

Balonne Shire Council

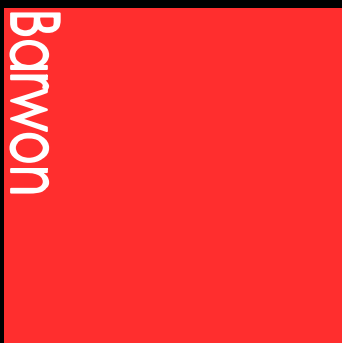
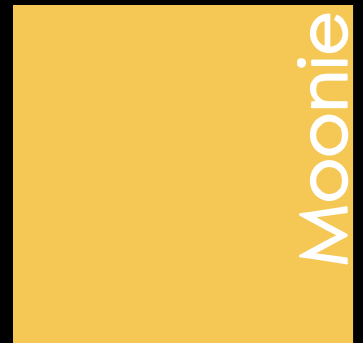
ST GEORGE - THALLON - DIRRANBANDI - HEBEL - BOLLON - MUNGINDI - NINDIGULLY



Marranoo



Wallam



Annual Report 07/08

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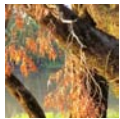


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WELCOME

"TO ACCOMPLISH GREAT THINGS, WE MUST NOT ONLY ACT, BUT ALSO DREAM, NOT ONLY PLAN, BUT ALSO BELIEVE"
ANATOLE FRANCE

Welcome to the 2007/08 Balonne Shire Council Annual Report. This report provides a snapshot of Council's performance and achievements over the past twelve months in undertaking its legislative and community responsibilities.

The annual report is the major accountability tool in Council's governance framework providing non-financial and financial information to enable the community to assess the

performance of Council in achieving the goals and objectives outlined in the Corporate Plan 2005 - 2009. Under the Local Government Act 1993 we are required to prepare and adopt an annual report for each financial year and our stakeholders, be it government, semi-government, community groups or citizens are strongly encouraged to read the report.



SHIRE PROFILE

THE SHIRE'S CLIMATIC CONDITIONS ARE IDEAL FOR A LARGE VARIETY OF HORTICULTURAL AND AGRICULTURAL CROPS AS WELL AS CATTLE AND SHEEP GRAZING



GEOGRAPHY	Area: 31,130 square kilometers	Average Annual Rainfall: 516 millimetres*
	Towns: St George, Dirranbandi, Bollon, Thallon, Mungindi and Hebel	Average Annual Daily Maximum Temperature: 27.5 °C*
Location South West Qld	Small Localities: Nindigully and Boolba	Average Annual Daily Minimum Temperature: 13.9 °C*
	Climate: Sub-tropical	<i>*Source:- Bureau of Meteorology</i>

OVERVIEW

The Shire of Balonne is located in Queensland on the New South Wales border some 500 kilometres from the east coast of Australia and has an area of 31,130 square kilometres.

Balonne Shire has a predominately rural based economy with cotton, wool, beef, grain and horticultural production being the most common primary industries. More recently, promising growth has been shown in areas such as tourism, as well as horticultural crops such as wine and table grapes and melons for the export market.

Rural industry is supported by the towns of St George, Dirranbandi, Bollon, Thallon, Mungindi and Hebel. Small localities such as Nindigully and Boolba are important meeting places for the rural communities and travelling public they serve.

The existence of these distinct communities spread across such a large part 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 economic development and the provision of urban water supplies, waste water and cleansing services.

COUNCIL SERVICES

Council is responsible for managing and maintaining the following services.

- Shire road network – 2,377 kilometres
- Reserves – 14,040.65 hectares of reserve land that are classed as reserves under the Land Act 1994
- Shire libraries in St George, Dirranbandi, Thallon, Bollon and Hebel
- Community halls in St George, Dirranbandi, Thallon, Bollon and Hebel
- Public swimming pools in St George and Dirranbandi
- Aerodromes in St George, Dirranbandi, Bollon and Hebel
- Water and sewerage infrastructure and supply
- Community sports grounds and parklands





ECONOMIC PROFILE

The leading primary industries in the Balonne Shire are cotton, sheep/wool, grain crops, wild game harvesting, fruit/vegetable production and beef/cattle. Successful development of the horticultural industry is a rapidly expanding sector in the local economy and has been led by local production of table grapes. Although agriculture is subject to the fluctuations in the weather, the St George district has a tested record of being a valuable agricultural producing area with a reliable water source due to our large water catchment area. Although, we are not immune to the effects of the current 1 in 100 year drought, upon receiving rain in our catchments the district will quickly recover and return to more productive times due to our diversification. Balonne Shire is fortunate that the district contains a balance of allocation and flood farmers which provides some stabilisation in water resources for the area.

In terms of industry, the shire is heavily reliant on agriculture which is relatively evenly split between crops and livestock. In 1997, the total area of land holding for

agricultural use in the Balonne Shire was 2,883,152 ha, which is about 90% of the shire area. The total value of the agricultural industry at the year ending March 1999 was calculated at \$297.2million in value terms while current projections are calculated at \$425.6 million which is evidence of a rapidly expanding agricultural base. Of the total of all the grain crops in the shire 70% was wheat, 10% was barley and the other 20% was made up of all other cereal grains. Thallon is the location of the largest grain storage facility in Queensland.

The St George Irrigation Project provides water to about 113 cotton and horticultural farms, and water harvesting permits have allowed additional areas of crops to be planted. The shire's climatic conditions are ideal for a large variety of horticultural and agricultural crops as well as cattle and sheep grazing.

Macropod (Kangaroo) harvesting has had a long term impact on the economy of Balonne Shire. In 2007 the processing plant located near St George announced further expansions to include processed meat to

human consumption standards and it will result in St George having the second largest plant in Queensland certified to human consumption standards. This expansion is currently being undertaken and will provide further opportunities for this industry and more jobs for our district both in processing and harvesting. Macropod harvesting is somewhat immune to effects of the drought and provides a stabilising effect in our local economy. Chiller boxes are dispersed throughout the shire supporting employment in our smaller communities which then transfer carcasses to St George for processing.

The area of the Surat Basin is known to contain large deposits of oil, gas and coal. Recently released reports from state development confirm coal deposits within the region. Future development potential for these resources would allow a further diversification of our local economy.

Based on census data, around 2,800 people are employed in Balonne Shire. The shire's largest sector is agriculture, forestry and fishing which accounts for 37.5% of employed persons. This is followed by wholesale and retail trade 15.7% and health and community services 7.3%. Cotton growing was the largest agricultural activity accounting for 60% of the value of production. The cotton industry is supported by three cotton ginning plants located within the shire. Beef cattle (12%) and sheep grazing were also significant, with wool accounting for 3% and sheep meat accounting for a further 2.7% of the value of agricultural production. Cereal grain (wheat and sorghum) accounted for 12% with horticulture accounting for a further 4%. The accommodation, cafes and restaurants sector is the sixth largest employer in the Balonne Shire.



VALUE OF THE AGRICULTURAL INDUSTRY

Table 2.0

ITEM	AMOUNT	VALUE
Cotton - fibre	approx. 70 000 ha	\$252 536 200
Cotton – seed		\$39 200 000
Wool	approx. 40 000 Bales	approx. \$15 000 000
Beef/Cattle	approx. 100 000 head	approx. \$50 000 000
Grapes (predominantly table)	approx. 491 ha	\$9 820 000
Sheep Meat	approx 150 000	approx. \$6 000 000
Wild Game Harvesting (excluding skins trade)	approx 394 000	approx \$7 269 000
Wheat	approx. 150 000 ha	\$32 400 000
All other cereal grains	approx. 30 000	
Melons	400 ha	\$5 500 000
Pasture and Grasses for Hay and Seed	621.5 ha	\$3 049 620
Cut Flowers	n/a	n/a
Peanuts	171 ha	\$442 693
Soybeans	331 ha	\$379 205
Pumpkins	60 ha	\$1 000 000
Olives	n/a	n/a
Onions and Garlic	69 ha	\$ 3 000 000
	TOTAL	\$425 596 718

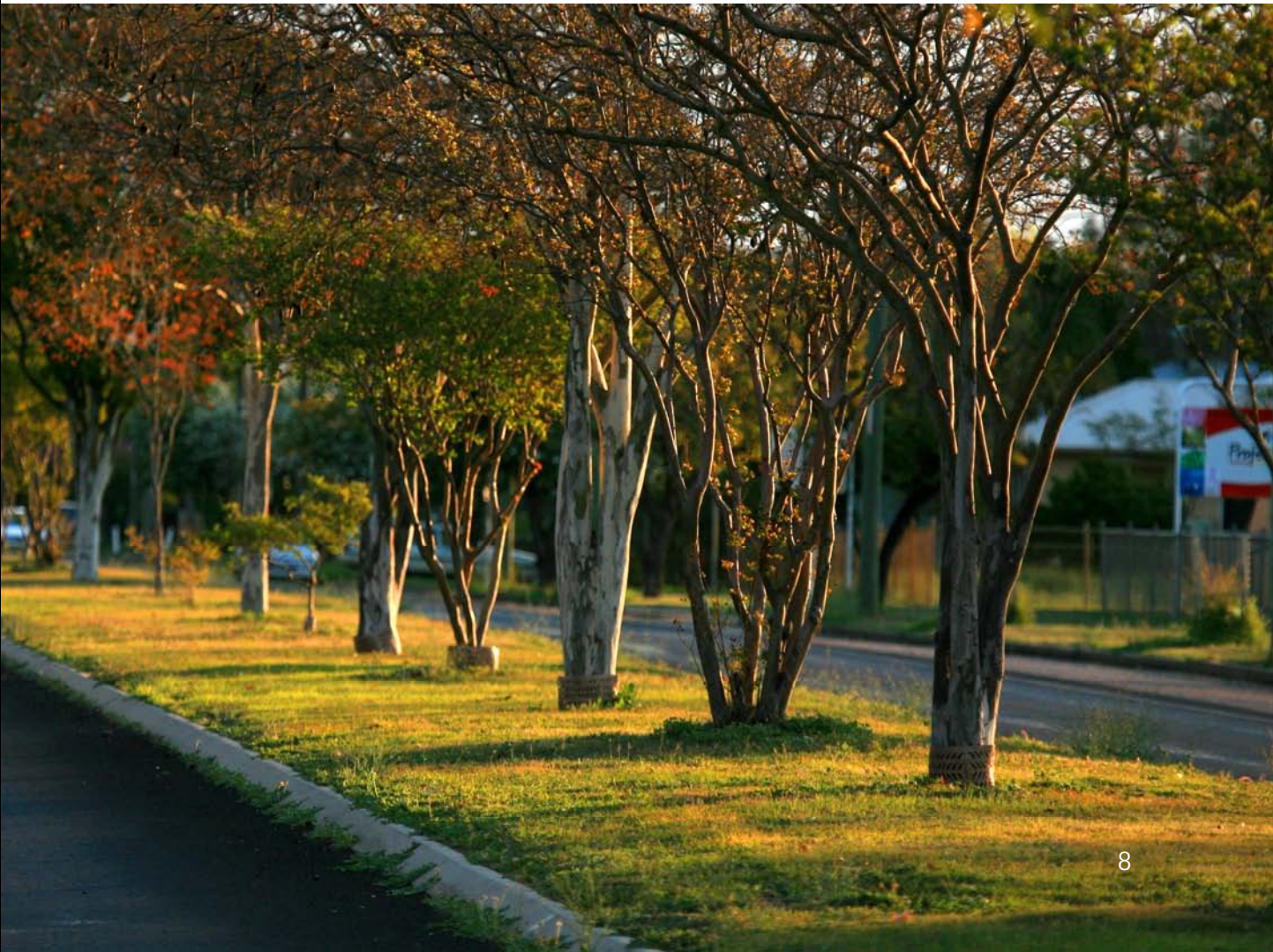
Data sourced –Economic Profile Balonne Shire May 2007





OUR COMMUNITY

WE ENJOY DIVERSE MAJESTIC
LANDSCAPES, HISTORIC PUBS, UNIQUE
COUNTRY EVENTS AND A SHIRE WITH
HEAPS OF CHARACTER AND HISTORY



SHIRE STATISTICS

Population: 4,936

Average Annual Growth Rate (1996- 2006): 0.18%

People of Indigenous Origin:
688 (14.9%)

Median Age: 34 years

Birthplace of respondents:
90.2% Australian born

English as only language spoken at home: 93.5%

Median Weekly Household Income:
\$974

**Source:- Australian Bureau of Statistics-
2006 Census of Population and Housing*

St GEORGE

The largest town in the Balonne Shire is St George. It is often referred to by visitors as an 'an oasis'. The name of St George was bestowed upon the site when renowned explorer Sir Thomas Mitchell and his party made the crossing on the Balonne River on St George's Day, 23 April, 1846 during his expedition in 1846. St George is situated on the banks of the beautiful Balonne River and has a population of approximately 3,000 people. Visitors and locals can picnic and venture along the Riverland Parkland that stretches along the town reaches or the more active can ski or fish for cod or yellowbelly on the river or at Beardmore Dam. The streets of St George are abuzz with activity as it services the Balonne Shire population of some 5,000 people and is the major centre for business, shopping and entertainment. The Balonne Shire is predominately a rural

based economy with production consisting of cotton, wheat, cattle, goats, sheep, table grapes, wine, rockmelons, soybeans, sorghum and various forms of nuts and legumes. Things to see and do include: a visit to the 'Unique Egg' (World Expo accredited display of carved, illuminated emu eggs); taste the local award winning wines at 'Riversands Vineyards'; walk back in history and visit the 'Heritage Centre'; enjoy the local birdlife; appreciate the special murals; learn more about the many locally produced products or just chat to a friendly local. Great bush camping spots surround the town and there are a number of caravan parks and motel accommodation to choose from.

DIRRANBANDI

In 1885, the town site was surveyed and named Dirranbandi which according to the Place Names Board of Qld means "swamp abounding in frogs and waterfowl". Key attractions at Dirranbandi include the Railway Park where the old Railway Station Master's Office built in 1913 still stands; enjoy a tour of Cubbie Station, one of the largest privately owned cotton properties in Australia. Camping and fishing are popular activities along the Balonne Minor.

HEBEL

Hebel is a small community of approximately 30 situated just inside the Queensland border. It has been claimed that Dan Kelly and Steve Hart from the legendary Ned Kelly gang resided in the Hebel area under assumed names. Attractions not to be missed

INDIGENOUS COMMUNITY

The word Balonne is aboriginal for "Pelican or Pelican Rest". The Indigenous people within the Shire represent 14.9% of the overall community. Council is currently working with the local indigenous community on projects to preserve the local culture and with the Aboriginal Employment Strategy (AES) to further enhance opportunities for aboriginal people within our community. The AES is a collaborative project with partners including all three levels of government, local business people, aboriginal community and key stakeholders. As the AES is rolled out and strategies put into place we look forward to the positive impact it will have within our communities and throughout the shire.



when passing through Hebel include the Hebel Store established in 1897 and attached to it is the old Hebel Dance Hall plus the Hebel Hotel. The Hebel Hotel which was built in 1894 still has a hitching rail to tether the horses and features some interesting artwork.

MUNGINDI

Mungindi was named by the Aboriginal people and it means 'digging for waterplace'. Located on the Barwon River that forms part of the Queensland / New South Wales border, the village of Mungindi was declared in 1888. Mungindi is unique as it is the only town in Australia that shares a name and is separated by a border. Today, two state governments and two shire councils cooperate to provide facilities for the town. The oldest established business built in 1908 is the Racecourse Hotel or more fondly known to the locals as the 'Two Mile'. The Barwon River also offers plenty of fishing and picnic spots for visitors to Mungindi. Key attractions include the Historical Park, Neeworra Historical Site and One Ton Post.

BOLLON

Bollon township situated on the banks of the picturesque Wallam Creek, was first recognised as a town in 1879. Over the years

there has been much discussion as to how the town came to be known as 'Bollon on the Wallam'. Apparently the creek was known by the local Aboriginals as 'Bolion' and was later adopted by the white settlers as Bollon. Research suggests that a Bolion was a type of aboriginal stone axe. Wallam Creek is the habitat of a large koala population which thrives on the abundant river red gum in the area. Over 110 species of birds have been recorded in the area, some of which are quite rare. Wallam Creek is also a great spot for bush camping with facilities provided. A key attraction is the Heritage and Craft Centre filled with details on Bollon. The town is also close to Thrushton National Park and Rosehill Aviaries.

THALLON

In 1911 the Minister for Lands resumed an area for closer settlement and 780 acres were gazetted as a town reserve. Development continued, including stores and a hotel to cater for the railway employees and the town of Thallon emerged. The town was named after the then Commissioner of Railways, Mr. J. F. Thallon. Key attractions include Bullamon Homestead, built in the 1860's, which still retains the original shingle roof, wheat silos and murals.

RECOGNISING OUR ACHIEVERS

AUSTRALIA DAY AWARD RECIPIENTS 2008

Citizen of the Year:

Miss Rebecca Cull

Young Citizen of the Year:

Miss Hayley Parker

Senior Sports Achievement Award:

Mr. Daniel Lucas

Junior Sports Achievement Award:

Miss Alison Jones

Sports Administrator Achievement Award:

Mr. Kelvin Bella

Cultural Achievement Award:

Mrs. Tracey Campbell

Junior Cultural Achievement Award:

Miss Ellen Anderson

Community Event of the Year:

Mungindi Music Festival



MESSAGE FROM OUR MAYOR

It is with much pleasure that I present my first annual report to the people of the Balonne Shire.

During the period covering this report, reforms to local governments across Queensland have implemented major structural changes. As you would be aware, shire amalgamations have reduced the number of local governments from 157 to 73. Thirty seven of these seventy three councils were not subject to any boundary changes including the Balonne Shire. The reason given in the Reform Commission Report for large western councils to have their boundaries untouched is "no amalgamation of large western councils due to inability of structural reform to lead to any significant service delivery or capacity benefits."

As part of the reform process all councils were required to undertake a Financial Sustainability Review assigned to the Queensland Treasury Corporation to assess. The definition given in the Reform Report of

financial sustainability is " involving a government body being able to manage likely developments and unexpected financial shocks in future periods without having at some stage to introduce substantial and economically or socially destabilising expenditure or revenue adjustments."

Balonne Shire received a "weak" sustainability score, but with a positive outlook. Thirty percent of all councils pre amalgamations received a weak rating which indicated an acceptable capacity to meet financial commitments in the short and medium term and a limited capacity in the long term. The majority of the geographically larger rural councils received a weak or very weak rating. Slowing population growth, limited rating capacity and economies dependant on the rural sector were considerations that had a negative impact on the ratings these councils received.

The positive outlook Balonne received was in recognition of reforms already in place that were designed to improve the financial sustainability of the shire. I am pleased to report that Council has delivered on this promise, in particular the move from an operating deficit to an operating surplus. The forecasted date to achieve this had previously



been 2012.

Council, in recognizing our responsibility to the community to ensure a strong and sustainable future, has also addressed many of the issues raised in relation to managing the shire's assets. This is an ongoing challenge for all levels of government but the Balonne Shire has made substantial progress and has a strategy for continuous improvement mapped out. I commend the very professional approach by our highly valued staff in pursuing this outcome.

The financial review process has highlighted the need to continuously improve the way Council goes about delivering services, this is necessary to enable Council to maintain the current levels of services. To make any meaningful improvements will inevitably require a more equitable distribution of tax revenue between governments. While I share a realistic public expectation that our roads, social services, recreation and cultural facilities and other municipal services should improve over time, delivering these improvements is very challenging given the current funding structures. Please rest assured your confidence in your newly elected representatives is not misplaced and we will not resile from these improvements but will advocate strongly on behalf of

Balonne Shire residents to take full advantage of any opportunities that do present themselves.

Balonne Shire did not emerge unscathed from the reform process and as a result has had representation reduced to four Councillors plus the Mayor.

This has greatly increased the workload on our representatives however the successful councillors, Councillor and Deputy Mayor Richard Marsh, Councillor Robyn Furhmeister, Councillor Andrew Sevil and Councillor Ian Winks and myself, are honoured to have been selected by the community and are firmly committed to meeting the challenges ahead.

At this juncture I thank the previous Councillors for their service to the residents of the Balonne Shire and in particular Mr. Robert Buchan for his term as Mayor.

I take this opportunity to thank all staff for their hard work and dedication over the past twelve months and look forward with much anticipation to a new look cohesive team working as one towards a common goal.

