Council vehicles for both Delegates' and Observers' attendance at all Conferences, Meetings and the like at which the Council has resolved it will be officially represented. Where possible, the request for use of a Council vehicle shall be made at least two (2) days in advance and in writing on the form provided.

# APPENDIX 4

## Balonne Shire Council *Local Government Act 1993 - Sections 237 and 465* Remuneration Package for Councillors 2004/2005

- (g) When applicable, the payment of all air fares and air charter expenses for both Delegates' and Observers' attendance at all Conferences, Meetings and the like at which the Council has resolved it will be officially represented, is the responsibility of the Council.
- (h) Such expenses shall also be reimbursed in situations where, by virtue of that Elected Member's appointment or election to an Organisation where that Elected Member does not directly represent the Council and where no Allowance, Travelling or Other Expense, is paid by that Organisation.
- (i) Such expenses shall not be reimbursed in situations where any Elected Member is paid an Allowance, Travelling or Other Expense, by that Organisation on which that Elected Member represents the Council, or in situations where by virtue of that Elected Member's appointment or election to that Organisation, that Elected Member does not directly represent the Council.
- (j) Telephone, Facsimile and Postage expenses incurred by Elected Members in carrying out their duties are deemed to be covered by the annual Communication Allowance.
- (k) Councillors who live outside the town in which a General, Special or Other Committee meeting of the Council is held shall be entitled, in relation to attendance of such meetings, to be reimbursed for accommodation and meals as follows:-
  - 1) Where the meeting is to commence before 10:00am, accommodation/meals on the evening before the meeting; and/or
  - 2) Where the meeting does not close or adjourn until after 6:00pm, accommodation/meals on the evening of the meeting.
  - 3) Where a General, Special or Other Committee meeting of the Council is held in a town other than St. George, lunch for Councillors shall be arranged and paid for by the Council.

## 5. METHOD OF PAYMENT

- (a) All claims for payments to Councillors, other than the Mayoral, Deputy Mayoral, Councillor and Communication Allowances, must be accompanied by the prescribed Councillors Time Sheet.
- (b) Payment will be made as follows:-
  - 1) General/Special Meetings of the whole Council held in Chambers - **by direct credit to a bank account of the Councillor's nomination within 7 days of time sheets being received.** *(A time sheet will be provided at each such meeting and Councillors must certify receipt of cash on the form provided)*
  - 2) General/Special Meetings of the whole Council held at other than Chambers - **by direct credit to a bank account of the Councillor's nomination within 7 days of time sheets being received.** *(A time sheet will be provided at each such meeting)*
  - 3) Committee Meetings, Deputations, Inspections attended by other than the whole Council -**by direct credit to a bank account of the Councillor's nomination within 7 days of time sheets being received.**
  - 4) Conferences - **by cash in advance (if arranged).** *(A time sheet will be provided for each Councillor to complete at the time of receipt of Cash and Councillors must certify receipt of cash on the form provided)*
  - 5) Accommodation (incl. meals) - **paid by Council direct to motel etc. upon receipt of an account** *(A Council Purchase Order will be provided to motel etc.. in advance) (Councillors will be billed for other than telephone calls for Council business which are made from motel etc.. - records must be kept if claiming for calls)*
  - 6) Other relevant expenses incurred (eg fuel) - by direct credit to a bank account of the Councillor's nomination within 7 days of time sheet, including proof of purchase (eg. paid Tax Invoice/Receipt), being received.



# APPENDIX 4

**Balonne Shire Council**  
*Local Government Act 1993 - Sections 237 and 465*  
**Remuneration Package for Councillors**  
**2004/2005**

- (c) Payment of the Mayoral, Deputy Mayoral, Councillor and Communication Allowances shall be made quarterly by direct credit to a bank account of the Councillor's nomination.

## **6. DATE AND PERIOD OF EFFECT**

- (a) The remuneration package as listed above will have effect from 1st July, 2004, and will remain constant until 30 June, 2005.

## **7. BASIS FOR ADOPTING THE REMUNERATION PACKAGE**

It is considered that the more extensive duties of the Mayor and Deputy Mayor justify higher remuneration than the remuneration appropriate for Elected Members.

From time to time Elected Members are required to represent the Council at Meetings of the various Local Government Associations and other Regional Associations and Committees, of which Council is an affiliate.

The fees proposed are considered to provide a reasonable level of remuneration for elected Members having regard to their statutory duties, expected accessibility to Ratepayers and Citizens of the Shire and other community expectations of Elected Members and are based on the premise that an Elected Member should not be out-of-pocket for attending to their duties of Office.

