

Balonne Shire Council

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

Annual Report 2009/2010



Moonie

Maranoa



Wallam

Barwon

Balonne



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Welcome



Welcome to the 2009/10 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 2009-2013. Under the *Local Government Act 1993* we are required to prepare and adopt an annual report for each financial year. Our community and stakeholders are strongly encouraged to read the report.



Shire Profile



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.

The 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 Bollon, Dirranbandi, Hebel, Mungindi, St George and Thallon. Small localities such as Boolba and Nindigully 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 Bollon, Dirranbandi, Hebel, St George & Thallon
- Public swimming pools in Dirranbandi and St George
- Aerodromes in Bollon, Dirranbandi, Hebel and St George
- Water Supply and Wastewater infrastructure
- Community sports grounds and parklands

ECONOMIC PROFILE

The leading primary industries in the Shire are cotton, beef/cattle, grain crops, sheep/wool, fruit/vegetable production, wild game harvesting. The horticultural industry is a rapidly expanding and successful sector in the Shire economy, which 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 drought, upon receiving rain in the catchments the district will quickly recover and return to more productive times due to our diversification. The Shire is fortunate that the district contains a balance of allocation and flood farmers which provides some stabilisation in water resources for the area.

The Shire is heavily reliant on agriculture involving crops and livestock. In 1997, the total area of land holding for agricultural use in the Shire was 2,883,152 hectares, which is about 90% of the Shire's total 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 Shire.

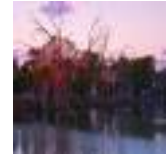


ITEM	AMOUNT	VALUE
Cotton - fibre	approx. 70 000 ha	\$252 536 200
Beef/Cattle	approx. 100 000 head	approx. \$50 000 000
Cotton – seed		\$39 200 000
Wheat	approx. 150 000 ha	\$32 400 000
All other cereal grains	approx. 30 000	
Wool	approx. 40 000 Bales	approx. \$15 000 000
Grapes (predominantly table)	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
Olives	n/a	n/a
Cut Flowers	n/a	n/a
	TOTAL	\$425 596 718

Data sourced –Economic Profile Balonne Shire May 2007



Our Community



VISION, MISSION AND VALUES

OUR VISION

For the People
A vibrant dynamic community, living and celebrating our diversity, natural assets and talents.

OUR MISSION

To respond to community needs and expectations and to provide a range of services through quality leadership, policies and community representation.

OUR VALUES

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

- **RESPECT**
We value respect for the system of government, laws, people and environment.

- **TEAMWORK**

We value teamwork, trust and loyalty in a collaborative effort to deliver the best possible service to our customers.

- **ACCOUNTABILITY**

We accept responsibility to our community for our decisions, our successes and our failures.

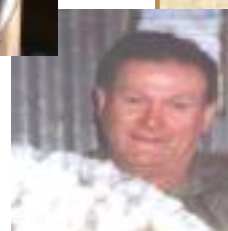
- **INNOVATION**

We embrace continuous improvement and encourage new ideas and innovation.

- **EMPOWERMENT**

We seek to develop the capacity of our communities to achieve self determination.

We value our staff and are committed to their ongoing training and development.





MESSAGE FROM OUR MAYOR

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

The past year has been challenging for all residents of the shire. Together we have experienced the vagaries of the weather from one extreme to the other; from the worst and most prolonged drought in living memory to record flooding rains.

The resilience of our communities was and continues to be, sorely tested. Whilst the farming and grazing communities rejoice with the break in the season and the ongoing good rains (dare I say breaking of the drought ?) and the prospect of prosperity at last, others in our community have battled with insurance companies not forthcoming with claims for flood inundation through their homes. As I write this report it is now eight months on and some houses are still vacant as a result of flooding. One thing that was learned is to read the fine print on insurance policies !!

The most severe impact on Council is the damage to our road network.

To date the estimated cost for restoration is in excess of \$32 million. Council is expected to meet the first \$50,000. of this with the balance provided by the Federal and State Governments through Natural Disaster Relief Arrangements. Council was successful in lobbying Premier Anna Bligh and Senator Joe Ludwig to ensure that the day labour cost component was honoured in this agreement.

Council continues with capital upgrades on roads with the completion of a further seal of 14 kilometres of the Thallon/Noondoo Road at a total cost of \$3.6 million, it is envisaged that the rest of this road will be completed in the next financial year. This project will be brought forward to address safety issues experienced due to the increased heavy traffic usage.

I am delighted to have two other shire roads sealed at last, these being the Thallon/Daymar and Johnson Roads (racecourse road) I am sure the community shares my enthusiasm for these two projects!

Council recognizes that productivity and efficiency is crucial to the delivery of good service to our ratepayers and have purchased a further two new graders this year to bring our grader fleet to five new machines in the last three years. Our commendation to the operators for adapting to new technology so quickly.

Bollon is looking especially spruce with the new streetscape completed.

The community was extensively consulted in regard to this project and can be justifiably proud of their lovely little village. The good news is that council has been successful in applying for grants to further enhance the liveability of Bollon in the next financial year.

Wild Dogs have been causing a lot of damage largely in the sheep flocks and goat herds and also in the cattle herd to a lesser extent. Council has undertaken a concerted effort to control this animal pest and with the cooperation of the community have successfully staged coordinated baiting campaigns throughout the shire. Council has also committed further funding to subsidise dog



trappers to the five Dog Control groups that have been strategically established throughout the shire. Our thanks to Rural Lands Officer Karl Hempstead for his commitment to this cause.

The youth in our community have not been forgotten. Council has listened to their voices and responded to their request to finally construct a Skate Park for their recreation. The provision of this facility has proven very popular with many children making good use of the park. Council has also upgraded the playing field at Rowden Park.

Storm water drainage which has been an issue for many years has also been addressed this year. The contract for \$1.3 million for works in the Church Street area was awarded to a local contractor. This will alleviate flooding experienced by residents in the region of Alfred/Anne/Elizabeth Streets. Ongoing curbing and channelling work has been completed working to a ten year plan.

The outstanding efforts of many members of our communities during the floods in February/March deserves recognition. Our most sincere thanks to one and all for your help and assistance in protecting us in our days of great need for all in our shire. I take this opportunity to single out the people in Dirranbandi who worked day and night to keep the community safe, building and monitoring the levy bank that was constructed with great speed. It is an outstanding accomplishment and will be long held in the memories of many people who

saw it all on national T.V. Your response to the emergency is highly commended and greatly appreciated.

Many Emergency Service personnel gave outstanding commitment to the cause none more so than our local S.E.S members. We as a community are proud and grateful for your response, thank you one and all.

All of Council staff responded to the crisis at a high level led by a very professional and efficient C.E.O., Mr Scott Norman. My personal thanks to Scott and his helpers.

Outside the flood event council has been under a great deal of pressure to meet daily council business as well as the many and increasing demands of government regulation. It has been very difficult to deliver these expectations at the same time being under resourced. Council thanks and highly commends all council officers who have worked over and above the call of duty in order to address these issues. One can only hope that government at all levels recognises the impost on small councils their demands create and provide some latitude to relieve the situation.

Last but not least, my thanks to Councillors for their support for reform and ongoing commitment to their task.

Donna Stewart
MAYOR



**MESSAGE FROM
OUR CHIEF
EXECUTIVE OFFICER**

The Balonne Shire certainly has had a year of droughts and flooding rains. The Council

struggled to maintain the St George River Water supply late in 2009, when the Balonne River was very low, the prayers for rain were certainly answered when in March 2010 we experienced the biggest flood since 1890.

The March floods were the dominating event for the year. They tested everyone and showed what tremendous heart our community has as it rose to the challenge. The floods put the Balonne Shire in the news and consumed the last quarter of the year, however it was already a busy year before Mother Nature intervened.

Projects completed during the year included:

- The Combined Sporting Clubhouse at the St George State High School was completed; this project was funded by Federal, State and Local Government as well as the community. It is an excellent example of cooperation to make better use of existing facilities.
- The flood repair work from the 2008 flood was completed just in time for the 2010 flood!
- 12km of Noondoo-Thallon Road was sealed with Federal, State and Council funding.
- The program of upgrades to Stock Routes Watering Points continued.
- The Balonne Streetscape project was completed and gave the Town of Bollon a facelift.

- The St George Sewerage Treatment Plant was completed and officially opened by the Honourable Desley Boyle, MP, Minister for Local Government.
- The Thallon-Daymar Road had the "Missing Link" sealed and Johnston's Road, St George was sealed after a long wait by residents living along that road.
- CCTV Network was installed in the St George Central Business District with a Memorandum of Understanding being negotiated with Queensland Police to promote community safety.
- An exercise trail was established along the Balonne River at St George.

In common with all Queensland Local Governments the Balonne Shire experienced a vastly changing legislative environment. New legislation for the Control of Cats and Dogs; Stock Routes; Pool Fencing; Town Water Supply; Privacy and Access to Information; and Planning and Development had to be assessed and implemented. The introduction of the new Local Government Act was delayed until 2010-2011 year however much work had to be done in preparation. Responding to so many changes in such a short period of time has stretched the organisation and will continue to do so into the next year.

Financially the Balonne Shire Council continues to remain sustainable with a modest rise in rates and charges in 2010-2011 and a small operational surplus from the year's activities. The next year will be one of financial challenges as the Council's operations expand to complete the extensive flood restoration works.

The Balonne Shire took a new approach to wild dog control during the year.



Baiting Syndicates were formalised and a renewed commitment to coordinated baiting was pursued. The Shire contributed meat for baiting and the approach has been hailed a success. It is intended to build on this success in coming year.

During the year a historic agreement was reached which has seen the closure of the Thallon to Dirranbandi Rail Line in exchange for \$14M of funding to upgrade the Thallon to Noondoo Road. The shire as a whole laments the closing of the line, however it will be of great advantage both economically and from a safety view point to have the road completely sealed and upgraded to carry the heavy traffic it has experienced in recent years.

The Maranoa Regional Plan was launched during the year. The document sits at a high level in the statutory structure for strategic planning. It does not dictate land use but does set out commonly held values and objectives for the region. Due to the changes to Local Government boundaries as a result of amalgamations and the rapid development of the Surat Basin the Plan lost some relevance even before it was launched. However it does remain an important part of the strategic planning frame work and is as

definite benefit to the Shire. No doubt it will be refined over time.

The National approach to the management of the Murray Darling Basin promises to have far reaching implication for the Shire. Council has already adopted a proactive approach being involved in visits from the MDBA and federal politicians. The issue promises to heat up in the coming year and Council will need to involve itself to protect the interests of the Balonne Community. Council has been successful in obtaining grant funding through the Stronger Basin Communities Programs to assist with the transition to the New Basin Plan.

While Residents of the Shire have a right to expect the smooth delivery of services by their local Council, I am continually grateful to the team that reliably provides these services. This year a great deal more was asked of Balonne Shire Team and they rose to the occasion with enthusiasm, for this I thank them. I would also like to acknowledge the leadership and assistance of the Councillors during what has been a busy and productive year.

Scott Norman
CHIEF EXECUTIVE OFFICER



Our Council

Elected Representatives

community



**CR. DONNA STEWART
(MAYOR)**

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



**CR. 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.



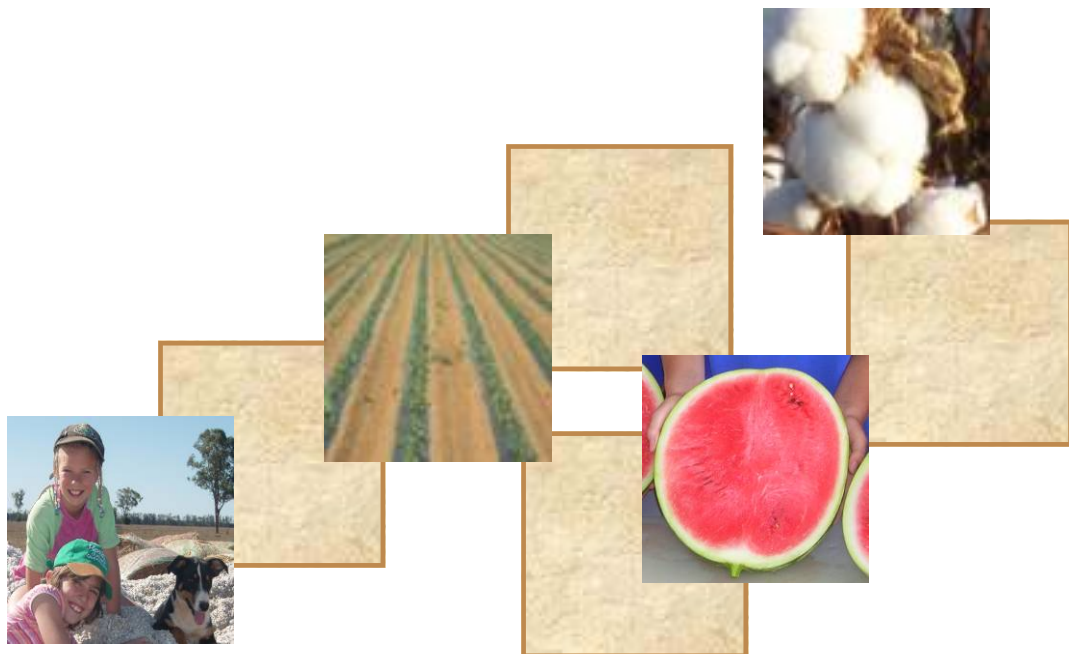
CR. IAN WINKS

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	No. Committee Representation & Other Meetings	Total Meetings	Total Fees Paid
Cr. D.S. Stewart (Mayor)	12	218	230	\$72,660.01
Cr. R. Marsh (Deputy Mayor)	12	47	59	\$36,590.04
Cr. R. Fuhrmeister	12	173	185	\$36,460.40
Cr. A. Sevil	12	19	31	\$28,019.95
Cr. I. Winks	11	20	31	\$30,659.95



Executive Staff



CHIEF EXECUTIVE OFFICER

Scott Norman (Bachelor of Business (Accounting), CPA, M L G M A , M L G A A) 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.