Donna Stewart
MAYOR





MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER

It is my pleasure to report on the operational performance of Council over the 2007/08 year. The 2007/08 year marked

the fourth year of implementation of the 2005 – 2009 Corporate Plan with focus on program areas – finance, administration and corporate, planning and development, transport and drainage infrastructure services, community and cultural, environmental and health services, commercial services, urban waste water, urban water and cleansing. Councillors and staff have worked towards ensuring outcomes are achieved for the community through the various programs. We believe we have met the majority of goals and objectives detailed in the Annual Operational Plan. The various key outcomes will be detailed throughout this report.

On 27 July, 2007 Council welcomed the news that the existing area of Balonne Shire Council would remain unchanged. Council remained undivided, however the number of Councillors was reduced from nine to four and a mayor. The Local Government Reform Commission's rationale in recommending Balonne Shire remain unchanged included the following: a significant operational presence needed to be maintained to service the region, Balonne is at the intersection of three natural resource management groups and it was not deemed practical to alter the boundaries to further improve economic, environmental and social planning and financial sustainability. Capacity building of Balonne Shire was unlikely to improve significantly through amalgamation. The existing boundaries provided a best fit of a regional community of interest. There was not a strong regional community of interest with other major centres. St. George itself is a significant regional centre that provides key

services to the local government area. The financial analysis undertaken suggested that the amalgamation of Balonne with other local governments would not remove any existing structural inefficiencies that might improve the financial sustainability of the area, however financial viability needed to be closely monitored. The commission also suggested that Balonne Shire Council's capacity to provide a full range of services was limited and government agencies needed to assist in providing skills where they were not readily available in the shire. Other matters considered by the Commission were boundary issues and it was recommended that ongoing boundary issues in relation to southern areas of the previous Warroo Shire and Booringa Shire and western area of the previous Waggamba Shire be examined prior to the 2012 elections.

Just prior to the end of the 2007/08 year Council resolved to employ a Community Development Officer. Community development is central to Council as its emphasis is on serving the people, enhancing communities and being responsive to local needs. Balonne Shire is committed to increasing the community's capacity to generate and sustain their own response to issues to build a strong and self-reliant community.

The past year saw the Dirranbandi Community Pool project brought to completion. It was a momentous occasion when the pool was officially opened at a public ceremony earlier this year. After a number of years of community engagement following the identification of major structural faults with the pool at the Dirranbandi State School, the Dirranbandi Community Pool was constructed as a joint initiative of the Dirranbandi State School, the wider Dirranbandi community and Balonne Shire Council. The project was funded by Education Queensland (\$250,000); Regional Partnerships (\$298,500), Department of Sport and Recreation (\$454,494), Balonne Shire Council (\$178,820) and other contributions (\$8,636). Total grant funding



received was \$1,011,631. To enable better community access and more direct linkages to other community recreational facilities the pool was built on Council land at the showgrounds. As part of the partnership arrangement Council accepted ownership of the pool with the Department of Education making a contribution of \$5,000 per annum towards maintenance and operational costs. A further initiative was the establishment of a Committee to oversee the operation of the pool. The operation of the pool is facilitated by volunteer staff, ie., qualified lifeguards and volunteer staff to undertake non-lifeguard activities whilst Council staff maintain water quality and general maintenance. The community of Dirranbandi are to be congratulated on their goodwill, enthusiasm and commitment in providing resources in partnership with Council to provide an important service for the enjoyment of the community.

During the year one of the key infrastructure projects commenced was a new Sewerage Treatment Plant for St George. St George was sewerred approximately 50 years ago and

the current plant will be decommissioned as soon as the new plant is finalized during 2008/09. This project has been in the planning phases for several years with subsidy from the state government contributing to the costs of construction. Effluent re-use strategies will also be implemented as part of the project which will assist in meeting environmental requirements.

The need to adopt a whole of organization approach to asset management was identified. During the year Council participated in the LG Asset Program. LG Asset is a collaborative initiative of the Local Government Association of Queensland, Department of Local Government, Sport and Recreation and Local Government Professional Bodies. Our infrastructure assets such as local roads, bridges, footpaths, aerodromes, water and sewerage, storm water drainage, waste disposal, public buildings, parks and recreational facilities provide our community with economic, social and environmental services. These assets are expensive assets and require routine

maintenance and periodic replacement to account for wear and tear. We are charged with managing the assets on behalf of the community and effective asset management is vital. The introduction of an improved asset management process will enable better decision making, maintenance of corporate knowledge and a more systematic and considered approach.

Total Management Plans for water and urban waste water were also initiated. As part of a requirement to obtain subsidies for water and sewerage from the state government Council must have a current Total Management Plan. Total Management Plans provide an integrated strategic approach in quantifying and assessing the condition of water and sewerage assets, prioritizing expenditure and identifying improvements in ways that are ecological and financial. The planning process focuses on short and long term planning to improve operation, maintenance and development of services and considers issues such as population growth, aging infrastructure, stress on the environment and

public health. The Total Management Plans will be finalized over the coming year.

Council closed the year in a sound financial position. Council's focus on tight fiscal management and continued drive for increased effectiveness resulted in Council achieving an operating surplus.

During the 2007/08 year Council delivered corporate governance, financial, social, economic, health, planning, building, rural road, water and sewerage services to the people of the shire. Congratulations must go to the staff on a job well done. To the Mayor and Councillors, both those prior to the 15 March election and those who were elected on the 15 March, 2008 I acknowledge the valuable contribution made to the Balonne Shire Council.

Allan Young
CHIEF EXECUTIVE OFFICER





OUR COUNCIL

AS LEADERS OF THE
COMMUNITY COUNCILLORS
REPRESENT THE OVERALL
INTEREST OF THE AREA



ELECTED REPRESENTATIVES

2008 (ELECTED)



**CR. DONNA STEWART
(MAYOR)**

Cr. Donna Stewart was elected as Mayor of Balonne Shire Council on 15 March, 2008. Cr. Stewart is responsible for the portfolios of community engagement, emergency response, regional co-operation, aboriginal employment strategy, economic development, planning scheme and development regulation. Cr. Stewart is also an ex-officio member of all other portfolios.



CR. ROBYN FUHRMEISTER

Cr. Robyn Fuhrmeister was elected to Council in March 1991 and is currently serving her sixth term. Cr. Fuhrmeister is responsible for the portfolios of tourism, parks and gardens, community development, skill centre, aboriginal negotiation table, Care Balonne, community safety, public health, public transport, WORK, cultural development, museums, libraries, regional arts development fund and cultural and community events.



**CR. RICHARD MARSH
(DEPUTY MAYOR)**

Cr. Richard Marsh was elected to Council in July 2002 and is currently serving his third term. Cr. Marsh is responsible for the portfolios of human resource management, financial management, workplace health and safety, administration and governance, urban water and waste water, waste management, refuse collection, tips, community halls, administration and depot buildings, staff housing, environmental health, urban animal control, urban streets, storm water and footpaths.



CR. ANDREW SEVIL

Cr. Andrew Sevil was elected to Council in May 2005 and is currently serving his second term. Cr. Sevil is responsible for the portfolios of water resource management, engineering, fleet management, aerodromes, main roads contracts, works depots, asset management, cemeteries, television and radio retransmission and sporting facilities.



CR. IAN WINKS

Cr. Ian Winks was elected to Council in March 2008. Cr. Winks is responsible for the portfolios of stock routes and commons, animal pests control, plant pest control, great artesian basin, show grounds and shire roads and bridges.

COUNCIL WILL ADVOCATE STRONGLY ON BEHALF OF RESIDENTS TO TAKE FULL ADVANTAGE OF ANY OPPORTUNITIES

ELECTED REPRESENTATIVES

2004 – 2008

(NOT RE-ELECTED OR DID NOT SEEK RE-ELECTION)



**CR. ROBERT BUCHAN
(MAYOR)**

Cr. Buchan was a member of the Finance Committee, Works Committee, Water and Waste Water Committee, Rural Lands Protection Committee, Counter Disaster Committee, Roma and District Recovery Sub-Committee and Maranoa – Balonne Catchment Management Association Local Government Reference Group



CR. JOHN KENNEDY

Cr. Kennedy was a member of the Finance Committee, Works Committee, Rural Lands Protection Committee, St. George Showgrounds Planning and Co-ordinating Committee, Water and Waste Water Committee, Local Government Borders Rivers Project and Condamine – Balonne and Balonne – Culgoa Water Committee and Balonne Shire Youth Council Committee.



**CR. RICHARD KNIGHTS
(DEPUTY MAYOR)**

Cr. Knights was a member of the Finance Committee, Works Committee, Bollon Showgrounds Planning and Co-ordinating Committee, Water and Waste Water Committee, Sport and Recreation Committee and Maranoa and District Regional Organisation of Councils.



CR. VIRGINIA JAMIESON

Cr. Jamieson was a member of the Finance Committee, Works Committee, Rural Lands Protection Committee, Bollon Showgrounds Planning and Co-ordinating Committee, Water and Waste Water Committee and Parks and Gardens Planning Committee.



CR. MICHAEL HETHERINGTON

Cr. Hetherington was a member of the Finance Committee, Works Committee, Dirranbandi Showgrounds Planning and Co-ordinating Committee, single bargaining unit for federal award and state award, Water and Waste Water Committee, Sport and Recreation Committee and WORK Committee and Balonne Skill Centre Committee.



CR. LINELLE RUSSELL

Cr. Russell was a member of the Finance Committee, Works Committee, St. George Showgrounds Planning and Co-ordinating Committee, Water and Waste Water Committee, Warrawee Retirement Village Committee, Beardmore Dam Youth Committee and Parks and GardenS Planning Committee.



CR. RODNEY BEESON

Cr. Beeson was a member of the Finance Committee, Works Committee, Water and Waste Water Committee, Plant Purchasing Committee, Maranoa – Balonne Catchment Management Association and WORK Committee.

THANKS TO PREVIOUS
COUNCILLORS FOR THEIR
SERVICE TO THE SHIRE

COUNCILLOR REMUNERATION PAID

NAME	PERCENTAGE OF THE YEAR IN OFFICE	TOTAL REMUNERATION
Mayor D. Stewart	25%	\$16,987.49
Cr. R. Fuhrmeister	100%	\$21,864.46
Cr. A. Sevil	100%	\$16,565.38
Cr. R. Marsh	100%	\$17,445.48
Cr. R. Winks	25%	\$8,699.46
Mayor Cr. R. Buchan	75%	\$20,084.00
Cr. R. Knights	75%	\$13,607.88
Cr. M. Hetherington	75%	\$10,650.08
Cr. R. Beeson	75%	\$8,600.00
Cr. J. Kennedy	75%	\$7,136.14
Cr. V. Jamieson	75%	\$8,307.31
Cr. L. Russell	75%	\$7,350.91





EXECUTIVE STAFF



CHIEF EXECUTIVE OFFICER

ALLAN YOUNG (B. Bus (LG/LS) Grad. Dip. Mgt., MLGMA) joined Council as Chief Executive Officer in September 2005.



DIRECTOR OF CORPORATE AND COMMUNITY SERVICES

SCOTT NORMAN (Bachelor of Business (Accounting), CPA, MLGMA, MLGAA) commenced employment with the Balonne Shire Council in 2005. Mr. Norman is responsible for finance, administration, information technology, libraries and community services including economic development.



DIRECTOR OF TECHNICAL SERVICES

MAX HENDERSON (B.Eng (Civil), Grad. Dip. Mun. Eng., Grad I.E. Aust., RPEQ) commenced with Balonne Shire Council as Consultant Engineer in 1993 and became a full-time employee in 2005. Mr. Henderson is responsible for transport, drainage and infrastructure, water and sewerage services.

DIRECTOR OF HEALTH, PLANNING AND ENVIRONMENT

STEVE MIZEN (M.A.I.E.H) has been with Council since 1974. Mr. Mizen is responsible for planning, health and building, housing, disaster management, council facilities and refuse.

CORPORATE GOVERNANCE

COUNCIL OPERATIONS are governed through three themes. Firstly, elected representatives of the community are responsible for developing the vision and policy direction of Council. Secondly, participative democracy is promoted by encouraging an active and engaging community and thirdly administrative arrangements, structures and processes that facilitate the implementation of Council's decision making.

ROLE OF COUNCILLORS

The Local Government Act 1993 establishes the framework for Council's operations. Local Government has the jurisdiction to make laws for, and otherwise ensure, the good rule and government of its territorial unit. Under the Act Councillors have the responsibility for representing the overall public interest of the area and also the public interest of their division. They also participate in deciding the facilities, services and enterprises that are appropriate for an area; formulate, adopt and review Corporate and Operational Plans and the policies and goals of Council as well as participating in the decision making process

for the achievement of goals and implementation of policies.

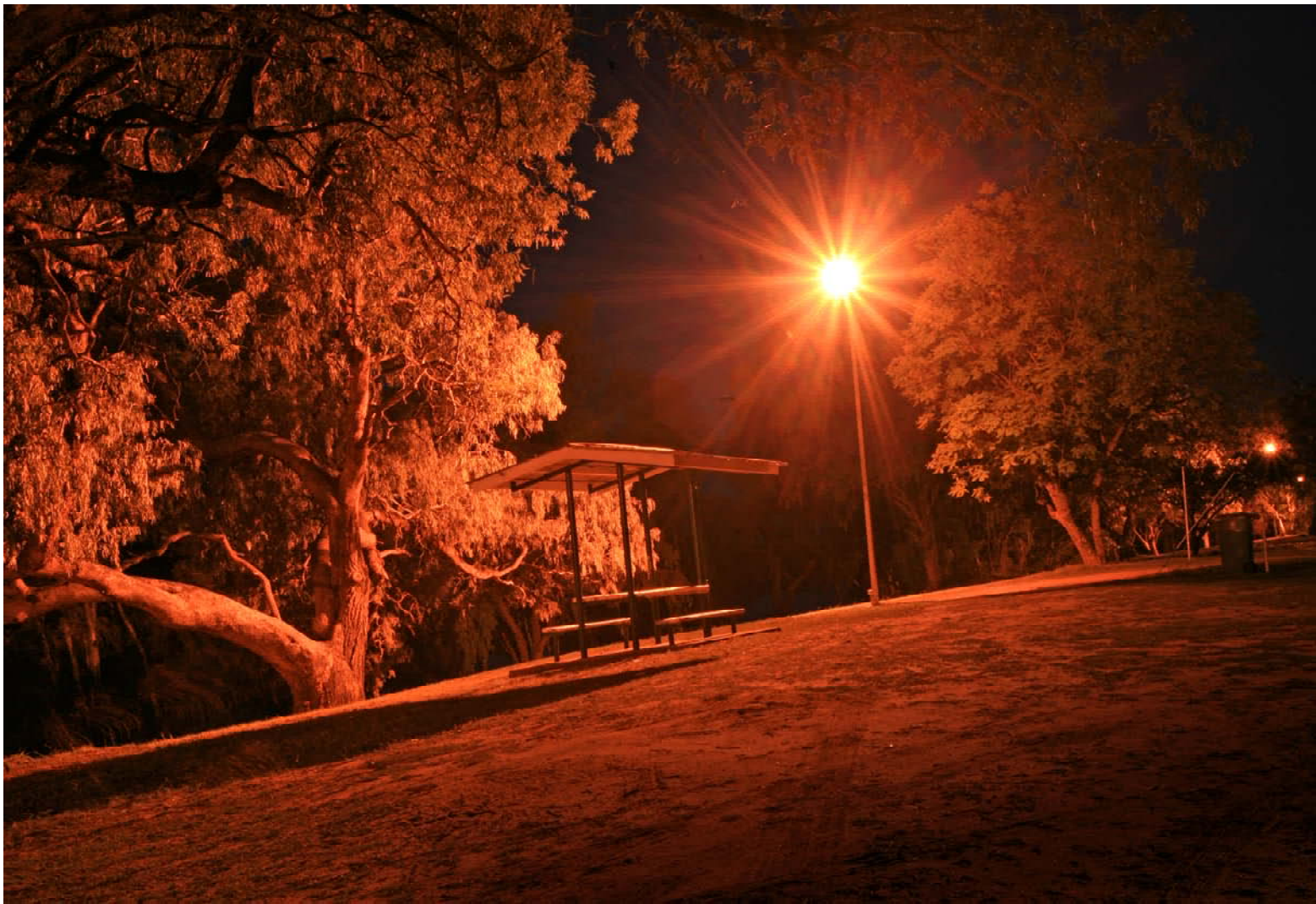
In the office of Mayor, additional responsibility is given for presiding at Council meetings and the orderly conduct of such meetings, ensuring local government decisions are implemented and representing the local government at civic or ceremonial functions.

ROLE OF CHIEF EXECUTIVE OFFICER

Under the Local Government Act 1993 the Chief Executive Officer is given responsibility for the day to day management of the local government affairs to implement policies and decisions.

CORPORATE PLANNING

Corporate planning is an ongoing process. Council is required to adopt a Corporate Plan. This document establishes the guiding framework and identifies the goals, objectives and strategies to be pursued by Council to meet the needs and aspirations of the community. The current Corporate Plan





finalises at the close of the 2008/09 year and over the coming financial year Council will embark on a comprehensive community consultation process to prepare a new four year strategic plan for the 2009 – 2013 years.

To execute the corporate plan, operational plans are created each year. These plans specify key performance indicators to measure successful completion of objectives. The activities identified in the operational plan provide the framework for the preparation of Council's annual budget.

Council also has a Shire Planning Scheme which was gazetted on 3 July, 2006. It sets out the policies and controls for the use, development and protection of land.

PERFORMANCE MONITORING AND REPORTING

INTERNAL

Progress reports on the implementation of Council's corporate and operational plans and financial reporting of budget performance is provided to Council on a periodic basis

EXTERNAL

The primary tool for external accountability is the Annual Report. An Annual Report is prepared annually to show the community and interested users how successful Council has been in achieving the strategic goals and objectives outlined in the Corporate Plan. The report contains detailed financial and non-financial information about Council's activities and performance.

ETHICAL FRAMEWORK – CODE OF CONDUCT

A Code of Conduct has been adopted by Council. This code provides a framework for behaviour, actions and decisions and promotes five ethical principles (identified in the Public Sector Ethics Act 1994): respect for persons, respect for the law and system of government, integrity, diligence, and economy and efficiency.

QUALITY ASSURANCE SYSTEM

Council maintains a Quality Assurance System in relation to roadworks. Quality assurance can be defined as the planned and systematic actions necessary to provide adequate confidence that a product or service will

satisfy given requirements for quality. As a requirement to undertake Main Roads Works Council must have a quality system in place to a 'second party accreditation' standard.

AUDIT COMMITTEE

In accordance with Part 2, Section 7 of the Local Government Finance Standard 2005, Council adopted a resolution not to establish an Audit Committee. This decision was made after considering resources and the internal measures adopted within the organization.

EXTERNAL AUDIT

Each year Council's operations including the financial statements are subject to an external review by the Auditor-General of Queensland.

REGIONAL CONSULTATION

The Mayor, Councillors and senior management participate in external organisations and regional forums to promote and foster co-operation.

COMMUNITY CONSULTATION PROTOCOL

Council has a Community Consultation Policy which was adopted in June, 2008. Whilst the Local Government Act 1993 specifies a wide range of issues about which Council must consult with its community, the Balonne Shire actively consults its community on many more issues. The policy establishes a protocol to facilitate an open and accountable process where individuals and groups have a formal opportunity to influence outcomes in the planning, determination and evaluation of policy, programs and services provided to the Balonne community.

INFORMING OUR COMMUNITY

Council maintains a website www.balonne.qld.gov.au that contains information concerning Council. Publications such as the Corporate Plan, Operational Plan, Annual Budget and Annual Report provide details of Council's plans and activities and are publicised as being available. The Statement of Affairs produced in accordance with the Freedom of Information Act 1992 presents in a consolidated, user friendly form a comprehensive overview of Council's organisation, its relationship to the community and the various avenues for public access to Council's administrative and political processes.

MEMBERS OF THE COMMUNITY ARE WELCOME TO ATTEND COUNCIL MEETINGS.



OUR PEOPLE

OUR EMPLOYEES ARE OUR
MOST VALUABLE ASSET



OUR EMPLOYEES at Balonne Shire Council are our most valuable asset and they are a major factor in contributing to a good positive public image. The shire's vision is "For the people: - A caring and prosperous shire in which to live and work". In support of this vision 'valuing our people' is a core value. Council is committed to staff well-being, encouraging their personal and professional growth and development, and the creation of a safe and healthy work environment built on mutual trust, respect and integrity.

