



Annual Report

2002 - 2003



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From our Mayor Cr. J.R. Stone

Once again I need to report that the 2002/2003 year has been dominated by poor seasonal conditions, and the failure of the Balonne River system to flow sufficiently to provide water harvesters with enough water to ensure a cotton crop. This has had serious economic consequences for the whole Shire but the local economy of Dirranbandi has been particularly hard hit. The resilience of our local economy in maintaining work and employment at reasonable levels is to be admired. The Shire Council is not immune from these financial pressures and it has been a difficult year for us. Nevertheless, the Shire finances are well managed and healthy. We look forward to improving seasonal conditions in the coming year.

The water debate is reaching a stage where decisions which could impact upon our Shire will soon be taken, at various levels of Government. The separation of water from the value of land, whilst bringing about more efficient use of water, will result in a reduced unimproved value on which to rate the Shire. The effect on the Council of this is that the Council may be forced into differential rating in the future in order to ensure adequate revenue in order to provide the level of service which already exists in the Shire. The use of water from the river has transformed the communities in this Shire into vibrant communities, and so we wait in anticipation of how much water will be returned to the river and by what means. The Council recognises the importance of the environment, and long term sustainability of the river system, but this must be achieved in a way which ensures the ongoing social and economic vitality of our existing irrigators, non-irrigators and the whole community.

Federal Assistance Grants methodology has finally resulted in outcomes which are beneficial for our Shire. After much political grandstanding, the Federal and State Governments have agreed to a timeframe for the introduction of the new Grants Commission methodology. The outcome of this is that the Shire will receive a substantially increased amount of assistance, once the new methodology is fully implemented in four years time.

The Shire is celebrating its' Centenary Year in 2003, and a very active Centenary Committee has organised significant events throughout the year in all parts of the Shire. The Council is holding regular monthly meetings in all the small centres, to allow the community as much access as possible to the decision making processes. These have been very well attended, with the smallest communities providing the biggest gallery, and the thanks of the whole Council go out to those who attended and assisted the Council with these meetings.

The two WORC camps in the Shire at St George and Dirranbandi continue to provide invaluable support to the community, and are ensuring the provision of recreational infrastructure that the shire could not otherwise afford. The Council has had a busy year hosting various events, including the Annual Conference of the South West Queensland Local Government Association (SWQLGA). This organisation continues to serve the needs of its member Councils well.

Our community relies heavily on volunteers to provide social, sporting and all sorts of other services in the community, and I would like to thank those individuals on behalf, not only of the Council, but the whole community.

My thanks to all the Councillors, who continue to work so hard for their community and provide the strategic policy directions, for the ongoing benefit of the Shire.

The Council cannot function without good information and administration. This has once been provided by the Chief Executive Officer, Mr Lee Vohland and the Council acknowledges its appreciation to him, his Executive Team, and all their staff. Thanks also to our works staff and our contractors who turn Council works decision into a reality for the citizens of this Shire.

Finally, my thanks to all those, who make the Balonne Shire their home, and supported the efforts of all those who continue to make Balonne a great place to live, and work.

J.R. Stone
MAYOR

Shire Information

Principal Office: 118 Victoria Street, St. George, Q, 4487.
P.O. Box 201, St. George, Q, 4487.
Phone: 07 4620 8888
Fax: 07 4620 8889

Internet Address:	www.balonne.qld.gov.au		
Shire Land Area:	31130 square kilometres		
Road Length:	2429 kilometres		
Resident Population:	5564 (2001 Census)		
Properties:	2686	Valuation:	Not Available
Rateable Properties:	2219	Valuation:	\$170.5 million
Water Connections:	1550		
Sewerage Connections:	1282		
Rate/Utility Charge Revenue:	\$4.5 million		
Nett Operating Revenue:	\$8.4 million		
Nett Operating Expenditure:	\$9.2 million		
Permanent Employees:	76		
Casual/Part Time Employees:	11		
Council Banker:	Westpac Banking Corporation		
Auditor:	Mr. Phillip Fitzgerald, PBM Fitzgerald, Toowoomba		

