

Balonne Shire Council

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

Annual Report 08/09



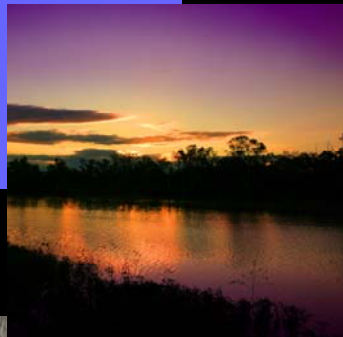
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Marranoo



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Transport and Drainage Infrastructure Services
Community and Cultural
Environmental Services
Business Services
Urban Waste Water
Urban Water
Cleansing



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COMMUNITY FINANCIAL REPORT



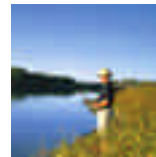
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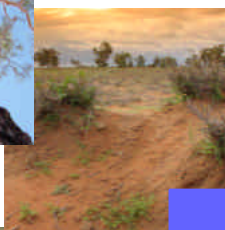
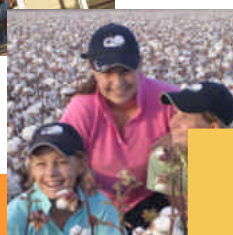
welcome



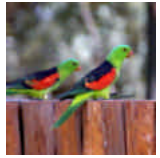
Welcome to the 2008/09 Balonne Shire Council Annual Report. This report provides a snapshot of Council's performance and achievements over the past twelve months in undertaking its legislative and community responsibilities.

The annual report is a 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 information



The Shire of Balonne is located in South West 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 wine and table grapes and melons for the export market.

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.

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 classified as reserves under the *Land Act 1994*
- Shire libraries in Bollon, Dirranbandi, Hebel, St George & Thallon
- Community halls in Dirranbandi, Bollon, Hebel,

St George & Thallon

- Public swimming pools in Dirranbandi & St George
- Aerodromes in, Dirranbandi, Bollon, Hebel and St George
- Water Supply and Waste Water infrastructure
- Community sports grounds and parklands

ECONOMIC PROFILE

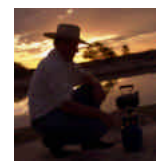
The leading primary industries in the Balonne Shire are cotton, beef/cattle, grain crops, sheep/wool, fruit/vegetable production, wild game harvesting. Successful development of the horticultural industry is a rapidly expanding sector in the shire economy and has been led by local production of table grapes.

Although agriculture is subject to the fluctuations of the weather, the St George district has a proven record as a valuable agricultural producing area with a reliable water source due to a large water catchment area. Although, we are not immune to the effects of the current 1 in 100 year drought, upon receiving rain in the 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 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 hectares, which is about 90% of the shire area.

The total value of the agricultural industry at the year ending March 1999 was calculated at \$297.2 million in value terms while current projections are calculated at \$425.6 million which is evidence of a rapidly expanding agricultural base. Grain crops amount to 70% wheat, 10% barley and the other 20% 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 which 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 Government 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 are the sixth largest employer in the Balonne Shire.

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

our community



VISION, MISSION AND VALUES

OUR VISION

For the People -
A caring and prosperous shire in which to live and work.

OUR MISSION

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

OUR VALUES

Council is committed to the following core values, which it believes will enable it to achieve its vision and mission.

CUSTOMER FOCUSED

We will act professionally, enthusiastically and be motivated to provide the highest levels of customer service to both our internal and external customers. We recognise that all of our citizens must be treated equally with sincerity and honesty whilst respecting the rights of individuals.

COMMERCIALY ASTUTE

We will act commercially in the best long-term interests of the Shire and its citizens in all aspects of

our business.

ENVIRONMENTALLY RESPONSIBLE

We will minimise the impact of our operations on the environment through best-practice management and planning of our activities.

SOCIALLY RESPONSIBLE

We will build effective relationships with our citizens through open and timely communication and involvement. We will contribute to the social and economic well-being of our local communities.

VALUING OUR PEOPLE

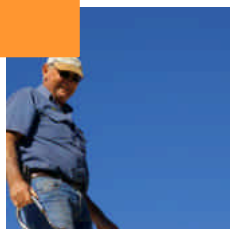
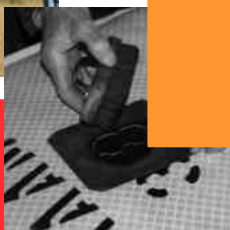
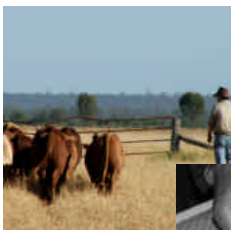
We are committed to staff well-being; encouraging their personal and professional growth and development; And the creation of a safe and healthy work environment built on mutual trust, respect and integrity.

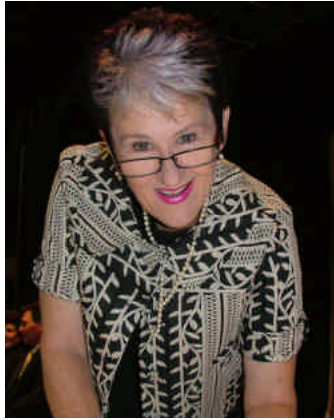
CONTINUOUS IMPROVEMENT

We will actively strive for best practice in all aspects of our activities to achieve improvements in services, facilities and processes.

DELIVER ON OUR PROMISES

We are committed to achieving the outcomes that we promise our communities.





MESSAGE FROM OUR MAYOR

It is with much pleasure that I present my first full financial year report for the Balonne Shire.

This year has been an exciting year for our communities, a time of change in direction and adjustment to this approach. As with any reform process there are many challenges.

Council has responded to the call from members of our communities to be more closely engaged in decisions which effect their way of life.

In order to address this change in direction a new position of Community Development Officer was created.

Council's first step to engage the community was to formulate and adopt a comprehensive Community Consultation Policy. This policy sets the formal framework for seeking the views of the people.

Council's first test of the policy was to undertake a Satisfaction Survey to gauge the communities perception of council's overall performance. It came as no surprise that the results identified some areas of dissatisfaction. Council will be working hard to lift our performance in the areas of concern over the term of this council.

Council has also conducted a Community Needs Analysis. This was a very intensive task and involved consulting with representatives from the communities of St George, Dirranbandi, Bollon, Thallon, Hebel, Mungindi and Nindigully.

The response was very pleasing from all communities and I was very impressed with the passion shown from the people, particularly in the smaller communities of our shire. Council is working our way through the projects identified, prioritising and delivering those that we are able to, subject to resources available. This Community Needs Analysis is a living document and will be consulted on a regular basis.

The information provided in the Community Needs Analysis was used extensively in the formulation of our new Corporate Plan 2009/2013 and ensures that the plan sets the direction the community aspires to and provides a very clear pathway for the council to take. Members of our community will be able to follow our progress through the annual Operational

Plans over the next four years.

A very successful Meet and Greet was conducted in St George earlier this year. The event was very well supported and enabled newcomers to our shire to avail themselves of the opportunity to be aware of what organizations, sporting clubs, services, etc, that are available to them.

This event will become an annual event on the calendar.

Other community events hosted by Council during this year are the Balonne Shire /Rotary Business Awards and the annual Women's Networking luncheon.

Council has strongly supported indigenous groups and working parties to provide better opportunities for the future of our community.

The indigenous population of St George is in the order of 20% whilst the school community is 30% and growing.

These figures are a strong indicator to the makeup of our population in the future. We as a community have a responsibility to nurture and foster a better understanding of cultural differences and work closely with the elders towards overcoming obstacles that limit positive participation from our indigenous people.

The cessation of the train service to Dirranbandi has been an ongoing and emotive issue for many years. Whilst it is very understandable that there is a strong sentiment to retain this service from the residents of the Dirranbandi, which came through clearly during the extensive community consultation process, Council is entrusted to make decisions based on the public interest of all the people of the Balonne Shire. The decision to accept the offer of 14 million dollars over ten years from the state government towards upgrading the Noondoo/Thallon Road and closing the rail line, although very difficult, was one that was clearly in the best public interest. Costs to maintain this road had the potential to cripple maintenance and construction of our entire road network for many years. Council is currently negotiating a memorandum of agreement with the relevant government departments and work will commence on the upgrade of this road before the end of this year.

Council has undertaken a review of critical infrastructure and the results are quite alarming. Currently we are in the process of constructing a



new sewerage treatment plant to replace the old one which is well past its use by date. It is expected final completion cost will be around 3 million dollars. The new treatment plant will serve us well into the future. It is necessary for council to plan and implement major water and drainage upgrades and improvement projects across the shire. Council will progressively undertake these projects over the immediate short term future as funds become available.

Structural engineering reports undertaken on the halls in Dirranbandi and Hebel are of real concern. Detailed estimates to repair/replace the halls are in the vicinity of 3 million dollars. Council unsuccessfully applied for federal government assistance under the Regional Community Infrastructure Program however we were able to access \$360,000.00 in funding from the state governments Rural Living Infrastructure Program. Council will contribute \$140,000.00 towards commencing these repairs and refurbishment on the Dirranbandi hall in the near future.

To establish a more modern and efficient plant council has purchased another two new graders at a cost of \$732,000.00 in this financial year. This brings the total to three replaced in the last eighteen months.

Operators are very pleased with the output of these new machines and have readily embraced the new technology. Council have also replaced a loader as well as other minor fleet items.

Council has delivered a large capital expenditure budget on our road network. Rural ratepayers contribute \$3,942,000. (before discount) so therefore it is necessary to provide value for money to this sector.

Expenditure for this financial year totaled \$4,330,000. This figure was boosted by a \$1,400,000 additional claim through Natural Disaster Relief allowance.

Councils financial position is stable with debt reducing after payment by \$431,000. Councils current debt is \$2,217,000. Council has also addressed depreciation issues.

This year there has been major changes in executive staff positions.

The Chief Executive Officer, Mr. Alan Young

resigned in August and Mr. Scott Norman was promoted to this position. Mrs. Donna Burke was appointed to the vacant position of Director of Community and Corporate Services and was promoted to Deputy CEO.

Donna brought with her a wealth of experience as the previous CEO of the neighboring former Booringa Shire and her contribution has been invaluable. The shire engineer and Director of Technical Services, Mr. Max Henderson resigned in May and he has been replaced by Mr. Paulo Turri who was employed at the former Inglewood Shire Council.

I take this opportunity to thank my Deputy Mayor, Councillor Richard Marsh for his constant support and also Councillors Robyn Fuhrmeister, Andrew Sevil and Ian Winks for their dedication to the community.

I would also like to place on record my sincere appreciation to all staff for their valued input and acceptance of change. Working cohesively together we will meet any challenges and overcome obstacles that may present. I would also like to thank members of the community who have assisted us in an advisory capacity and look forward to continuing engagement with the community over the ensuing 12 months.

Donna Stewart

MAYOR



MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER

The past year has provided many challenges and achievements for Balonne Shire Council and it is with a sense of pride that I report on the 2008/2009 operations and performance.

We commenced the year with a newly elected Council

under the leadership of Mayor Donna Stewart. Cr Stewart has brought many years of local government experience and a fresh approach to the office. The local government amalgamations reduced the number of elected representatives from a Mayor and nine Councillors to a Mayor and four Councillors. There is no doubt in my mind that this has increased the workload for Councillors.

Another change has been the introduction of a new portfolio system, which defined each Councillor's areas of responsibility. While the portfolio system does not cover every aspect of Council's operations, it has proved effective in delegating the areas of policy or representation that have arisen during the past year.

The amalgamation of many of our previously neighbouring Councils has also resulted in the reshaping of regional alliances and partnerships.

A substantial part of Balonne Shire's operation capacity is committed to maintenance and construction of both shire roads and state road networks. Previously Balonne Shire had been part of the Warwick Main Roads District, after amalgamation, Main Roads districts were realigned and Balonne is now part of the Roma Main Roads Group. This is a critical partnership for our Shire and I am pleased to report that new arrangements are working well and as with all change, new opportunities have presented themselves.

Amalgamations have also realigned the organisations through which we seek regional cooperation. Balonne remains a member of an altered South West Local Government Association, a branch of the Queensland Local Government Association. Local government membership consists of Balonne, Bulloo, Maranoa Regional, Murweh, Paroo and Quilpie. The group formally meets once a year with the Mayors and Chief Executive Officers meeting another three times a year to discuss issues

of common interest. Balonne Shire has also joined the Border Regional Organisation of Councils which deals specially with cross border issues.

Balonne has been participating in a Regional Planning process. Pre-amalgamation the Maranoa –Balonne Regional Planning Area embraced eight Local Government areas. Post amalgamation the Draft Plan compasses Balonne Shire and the Maranoa Regional Council. The Draft Plan identifies desired regional economic, social and environmental outcomes, which when adopted will be a powerful tool with which to achieve these common objectives. Cr Stewart has been Co-Chair of the Regional Planning Committee and a strong advocate for the initiative.

Sustainability, asset management, and long term financial planning are now key measures on which Local Governments are judged. The new *Local Government Act 2009* when implemented will place emphasis on performance and reporting in these key areas. It is pleasing to report that Balonne Shire has again returned an operational financial surplus. Over the past few years there has been a series of rolling reforms designed to ensure Balonne Shire delivers services while maintaining its assets without spending more revenue than it receives.

With regard to asset management, policies are being formulated that establish service standards across all classes of assets including roads, water, sewerage, buildings, and footpaths. The process identifies the standard of service residents of the Balonne Shire can expect to receive, such as whether a road is to be gravel or sealed. Implementation of strategic asset management forms the basis for future planning and responsible financial management. Work completed to date in this area will enable implementation of a robust computerised system during 2009/2010 that satisfies legislative requirements, provides continued and effective delivery of services and sound financial management.

Council's 2008/2009 budget, while fiscally responsible, sought to ensure that the Balonne Shire remained a strong and vibrant community. Council's first Community Development Officer has been employed and has been instrumental in delivering new initiatives such as the "Meet and Greet", which welcomed new shire residents and encouraged locals to join a club or play a sport.



A Community Satisfaction Survey was completed that identified areas we need to improve on. In addition, a Community Needs Analysis was undertaken to ascertain the aspirations and priorities of Balonne Shire residents.

There has been indeed a flurry of public consultation which was timely as this information was used in the development of the Corporate Plan for 2009 to 2013. This document will provide the strategic direction for the remainder of this Council's term. It presents the vision for the future and identifies key initiatives this Council wants to deliver. It is a concise and readable plan and I commend it to anyone with an interest in the future of our Shire.