DIRECTOR OF TECHNICAL SERVICES

Paolo Turri commenced with 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 (Frntlne.Man). Mr Turri is responsible for transport, urban water supply and waste water, drainage infrastructure, parks, gardens and recreational facilities, commercial services and public amenities.



DIRECTOR OF CORPORATE AND COMMUNITY SERVICES

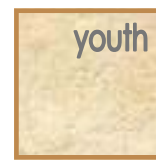
John Carleton commenced employment with Council in 2009 as Director of Corporate and Community Services. He has a Master of Science and a Bachelor of Science. He is responsible for governance, administration, finance, information technology, libraries and community services including economic and cultural development. He is also acting Director of Health, Planning and Environment responsible for planning, development and environmental services.

DIRECTOR OF HEALTH, PLANNING AND ENVIRONMENT

Steve Mizen (M.A.I.E.H) has been with Council since 1974. Mr Mizen is responsible for planning, public and environmental health, building, housing, disaster management, council facilities, WORK program and waste management. Mr Mizen commenced long service leave in December 2009.



Corporate Governance



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

ROLE OF COUNCILLORS

The *Local Government Act 1993* establishes the framework for Council's operations. Local government has the 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 to represent the overall public interest of the Shire. 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 Corporate Plan 2009/13 commenced following extensive community consultation.

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 stakeholders, Council's achievement of 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 and contractors/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 cooperation.

COMMUNITY CONSULTATION PROTOCOL

The *Local Government Act 1993* specifies a wide range of consultation

that must occur with the community. Council has a Community Consultation Policy and actively consults with the community on many 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.

Members of the community are welcome to attend Council meetings.

MANAGING DISASTERS

As part of Council's commitment to providing safe and sustainable communities it is vital to have disaster management plans in place and response teams ready.

A major monsoonal flood in March 2010 put Council's response to emergencies and natural disasters to the test. The Balonne Shire Disaster Management Committee was placed into activation for almost a month while the major flood passed through the Shire. Council staff was called on to provide vital assistance and support to maintain community infrastructure, communications and spirit during this emergency event.

The cost of rectifying damage to Council's infrastructure is in the vicinity of \$31 million.



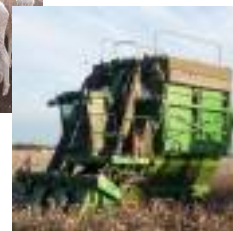
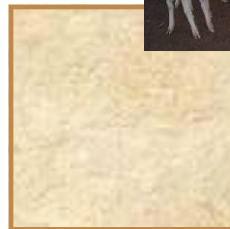
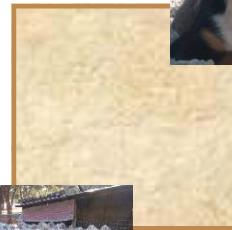
WORKPLACE HEALTH AND SAFETY

We have continued to develop and enhance our Workplace Health and Safety Management System. A Workplace Health and Safety Management Plan (SafePlan2) was developed and implemented across the organisation to cover off on our goals for health and safety matters.

Council has a focus to identify emerging health and safety hazards in the work undertaken by the organisation and is looking at the physical demands of employee roles as a focus point.

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.

In support of Council's vision "For the People", is a commitment to staff wellbeing, encouraging 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 Council 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 an annual training program, following is some of the training that was undertaken:

- Agricultural, Chemical Accreditation
- Animal Management (Cats and Dogs) Act 2009 Workshop
- Asset Accounting
- Aussie Host Training
- Authorised Persons
- Auto CAD
- Aviation Security
- Cable Plant Locator
- Drug & Alcohol Management Supervisors
- *Environmental Protection Act 1994* Training
- First Aid & CPR
- Horticulture Techniques
- Industrial Relations
- Landscape Expo



- Operate Breathing Apparatus
- Operate & Maintain Chainsaws
- Pool Lifeguard (including Bronze Medallion)
- Purchasing Training
- Queensland Pest & Animal Symposium
- Records Management
- RMPC Workshop
- Supervisors Workshops
- Traffic Controller Certification
- Traffic Management Level 2, 3 & 4
- Trenching & Ground Support
- Workplace Health & Safety Management System Auditor
- Workplace Health & Safety Officer Recertification
- Workplace Rehabilitation & Return to Work Co-ordinator Recertification

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.

GENDER PROFILE

Council's gender profile at 30 June 2010 was 64% male as compared to 36% female. Of the 64% males employed, these were employed on a full-time basis whilst approximately 21% of females were employed on a part-time basis and approximately 15% were employed on a full-time basis.

RECOGNISING SERVICE ACHIEVEMENT

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

- Peter Phillip Smith - 15 Years
- William Frederick Bradley - 20 Years
- George Herbert Kemp - 25 Years

STAFF AGE PROFILE AS OF 30 JUNE 2010

AGE	NUMBER	% COUNCIL	% COMMUNITY*
15 – 24 years	20	16.8	11.6
25 – 44 years	46	38.66	30.8
45 – 64 years	50	42.02	22.4
65 plus	3	2.52	9.8
TOTAL	119	100.0	100.0

*Source 2006 Australian Bureau of Statistics Census Data

Key Program Areas



CORPORATE GOVERNANCE

To provide effective organisational leadership through strategic planning, accountability and ethical standards of practice.



CORPORATE SERVICES

To enhance the capability and performance of Balonne Shire and ensure resources are directed to achieve organisational objectives.



PLANNING, DEVELOPMENT AND ENVIRONMENTAL HEALTH SERVICES

To implement appropriate planning and building construction controls to ensure and encourage the balanced quality development of the Shire and the protection of the environment.

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



RURAL SERVICES

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



INFRASTRUCTURE SERVICES

To provide efficient and effective transport and drainage infrastructure.

To provide community infrastructure to meet the needs of current and future generations.

To provide efficient, effective and environmentally sound wastewater disposal services and water supplies.



COMMUNITY LIFESTYLE

To encourage and promote a sense of community and belonging, community pride, engagement, wellbeing and grow social capital.



ECONOMIC DEVELOPMENT

To foster a vibrant economic environment.



COMMERCIAL SERVICES

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

Corporate Governance

Program area 1



OBJECTIVE

To provide effective organisational leadership through strategic planning, accountability and ethical standards of practice.

PERFORMANCE HIGHLIGHTS

Practical implementation of Council's Disaster Management Plan occurred when the Shire experienced an extreme monsoonal flood event in March 2010. The flood event dramatically impacted on Council's ability to maintain operational activities. The Plan proved to be an invaluable asset as the flood event took a month to pass through the Shire and the Disaster Committee was not dissolved until the threat was removed.

Council works in collaboration with the State Department of Community Safety and the community in managing two Work Program camps within the Shire, one in Dirranbandi and the other in St George. The program originally known as the Work Outreach camps program provides a positive correctional experience that not only puts prisoner labour to work providing prisoners with important opportunities to make reparation to the community and develop needed skills and work ethic but also provides considerable benefits to the community.



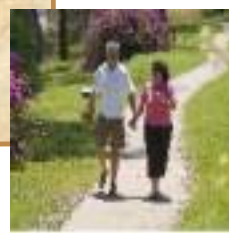
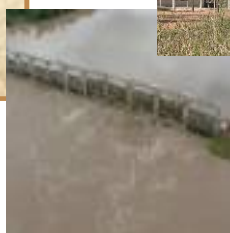
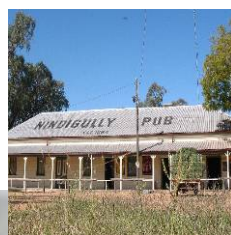


ACHIEVEMENTS

- Implemented an Asset Management Policy.
- Adopted SafePlan2.
- Adopted a change to Local Law No 1 (Administration).
- Implemented a reporting regime requested by the State.
- Successful in a \$200,000 grant from the Strengthening Basin Communities Program.
- Facilitated community workshop with the Murray Darling Basin Authority.
- Landowner syndicates were formed throughout the Shire to more effectively address wild dog and other pest animal issues.
- Introduced differential rating of grain storages.
- Successfully negotiated the Noondoo-Thallon Road Project.
- Installed traffic calming in Balonne Street St George to enhance road and pedestrian safety near a school.
- 18th Annual WORK Camp Conference.
- Installation of CCTV camera in the St George central business district and river front.

FUTURE INITIATIVES

- Implement an enhanced agenda and minutes format software
- Review of Committee Structure/ Terms of Reference
- Review of Organisational Policies and Procedures
- Develop and implement an Asset Management Plan
- Review of the Disaster Management Plan
- Review and updating of the local laws
- Implementation of the Local Government Act 2009.
- Implementation of the *Animal Management (Cats and Dogs) Act 2008*.
- Identify strategic and operational risks
- Update business continuity plan for Council
- Ensure appropriate insurance programs are in place
- Review Council's Disaster Management Plan
- Implementation of changes to privacy legislation.
- Maintain active involvement in Representing the Murray Darling Basin Plan.



Corporate Services

Program area 2



OBJECTIVE

To enhance the capability and performance of Balonne Shire and ensure resources are directed to achieve organisational objectives.

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 training on the new *Local Government*

Act 2009 and subordinate legislation. Other training included records management, which provided records staff with an understanding of effective records management systems.

TRAINEESHIPS

As part of providing training opportunities, Council provided traineeships in business administration community services and civil construction.

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
- 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

Planning, Development and Environmental Health Services

Program area 3



OBJECTIVE

To implement appropriate planning and building construction controls to ensure and encourage the balanced quality development of the Shire and the protection of the environment.

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

PERFORMANCE HIGHLIGHTS

DEVELOPMENT OF NEW AND EXISTING INDUSTRIES

New State planning and development laws came into effect on 18 December 2009 with the *Sustainable Planning Act 2009* replacing the *Integrated Planning Act 1997*.

This new legislation seeks to achieve sustainable planning outcomes through managing the process by which development takes place and managing the effects of development on the environment whilst continuing the coordination and integration of local, regional and state planning.

The commencement of the *Sustainable Planning Act 2009* has resulted in many changes to the way Council processes and assesses development applications. Council has taken numerous measures and implemented various processes to ensure compliance with the new Act upon commencement.

During the past year there has been an increase in the level of development activity within the Shire. The number of development applications have steadily increased over the past year, indicating a continued growth in development.

Flooding in the Shire has made a huge impact on development in the Shire. From repairs to the infrastructure that was damaged to the opportunities that will arise from greater water security it was certainly an event that will impact our shire long after the waters have flowed south.

Feedlots have been approved for extension increasing the Shire's economic capacity in a major existing local industry. This will lead to improved job opportunities and extra dollars in the community. We have also had new businesses approved which are a vote of confidence in the economic prospects for our community.

There is a great amount of enthusiasm in the Shire for renewal and revitalisation of existing industries and the encouragement of emerging industries. The development of tourism in our Shire has been lead by the many enthusiastic progress associations and local action groups in collaborative efforts with Council.

Sustainable energy such as geothermal and solar energy are also shaping up to be potential industries with our wealth of open areas and

sunlight. This will favourably position the Shire for further economic autonomy and prosperity.

ENVIRONMENTAL MANAGEMENT

To ensure the community is protected from environmental and public health risks, Council is responsible for monitoring and enforcing its own local laws and a range of State legislation, such as the *Environmental Protection Act 1994*, the *Dangerous Goods and Safety Management Act 2000* and the *Public Health Act 2005*.

Council provides a wide range of environmental services such as; animal management, general environmental health, environmental protection, food safety, public health, vector control, waste management, collection and disposal and natural resource management.

Business operations involving environmentally relevant activities (ERAs), the storage of flammable and combustible liquids and activities relating to the preparation and sale of food require approval and licensing by Council.

Council the following licenses or permits:

During the extreme monsoonal flood event in March 2010, Council with the support of the Gold Coast City Council implemented a vector control program in response to mosquito and blackfly infestations.

Council provided services to Bulloo, Murweh and Paroo Shires to assist in their compliance of legislative requirements.

ACHIEVEMENTS

- 81 applications for building works totaling \$7,554,228.91 was approved for 2009 - 2010
- 3 new allotments were approved



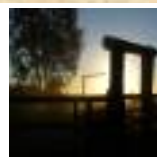
- 7 Development Applications for a Material Change of Use were approved
- Implemented the 2009/10 Building Works Program including the refurbishment of the Dirranbandi Cultural / Hall Complex
- Participated in the development and adoption of the Maranoa – Balonne Regional Plan.
- Inspection and licensing of ERAs, food businesses and storage of flammable and combustible liquids.
- Licensing of 50 ERAs, 50 food businesses and 35 Flammable and Combustible liquids storages.
- Registered 1222 dogs.

FUTURE INITIATIVES

- Continue to provide building certification and Planning services for development within the shire in accordance with the *Sustainable Planning Act 2009*.
- Undertake appropriate control of plumbing and drainage works.
- Participating in regional planning processes with continued representation on Maranoa Balonne Regional Planning Committee.
- Proposed planning scheme amendments.
- Commence scoping activities for development of a new planning scheme.
- Implement a swimming pool authorised inspection program.
- Implementation of the *Animal Management (Cats and Dogs) Act 2008*.
- Review waste management activities.
- Implementation of an Animal Management Plan
- Implement improvements to the animal management facility.