Shire Profile:

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

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

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

Balonne Shire Councillors 2002 - 2003



Cr. Nigel Winks
MAYOR
(Deceased 24th July, 2002)



Cr. John Stone)
MAYOR
(Elected 28th September, 2002
18-20 Cutler Ct
St. George Q 4487
Ph 46253468 (h)
Fax 46254135



Cr John Barrett
DEPUTY MAYOR
PO Box 14
St. George Q 4487
Ph 46253428 (h) Fax 46255791



Cr. Robert Buchan
(Resigned 24th December, 2002)



Cr. Robert Connolly
4 Cutler Ct
St. George Q 4487
Ph 46254240 (h) Fax 46254209



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



Cr. Robin Goddard
PO Box 67
Bollon Q 4488
Ph 46256131 (h) Ph 46256008 (w) Fax 46256009



Cr. M.D. Hetherington
(Elected 11th March, 2003)
"Bimbimbi"
Thallon Q 4497
Ph 46259101 (h) Fax 46259101



Cr David Hill
"Dunkerry South"
Thallon Q 4497
Ph 46259159 Fax 46259299



Cr. Richard Marsh
(Elected 24th August, 2002)
11 Henry St
St. George Q 4487
Ph 46253197
Fax 45253997



Cr. Bill Turnock
114 Alfred Street
St. George Q 4487
Ph 46253487 (h) Ph 46255344 (w) Fax 46253741



Cr. Ross Wicks
PO Box 67
Dirranbandi Q 4486
Ph 46258181 (h) Fax 46258301

Councillors Remuneration

In accordance with Section 534(g) of the Local Government Act, 1994 the Council must disclose the total remuneration paid or provided by it to each of its Councillors during the year and the total superannuation paid in respect of each Councillor. The remuneration paid to the Mayor and Councillors during the 2002/2003 Financial Year is detailed in the following table:-

COUNCILLORS FEES AND ALLOWANCES

YEAR ENDED 30TH JUNE, 2003

COUNCILLOR	MEETING FEES	TRAVEL EXPENSES	OUT OF POCKET EXPENSES	MAYORAL ALLOWANCE	DEPUTY MAYORAL ALLOWANCE	COUNCILLORS ALLOWANCE	COMMUNICATION ALLOWANCE	TOTAL
Cr. N.L.S. Winks	\$165.00	\$126.40		\$945.21			\$34.66	\$1271.27
Cr. J. R. Stone	5544.00	375.00	650.00	7133.20			124.00	13826.20
Cr. J.W. Barrett	5877.00		850.00	3092.76	2720.44		275.00	12815.20
Cr R.E. Buchan	1050.00					1000.00	275.00	2325.00
Cr. M. D. Hetherington	1645.00	854.40				105.50		2604.90
Cr. R.G. Fuhrmeister	9510.00	526.20	1100.00			1500.00	275.00	12911.20
Cr. D.H.W. Hill	2580.00	1706.90				1500.00	275.00	6061.90
Cr. R. W. Marsh	3420.00		150.00			1130.43	173.30	4873.73
Cr. R.M. Wicks	8355.00	3092.25	750.00			1500.00	275.00	13972.25
Cr. H.R. Goddard	4770.00	3846.28	50.00			1500.00	275.00	10441.28
Cr. R.G. Connolly	3090.00		250.00			1500.00	275.00	5115.00
Cr. W.H. Turnock	4050.00	218.00	400.00			1500.00	275.00	6443.00
TOTAL	\$50056.00	\$10745.43	\$4200.00	\$11171.17	\$2720.44	\$11235.93	\$2531.96	\$92660.93

Refer also to Appendix 4 for details of the Councillors Remuneration Package for the 2002/2003 Financial Year

From the Chief Executive Officer

This Annual Report is an opportunity for the various Departments within Council to report on the year's achievements and initiatives, successes and failures as measured against the stated goals and strategies contained in the Corporate Plan.