The Federal Government's recent establishment the Murray Darling Basin Authority for the integrated management of the Murray Darling Basin has presented threats as well as opportunities for the Balonne Shire. There is the promise of funding to plan and implement measures to address decreased water availability and the threat that changed management practices will result in less irrigation water for the Shire.

To date, Council has facilitated stakeholder's information awareness meetings and made representations to the highest level that social and economic impact on the Basin Communities must be considered as well as environmental issues. This is a watching brief for the Shire and in the following year it will be important to take advantage of funding opportunities, help disseminate information to stakeholders and seek to protect the interest of the Balonne Shire at the same time as supporting the responsible management of the Basin.

In this year of change, Council has continued to provide the services and infrastructure that are its core business. Highlights of the year include:

- The commencement of sealing 12km of the Noondoo-Thallon Road – This work is progressing well and will be another piece in this strategic link that is proving so vital to the increasing amount of broad acre agriculture in that area.
- The St George Sewerage Treatment Plant is near completion and Council has committed to building a water reuse facility for the plant's output in the next financial year.

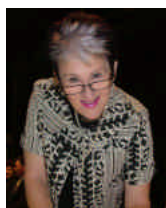
- Good use is being made of the Commonwealth Regional and Local Community Infrastructure Program funding to redevelop the Bollon streetscape, which will be a welcome facelift.
- State Government funding has been obtained for a major upgrade of the Dirranbandi Civic Centre – this will be an exciting project in 2009/2010.
- There has been a string of upgrades to watering points along the Stock Routes.
- Work at the Combined Community Clubhouse at the St George State High School is progressing and it should be available for use during 2009.
- The Dirranbandi Pool has now been in operation for over a year and the work of the Dirranbandi Pool Committee has to be recognised in making it the success it is. The community has worked together to make the most of this wonderful asset.

It also needs to be remembered that dogs have been registered, pot holes repaired and all the other day to day services have been delivered by the team at the Balonne Shire Council. So in closing I would like to thank the team who has made this all happen and supported me in my first year as the Chief Executive Officer and to thank the Councillors for the opportunity and their guidance.

Scott Norman

CHIEF EXECUTIVE OFFICER

our council elected councillors



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, a aboriginal employment strategy, economic development, planning scheme and development regulation. Cr. Stewart is also an ex-officio member of all other portfolios.



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, community halls, administration and depot buildings, staff housing, environmental health, urban animal control, urban streets, storm water and footpaths.



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, staff 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. 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.



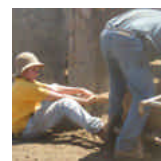
CR. IAN WINKS

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.

REMUNERATION

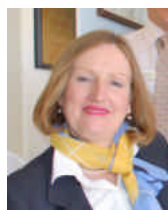
Councillor	No. of Council Meetings/ Committee Representation Meetings	No. of Interface Meetings	Total Meetings	Total Fees Paid
Cr. D.S. Stewart (Mayor)	21	134	155	\$67,949.96
Cr. R. Marsh (Deputy Mayor)	60	14	74	\$35,989.92
Cr. R. Fuhrmeister	89	114	203	\$31,640.00
Cr. A. Sevil	40	8	48	\$27,259.92
Cr. I. Winks	17	21	38	\$27,369.92

executive staff



CHIEF EXECUTIVE OFFICER

Scott Norman (Bachelor of Business (Accounting), CPA, MLGMA, MLGAA) commenced employment with the Balonne Shire Council in 2005 as Deputy Chief Executive Officer/Director of Corporate and Community Services. He was appointed as Chief Executive Officer in September, 2008.



DEPUTY CHIEF EXECUTIVE OFFICER/DIRECTOR OF CORPORATE AND COMMUNITY SERVICES

Donna Burke commenced with Balonne Shire Council in September, 2008 as Deputy Chief Executive Officer/Director of Corporate and Community Services. She has a Bachelor of Business with Distinction, a Diploma of Local Government Management, a Certificate IV in Workplace Training and Assessment, a Diploma of Local Government (Governance and Administration), an Advanced Diploma in Project Management and a Diploma in Frontline Management. Mrs. Burke is responsible for finance, administration, information technology, libraries and community services including economic and cultural development.

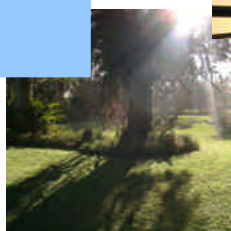
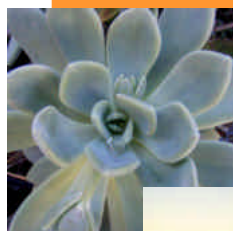
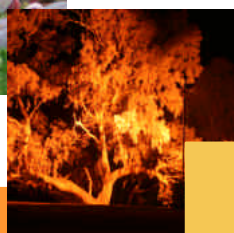
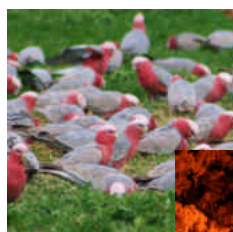


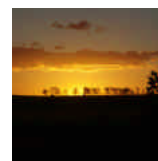
DIRECTOR OF TECHNICAL SERVICES

Paola Turri commenced with Balonne Shire Council as the Director of Technical Services in August, 2008. He has an Associate Diploma in Engineering (Surveying and Mapping) and Certificate IV in Business (Frontline Management). Mr. Turri is responsible for transport, urban water supply and waste water, drainage infrastructure, parks, gardens & recreational facilities, commercial services and public amenities.

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, public and environmental health, building, housing, disaster management, council facilities, WORK program and waste management.





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 responsibility to make laws for, and otherwise ensure, the good rule and government of its territorial unit. Under the *Local Government Act 1993*, Councillors have the responsibility for representing the overall public interest of the area and 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.

The Mayor has additional responsibilities 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 responsible 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 community needs and aspirations. The current Corporate Plan finalised at the close of this year. 2009/10 will see the commencement of Council's four year plan for 2009/13 implemented following an extensive community consultation process.

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. The code applies to all councillors, employees, contractors and consultants.

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 organisation.

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 adopted in June 2008. Whilst the *Local Government Act 1993* specifies a wide range of consultation it 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 about Council. Publications such as the Corporate Plan, Operational Plan, Annual Budget and Annual Report provide details of Council's plans and activities are readily 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.



our people



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, 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 this year one employee commenced a Certificate IV and Diploma of Local Government (Health & Environment).

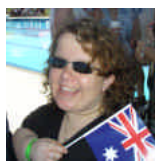
As part of the annual training program the following training was undertaken:

- Workplace Health & Safety Officer Recertification
- Workplace Rehabilitation & Return to Work Co-ordinator Recertification
- Aussie Host Training
- Traffic Controller Certification
- First Aid & CPR
- Agricultural, Chemical Accreditation
- Lifeguard (including Bronze Medallion)
- Workplace Health & Safety Management System Auditor
- Operate & Maintain Chainsaws
- Records Management
- Operate Breathing Apparatus

Over the past twelve months Council was also host to 4 trainees. These traineeships were in the areas of business administration, community services and civil construction.

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.



Objectives are to:

- Ensure a workplace free of discrimination and to promote equal employment opportunity for the following target groups; Aboriginal and Torres Strait Islanders, 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 Equal Employment Opportunity 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 2009 was as follows:

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 recognises periods of long service on Council to its employees. During the year the following employees were recognised and received medallions for their service.

- Gordon Green
- Tammy Jones
- Douglas Mawhinney
- Darrell Staines

STAFF AGE PROFILE

AGE	NUMBER	% COUNCIL	% COMMUNITY*
15 – 24 years	8	9.88	11.6
25 – 44 years	30	37.04	30.8
45 – 64 years	42	51.85	22.4
65 plus	1	1.23	9.8
TOTAL	81	100.0	100.0

*Source 2006 Australian Bureau of Statistics Census Data



key program areas



FINANCE

To achieve maximum community benefit from available financial resources



ADMINISTRATION AND CORPORATE SERVICES

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



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



TRANSPORT AND DRAINAGE INFRASTRUCTURE SERVICES

To provide efficient and effective transport and drainage infrastructure



COMMUNITY AND CULTURAL

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



ENVIRONMENTAL SERVICES

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



BUSINESS SERVICES

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



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



CLEANSING MANAGEMENT

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



finance program area 1



OBJECTIVE

To achieve maximum community benefit from available financial resources.

PERFORMANCE HIGHLIGHTS

Balonne Shire Council had a record cash reserves in 2009. Unfortunately, the "Global Economic Crisis" had an impact on the Council's Interest Revenue. The majority of Balonne Shire Council's cash reserves are invested with Queensland Treasury Corporation. In 2009 it was downgraded from an AAA rating to AA rating. In July 2008, Council was receiving 8.39% Annual Effective Interest Rate which dropped dramatically as a result of the "Global Economic Crisis". In June 2009 Council was earning 3.44% Annual Effective Interest Rate with QTC. Owing to the Council's record cash reserves, with guaranteed investments; Council was able to shield itself from the dramatic effects of the "Global Economic Crisis".

As part of the Australian Government Stimulus Package, Council received an advance payment for the 2009/2010 Federal Assistance Grant of \$961,840 in 2008/2009, which further boosted Council's Cash balances.

ACHIEVEMENTS

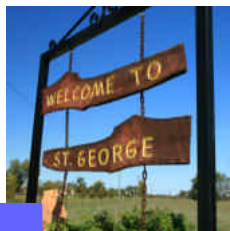
Outstanding Arrears of Rates dropped from 2.95% in June 2008 to 2.89% in June 2009. This was achieved despite the "Global Economic Crisis" and Council increasing its Rural Rates by 7% and Urban Rates by 8%.

Less than 1% of Council's Other Debtors are over 90 days. The number of Council Debtors (including rates) using BPAY has increased.

Increasing use of Electronic Funds Transfer Payments has enabled Council to better manage its cash resources.

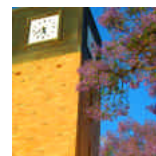
FUTURE INITIATIVES

- Develop a Rate Recovery Policy
- Continue to maximise Council's return on its cash while still providing services to the community.
- Consistently increase the number of rates and other Debtors using the BPAY facility while minimising cost to Council.
- Continually increase the number of Creditors paid using electronic funds transfer.



administration & corporate services

program area 2



OBJECTIVE

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

PERFORMANCE HIGHLIGHTS

RECORDS MANAGEMENT

During the year a significant review commenced of Council's records management. The *Public Records Act 2002* sets out the legislative requirements which Council must meet. Record keeping is an essential part of Council's business and it is important that information is identified and captured in an accessible and useable format that preserves the evidential integrity of the records for as long as they are required. An audit has been undertaken of all records in storage and progress has been made with identification and disposal of records no longer required. A large number of records dating back over a century were identified and discussions concerning these records have been held with State Archives. The records are being forwarded to State Archives for their consideration and review.

STAFF TRAINING

Council recognises training as being essential to ensure staff keep abreast of changes and emerging themes in their areas of operation. Staff are our most valuable asset and are a major factor in contributing to a positive public image. A number of staff participated in Aussie Host training. This program provided employees with hands on opportunities to enhance their customer service skills, workplace and person presentation, communication skills, effective telephone communication, handling of complaints and dissatisfaction.

Another group training activity undertaken was an Introduction to Records Management. This allowed staff to gain some introductory knowledge into records management. This was essential in building the right culture in grasping what the legislative requirements are and as a tool to assist in the management of the organisation.

ENTERPRISE BARGAINING AGREEMENTS

2008/09 saw the commencement of negotiations for new enterprise agreements. Negotiations in respect of the Balonne Shire Council Certified Agreement (Officers) 2009 were concluded with a vote being taken by employees to unanimously accept the agreement. At 30 June, 2009 we are currently awaiting the certification process of the agreement to be undertaken. The negotiation of the agreement was undertaken in a positive and co-operative spirit by all members of the enterprise bargaining team. Some of the key aspects negotiated were the introduction of an optional 19 day working month for employees covered by the agreement, provision for co-operation with a general close down between or around Christmas and New Year's day, attendance bonus, part-time employment arrangements and a Training Policy. The agreement is effective for a three year period.

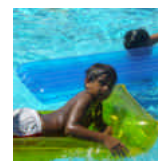
Negotiations in relation to the State Enterprise Bargaining were concluded however, the vote had not been taken at 30 June.

TRAINEESHIPS

As part of providing training opportunities, Council provided traineeships in Business Administration community services and Civil Construction. In the civil construction field Council had seven employees who completed their Certificate III in Civil Construction (Plant Operations). A further two employees commenced their Certificate III in Water Industry Operations. These traineeships provided on the job practical experience and allowed trainees to develop knowledge and skills.

WEBSITE DEVELOPMENT

Just prior to the end of the financial year major work was undertaken in redeveloping Council's website, www.balonne.qld.gov.au. The structure and enhancement of Council's website provides for an improved and user friendly website which provides substantial information for the community to understand Council's business, community services, events, tourism, governance, community



and business directories. The website is an interactive tool and queries can be lodged on line. Council will continue to develop the website where up to date and accurate information is provided.

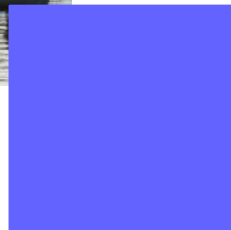
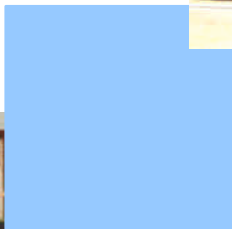
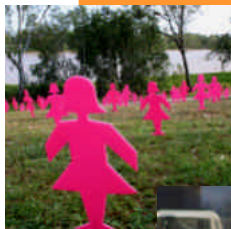
ACHIEVEMENTS

COMMENCED REVIEW OF POLICIES AND PROCEDURES

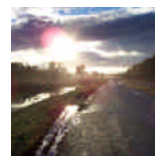
- Commenced redevelopment of website
- Negotiation of state and federal enterprise agreements
- Introduction of regular staff newsletter
- Introduction of quarterly workplace meetings
- Delivery of staff training in customer service and records management
- Enhancement of Council's website www.balonne.qld.gov.au
- Employment of trainees

FUTURE INITIATIVES

- Undertake an organisational review
- Review of Minutes/Agenda software
- Review of Committee Structure/Terms of Reference
- Review of Organisational Policies and Procedures
- Develop and implement Asset Management Strategy/Plans
- Develop and implement a Strategic Records Management/Operating Plans
- Review of records storage and rationalisation
- Facilitate staff skills development
- Development of an Annual Equal Opportunity Plan
- Develop a Human Resource Manual
- Upgrade of Council's website



planning & development program area 3



OBJECTIVE

To implement appropriate planning controls to ensure and encourage the balanced quality development of the shire.