Rural Services

Program area 4



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 under the GABSI scheme have been completed on water facilities within the stock route network; Bandy Andy, Bunglebree, Mona/Dunbar, Heather, Charlton, Vincent's Valley and Wild Horse. Fire breaks have been put into place to improve fire protection at most water facility locations.

WORKS ON NON – GABSI FACILITIES

The Old Mona facility was upgraded, bringing it into compliance with other GABSI funded facilities. In addition, upgrades have occurred on Burgorah and Mulga View with new security fences, tanks and mills.

WEED CONTROL

Weed control during the year has been limited due to flooding, ongoing rainfall and unpredictable weather. However, during the year attention has been given to a number of pest plants, such as coral cactus, Hudson pear, parthenium and Mother of Millions.

Other weeds which have environmental impact that are present within the Shire include Lantana, lippia, pimilea, wild turnip, bishops weed and a variety of ornamental cactus.

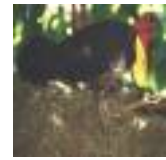
The Queensland Murray Darling Committee has assisted in the location, identification and control of pest plants in the Shire.

FERAL ANIMAL CONTROL

Wild dog baiting has been constant during the 2009/10 period. Due to inclement weather during the end of the 2009-2010 period, pulse baiting programs were carried out instead of a coordinated baiting campaign. Wild dogs, feral pigs and foxes were the targeted pest animals.

Meetings with the Wild Dog Syndicates has proven to be very productive in increasing awareness of pest animal issues, their control and cooperation throughout the Shire.

State agencies have been providing valuable assistance, support and community awareness information with the management of pest animals in the Shire.



ACHIEVEMENTS

- GABSI works undertaken
- Non – GABSI Works completed
- Excavation of the bull holes and Thurragi dams
- Security fence 20% completed at Dirranbandi common – Council awaiting flood damage funding to complete.
- South east paddock completed at St George landfill.
- In conjunction with NSW DPI completed wash down facility at Mungindi.
- New frontage fence and water facility awaiting construction at Thallon common.
- Control of feral animals.
- Control of pest plants.

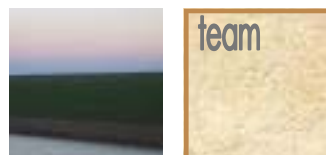
FUTURE INITIATIVES

- Fence town common at Dirranbandi.
- Fence Thallon common.
- Provide wild dog incentives and baiting efforts.
- Continue GABSI projects and capital works.
- Continue weed spraying with particular emphasis on parthenium weed.
- Installed new water facility at St George stock pound with security fence.
- Updated fencing at Thurragi stock route reserve.
- Increased Construction of new holding yard at St George town common pound.
- Fire breaks placed at all Gabsi and non GABSI Facilities.
- New works completed at Bugurah, Mona and Mulga View.
- New signage ordered for non wash down areas - compliance.



Infrastructure Services

Program area 5



OBJECTIVE

To provide efficient and effective transport and drainage infrastructure.

To provide community infrastructure to meet the needs of current and future generations.

To provide efficient, effective and environmentally sound wastewater disposal services and water supplies.

PERFORMANCE HIGHLIGHTS

GENERAL

Technical Services is responsible for road maintenance, construction and upgrades and the management of Council's road infrastructure, as well as contract 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.

The planned works program was severely curtailed in the second half of the year due to the March 2010 floods. Resources were redirected to the inspection of flood affected areas. Thereby, ensuring that roads and facilities were opened as soon as practical. In spite of the loss of almost four months of the financial year a considerable amount of projects were completed.

WATER SUPPLY & WASTEWATER

It has been a big year in water and sewage for the Shire with the laying of new river water mains in Kenny Lane, Anderson Lane and Alfred Street plus the laying of bore water mains in Anderson Lane, Hutt St, Grey Street, McDonald Avenue and Isles Street. There was also a bore water main laid in Thallon.

New odour control lids were installed on the St George pump stations.

The severe river-water shortage during November and December placed considerable pressure on the water and sewage crew. Notable events during this time were the flooding of the intake pump well, the temporary plumbing of the Henry St bore into the river water supply, the installation of a temporary floating pump and the temporary bans on outside watering during this time.



The flood event during March again placed considerable pressure on this crew. This event included protecting the pump stations from flooding and operating the treatment plant with a considerable increase in inflow. All of this was undertaken whilst continuing with day to day maintenance operations.

ACHIEVEMENTS

ROADWAYS

- Continued high-level maintenance of all parks and lawn areas within townships, including the high profile St George River walk.
- Constructed concrete footpaths in Church Street, Scott Street, Balonne Street and Alfred/Anne Street laneway, St George.
- Constructed concrete footpaths and installed street furniture as part of \$100,000 Bollon streetscape project.
- Constructed dragon boat ramp behind showgrounds.
- Completed a gravel re-sheeting program on various sections of the following roads: Jakelwar-Goodooga Road, Rutherglen Road, Honeyamah Road, Middle Road, Narine Road, Wagoo Road, Teelba Road, Gunnindaddy Road, Noondoo-Mungindi Road, Bimbil Road and Thallon-Daymar Road.
- Completed a reseal program on various sections of the following roads: Thallon-Daymar Rd, McDonald Rd, Thomby Road, Whyenbah Road, Hebel-Goodooga Road, Nulky Road, St George Terrace, Scott Street, Beardmore Place, Alfred Street, Robert Street, Balonne Street, Mitchell Street, Turvey Court, Isles Street, McDonnell Avenue, Klinge Lane and the St George works depot.
- Completed the bitumen sealing of Johnston's Road and Mayes Street, the final section of Thallon-

Daymar Road and Bowen Street plus 50% of the rear of the St George works depot.

- Repaired and maintained drainage, culverts, guide posts and signage on the local road network.
- Completed the installation of new playground equipment and soft-fall material at Lions Park, the installation of exercise equipment on the river foreshore and completed the visitor centre landscaping. Installed rubbish bins and seating in the CBD area.
- Completed the Victoria Street centre island stencilling.
- The refurbishment of the St George swimming pool acid dosing room and the repair of the pool end capping tiles plus the installation of anti-bird fixtures, the installation of footpath drainage grating and bench seats at the Dirranbandi pool were completed.
- The purchase of a replacement JetPatcher, RMPC patching truck, second-hand grid roller tractor, a new prime mover and water tanker, set of mobile traffic lights and the disposal of the Case loader and cherry picker plus the replacement of various cars and utilities was completed.
- Completion of the Noondoo-Thallon project that consists of rehabilitating 12 km of unsealed road to a sealed standard, \$2.1 million.

WATER SUPPLY & WASTEWATER

- Commissioning a new sewerage treatment plant.



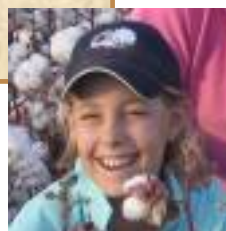
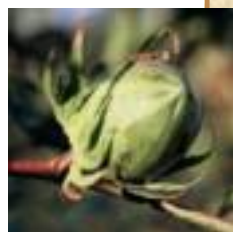
FUTURE INITIATIVES

ROADWAYS

- Develop and implement a foot-path program in St George
- 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
- Implement appropriate plant operator training
- Maintain a panel of suitable providers for hire of plant
- Construct a new fence at Bollon Aerodrome
- Review concept plans for street scaping and river walk projects
- Review all township walking trails by rivers/creeks
- Develop action plans for Dirranbandi and Bollon Showgrounds

WATER SUPPLY & WASTEWATER

- Investigate reuse of water from St. George Sewerage Treatment Plan.
- Conduct a network water analysis.
- Commence water infrastructure planning including investigation into dual water supply in Bollon.
- Implementation of effluent re-use strategies that will comply with all environmental requirements.
- Implementation of the 2010/11 Water and Wastewater Capital Works Program



Community Lifestyle

Program area 6



OBJECTIVE

To encourage and promote a sense of community and belonging, community pride, engagement, wellbeing and grow social capital.

PERFORMANCE HIGHLIGHTS

Council encourages the building of active and sustainable communities through the Community Development Program. Residents are involved in the changing power structures through community consultation and participating in the development of ideas, actions and sustainable projects that enhance the holistic wellbeing and remove barriers on issues that affect their lives.

Council's community development program emphasises on serving the people, enhancing its communities and being responsive to the local needs. People's issues are mainstream local government activities, and Council is committed to increasing the community's capacity to generate and sustain their own response to issues. The major goal is to build strong and self-reliant communities through community capacity building, empowerment, community safety and the facilitation of youth programs and activities.

The Council encourages individuals to improve their wellbeing by the provision of programs involving the arts, culture, sport and social activities, public facilities, libraries, walkways, and support through health related partnerships and other organisations, internal and external to the Shire.

RADF

Council has continued its support of the Regional Arts Development Fund in conjunction with Arts Queensland. This fund is helping to ensure regional Queenslanders have access to enriching artistic and cultural experiences. 2009-2010 saw the funding of concept development for a proposed Indigenous Culture precinct in St George, theatrical performances, vaudeville entertainment and printing of books detailing our regions rich local history. RADF also enabled our shire to host many exciting workshops in furniture restoration, silver smithing, photography and painting.

BALONNE INDIGENOUS EMPLOYMENT PROJECT

Council received funding from the State's Skilling Queenslanders For Work initiative to provide the Balonne Shire Indigenous Employment Project. This project provided long term unemployed Indigenous people training in general construction skills and on the job experience in construction and maintenance.



FLOOD MARCH 2010

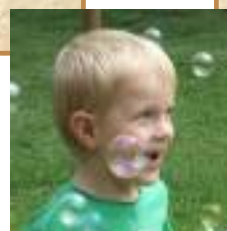
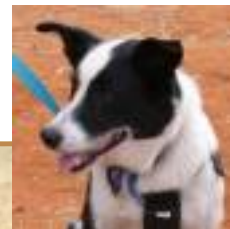
The March 2010 flood event was one which will live on in the memories of all residents in the shire. The shire also had many visitors during the time who will no doubt dine out on the story well into the future. The sense of community is very strong in the Shire, which was evident by the assistance provided by the community to ensure safety of others and to secure property. Community organisations also provided considerable support in this time of need.

ACHIEVEMENTS

- Undertook significant community consultation in relation to the development of the St George skate park
- Implemented a Skilling Queenslanders for Work initiative
- Balonne Indigenous Employment Project
- Produced a quarterly community newsletter
- Continued a partnership with Goondir Health Services
- Contributed to the implementation of the Aboriginal Employment Strategy
- Supported International Women's Day
- Coordinated a Meet & Greet for new residents to the Shire

FUTURE INITIATIVES

- Review annual Customer Satisfaction Survey Results.
- Develop a Library Operating Plan.
- Review of Balonne Shire Youth Policy.
- Participation in the development of a Youth Plan/Strategy.
- Development of a Cultural Mapping Plan.
- Seek funding for the construction of a War Memorial in Thallon.
- Seek funding for the construction of a skate park in Dirranbandi.
- Seek funding for a walking trail along Wallam Creek in Bollon.



Economic Development

Program area 7



OBJECTIVE

To encourage and promote a sense of community and belonging, community pride, engagement, wellbeing and grow social capital.

PERFORMANCE HIGHLIGHTS

Balonne Shire Council is committed to working actively towards strengthening our economic activity, increasing our profile and promoting the shire to potential residents, business enterprises and investors.

ECONOMIC DEVELOPMENT

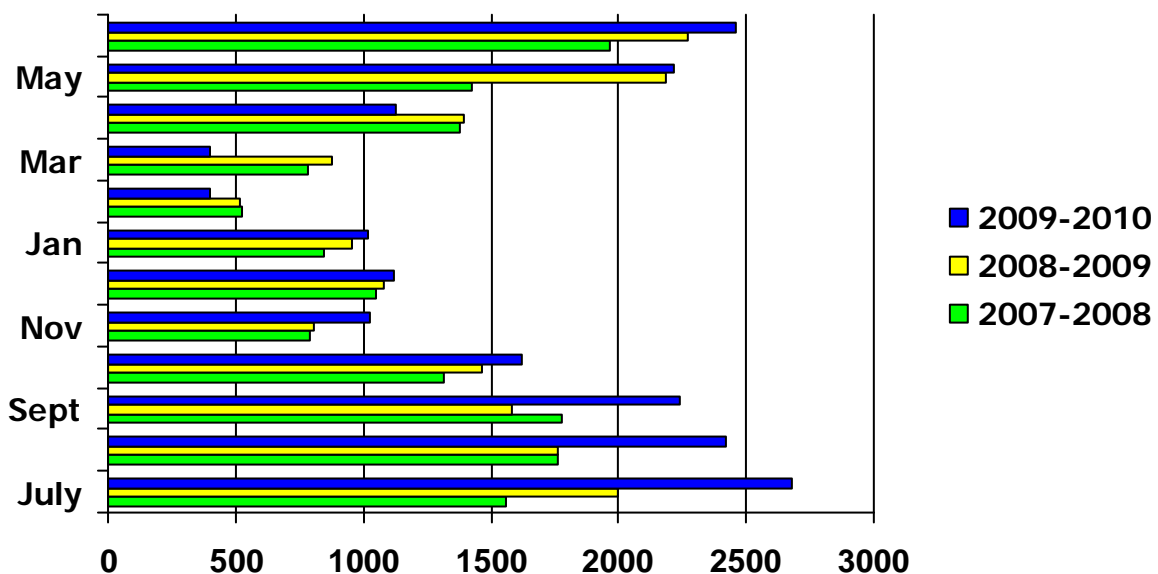
Balonne Shire has a predominately rural based economy, predominated by a resilient and innovative agriculture sector. Leading industries

are cotton, sheep and wool, grain crops, wild game harvesting, fruit and vegetable production and beef and cattle.