It is perhaps an old cliché, but 2002/2003 was a "year of change" for the Balonne Shire Council. The early part of the year saw the sad passing of Cr Nigel Winks bringing to an end a period of over 26 years as a Councillor, Chairman, Mayor and servant of the Balonne Shire. This event and the resignations of Cr Knights and Cr Buchan triggered the need for three separate By-Elections in the Shire during the period.

These elections were run and won and congratulations must go to the new Mayor Cr John Stone and Councillors Richard Marsh and Michael Hetherington for their election to office.

The latter part of 2002 and early 2003 saw much activity by a devoted Committee of community and Council representatives in preparing for the Centenary of Balonne Shire celebrations. The Balonne Shire was proclaimed as a local government in 1903 taking over for the administration of the Ula Ula Divisional Board. The 1st January, 2003 saw the introduction of the new Shire Logo which was selected from a number of very good entries in a competition called for that purpose. The Council felt that it should start its second 100 years of operation with a new corporate logo which in a simple way reflects the more modern approach to local government. Congratulations to the competition winner, Mr Phil Sternes and to the Balonne Shire Centenary Committee for their successful organisation of the events held to celebrate this historic event.

One difficulty experienced by this and many other Rural/Remote Councils, together with private enterprise, is the attraction of appropriately experienced and qualified professional staff. Enterprise bargaining in the wealthy Shires along the eastern seaboard has resulted in very attractive remuneration packages for professional staff making it increasingly difficult to attract such people to our area. Rationalisation of the tertiary education industry has also seen the demise of local government specific courses and the resulting reduction in appropriately qualified graduates. The Council was without a Deputy Chief Executive Officer/Manager Finance and Administration for a period of about 5 months during 2002/2003. Welcome to Mrs Sharon Henderson who took up this important role in June, 2003 and thank you to Mr Keith Codrington for his valued assistance during the period of vacancy.

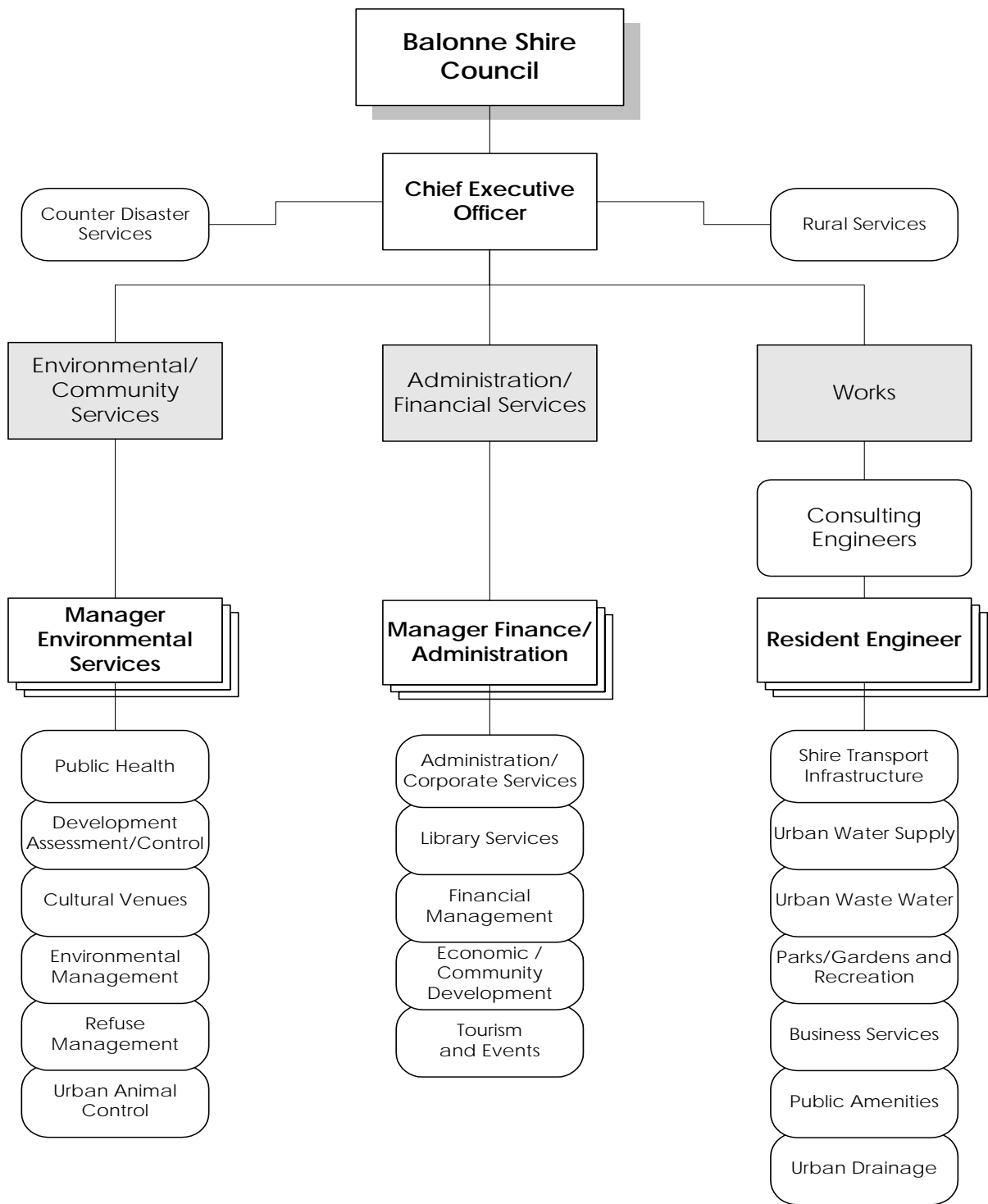
The Council remains in a sound financial position as detailed in the Audited Financial Statements (Appendix 2), in the Community Financial Report (Appendix 2A), a new requirement of the Local Government Act and throughout this Annual Report.