ACHIEVEMENTS

- 72 applications for building works totalling \$6,025,621.00 was approved for 2008/09
- 25 new allotments were approved
- 7 Development Applications for a Material Change of Use were approved

FUTURE INITIATIVES

- Provide building certification service for building work within the shire
- Planning Act
- Review of Shire Planning Scheme
- Development of a maintenance program for staff housing
- Implementation of the 2009/10 Building Works Program including the refurbishment of the Dirranbandi Cultural / Hall Complex

OBJECTIVE

To promote the shire as a desirable place to live, work and visit.

PERFORMANCE HIGHLIGHTS

DEVELOPMENT OF NEW AND EXISTING INDUSTRIES

During the past year the shire has seen more consistent rain and some temporary relief from the ongoing drought conditions that have plagued the Balonne Shire in past years. Part way through the year the shire saw the lifting of its Extraordinary Circumstances Declaration which in its self will impact producers in our region.

The communities within the shire continue to be resilient and dynamic in trialing new techniques, technology and crops to ensure survival. Diversity of agriculture continues and allows the shire to produce successful crops year round. Consistent rain throughout most of 2008 allowed the largest winter wheat crop Balonne Shire has ever produced

to be harvested. This harvest highlighted issues with both road and rail infrastructure in the southern section of our shire with some producers still hauling grain to depots as they began planting their winter 2009 crops. This harvest allowed to security return to our dry land producers in the region.

The announcement of reforms in the Murray Darling Basin including water buy-backs during late 2008 and early 2009 have again highlighted the problems faced by irrigators in our region and their need to have some security for their water allocation and harvesting rights. At the time of writing this report irrigators as still waiting to find out the full impacts that the changes in water rights will mean for our district.

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 continued to grow in comparison to 2007/2008, based on the number of visitors to the Balonne Shire Visitor Information Centre. Visitors to the Centre during 2008/2009 amounted to 16,935 persons. This figure has increased.

The Visitor 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.

It is anticipated that tourism in the Balonne Shire will continue to grow while 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 large harvest experienced within the Shire highlights the issues that can be faced when travelers and large amounts of main roads traffic are sharing road infrastructure. These peak periods of use highlight the need for continued government investment to ensure the safety of the travelling public and that our producers have access to the necessary infrastructure.

The Council undertakes a variety of promotional activities including being the driving force behind the production of the tourism brochure 'Window of the West'. Throughout 2008/2009 other publications including new street directories for St George and Bollon were produced, the presentation folders were redesigned and printed and a number of marketing opportunities capitalized on.

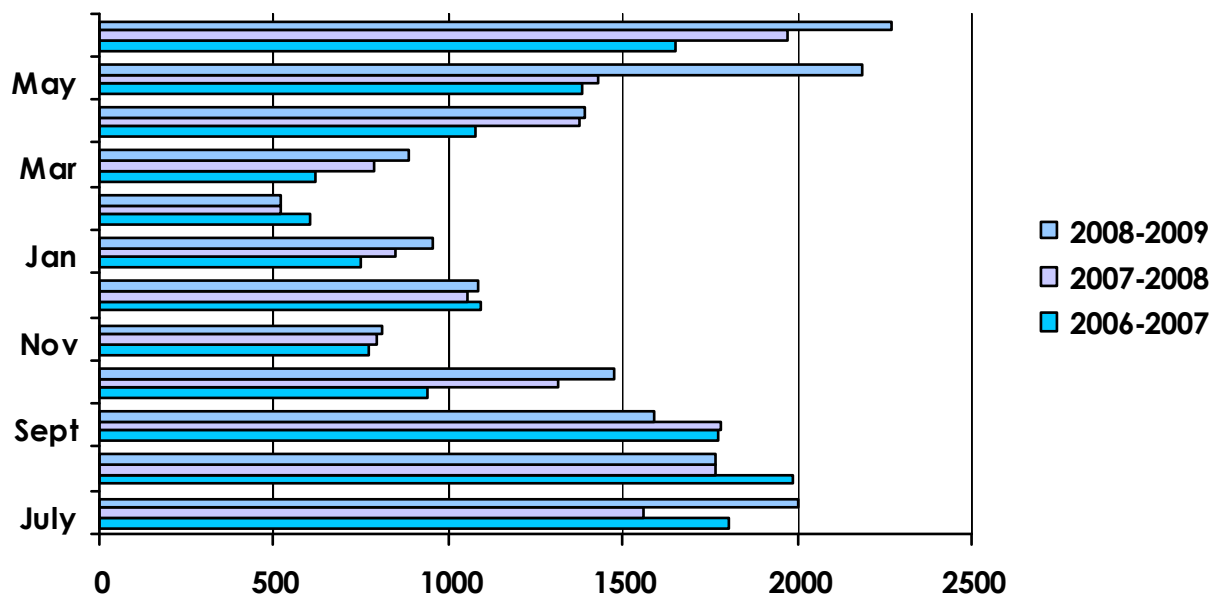
During a large storm experienced by the town of St George in December 2007 the Balonne Visitor Information Centre suffered major destruction of its garden. Council contracted a landscape designer who completed new plans for the garden. This allowed us to rectify a number of issues with the current design. Construction was undertaken in

early 2009 and completed prior to our tourism season which historically starts at Easter. The new landscaping has been completed with native plants mainly are local to our area and provides a more sustainable design.

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 Caravan, Camping and Motor-home Shows, Australia wide. During 2008/2009 cooperation has continued to increase between the shires represented by TGWRTA through the forum of the Western Downs Tourism Advisory Group, which continues to identify and seek new marketing opportunities for our region.

The Balonne Shire is an active member in two highway promotion groups including the Great Inland Way Promotions Group and the Adventure Way Promotions Group. Both are considered opportunities for further joint marketing and promotion of the Shire.

NUMBER OF VISITORS THROUGH THE VISITOR INFORMATION CENTRE





ECONOMIC DEVELOPMENT

The Maranoa and District Regional Organisation of Councils (MADROC) which was previously viewed as a regional body to assist with regional economic development was wound up during 2007/2008. MADROC encompassed the Shires of Balonne, Warroo, Booringa, Bungil and 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 utilisation for an economic development project.

During 2008/2009 the St George and District Chamber of Commerce in cooperation with Council engaged a consultant to undertake writing a Township Marketing Plan for St George and one combined for the communities of Bollon, Thallon, Dirranbandi, Hebel, Nindigully and Mungindi. These marketing plans were completed during the year and have been widely circulated for community consultation. Action plans are currently being completed in conjunction with the Chamber of Commerce to see initiative outlined in the plans undertaken during the upcoming months and years.

Council in cooperation with the Rotary Club of St George, St George and District Chamber of Commerce and local businesses organised and hosted the seventh annual Balonne Business Excellence Awards. This is a well supported local event which climaxed at a Presentation Dinner which was hosted in St George in early October 2008 where Maranoa Mechanical was named the 2008 Overall Best Business. Over 300 business persons and staff attended the awards during 2008 which resulted in many local businesses progressing to compete at a district and regional level.

Council with funding assistance from the Blueprint for the Bush attended the 2008 Country Week show in Brisbane to promote Balonne Shire as a tree change option for city folks. Representation at the show was supported by the St George and District Chamber of Commerce. Council promoted vacant positions located throughout the shire and promoted the district's real estate and lifestyle options. Although the 2008 Country Week Show did not provide large attendance figures, although Council made some good contacts at the show.

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.

Improvements to technology have allowed for the introduction of a wireless broadband hook up to be installed at the Balonne Visitor Information Centre during the year. This has been widely accepted by the travelling public and has allowed us to maximise revenue without installing more computers. The service can be used by many travelers through personal laptops as well as the three public access computers installed at the Visitor Information Centre.

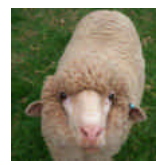
During 2008/2009 the shire also saw the installation of digital television within the shire. This will be a continuing issue in the years to come to ensure access by all residents to the new technology as the analogue system is due to be closed in the near future.

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.

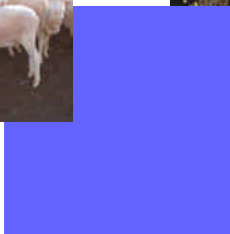
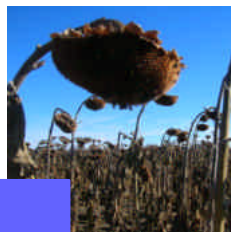
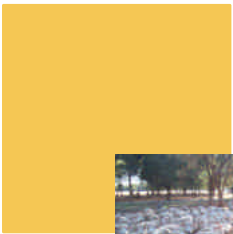


ACHIEVEMENTS

- Representing Balonne at various meetings and forums regarding the changes to the Murray Darling Basin water allocations and water-buy backs
- Holding our very successful Balonne Business Excellence Awards
- Working cooperatively with the St George and District Chamber of Commerce completed Township Marketing Plans for St George and one combined for the smaller towns within the shire
- Completion and launch of our new look "Windows of the West" and other various publications
- Redesigning the www.balonne.qld.gov.au website
- Successful organisation and running of our second annual 'Eye on Balonne' Photography Competition which resulted in over 150 entries being received
- Ensuring we continue to exceed requirements for the Balonne Visitor Information Centre to remain an accredited Visitor Information Centre within Queensland
- Almost 17,000 visitors through the Balonne Visitor Information Centre
- Providing improved technology at the Visitor Information Centre to allow more travelers to access wireless broadband
- Representation at Caravan and Motor Home shows
- Continued membership of Toowoomba and Golden West Regional Tourism, Adventure Way Promotional Group and Great Inland Way Promotional Group
- Installation of additional signage along the Great Inland Way to highlight attractions

FUTURE INITIATIVES

- Completion of an Economic Development Plan for Balonne Shire
- Support the Aboriginal Employment Strategy and submit application for Skilling Queenslanders for Work Project
- Update the Shire Economic Profile
- Provide assistance and support organisations to access funding for business and tourism initiatives
- Retransmission of Digital TV SBS for Bollon, Dirranbandi & Thallon
- Undertaking of Visitor Information Signage Audit
- Maintain or exceed Tourism Queensland Visitor Information Centre Accreditation Standards to continue recognition as an accredited VIC
- Compile and implement a Shire Marketing Plan to promote the district as an ideal business location and tourism destination
- Produce various promotional materials including 'Windows of the West', Heritage Trail, Town Street Directories, Self-Drive Agricultural Tour, and Presentation folders
- Host Queensland Music Festival in St George
- Coordinate our third annual photography competition 'Eye on Balonne'



transport & drainage infrastructure services program area 4



OBJECTIVE

To provide efficient and effective transport and drainage infrastructure.

PERFORMANCE HIGHLIGHTS

GENERAL

Technical Services is responsible for road maintenance, construction and upgrades and the management of Council's road infrastructure, as well as contracts management, engineering services and parks and gardens. Additionally, it also is responsible for maintaining and repairing 640km of roadway on behalf of the Queensland Department of Main Roads. This network includes; Carnarvon Highway, Barwon Highway, Moonie Highway and Mitchell-St George Road. Council is directly responsible for maintaining and repairing its network that includes 250km of sealed rural roads, 2,065km of gravel roads and 17 bridges.

This year, the Technical Services team aimed to ensure that Balonne Shire was seen as an attractive and desirable place in which to live and work by maintaining and improving the appearance of public spaces and townships.

ACHIEVEMENTS

ROADS AND FOOTPATHS

- Continued high-level maintenance of all parks and lawn areas within townships, including the high profile St George River walk
- Constructed concrete footpaths in The Terrace and Church Street, St George
- Supervised the construction of the new Sewerage Treatment Plant, Commissioners Point Rd, St George
- Purchase of one Caterpillar 910 loader and two Caterpillar 140M Graders
- Resealed 26,500 sq. m of sealed roads
- Repaired and maintained drainage, culverts, guide posts and signage on the local road network
- Completed a regravelling program of over \$3.7M on various sections of the following roads:
 - Thallon-Dirranbandi, Ramalis, Booligar, Euraba, Cashel Vale, Corack, Honeyamah, Kulki, Jackelwar-

Goodooga, Cubbie, Narline, Woolerbilla, Warrie, Whyenbah, Bollon-Dirranbandi Roads, Honeyamah and Wanganui Lanes.

EXTERNAL WORKS FOR THE DEPARTMENT OF MAIN ROADS

The Council's road construction and maintenance team:

- Maintained 640km main roads in the Shire under contract to Main Roads, with a contract value of \$951,500.00
- Resealed 23.7km of the Moonie Highway - \$611,916.00
- Undertook shoulder rehabilitation on section of Balonne Highway - \$100,320.00
- Secured contracts for the following works in 2009/2010:
 - Rehabilitating 14 floodways on the Moonie Highway
 - Upgrade of Rockwells rest area on Moonie Highway - 3600sq.m
 - Upgrade of Moonie Highway Rest Area near Carnarvon Highway - 2,570 sq.m
 - Widening of Carnarvon Highway edge widening (Nindigully) - 6,300sq.m

FUTURE INITIATIVES

- Develop and implement a footpath program in St. George
- Construct streetscaping in Bollon
- Repair of flood damaged roads
- Review of rural addressing
- Undertake net risk for data collection for Local Roads of Regional Significance network
- Develop a strategic roads strategy
- Develop and implement a five year plant replacement program
- Implement appropriate plant operate training
- Maintain a panel of suitable providers for hire of plant
- Construct a new fence at Bollon Aerodrome
- Review concept plans for streetscaping and river walk projects
- Review all township walking trails by rivers/creeks
- Install adult exercise equipment on St George river walk
- Develop action plans for Dirranbandi and Bollon Showgrounds

community & cultural program area 5



OBJECTIVE

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

PERFORMANCE HIGHLIGHTS

COMMUNITY DEVELOPMENT OFFICER

In November 2008 Council employed a Community Development Officer. This was a newly created position for which funding was adopted in the 2008/09 Budget. The newly elected Council in March, 2008 recognised the importance of community development to the Balonne Shire. Central to the role of community development is emphasis on serving the people, enhancing communities and being responsive to local needs. Council is committed to increasing the community's capacity to generate and sustain its own response to issues so that we build a strong and self-reliant community. This position will identify and facilitate community capacity building opportunities and ongoing community engagement which will provide quality community outcomes.