TRAINING AND DEVELOPMENT

It is acknowledged that for an organisation to perform effectively heavy emphasis must be placed on the training and development of our staff. In line with training guidelines Council is committed to:

- Providing fair and equal access for all employees in relation to training and professional development opportunities;
- Enhancing the productivity and performance of its employees;
- Ensuring employees are kept abreast with advancements, technological, professional and/or ideological, in their respective fields of expertise;
- Linking Staff Development and Appraisals with the identification of training needs to ensure that Council's strategic and operational direction and initiatives are achieved;
- Ensuring that training dollars are distributed fairly and equitably throughout the organisation; and

- Providing opportunities for employees to develop career paths.

Balonne Shire actively encourages its employees to undertake study to enhance their knowledge and skills. As part of the training guidelines Council contributes to the financial cost of approved courses. The outcome of Council's active encouragement for staff to develop their knowledge and skills is demonstrated by employees undertaking formal training to acquire either certificates or diplomas. During the last couple of years one completed a Certificate IV and Diploma of Local Government (Planning) and another completed a Certificate IV and Diploma of Local Government (Administration).

As part of the annual training program the following training was undertaken:

- General Safety Induction
- Lifeguard Training (22 volunteers and 5 employees)
- Traffic Controller Training
- First Aid Certificate and Renewal
- Bronze Medallion
- Confined Space Training
- Construction Induction Blue Card
- Aerodrome Reporting and Works Safety Officer Training
- Library Administration and Management
- Workplace Health and Safety Officer Recertification
- Mapinfo Training





Over the past twelve months Council was also host to three trainees and one school based trainee. These traineeships were in the areas of business administration.

In the civil construction field Council had seven employees who completed their Certificate III in Civil Construction (Plant Operations). A further two employees have commenced their Certificate III in Water Industry Operations.

EQUAL EMPLOYMENT OPPORTUNITY

Balonne Shire Council is committed to the implementation of, and adherence to equal employment opportunity principles in all facets of its operations. All employees and applications for employment will be treated fairly in the selection and promotion decisions and shall be made on the basis of only factors relevant to the job such as skills, qualifications, abilities and aptitude.

The objectives of the policy are to:

- Ensure a workplace free of discrimination and to promote equal employment opportunity for the following target groups; Aboriginal and Torres Strait Islander peoples, people of non-english speaking background, people with a disability and women;
- Ensure that Council obtains the best person for the job as a result of personnel management processes which further the concepts of equity and merit; and
- Involve all staff in the development of an EEO workplace.

STAFF AGE PROFILE

The age demographic of the Council workforce ranges from 15 to 65 plus years and in accordance with equal employment opportunity principles Council does not discriminate on the basis of age. The staff profile as at 30 June 2008 was as follows:

STAFF AGE PROFILE

Age	Number	% Council	% Community*
15 – 24 years	8	10.1	11.6
25 – 44 years	35	44.3	30.8
45 – 64 years	36	45.6	22.4
65 plus	0	0.0	9.8
Total	79	100.0	100.0

**Source 2006 Australian Bureau of Statistics Census Data*

GENDER PROFILE

Council's gender profile at 30 June 2008 was 71% male as compared to 29% female. Of the 71% males employed, these were employed on a full-time basis whilst approximately 13% of females were employed on a part-time basis and approximately 16% were employed on a full-time basis.

RECOGNIZING SERVICE ACHIEVEMENT

Council recognizes periods of long service on Council to its employees. During the year the following employees were recognised through the presentation of medallions.

Wayne Douglas Ross	20 years
Richard Vernon Backhouse	25 years
Robert Hill	25 years
Kathleen Maree Elliott	35 years
Stephen Edward Keith Taylor	35 years







KEY PROGRAM AREAS

COUNCIL'S KEY PROGRAM AREAS PROVIDE FUNCTIONS INCLUDING SERVICES, REGULARITY, ECT



PROGRAM AREAS OVERVIEW

1. FINANCE

To achieve maximum community benefit from available financial resources

2. ADMINISTRATION AND CORPORATE SERVICES

To effectively and efficiently administer the affairs of council and to provide quality service to its customers

3. PLANNING AND DEVELOPMENT

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

4. TRANSPORT AND DRAINAGE INFRASTRUCTURE SERVICES

To provide efficient and effective transport and drainage infrastructure

5. COMMUNITY AND CULTURAL

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

6. ENVIRONMENTAL SERVICES

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

7. BUSINESS SERVICES

To undertake commercial works within the scope of Council's expertise in an efficient and cost effective manner

8. URBAN WATER & URBAN WASTE WATER

To provide efficient, effective and environmentally sound water supplies to the towns of St George, Dirranbandi and Bollon. And to provide efficient, effective and environmentally sound waste water disposal services in the towns of St George, Dirranbandi, Bollon, Hebel, Thallon and Mungindi

9. CLEANSING

To provide efficient, effective and environmentally sound refuse collection and/or disposal services in all towns





FINANCE

PROGRAM AREA 1

COUNCIL IS RESPONSIBLE
FOR PRUDENT FINANCIAL
MANAGEMENT





GOAL

To achieve maximum community benefit from available financial resources

ACHIEVEMENTS

- Achieved the highest level of Interest Revenue for the Council of \$650K, as a result of combination of higher interest rate and good cash management.

PERFORMANCE HIGHLIGHTS

- Implementation of second year of differential rating in the shire to create equity for the ratepayers
- At year end \$10M invested with Queensland Treasury Corporation

FUTURE INITIATIVES

- To minimize rate increases while still providing the increasing services for the people



ADMINISTRATION AND CORPORATE

PROGRAM AREA 2

COUNCIL'S CORPORATE PROGRAM PROVIDES A RANGE OF ADMINISTRATION SERVICES TO SUPPORT THE ORGANISATION



GOAL

To effectively and efficiently administer the affairs of Council and to provide quality service to its customers

ACHIEVEMENTS

- Completed a revaluation of all buildings, land, water and waste water assets
- Hosted for the first time a “Public Declaration of Office” which was well attended by various sections of the community
- Commencement of the development of asset management strategies

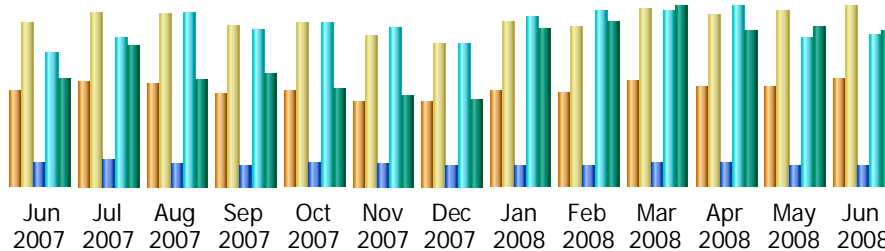
PERFORMANCE HIGHLIGHTS

- Short-term lease 110 Victoria Street, St George to Australia Post. This building will be included in the future corporate/cultural precinct of the shire

- Hosted a number of events in the shire including the Australia Day Ceremony at the St George Swimming Pool and the Dirranbandi Swimming Pool opening
- The Queensland Electoral Office conducted the election of Mayor and Councillors in March 2008

FUTURE INITIATIVES

- Redevelopment of the cultural and corporate precinct
- Enhancement of corporate communications
- Continue development of asset management strategies
- Implementation of automotive business papers software



Month	Unique visitors	Number of visits	Pages	Hits	Bandwidth
Jun 2007	2000	3452	9657	54694	384.46 MB
Jul 2007	2208	3806	10846	61139	504.23 MB
Aug 2007	2190	3654	9700	73818	383.23 MB
Sep 2007	1987	3417	8711	64483	403.49 MB
Oct 2007	2012	3447	9359	66548	347.39 MB
Nov 2007	1788	3185	9266	65081	329.07 MB
Dec 2007	1783	3028	8360	58828	314.25 MB
Jan 2008	1999	3455	9991	77296	413.52 MB
Feb 2008	1952	3357	10051	80511	435.20 MB
Mar 2008	2202	3729	10591	79989	474.91 MB
Apr 2008	2072	3606	10170	82547	410.00 MB
May 2008	2087	3682	9508	67955	418.59 MB
Jun 2008	2251	3784	10045	68928	408.22 MB



PLANNING AND DEVELOPMENT

PROGRAM AREA 3

THE SHIRE PLANNING SCHEME
PROVIDES FOR DEVELOPMENT
CONTROL TO ENSURE HARMONY
OF THE ENVIROMENT





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

ACHIEVEMENTS

- Purchase of a new house in Alfred Street, St George to increase Council's attractiveness to new employees
- Received donated Jabiru flood boat for the Thallon SES from the Department of Emergency Services

PERFORMANCE HIGHLIGHTS

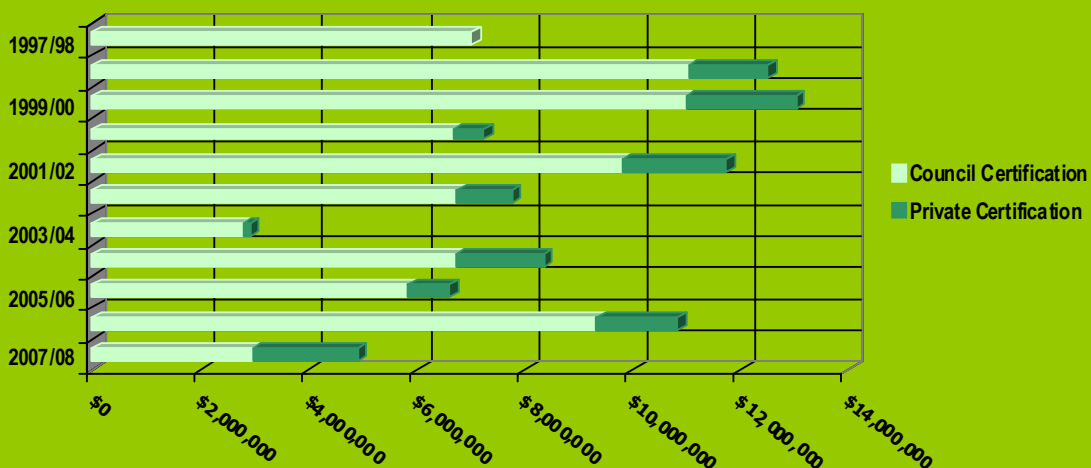
SHIRE PLANNING

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.

DEVELOPMENT APPROVALS



A total of thirty-one new allotments have been created this year.

STAFF HOUSING

The Council owns eleven (11) houses throughout the shire. Whilst these premises are intended primarily for staff accommodation, a number have been leased to the public. Council purchased an additional house at 19 Alfred Street, St George during the year. Council also carried out some painting and erected a carport at this premise. Council has installed a new kitchen, replaced the carpet and has installed a cooling tank at 51 Marie Street, St George.

WORK PROGRAMME

The WORK programme continued to operate within the shire with camps at Dirranbandi and St George. The Charleville WORK camp carried out work after the severe storm hit St George in December, 2007.

The St George and Dirranbandi WORK camps were seconded during the Charleville and Beaudesert floods in January, 2008. A total of 6,046 hours were completed by the St George WORK Camp and a total of 4,923 hours by the Dirranbandi WORK Camp.

COUNTER DISASTER AND EMERGENCY MANAGEMENT

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. Thallon SES received a Jabiru Flood Boat from the Department of Emergency Services.

Assistance was given to the Department of Primary Industries in carrying out surveillance of horse movements.

The St George group were activated after a severe storm hit St George during December 2007 and again for the Charleville Floods in January, 2008.

RECREATIONAL, CULTURE AND COMMUNITY BASED ACTIVITIES

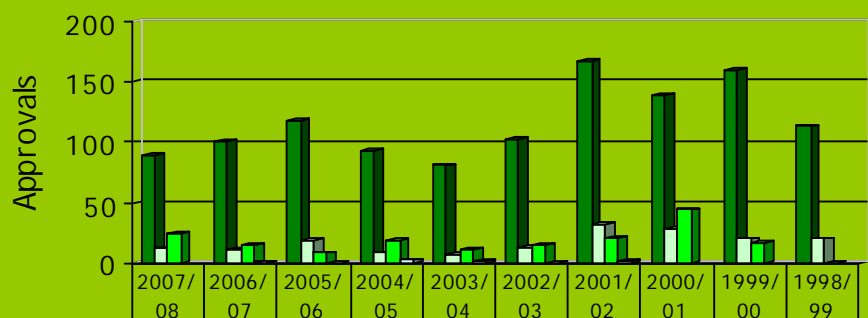
Council owns and operates Cultural Centres / Halls in St George, Dirranbandi, Hebel, Bollon, and Thallon. Qualifying community groups are able to hire these facilities for various functions at concessional rates.

An acoustics report was carried on the St George Cultural Centre. Work on this project is to be carried out during 2008/09. Reglazing work was carried out on the windows at the Dirranbandi Civic Centre during the year.

FUTURE INITIATIVES

- Enhancement of the St George Cultural Centre acoustics
- Investigation into Dirranbandi and Hebel Halls

PLANNING APPROVAL



■ Building approvals	89	101	118	93	81	103	167	139	160	113
□ Reconfiguration of Land	13	12	19	9	8	14	32	29	20	20
■ Material Change of Use	25	15	9	19	12	15	21	45	17	0
□ Operational Works approvals	1	0	3	2	0	2				



TRANSPORT AND DRAINAGE INFRASTRUCTURE

PROGRAM AREA 4

MAINTENANCE AND UPGRADE
OF INFRASTRUCTURE IS A
KEY ROLE OF COUNCIL



GOAL

To provide efficient and effective transport and drainage infrastructure

ACHIEVEMENTS

- Regravelled 19 kilometers of Gunnindaddy Road and 7 kilometers of Euraba Road
- Regravelled various sections of One Ton Post, Booligar, Diamond Tank, Woolerbilla and Narline Roads
- Resealed various streets in St George

PERFORMANCE HIGHLIGHTS

- Purchased a new street sweeper A6500XL to improve efficiency and reliability in maintaining town streets
- Upgrading of the Bollon Works depot with new ablution block

FUTURE INITIATIVES

- Improve the visual aesthetics of streetscape while providing appropriate storm water drainage
- Upgrading of Bollon depot with new fence
- Enhancement of the Whyenbah Road by bitumen sealing south from Kia Ora and loam resheeting part of Jakelwar - Goodooga Road

- Upgrading various other roads including Honeymah Lane, Euraba Road, Booligar Road, Narline Road, Woolerbilla Road, Noondoo-Thallon Road, Warrie Road, Johnston Road and Cubbie Road as part of an overall asset management plan
- Revaluation of roads, drainage and footpath infrastructure
- Continued development of an Asset Management Program
- Upgrade of water mains and road infrastructure
- Upgrade of St George Swimming Pool





COMMUNITY AND CULTURAL

PROGRAM AREA 5

A STRONG AND SELF RELIANT
COMMUNITY ENSURES OUR SOCIAL
CAPITAL IS MAINTAINED AND THE
COMMUNITY CAN GNERATE ITS
OWN RESPONSES



GOAL

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

PERFORMANCE HIGHLIGHTS

DEVELOPMENT OF NEW AND EXISTING INDUSTRIES

The past year has seen some relief from the drought conditions that have impacted the Balonne Shire in recent years. The communities within the shire continue to be resilient and dynamic trialling new techniques and crops to ensure survival. Diversity of agriculture was evident in the district with the huge range of summer crops and the continued expansion into the horticultural industry. Consistent rain throughout most of 2008 has allowed the planting of the largest winter wheat crop Balonne has produced. Should further rain be consistent to planting a good crop will go a long way in returning the rural sector to more profitable and productive times.

Economic development in the shire has been impacted through the worst part of the drought but development approval figures remain strong and are featured elsewhere in this report.

TOURISM

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 stabilized in comparison to 2006/07, based on the

number of visitors to the Balonne Shire Visitor Information Centre. Visitors to the Centre during 2007/08 amounted to 14,336 persons.

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 has continued to see upgrades which encourage 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 2007/08 co-operation has continued to increase 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.

The Balonne Shire is an active member in two highway promotion groups including the Great Inland Way Promotions Group and the

ACHIEVEMENTS

- Membership of Toowoomba and Golden West Regional Tourism Association
- Balonne Shire representation at camping and motor home shows
- Approximately 15,000 visitors through the Visitor Information Centre
- Promotion of the region in various publications such as 'Windows of the West'
- Improvement in communication technology allowing broadband access to libraries within the region
- Information provided to rural landholders concerning funding and assistance available for drought
- Holding of very successful Rotary Balonne Business Awards





Adventure Way Promotions Group. Both are considered opportunities to further jointly market and promote the shire.

ECONOMIC DEVELOPMENT

Maranoa and District Regional Organisation of Councils (MADROC) which was previously seen as a regional body to assist with Regional Economic Development has been wound up during the year. MADROC encompassed the Shires of Balonne, Warroo, Booringa, Bungil, Bendemere, Murrilla, Tara and Roma Town Council. As amalgamation reduced the number of member shires in MADROC to two, a formal organisation was no longer required, although a desire to work cooperatively still exists between shires and will be acted upon wherever reasonable. Funds which were previously allocated to MADROC have been allocated to the St George and District Chamber of Commerce for utilization for an economic development project to be implemented in the coming months.

In response to the worsening drought in Balonne, Council coordinated with the St George and District Chamber of Commerce to do a direct mail out to householders in the shire prior to rains received in December 2007. The goal was to raise awareness of funding and assistance that is available to rural landholders and to encourage them to access new drought funding announced by the Federal Government. Council in cooperation with the Rotary Club of St George, St George and District Chamber of

Commerce and local businesses organised and hosted the sixth annual Rotary Balonne Shire Council Business Awards. This is a well supported local event which climaxed at our Presentation Dinner which was hosted in St George in early October 2007. Over 300 business persons and staff attended the awards during 2007 which resulted in many local businesses going on to compete at a district and regional level.

EMERGING TECHNOLOGIES

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. During 2008 the CDMA network closed. Council hosted 3-G launches and information mornings in a number of towns in our shire that were attended and supported by Telstra. The aim was to support the introduction of the new technology and to demonstrate its effectiveness for residents. Improvement in the 3-G network has resulted in Broadband access for a number of the shire's libraries which were previously serviced by dial-up connections for internet access. Balonne Shire Council continues to support improved technology and mobile services to the district and we look forward to the expansion of the 3G network in the shire in the coming year.

CARAVAN AND CAMPING ACCOMMODATION

As the Council no longer is a direct operator of a caravan park it promotes the usage of several private facilities that are available throughout the shire amongst other 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.

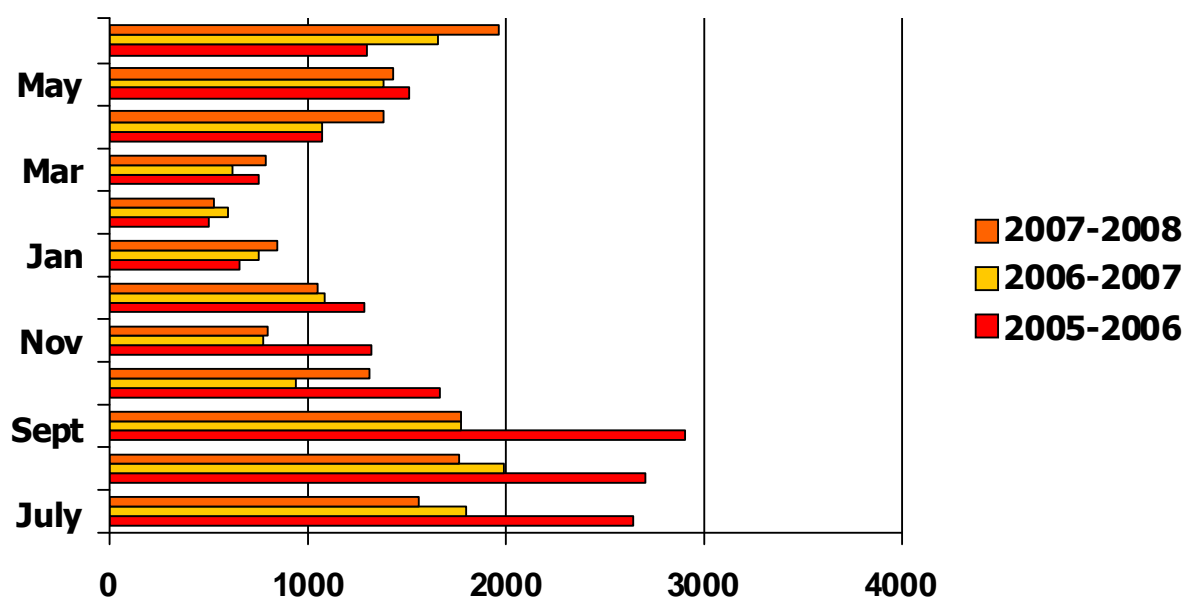
Pressure by some members of the Campervan and Motorhome Club of Australia to provide free camping facilities in the towns where private caravan park / camping facilities are available has so far been resisted. The Council's current position on this matter is that in such towns, camping on

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.