In conclusion, I would like to extend my personal thanks to the Mayor, all Councillors, Senior Management and all Staff for their valued support and co-operation during the year. I am particularly proud of the commitment to service of the vast majority of Council's Staff and what they have achieved over the past 12 months. My personal thanks also to Mr Vince Corbin and Mr Jack King who readily agreed to offer their services and fill in for me during my absences on leave during 2002/2003.

Lee Vohland
CHIEF EXECUTIVE OFFICER

Corporate Structure

Corporate Structure



Balonne Shire Council Functions

Vision for the Community:

"For the People:

A caring and prosperous Shire in which to live and work."

Council's Mission:

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

Major Programmes:

0100 - Finance

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

0200 - Administration/Corporate Services

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

0300 - Planning and Development

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

0400 - Transport and Drainage Infrastructure Services

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

0500 - Community and Cultural

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

0600 - Environmental and Health Services

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

0700 - Business Services

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

4000 - Urban Waste Water

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

5000 - Urban Water

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

6000 - Cleansing

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

The Council has formed a number of Standing and Advisory Committees and is represented on several Statutory Bodies and Community Committees:-

STANDING COMMITTEES

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

FINANCE COMMITTEE

The Council as a Committee of the whole, by Authority of Resolution dated 11 April, 2000.

WORKS COMMITTEE

The Council as a Committee of the whole, by Authority of Resolution dated 11 April, 2000.

AGENDAS AND MINUTES

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

ADVISORY COMMITTEES AND STATUTORY BODIES

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

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

0100 - Finance

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

Council's financial statements have been prepared on an accrual basis as required by the Local Government Finance Standards. **The audited financial statements for the Year ended 30 June, 2003 are included in this report as Appendix 2.**

Trust Fund

The Council acts as trustee for certain funds and as at 30 June, 2003 a total amount of \$28,000.00 was held. These funds comprise mainly refundable security deposits or monies collected or held on behalf of another entity for repayment to or on behalf of that entity.