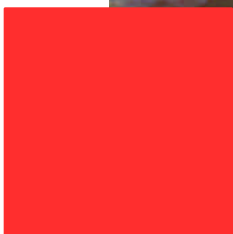
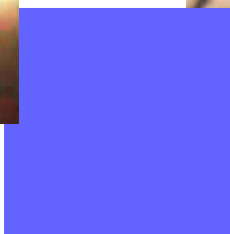
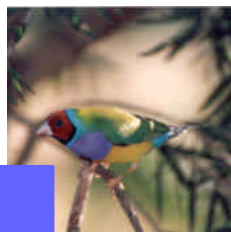
COMMUNITY SATISFACTION SURVEY

In December, 2008 Council undertook a study to ascertain the community's level of satisfaction with Council's services. The survey instrument was

developed to allow Council to monitor and track performance against the expectations of their ratepayers and the wider community, and allow benchmarking against future results. Whilst there was only a return rate of 13.4% on this initial survey Council plans to undertake the survey on a two yearly basis. The survey did identify a number of areas for enhancements to be considered including management of dogs and identified what the community felt was being done well e.g. delivery of library services and tourism. During the 2009/10 year Council will review the findings of the survey and consider various strategies to address concerns. Information also gathered from the survey was fed into the development of the 2009 - 2013 Corporate Plan.

CORPORATE PLAN 2009 - 2013

Council undertook a comprehensive community consultation process to develop the Corporate Plan for 2009 - 2013. The development of the Corporate Plan 2009 - 2013 was a positive and enriching exercise whereby Council's vision and mission were clearly articulated to provide a clear understanding of the overall direction and common purpose. Council actively engaged the community to enable it to prepare a plan that provides a clear direction to make decisions to shape and secure the future of the shire. This plan is





the strategic compass which will steer the Balonne Shire for the next four years. The plan has been formulated to align Council's direction as closely as possible with the collective needs and aspirations of the community with key areas identified including corporate governance, corporate services, community development, economic development, health and environmental services, infrastructure and rural services. In identifying governance as a key area Council recognises the importance of providing ethical, transparent and accountable leadership. Council also seeks to support and enhance the strong community spirit so evident across the shire to build a more self-reliant and stronger community. Other important considerations are the implementation of sound asset management practices and the need to ensure sound financial management.

BALONNE SHIRE HALLS REJUVENATION PROJECT

As part of the Regional Community Local Infrastructure Program implemented by the federal government to provide an economic stimulus and fund infrastructure development Council lodged a \$3.4 million application to rejuvenate the halls within the Shire. Whilst Council was not successful in receiving funding it did undertake comprehensive scoping of the halls which will significantly contribute to information required for our asset management processes and to lodge further applications should any funding opportunity present.

RURAL LIVING INFRASTRUCTURE PROGRAM FUNDING

Council received funding of \$375,000 under the Rural Living Infrastructure Program towards a \$500,000 project to rejuvenate the Dirranbandi Hall. The Dirranbandi Hall Rejuvenation Project is a major project to renovate and revitalise the Dirranbandi Civic Centre (Hall). The project will deliver many tangible benefits to the Balonne Shire community, particularly the Dirranbandi District including ensuring the hall remains as a community resource for the residents and an icon to both the culture and history of the community, enhancing the quality of the life of residents, ensuring the hall has the flexibility to accommodate a multitude of events and activities including meetings, conferences, celebrations, indoor sports, theatre events, dancing, cinema and live performances and preservation of a community facility central to the fabric of the Dirranbandi community. This project will be undertaken during the 2009/10 financial year.

AES STRATEGY

Another important activity undertaken by Council

was the provision of support to the Aboriginal Employment Strategy. This strategy was implemented as part of a community commitment to increase full-time employment and career options for indigenous residents of St. George and District and to optimise existing support services and increase co-ordination between employers, job seekers, services providers and the community. Over recent months considerable discussion and consultation has occurred with the Department of Employment and Training, QBuild, indigenous organisations and support services to develop a Skilling Queenslanders for Work application. The Balonne Indigenous Employment Project is proposed to be implemented for a 16 week period and will target unemployed indigenous people in the St. George District. The project will be comprised of two aspects a Civil Construction Project and a Housing Maintenance and Repairs Project.

BOLLON COMMUNITY PLAN

Council officers facilitated a community workshop to assist the Bollon Community to develop a Bollon Community Plan. This Community Plan was the brainchild of a number of forward thinking community members who are passionate about the liveability and longevity of the Bollon community following attendance at a Naturally Resourceful Women's Seminar. The Community Plan provides a platform for the community to address and respond to the community's changing needs. The 2009 – 2012 Community Plan sets out a three year vision for the Community of Bollon. The community is currently developing action plans to address the strategies identified in the plan.

GO SPORT FUNDING

Council was pleased to provide funding to youth groups under the Positive Futures Program. Funding from this program was made available through the Department of Communities to provide sporting opportunities to youth and young people at risk of coming into contact with the youth justice system and aboriginals. Funding was provided to Dirranbandi Branch ICPA for a Tennis Coaching Clinic for \$1,000, St George Aboriginal Housing for a Community Sports Expo with participants from all schools in the shire for \$4,420 and the Hebel Sports Association for a Tennis Clinic for \$2,745.

ACHIEVEMENTS

- Employment of a Community Development Officer
- Undertook a Community Satisfaction Survey
- Undertook significant community consultation

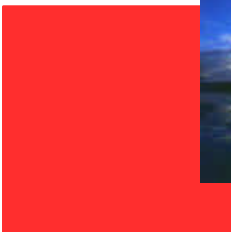
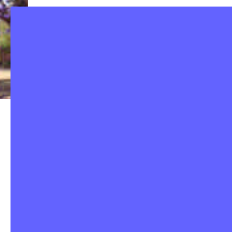
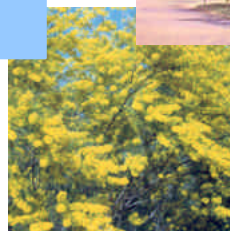
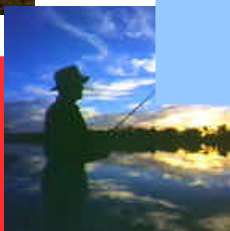
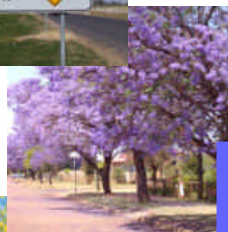
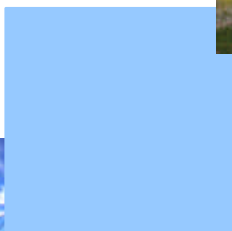
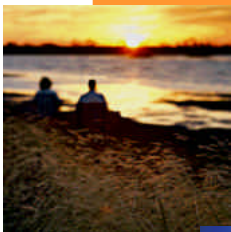
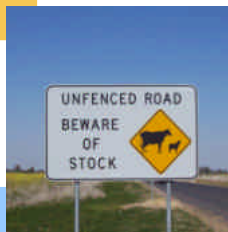


in relation to the development of the 2009 – 2013 Corporate Plan

- Commenced development of a Skilling Queenslanders Work application for employment of long term indigenous people
- Implemented a quarterly Community Newsletter
- Established a partnership with Goondir Health Services
- Contributed to the implementation of the Aboriginal Employment Strategy
- Provided funding to Care Balonne for Drug Education and Training
- Launch of the Yourtutor at the St. George Library
- Assistance with the development of the Bollon Community Plan
- Held Local Government Week activities
- Review of the Community Grants and Assistance Policy
- Held Local Government Week activities at schools
- Supported International Women's Day
- Coordinated & hosted Meet 7 Greet for new residents to the shire

FUTURE INITIATIVES

- Review annual Customer Satisfaction Survey Results
- Review of Arts and Cultural Policy
- Pursue funding for the purchase of cinema/ outdoor equipment
- Develop a Library Operating Plan
- Audit, review and implementation of locational signage
- Submit an application under the Skilling Work for Queenslanders Program for indigenous persons
- Erection of Cultural Heritage Signage – Alfred and Mitchell Street
- Review of Balonne Shire Youth Policy
- Participation in the development of a Youth Plan/Strategy
- Development of a Cultural Mapping Plan
- Pursue funding for a public art project
- Awarded quotations for the installation of CCTV in the St. George CBD area
- Seek funding for the construction of a War Memorial in Thallon
- Compiling welcoming packs to be distributed to new residents
- Seek funding for the construction of a Skate Park



environmental & health services

program area 6



OBJECTIVE

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

PERFORMANCE HIGHLIGHTS

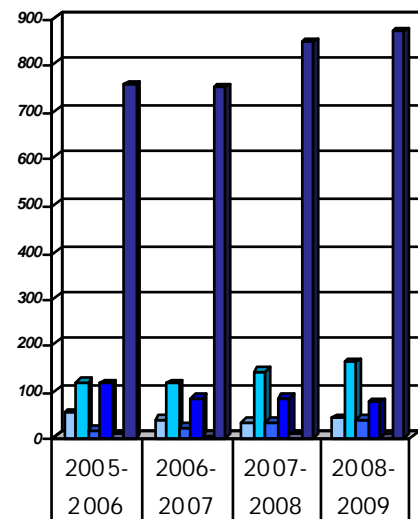
PUBLIC HEALTH MANAGEMENT

Council is responsible for regulating food safety in the community through the implementation of state-wide food safety standards. Furthermore, Council has regulatory control over food borne diseases and mosquito borne diseases. Dog control is also an important function which is regulated by a local law. Council provides services to other shires such as Paroo, Bulloo and Murweh to assist them meet their environmental health obligations.

ENVIRONMENTAL MANAGEMENT

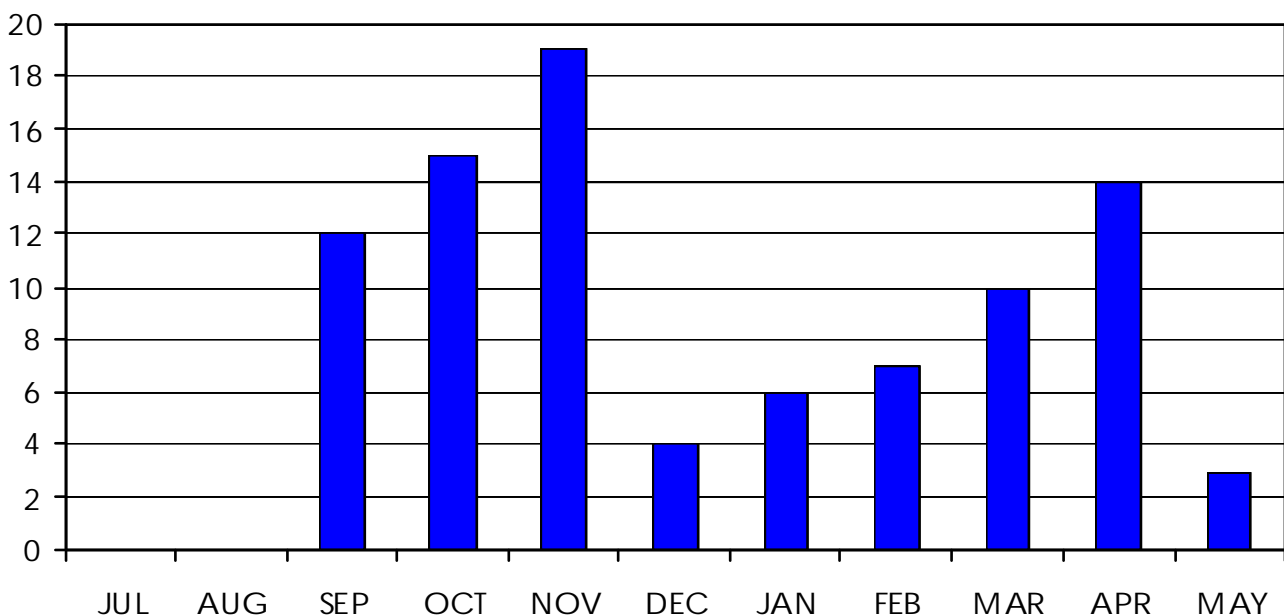
The *Environmental Protection Act 1994* imposes a duty upon the citizens of Queensland to lessen the impact of human activities on the environment. This Council, like all other Queensland Local Governments has been charged with the responsibility of administering many of the

DOGS REGISTERED BY TOWN



	2005-2006	2006-2007	2007-2008	2008-2009
Thallon	53	38	35	41
D'bandi	121	118	142	164
M'gindi	17	22	34	38
Bollon	116	86	85	76
Hebel	6	5	6	0
St.G	756	751	847	871

REQUESTS FOR ACTION 2008/09





provisions 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 1994* has continued with 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.

LOCAL LAWS

A total of 1192 dogs were registered during the 2008/09 year. Council has issued infringement notices for offences under its Animal Control Local Laws. 18 Infringement Notices were issued with 17 of them being referred to State Penalties Enforcement Registry for collection. 106 dogs were impounded this financial year.

ENVIRONMENTAL AND PUBLIC HEALTH

A total of one hundred and thirty-six (136) licences were issued by Council under the *Public Health Act 2006* 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. All licensed premises were inspected on at least two occasions during the year.