Key growth areas are grain production and horticulture which is expanding rapidly and has been led by local production of table grapes. Other growth sectors include retail, business support services, health and social services, education and the food and accommodation sector is growing, which is an indication that the tourism industry in the shire is thriving.

Balonne Shire Council aims to provide timely and accurate economic data to be used by government and business organisations for planning

NUMBER OF VISITORS THROUGH THE VISITOR INFORMATION CENTRE





and decision making purposes. Economic growth will result in a more diverse economy, greater employment prospects and more viable communities within the Shire.

A growing economy can become the catalyst for improved community and social growth, contributing significantly to a community's wellbeing.

TOURISM

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

Visitation to the Balonne Shire has continued to grow in comparison to 2009/2010, based on the number of visitors to the Balonne Shire Visitor Information Centre. Visitors to the Centre during 2009/2010 amounted to 18,737 persons. This figure has increased from previous years.

The Visitor Information Centre continues to be a place for visitors to source local art and craft, 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 often 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 Balonne Shire Council undertakes a variety of promotional activities including being the driving force behind the production of the tourism brochure 'Window of the West'. Throughout 2009/2010 other publications including new street directories for Bollon and St George were produced, and a number of marketing opportunities were capitalized on.

The 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 2009/2010 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.

In addition the 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.

TOURISM

ACHIEVEMENTS

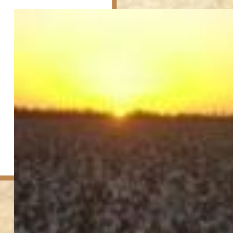
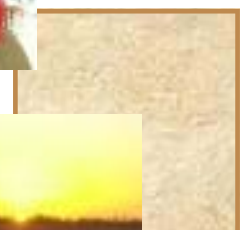
- Working cooperatively with the St George and District Chamber of Commerce to complete Township Marketing Plans for St George and for the smaller communities.
- Maintained accreditation of the Balonne Shire Visitor Information Centre.
- Over 18,700 visitors through the Balonne Visitor Information Centre.
- Provided improved technology at



- Representation at tourism and travel venues.
- Continued membership of Toowoomba and Golden West Regional Tourism, Adventure Way Promotional Group and Great Inland Way Promotional Group.
- Installation of a touch screens at the Balonne Shire Visitor Information Centre and Dirranbandi Rural Transaction Centre.
- Preparation of an Economic Development Strategy that will provide a multi-pronged strategy and action plan to take the Balonne Shire into a healthy, sustainable and diverse economic future.

Future Initiatives

- Provide assistance and support organisations to access funding for business and tourism initiatives.
- Maintain or exceed Tourism Queensland Visitor Information Centre Accreditation Standards.
- Implement the Shire Marketing Plan.
- Produce promotional materials highlighting the Shire.
- Host River Dragon Festival in St George.
- Coordinate annual photography competition 'Eye on Balonne' in conjunction with the River Dragon Festival.
- Continue to provide an internet café service at the Visitor Information Centre.



Commercial Services Program area 8



OBJECTIVE

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

PERFORMANCE HIGHLIGHTS

GENERAL

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.
- Resealed 6.1km of the Moonie Highway.
- Upgraded the Rockwell's rest area on Moonie Highway - 3600sqm
- Upgraded the Moonie Highway Rest Area near Carnarvon Highway - 2,570 sqm
- Widening of Carnarvon Highway edge widening (Nindigully) - 6,300sqm

FUTURE INITIATIVES

- Provide opportunities to utilise Council services to the benefit of the community.
- Provide private works opportunities as appropriate.
- Secure RMPC contract for 2010-2011



Statutory Information



SPECIAL RATES AND CHARGES

Thallon Town Rural Fire Brigade Special Charge

For the 2009/10 year a special charge was levied on those rateable properties contained in the benefited area in the town of Thallon. This was 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 \$6861.28 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 (2) or 489 of the *Local Government Act 1993* during 2009/10.

REGISTERS AND PUBLIC DOCUMENTS

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

REGISTERS

- Register of Charges (\$975) of the *Local Government Act 1993*
- Delegations by Council (\$472)
- Delegations by Chief Executive Officer (\$1201)
- Register of Interests (\$247) – Access is subject to the provisions of (\$248)
- Register of Lands (\$995)
- Register of Policies (\$895)
- Register of Roads (\$921)

- Register of Local Laws (\$895)
- Register of Development Applications
- Register of Cemetery
- Register of Fees and Charges

PUBLIC DOCUMENTS

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

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

REBATES AND CONCESSIONS

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



pensioners received 100% of general rates to a maximum of \$150.00 per annum. The total amount of remission paid was \$25,597.75.

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 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 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 are 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 LEVEL OF REMUNERATION

MAYORAL REMUNERATION

- a) The annual base rate payable to the Mayor shall be \$62,010.
- b) Meeting Fees are to be paid in addition to the base rate.
- c) Total Remuneration shall not exceed \$78,000.

DEPUTY MAYORAL REMUNERATION

- a) The annual base rate payable to the Deputy Mayor shall be \$29,370.
- b) Meeting Fees are to be paid in addition to the base rate.
- c) Total Remuneration shall not exceed \$39,160.

This allowance provides for Acting Mayoral duties, as required in the absence of the Mayor.

COUNCILLOR REMUNERATION

- a) The annual base rate payable to each Councillor shall be \$22,840.
- b) Meeting Fees are to be paid in addition to the base rate.
- c) Total Remuneration shall not exceed \$32,640.

DAILY MEETING FEES

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

- a) Council General Meetings, Council Standing Committee Meetings, Council Special Meetings; Council Authorised Conferences; Council Authorised Deputations, Council Authorised Delegations and Inspections, Council Advisory Committee Meetings and Council Authorised Community Committee Meetings.
- b) Meeting Fees will not be paid where an Elected Member is already paid a meeting fee/ allowance by the Statutory

Bodies or Community Committee upon which the Elected Member directly represents Council.

- c) Meeting fees payable are:

COUNCILLOR 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 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 DATE AND PERIOD OF EFFECT

The remuneration package as listed above had effect from 15 January 2010, 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. Should the terms are not strictly complied with Council can 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 wastewater infrastructure construction/reconstruction;
- Aerodrome construction/reconstruction;
- Building construction/reconstruction;
- Drainage works construction/reconstruction; and
- Community Services Infrastructure construction/reconstruction;

During 2009/10 Council did not enter into any new borrowings.

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	14,040.68 hectares



LAND AND RESERVES
BALONNE SHIRE COUNCIL IS RESPONSIBLE FOR:

- a) Land under infrastructure – 2,377 km of roads (plus 639.58 km of main roads)
- b) 14,040.68 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.

EXPENDITURE ON CONSULTANTS

During the year the following was spent on Consultants:

Consultant	Amount (including GST)
Engineering, Design and Building Services	66,627
Legal Advice	15,327
Sewerage and Water Engineering Services	128,959
Health Services	16,846
Total	\$227,759

EXPENDITURE ON ENTERTAINMENT AND HOSPITALITY SERVICES

During the year \$17,195 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 \$39,495 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 2009/10 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	\$9,640
Community Grants	\$14,923
Free or Concessional use of Council facilities	\$4,382
Total Contributions to the Community	\$28,945



STATEMENT OF AFFAIRS

A Statement of Affairs is published annually in accordance with Section 18(1) of the *Freedom of Information Act 1992*. 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.

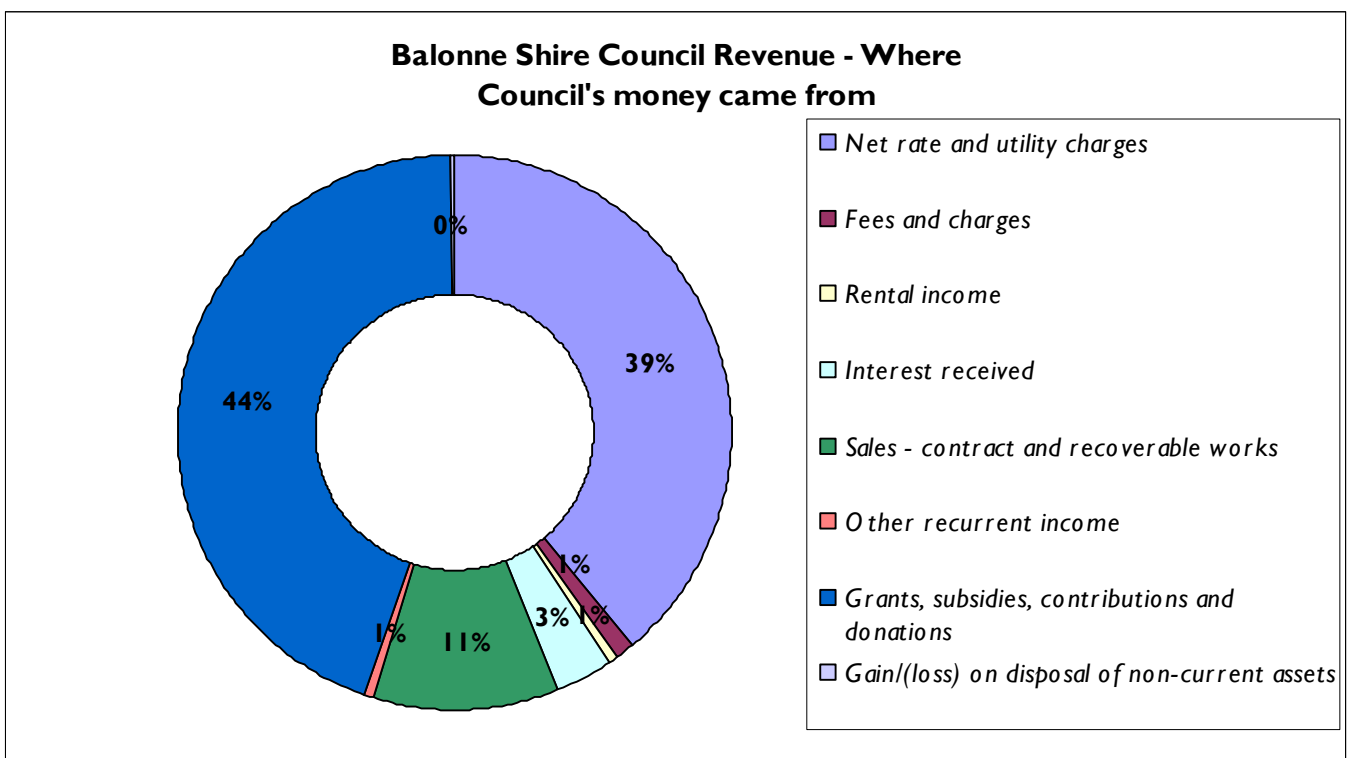
RATES REVENUE RATIO

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 2009/2010 financial year the percentage was 7.7%.

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



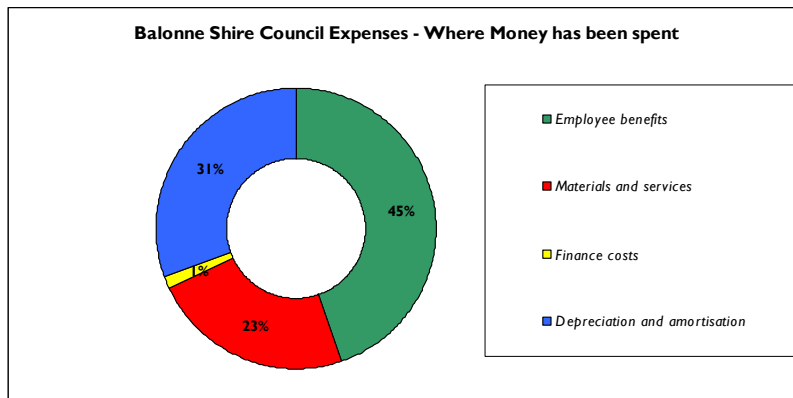


EXPENDITURE - WHERE DOES COUNCIL SPEND ITS MONEY?