FUTURE INITIATIVES

- Employment of a Community Development Officer
- Community sign to provide service and community information
- Participation in Country Week to promote the Balonne region
- Nindigully, Mungindi and Hebel Riverbank beautification
- Development of a Youth Policy
- Completion of the Community Crime Prevention Project
- Landscaping design at Visitor Information Centre

NUMBERS OF VISITORS THROUGH THE VIC BY FINANCIAL YEAR





ENVIRONMENTAL HEALTH

PROGRAM AREA 6

COUNCIL UNDERTAKES A RANGE OF ACTIVITIES TO SUPPORT THE HEALTH AND WELLBEING OF THE COMMUNITY



GOAL

To implement policies and operational programs that will contribute to the environmental health and well being of the community

ACHIEVEMENTS

- Enforcing Council’s legal obligations under various government acts

PERFORMANCE HIGHLIGHTS

ENVIRONMENT

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.

ANIMAL CONTROL/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, two hundred and seven dogs were registered during the 2007/08 year. Council has issued infringement notices for offences under its Animal Control Local Laws. Eighteen (18) Infringement Notices were issued with seventeen (17) of them being referred to SPER for collection.

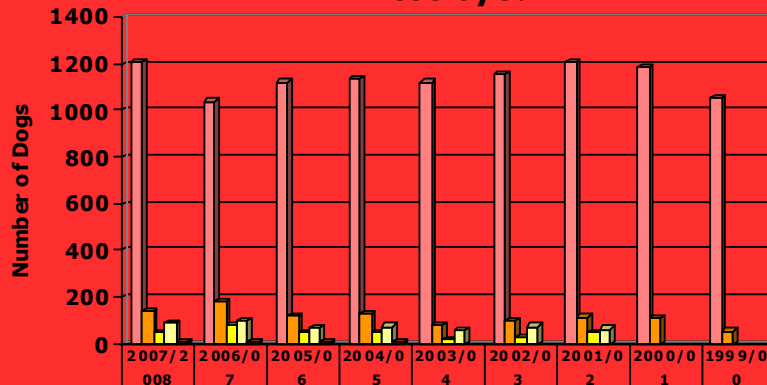
Refer to the following graphs in relation to the Animal Control Area:-

HEALTH INSPECTIONS AND EDUCATION PROGRAM

A total of one hundred and thirty-one (131) licences were issued by Council under the Health Act and other State legislation during the year. Premises licensed by Council include fuel storages, food premises such as hotels, cafes, and businesses requiring a licence under the Environmental Protection Act.

ANIMAL CONTROL

Animal Control - Registrations/Impoundings/Released and Destroyed



Animals Registered	1207	1041	1122	1140	1122	1154	1206	1185	1051
Animals Impounded	143	181	118	132	80	100	114	113	52
Animals Released	49	79	49	51	20	27	49		
Animals Destroyed	88	99	66	73	60	73	63		
Animals Stolen	6	3	3	9					

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

ENVIRONMENTAL MANAGEMENT

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 Protection Act has continued with forty-one (41) licences being issued during the year. It is pleasing to note the increased environmental

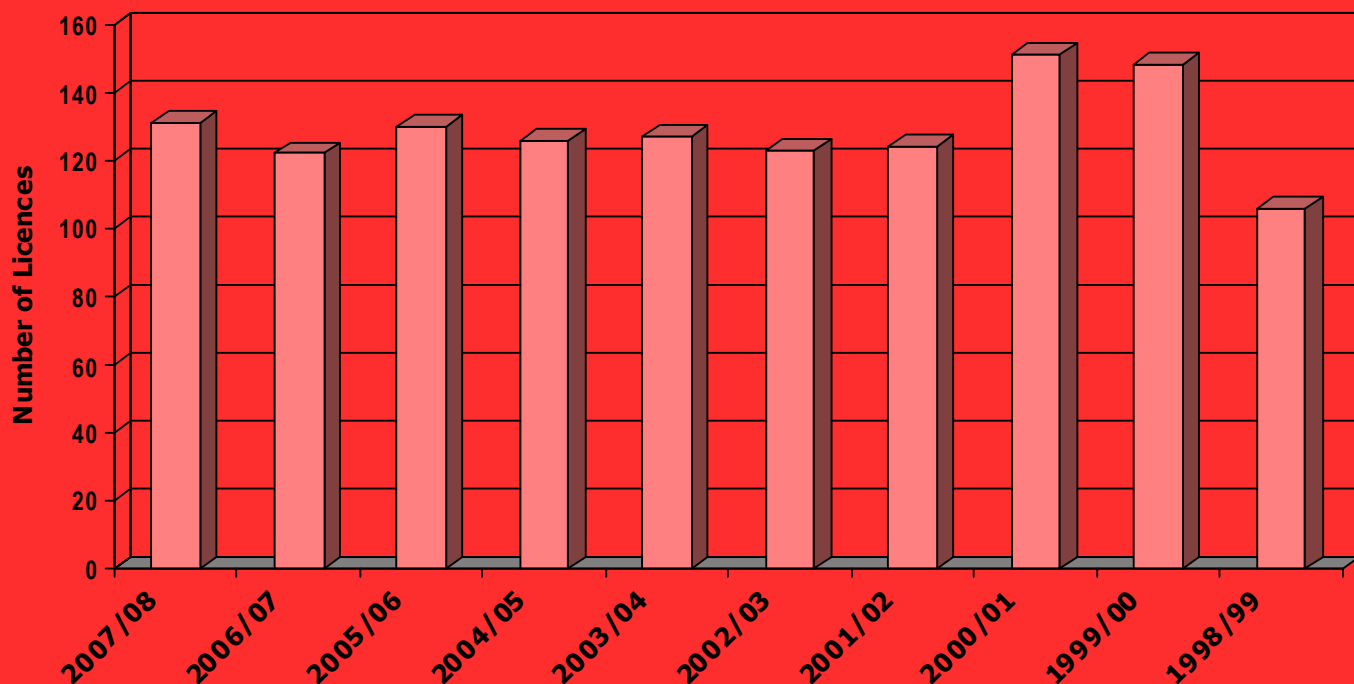
awareness amongst the community and the improved working practices of licensed businesses.

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.

FUTURE INITIATIVES

- \$8,113 has been provided by the Queensland Government as a Nuisance Management Grant to be expended in the 2008/09 for water and air quality control devices

LOCAL LICENCES ISSUED





BUSINESS SERVICES

PROGRAM AREA 7

PRIVATE WORKS PROVIDES
ADDITIONAL REVENUE FOR
COUNCIL





GOAL

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

ACHIEVEMENTS

- Constructing road works in the old Waggamba Shire
- Completion of pipeline for WORK Camp, St George

PERFORMANCE HIGHLIGHTS

- Provision of health services including animal control to the Shires of Murweh, Paroo and Quilpie
- Construction of three (3) new main roads rest areas in the Balonne Shire area

FUTURE INITIATIVES

- Increase the profitability of this area, while not at the expense of other Council functions



URBAN WATER AND URBAN WASTE WATER

PROGRAM AREA 8

WATER IS A VALUABLE RESOURCE
AND THE COMMUNITY ARE
ENCOURAGED TO USE IT WISELY





GOAL

URBAN WATER

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

URBAN WASTE WATER

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

ACHIEVEMENTS

- New St George Sewerage Treatment Plant
- Replacing water mains in the towns of Dirranbandi, Thallon and Bollon

PERFORMANCE HIGHLIGHTS

- Installation of water telemetry system upgrade in the towns of Dirranbandi and St George

FUTURE INITIATIVES

- Completion of the St George Sewerage Treatment Plant
- Operating the water and waste water functions of the Balonne Shire to best practice standards



CLEANSING

PROGRAM AREA 9

OUR REFUSE COLLECTION IS
MANAGED WISELY TO ENSURE
ENVIRONMENTAL IMPACTS
ARE MINIMISED



GOAL

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

ACHIEVEMENTS

- Re-negotiation of refuse contract with JJ Richards and Sons

**PERFORMANCE HIGHLIGHTS
REFUSE COLLECTION**

JJ Richards & Sons continued in the 2007/08 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. A new IVECO Acco truck with a 30 cubic metre capacity has been put into service. 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.

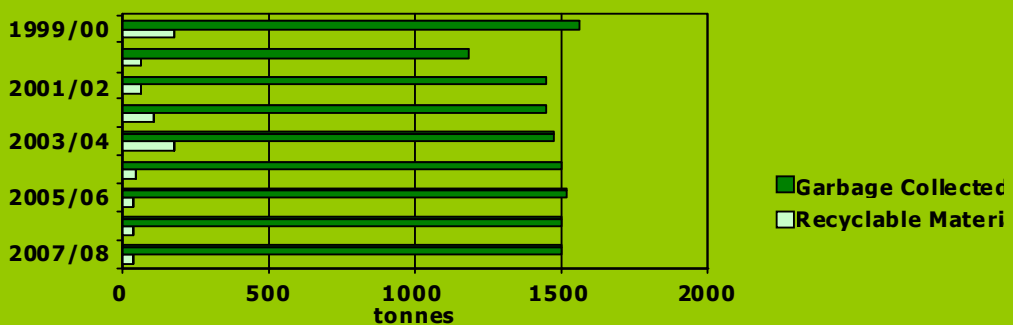
The refuse tip at Hebel was maintained in a satisfactory condition throughout the year and caused no nuisance. Credit must be given to the residents of Hebel for correctly disposing of their refuse.

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 at the dump.

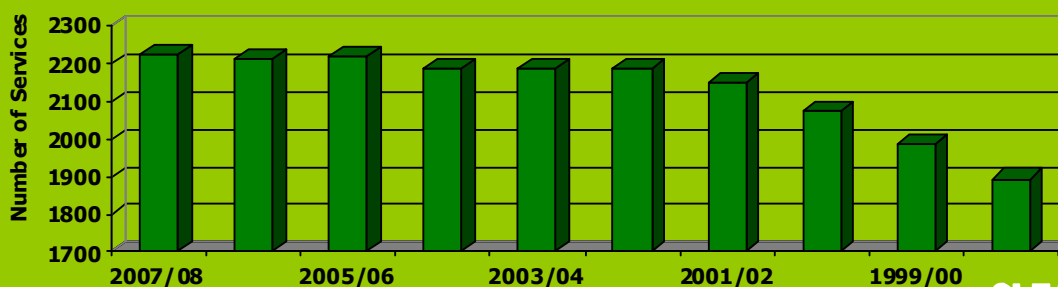
FUTURE INITIATIVES

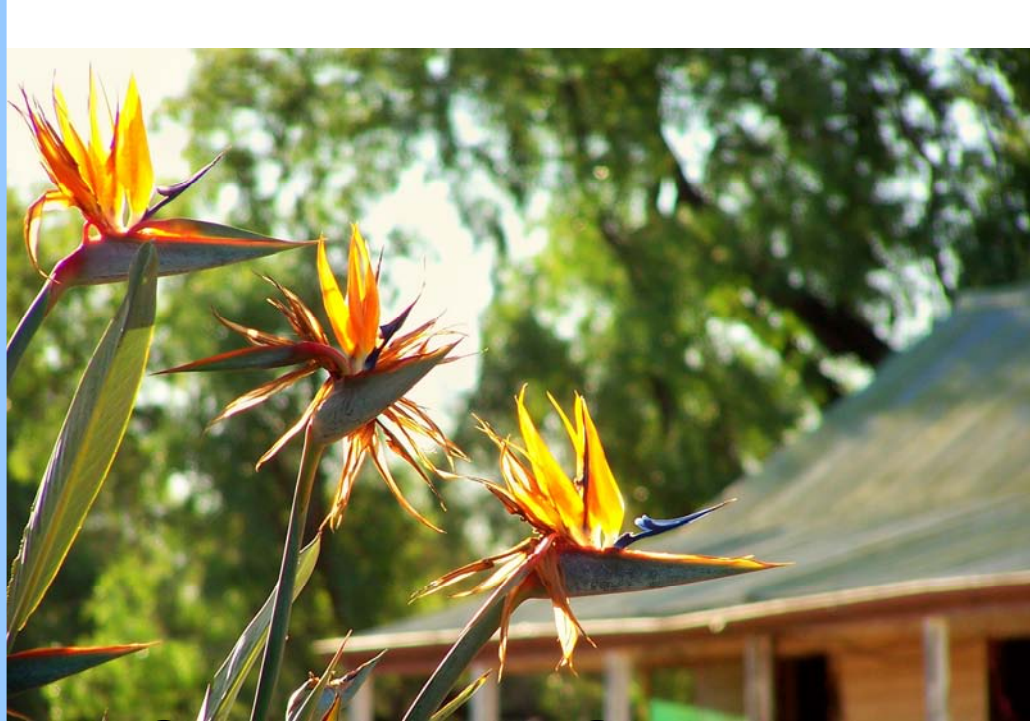
- Continuing to meet the changing needs of society

GARBAGE/RECYCLABLE MATERIAL COLLECTED



NUMBER OF GARBAGE SERVICES





STATUTORY AND OTHER INFORMATION

THE LOCAL GOVERNMENT ACT
1993 PROVIDES THE LEGISLATIVE
FRAMEWORK FOR LOCAL
GOVERNMENT OPERATIONS



SPECIAL RATES AND CHARGES

THALLON TOWN RURAL FIRE BRIGADE

SPECIAL CHARGE

For the 2007/08 year a special charge was levied on those rateable properties contained in the benefited area in the town of Thallon for the purpose of raising revenue to fund the operation of the Thallon Town Rural Fire Brigade. Funds collected are for the purpose of the ongoing operation and maintenance of the Thallon Rural Fire Brigade. During the year \$2,627.16 was collected.

TENDERS

All purchasing is conducted in accordance with Part 3 of Chapter 6 of the Local Government Act. No action was taken under Sections 488 or 489 of the Local Government Act 1993 during 2007/08.

REGISTERS AND PUBLIC DOCUMENTS

The following material is available for inspection by contacting Council's Administration Office.

REGISTERS

- Register of Charges (S975) of the Local Government Act
- Delegations by Council (S472)
- Delegations by Chief Executive Officer (S1201)
- Register of Interests (S247) – Access is subject to the provisions of (S248)
- Register of Lands (S995)
- Register of Policies (S895)
- Register of Roads (S921)
- Register of Local Laws (S895)
- Register of Development Applications

- Register of Cemetery
- Register of Fees and Charges

PUBLIC DOCUMENTS

- Corporate Plan
- Operational Plan
- Annual Report
- Shire Planning Scheme
- Meeting Agendas
- Budget
- Minutes
- Statement of Affairs
- Revenue Policy
- Revenue Statement
- Advertising Policy
- Entertainment and Hospitality Policy
- Grants to Community Organisations Policy
- General Complaints Process
- Complaints Management and Grievance Policy

Most of the above documents can be located on Council's website www.balonne.qld.gov.au.

REBATES AND CONCESSIONS

In accordance with Section 1031 of the Local Government Act 1993 Council provided a pensioner remission to all eligible pensioners in line with its policy. Council grants 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. Eligible pensioners received 100% of general rates to a maximum of \$150.00 per annum. The total amount of remission paid was \$25,614.56.

COUNCILLOR REMUNERATION POLICY

JUNE 2006 – MARCH 2008

The objective of the remuneration package was to fix the payment to the Mayor, Deputy Mayor and Councillors for services rendered in carrying out their statutory duties; and to establish a reasonable reimbursement to Councillors for expenses reasonably incurred in carrying out their statutory duties.

MAYORAL ALLOWANCE

- The annual allowance payable to the Mayor shall be \$17,000;
- This allowance will be in addition to the meeting fees; and
- 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.

DEPUTY MAYORAL ALLOWANCE

- The annual allowance payable to the Deputy Mayor shall be \$7,000;
- This allowance will be in addition to meeting fees; and
- This allowance provides for acting mayoral duties, as required in the absence of the Mayor.

COUNCILLOR ALLOWANCE

- The annual allowance payable to a Councillor, other than the Mayor and Deputy Mayor shall be \$4,000; and
- This allowance will be in addition to meeting fees

COMMUNICATION ALLOWANCE

- Elected members shall receive an annual communication allowance of \$1,500 to help defray additional telephone, facsimile and postage costs associated with their duties; and
- This allowance will be in addition to meeting fees.

MOTOR VEHICLES

- 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

MEETING FEES (PER DAY)

	COUNCILLOR			MAYOR		
greater than 4 hours duration	less than 4 hours but greater than 2 hours	less than 2 hours duration	greater than 4 hours duration	Less than 4 hours but greater than 2 hours	Less than 2 hours duration	
100%	60%	40%	110%	66%	44%	
\$180	\$108	\$72	\$198	\$119	\$79	

available, mileage allowance will not be paid; and

- 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 62.0 cents per km).

REIMBURSEMENT OF EXPENSES

- 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;
- 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 and shall be paid regardless of whether or not meals are included in the registration cost of such conferences, seminars, meetings and the like;
- 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;
- 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;
- When applicable, the payment of all airfares 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;

- 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;
- 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;
- Telephone, facsimile and postage expenses incurred by elected members in carrying out their duties are deemed to be covered by the annual communication allowance;
- 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:-
- Where the meeting is to commence before 10.00 am, accommodation/meals on the evening before the meeting; and/or
- Where the meeting does not close or adjourn until after 6.00 pm, accommodation/meals on the evening of the meeting
- 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.

METHOD OF PAYMENT

All claims for payments to Councillors, other than the mayoral, deputy mayoral, Councillor and communication allowances must be accompanied by the prescribed Councillor's time sheet.

Payment will be made as follows:-

- General/Special Meetings of the whole Council held in Chambers - by direct credit to a bank account of the Councillor's

nomination within seven 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;

- 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 seven days of time sheets being received. A time sheet will be provided at each such meeting;
- Committee meetings, deputations, inspections attended by other than the whole Council by direct credit to a bank account of the Councillor's nomination within seven days of time sheets being received;
- 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;
- Accommodation including 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; and
- Other relevant expenses incurred eg fuel - by direct credit to a bank account of the Councillor's nomination within seven days of time sheet, including proof of purchase (eg. paid tax invoice/receipt, being received.

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.

DATE OF EFFECT

The remuneration package as listed above had effect from 1 July, 2006 until March, 2008.

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.

LOCAL GOVERNMENT REMUNERATION TRIBUNAL

In August 2007, amendments were made to the Local Government Act 1993 to implement new structural arrangements for Queensland local government in response to recommendations from the Local Government Reform Commission. This included amendments to provide for the establishment of an independent Tribunal to determine Mayor, Deputy Mayor and Councillor remuneration. The Tribunal was responsible for deciding categories of local government, following consideration of criteria set out in the Local Government Act 1993, and assigning each council to a category. The Tribunal then decided the remuneration to be paid to Mayors, Deputy Mayors and Councillors, according to the categories the Tribunal has established. To make a determination about remuneration payable to Mayors, Deputy Mayors and Councillors, the Local Government Remuneration Tribunal considered size of the local government area; geographical and environmental terrain of local government areas; population of local government area, including the areas' demographics, the spread of populations serviced by the local governments; the extent of services provided by the local government; diversity of communities including cultural

diversity within the local government area; the extent of development of local government areas including economic and community development, level of infrastructure and industry; the size of the local governments and the workload associated with particular sizes, including whether Councillors of the local governments hold office on a full-time or part-time basis. Balonne Shire Council was considered a Category 2 Council.

MARCH 2008

The following resolution was passed on 4 April, 2008. Cr. Marsh moved and Cr. Winks seconded that Council adopt the Balonne Shire Councillors Remuneration Package as amended.