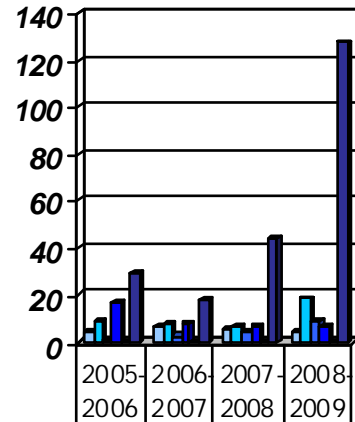
ACHIEVEMENTS

- Implementation of inspections and licencing of food premises
- Implementation of inspections and licencing of environmentally relevant activities
- Compliance with legislative requirements

FUTURE INITIATIVES

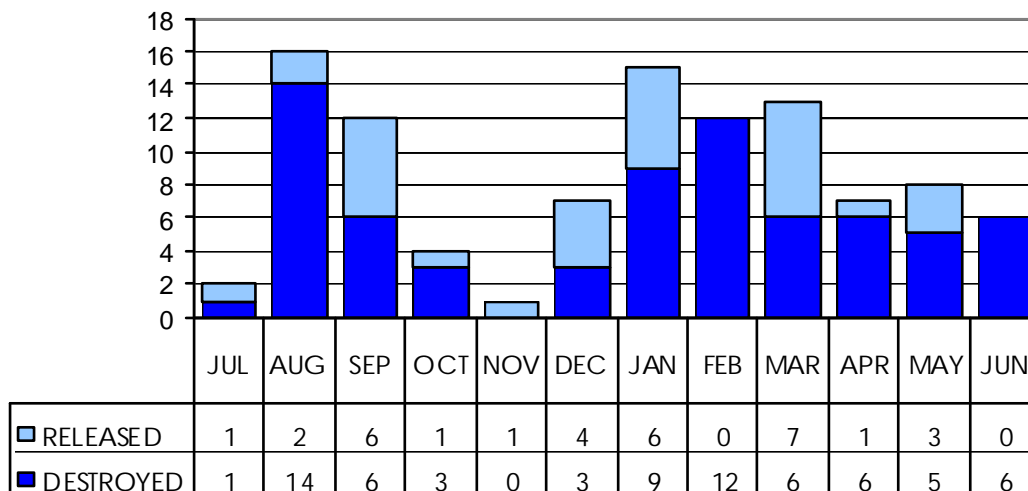
- Implementation of the new *Animal Management (Cats and Dogs) Act 2008*.
- Under inspection program for food premises
- Promote recycling through contract waste collection
- Review of cleansing charges structure

IMPOUNDED DOGS 2008/09



	2005-2006	2006-2007	2007-2008	2008-2009
Thallon	4	7	6	4
D'bandi	9	8	7	19
Mgindi	1	3	4	9
Bollon	17	8	7	7
Hebel	0	0	0	0
St G	30	18	44	127

IMPOUNDED DOGS 2008/09



rural services program area 7



OBJECTIVE

To provide effective and efficient management of stock routes, animal and weed pests.

PERFORMANCE HIGHLIGHTS

GENERAL

Through strategies outlined in Council's Pest and Weed Management Plan Council ensures that land management practices are implemented to ensure controlled land remains viable for all personnel that traverse the shire. The management of weeds and pests can pose a challenge and the costs to the community can result in lost production, damage to environmentally significant areas, degraded land, water quality and compromised biodiversity.

GABSI WATER FACILITIES

Over the past twelve months works have been completed on the following water facilities on our stock route network have been completed under the GABSI scheme; Bandy Andy, Balagna, Eaglehawk, Bonathorne, Wodonga, Bunglebree and Mona/Dunbar.

Work has commenced on the Nibendulla and Wild Horse facility and works remain to be completed on Charlton, Heather, Vincents Vallley and Fernlee.

WORKS ON NON – GABSI FACILITIES

During the year excavation of Boombah 2 and 4 Dams was undertaken. New signage was placed on all facilities including GABSI sights except Glencoa. In addition, new signage placed on stock route within St George town area.

WEED CONTROL

With the assistance of the Department of Primary Industries, Roma spraying of Mother of Millions at Thallon and Lantana over two week period in September 2008 was carried out. Spot spraying of Mother of Millions in other parts of shire was carried out. A partnership with the Department of Primary Industries was also undertaken with the Roma and Goondiwindi branches for the eradication of water

weed, Hymenachne on the Moonie River during October and November 2008. Spot spraying of Harrisia Cactus carried out through shire.

FERAL ANIMAL CONTROL

1080 baiting has been constant for 2008/09 period and is considered pulse baiting programs rather than of coordinated. Wild dogs, feral pigs and foxes were targeted.

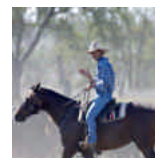
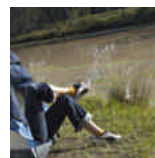
ACHIEVEMENTS

- GABSI works undertaken
- Non – GABSI Works completed
- Excavation of dams at St George town common pound
- Construction of new holding yard at St George town common pound
- Fire breaks placed at St George town pound
- New rear gate placed at St George town pound
- New signage placed at St George town pound
- New gate and signage placed at town common – Salmon Road
- New 1000 gallon poly tank placed at Dirranbandi town common
- Security fence placed at water point Dirranbandi town common
- Control of weeds
- Control of feral animals

FUTURE INITIATIVES

- Fence town common at Dirranbandi in conjunction with WORK
- Fence south east paddock in St. George opposite tip
- Provide wild dog incentive
- Install 10,000 gallon tank at St. George pound
- Liaise with Moree Plains Council to facilitate development of washdown facility

urban water & waste water program area 8



OBJECTIVE

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.

PERFORMANCE HIGHLIGHTS

GENERAL

It has been a big year in water and sewage for the Shire with the laying of new water mains in St. George in Robert Street, Hill Street, Albert Street, Mitchell Street, Grey Street, Weribone Street, Hume Street and to the Sewage Treat Plant. There were also two mains laid in Bollon and a main in Dirranbandi that was 1100m in length. The water and sewage crew also worked at the new treatment plant installing baffles, pipework, manholes and the watergates in the distillation boxes.

SEWERAGE TREATMENT WORKS

During the year a key infrastructure project almost brought to completion was the construction of the new Sewerage Treatment Plant for St. George. St. George was seweraged approximately 50 years ago.

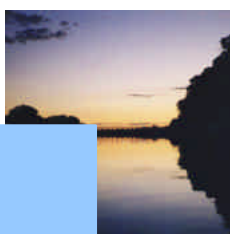
The current plant will be decommissioned as soon as the new plant is finalized early in the 2009/10 year. Council is pleased to be finally seeing the results of many years of planning to bring this project to fruition. The new treatment plant cost Council in the order of \$3,040,000.00 with a significant amount of subsidy being received from the Department of Local Government, Sport and Recreation. Still remaining a challenge for Council is to see the implementation of effluent re-use strategies that will comply with all environmental requirements. Council will be undertaking further studies in the forthcoming year.

ACHIEVEMENTS

- Major works completed at new sewerage treatment plant
- Significant renewal of water mains in St. George, Bollon and Dirranbandi

FUTURE INITIATIVES

- Commission new sewerage plant
- Investigate reuse of water from St. George Sewerage Treatment Plant
- Conduct a network water analysis
- Commence water infrastructure planning including investigation into dual water supply in Bollon
- Implementation of the 2009/10 Water and Waste Water Capital Works Program



cleansing program area 9



OBJECTIVE

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

PERFORMANCE HIGHLIGHTS

RECYCLING

Council has promoted the recovery of steel from its dumps throughout the year with large volumes of steel and car bodies being collected and returned to Brisbane for recycling.

LANDFILLS

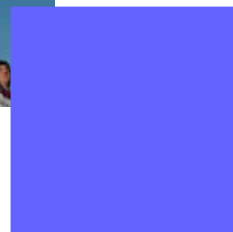
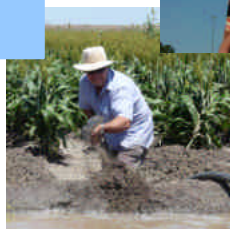
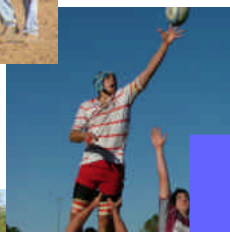
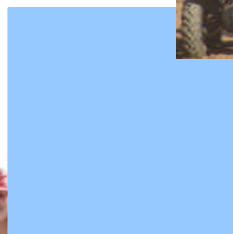
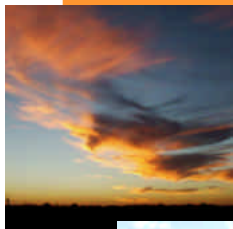
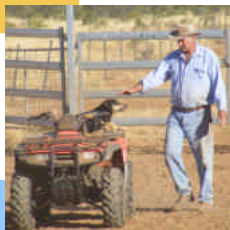
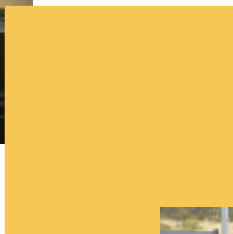
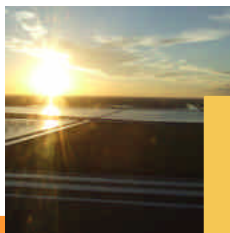
JJ Richards and Sons continued in the 2008/09 financial year as Council's Waste Management Contractors. This arrangement continues to be effective. Their service includes the supply and

maintenance of 200 litre wheelie bins and a transfer station at St George for the collection of recyclable material. All garbage and recycling material collected by Council's Contractor was disposed of at the St George refuse landfill. Landfills throughout the shire were regularly maintained by Council employees and were inspected at least monthly by Council's Environmental Health Officer.

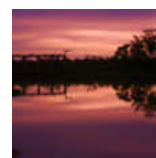
Problems continue to be caused particularly at the St George landfill by unknown persons who constantly light fires at the dump. Council is closely monitoring this situation.

FUTURE INITIATIVES

- Maintain and enhance refuse landfills in the shire
- Maintain refuse collection services in the shire



statutory information



SPECIAL RATES AND CHARGES

THALLON TOWN RURAL FIRE BRIGADE SPECIAL CHARGE

For the 2008/09 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 \$5,564.23 was collected.

TENDERS

All purchasing is conducted in accordance with Part 3 of Chapter 6 of the *Local Government Act 1993*. No action was taken under Sections 488 or 489 of the *Local Government Act 1993* during 2008/09.

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 1993*
- 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

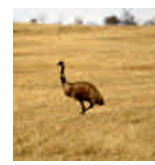
In accordance with Section 1031 of the *Local Government Act 1993* Council provided a pensioner remission to all eligible pensioners in line with its policy. Council grants an annual remission of rates for land owned or occupied either fully or partially by a pensioner provided that the land is the principal 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 \$26,536.67.

COUNCILLOR REMUNERATION POLICY

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.

Balonne Shire Council is a Category 2 Council as



determined by the Local Government Remuneration Tribunal.

1.0 LEGISLATIVE AUTHORITY

Local Government Act 1993.

Section 236A of the *Local Government Act 1993* states that

- For a year, a local government may, by resolution, authorise the payment of remuneration to a person who is a councillor of the local government.

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.

2.0 PRINCIPLES ON WHICH 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 councillors by 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 shall be published in the Council's Annual Report.

3.0 LEVEL OF REMUNERATION

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.
- 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.
- 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.
- Total Remuneration shall not exceed \$31,640.

DAILY MEETING FEES

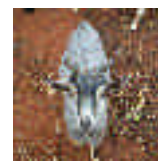
Daily Meeting Fees will be paid for attendance of a meeting or meetings as follows:

- 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:

COUNCILLOR AND MAYOR MEETING FEES (PER DAY)

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

greater than 4 hours duration	less than 4 hours but greater than 2 hours duration	less than 2 hours duration
(100%)	(60%)	(40%)
\$250	\$140	\$70



4.0 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.

5.0 DATE AND PERIOD OF EFFECT

The remuneration package as listed above had effect from 16 January 2009, 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 *Local Government Act 1993* 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 1993* provides that Council may, by resolution at its budget meeting authorises the payment of rates by instalments on the terms it determines. The terms may provide for the payment of a premium and for the application of interest charges on overdue rates

and for the immediate payment of future instalments if such terms are not met. Council made a resolution to accept arrangements to pay under Section 1015 of the *Local Government Act 1993*. 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.

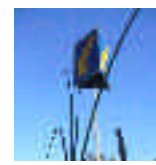
COMPLAINTS RECEIVED IN RELATION TO BUSINESS ACTIVITIES

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 IS RESPONSIBLE FOR:

- land under infrastructure – 2,377 km of roads (plus 639.58 km of main roads)
- 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 MANAGED RESERVES

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 the following was spent on Consultants:

Consultant	Amount (including GST)
Engineering and Design Services	72,962
Legal Advice	11,768
Sewerage and Water Engineering Services	143,496
Asset Management	38,890
Total	\$267,115

EXPENDITURE ON ENTERTAINMENT AND HOSPITALITY SERVICES

During the year \$26,000 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 and civic receptions.

EXPENDITURE ON ADVERTISING

During the year \$26,052 was expended on corporate governance advertising in respect of local laws, Staff Recruitment, Visitor Information Centre, Watering Hours, and statutory meeting notices.

EXPENDITURE ON OVERSEAS TRAVEL

No Councillor or staff travelled overseas during 2008/09 on Council business.

EXPENDITURE ON GRANTS TO COMMUNITY ORGANISATIONS

Council provides financial assistance to festival and events funding and applicants under the Regional Arts Development Fund. Council also provides donations to Community groups, which make a positive contribution to improving quality of life of the shire residents. Free or Concessional use of Council facilities by charitable / not-for-profit organisations was also granted on many occasions by the Council.

Regional Arts Development Fund Contributions	\$24,354
Community Grants	\$17,639
Free or Concessional use of Council facilities	\$4,404
Total Contributions to the Community	\$46,397

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



The purpose of the Community Financial Report is to present Financial Statements in a form more easily understood by the community.

More detailed information is contained in the Audited Financial Statements.

THE INCOME STATEMENT

Income statement measures the revenues and expenses in providing quality services and facilities to our community.