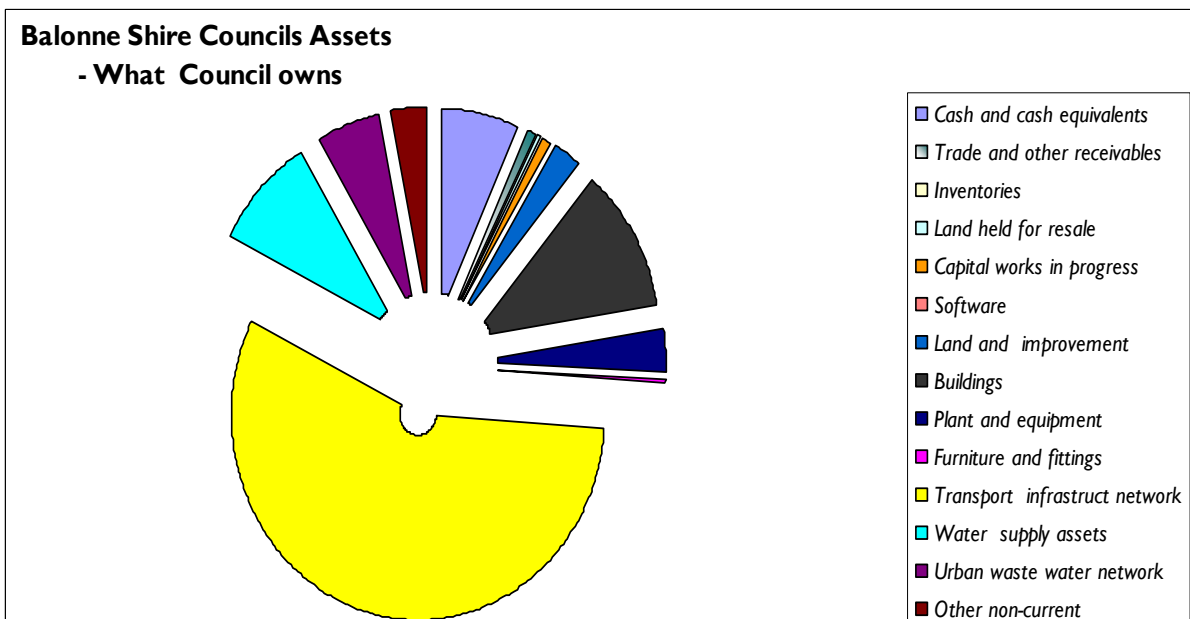
Council provided a wide range of services to the community. This work was completed by Council staff and contractors. Local suppliers and contractors are considered so that funds remain within the Shire and help stimulate the local economy.

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 to fund future asset replacement, leading to a deterioration of its asset base and the services that they provide.

BALONNE SHIRE COUNCIL EXPENCES WHERE MONEY HAS BEEN SPENT



BALONNE SHIRE COUNCIL ASSETS WHAT COUNCIL OWNES





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.

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 6:1. 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.

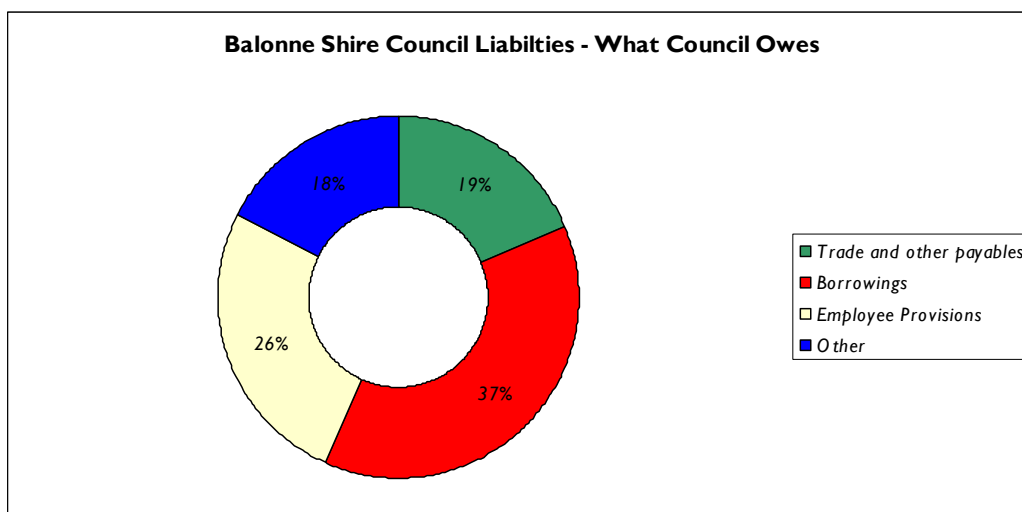
EQUITY - What our community is worth: What we own (assets) less what we owe (liabilities).

Balonne Shire Council re-valued its Road, Street, Bridge, Stormwater and Aerodrome Assets in 2009/2010, 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.

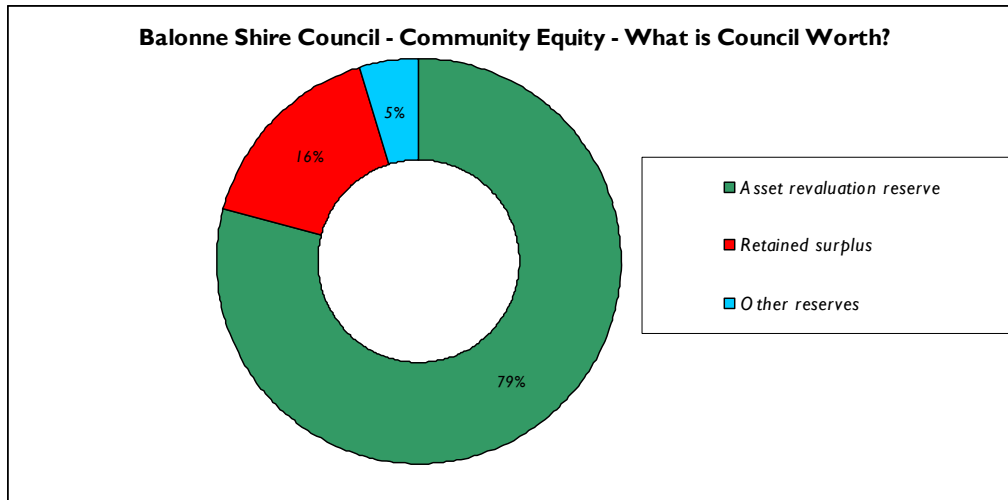
Whenever Council receives a grant or subsidy in advance of the project being completed, it is transferred to a reserve. For example, the Council received funding for the Hebel Spire Project, but will not be spending monies on the next financial year. So it is transferred to reserve until the funds are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

**BALONNE SHIRE COUNCIL LIABILITIES
WHAT COUNCIL OWES**





BALONNE SHIRE COUNCIL - COMMUNITY EQUITY
WHAT IS COUNCIL WORTH?



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

Cash at end of reporting period - 30 June 2010 - \$11.3Million.

Cash on hand includes \$11.1 million invested with Queensland Treasury Corporation.

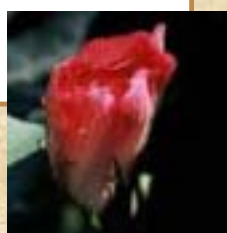
The Cash Flow Statement shows a decrease of \$0.6 million in cash held.

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 \$7.5 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, 2010 the percentage was 3.01%.



**BALONNE SHIRE
COUNCIL**

**ANNUAL FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2010

Balonne Shire Council

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Balonne Shire Council
Statement of Comprehensive Income
For the year ended 30 June 2010

	<u>Notes</u>	<u>2010 Actual</u>	<u>2009 Actual</u>
		(\$'000)	(\$'000)
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3	7,255	6,601
Fees and charges	3	208	183
Rental income	3	160	128
Interest received	3	504	577
Sales revenue	3	1,931	1,864
Other income	3	(8)	30
Grants, subsidies, contributions and donations	4	6,865	4,824
Total recurrent revenue		16,915	14,207
Capital revenue			
Grants, subsidies, contributions and donations	4	1,752	2,757
Total capital revenue		1,752	2,757
Total revenue		18,666	16,963
Capital income	5	(22)	51
Total income		18,645	17,015
Expenses			
Recurrent expenses			
Employee benefits	6	(5,978)	(5,288)
Materials and services	7	(4,190)	(2,736)
Finance costs	8	(153)	(174)
Depreciation and amortisation	9	(4,886)	(3,605)
Total recurrent expenses		(15,207)	(11,803)
Capital Expenses		-	-
Total expenses		(15,207)	(11,803)
Net operating surplus		3,437	5,212
Other comprehensive income			
Increase / (decrease) in asset revaluation surplus		6,729	5,736
Total other comprehensive income for the year		6,729	5,736
Total comprehensive income for the year		10,167	10,947

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

Balonne Shire Council
Statement of Financial Position
As at 30 June 2010

	<u>Notes</u>	<u>2010 Actual</u> (\$'000)	<u>2009 Actual</u> (\$'000)
Current Assets			
Cash and cash equivalents	10	11,319	11,925
Trade and other receivables	11	1,185	960
Inventories	12	189	133
		12,693	13,018
Non-current assets classified as held for sale	13	230	220
Total current assets		12,923	13,238
Non-current Assets			
Trade and other receivables	11	-	-
Property, plant and equipment	14	155,278	146,219
Intangible assets	15	53	37
Total non-current assets		155,331	146,256
TOTAL ASSETS		168,254	159,494
Current Liabilities			
Trade and other payables		952	1,076
Borrowings	17	274	428
Provisions	19	675	475
Other		20	1,018
Total current liabilities		1,921	2,998
Non-current Liabilities			
Borrowings	17	1,519	1,788
Provisions	19	965	1,025
	6		
	7		
Total non-current liabilities		2,484	2,814
TOTAL LIABILITIES		4,405	5,812
NET COMMUNITY ASSETS		163,849	153,682
Community Equity			
Asset revaluation reserve	20	128,478	121,749
Retained surplus/(deficiency)	21	29,202	24,543
Other reserves	22	6,169	7,390
TOTAL COMMUNITY EQUITY		163,849	153,682

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 2010

	Notes	Asset revaluation reserve		Retained surplus		Other reserves		Total	
		2010 Actual (\$'000)	2009 Actual (\$'000)	2010 Actual (\$'000)	2009 Actual (\$'000)	Note 22 2010 Actual (\$'000)	2009 Actual (\$'000)	2010 Actual (\$'000)	2009 Actual (\$'000)
Opening balance	20	121,749	116,013	24,543	19,296	7,390	7,426	153,682	142,735
	22								
	8								
Net operating surplus		-	-	3,437	5,212	-	-	3,437	5,212
Other comprehensive income for the year:									
Increase / (decrease) in asset revaluation surplus		6,729	5,736	-	-	-	-	6,729	5,736
Available-for-sale financial assets:									
Current year gains / (losses)		-	-	-	-	-	-	-	-
Reclassification to profit and loss		-	-	-	-	-	-	-	-
Cash flow hedging:									
Current year gains / (losses)		-	-	-	-	-	-	-	-
Reclassification to profit and loss		-	-	-	-	-	-	-	-
Share of comprehensive income of associates		-	-	-	-	-	-	-	-
Total comprehensive income for the year		6,729	5,736	3,437	5,212	-	-	10,167	10,947
Transfers to and from reserves									
Transfers to other reserves		-	-	(1,040)	(2,807)	1,040	2,807	-	-
Transfers from other reserves		-	-	2,262	2,843	(2,262)	(2,843)	-	-
Total transfers to and from reserves	20								
	22								
	8								
Closing balance		128,478	121,749	29,202	24,543	6,169	7,390	163,849	153,682

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 2010

	<u>Notes</u>	<u>2010 Actual</u>	<u>2009 Actual</u>
		(\$'000)	(\$'000)
Cash flows from operating activities:			
Receipts from customers		8,189	9,593
Payments to suppliers and employees		(10,227)	(7,346)
		(2,037)	2,247
Interest received		485	560
Rental income		160	128
Non-capital grants and contributions		6,860	4,824
Borrowing costs		(137)	(158)
Net cash inflow (outflow) from operating activities	28	5,330	7,602
Cash flows from investing activities:			
Payments for property, plant and equipment		(7,491)	(8,898)
Payments for intangible assets		(18)	(13)
Net movement on loans and advances		-	-
Proceeds from sale of property, plant and equipment	5	246	839
Grants, subsidies, contributions and donations		1,752	2,447
Net cash inflow (outflow) from investing activities		(5,512)	(5,625)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		(423)	(434)
Net cash inflow (outflow) from financing activities		(423)	(434)
Net increase (decrease) in cash held		(606)	1,543
Cash at beginning of reporting period		11,925	10,382
Cash at end of reporting period	10	11,319	11,925

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 2010

1.A Basis of Preparation

These general purpose financial statements for the period 1 July 2009 to 30 June 2010 have been prepared in accordance with Australian Accounting Standards and comply with the requirements of the Local Government Act 1993 and the Local Government Finance Standard 2005.

These financial statements have been prepared under the historical cost convention except for the revaluation of certain non-current assets.

1.B Statement of Compliance

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

1.C Constitution

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

1.D Date of Authorisation

The financial statements were authorised for issue on the date they were submitted to the Auditor-General for final signature. This is the date the management certificate is signed.

1.E Currency

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

1.F Adoption of new and revised Accounting Standards.

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has resulted in the following changes to Council's accounting policies:

Presentation of Financial Statements (AASB 101 *Presentation of Financial Statements*, AASB 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101*, AASB 2007-10 *Further Amendments to Australian Accounting Standards arising from AASB 101*)

The revised Standard and Amending Pronouncements do not affect any of the amounts presented in the financial statements, but have changed the disclosures made in the financial statements. The change in terminology in the revised AASB 101 has resulted in the Balance Sheet being renamed the Statement of Financial Position, and the Cash Flow Statement being renamed the Statement of Cash Flows. The former Income Statement has been replaced with a single Statement of Comprehensive Income. In line with the new concept of "comprehensive income" the bottom of the Statement contains other Comprehensive Income that was previously included in the Statement of Changes in Equity.

Investment Property (AASB 140 *Investment Property*)

Investment property under construction or being developed for future use is now classified as investment property rather than being classified as work in progress or property, plant and equipment. Council currently has no investment property under construction or being developed for future use.