PURPOSE OF REMUNERATION PACKAGE

This remuneration package is to fix the basis for payment to the Mayor, Deputy Mayor and Councillors for services rendered in carrying out their statutory duties.

The remuneration does not include the reimbursement of expenses or the provision of facilities as these are dealt with under the expenses reimbursement policy to be adopted by local governments.

PRINCIPLES ON WHICH THE REMUNERATION PACKAGE IS TO BE BASED

Remuneration must fall within the range determined by the Local Government Remuneration Tribunal, if there is inconsistency between the determination of the Remuneration Tribunal and this document, the determination of the Tribunal will prevail.

Remuneration includes any fees or allowances paid to the Mayor and Councillor by a Council and is intended to provide compensation for the time and effort Councillors spend on council business.

Remuneration shall be calculated on a base rate of remuneration complemented by additional payments reflecting an individual Councillor's involvement in council affairs including attendance at council meetings,

committee meetings, meetings concerning the local government and community matters, deputations, inspections, and training and educational seminars and conferences which further the Councillor's knowledge of local government affairs and requirements.

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

MAYORAL REMUNERATION

- The annual base rate payable to the Mayor shall be \$56,950;
- Meeting fees are to be paid in addition to the base rate; and
- Total remuneration shall not exceed \$69,610.

DEPUTY MAYORAL REMUNERATION

- The annual base rate payable to the Deputy Mayor shall be \$25,310;
- Meeting fees are to be paid in addition to the base rate; and
- Total remuneration shall not exceed \$37,970.

This allowance provides for acting mayoral duties, as required in the absence of the Mayor.

COUNCILLOR REMUNERATION

- The annual base rate payable to each Councillor shall be \$18,980;
- Meeting fees are to be paid in addition to the base rate; and
- Total remuneration shall not exceed \$31,640.

DAILY MEETING FEES

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

- 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;

- 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;
- Meeting fees payable are:-

METHOD OF PAYMENT

Payment of the Mayoral, Deputy Mayoral, and Councillor allowances and any meeting fees shall be made monthly in arrears by direct deposit to a bank account of the Councillor's nomination.

DATE AND PERIOD OF EFFECT

The remuneration package as listed above will have effect from 16 March 2008, and will remain constant until the date of effect of the next Remuneration Tribunal determination as published in the Queensland Government Gazette.

REVENUE POLICY

Under Section 513A of the Local Government Act 1993 Council is required to review and adopt its Revenue Policy prior to the end of each financial year. The Revenue Policy is intended to be a strategic document. Its adoption, in advance of setting the budget,

allows Council to set out the principles that it will use to set its budget and to identify in broad terms the general strategy to be used for raising revenue. This Revenue Policy will be of interest to ratepayers, federal and state departments, community groups and other interested parties seeking to understand the revenue policies and practices of Council.

The purpose of the policy is to identify the planning framework within which Council operates and to set out the principles used by Council for:

- Making of rates and charges;
- Levying of rates;
- Recovery of rates and charges; and
- Concessions for rates and charges.

The Act empowers a local government, for a financial year, to make and levy:-

- General rate or differential general rates;
- Minimum general rate levies;
- Separate rates and charges;
- Special rates and charges; and
- Utility charges.

PAYMENT OF RATES BY INSTALMENT

Section 1015 of the Local Government Act provides that Council may, by resolution at its budget meeting authorizes the payment of rates by instalments on the terms it determines. The terms may provide for the

COUNCILLOR AND MAYOR MEETING FEES PER DAY

Where the meetings, inclusive of travel time, are:-

greater than 4 hours duration (100%) \$250	less than 4 hours but greater than 2 hours duration (60%) \$140	less than 2 hours duration (40%) \$70
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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 made a resolution to accept arrangements to pay under Section 1015 of the Act. In accordance with Section 1031 Council will accept a composition or other arrangement for unpaid rates on a case by case basis. The Council does also accept applications for payment of rates by instalment from property owners who can demonstrate a genuine financial hardship, with each application being assessed on its merits. All instalment plans must have the effect of liquidating the debt no later than the end of the current financial year unless by resolution, Council determines otherwise. Interest will continue to be charged on overdue rates which are the subject of an instalment payment plan. No premium will be charged for the payment of rates by instalments under such arrangements. If the terms are not strictly complied with Council will take action to require immediate full payment.

BREACHES AND COMPLAINTS OF COUNCIL CODE OF CONDUCT AND AGED CODE OF CONDUCT

During the year Council received no complaints in relation to the Council Code of Conduct.

COMPLAINTS RESOLVED UNDER GENERAL COMPLAINTS PROCESS

During the year Council received no complaints under the General Complaints Process.

NUMBER OF COMPLAINTS MADE TO OMBUDSMAN AND NOTIFIED TO COUNCIL

During the year no complaints were made to the Ombudsman and notified to Council.

COMPLAINTS RECEIVED IN RELATION TO BUSINESS ACTIVITIES

Council does not have any business activities identified under National Competition Policy arrangements.

BORROWINGS POLICY

In accordance with Section 525 of the Local Government Act 1993 and Section 8 of the Local Government Finance Standard 2005 requires local governments to adopt a policy about borrowings. Borrowing activities are also governed by the Statutory Bodies Financial Arrangements Act 1982. The objective of the policy is to ensure sound management of Council's existing and future debt. A policy about borrowings must be prepared for a financial year and must state the following:

- new borrowings planned for the financial year and the next 4 financial years;
- purpose of the new borrowings;

- time over which it is planned to repay existing and proposed borrowings.

COUNCIL'S BORROWING POLICY PROVIDES THAT COUNCIL WILL, WHERE NECESSARY, UNDERTAKE BORROWING FOR THE FOLLOWING PURPOSES ONLY:-

- Road works/ street works construction/reconstruction;
- Bridgeworks construction/reconstruction;
- Water Supply Infrastructure construction/reconstruction;
- Urban Waste Water Infrastructure construction/reconstruction;
- Aerodrome construction/reconstruction;
- Building construction/reconstruction;
- Drainage works construction/reconstruction; and

- Community Services Infrastructure construction/reconstruction;

During 2007/08 Council did not enter into any new borrowings.

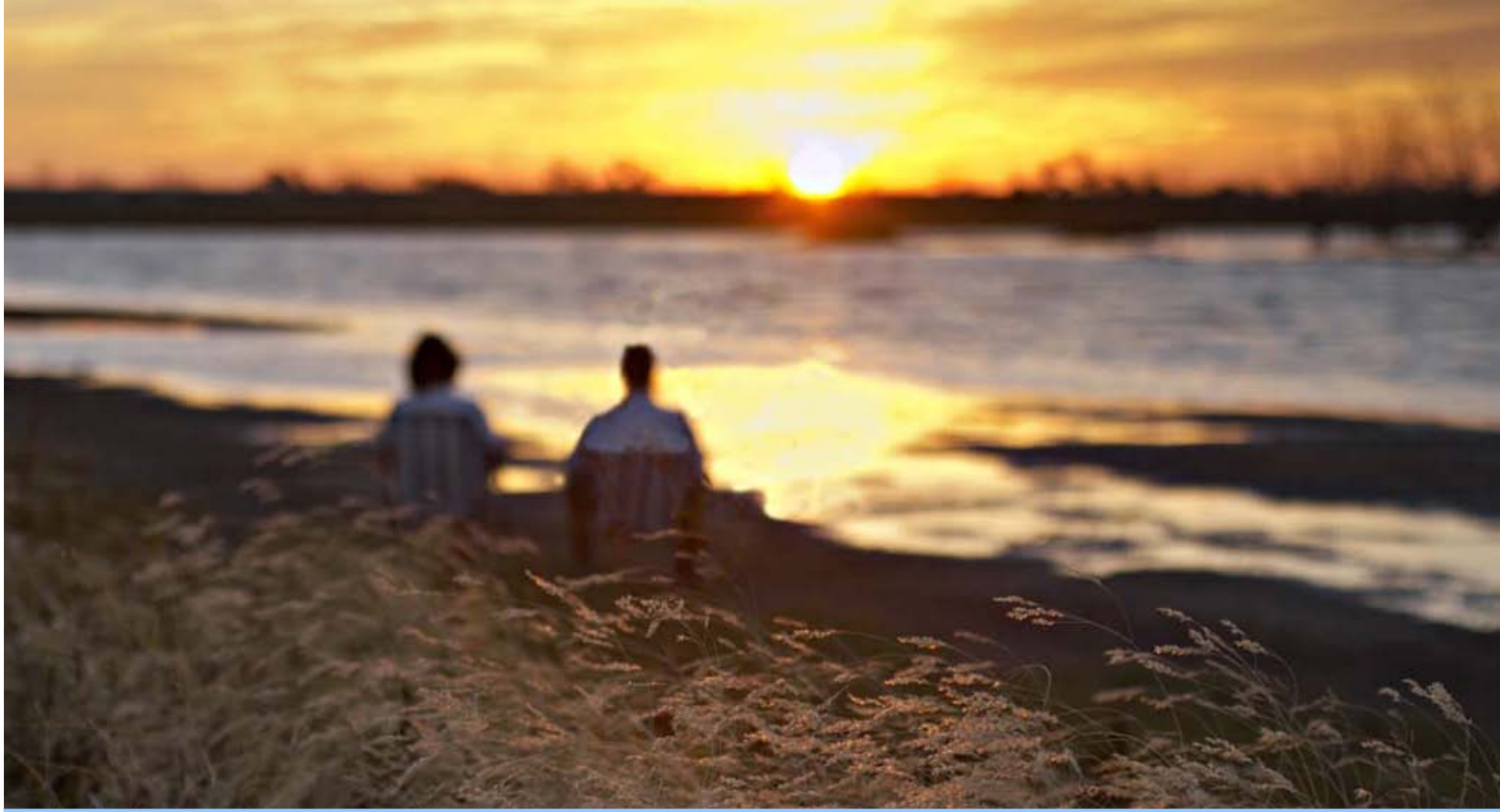
LAND AND RESERVES

BALONNE SHIRE COUNCIL HAS CONTROL OF:-

- (a) land under infrastructure – 2,377 km of roads (plus 639.58 km of main roads)
- (b) 14,040.66 hectares of reserve land that are reserves under the Land Act 1994

This land does not have a value for the Council's financial statements.





COUNCIL CONTROLLED RESERVES

REVENUE	AREA (HECTARES)
Camping and Water Reserve	10,259.72
Cemetery Reserve	9.54
Crossing Reserve	121.40
Gravel Reserve	8.09
Pasturage Reserve	660.05
Pound Reserve	102.21
Public Purposes Reserve	291.80
Recreation Reserve	0.23
Reserve for Local Government (Refuse Disposal) Purposes	22.30
Reserve for Local Government (Noxious Waste Disposal)	2.33
Reserve for Local Government (Sewerage) Purposes	0.12
Reserve for Museum	.20
Reserve for Park	6.43
Reserve for Recreation	1.13
Pasturage Reserve	239.00
Pound Reserve	8.11
Reserve for Recreation	32.02
Reserve for Scenic Purpose	12.10
Reserve for Scientific Purposes	0.02
Reserve for Water	13.00
Sanitary Depot Reserve	2.02
Sanitary Reserve	18.31
Town Reserve	593.81
Town Reserve (Extension) Reserve for Township	1601.00
Water Reserve	35.62
Water Supply Reserve	0.12
Total	14,040.66

EXPENDITURE ON CONSULTANTS

During the Year \$85,235.26 was expended on consultants

EXPENDITURE ON ENTERTAINMENT AND HOSPITALITY SERVICES

During the year \$13,207.59 was expended on entertainment and hospitality services. This amount included refreshments for community meetings, community functions, councillors and visitor luncheons and morning teas, staff functions, civic receptions and conference meals.

Australia Day	3,619.34
Christmas Party	2,085.50
Council meeting expenses	2,943.26
Councillors Road Run	582.09
Dirranbandi Pool Official Opening	2,637.72
Mayor's Challenge Bullride	112.39
Minor Functions	326.54
Murray Darling Association Dinner	236.02
Public Declaration of Office	664.73
Total	\$13,207.59

EXPENDITURE ON ADVERTISING

During the year \$27,662.80 was expended on corporate governance advertising in respect of local laws and statutory meeting notices.

Position Vacant	14,854.09
Public/Special Meeting Notice	253.39
Tenders	6,145.72
Water Notifications	1,171.57
Other Public Notices	2,737.69
Notice to Ratepayers	315.70
Visitor Information Centre	2,143.84
Total	\$27,622.00

EXPENDITURE ON OVERSEAS TRAVEL

No Councillor or staff travelled overseas during 2007/08 on Council business.



EXPENDITURE ON GRANTS TO COMMUNITY ORGANISATIONS

During the year \$31,290.54 was expended on donations and a further amount of \$3,976.04 was expended on concessions

Donations	
Tie Up The Black Dog-Maranoa Balonne Catchment	500.00
Queensland Cotton Charity Golf Day	185.15
Queensland Police Service St George -Road Safety Initiative	500.00
St George Heritage Centre	2,000.00
Special Children's Christmas	200.00
St George High -Year 11 Young Leaders	500.00
St George Bowls - Annual Goose Club	70.00
St George State High School Year 12 Dux Award	200.00
St George State High School - Magazine Donation	100.00
Warroo Balonne Regional Landcare	5,000.00
Balonne Skill Centre	3,161.50
St George State School - Water Donation	500.00
St George Skill Centre - Water Donation	500.00
St George-Christian Church - Water Donation	500.00
NAIDOC Week	450.00
Thallon State School Parents and Citizens Association	280.73
Dirranbandi Ladies Hospital	287.89
Dirranbandi Kindergarten - Quiz Night	10.00
Dirranbandi Carp Buster	700.00
Total	\$31,290.54
Concessions	
Rowden Park	
Care Balonne	100.00
Total	\$100.00
St George Cultural Centre	
142 Army Cadet Unit	95.00
Balonne Ballet Association	237.50
Balonne Masonic Lodge	179.50
Blue Light Disco Assoc. Inc.	248.00
Christian Women Communicating	36.00
Lifeline St George	48.00
St George Anglican Church Guild	255.50
St George High School Parents and Citizens Association	47.50
St George Lions Club Inc.	52.00
St. George Primary School	190.00
St. George State High School	257.50
Total	\$1,646.50
Thallon Hall	
St George Mobile Children's	648.00

Thallon Bible Group	14.00
Thallon Parents and Citizens Association	15.00
Thallon Playgroup Association	116.00
Total	\$793.00
Dirranbandi Civic Centre	
Blue Light Disco Association Inc.	164.00
Bollon State School	120.00
Dirranbandi Kindergarten Association	40.00
Dirranbandi P-10 State School	179.91
St George Mobile Children's	42.00
Total	\$545.91
Hebel Hall	
Hebel Christmas Tree	30.00
Hebel School Parents and Citizens Association	15.00
Hebel State School	12.00
Total	\$57.00
Bollon Hall	
Endeavour Foundation	60.00
Bollon State School	30.00
Total	\$90.00
Thallon Showgrounds	
Thallon Amateur Fishing Club	45.45
Total	\$45.45
Bollon Showgrounds	
St Mark's Anglican Church	698.18
Total	\$698.18
Total Concessions	\$3,976.04





STATEMENT OF AFFAIRS

A Statement of Affairs is published annually in accordance with Section 18(1) of the Freedom of Information Act. The purpose of the Statement of Affairs is to present in a consolidated, user-friendly form a comprehensive overview of Council's organisation, its relationship to the community and the various avenues for public access to Council's administrative and political processes.

Information is provided on how members of the community can obtain access to Council information about their personal affairs and correct any anomalies. The information contained in this document will be updated and published annually

CODE OF CONDUCT

As required by the Public Sector Ethics Act 1994, Balonne Shire Council developed and implemented a Code of Conduct. The Code of Conduct provides common guiding principles and the standards of ethical behaviour and conduct expected of employees and elected representatives as they perform their official duties. The Code of Conduct has strong links to customer service, professionalism and good management practices and will positively shape the culture and reputation of the shire. The Public Sector Ethics Act 1994 defines five fundamental ethics principles which must

underpin the role of a Council employee. These principles respect for the law and system of government, respect for persons, integrity, diligence and economy and efficiency are based on the traditions and conventions of responsible parliamentary government and public administration. The central idea is that public employment involves a position of trust. This Code of Conduct outlines appropriate standards of official conduct and specific requirements for work based on the five principles.

BUSINESS ACTIVITIES

Council has no business activities.

COUNCIL MEETINGS AND MINUTES

General meetings of Council are held on the third Friday of each month unless otherwise advertised. Unconfirmed minutes are available for inspection no later than ten (10) days after each meeting and copies of confirmed minutes are available for purchase at applicable photocopying charges. Council minutes may also be accessed via Council's website www.balonne.qld.gov.au.



COMMUNITY FINANCIAL REPORT

OUR COMMUNITY FINANCIAL REPORT
ASSISTS OUR READERS TO MORE
EASILY UNDERSTAND COUNCIL'S
FINANCIAL INFORMATION



The Community Financial Report is an initiative that has been legislated and implemented to give members of our community who may not readily understand the formal statements a better understanding of Council's financial performance and position. The information provided is designed to allow readers to quickly gain an understanding easily and to review trends over recent years. The Community Financial Report is a very important accountability tool as part of Council's corporate governance framework to disclose to our community our financial position and performance.

Explanatory notes on the various statements contained with the Financial Statements section are presented below to assist readers in the interpretation of the financial position.

THE INCOME STATEMENT discloses revenue and expenses and the net result from ordinary activities. In addition the statement discloses the increase in assets due to a revaluation of assets during the year.

- Revenue raised during the financial year was \$15.4M which included rates and charges \$6.27M, fees and charges \$0.2M, external contracts \$3.1M,

interest \$0.7M and grants and subsidies of \$4.99M

- Operating expenditure totaled \$12.3M which included employee costs of \$5M, materials and services \$3.5M and depreciation of \$3.6M and finance costs \$0.2M.
- The net result for the year was a surplus of \$3M.

THE BALANCE SHEET shows information about assets and liabilities and Council's net wealth at the end of the financial year.

- Community net wealth represents the interest that Council has in the net community assets of \$142.7M. This comprises retained surplus of \$19M, asset revaluation reserve \$116M and other reserves \$7M. At 30 June, 2008 building, water and sewerage assets were revalued which resulted in a 14% increase in the asset revaluation reserve.
- Council's total assets of \$147.3M less total liabilities of \$4.6M resulted in net community assets of \$142.7M.

THE STATEMENT OF CHANGES IN EQUITY (NET WEALTH) demonstrates the





movements between elements of community net wealth shown in the Statement of Financial Position.

- The change in total community net wealth from \$125M to \$143M is a consequence of the increase in the asset revaluation reserve of \$14.6M, an increase in reserves of \$3.2M and a decrease 0.1M of \$19.3M in retained surplus.

THE STATEMENT OF CASHFLOWS provides information about the sources and uses of cash during the financial year. The Statement of Cashflows is categorised into three groups, operating, investing and financing activities.

- Net cash generated by operating activities was \$5.3M
- Net cash used in investing activities was \$3.1M
- Net cash used in financing activities was \$0.4M
- Cash at the end of the period was \$10.4M that represented cash and deposits as reported in the Balance Sheet. The Cash Flow Statement shows an increase of \$1.8M in cash held

CAPITAL EXPENDITURE

During the year \$4.6M was expended on capital works. Roadworks totaled \$2M. various community and cultural facilities totaled \$1M.

RATES REVENUE RATIO

This ratio measures Council's dependence on rate income as a major source of funding. Council's dependency has remained relatively stable ranging from 35% – 41% over the past four years.

WORKING CAPITAL RATIO - ABILITY TO PAY BILLS

The working capital ratio illustrates Council's ability to pay its bills. The figure measures current assets to current liabilities. The current ratio for Council is 10:1. A generally accepted minimum benchmark across all industries is 2:1 and a review of performance over the past four years demonstrates that Council has consistently been above 2:1 demonstrating good cash management practices and a sound liquidity position.

DEBT SERVICING AND REDEMPTION COST/TOTAL REVENUE

This ratio measures interest and redemption costs as a percentage of total revenue. It demonstrates the amount of revenue required to meet Council's annual loan repayments. At 30 June, 2008 the percentage was 3.84%.

INTEREST REDEMPTION/RATES AND CHARGES

This ratio represents the total proportion of rates and charges required to pay interest and redemption charges through the year. For the 2007/08 financial year the percentage was 9.44%.