RATES REVENUE RATIO

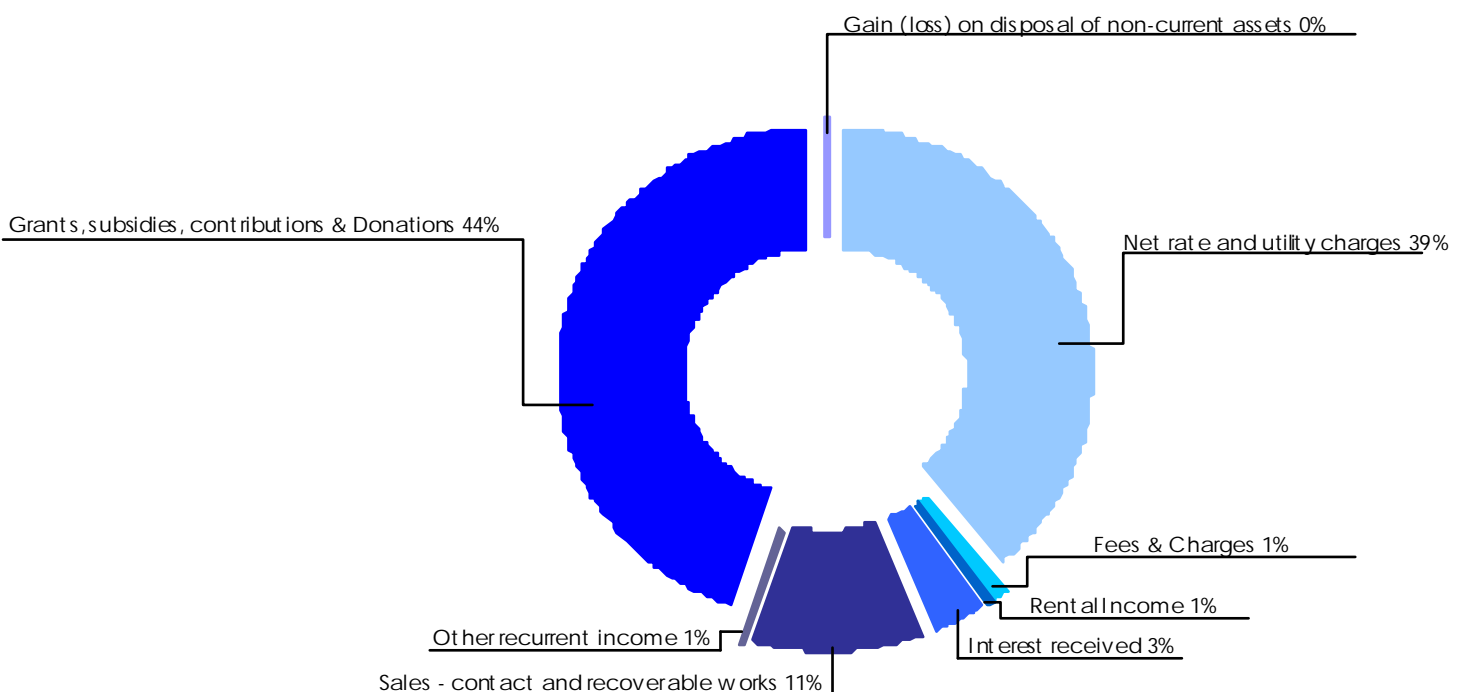
This ratio measures Council's dependence on rate income as a major source of funding. Council's

dependency has remained relatively stable ranging from 35% – 41% over the past four years.

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 2008/2009 financial year the percentage was 8.97%.

BALONNE SHIRE COUNCIL REVENUE - WHERE COUNCIL'S MONEY CAME FROM

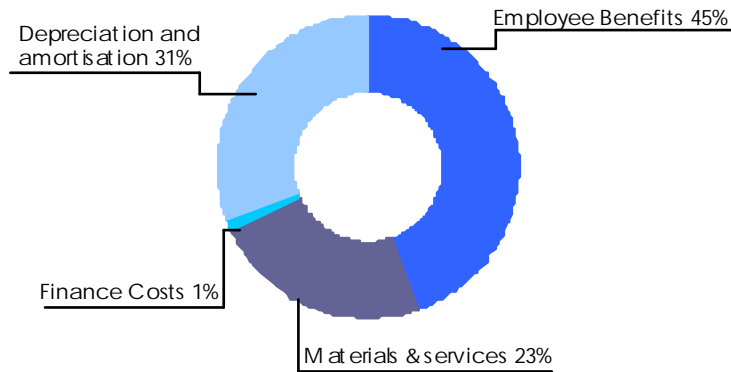




EXPENDITURE - WHERE DOES COUNCIL SPEND ITS MONEY?

Council provided a wide range of services to the Community. This work was completed by Council staff and contractors. Wherever possible, local suppliers and contractors were utilised so the money flows back into the Shire.

**BALONNE SHIRE COUNCIL EXPENCES
WHERE MONEY HAS BEEN SPENT**



A large part of the expenditure shown in the income statement is made up of depreciation. Depreciation records the annual consumption of assets owned by Council. As well as representing their rate of

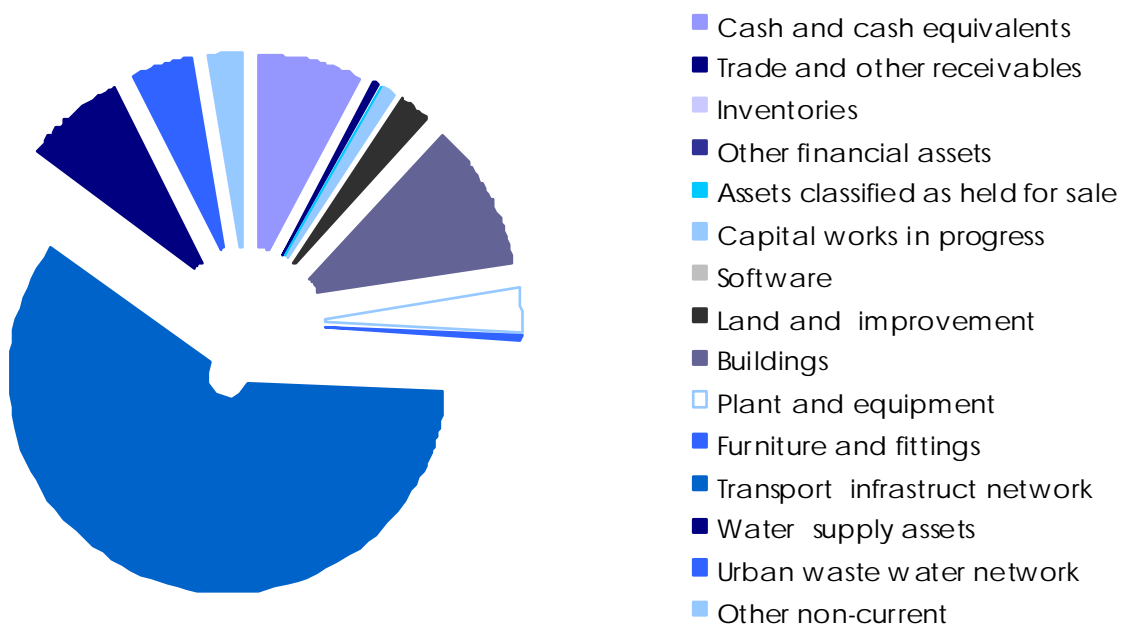
consumption, it is also an indicator of the amount of money required on an annual basis for the future replacement of assets. If Council does not raise sufficient revenue on an annual basis to fund depreciation, in the long term Council may not be able fund future asset replacement, leading to a deterioration of its asset base and the services that they provide.

THE BALANCE SHEET The balance sheet shows the balance between what the community owns (assets) and what we owe (liabilities). The difference measures our wealth (community equity).

Assets are objects that Council's owns outright and no one else can claim possession to the item. These Assets are used to provide services to the community.

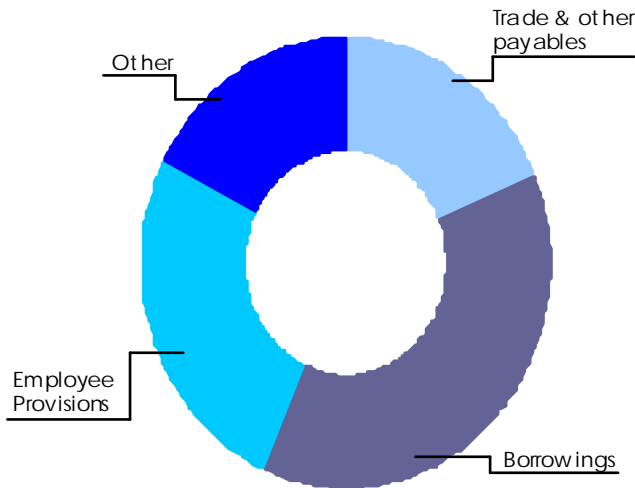
Liabilities include loans, amounts payable to suppliers and contractors, and amounts owing to employees for leave entitlements.

**BALONNE SHIRE COUNCIL ASSETS
WHAT COUNCIL OWNES**





BALONNE SHIRE COUNCIL LIABILITIES WHAT COUNCIL OWES



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 4:1.

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.

EQUITY – What our community is worth: What we own (assets) less what we owe (liabilities).

Balonne Shire Council revalued its road, street, bridge, stormwater and aerodrome assets in 2008/2009, which means that Council's asset revaluation reserve has increased.

Other reserves and are the funds council puts aside for future projects such as water and sewerage works. Council is meeting much of its future requirements for asset replacement by using money held in these reserves (backed by cash in the bank). Council is therefore less reliant on borrowings, as the money is more readily available when required. Balonne Shire Council has not borrowed since 2004.

Whenever Council receives a grant or subsidy in advance of the project being completed, it is transferred to a reserve. For example, the Council received funding in June 2009 for the new dog and cat legislation, but will not be spending monies on the next financial year. So it is transferred to reserve until the funds are spent.

THE STATEMENT OF CHASHFLOWS provides information how Council receives its Cash and where it spends it cash.

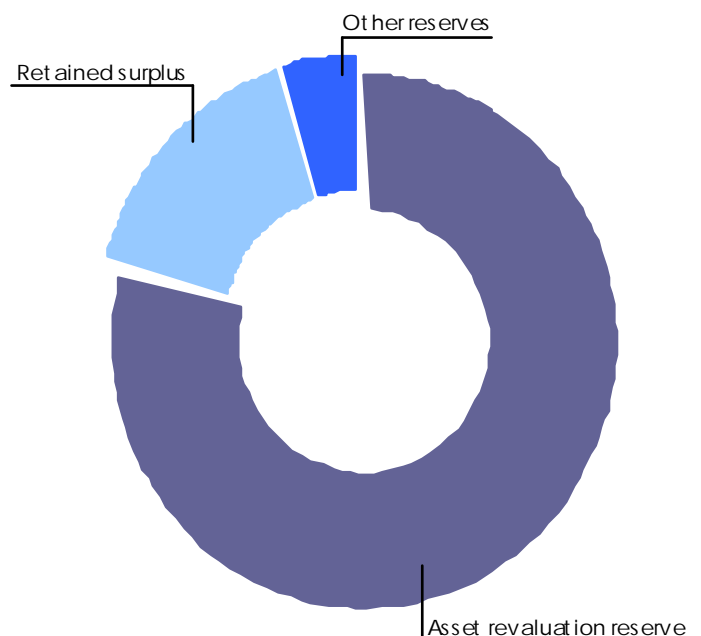
Cash at end of reporting period - 30 June 2009 - \$11.9 Million Cash on Hand includes \$11.6 million invested with Queensland Treasury Corporation. The Cash Flow Statement shows an increase of \$1.5 million in cash held

To reach a strong financial position, Council must not only have enough cash for its day-to-day operations and to fund purchases of property, plant and equipment; repay interest and principal payments on loans, it must manage its cash to have the capacity to meet its financial commitments in the long term.

During the year \$8.9 million was expended on improving Council's roads, streets, water supply assets, airports, sewerage works, recreational areas, public facilities and various plant and equipment.

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, 2009 the percentage was 3.48%.

BALONNE SHIRE COUNCIL - COMMUNITY EQUITY WHAT IS COUNCIL WORTH?



**BALONNE SHIRE
COUNCIL**

**ANNUAL FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2009

Balonne Shire Council
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For the year ended 30 June 2009

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Independent Audit Report

Balonne Shire Council

Income Statement

For the year ended 30 June 2009

	<u>Notes</u>	<u>2009 Actual</u>	<u>2008 Actual</u>
		(\$'000)	(\$'000)
Income			
Revenue			
Recurrent revenue			
Net rate and utility charges	3	6,601	6,273
Fees and charges	3	183	200
Rental income	3	128	113
Interest received	3	577	672
Sales - contract and recoverable works	3	1,801	3,099
Other recurrent income	3	92	77
Grants, subsidies, contributions and donations	4	4,824	3,559
Total recurrent revenue		14,207	13,992
Capital revenue			
Grants, subsidies, contributions and donations	4	2,757	1,429
Total capital revenue		2,757	1,429
Total revenue		16,963	15,421
Gain/(loss) on disposal of non-current assets	5	51	(19)
Total income		17,015	15,402
Expenses			
Recurrent expenses			
Employee benefits	6	(5,288)	(5,004)
Materials and services	7	(2,736)	(3,520)
Finance costs	8	(174)	(198)
Depreciation and amortisation	9	(3,605)	(3,609)
Total recurrent expenses		(11,803)	(12,331)
Capital expenses		-	-
Total expenses		(11,803)	(12,331)
Net result attributable to council		5,212	3,071

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

Balonne Shire Council

Balance Sheet

For the year ended 30 June 2009

	<u>Notes</u>	<u>2009 Actual</u>	<u>2008 Actual</u>
		(\$'000)	(\$'000)
Current Assets			
Cash and cash equivalents	10	11,925	10,382
Trade and other receivables	11	894	786
Inventories	12	133	188
Other financial assets	13	65	58
		13,018	11,415
Non-current assets classified as held for sale	14	220	236
Total current assets	2		
		13,238	11,651
Non-current Assets			
Property, plant and equipment	15	145,008	134,652
	32		
Capital works in progress	16	1,212	1,007
Intangible assets	17	37	33
Total non-current assets	2		
		146,256	135,691
TOTAL ASSETS			
		159,494	147,342
Current Liabilities			
Trade and other payables	18	1,076	538
Borrowings	19	428	434
Provisions	21	475	425
Other		1,018	17
Total current liabilities			
		2,998	1,414
Non-current Liabilities			
Borrowings	19	1,788	2,217
Provisions	21	1,025	976
Total non-current liabilities			
		2,814	3,193
TOTAL LIABILITIES			
		5,812	4,607
NET COMMUNITY ASSETS		153,682	142,735
Community Equity			
Asset revaluation reserve	22	121,749	116,013
Retained surplus/(deficiency)	23	24,543	19,296
Other reserves	24	7,390	7,426
TOTAL COMMUNITY EQUITY		153,682	142,735