L.R. Vohland,  
**CHIEF EXECUTIVE OFFICER**

## 1.0 BACKGROUND

Section 7 of the Local Government Finance Standard, 1994 requires Local Governments to adopt a policy about borrowings. Such a policy must, as a minimum, include:-

- new borrowings planned for the current financial year and the next two (2) financial years; and
- the purpose of the new borrowings; and
- the time over which it is planned to repay existing and proposed borrowings.

## 2.0 POLICY

### *2.1 Purposes for which borrowing is allowable.*

Council shall, where necessary, undertake borrowing for the following purposes only:-

- Road works/ Street works construction/reconstruction
- Bridgeworks construction/reconstruction
- Water Supply Infrastructure construction/reconstruction
- Sewerage Infrastructure construction/reconstruction
- Aerodrome construction/reconstruction
- Building construction/reconstruction
- Drainage works construction/reconstruction
- Community Services Infrastructure construction/reconstruction

Borrowing for the above purposes is subject to the following restrictions in addition to those imposed elsewhere in this policy:-

#### **2.1.1 Roadworks construction/reconstruction**

*Construction/Reconstruction to bitumen or equivalent standard  
Construction/Reconstruction of major road drainage works*

#### **2.1.2 Bridgeworks construction/reconstruction**

*Construction/Reconstruction of major bridges*

#### **2.1.3 Water Supply Infrastructure construction/reconstruction**

*Any construction/reconstruction which can not be funded from revenue*

#### **2.1.4 Sewerage Infrastructure construction/reconstruction**

*Any construction/re-construction which can not be funded from revenue*

#### **2.1.5 Aerodrome construction/reconstruction**

*Aerodrome pavement reconstruction etc..*

#### **2.1.6 Building construction/reconstruction**

*Major public building construction/reconstruction*

#### **2.1.7 Drainage works construction/reconstruction**

*Major storm water drainage works / flood mitigation works*

#### **2.1.8 Community Services Infrastructure**

*Major Recreation/Sport/Economic Development/Cultural infrastructure construction/reconstruction which can not be funded from revenue.*

### ***2.2 Financial constraints on borrowing.***

#### **2.2.1 General Programmes**

Borrowing shall not be undertaken if the effect of such borrowing will result in annual Interest and Redemption payments exceeding 30% of Council's general rate revenue unless specifically authorised otherwise by resolution of Council.

#### **2.2.2 Urban Water Programme**

Borrowing shall not be undertaken if the effect of such borrowing will result in annual Interest and Redemption payments exceeding 30% of Council's urban water utility charge revenue unless specifically authorised otherwise by resolution of Council.

#### **2.2.3 Sewerage Programme**

Borrowing shall not be undertaken if the effect of such borrowing will result in annual Interest and Redemption payments exceeding 30% of Council's sewerage utility charge revenue unless specifically authorised otherwise by resolution of Council.

#### **2.2.4 Special Rate Programmes**

No further loan funds shall be raised under the St. George Special Rate Programme.

No loan funds shall be raised under the Dirranbandi Special Rate Programme.

### ***2.3 Method of borrowing.***

Council will borrow from the Queensland Treasury Corporation.

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### ***2.4 Terms of borrowing.***

The repayment period of a loan shall not exceed the useful life of the asset being created. *For example:- A loan for the construction of a bitumen road with an expected life of 15 years shall not have a repayment period in excess of 15 years.*

### ***2.5 Borrowing programme***

Council's borrowing programme for the current financial year and the proposed borrowing programme (tentative) for the next two (2) financial years are as provided in Appendix "A".

### ***2.6 Existing Borrowings***

Council's existing borrowings shall be redeemed over the period originally negotiated, excepting that Council may negotiate new repayment schedules which shorten the term of the loan.

Where the provisions of this borrowing policy allow, loans which fall due for conversion shall be fully redeemed at the time specified for conversion.

Loans which fall due for conversion, and are to be renegotiated, shall be renegotiated as if they are new loans under this borrowing policy.

Balonne Shire Council  
**Borrowing Policy 2004/2005**

Resolution Date: 18 June, 2004

Meeting Type: Special (Budget)

APPENDIX "A"

PROPOSED BORROWING PROGRAMME

Financial Year	Programme	Term (years)	Purpose
2004/05	4410	20	\$900,000 - St. George Sewage Treatment Plant Augmentation
2005/06	425	20	\$300,000 - Stormwater Drainage - Murchison and Barlee Streets
2005/06	5410	20	\$200,000 - Water Reticulation Extensions/Replacement
2006/07	425	20	\$288,000 - Underground Stormwater Drainage - St George - INDICATIVE ONLY
2006/07	5510	20	\$250,000 - Water Reticulation upgrades/replacements- INDICATIVE ONLY