RATE ARREARS RATIO – OVERDUE RATES

Overdue rates at 30 June, 2008 were \$297,642 and represented a total outstanding of 2.95%. The ratio represents the amount of rates overdue at the end of the year divided by the net levy for the period. In accordance with Council's recovery guidelines outlined in the Revenue Policy overdue rates are pursued on a consistent basis with ratepayers given the opportunity to make instalments in genuine hardship cases.

GENERAL

The 2007/08 year closed with an increase in cash holdings of \$1.8M. Council's financial position continues to be closely monitored with prudent financial management being applied in all areas of operations to ensure the future viability of the shire.

The challenge for the future is to implement sound asset management practices to ensure all assets are properly maintained in good condition and meet the needs of our community. Council is actively participating in the LG Asset Program and towards the end of the year will be moving into its corporate planning process to develop the 2009 – 2013 Balonne Shire Corporate Plan.

LOOKING FORWARD

Council's budget for 2008/09 is anticipated to be in the order of \$25.7M. This includes \$8.5M for current expenditure (which excludes depreciation) and \$12.7M on capital expenditure. Capital expenditure represents approximately 50% of total expenditure whilst 33% represents operational expenditure. It is anticipated to close the 2008/09 year with a balance of approximately \$8.3M.

There is a significant capital works program. Key activities include:

- Noondoo Thallon Road (dependent on negotiations with Queensland Government)
- Culgoa Bridge - Widen to 6.8 meters
- St George Treatment Plant

Over 2008/09 Council will continue its strategic planning processes to implement long term planning for its infrastructure assets. Council is very cognizant of increasing challenges faced and it is important to be armed with information upon which to make decisions so that choices can be made about facilities and services, maintenance of infrastructure and development of a self-sustaining community. Prudent financial management is essential to ensure the ongoing financial viability of the shire.

CAPITAL EXPENDITURE	\$'000
Land	168
Buildings	1,197
Furniture, fittings and equipment	25
Plant and equipment	679
Transport	2,185
Urban water	279
Urban waste water	0
Other assets	146
TOTAL	\$4,679

	2003/04	2004/05	2005/06	2006/07	2007/08
	\$'000	\$'000	\$'000	\$'000	\$'000
SNAPSHOT					
For the Year					
Net rates income	4,717	4,902	5,212	5,896	6,273
Operating income	8,398	9,268	12,100	12,583	13,992
Capital income	2,246	2,923	2,604	2,511	1,410
Operating expenses	11,406	13,150	13,366	11,960	12,331
Net result from ordinary activities	(762)	(959)	1,338	3,134	3,071
Capital expenses	3,799	3,468	3,781	5,671	4,551
Cash balances	2,693	3,319	5,630	8,568	10,382
At Year End					
Reserves	55,206	105,185	105,535	105,685	123,439
Total assets	77,432	125,308	126,916	129,883	147,342
Total liabilities	5,597	5,189	4,969	4,800	4,607
Total equity	71,835	120,119	121,947	125,083	142,735



INCOME STATEMENT

	\$'000
Revenue	15,402
Operating Expenses	(12,331)
Net result for year	3,071
BALANCE SHEET	
Current assets (inc. cash & deposits)	11,651
Non current assets	135,691
Total assets	147,342
Current liabilities	1,414
Non current liabilities	3,193
Total liabilities	4,607
Net community assets	142,735
Retained capital	19,296
Reserves	123,439
Total community equity	142,735
STATEMENT OF CHANGES IN EQUITY	
Balance at beginning of year	125,082
Asset Valuations	14,582
Net result for year	3,071
Total change in community equity	17,653
Total change equity at end of year	142,735
STATEMENT OF CASH FLOWS	
Operating activities	5,337
Investing activities	-3,116
Financing activities	-406
Net increase in cash held	1,815
Cash at beginning of year	8,568
Cash at end of reporting year	10,382



ANNUAL FINANCIAL STATEMENTS

AUDITED

FOR THE YEAR ENDED
30 JUNE 2008



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BALONNE SHIRE COUNCIL INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

	<u>Notes</u>	<u>2008 Actual</u> (\$'000)	<u>2007 Actual</u> (\$'000)
INCOME			
REVENUE			
RECURRENT REVENUE			
Net rate and utility charges	3	6,273	5,896
Fees and charges	3	200	200
Rental income	3	113	102
Interest received	3	672	464
Sales - contract and recoverable works	3	3,099	2,431
Other recurrent income	3	77	109
Grants, subsidies, contributions and donations	4	3,559	3,381
TOTAL RECURRENT REVENUE		13,992	12,583
CAPITAL REVENUE			
Grants, subsidies, contributions and donations	4	1,429	2,526
TOTAL CAPITAL REVENUE		1,429	2,526
TOTAL REVENUE		15,421	15,109
GAIN/(LOSS) ON DISPOSAL OF NON-CURRENT ASSETS	5	(19)	(15)
REDUCTION IN PROVISION FOR LAND RESTORATION		0	0
TOTAL INCOME		15,402	15,095
EXPENSES			
RECURRENT EXPENSES			
Employee benefits	6	(5,004)	(4,803)
Materials and services	7	(3,520)	(2,694)
Finance costs	8	(198)	(221)
Depreciation and amortisation	9	(3,609)	(4,242)
TOTAL RECURRENT EXPENSES		(12,331)	(11,960)
CAPITAL EXPENSES			
Impairment losses		-	-
Provision for restoration of land		-	-
Revaluation decrements		-	-
		-	-
TOTAL EXPENSES		(12,331)	(11,960)
NET RESULT ATTRIBUTABLE TO COUNCIL		3,071	3,135

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

BALONNE SHIRE COUNCIL BALANCE SHEET

AS AT 30 JUNE 2008

	<u>Notes</u>	<u>2008 Actual</u> <u>(\$'000)</u>	<u>2007 Actual</u> <u>(\$'000)</u>
CURRENT ASSETS			
Cash and cash equivalents	10	10,382	8,568
Trade and other receivables	11	786	597
Inventories	12	188	221
Other financial assets	13	58	55
Non-current assets classified as held for sale	14	236	200
TOTAL CURRENT ASSETS	2	11,651	9,639
NON-CURRENT ASSETS			
Property, plant and equipment	15	134,652	119,141
Capital works in progress	16	1,007	1,076
Intangible assets	17	33	26
TOTAL NON-CURRENT ASSETS	2	135,691	120,244
TOTAL ASSETS		147,342	129,883
CURRENT LIABILITIES			
Trade and other payables	18	538	398
Borrowings	19	434	406
Provisions	21	425	386
Other		17	39
TOTAL CURRENT LIABILITIES		1,414	1,228
NON-CURRENT LIABILITIES			
Trade and other payables	18	-	-
Borrowings	19	2,217	2,651
Provisions	21	976	922
Other		-	-
TOTAL NON-CURRENT LIABILITIES		3,193	3,572
TOTAL LIABILITIES		4,607	4,800
NET COMMUNITY ASSETS		142,735	125,082
NON-CURRENT LIABILITIES			
		-	-
TOTAL LIABILITIES		-	-
COMMUNITY EQUITY			
Asset revaluation reserve	24	116,013	101,432
Retained surplus/(deficiency)	22	19,296	19,398
Other reserves	23	7,426	4,253
TOTAL COMMUNITY EQUITY		142,735	125,082

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

BALONNE SHIRE COUNCIL STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2008

	Notes	Asset revaluation reserve		Retained surplus		Other reserves		Total	
		2008 Actual (\$'000)	Note 24 2007 Actual (\$'000)	2008 Actual (\$'000)	2007 Actual (\$'000)	2008 Actual (\$'000)	Note 23 2007 Actual (\$'000)	2008 Actual (\$'000)	2007 Actual (\$'000)
OPENING BALANCE	23 24	101,432	101,432	19,398	16,413	4,253	4,103	125,082	121,948
Adjustments to opening equity		-	-	-	-	-	-	-	-
ADJUSTED OPENING EQUITY		101,432	101,432	19,398	16,413	4,253	4,103	125,082	121,948
Revaluations of property, plant and equipment		14,582	-	-	-	-	-	14,582	-
Available for sale investments:									
Valuation gains/(losses)		-	-	-	-	-	-	-	-
Transferred to income statement on sale		-	-	-	-	-	-	-	-
Impairment losses		-	-	-	-	-	-	-	-
Change in value of future rehabilitation costs		-	-	-	-	-	-	-	-
NET INCOME RECOGNISED DIRECTLY IN EQUITY	23 24	14,582	-	-	-	-	-	14,582	-
Surplus for the period		-	-	3,071	3,135	-	-	3,071	3,135
TOTAL RECOGNISED INCOME AND EXPENSE		14,582	-	3,071	3,135	-	-	17,653	3,135
TRANSFERS TO AND FROM RESERVES									
Transfers to general reserves		-	-	(4,256)	(1,737)	4,256	1,737	-	-
Transfers from general reserves		-	-	1,083	1,587	(1,083)	(1,587)	-	-
TOTAL TRANSFERS TO AND FROM RESERVES	23 24	-	-	(3,173)	(150)	3,173	150	-	-
CLOSING BALANCE		116,013	101,432	19,296	19,398	7,426	4,253	142,735	125,082

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

BALONNE SHIRE COUNCIL STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2008

	<u>Notes</u>	<u>2008 Actual</u> (\$'000)	<u>2007 Actual</u> (\$'000)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		9,323	9,401
Payments to suppliers and employees		(8,187)	(7,729)
		1,136	1,672
Interest received		712	447
Rental income		94	102
Non-capital grants and contributions		3,581	3,365
Borrowing costs		(186)	(212)
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES	11		
	30	5,337	5,374
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for property, plant and equipment		(4,551)	(5,671)
Payments for intangible assets		(15)	(1)
Net movement on loans and advances		-	9
Proceeds from sale of property, plant and equipment	5	96	1,203
Grants, subsidies, contributions and donations		1,354	2,403
NET CASH INFLOW (OUTFLOW) FROM INVESTING ACTIVITIES		(3,116)	(2,057)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	20	-	-
Repayment of borrowings	20	(406)	(380)
Net cash inflow (outflow) from financing activities		(406)	(380)
NET INCREASE (DECREASE) IN CASH HELD		1,815	2,938
Cash at beginning of reporting period		8,568	5,630
CASH AT END OF REPORTING PERIOD	10	10,382	8,568

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

NOTE 1: BALONNE SHIRE COUNCIL SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2008

1.A BASIS OF PREPARATION

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and complies with the requirements of the Local Government Act 1993 and the Local Government Finance Standard 2005.

1.B STATEMENT OF COMPLIANCE

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Because the Council is a not-for-profit entity and the Australian accounting standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS), to the extent these inconsistencies are applied this Report does not comply with IFRS. The main impact is in the offsetting of revaluation and impairment gains and losses within a class of assets.

This financial report has been prepared under the historical cost convention except for the revaluation of certain non-current assets.

1.C ADOPTION OF NEW ACCOUNTING STANDARDS.

AASB7 applies for the first time this year. This standard relates to the presentation of information and does not impact on the result or position disclosed.

The following Australian Accounting Standards, issued on the dates shown, are not mandatory for the financial year 2007-08 and have not been applied.

AASB8 Operating Segments (Feb 2007)
AASB101 Presentation of Financial Statements (September 2007)

AASB123 Borrowing Costs (June 2007)
AASB1004 Contributions (December 2007)
AASB1051 Land under Roads (December 2007)
AASB1052 Disaggregated Disclosures ((December 2007)
AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB8 (February 2007)
AASB2007-6 Amendments to Australian Accounting Standards arising from AASB123 (June 2007)
AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB101 (September 2007)
AASB 2007-9 Amendments to Australian Accounting Standards arising from the review of AAS27, AAS29, and AAS31 (December 2007)
AASB Interpretation 1038 Contributions by Owners made to Wholly-Owned Public Sector Entities

It is not expected that the new standards would have made a substantial difference to the results if they had been applied to this accounting period. Most of the changes are matters of presentation.

1.D CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies. Estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Council and that are believed to be reasonable under the circumstances.

The estimates and assumptions that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year are referred to in the appropriate notes to the financial statements.

1.E CURRENCY

The Council uses the Australian Dollar as its functional currency and its presentation currency.

1.F CONSTITUTION

The Balonne Council is constituted under the Queensland Local Government Act 1993 and is domiciled in Australia.

1.G DATE OF AUTHORISATION

The financial report was authorised for issue on the date it was submitted to the Auditors for final signature. This is the date the management certificate is signed.

The Local Government has the power to amend the Financial Report after it is authorised for issue until the adoption of the report by the Local Government as part of the Annual Report.

1.H CHANGES TO ACCOUNTING POLICIES

Unless otherwise stated, accounting policies are the same as for the previous year.

The accounting policy has been changed in respect of Assets arising from Restoration Provisions.

Previously, assets arising from restoration provisions for refuse dumps and quarries were treated as intangible assets and amortised over their useful lives.

On advice received, it has been decided more relevant and reliable information is provided by treating these items as follows.

Refuse dumps are on State reserves which the council does not control. The cost of the provisions for restoration of these should therefore be treated as an expense in the year the provision is first recognised.

Gravel pits are land. The cost of the restoration provision should therefore be added to the cost of the land as an improvement and amortised over the expected useful life of the pit.

1.I RATES, GRANTS AND OTHER REVENUE

Rates, Grants and Other Revenue are recognised as revenue on receipt of funds or earlier unconditional entitlement to the funds.

(i) Rates

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.

(ii) Grants and subsidies

Where the Council has an obligation to use a grant or subsidy in a particular manner the amount is recognised as revenue on receipt. An equivalent amount is placed in the constrained works reserve until the obligation is satisfied.

(iii) Non-cash contributions

Non-cash contributions in excess of the recognition thresholds set out in note 1.R in value are recognised as revenue and as non-current assets. Non-cash contributions below the thresholds are recorded as revenue only.

(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.

1.J CASH AND CASH EQUIVALENTS

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

1.K RECEIVABLES

Trade receivables are recognised initially at fair value due at the time of sale or service delivery and subsequently measured at

amortised cost using the effective interest method, less provision for impairment. Settlement of these amounts is required within 30 days from invoice date.

The collectability of receivables is assessed periodically and, if there is objective evidence that Council will not be able to collect all amounts due, the carrying amount is reduced with provision being made for impairment. The loss is recognised in other expenses.

The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated cash flows, discounted at the effective interest rate. Increases in the provision for impairment are based on loss events.

All known bad debts were written-off against the provision for impairment at 30 June. Subsequent recoveries of amounts previously written off are credited against other expense in the income statement.

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

1.L OTHER FINANCIAL ASSETS

Other Financial Assets are recognised at cost.

1.M FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Balonne Shire Council has categorised the financial assets and financial liabilities held at balance date as follows:

<u>Financial Assets</u>	<u>Categorisation</u>
Cash	
Receivables (at amortised cost)	Loans and receivables
Other financial assets	As applicable

<u>Financial Liabilities</u>	<u>Categorisation</u>
Payables	Financial liability (at cost)
Borrowings	Financial liability (at amortised cost)

Financial assets and financial liabilities are presented separately from each other, offsetting has not been applied.

The fair value of financial assets and liabilities must be estimated for recognition and measurement and for disclosure purposes.

The fair value of financial instruments is determined as follows:

The fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximate their carrying amounts and are not disclosed separately below.

The fair value of Borrowings, as disclosed in the notes to the accounts, is determined by reference to published price quotations in an active market and/or by reference to pricing models and valuation techniques. It reflects the value of the debt if the Council repaid it in full at balance date. As it is the intention of the Council to hold its borrowings for their full term, no adjustment provision is made in these accounts.

The fair value of other monetary financial assets and financial liabilities is based on market prices where a market exists, or is determined by discounting expected future cash flows by the current interest rate for financial assets and liabilities with similar risk profiles.

The fair value of trade receivables and payables are assumed to approximate their nominal value less estimated credit adjustments.

The fair value of prepayments is represented by the book value as the period of time to consumption is short and there are no rates involved in the calculation, therefore they are not disclosed separately below.

Available for sale financial assets are measured at cost, as fair value cannot be reliably measured, therefore no fair value is disclosed.

1.N INVENTORIES

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

Inventories held for distribution are:

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

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

1.O LAND HELD FOR RESALE

Land acquired with the intention of reselling it (with or without further development) is classified as inventory. As inventory this land is valued at the lower of cost or net realisable value. Inventory items are always treated as current assets.

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

1.P INVESTMENTS

Financial institution deposits at call and term deposits are treated as cash equivalents. Interest revenues are recognised on an accrual basis.

1.Q INVESTMENT PROPERTY

Investment property, which is property held for the primary purpose of earning rentals and/or capital appreciation and held for future development and sale, and property held by the Council without any specific purpose (such as land no longer required for its original purpose) is investment property.

Investment property is measured using the fair value model. This means it is initially recognised at cost including transaction costs. Where investment property is acquired at no or nominal cost it is recognised at fair value. Investment

property is subsequently carried at fair value at the balance sheet date. Gains or losses arising from changes in the fair value of investment property are included in the income statement for the period in which they arise. Investment property is not depreciated and is not tested for impairment.

Rental revenue from investment property is recognised as income on a periodic straight line basis over the lease term.

Council Housing is not classed as investment property as their sole purpose is to provide housing for staff. 110 Victoria Street, St George is not considered to be an investment property as the land is held for future Administrative and Cultural Precinct.

1.R PROPERTY, PLANT AND EQUIPMENT

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. Items of office furniture and equipment and information technology with a total value of less than \$1,000, and infrastructure assets, other plant and equipment assets and buildings with a total value of less than \$10,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised. All land is capitalised, regardless of value.

The classes of property, plant and equipment recognised by the Council are:

Land
Buildings
Transport Infrastructure
Water Supply Infrastructure
Waste Water Supply Infrastructure
Plant and Equipment
Furniture and Fittings
Other Non-Current Assets

(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.

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

(ii) 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.

The Council has determined that individual items of plant and equipment with a cost in excess of \$500,000 are of high value to the local government. There are no items which meet these criteria. All other items of plant and equipment are measured on the cost basis.

(iii) Valuation

Land, buildings, major plant and equipment, infrastructure and heritage and cultural assets are measured on the revaluation basis, at fair value, in accordance with AASB116 Property, Plant and Equipment and the Local Government Finance Standard 2005. Other plant and equipment is measured at cost.

Non-current physical assets measured at fair value are revalued where required so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This revaluation may involve the application of a suitable index to the cost elements of each asset, or may involve an independent assessment of

the value. 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 15(a).

Plant and equipment, other than major plant and equipment, are measured at depreciated cost. The carrying

(iv) Major plant

The Council has determined that plant which has an individual cost in excess of \$500,000 is of high value to the Council. Plant which meets these criteria is major plant if it is prone to a high degree of price fluctuations or in danger of becoming obsolete. There are no items which meet these criteria.

(v) Depreciation

Land is not depreciated as it has an unlimited useful life. Depreciation on other 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.

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. Currently no spares are above the threshold and are not capitalised.

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.

The estimated useful lives of property, plant and equipment are reviewed annually. Details of the range of useful lives for each class of asset are listed below.

ASSET	RANGE OF ESTIMATED USEFUL LIFE IN YEARS
Land	Not depreciated
Buildings	15 - 100
Transport Infrastructure	10 - 100
Water Supply Infrastructure	2 - 100
Waste Water Supply Infrastructure	3 - 100
Plant and Equipment	1 - 40
Furniture and Fittings	5 - 60
Other Non-Current Assets	1 - 100

(vi) Unfunded depreciation

Balonne Council has elected not to fund depreciation expenses for assets that 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.

1.S INTANGIBLE ASSETS

Only intangible assets which have a cost exceeding \$10,000 are recognised as intangible assets. (except for Software which has a recognition threshold of \$1,000).

Expenditure on internally generated intangible assets is recognised from the date of the approval by the Council of a capital expenditure authorisation for the acquisition or development of the asset. This approval is taken to indicate that the project meets the criteria for recognition in AASB138.57

Expenditure on internally generated assets, up to the decision to generate the asset in a particular form, is research expenditure and is not capitalised.

It has been determined that there is not an active market for any of the Council's intangible assets. Therefore, the assets are

recognised and carried at cost less accumulated amortisation and accumulated impairment losses.

1.T CAPITAL WORK IN PROGRESS

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

1.U IMPAIRMENT OF NON-CURRENT ASSETS

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the department determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

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

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been

determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.V 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.