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 2009

	Notes	Asset revaluation reserve		Retained surplus		Other reserves		Total	
		Note 22 2009 Actual (\$'000)	2008 Actual (\$'000)	2009 Actual (\$'000)	2008 Actual (\$'000)	Note 24 2009 Actual (\$'000)	2008 Actual (\$'000)	2009 Actual (\$'000)	2008 Actual (\$'000)
Opening balance	22	116,013	101,432	19,296	19,398	7,426	4,253	142,735	125,082
	24								
Adjusted opening equity		116,013	101,432	19,296	19,398	7,426	4,253	142,735	125,082
Revaluations of property, plant and equipment Available for sale investments:		5,736	14,582	-	-	-	-	5,736	14,582
Net income recognised directly in equity	22	5,736	14,582	-	-	-	-	5,736	14,582
	24								
Surplus for the period		-	-	5,212	3,071	-	-	5,212	3,071
Total recognised income and expense		5,736	14,582	5,212	3,071	-	-	10,947	17,653
Transfers to and from reserves									
Transfers to general reserves		-	-	(2,807)	(4,256)	2,807	4,256	-	-
Transfers from general reserves		-	-	2,843	1,083	(2,843)	(1,083)	-	-
Total transfers to and from reserves	22	-	-	35	(3,173)	(35)	3,173	-	-
	24								
Closing balance		121,749	116,013	24,543	19,296	7,390	7,426	153,682	142,735

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 2009

	<u>Notes</u>	<u>2009 Actual</u>	<u>2008 Actual</u>
		(\$'000)	(\$'000)
Cash flows from operating activities:			
Receipts from customers		9,593	9,323
Payments to suppliers and employees		(7,346)	(8,187)
		2,247	1,136
Interest received		560	712
Rental income		128	94
Non-capital grants and contributions		4,824	3,581
Borrowing costs		(158)	(186)
Net cash inflow (outflow) from operating activities	30	7,602	5,337
Cash flows from investing activities:			
Payments for property, plant and equipment		(8,898)	(4,551)
Payments for intangible assets		(13)	(15)
Proceeds from sale of property, plant and equipment	5	839	96
Grants, subsidies, contributions and donations		2,447	1,354
Net cash inflow (outflow) from investing activities		(5,625)	(3,116)
Cash flows from financing activities			
Proceeds from borrowings		-	(406)
Repayment of borrowings	20	(434)	-
Net cash inflow (outflow) from financing activities		(434)	(406)
Net increase (decrease) in cash held		1,543	1,815
Cash at beginning of reporting period		10,382	8,568
Cash at end of reporting period	10	11,925	10,382

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

Balonne Shire Council

Note 1: Summary of significant accounting policies

For the year ended 30 June 2009

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 2009-2009 and have not been applied.

AASB3 Business Combinations (March 2009)
AASB8 Operating Segments (Feb 2008)
AASB101 Presentation of Financial Statements (September 2008)
AASB123 Borrowing Costs (June 2008)
AASB127 Consolidated and Separate Financial Statements (March 2009)
AASB 1039 Concise Financial Reports (August 2009)
AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB8 (February 2008)
AASB2008-6 Amendments to Australian Accounting Standards arising from AASB123 (June 2008)
AASB 2008-8 Amendments to Australian Accounting Standards arising from AASB101 (September 2008)
AASB 2008-10 Further Amendments to Australian Accounting Standards arising from AASB 101
AASB 2009-1 Amendments to Australian Accounting Standard - Share-based Payments: Vesting Conditions and Cancellations (February 2009)
AASB2009-2 Amendments to Accounting Standards - Puttable Financial Instruments and Obligations arising on Liquidation (March 2009)
AASB2009-3 Amendments to Accounting Standards arising from AASB3 and AASB127 (March 2009)
AASB2009-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2009)
AASB2009-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project
AASB 2009-7 Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (July 2009)
AASB2009-8 Amendments to Australian Accounting Standards - Eligible Hedged Items [AASB 139] (August 2009)
AASB 2009-9 Amendments to AASB 1049 for Consistency with AASB 101 (September 2009)
AASB 2009-11 Amendments to Australian Accounting Standard - Business Combinations Among Not-for-Profit Entities [AASB 3] (November 2009)
AASB 2009-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17 - Distributions of Non-cash Assets to Owners (December 2009) [AASB 5 & AASB 110]
Interpretation 15 - Agreements for the Construction of Real Estate (August 2009)
Interpretation 16 - Hedges of a Net Investment in a Foreign Operation (August 2009)
Interpretation 17 - Distributions of Non-cash Assets to Owners (December 2009)

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	Loans and receivables (at amortised cost)
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 constructions 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 2009 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 Council 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.

Balonne Shire Council

Note 2a: Components of Council Functions

For the year ended 30 June 2009

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 2009

	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
	2009 (\$'000)	2009 (\$'000)	2009 (\$'000)	2009 (\$'000)	2009 (\$'000)	2009 (\$'000)	2009 (\$'000)	2009 (\$'000)	2009 (\$'000)	2009 (\$'000)	2009 (\$'000)
Income and expenses defined between recurring and capital are attributed to the following functions:											
Finance	7,467	-	-	7,467	-	-	-	-	7,467	7,467	12,884
Administration/Corporate Services	72	-	-	72	532	-	-	532	(460)	(460)	2,591
Planning and Development	116	-	-	116	417	-	-	417	(301)	(301)	296
Transport and Drainage Infrastructure Services	2,013	1,763	-	3,776	4,733	-	-	4,733	(2,720)	(957)	104,359
Community and Cultural	197	45	-	241	1,555	-	-	1,555	(1,358)	(1,314)	18,085
Environmental and Health Services	127	411	-	537	1,085	-	-	1,085	(958)	(547)	1,158
Commercial Services	1,807	-	-	1,807	1,718	-	-	1,718	89	89	(31)
Urban Waste Water	730	499	-	1,228	450	-	-	450	280	778	7,460
Urban Water	1,250	91	-	1,341	964	-	-	964	286	377	12,627
Cleansing	427	-	-	427	349	-	-	349	79	79	33
Total Council	14,207	2,808	-	17,015	11,803	-	-	11,803	2,404	5,212	159,463

Balonne Shire Council

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
	2008 (\$'000)	2008 (\$'000)	2008 (\$'000)	2008 (\$'000)	2008 (\$'000)	2008 (\$'000)	2008 (\$'000)	2008 (\$'000)	2008 (\$'000)	2008 (\$'000)	2008 (\$'000)
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	-	-	3,105	2,898	-	-	2,898	206	206	-
Urban Waste Water	694	320	-	1,014	392	-	-	392	302	622	5,093
Urban Water	1,299	-	-	1,299	1,030	-	-	1,030	269	269	12,648
Cleansing	387	-	-	387	357	-	-	357	30	30	33
Total Council	13,992	1,410	-	15,402	12,331	-	-	12,331	1,661	3,071	147,342

Balonne Shire Council
Note 3: Revenue analysis
For the year ended 30 June 2009

<u>Notes</u>	<u>2009 Actual</u>	<u>2008 Actual</u>
	(\$'000)	(\$'000)
(a) Rates and charges		
General rates	4,944	4,611
Separate rates	7	7
Water	1,378	1,374
Water consumption, rental and sundries	27	68
Sewerage	837	796
Waste management	491	442
Total rates and utility charge revenue	7,683	7,297
Less: Discounts	(1,056)	(999)
Less: Pensioner remissions	(27)	(26)
Net rates and utility charges	6,601	6,273
(b) Fees and charges		
Fees and Charges	183	200
	183	200
(c) Rental income		
Aerodrome Lease Fees	7	18
110 Victoria Street, St George	25	11
Council Housing	83	70
Water Tower Rental	13	13
	128	113
(d) Interest received		
Interest received from investments	560	655
Interest from overdue rates and utility charges	17	17
	577	672
(e) Sales - Contract and recoverable works		
Sales - Contracts and recoverable works	1,801	3,099
	1,801	3,099

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: Grants, Subsidies, Contributions and Donations
For the year ended 30 June 2009

(a) Recurrent - government grants, subsidies, and other contributions are analysed as follows		
General purpose grants	2,680	2,325
State Government subsidies and grants	1,003	197
Federal Government subsidies and grants	1,116	1,034
Contributions	26	3
Total recurrent revenue	4,824	3,559
(b) Capital - government grants and subsidies, and other contributions are analysed as follows		
State Government subsidies and grants	1,375	587
Federal Government subsidies and grants	982	753
Contributions	400	88
Total capital revenue	2,757	1,429
(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	312	48
Contributions for infrastructure	8	-
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	(478)	-
	(158)	48

Balonne Shire Council
Note 5: Capital income
For the year ended 30 June 2009

<u>Notes</u>	<u>2009 Actual</u>	<u>2008 Actual</u>
	(\$'000)	(\$'000)
Gain (loss) on the disposal of non-current assets		
(a) Proceeds from the sale of property, plant and equipment	823	96
Less: Book value of property, plant and equipment disposed	(772)	(114)
	51	(19)
(b) Proceeds from the sale of land and improvements	16	-
Less: Book value of land sold	(16)	-
	-	-
Total gain (loss) on the disposal of non-current assets	51	(19)

Note 6: Employee costs
For the year ended 30 June 2009

Total staff wages and salaries		3,975	3,819
Councillors' remuneration		205	157
Annual, sick and long service leave entitlements		485	443
Superannuation	28	386	383
		5,052	4,801
Other employee related expenses		1,054	839
		6,106	5,640
Less: Capitalised employee expenses		(818)	(636)
		5,288	5,004

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	5
Administrative staff		30	30
Depot and outdoors staff		50	49
Total full time equivalent employees		85	84

Balonne Shire Council
Note 7: Materials and services
For the year ended 30 June 2009

<u>Notes</u>	<u>2009 Actual</u>	<u>2008 Actual</u>
	(\$'000)	(\$'000)
Advertising and marketing	15	28
Audit services	35	34
Cleansing Services	352	375
Urban Water Services	474	520
Urban Waste Water	136	148
Road and Street Maintenance	1,251	1,250
Legal Fees	11	47
Land Protection Fund Precept	191	185
Rentals - Operating leases	4	5
Community Donations/Assistance	22	24
Aerodrome Maintenance	83	95
Swimming Pools	1	107
Other material and services	159	703
	2,736	3,520

Note 8: Finance costs
For the year ended 30 June 2009

Finance costs charged by Queensland Treasury Corporation	158	186
Bank charges	12	8
Impairment of debts	3	4
Other finance costs	1	-
	174	198

Note 9: Depreciation and amortisation
For the year ended 30 June 2009

(a) Depreciation of non-current assets		
Buildings	267	298
Plant and equipment	675	642
Furniture and Fittings	10	9
Transport Infrastructure	2,000	1,905
Water	353	400
Urban Waste Water	225	151
Other infrastructure assets	66	195
Total depreciation of non-current assets	3,596	3,600
(b) Amortisation of intangible assets		
Software	9	9
Total depreciation and amortisation	3,605	3,609

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 (2008 - \$Nil)

The net adjusted unfunded depreciation across all assets for the period is \$Nil (2008 - \$ Nil)

Transport Infrastructure

Balance at beginning of period	13,182	13,182
Accumulated unfunded depreciation at period end	13,182	13,182

Balonne Shire Council
Note 10: Cash and cash equivalents
For the year ended 30 June 2009

<u>Notes</u>	<u>2009 Actual</u>	<u>2008 Actual</u>
	(\$'000)	(\$'000)
Cash at bank and on hand	316	276
QTC Cash Fund	11,609	10,106
Balance per Statement of Cash Flows	11,925	10,382
Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:		
Unspent government grants and subsidies	(778)	(1,120)
Unspent developer contributions	(6)	(2)
Unspent community contributions	(74)	-
Total unspent restricted cash for capital projects	(859)	(1,122)

The trading account is held in the Westpac Banking Corporation. The bank currently has a credit rating of AA. Surplus Cash requirements are deposited into Council's Queensland Treasury Corporation Account which has an AA rating. Council also operates a Heritage Building Society Club Cheque Account which is used by the Dirranbandi Pool Committee to deposit their takings in Dirranbandi. This money is then transferred from Heritage to Council's Westpac Account. Heritage Building Society has a credit rating of BBB.

Note 11: Trade and other receivables
For the year ended 30 June 2009

(a) Current		
Rateable revenue and utility charges	233	291
Other debtors	692	526
Less: Provision for doubtful debts	(31)	(31)
	894	786
(b) Non-current		
	-	-

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
For the year ended 30 June 2009

Current		
Inventories held for sale (at cost):		
Miscellaneous salable items	20	20
Total inventories for consumption	20	20
Valued at the lower of cost and selling price less cost to sell.		
Inventories for distribution (at cost) :		
Plant and equipment stores	113	168
Total inventories for distribution	113	168
Valued at the lower of cost and replacement value		
Total inventories	133	188

Note 13: Other financial assets
For the year ended 30 June 2009

Current		
Prepayments	65	58
	65	58

Balonne Shire Council

Note 14: Non-current assets classified as held for sale

For the year ended 30 June 2009

<u>Notes</u>	<u>2009 Actual</u>	<u>2008 Actual</u>
	(\$'000)	(\$'000)
Land held for resale	220	236
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: Property, Plant and Equipment Valuations

For the year ended 30 June 2009

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.

Transport Infrastructure -

Gross Current Replacement Value and Fair Value as determined by Mr. John Deac (B.Eng) and Mr. Alfio Ponticello (B.Bus (R.P. Val & Admin)) of Australia Pacific Valuers Pty Ltd as at 30th June, 2009.

Balonne Shire Council
Note 15b: Council Property, Plant and Equipment
For the year ended 30 June 2009

	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									
Opening gross value	4,237	20,691	10,047	595	103,512	21,612	11,200	5,002	176,896
Additions at cost	1	387	1,606	67	3,571	279	3,058	19	8,988
Disposals	(209)	(198)	(1,536)	-	-	-	-	-	(1,942)
Revaluation adjustment to the ARR	-	-	-	-	2,679	-	-	-	2,679
Closing gross value	4,030	20,880	10,118	662	109,761	21,891	14,259	5,021	186,621
Accumulated Depreciation									
Opening balance	-	3,354	5,157	395	16,419	9,236	7,089	594	42,245
Depreciation provided in period	-	267	675	10	2,000	353	225	66	3,596
Depreciation on disposals	-	(99)	(1,072)	-	-	-	-	-	(1,171)
Revaluation adjustment to the ARR	-	-	-	-	(3,056)	-	-	-	(3,056)
Accumulated depreciation at period end	-	3,522	4,759	405	15,363	9,590	7,314	661	41,613
Total written down value at period end	4,030	17,358	5,358	257	94,399	12,301	6,945	4,360	145,008
Residual value	-	9,047	2,853	27	35,188	6,768	1,964	1,584	57,431
Estimated useful life (years)		15 - 100	1 - 40	5 - 60	10 - 100	2 - 100	3 - 100	1 - 100	

Balonne Shire Council
Note 16: Capital works in progress
For the year ended 30 June 2009

<u>Notes</u>	<u>2009 Actual</u>	<u>2008 Actual</u>
	(\$'000)	(\$'000)
Capital works in progress	1,212	1,007
	1,212	1,007

Note 17: Intangible Assets
For the year ended 30 June 2009

Software

Opening gross carrying value	131	116
Closing gross carrying value		
	144	131
Accumulated amortisation		
Opening balance	98	89
Amortisation in the period	9	9
Closing balance		
	106	98
Net carrying value at the period end	37	33

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

Total intangible assets	33	344
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Note 18: Trade and other payables
For the year ended 30 June 2009

Current

Creditors and accruals	1,063	525
Other entitlements	13	13
	1,076	538

Non-current

	-	0
--	---	----------

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. 50% of the non-current liability is funded.