Balonne Shire Council
Note 1: Summary of significant accounting policies
For the year ended 30 June 2010

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

	Effective for annual report periods beginning on are after:
AASB 9 Financial Instruments (December 2009)	1 January 2013
AASB 124 Related Party Disclosures (December 2009)	1 January 2011
2009-5 Further Amendments to Australian Accounting Standards arising from The Annual Improvements Project (May 2009)	1 January 2010
2009-8 Group Cash-settled Share-based Payment Transactions (July 2009)	1 January 2010
2009-9 Additional Exemptions for First-time Adopters (September 2009)	1 January 2010
2009-10 Classification of Rights Issues (October 2009)	1 January 2013
2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (December 2009)	1 January 2013
2009-12 Amendments to Australian Accounting Standards in relation to AASB 8 Operating Segments (December 2009)	1 January 2011
2009-13 Amendments to AAS arising from Interpretation 19 (December 2009)	1 July 2010
2009-14 Amendments to Australian Interpretation - Prepayments of a Minimum Funding Requirement (Interpretation 14) (December 2009)	1 January 2011
Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments (December 2009)	1 July 2010

Management have yet to assess the impact that AASB 9 *Financial Instruments* and 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* is likely to have on the financial statements of Council as it is anticipated that further amendments will occur. Council does not expect to implement the amendments prior to the adoption date of 1 January 2013.

2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* includes amendments to AASB 117 *Leases* which revise the criteria for classification of leases involving land and buildings. Council will be required to reassess the classification of the land components of all unexpired leases that Council has entered into as at 1 July 2010, on the basis of the information existing at the inception of the relevant lease. If any such leases are reclassified to become finance leases, retrospective accounting adjustments will be processed as far as practicable.

Initial application of the other Standards/Interpretations in issue but not yet effective is not expected to have any material impact on Council's financial statements.

1.G Critical accounting judgements and key sources of estimation uncertainty

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

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

- Valuation of property, plant and equipment - Note 1.Q and Note 14
- Impairment of property, plant and equipment - Note 1.S
- Employee Benefits - Note 1.V and Note 19

Balonne Shire Council
Note 1: Summary of significant accounting policies
For the year ended 30 June 2010

1.H Rates, levies grants and other revenue

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

(i) Rates

Where rate monies are received prior to the commencement of the rating/levying period, the amount is recognised as revenue in the period in which they are received.

(ii) Grants and subsidies

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them. An equivalent amount is placed in a reserve until the funds are expended. Unspent non-reciprocal capital grants are placed in the Unspent capital grants reserve. Council spends all recurrent grants in the year received and therefore Council has not established a reserve for this purpose.

Where grants are received that are reciprocal in nature, revenue is recognised over the term of the funding arrangements. Council does not currently have any reciprocal grants.

(iii) Non-cash contributions

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

(iv) Rental Income

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

(v) Interest and dividends

Interest received from term deposits is accrued over the term of the investment. Dividends are recognised once they are formally declared by the directors of the controlled entity.

1.I Financial assets and financial liabilities

Council recognises a financial asset or a financial liability in its Statement of Financial Position when, and only when, Council becomes a party to the contractual provisions of the instrument.

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

Financial Assets

Cash and cash equivalents
Receivables - measured at amortised cost

Financial Liabilities

Payables - measured at amortised cost
Borrowings - measured at amortised cost
Financial lease liabilities - measured at amortised cost

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

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.

Balonne Shire Council

Note 1: Summary of significant accounting policies

For the year ended 30 June 2010

The fair value of borrowings, as disclosed in Note 18 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 trade receivables approximates the amortised cost less any impairment. The fair value of payables approximates the amortised cost.

Balonne Shire Council does not recognise financial assets or financial liabilities at fair value in the Statement of Financial Position.

All other disclosures relating to the measurement and financial risk management of financial instruments are included in Note 29.

1.J Cash and Cash Equivalents

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

1.K Receivables

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

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

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

Because Council has the power to sell an owner's property to recover outstanding rate debts, Council does not impair any rate receivables.

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 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 cost, adjusted, when applicable, for any loss of service potential.

1.M Other Financial Assets

Other Financial Assets are recognised at cost. At present Council does not have any other financial assets.

Balonne Shire Council
Note 1: Summary of significant accounting policies
For the year ended 30 June 2010

1.N Land Held for Resale

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

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

1.O Investments

Term deposits in excess of three months are reported as investments, with deposits of less than three months being reported as cash equivalents. At 30 June 2010 Council did not have any term deposits in excess of three months.

1.P Investment Property

Investment property is property held for the primary purpose of earning rentals and/or capital appreciation. This includes land held by Council for a currently undetermined future use.

Investment property is measured using the fair value model. This means all investment property is initially recognised at cost (including transaction costs) and then subsequently revalued annually at the balance sheet date. Where investment property is acquired at no or nominal cost it is recognised at fair value.

Pursuant to revised accounting standard AASB 140 *Investment Property*, from 1 July 2009 property that is being constructed or developed for future use as investment property is now classified as investment property rather than as property, plant and equipment. Investment property under construction is measured at fair value, unless fair value cannot be reliably determined for an individual property (in which case the property concerned is measured at cost until fair value can be reliably determined).

Gains or losses arising from changes in the fair value of investment property are included in the Statement of Comprehensive Income for the period in which they arise. Investment property is not depreciated and is not tested for impairment.

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

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

Balonne Shire Council
Note 1: Summary of significant accounting policies
For the year ended 30 June 2010

(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.

Property, plant and equipment received in the form of contributions, are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value means the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

(ii) Capital and operating expenditure

Wage and materials expenditure incurred for the acquisition or construction of assets is 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.

(iii) Valuation

Land and improvements, buildings, major plant and all infrastructure 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 is achieved by comprehensively revaluing these assets at least once every five years, with interim valuations using a suitable index being otherwise performed on an annual basis where there has been a material variation in the index.

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

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

Separately identified components of assets are measured on the same basis as the assets to which they relate.

Details of valuers and methods of valuations are disclosed in Note 14.

(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. The asset class primarily includes specialized earthmoving equipment.

(v) 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.

Investment property under construction is classified as investment property.

Balonne Shire Council
Note 1: Summary of significant accounting policies
For the year ended 30 June 2010

(vi) 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.

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 shown in note 14.

The estimated useful lives of property, plant and equipment are reviewed annually.

(vii) Unfunded depreciation

Balonne Shire 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.

(viii) Land under roads

Land under roads acquired before 30 June 2008 is recognised as a non-current asset where the Council holds title or a financial lease over the asset. The Balonne Shire Council currently does not have any such land holdings.

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

1.R Intangible Assets

Intangible assets with a cost or other value exceeding \$10,000 are recognised as intangible assets in the financial statements, items with a lesser value being expensed. Except for Computer Software which has a recognition threshold of \$1,000.

Expenditure on research activities relating to internally-generated intangible assets is recognised as an expense in the period in which it is incurred.

Costs associated with the development of computer software are capitalised and are amortised on a straight-line basis over the period of expected benefit to Council.

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.

Balonne Shire Council
Note 1: Summary of significant accounting policies
For the year ended 30 June 2010

1.S Impairment of Non-current Assets

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

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

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

1.T 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.

(ii) Operating leases

Payments made under operating leases are expensed in equal installments 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.U 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.V Liabilities - Employee Benefits

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

Balonne Shire Council
Note 1: Summary of significant accounting policies
For the year ended 30 June 2010

(i) Annual leave

A liability for annual leave is recognised. The current portion (based on the expected payment date) is calculated on current wage and salary levels and includes related employee on-costs. The non-current portion is calculated on projected future wage and salary levels and related employee on-costs, discounted to present values. This liability represents an accrued expense and is reported in Note 19 as a payable.

(ii) Superannuation

The superannuation expense for the reporting period is the amount of the contribution the Council makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in Note 26.

(iii) 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 value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value. This liability is reported in Note 19 as a provision.

(iv) Salaries and Wages

A liability for salaries and wages is recognized 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 represents an accrued expense and is reported in Note 16 as a payable.

1.W Borrowings

All borrowing costs are expensed in the period in which they are incurred. No borrowing costs are capitalised on qualifying assets.

1.X Asset revaluation surplus

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 the asset revaluation surplus.

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

Where a class of assets is decreased on revaluation, that decrease is offset first against the amount remaining in the asset revaluation 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 asset revaluation surplus.

1.Y Retained surplus

This represents the amount of Council's net funds not set aside in reserves to meet specific future needs.

1.Z Reserves

(i) Future capital works reserve

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

Balonne Shire Council
Note 1: Summary of significant accounting policies
For the year ended 30 June 2010

(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) Unspent capital grants reserve

This reserve represents the unspent portion of non-reciprocal grants received for capital purposes.

(iv) Constrained works reserve

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

(v) Future recurrent expenditure reserve

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.AA National Competition Policy

The Council has reviewed its activities to identify its business activities. Details of these activities are disclosed in Note 30.

1.AB Rounding and Comparatives

Amounts included in the financial statements have been rounded to the nearest \$1000.

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

1.AC 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 in Note 27.

1.AD 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 2010

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

Corporate Governance

To provide effective organisational leadership through strategic planning, accountability and ethical standards of practice.

Corporate Services

To enhance the capability and performance of Balonne Shire and ensure resources are directed to achieve organisational objectives

Planning, Development and Environmental Health Services

To implement appropriate planning and building construction controls to ensure and encourage the balanced quality development of the shire and the protection of the environment

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

Rural Services

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

Infrastructure Services

To provide efficient and effective transport and drainage infrastructure

To provide community infrastructure to meet the needs of current and future generations

To provide efficient, effective and environmentally sound waste water disposal services and water supplies

Community Lifestyle

To encourage and promote a sense of community and belonging, community pride, engagement, well being and grow social capital

Economic Development

To foster a vibrant economic environment

Commercial Services

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

Balonne Shire Council
Note 2b: Analysis of Results by Function
For the year ended 30 June 2010

	Gross recurring income	Gross capital income	Total income	Gross recurring	Gross capital expenses	Total expenses trans.	Net result from	Net operating recurring	Assets surplus
	2010	2010	2010	2010	2010	2010	2010	2010	2010
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Income and expenses defined between recurring and capital are attributed to the following functions:									
Corporate Governance	-	-	-	238	-	238	(238)	(238)	-
Corporate Services	9,029	3	9,032	336	-	336	8,693	8,696	15,367
Planning, Development and Environmental Health Services	683	2	685	1,624	-	1,624	(941)	(939)	4,381
Rural Services	101	-	101	450	-	450	(350)	(350)	71
Infrastructure Services	4,815	1,677	6,492	9,811	-	9,811	(4,996)	(3,319)	147,560
Community Lifestyle	184	156	340	645	-	645	(461)	(304)	571
Economic Development	115	-	115	292	-	292	(177)	(177)	304
Commercial Services	1,875	-	1,875	1,807	-	1,807	69	69	-
Total Council	16,802	1,837	18,640	15,202	-	15,202	1,600	3,437	168,254
Controlled entity net of eliminations	-	-	-	-	-	-	-	-	-
Total consolidated	16,802	1,837	18,640	15,202	-	15,202	1,600	3,437	168,254
	2009	2009	2009	2009	2009	2009	2009	2009	2009
Corporate Governance	-	-	-	248	-	248	(248)	(248)	-
Corporate Services	10,717	-	10,717	3,462	-	3,462	7,254	7,254	15,444
Planning, Development and Environmental Health Services	689	352	1,042	1,135	-	1,135	(446)	(93)	3,386
Rural Services	63	-	63	401	-	401	(339)	(339)	32
Infrastructure Services	2,175	2,356	4,531	5,548	-	5,548	(3,372)	(1,016)	139,884
Community Lifestyle	46	100	146	304	-	304	(258)	(158)	419
Economic Development	89	-	89	357	-	357	(268)	(268)	296
Commercial Services	427	-	427	349	-	349	79	79	33
Total Council	14,207	2,808	17,015	11,803	-	11,803	2,404	5,212	159,494
Controlled entity net of eliminations	-	-	-	-	-	-	-	-	-
Total consolidated	14,207	2,808	17,015	11,803	-	11,803	2,404	5,212	159,494

Balonne Shire Council
Note 3: Revenue analysis
For the year ended 30 June 2010

<u>Notes</u>	<u>2010 Actual</u>	<u>2009 Actual</u>
	(\$'000)	(\$'000)
(a) Rates and charges		
General rates	5,197	4,944
Separate rates	7	7
Water	1,385	1,378
Water consumption, rental and sundries	37	27
Sewerage	865	837
Garbage charges	509	491
Total rates and utility charge revenue	8,000	7,683
Less: Discounts	(718)	(1,056)
Less: Pensioner remissions	(27)	(27)
Net rates and utility charges	7,255	6,601
(b) Fees and charges		
Building and development fees	30	27
Infringements	7	1
Swimming Pool Fees	36	35
Licenses and registrations	29	29
Cemetery Fees	24	29
Internet Charges	8	9
Council Document Fees	15	18
Water Connection Fees	11	7
Council Facilities Hire	42	25
Other fees and charges	5	2
	208	183
(c) Rental income		
118 Victoria Street	23	25
Staff Housing	105	83
Airport Lease Charges	19	7
Other rental income	13	13
	160	128
(d) Interest received		
Interest received from Investments	485	560
Interest from overdue rates and utility charges	20	17
	504	577
(e) Sales revenue		
Sales of services		
Contract and recoverable works	1,875	1,801
Miscellaneous Water	-	1
	1,876	1,802
Sale of goods		
Visitor Information Centre	52	58
History Books	2	4
Scrap Metal Sales	2	0
	55	61
Total sales revenue	1,931	1,864
<p>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.</p>		
(f) Other recurrent income		
Dividend	-	-
Other income	(8)	30
	(8)	30

Balonne Shire Council
Note 4: Grants, Subsidies, Contributions and Donations
For the year ended 30 June 2010

Notes	2010 Actual (\$'000)	2009 Actual (\$'000)
(a) Recurrent		
General purpose grants	3,783	2,680
State Government subsidies and grants	1,472	1,003
Commonwealth government subsidies and grants	1,570	1,116
Donations-Flood Event	9	0
Contributions	30	26
Total recurrent revenue	6,865	4,824
(b) Capital		
State Government subsidies and grants	1,008	1,375
Commonwealth government subsidies and grants	742	982
Contributions	1	400
Total capital revenue	1,752	2,757
(c) Conditions over contributions		
Contributions recognised as income during the reporting period and which were obtained on the condition that they be expended in a manner specified by the contributor but not had been expended at the reporting date:		
Non-reciprocal grants for expenditure on services	97	8
Non-reciprocal grants for expenditure on infrastructure	50	312
Developer contributions for infrastructure	1	4
Contributions recognised as income during a previous reporting period that were obtained in respect of the current reporting period		
Non-reciprocal grants for expenditure on services	11	-
Non-reciprocal grants for expenditure on infrastructure	779	478
Developer contributions expended on infrastructure	-	-
	938	802

On the 24th June 2010, Council received an early payment of the 2010/11 Federal Assistance Grants.