(i) Finance leases

Finance leases are capitalised in that a lease asset and a liability equal to the fair value of the leased property (or the present value of the minimum lease payments, if lower) are recorded at the inception of the lease. Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are charged as finance costs. The asset is accounted for on the same basis as other assets of the same class. Contingent rentals are written off as an expense in the accounting period in which they are incurred.

Balonne Shire Council as at the 30th June 2008 did not have any Finance Leases.

(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.

1.W PAYABLES

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

1.X LIABILITIES - 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. 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.

(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 payable and not as a provision.

(ii) Annual leave

A liability for annual leave is recognised. The current portion is based on current wage and salary levels and includes related employee on-costs. The non-current portion is based on projected future wage and salary levels and related employee on-costs, discounted to present values.

(iii) Sick leave

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.

(iv) 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 28.

(v) 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 projected future increases in those rates and includes related employee on-costs.

1.Y BORROWINGS

Loans payable are measured at amortised cost using the effective interest rate method.

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

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

Borrowing costs are treated as an expense, as assets constructed by the council are generally completed within one year and therefore are not considered to be qualifying assets.

Gains and losses on the early redemption of borrowings are recorded in other revenue / expense.

Borrowings are classified as current liabilities unless the Corporation has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

1.Z ASSET REVALUATION RESERVE

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

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

Where a class of assets is decreased on

revaluation, that decrease is offset first against the amount remaining in the asset revaluation reserve in respect of that class. Any excess is treated as an expense.

When an asset is disposed of the amount in the reserve in respect of that asset is retained in the reserve.

1.AA RESERVES

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

(i) Future capital works reserve

This reserve represents amounts set aside for the future capital projects.

(ii) Asset replacement reserve

Funding that Council receives from Road Infrastructure, Urban Water, Urban Waste Water and Cleansing Programs are to be spent on those programs any surplus funds are to be put to the relevant reserve.

(iii) Constrained works reserve

This reserve represents contributions received for capital works where the required works have not yet been carried out.

(iv) Reserve held for future recurrent expenditure

This is a cash backed reserve and represents amounts that are accumulated within the Council to meet anticipated future recurrent or operating expenditure needs. In each case the amount relates to a perceived future requirement which is not currently a liability.

1.AB 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.

1.AC NATIONAL COMPETITION POLICY

The Council has reviewed its activities, details can be found in Note 32.

1.AD 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.

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

1.AE FINANCIAL RISK MANAGEMENT

The Council minimises its exposure to financial risk in the following ways:

Investments in financial assets are only made where those assets are with a bank or other financial institution in Australia and are for a period of less than one year.

The Council does not invest in derivatives or other risky investments.

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

Details of financial instruments and the associated risks are shown at note 31.

1.AF JUDGEMENTS AND ASSUMPTIONS

The council has made no judgements or assessments which may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.AG 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 in 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 the notes to the financial statements for information purposes only.

For details see note 29.

1.AH TAXATION

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



NOTE 2a: **BALONNE SHIRE COUNCIL** **COMPONENTS OF COUNCIL** **FUNCTIONS**

FOR THE YEAR ENDED 30 JUNE 2008

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

MAJOR PROGRAMMES

0100 - Finance

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

0200 - Administration/Corporate Services

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

0300 - Planning and 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.

0400 - Transport and Drainage Infrastructure Services

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

0500 - Community and Cultural

Goal: To encourage and participate in the continuing development of community

services and cultural activities and to foster strong community spirit.

0600 - Environmental and Health Services

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

0700 - Commercial Services

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

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.

5000 - Urban Water

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

6000 - Cleansing

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



BALONNE SHIRE COUNCIL

NOTE 2b: ANALYSIS OF RESULTS BY FUNCTION

For the year ended 30 June 2008

	Gross recurring income	Gross capital income	Eliminate inter-fn trans.	Total income	Gross recurring expenses	Gross capital expenses	Eliminate inter-fn trans.	Total expenses	Net result from recurring	Net result attributable to council	Assets
	2008	2008	2008	2008	2008	2008	2008	2008	2008	2008	2008
Income and expenses defined between recurring and capital are attributed to the following functions:											
Finance	6,924	-	-	6,924	66	-	-	66	6,858	6,858	11,225
Administration/Corporate Services	55	-	-	55	1,000	-	-	1,000	(945)	(945)	2,709
Planning and Development	94	-	-	94	357	-	-	357	(262)	(262)	301
Transport and Drainage Infrastructure Services	1,219	648	-	1,867	3,811	-	-	3,811	(2,592)	(1,944)	95,836
Community and Cultural	147	434	-	581	1,470	-	-	1,470	(1,323)	(889)	18,648
Environmental and Health Services	68	8	-	77	950	-	-	950	(882)	(874)	848
Commercial Services	3,105	0	-	3,105	2,898	-	-	2,898	206	206	0
Urban Waste Water	694	320	-	1,014	392	-	-	392	302	622	5,093
Urban Water	1,299	0	-	1,299	1,030	-	-	1,030	269	269	12,648
Cleansing	387	0	-	387	357	-	-	357	30	30	33
Total Council	13,992	1,410	-	15,402	12,331	-	-	12,331	1,661	3,071	147,342
Controlled entity net of eliminations	-	-	-	-	-	-	-	-	-	-	-
Total consolidated	13,992	1,410	-	15,402	12,331	-	-	12,331	1,661	3,071	147,342

NOTE 2b: ANALYSIS OF RESULTS BY FUNCTION

	Gross recurring income	Gross capital income	Eliminate inter-fn trans.	Total income	Gross recurring expenses	Gross capital expenses	Eliminate inter-fn trans.	Total expenses	Net result from recurring	Net result attributable to council	Assets
	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)

INCOME AND EXPENSES DEFINED BETWEEN RECURRING AND CAPITAL ARE ATTRIBUTED TO THE FOLLOWING FUNCTIONS:

Finance	6,309	-	-	6,309	237	-	-	237	6,072	6,072	9,219
Administration/Corporate Services	55	51	-	107	774	-	-	774	(719)	(668)	1,742
Planning and Development	97	10	-	108	340	-	-	340	(243)	(232)	293
Transport and Drainage Infrastructure Services	1,189	1,787	-	2,975	4,151	-	-	4,151	(2,962)	(1,176)	94,199
Community and Cultural	184	641	-	825	1,293	-	-	1,293	(1,109)	(468)	11,046
Environmental and Health Services	78	13	-	91	977	-	-	977	(899)	(886)	699
Commercial Services	2,437	-	-	2,437	2,334	-	-	2,334	103	103	-
Urban Waste Water	669	-	-	669	474	-	-	474	195	195	4,138
Urban Water	1,203	10	-	1,212	1,009	-	-	1,009	193	203	8,538
Cleansing	362	-	-	362	370	-	-	370	(8)	(8)	8
Total Council	12,583	2,512	-	15,094	11,960	-	-	11,960	623	3,135	129,883
Controlled entity net of eliminations	-	-	-	-	-	-	-	-	-	-	-
Total consolidated	12,583	2,512	-	15,094	11,960	-	-	11,960	623	3,135	129,883

NOTE 3: BALONNE SHIRE COUNCIL REVENUE ANALYSIS

FOR THE YEAR ENDED 30 JUNE 2008

<u>Notes</u>	<u>2008 Actual</u> (\$'000)	<u>2007 Actual</u> (\$'000)
(A) RATES AND CHARGES		
General rates	4,611	4,376
Separate rates	7	7
Water	1,374	1,235
Water consumption, rental and sundries	68	67
Sewerage	796	768
Waste management	442	413
Total rates and utility charge revenue	7,297	6,867
Less: Discounts	(999)	(946)
Less: Pensioner remissions	(26)	(25)
Net rates and utility charges	6,273	5,896
(B) FEES AND CHARGES		
Fees and Charges	200	200
	200	200
(C) RENTAL INCOME		
Aerodrome Lease Fees	18	18
110 Victoria Street	11	0
Council Housing	70	72
Water Tower Rental	13	12
	113	102
(D) INTEREST RECEIVED		
Interest received from investments	655	450
Interest from overdue rates and utility charges	17	14
	672	464
(E) SALES - CONTRACT AND RECOVERABLE WORKS		
Sales - Contracts and recoverable works	3,099	2,431
	3,099	2,431

The amount recognised as revenue for contract revenue during the period is the amount receivable in respect of invoices issued during the period. There are no contracts in progress at the year end. The contract work carried out is not subject to retentions.

NOTE 4: BALONNE SHIRE COUNCIL GRANTS, SUBSIDIES, CONTRIBUTIONS & DONATIONS

FOR THE YEAR ENDED 30 JUNE 2008

<u>Notes</u>	<u>2008 Actual</u> (\$'000)	<u>2007 Actual</u> (\$'000)
(A) RECURRENT - GOVERNMENT GRANTS, SUBSIDIES, AND OTHER CONTRIBUTIONS ARE ANALYSED AS FOLLOWS		
General purpose grants	2,325	2,120
State Government subsidies and grants	197	234
Federal Government subsidies and grants	1,034	1,020
Donations	-	-
Contributions	3	7
TOTAL RECURRENT REVENUE	3,559	3,381
(B) CAPITAL - GOVERNMENT GRANTS AND SUBSIDIES, AND OTHER CONTRIBUTIONS ARE ANALYSED AS FOLLOWS		
State Government subsidies and grants	587	588
Federal Government subsidies and grants	753	1,800
Contributions	88	138
TOTAL CAPITAL REVENUE	1,429	2,526
(C) CONDITIONS OVER CONTRIBUTIONS		
Contributions and grants which were recognised as revenues during the reporting period and which were obtained on the condition they be expended in a manner specified by the contributor but had not been expended at the reporting date.		
Grants for expenditure on infrastructure	48	980
Contributions for infrastructure	-	2
Contributions and grants which were recognised as revenues during a previous reporting period and were expended during the current reporting period in accordance with Council's obligations.		
Grants expended on infrastructure	-	680
Contributions expended on infrastructure	-	-
	48	1,662

NOTE 5: CAPITAL INCOME

<u>Notes</u>	<u>2008 Actual</u> (\$'000)	<u>2007 Actual</u> (\$'000)
Gain (loss) on the disposal of non-current assets		
(a) Proceeds from the sale of property, plant and equipment	96	1,068
Less: Book value of property, plant and equipment disposed	(114)	(1,094)
	(19)	(25)
(b) Proceeds from the sale of land and improvements	-	135
Less: Book value of land sold	-	(124)
	-	11
Total gain (loss) on the disposal of non-current assets	(19)	(15)

NOTE 6: BALONNE SHIRE COUNCIL EMPLOYEE COSTS

FOR THE YEAR ENDED 30 JUNE 2008

	<u>Notes</u>	<u>2008 Actual</u> <u>(\$'000)</u>	<u>2007 Actual</u> <u>(\$'000)</u>
Total staff wages and salaries		3,819	3,810
Councillors' remuneration		157	110
Annual, sick and long service leave entitlements		443	440
Superannuation	28	383	384
		4,801	4,744
Other employee related expenses		839	806
		5,640	5,550
Less: Capitalised employee expenses		(636)	(747)
		5,004	4,803
Councillor remuneration represents salary, superannuation contributions and other allowances paid in respect of carrying out their duties.			
TOTAL COUNCIL EMPLOYEES AT PERIOD END			
Elected members		5	10
Administrative staff		30	32
Depot and outdoors staff		49	52
TOTAL FULL TIME EQUIVALENT EMPLOYEES		84	94

NOTE 7: MATERIALS & SERVICES

	<u>Notes</u>	<u>2008 Actual</u> <u>(\$'000)</u>	<u>2007 Actual</u> <u>(\$'000)</u>
Advertising and marketing		28	7
Audit services		34	32
Cleansing Services		375	352
Urban Water Services		520	455
Urban Waste Water		148	145
Road and Street Maintenance		1,250	1,240
Legal Fees		47	42
Land Protection Fund Precept		185	190
Rentals - Operating leases		5	4
Donations paid		24	17
Expenditure on Town Plan		-	-
Aerodrome Maintenance		95	45
Swimming Pools		107	48
Other material and services		703	117
		3,520	2,694

NOTE 8: FINANCE COSTS

	<u>Notes</u>	<u>2008 Actual</u> <u>(\$'000)</u>	<u>2007 Actual</u> <u>(\$'000)</u>
Finance costs charged by Queensland Treasury Corporation		186	212
Bank charges		8	8
Impairment of debts		4	-
		198	221

NOTE 9: BALONNE SHIRE COUNCIL DEPRECIATION & AMORTISATION

FOR THE YEAR ENDED 30 JUNE 2008

<u>Notes</u>	<u>2008 Actual</u> (\$'000)	<u>2007 Actual</u> (\$'000)
(A) DEPRECIATION OF NON-CURRENT ASSETS		
Buildings	298	294
Plant and equipment	642	638
Furniture and Fittings	9	20
Transport Infrastructure	1,905	2,492
Water	400	399
Urban Waste Water	151	241
Other infrastructure assets	195	148
TOTAL DEPRECIATION OF NON-CURRENT ASSETS	3,600	4,232
(B) AMORTISATION OF INTANGIBLE ASSETS		
Software	9	11
TOTAL DEPRECIATION AND AMORTISATION	3,609	4,242

UNFUNDED DEPRECIATION

ACCUMULATED UNFUNDED DEPRECIATION

The accumulated unfunded depreciation represents the accumulated shortfall in funding being provided from operating revenue to replace the assets at some future time.

It is anticipated that external borrowings will be required as the assets are replaced resulting in higher future operating costs. Recognition of unfunded depreciation represents a decline in the capital value of the shire.

Net adjusted unfunded depreciation is calculated by taking the gross unfunded depreciation and deducting the amount of depreciation that will not require future funding due to: non-replacement of the asset; contributions becoming available for funding the replacement; the replacement asset will cost less than the existing asset; or, the engineer's assessment of depreciation funding is less than the depreciation expense in the period.

The gross unfunded depreciation across all assets for the period is Nil (2007 - Nil)

The net adjusted unfunded depreciation across all assets for the period is Nil (2007 - Nil)

ROAD, DRAINAGE AND BRIDGE NETWORK

Balance at beginning of period	13,182	13,182
Net adjusted unfunded depreciation in the period	-	-
Accumulated unfunded depreciation at period end	13,182	13,182

NOTE 10: CASH & CASH EQUIVALENTS

<u>Notes</u>	<u>2008 Actual</u> (\$'000)	<u>2007 Actual</u> (\$'000)
Cash at bank and on hand	276	534
Deposits at call	10,106	8,034
BALANCE PER STATEMENT OF CASH FLOWS	10,382	8,568
Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:		
Unspent government grants and subsidies	(1,120)	(1,151)
Unspent developer contributions	(2)	(2)
Unspent loan monies	-	-
TOTAL UNSPENT RESTRICTED CASH FOR CAPITAL PROJECTS	(1,122)	(1,153)

Cash is held in the Westpac Banking Corporation in business cheque accounts. The bank currently has a credit rating of AAA. Surplus Cash requirements are deposited into Queensland State Government owned corporation, Queensland Treasury Corporation (QTC). The State of Queensland guarantees all debt and it has a credit rating of AAA.

NOTE 11: TRADE & OTHER RECEIVABLES

FOR THE YEAR ENDED 30 JUNE 2008

<u>Notes</u>	<u>2008 Actual</u> (\$'000)	<u>2007 Actual</u> (\$'000)
(A) CURRENT		
Rateable revenue and utility charges	291	256
Other debtors	526	371
Less: Provision for doubtful debts	(31)	(31)
	786	597
(B) NON-CURRENT		
Loans and advances to community organisations	-	-
	-	-

Interest is charged on overdue rates at a rate of 11% per annum. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.

Loans relate to advances made to various sporting bodies. These loans arise from time to time and no interest is charged. The credit risk on these loans is considered low.

NOTE 12: INVENTORIES

<u>Notes</u>	<u>2008 Actual</u> (\$'000)	<u>2007 Actual</u> (\$'000)
CURRENT		
INVENTORIES FOR CONSUMPTION:		
Miscellaneous salable items	20	15
TOTAL INVENTORIES FOR CONSUMPTION	20	15
Valued at the lower of cost and selling price less cost to sell.		
INVENTORIES FOR DISTRIBUTION:		
Plant and equipment stores	168	206
TOTAL INVENTORIES FOR DISTRIBUTION	168	206
Valued at the lower of cost and replacement value		
TOTAL INVENTORIES	188	221

NOTE 13: OTHER FINANCIAL ASSETS

<u>Notes</u>	<u>2008 Actual</u> (\$'000)	<u>2007 Actual</u> (\$'000)
Current		
Prepayments	58	55
	58	55

NOTE 14:
NON-CURRENT ASSETS
CLASSIFIED AS HELD FOR SALE

<u>Notes</u>	<u>2008 Actual</u> <u>(\$'000)</u>	<u>2007 Actual</u> <u>(\$'000)</u>
Land held for resale	236	200
This land is held for future use of Council.		
The land is valued at the lower of cost and selling price less cost to sell.		

NOTE 15a: **BALONNE SHIRE COUNCIL** **PROPERTY, PLANT AND** **EQUIPMENT VALUATIONS**

FOR THE YEAR ENDED 30 JUNE 2008

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

LAND

Land has been included at current market value as at 30th June 2008 as determined by Mr. Alfio Ponticello (B.Bus (R.P. Val & Admin)) of Australia Pacific Valuers Pty Ltd.

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

BUILDINGS AND OTHER STRUCTURES

Buildings and Other Structures have been included at their Gross Current Value and Fair Value by Mr. Alfio Ponticello (B.Bus (R.P. Val & Admin)) of Australia Pacific Valuers Pty Ltd, as at 30th June, 2008.

Riverbank Footpaths

Riverbank Footpaths have been included at Gross Current Replacement and Fair Value by Council's Director of Technical Services, Mr Max Henderson (B.Eng (Civil), Grad Dip Municipal Eng), as at 30th June 2008.

Levee Banks

Levee Banks have been included at Gross Current Replacement and Fair Value by Mr. John Deac (B.Eng) of Australia Pacific Valuers Pty Ltd .

PLANT AND EQUIPMENT

Plant and equipment is measured at original cost less accumulated depreciation.

FURNITURE AND FITTINGS

Furniture and fittings is measure at original cost less accumulated depreciation.

INFRASTRUCTURE

Water and Sewerage Infrastructure -

Water Mains, Water Services, Water Meters, Water Hydrants and Water Values are included at the Gross Current Replacement Value and Fair Value as determined by Council's Director of Technical Services, Mr Max Henderson (B.Eng (Civil), Grad Dip Municipal Eng) as at 30th June, 2008.

Waste Water Mains, Man-holes and Connections are included at the Gross Current Replacement Value and Fair Value as determined by Council's Director of Technical Services, Mr Max Henderson (B.Eng (Civil), Grad Dip Municipal Eng) as at 30th June, 2008.

All other Waste Water and Water Assets are included at the Gross Current Replacement Value and Fair Value as determined by Mr. John Deac (B.Eng) of Australia Pacific Valuers Pty Ltd as at 30th June, 2008.

Road and Drainage Infrastructure -

Included at the written down replacement cost as at 30th June 2005 as determined by Mr Max Henderson (B.Eng (Civil), Grad Dip Municipal Eng), Council's Director of Technical Services.