Balonne Shire Council
Note 19: Borrowings
For the year ended 30 June 2009

<u>Notes</u>	<u>2009 Actual</u>	<u>2008 Actual</u>
	(\$'000)	(\$'000)
Current		
Loans QTC	428	434
	428	434
Non-current		
Loans	1,788	2,217
	1,788	2,217

A BANK OVERDRAFT

As at 30 June 2009, 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 2009 was \$Nil (2008 - \$Nil).

Note 20: Loans
For the year ended 30 June 2009

(i) Queensland Treasury Corporation

Opening balance	2,651	3,057
Principal repayments	(434)	(406)
Book value at period end	2,217	2,651
Classified as:		
Current	428	434
Non-current	1,788	2,217
	2,217	2,651

The market value of Council's Loans at the reporting date was \$2,256,855.40. 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. All of Council's borrowings are from Queensland Treasury Corporation.

(ii) Other Bank Loans

Classified as:

- -

The loans are guaranteed by the Queensland State Government.

Balonne Shire Council
Note 21: Provisions
For the year ended 30 June 2009

Notes	2009 Actual	2008 Actual
	(\$'000)	(\$'000)
Current		
Long service leave	75	75
Annual Leave	400	350
	475	425
Non-current		
Long service leave	803	753
Annual Leave	222	223
	1,025	976
Balance at the end of the period	1,500	1,401

Details of movements in provisions:

Long service leave

Opening balance	828	757
Long service leave entitlement paid	(50)	(21)
Adjustment to current portion	100	92
Balance at the end of the period	878	828

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: Asset revaluation reserve
For the year ended 30 June 2009

(i) Asset revaluation reserve

Movements in the asset revaluation reserve were as follows:

Balance at beginning of the period	116,013	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
Other Structures	-	1,934
Transport Infrastructure	5,736	-
Water	-	4,107
Urban Waste Water	-	427
Impairment provision:		
Change in value of future rehabilitation cost:	5,736	14,582
Balance at end of the year	121,749	116,013

(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	2,336
Buildings	12,053	12,053
Plant and equipment	1,498	1,498
Furniture and Fittings	307	307
Other Structures	3,441	3,441
Transport Infrastructure	78,237	72,501
Water	15,476	15,476
Urban Waste Water	8,401	8,401
	121,749	116,013

Balonne Shire Council
Note 23: Retained surplus
For the year ended 30 June 2009

<u>Notes</u>	<u>2009 Actual</u>	<u>2008 Actual</u>
	(\$'000)	(\$'000)
Movements in the retained surplus were as follows:		
Retained surplus/(deficit) at the beginning of the financial year	19,296	19,398
Result from ordinary activities	5,212	3,071
Transfers (to) from capital reserves for future capital project funding, or from reserves funds that have been expended:		
Future capital works reserve (net)	(1,329)	(2,835)
Asset replacement reserve (net)	1,246	(367)
Constrained works reserve (net)	121	23
Transfers (to) from recurrent reserves for future project funding, or from reserves funds that have been expended:		
Recurrent expenditure reserve	(3)	6
Retained surplus at the end of the financial year	24,543	19,296

Note 24: Other reserves
For the year ended 30 June 2009

(a) Summary of reserves held for future capital expenditure:		
(i) Future capital works reserve	4,954	3,625
(ii) Asset replacement reserve	1,433	2,679
(iii) Constrained works reserve	992	1,113
	7,379	7,417
(b) Summary of reserves held for future recurrent expenditure:		
(i) Recurrent expenditure reserve	12	9
	12	9
Total reserves	7,390	7,426
(c) Movements in capital reserves are analysed as follows:		
(i) Future capital works reserve		
Balance at the beginning of period	3,625	790
Transfer from retained earnings for future expenditure	1,767	3,212
Transfer to retained earnings funds expended in the period	(439)	(377)
Balance at the end of period	4,954	3,625
(ii) Asset replacement reserve		
Balance at the beginning of period	2,679	2,313
Transfer from retained earnings for future expenditure	663	922
Transfer to retained earnings funds expended in the period	(1,909)	(555)
Balance at the end of period	1,433	2,679
(iii) Constrained works reserve		
Balance at the beginning of period	1,113	1,136
Transfer from retained earnings for future expenditure	365	122
Transfer to the retained earnings funds expended in the period	(486)	(145)
Balance at the end of period	992	1,113
(d) Movements in recurrent reserves are analysed as follows:		
(i) Recurrent expenditure reserve		
Balance at the beginning of period	9	15
Transfer from retained earnings for future expenditure	12	0
Transfer to retained earnings	(9)	(6)
Balance at the end of period	12	9

Balonne Shire Council
Note 25: Commitments for expenditure
For the year ended 30 June 2009

<u>Notes</u>	<u>2009 Actual</u>	<u>2008 Actual</u>
	(\$'000)	(\$'000)
Operating leases		
Minimum lease payments in relation to non-cancellable operating leases are as follows:		
Within one year	7	5
One to five years	37	27
	44	32
Contractual commitments		
Contractual commitments at balance date but not recognised in the financial statements are as follows:		
Major Vehicles on Order	-	333
Cleaning contractors	300	310
	300	643

Note 26: Contingent liabilities

For the year ended 30 June 2009

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

The latest audited financial statements for LGM Queensland are as at 30 June 2008 and show accumulated member funds (equity) of \$10,053,438. As at the reporting date and it is not anticipated any liability will arise.

Local Government Workcare:

The Balonne Shire 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 indemnity amount provided by Balonne Shire Council as at 30th June 2009 in relation to the Local Government Workcare Bank Guarantee is \$96,320.41.

The latest audited financial statements for Local Government Workcare are as at 30 June 2008 and show accumulated member funds (equity) of \$20,921,588.

Balonne Shire Council Certified Agreement (State) 2008:

Balonne Shire Council is currently undertaking negotiations for employees under the Balonne Shire Council Certified Agreement (State) 2008. As at reporting date it is anticipated that the employees will be back paid to 23rd June 2008 and this will amount in a expense for the 2008-2009 of approximately \$9,500.

Balonne Shire Council

Note 27: Events after balance date

For the year ended 30 June 2009

Sunwater Assets

In July 2009, SunWater Limited advised Council that it has ceased maintenance activities on roads, bridges and channel crossings. Negotiations are continuing between SunWater Limited and Balonne Shire Council with regards to who owns and maintains these disputed SunWater assets.

Thallon - Dirranbandi Rail and Road

After years of negotiation and consultation, on Friday the 28th August 2009 Balonne Shire Council unanimously resolved to formally submit a proposal to the Department of Transport and Main Roads that would see the closure of the Thallon - Dirranbandi Rail line, the maining of the Noondoo Thallon Road and Council accepting responsibility for the Castlereagh Highway between Noondoo and the Carnarvon Highway.

As part of this proposal Council would be contracted to construct the Noondoo - Thallon Road to Main Road standards over the next 10 years. Funding will be available at \$1,400,000 per year for 10 years and will be indexed. \$1,000,000 worth of funding would be brought forward to overlay the 12km section currently under construction. It is not certain if this funding will be sufficient to construct a new bridge over the Moonie, it may be the case that only the approaches are upgraded.

Council will also receive funding to reseal the section of the current Castlereagh from Noondoo to the Carnarvon Highway which it would take over. There is also an option to swap the road back to Main Roads at the end of the 10 year funding period, but this would be a decision for a future Council.

The proposal is not guaranteed to be accepted and has to receive the approval of Queensland Cabinet before it can proceed.

Note 28: Superannuation

For the year ended 30 June 2009

<u>Notes</u>	<u>2009 Actual</u>	<u>2008 Actual</u>
	(\$'000)	(\$'000)
<p>The Balonne Shire Council contributes to the Local Government Superannuation Scheme (Qld) (the scheme). The scheme is a Multi-employer Plan as defined in the Australian Accounting Standard AASB119 Employee Benefits. The scheme has two elements referred to as the Defined Benefits Fund (DBF) and the Accumulation Benefits Fund (ABF).</p> <p>The ABF is a defined contribution scheme as defined in AASB119. Council has no liability to or interest in the ABF other than the payment of the statutory contributions as required by the Local Government Act.</p> <p>The DBF is a defined benefit plan as defined in AASB119. The Council is not able to account for the DBF as a defined benefit plan in accordance with AASB119 because the scheme is unable to account to the Council for its proportionate share of the defined benefit obligation, plan assets and costs.</p> <p>Under amendments to the Local Government Act 1993 passed in June 2009, the trustee of the scheme has the power to levy additional contributions on councils which have employees in the DBF when the actuary advises such additional contributions are payable - normally when the assets of the DBF are insufficient to meet members' benefits. Clause 56(e) of the scheme's Trust Deed indicates that any increase in the contributions is limited to 6% of the relevant employee's salary.</p> <p>In its letter to Council dated 5 June 2009 the trustee advised that "at this stage, there is no requirement for Councils to contribute any additional contributions." The letter further stated that "any additional contributions above 12% (standard rate of contribution) that may be required would be on a temporary basis only, and would be requested based on independent actuarial advice. When possible, the contribution rate would reduce at a later date to offset additional costs - for example, councils may be asked to pay 18% contributions instead of 12% for a period, then contributions may reduce to 6% for a compensatory period before returning to the regular 12% contribution rate."</p> <p>Any amount by which either fund is over or under funded would only affect future benefits and contributions to the DBF, 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.</p> <p>The audited general purpose financial report of the scheme as at 30 June 2008 (the most recent available) which was not subject to any audit qualification, indicates that the assets of the scheme are sufficient to meet the vested benefits.</p> <p>The general purpose financial report discloses that the most recent actuarial assessment of the scheme was undertaken as at 1 July 2006. 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 next actuarial investigation will be made as at 1 July 2009.</p> <p>The Queensland Local Government Superannuation Board, the trustee of the scheme, advised that the local government superannuation scheme was a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation.</p> <p>The amount of superannuation contributions paid by the Balonne Shire Council to the superannuation scheme in this period for the benefit of employees was:</p>		
Contributions	386	383

Balonne Shire Council
Note 29: Trust funds
For the year ended 30 June 2009

<u>Notes</u>	<u>2009 Actual</u>	<u>2008 Actual</u>
	(\$'000)	(\$'000)
Security deposits	68	53
	68	53

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

For the year ended 30 June 2009

Result from ordinary activities	5,212	3,071
Non-cash operating items:		
Depreciation and amortisation	3,605	3,609
	3,605	3,609
Investing and development activities:		
Net (profit) loss on disposal of non-current assets	(51)	19
Capital grants and contributions	(2,462)	(1,354)
Non Cash Contributions	(295)	(74)
	(2,808)	(1,410)
Financing activities:	-	-
Changes in operating assets and liabilities:		
(Increase) decrease in receivables	(100)	(175)
(Increase) decrease in other operating assets	55	29
Increase (decrease) in payables	-	214
Increase (decrease) in other provisions	99	-
Increase (decrease) in other liabilities	1,540	-
	1,593	67
Net cash inflow from operating activities	7,602	5,337

Balonne Shire Council

Note 31: Financial risk management

For the year ended 30 June 2009

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 minimize 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 minimize 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.

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

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

	2009 Actual	2008 Actual
Cash and cash equivalents - QTC	11,609	10,106
Cash and cash equivalents - bank	316	276
Receivables - rates	233	225
Receivables - other	598	591
Total	12,756	11,199

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	61 - 90 days	Impaired	Total
Receivables	1,234	6	152	130	31	915

(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 19.

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

	2009 Actual	2008 Actual
Total	-	-

FINANCING ARRANGEMENTS

Unrestricted access was not available at balance date. Balonne Shire Council does not have a 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>2009 Actual</u>	<u>2008 Actual</u>	<u>2009 Actual</u>	<u>2008 Actual</u>	<u>2009 Actual</u>	<u>2008 Actual</u>
Financial assets	6	-	6	7	6	7
Financial liabilities	(2)	(2)	(2)	(2)	(2)	(2)
Net	12,756	11,199	-	-	-	-

Note 32: National Competition Policy

For the year ended 30 June 2009

(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 2009

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 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 2009 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: 15/09/2009

.....
Scott Norman
Chief Executive Officer

Date: 15/09/2009

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Balonne Shire Council

Matters Relating to the Electronic Presentation of the Audited Financial Report

The auditor's report relates to the financial report of Balonne Shire Council for the year ended 30 June 2009 included on Balonne Shire Councils website. The Council is responsible for the integrity of the Balonne Shire Councils website. I have not been engaged to report on the integrity of the Balonne Shire Councils website. The auditor's report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report, available from the Balonne Shire Council, to confirm the information included in the audited financial report presented on this website.

These matters also relate to the presentation of the audited financial report in other electronic media including CD Rom.

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 2009, 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 Mayor and Chief Executive Officer.

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*, *Local Government Finance Standard* 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 to express an opinion on the financial report based on the audit is prescribed in the *Auditor-General Act 2009*. This Act, including transitional provisions, came into operation on 1 July 2009 and replaces the previous requirements contained in the *Financial Administration and Audit Act 1977*.

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 or 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 *Auditor-General Act 2009* 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 s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the 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 2008 to 30 June 2009 and of the financial position as at the end of that year.

John Gosper B Comm FCPA
as Delegate of the Auditor-General of Queensland
14th October 2009

key contacts

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