General Component - \$801,844

Road Component - \$ 293,223

According to AASB 1004 Contributions, Council is required to report this as revenue in the 2009/10 financial year.

Balonne Shire Council
Note 5: Capital income
For the year ended 30 June 2010

<u>Notes</u>	<u>2010 Actual</u> (\$'000)	<u>2009 Actual</u> (\$'000)
Gain (loss) on the disposal of non-current assets		
Proceeds from the sale of property, plant and equipment	241	823
Less: Book value of property, plant and equipment disposed of	(265)	(772)
	(24)	51
Proceeds from the sale of land and improvements	5	16
Less: Book value of land sold	(2)	(16)
	3	0
Total capital income	(22)	51

Balonne Shire Council
Note 6: Employee benefits
For the year ended 30 June 2010

<u>Notes</u>	<u>2010 Actual</u>	<u>2009 Actual</u>
	(\$'000)	(\$'000)
Total staff wages and salaries	4,426	3,975
Councillors' remuneration	218	205
Annual, sick and long service leave entitlements	561	485
Superannuation	428	386
	5,633	5,052
Other employee related expenses	1,076	1,054
	6,709	6,106
Less: Capitalised employee expenses	(731)	(818)
	5,978	5,288

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

Total Council employees at period end

Elected members	5	5
Administrative staff	30	30
Depot and outdoors staff	60	50
Total full time equivalent employees	95	85

Balonne Shire Council
Note 7: Materials and services
For the year ended 30 June 2010

<u>Notes</u>	<u>2010 Actual</u>	<u>2009 Actual</u>
	(\$'000)	(\$'000)
Advertising and marketing	38	15
Audit Services	38	35
Cleansing services	421	352
Urban Water Services	691	474
Urban Waste Water	240	136
Community Donations/Assistance	19	22
Road and Street Maintenance	1,760	1,251
Legal Fees	13	11
March 2010 Flood Activation	499	0
Land Protection Fund Precept	195	191
Rentals - Operating leases	5	4
Aerodrome Maintenance	73	83
Swimming Pools	129	1
Other material and services	69	159
	4,190	2,736

Balonne Shire Council
Note 8: Finance costs
For the year ended 30 June 2010

<u>Notes</u>	<u>2010 Actual</u>	<u>2009 Actual</u>
	(\$'000)	(\$'000)
Finance costs charged by Queensland Treasury Corporation	137	158
Bank charges	12	12
Impairment of debts	3	3
Other Finance Costs	0	1
	153	174

Balonne Shire Council
Note 9: Depreciation and amortisation
For the year ended 30 June 2010

<u>Notes</u>	<u>2010 Actual</u>	<u>2009 Actual</u>
	(\$'000)	(\$'000)
Depreciation of non-current assets		
Land improvements	-	-
Buildings	291	267
Plant and Equipment	768	675
Furniture and Fittings	18	10
Transport Infrastructure	3,049	2,000
Water	380	353
Waste Water	297	225
Other Assets	69	66
Total depreciation of non-current assets	4,874	3,596
Amortisation of intangible assets		
Software	13	9
Total depreciation and amortisation	4,886	3,605

Unfunded depreciation

The gross unfunded depreciation across all assets for the period is \$nil (2009 - \$nil)

Transport Infrastructure

Balance at beginning of period	13,182	13,182
--------------------------------	--------	--------

Net adjusted unfunded depreciation in the period	-	-
--	---	---

Accumulated unfunded depreciation at period end	13,182	13,182
---	---------------	---------------

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 either:

- 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.

Balonne Shire Council
Note 10: Cash and cash equivalents
For the year ended 30 June 2010

<u>Notes</u>	<u>2010 Actual</u>	<u>2009 Actual</u>
	(\$'000)	(\$'000)
Cash at bank and on hand	206	316
QTC Cash Fund	11,113	11,609
Term deposits	-	-
Balance per Statement of Cash Flows	11,319	11,925
Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:		
Unspent government grants and subsidies	(180)	(778)
Unspent developer contributions	(7)	(6)
Unspent community contributions	(65)	(74)
Total unspent restricted cash for capital projects	(251)	(859)

Cash and deposits at call are held in the Westpac Banking Corporation in business cheque accounts. The Bank currently has Standard and Poor's a short term credit rating of A1- and a long term rating of AA. Council also invests monies with Queensland Treasury Corporation which currently has Standard and Poor's a short term credit rating A-1+ and long term credit rating of AA+

Balonne Shire Council
Note 11: Trade and other receivables
For the year ended 30 June 2010

<u>Notes</u>	<u>2010 Actual</u>	<u>2009 Actual</u>
	(\$'000)	(\$'000)
(a) Current		
Rateable revenue and utility charges	391	233
Other debtors	739	692
Less: provision for doubtful debts	(31)	(31)
Business Activity Statement Recoverable	54	-
Loans and advances to controlled entities and associates	-	-
Prepayments	32	65
	1,185	960
(b) Non-current		
Loans and advances to community organisations	-	-
Loans and advances to controlled entities and associates	-	-
	-	-

Interest is charged on outstanding 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 are subject to negotiated interest rates. The credit risk on these loans is considered low.

Balonne Shire Council
Note 12: Inventories
For the year ended 30 June 2010

<u>Notes</u>	<u>2010 Actual</u>	<u>2009 Actual</u>
	(\$'000)	(\$'000)
Current		
Inventories held for sale		
Visitor Information Centre salable items	19	20
Total inventories held for sale	19	20
Inventories held for distribution:		
Quarry and road materials	17	8
Plant and equipment stores	152	105
Total inventories held for distribution	170	113
Total inventories	189	133

Balonne Shire Council
Note 13: Non-current assets classified as held for sale
For the year ended 30 June 2010

<u>Notes</u>	<u>2010 Actual</u>	<u>2009 Actual</u>
	(\$'000)	(\$'000)
Opening Balance	220	236
Net Sales and Purchase Adjustment	(2)	(16)
Revaluation Adjustment	12	0
	230	220

This land is held for future use of Council.
The land is valued at the lower of carrying value and fair value less cost to sell.

Balonne Shire Council
Note 14a: Council Property, Plant and Equipment
For the year ended 30 June 2010

	LAND AND IMPROVEMENT	BUILDINGS	PLANT AND EQUIPMENT	FURNITURE AND FITTINGS	TRANSPORT INFRASTRUCT	WATER SUPPLY NETWORK	URBAN WASTE WATER NETWORK	OTHER INFRASTRUCT ASSETS	WORK IN PROGRESS	TOTAL
	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Asset Values										
Basis of measurement										
Opening gross value	4,030	20,880	10,118	662	109,761	21,891	14,259	5,021	1,212	187,833
Additions at cost	-	45	1,386	25	4,865	364	386	175	-	7,246
Disposals	-	(190)	(996)	-	-	-	(410)	(15)	-	(1,611)
Revaluation adjustment to the ARR	370	1,734	-	-	(279)	205	733	393	-	3,156
Revaluation adjustment to income	-	-	-	-	-	-	-	-	-	-
Expenditure on Work In Progress	-	-	-	-	-	-	-	-	7,491	7,491
Work in Progress Capitalised	-	-	-	-	-	-	-	-	(7,257)	(7,257)
Transfers between classes	-	-	-	-	-	-	-	-	-	-
Closing gross value	4,400	22,470	10,507	687	114,347	22,460	14,967	5,574	1,446	196,858
Accumulated Depreciation										
Opening balance	-	3,522	4,759	405	15,363	9,590	7,314	661	-	41,613
Depreciation provided in period	-	291	768	18	3,049	380	297	69	-	4,874
Depreciation on disposals	-	(153)	(768)	-	-	-	(410)	(15)	-	(1,346)
Revaluation adjustment to the ARR	-	(180)	-	-	1,038	(2,511)	(1,821)	(88)	-	(3,561)
Revaluation adjustment to Income	-	-	-	-	-	-	-	-	-	-
Impairment adjustment to the ARR	-	-	-	-	-	-	-	-	-	-
Impairment adjustment to income	-	-	-	-	-	-	-	-	-	-
Assets transferred to investment property	-	-	-	-	-	-	-	-	-	-
Transfers between classes	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation at period end	-	3,480	4,760	423	19,450	7,459	5,381	627	-	41,580
Total written down value at period end	4,400	18,990	5,747	264	94,897	15,001	9,587	4,946	1,446	155,278
Residual value	0	10,762	3,106	27	38,830	3,108	2,630	1,497	0	59,960
Estimated useful life (years)		15-100	1-50	5-60	10-100	2-100	1-100	1-100		

Balonne Shire Council
Note 14a: Council Property, Plant and Equipment
For the year ended 30 June 2010

	LAND AND IMPROVEMENT	BUILDINGS	PLANT AND EQUIPMENT	FURNITURE AND FITTINGS	TRANSPORT INFRASTRUCT	WATER SUPPLY NETWORK	URBAN WASTE WATER NETWORK	OTHER INFRASTRUCT ASSETS	WORK IN PROGRESS	TOTAL
	2009	2009	2009	2009	2009	2009	2009	2009	2009	2009
	(\$'000)	(\$'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	1,007	177,903
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
Revaluation adjustment to income	-	-	-	-	-	-	-	-	-	-
Expenditure on Work In Progress	-	-	-	-	-	-	-	-	8,911	8,911
Work in Progress Capitalised	-	-	-	-	-	-	-	-	(8,706)	8,706
Closing gross value	4,030	20,880	10,118	662	109,761	21,891	14,259	5,021	1,212	187,833
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)
Revaluation adjustment to Income	-	-	-	-	-	-	-	-	-	-
Impairment adjustment to the ARR	-	-	-	-	-	-	-	-	-	-
Impairment adjustment to income	-	-	-	-	-	-	-	-	-	-
Assets transferred to investment property	-	-	-	-	-	-	-	-	-	-
Transfers between classes	-	-	-	-	-	-	-	-	-	-
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	1,212	146,219
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 14b: Property, Plant and Equipment Valuations
For the year ended 30 June 2010

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 2010 as determined by 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 written down current replacement cost as at 30 June 2010 by Australia Pacific Valuers Pty Ltd.

Riverbank Footpaths

Riverbank Footpaths have been included at their written down current replacement cost as valued internally by Balonne Shire Council 30 June 2010.

Levee Banks

Levee Banks have been included at their written down current replacement cost as at 30 June 2010 by 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

Transport, Water and Sewerage Infrastructure -

Transport, Water and Sewerage Infrastructure have been included at their written down current replacement cost as at 30 June 2010 by Australia Pacific Valuers Pty Ltd.

Balonne Shire Council
Note 15: Intangible Assets
For the year ended 30 June 2010

<u>Notes</u>	<u>2010 Actual</u> (\$'000)	<u>2009 Actual</u> (\$'000)
Software		
Opening gross carrying value	144	131
Movement during the period	29	13
Closing carrying value	173	144
Accumulated amortisation		
Opening balance	107	98
Amortisation in the period	13	9
Closing balance	120	107
Net carrying value at end of financial year	53	37
The software has a finite life estimated at 10 years. Straight line amortisation has been used with no residual value.		
Total intangible assets	53	37

Balonne Shire Council
Note 16: Trade and other payables
For the year ended 30 June 2010

<u>Notes</u>	<u>2010 Actual</u> (\$'000)	<u>2009 Actual</u> (\$'000)
Current		
Creditors and accruals	914	1,063
Other entitlements	38	13
	952	1,076
Non-current		
Creditors and accruals	-	-
	-	-

Balonne Shire Council
Note 17: Borrowings
For the year ended 30 June 2010

<u>Notes</u>	<u>2010 Actual</u> (\$'000)	<u>2009 Actual</u> (\$'000)
Current		
Loans - Queensland Treasury Corporation	274	428
Loans - Other	-	-
Finance leases	-	-
	274	428
Non-current		
Loans - Queensland Treasury Corporation	1,519	1,788
Loans - Other	-	-
Finance leases	-	-
	1,519	1,788

Balonne Shire Council
Note 18: Borrowings - Loans
For the year ended 30 June 2010

<u>Notes</u>	<u>2010 Actual</u> (\$'000)	<u>2009 Actual</u> (\$'000)
(i) Queensland Treasury Corporation		
Opening balance at beginning of financial year	2,217	2,651
Loans raised	0	0
Principal repayments	(423)	(434)
Book value at end of financial year	1,793	2,217

The QTC loan market value at the reporting date was \$1,876,975.54. This represents the value of the debt if 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 to these accounts.