NOTE 15b: BALONNE SHIRE COUNCIL

COUNCIL PROPERTY, PLANT AND EQUIPMENT

For the year ended 30 June 2008

	LAND AND IMPROVEMENT	BUILDINGS	PLANT AND EQUIPMENT	FURNITURE AND FITTINGS	TRANSPORT INFRASTRUCT	WATER SUPPLY NETWORK	URBAN WASTE WATER NETWORK	OTHER NON-CURRENT ASSETS	TOTAL
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Asset Values									
Basis of measurement	Revaluation	Revaluation	Cost	Cost	Revaluation	Revaluation	Revaluation	Revaluation	
Opening gross value	2,721	17,190	9,562	566	101,327	20,559	11,514	4,414	167,853
Additions at cost	168	1,197	679	25	2,185	279	-	146	4,679
Disposals	-	-	(367)	-	-	-	-	-	(367)
Revaluation adjustment to the ARR	1,348	2,304	-	-	-	765	(314)	628	4,732
Revaluation adjustment to income	-	-	-	-	-	-	-	-	-
Assets classified as held for sale	-	-	-	-	-	-	-	-	-
Assets transferred to investment property	-	-	-	-	-	-	-	-	-
Internal transfers	-	-	174	4	-	8	-	(185)	-
Closing gross value	4,237	20,691	10,047	595	103,512	21,612	11,200	5,002	176,896
Accumulated Depreciation									
Opening balance	-	7,483	4,704	385	14,514	12,178	7,678	1,769	48,712
Depreciation provided in period	-	298	642	9	1,905	400	151	195	3,600
Depreciation on disposals	-	-	(253)	-	-	-	-	-	(253)
Revaluation adjustment to the ARR	-	(4,427)	-	-	-	(3,342)	(740)	(1,305)	(9,814)
Revaluation adjustment to Income	-	-	-	-	-	-	-	-	-
Impairment adjustment to the ARR	-	-	-	-	-	-	-	-	-
Impairment adjustment to income	-	-	-	-	-	-	-	-	-
Assets classified as held for sale	-	-	-	-	-	-	-	-	-
Assets transferred to investment property	-	-	-	-	-	-	-	-	-
Internal transfers	-	-	64	1	-	-	-	(65)	-
Accumulated depreciation at period end	-	3,354	5,157	395	16,419	9,236	7,089	594	42,245
Total written down value at period end	4,237	17,337	4,891	200	87,093	12,375	4,111	4,408	134,652
Residual value	-	8,946	2,485	27	48,037	3,057	660	883	64,094
Estimated useful life (years)		15 - 100	1 - 40	5 - 60	10 - 100	2 - 100	3 - 100	1 - 100	

NOTE 16: BALONNE SHIRE COUNCIL CAPITAL WORKS IN PROGRESS

FOR THE YEAR ENDED 30 JUNE 2008

<u>Notes</u>	<u>2008 Actual</u> (\$'000)	<u>2007 Actual</u> (\$'000)
Capital works in progress	1,007	1,076
	1,007	1,076

NOTE 17: INTANGIBLE ASSETS

<u>Notes</u>	<u>2008 Actual</u> (\$'000)	<u>2007 Actual</u> (\$'000)
SOFTWARE		
Opening gross carrying value	116	112
CLOSING GROSS CARRYING VALUE	131	116
ACCUMULATED AMORTISATION		
Opening balance	89	78
Amortisation in the period	9	11
CLOSING BALANCE	98	89
NET CARRYING VALUE AT THE PERIOD END	33	26
	33	26
TOTAL INTANGIBLE ASSETS	33	26

The software has a finite life estimated at 10 years.
Straight line amortisation has been used with no residual value.

NOTE 18: TRADE AND OTHER PAYABLES

<u>Notes</u>	<u>2008 Actual</u> (\$'000)	<u>2007 Actual</u> (\$'000)
CURRENT		
Creditors and accruals	525	385
Other entitlements	13	12
	538	398
NON-CURRENT		
Creditors and accruals	-	-
Other entitlements	-	-
	-	-

NOTE 19: BALONNE SHIRE COUNCIL BORROWINGS

FOR THE YEAR ENDED 30 JUNE 2008

	<u>Notes</u>	<u>2008 Actual</u> (\$'000)	<u>2007 Actual</u> (\$'000)
CURRENT			
Loans QTC		434	406
Loans - Other		-	-
		434	406
NON-CURRENT			
Loans		2,217	2,651
Loans - Other		-	-
		2,217	2,651

A BANK OVERDRAFT

As at 30 June 2008, Balonne Shire Council does not have this facility.

B UNSECURED BORROWINGS

Unsecured borrowings are provided by the Queensland Treasury Corporation.

All borrowings are in A\$ denominated amounts and are carried at amortised cost, interest being expensed as it accrues. No interest has been capitalised./ during the current or comparative reporting period. Expected final repayment dates vary from 31 March 2010 to 31 March 2022.

There have been no defaults or breaches of the loan agreement during the period.

Principal and interest repayments are made quarterly in arrears.

C ASSETS PLEDGED AS SECURITY

The carrying amount of assets pledged as collateral for the Council's borrowings as at 30 June 2008 was \$Nil (2007 - \$Nil).

NOTE 20: LOANS

	<u>Notes</u>	<u>2008 Actual</u> (\$'000)	<u>2007 Actual</u> (\$'000)
(i) Queensland Treasury Corporation			
Opening balance		3,057	3,437
Loans raised		-	-
Principal repayments		(406)	(380)
Book value at period end		2,651	3,057
Classified as:			
Current		434	406
Non-current		2,217	2,651
		2,651	3,057

The loan market value at the reporting date was \$2,568,388.24. This represents the value of the debt if the Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts. Council only borrows from Queensland Treasury Corporation.

The loans are guaranteed by the Queensland State Government.

NOTE 21: BALONNE SHIRE COUNCIL PROVISIONS

FOR THE YEAR ENDED 30 JUNE 2008

	<u>Notes</u>	<u>2008 Actual</u> <u>(\$'000)</u>	<u>2007 Actual</u> <u>(\$'000)</u>
CURRENT			
Annual Leave		350	316
Long service leave		75	70
		425	386
NON-CURRENT			
Annual leave		223	235
Long service leave		753	687
		976	922
DETAILS OF MOVEMENTS IN PROVISIONS:			
(c) LONG SERVICE LEAVE			
Opening balance		757	654
Long service leave entitlement paid		(21)	(29)
Adjustment to current portion		92	132
Closing Balance		828	757

Employee benefit entitlements are calculated at current pay levels as adjusted for inflation and likely future changes in salary level. These estimates are then adjusted for the probability of the employee remaining in the Council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value.

NOTE 22: RETAINED SURPLUS

	<u>Notes</u>	<u>2008 Actual</u> <u>(\$'000)</u>	<u>2007 Actual</u> <u>(\$'000)</u>
Movements in the retained surplus were as follows:			
Retained surplus/(deficit) at the beginning of the financial year		19,398	16,413
Result from ordinary activities		3,071	3,135
Transfers (to) from capital reserves for future capital project funding, or from reserves funds that have been expended:			
Future capital works reserve (net)		(2,835)	(141)
Asset replacement reserve (net)		(367)	318
Constrained works reserve (net)		23	(317)
Transfers (to) from recurrent reserves for future project funding, or from reserves funds that have been expended:			
Recurrent expenditure reserve		6	(10)
RETAINED SURPLUS AT THE END OF THE FINANCIAL YEAR		19,296	19,398

NOTE 23: BALONNE SHIRE COUNCIL OTHER RESERVES

FOR THE YEAR ENDED 30 JUNE 2008

<u>Notes</u>	<u>2008 Actual</u> (\$'000)	<u>2007 Actual</u> (\$'000)
(A) SUMMARY OF RESERVES HELD FOR FUTURE CAPITAL EXPENDITURE:		
(i) Future capital works reserve	3,625	833
(ii) Asset replacement reserve	2,679	2,313
(iii) Constrained works reserve	1,113	1,092
	7,417	4,238
(B) SUMMARY OF RESERVES HELD FOR FUTURE RECURRENT EXPENDITURE:		
(i) Recurrent expenditure reserve	9	15
	9	15
TOTAL RESERVES	7,426	4,253
(C) MOVEMENTS IN CAPITAL RESERVES ARE ANALYSED AS FOLLOWS:		
(I) FUTURE CAPITAL WORKS RESERVE		
Balance at the beginning of period	790	649
Transfer from retained earnings for future expenditure	3,212	327
Transfer to retained earnings funds expended in the period	(377)	(186)
BALANCE AT THE END OF PERIOD	3,625	790
(II) ASSET REPLACEMENT RESERVE		
Balance at the beginning of period	2,313	2,631
Transfer from retained earnings for future expenditure	922	398
Transfer to retained earnings funds expended in the period	(555)	(716)
BALANCE AT THE END OF PERIOD	2,679	2,313
(III) CONSTRAINED WORKS RESERVE		
Balance at the beginning of period	1,136	818
Transfer from retained earnings for future expenditure	122	997
Transfer to the retained earnings funds expended in the period	(145)	(680)
BALANCE AT THE END OF PERIOD	1,113	1,136
(D) MOVEMENTS IN RECURRENT RESERVES ARE ANALYSED AS FOLLOWS:		
(I) RECURRENT EXPENDITURE RESERVE		
Balance at the beginning of period	15	5
Transfer from retained earnings for future expenditure	-	15
Transfer to retained earnings	(6)	(5)
BALANCE AT THE END OF PERIOD	9	15

NOTE 24: BALONNE SHIRE COUNCIL ASSETS REVALUATION RESERVE

FOR THE YEAR ENDED 30 JUNE 2008

<u>Notes</u>	<u>2008 Actual</u> (\$'000)	<u>2007 Actual</u> (\$'000)
(I) ASSET REVALUATION RESERVE		
Movements in the asset revaluation reserve were as follows:		
Balance at beginning of the period	101,432	101,432
Net adjustment to non-current assets at end of period to reflect a change in current fair value:		
Land and improvements	1,383	-
Buildings	6,731	-
Plant and equipment	-	-
Furniture and Fittings	-	-
Other Structures	1,934	-
Transport Infrastructure	-	-
Water	4,107	-
Urban Waste Water	427	-
Impairment provision:		
Buildings	-	-
Water	-	-
Change in value of future rehabilitation cost:		
Land and improvements	-	-
	14,582	-
BALANCE AT END OF THE YEAR	116,013	101,432
(II) ASSET REVALUATION RESERVE ANALYSIS		
The closing balance of the asset revaluation reserve is comprised of the following asset categories:		
Land and improvements	2,336	952
Buildings	12,053	5,322
Plant and equipment	1,498	1,498
Furniture and Fittings	307	307
Other Structures	3,441	1,507
Transport Infrastructure	72,501	72,501
Water	15,476	11,369
Urban Waste Water	8,401	7,975
	116,013	101,432

NOTE 25: COMMITMENTS FOR EXPEDITURE

<u>Notes</u>	<u>2008 Actual</u> (\$'000)	<u>2007 Actual</u> (\$'000)
OPERATING LEASES		
Minimum lease payments in relation to non-cancellable operating leases are as follows:		
Within one year	5	5
One to five years	27	26
	32	30
CONTRACTUAL COMMITMENTS		
Contractual commitments at balance date but not recognised in the financial statements are as follows:		
Major Vehicles on Order	333	242
Cleaning contractors	310	305
	643	547

NOTE 26: BALONNE SHIRE COUNCIL CONTINGENT LIABILITIES

FOR THE YEAR ENDED 30 JUNE 2008

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

Local Government Mutual:

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 2007 the financial statements reported an accumulated loss of \$2,899,691. 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 can not be reliably estimated.

Local Government Workcare:

The Tropical Council is a member of the Queensland local government workers compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$101,794.53.

NOTE 27: EVENTS AFTER BALANCE DATE

There were no material adjusting events after the balance date.

The St George Sewerage Treatment Plant will be replaced by a new Plant at a new Site in 2008-2009, as at the date of this report, there are no rehabilitation requirements for this site.





NOTE 28: SUPERANUATION

<u>Notes</u>	<u>2008 Actual</u> (\$'000)	<u>2007 Actual</u> (\$'000)
--------------	--------------------------------	--------------------------------

The Balonne Shire Council contributes to the Local Government Superannuation Scheme (the scheme). The scheme has two elements referred to as the defined benefits scheme and the accumulation scheme.

Both these schemes are defined contribution schemes as defined in the Australian Accounting Standard AASB119 Employee Benefits. Council has no liability to, or interest in, the scheme beside the payment of statutory contributions.

Any amount by which either scheme is over- or under- funded would only affect future benefits and is not an asset or liability of the Council.

Accordingly there is no recognition in the financial statements of any over- or under-funding of the scheme.

The audited general purpose financial report of the scheme as at 30 June 2007 (the most recent available) which were not subject to any audit qualification, indicates that the assets of the plan are sufficient to meet the accrued benefits.

The general purpose financial statements disclose that the most recent actuarial assessment of the scheme was undertaken as at 30 June 2007. The actuary indicated that without improvements to benefit conditions, or other unanticipated events, current contribution rates would be sufficient to meet member's benefits as they accrue.

The Queensland Local Government Superannuation Board, the trustee of the scheme, advised that the local government superannuation scheme was a complying superannuation fund for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation.

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

CONTRIBUTIONS

383

384

NOTE 29: BALONNE SHIRE COUNCIL TRUST FUNDS

FOR THE YEAR ENDED 30 JUNE 2008

<u>Notes</u>	<u>2008 Actual</u> (\$'000)	<u>2007 Actual</u> (\$'000)
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities	-	-
Security deposits	53	82
	53	82

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

NOTE 30: RECONCILIATION OF RESULT FROM ORDINARY ACTIVITIES TO NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES

<u>Notes</u>	<u>2008 Actual</u> (\$'000)	<u>2007 Actual</u> (\$'000)
Result from ordinary activities	3,071	3,135
Non-cash operating items:		
Depreciation and amortisation	3,609	4,242
Revaluation down of property, plant and equipment	-	-
Loss on impairment of property, plant and equipment	-	-
Loss on impairment of assets classified as land held for sale	-	-
Change in future rehabilitation costs	-	-
	3,609	4,242
Investing and development activities:		
Net (profit) loss on disposal of non-current assets	19	15
Capital grants and contributions	(1,354)	(2,403)
Non-cash contributions	(74)	(110)
	(1,410)	(2,498)
Financing activities:		
Financing activities	-	-
	-	-
Changes in operating assets and liabilities:		
(Increase) decrease in receivables	(175)	296
(Increase) decrease in other operating assets	29	29
Increase (decrease) in payables/provisions	214	199
Increase (decrease) in other provisions	-	-
Increase (decrease) in other liabilities	-	(28)
	67	496
Net cash inflow from operating activities	5,337	5,374

NOTE 31: BALONNE SHIRE COUNCIL FINANCIAL RISK MANAGEMENT

FOR THE YEAR ENDED 30 JUNE 2008

Balonne Shire Council's activities expose it to a variety of financial risks including interest rate risk, credit risk, and liquidity risk.

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

Balonne Shire Council measures risk exposure using a variety of methods as follows.

RISK EXPOSURE	MEASUREMENT METHOD
Interest rate risk	Sensitivity analysis
Liquidity risk	Maturity
Credit risk	Ageing analysis

(I) CREDIT RISK

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

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

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

The Council is exposed to credit risk through its investments with the Queensland Treasury Corporation (QTC) and deposits held with other banks or financial institutions. The QTC Cash Fund is an asset management portfolio that invests with a wide variety of high credit rating counterparties. Deposits are capital guaranteed. Other investments are held with highly rated/regulated banks and whilst not capital guaranteed, the likelihood of credit failure is remote.

The maximum exposure to credit risk at balance date in relation to each class of recognized financial asset is the gross carrying amount of those assets inclusive of any provisions for impairment.

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

The following table represents the Council's maximum exposure to credit risk.

FINANCIAL ASSETS

	2008 Actual	2007 Actual
Cash and cash equivalents - QTC	10,106,271	8,033,841
Cash and cash equivalents - bank	275,962	533,784
Receivables - rates	225,397	167,656
Receivables - other	591,164	483,770
TOTAL	11,198,794	9,219,051

PAST DUE OR IMPAIRED

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

The following table represents an analysis of the age of the Council's financial assets that are either fully performing, past due, or impaired.

	Fully performing	< 30 days	30 - 60 days	> 60 days	Impaired	Total
Receivables	633,802	124,580	1,021	84,620	31,000	875,023

(II) LIQUIDITY RISK

Liquidity risk refers to the situation where the Council may encounter difficulty in meeting obligations associated with financial liabilities. The Council is exposed to liquidity risk through its trading in the normal course of business and borrowings from Queensland Treasury Corporation for capital works.

The Corporation manages its exposure to liquidity risk by maintaining sufficient undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in the Borrowings note 25.

The following table sets out the liquidity risk of financial liabilities held by the Council in a format as it might be provided to management. The maturity amounts disclosed in the maturity analysis represent the

contractual undiscounted cash flows at balance date.

FINANCIAL LIABILITIES

	<u>2008 Actual</u>	<u>2007 Actual</u>
0 to 1 year	(592,318)	(592,318)
1 to 5 years	(1,443,438)	(1,798,886)
Over 5 years	(1,490,515)	(1,712,771)
TOTAL	(3,526,271)	(4,103,975)

FINANCING ARRANGEMENTS

Unrestricted access was not available at balance date. Balonne Shire Council does not have a Bank overdraft facility.

	<u>2008 Actual</u>	<u>2007 Actual</u>
Bank overdraft facility	-	-

(III) INTEREST RATE RISK

The Council is exposed to interest rate risk through its finance lease borrowings, borrowings from the Queensland Treasury Corporation and investments held with financial institutions.

The risk in borrowing is effectively managed by borrowing only from Queensland Treasury Corporation and having access to a mix of floating and fixed funding sources such that the desired interest risk exposure can be constructed. Interest rate risk in other areas is minimal.

The Council does not undertake any hedging of interest rate risk.

INTEREST RATE SENSITIVITY ANALYSIS

The following sensitivity analysis is based on a report similar to that which would be provided to management, depicting the outcome to profit and loss should there be a 1% increase in market interest rates. The calculations assume that the rate would be held constant over the next financial year, with the change occurring at the beginning of that year. It is assumed that interest rates on overdue rates would not change. If the rates decreased by 1% the impact would be equal in amount in the reverse direction.

	<u>Net carrying amount</u>		<u>Profit</u>		<u>Equity</u>	
	<u>2008 Actual</u>	<u>2007 Actual</u>	<u>2008 Actual</u>	<u>2007 Actual</u>	<u>2008 Actual</u>	<u>2007 Actual</u>
Financial assets	-	-	6,546	4,502	6,546	4,502
Financial liabilities	(1,863)	(2,125)	(1,863)	(2,125)	(1,863)	(2,125)
Net	(1,863)	(2,125)	4,683	2,377	4,683	2,377

NOTE 32: BALONNE SHIRE COUNCIL NATIONAL COMPETITION POLICY

FOR THE YEAR ENDED 30 JUNE 2008

(a) ACTIVITIES TO WHICH THE CODE OF COMPETITIVE CONDUCT IS APPLIED

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

- (a) Roads business activity:
 - (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 which Council has with Department of Main Roads for its "Road Maintenance Performance Contract" and for other works it has a "Construction Tender Invitation".
 - (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. Balonne Shire Council has a combination of tender process and day labour.

- (b) Other business activity, referred to as type three activities, means the following:
 - (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.

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 CSO value is determined by Council and represents an activity's cost(s) which would not be incurred if the activity's primary objective were to make a profit. The Council provides funding from general revenue to the business activity to cover the cost of providing non-commercial community services or costs deemed to be CSO's by the Council.

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

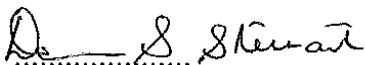
**Balonne Shire Council
Management Certificate**

For the year ended 30 June 2008

This general purpose financial report has been prepared pursuant to section 532 of the Local Government Act 1993 (the Act), the Local Government Finance Standard 2005 (the Standard) and other prescribed requirements.

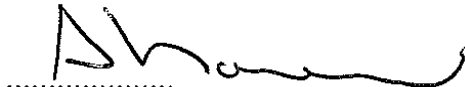
In accordance with Section 48 of the Standard we certify that:-

- (i) the local government considers the relevant recording and reporting procedures have been complied with in the preparation of the financial statements; and
- (ii) the financial statements for the year ended 30 June 2008 and supporting notes present the Council's income, equity, balance sheet and cash flows as required by the *Local Government Act 1993*.



Donna Stewart
Mayor

Date: 15/09/08



Scott Norman
Chief Executive Officer

Date: 15/09/08

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Balonne Shire Council

Report on the Financial Report

I have audited the accompanying financial report of Balonne Shire Council, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies other explanatory notes and certificates given by the Chief Executive Officer and the Mayor.

The Council's Responsibility for the Financial Report

The Council is responsible for the preparation and fair presentation of the financial report in accordance with the *Local Government Act 1993* and *Local Government Finance Standard 2005* including compliance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. These Auditing Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement in the financial report, whether due to fraud and error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

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

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 Queensland 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 audit 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.

Auditor's Opinion

In accordance with the *Local Government Act 1993* I have audited the Council's financial report, 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 recording and reporting procedures required for the preparation of this financial report have been complied with in all material respects; and
 - (ii) the financial report has been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of the Balonne Shire Council for the financial year 1 July 2007 to 30 June 2008 and of the financial position as at the end of that year.

KEY CONTACTS

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