No assets have been pledged as security by the Council for any liabilities, however all loans are guaranteed by the Queensland Government.

All borrowings are in \$A denominated amounts and 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 26 December 2010 to 12 June 2022. There have been no defaults or breaches of the loan agreement during the period.

Principal and interest repayments are made quarterly/semi annually/ annually in arrears.

Balonne Shire Council
Note 19: Provisions
For the year ended 30 June 2010

<u>Notes</u>	<u>2010 Actual</u> (\$'000)	<u>2009 Actual</u> (\$'000)
Current		
Long service leave	225	75
Annual Leave	450	400
	675	475
Non-current		
Long service leave	774	803
Annual Leave	191	222
	965	1,025

Details of movements in provisions:

Long service leave		
Balance at beginning of financial year	878	828
Long service leave entitlement arising	154	101
Long service leave entitlement paid	(34)	(50)
Balance at end of financial year	999	878

Balonne Shire Council
Note 20: Asset revaluation surplus
For the year ended 30 June 2010

<u>Notes</u>	<u>2010 Actual</u>	<u>2009 Actual</u>
	(\$'000)	(\$'000)
(i) Asset revaluation reserve		
In March 2010, Balonne Shire Council had a significant flood event, which caused major damage to the Transport Infrastructure. Owing to this event, a full desk-top revaluation of the Road Network was done by Australia Pacific Valuers using the updated condition data resulting from the flood.		
Movements in the asset revaluation reserve were as follows:		
Balance at beginning of financial year	121,749	116,013
Net adjustment to non-current assets at end of period to reflect a change in current fair value:		
Land and improvements	382	-
Buildings	1,913	-
Plant and Equipment	-	-
Furniture and Fittings	-	-
Other Structures	481	-
Transport Infrastructure	(1,317)	5,736
Water	2,716	-
Urban Waste Water	2,553	-
Balance at end of financial year	128,478	121,749
(ii) Asset revaluation surplus analysis		
The closing balance of the asset revaluation reserve is comprised of the following asset categories:		
Land and improvements	2,718	2,336
Buildings	13,967	12,053
Plant and Equipment	1,498	1,498
Furniture and Fittings	307	307
Other Structures	3,922	3,441
Transport Infrastructure	76,920	78,237
Water	18,192	15,476
Urban Waste Water	10,955	8,401
	128,478	121,749

Balonne Shire Council
Note 21: Retained surplus / (deficiency)
For the year ended 30 June 2010

<u>Notes</u>	<u>2010 Actual</u>	<u>2009 Actual</u>
	(\$'000)	(\$'000)
Movements in the retained surplus were as follows:		
Retained surplus/(deficit) at the beginning of the financial year	24,543	19,296
Net result attributable to Council	3,437	5,212
Transfers (to) from capital reserves for future capital project funding, or from reserves funds that have been expended:		
Future capital works reserve	578	(1,329)
Asset replacement reserve	(60)	1,246
Unspent capital grants reserve	792	210
Constrained works reserve	7	(88)
Transfers (to) from recurrent reserves for future project funding, or from reserves funds that have been expended:		
Recurrent expenditure reserve	(96)	(3)
Transfers (to)/from Shire Capital	-	-
Retained surplus at the end of the financial year	29,202	24,543

Balonne Shire Council
Note 22: Other reserves
For the year ended 30 June 2010

<u>Notes</u>	<u>2010 Actual</u>	<u>2009 Actual</u>
	(\$'000)	(\$'000)
(a) Reserves held for future capital expenditure:		
(i) Future capital works reserve	4,375	4,954
(ii) Asset replacement reserve	1,493	1,433
(iii) Unspent capital grants reserve	109	901
(iv) Constrained works reserve	84	91
	6,061	7,379
(b) Reserves held for funding future recurrent expenditure:		
(i) Future recurrent expenditure reserve	108	12
	108	12
Total reserves	6,169	7,390
(c) Movements in capital reserves:		
(i) Future capital works reserve		
Balance at beginning of financial year	4,954	3,625
Transfer from retained surplus for future expenditure	500	1,767
Transfer to the retained surplus/capital funds expended in the period	(1,078)	(439)
Balance at end of financial year	4,375	4,954
(ii) Asset replacement reserve		
Balance at beginning of financial year	1,433	2,679
Transfer from retained surplus for future expenditure	333	663
Transfer to the retained surplus/capital funds expended in the period	(273)	(1,909)
Balance at end of financial year	1,493	1,433
(iii) Unspent capital grants reserve		
Balance at beginning of financial year	901	1,111
Transfer from retained surplus for future expenditure	95	277
Transfer to the retained surplus/capital funds expended in the period	(888)	(486)
Balance at end of financial year	109	901
(iv) Constrained works reserve		
Balance at beginning of financial year	91	2
Transfer from retained surplus for future expenditure	5	88
Transfer to the retained surplus/capital funds expended in the period	(12)	-
Balance at end of financial year	84	91
(d) Movements in recurrent reserves:		
(i) Future recurrent expenditure reserve		
Balance at beginning of financial year	12	9
Transfer from retained surplus for future expenditure	106	12
Transfer to retained surplus	(11)	(9)
Balance at end of financial year	108	12

Balonne Shire Council
Note 23: Commitments for expenditure
For the year ended 30 June 2010

Notes	2010 Actual (\$'000)	2009 Actual (\$'000)
Operating leases		
Minimum lease payments in relation to non-cancellable operating leases are as follows:		
Within one year	5	7
One to five years	30	37
	35	44
Contractual commitments		
Contractual commitments at balance date but not recognised in the financial statements are as follows:		
Major Vehicles on Order	354	-
Cleaning contractors	315	300
	669	300

Balonne Shire Council
Note 24: Contingent liabilities

For the year ended 30 June 2010

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

Local Government Mutual:

The Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or being unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect of any year that a deficit arises.

As at 30 June 2010 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare:

The Council is a member of the Queensland local government workers compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$93,285.92

Balonne Shire Council
Note 25: Events after the reporting period
For the year ended 30 June 2010

There were no material adjusting events after the balance date but there is still a chance for changes to Council's Asset Values as a result of the March 2010 Flood Event, which inundated most of the Shire. These Statements have been adjusted by known and measurable flood damage calculations.

Council will be doing an assessment of its "Sealed Road Network" during the 2010-2011 Financial Year.

As a result of the March Flood event, Council is anticipating approximately \$30 million dollars worth of Flood Damage Works which Council is expected to claim back from the Queensland State Government under the Natural Disaster Relief and Recovery Arrangements (NDRRA).

Balonne Shire Council
Note 26: Superannuation
For the year ended 30 June 2010

Notes

2010 Actual 2009 Actual
(\$'000) (\$'000)

The Balonne Shire Council contributes to the Local Government Superannuation Scheme (the scheme). The 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 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.

The scheme has two elements referred to as the Defined Benefits Fund (DBF) and the Accumulation Benefits Fund (ABF). The ABF is a defined contribution scheme as defined in AASB 119. 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 1993.

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.

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.

The audited general purpose financial report of the scheme as at 30 June 2009 (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.

The most recent actuarial assessment of the scheme was undertaken as at 1 July 2009. The actuary indicated that "the DBF is in a very modest financial position with regard to the net asset coverage of vested liabilities. Investment returns will be volatile under the required investment strategy, particularly over short periods. The DBF therefore needs sufficient reserves to be able to withstand a reasonable range of such influences. Because the DBF is now running down and cash flows are negative, the VBI (vested benefit index) should not be allowed whenever possible to retreat below 100%. Once below 100%, benefits drawn reduce the available assets for remaining members and hence the net asset coverage of vested benefits declines further.

In order to withstand a one in ten 'low return' outcome, the DBF would need reserves of the order of 8% to 10% having regard to the investment strategy adopted. Given the current position of the DBF, such reserve can essentially only eventuate from either excess investment returns over salary increases or additional employer contributions. "

Council has been advised by the trustee of the scheme, following advice from the scheme's actuary, that additional contributions may be imposed in the future at a level necessary to protect the entitlements of DBF members. 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.

The next actuarial investigation will be made as at 1 July 2012.

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

Contributions

428

386

Balonne Shire Council
Note 27: Trust funds
For the year ended 30 June 2010

<u>Notes</u>	<u>2010 Actual</u> (\$'000)	<u>2009 Actual</u> (\$'000)
Trust funds held for outside parties		
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities	9	0
Security deposits	56	68
	65	68

The 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.

Balonne Shire Council
Note 28: Reconciliation of result from ordinary activities to net cash inflow (outflow) from operating activities
For the year ended 30 June 2010

<u>Notes</u>	<u>2010 Actual</u> (\$'000)	<u>2009 Actual</u> (\$'000)
Net operating result	3,437	5,212
Non-cash operating items:		
Depreciation and amortisation	4,886	3,605
Revaluation adjustments	0	0
Impairment of property, plant and equipment	0	0
Change in future rehabilitation and restoration costs	0	0
	4,886	3,605
Investing and development activities:		
Net (profit) / loss on disposal of non-current assets	22	(51)
Capital grants and contributions	(1,752)	(2,462)
Non cash Contributions	0	(295)
	(1,730)	(2,808)
Financing activities:		
Financing activities	0	0
	0	0
Changes in operating assets and liabilities:		
(Increase) decrease in receivables	(259)	(100)
(Increase) decrease in inventory	(53)	55
Increase (decrease) in payables	(1,092)	1,540
Increase (decrease) in other provisions	140	99
	(1,264)	1,593
Net cash inflow from operating activities	5,330	7,602

Balonne Shire Council

Note 29: Financial instruments

For the year ended 30 June 2010

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

Exposure to financial risks is managed in accordance with Council approved policies on financial risk management. These policies focus on managing the volatility of financial markets and seek to minimise potential adverse effects on the financial performance of the Council. 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. The Council does not invest in derivatives or other high risk 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.

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 exposure

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 Westpac Banking Corporation. The QTC Cash Fund is an asset management portfolio that invests with a wide variety of high credit rating counterparties. Deposits are capital guaranteed.

Council has a small operating cash account with Heritage Building Society.

By the nature of the Council's operations, there is a geographical concentration of risk in the Council's area.

Owing to the Shire being in a predominately rural based economy, there is also a concentration in the following industries: - cotton, sheep and wool, grain crops, wild game harvesting, fruit and vegetable production and beef and cattle.

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.

Council's maximum exposure to credit risk is as follows:

	<u>2010 Actual</u>	<u>2009 Actual</u>
Financial assets		
Cash and cash equivalents	11,319	11,925
Receivables - rates	361	233
Receivables - other	824	598
	12,504	12,756

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

	<u>Fully performing</u>	<u>< 30 days</u>	<u>30 - 60 days</u>	<u>61 - 90 days</u>	<u>Impaired</u>	<u>Total</u>
Receivables	976	2	1	175	31	1,185

Balonne Shire Council
Note 29: Financial instruments
For the year ended 30 June 2010

(ii) Liquidity risk

Liquidity risk refers to the situation where the Council may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. 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 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 amounts disclosed in the maturity analysis represent the contractual undiscounted cash flows at balance date:

	<u>0 to 1 year</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
2010				
Trade and other payables	952	-	-	952
Loans -QTC	383	918	1,143	2,444
2009				
Trade and other payables	1,076	-	-	1,334
Loans -QTC	561	1,112	1,262	2,935

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

Balonne Shire Council does not have unrestricted access to lines of credit and has no overdraft facility.

(iii) Interest rate risk

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

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.

The following interest rate 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>2010 Actual</u>	<u>2009 Actual</u>	<u>2010 Actual</u>	<u>2009 Actual</u>	<u>2010 Actual</u>	<u>2009 Actual</u>
Financial assets	5	6	5	6	5	6
Financial liabilities	(2)	(2)	(2)	(2)	(2)	(2)
Net total	3	4	3	4	3	4

Balonne Shire Council
Note 30: National Competition Policy
For the year ended 30 June 2010

(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 2010

These general purpose financial statements have been prepared pursuant to Section 532 of the Local Government Act 1993, 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, as set out on pages 1 to 34, have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the financial performance and cash flows of Balonne Shire Council for the financial year 1 July 2009 to 30 June 2010 and of the financial position as at the end of that year.

.....
Donna Stewart
Mayor

Date: 15/09/2010

.....
Scott Norman
Chief Executive Officer

Date: 15/09/2010

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 financial year ended 30 June 2010 included on Balonne Shire Council's website. The Council is responsible for the integrity of their website. I have not been engaged to report on the integrity of the Council's 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 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 statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and certificates given by the Mayor and the CEO.

The Council's Responsibility for the Financial Report

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

Auditor's Responsibility

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

Independence

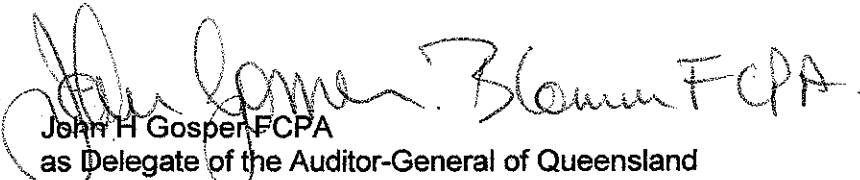
The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can only be removed by Parliament.

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 2009 to 30 June 2010 and of the financial position as at the end of that year.


JOHN H Gosper FCPA
as Delegate of the Auditor-General of Queensland
Toowoomba Qld

17th Nov 2010

Key Contacts

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