National Competition Policy

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

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

During the 2000/2001 year the Council considered a consultant's report on the application of the Code and the implementation of full cost pricing to the above programs. Council has resolved not to apply the Code of Competitive Conduct as it believes there is no benefit to the community in implementing this code.

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

Council's Revenue Policy details the philosophy adopted in determining rating and charging methodologies for the 2002/2003 financial year and is included with this report as Appendix 1.

Rates and utility charges remain the primary source of finance and it is pleasing to note that the majority of ratepayers and service users met their commitments within the year. Arrears of rates and charges for the year increased to approximately 6.9% expressed as a % of nett rates/charges levied in the year (4.6% as at 30 June, 2002). This result reflects the continuing drought conditions affecting the Shire. (Refer FIGURE 1)

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

Pensioner rate remissions totalling \$23,375 (\$24,306 in 01/02) were granted to qualifying ratepayers during the 2002/2003 year.

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

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

FIGURE 1

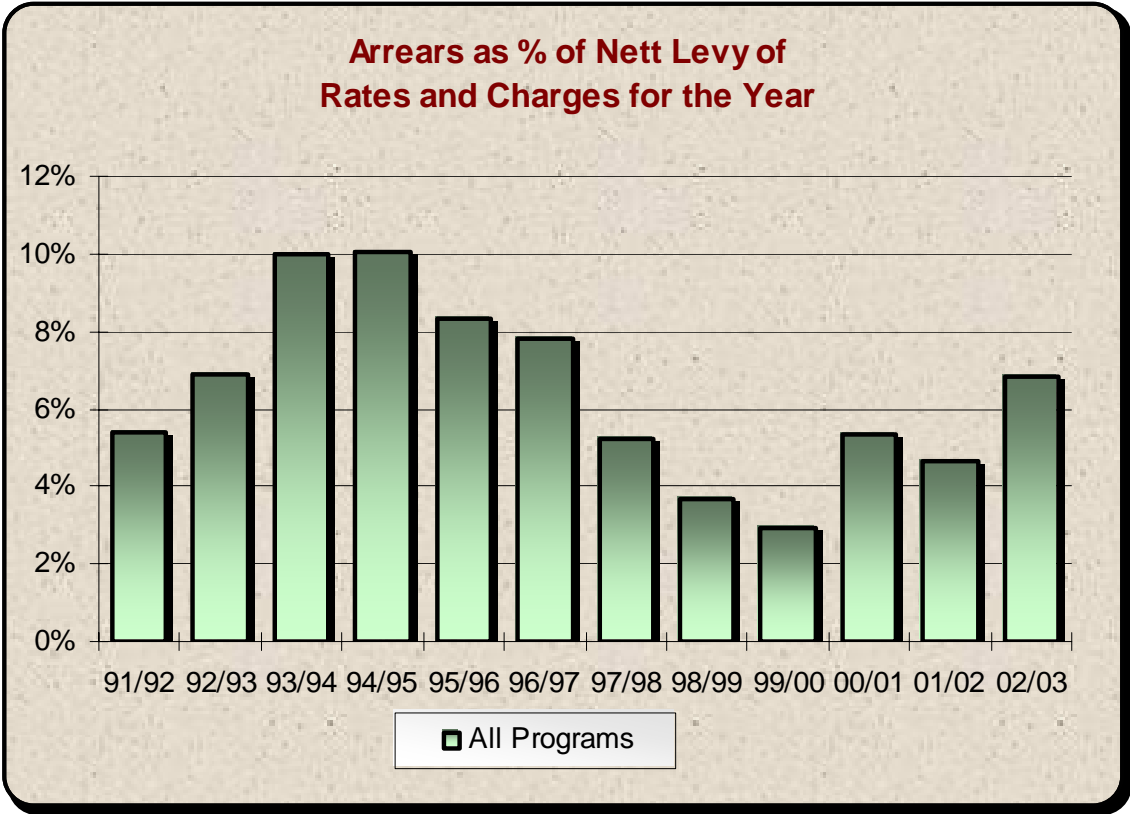
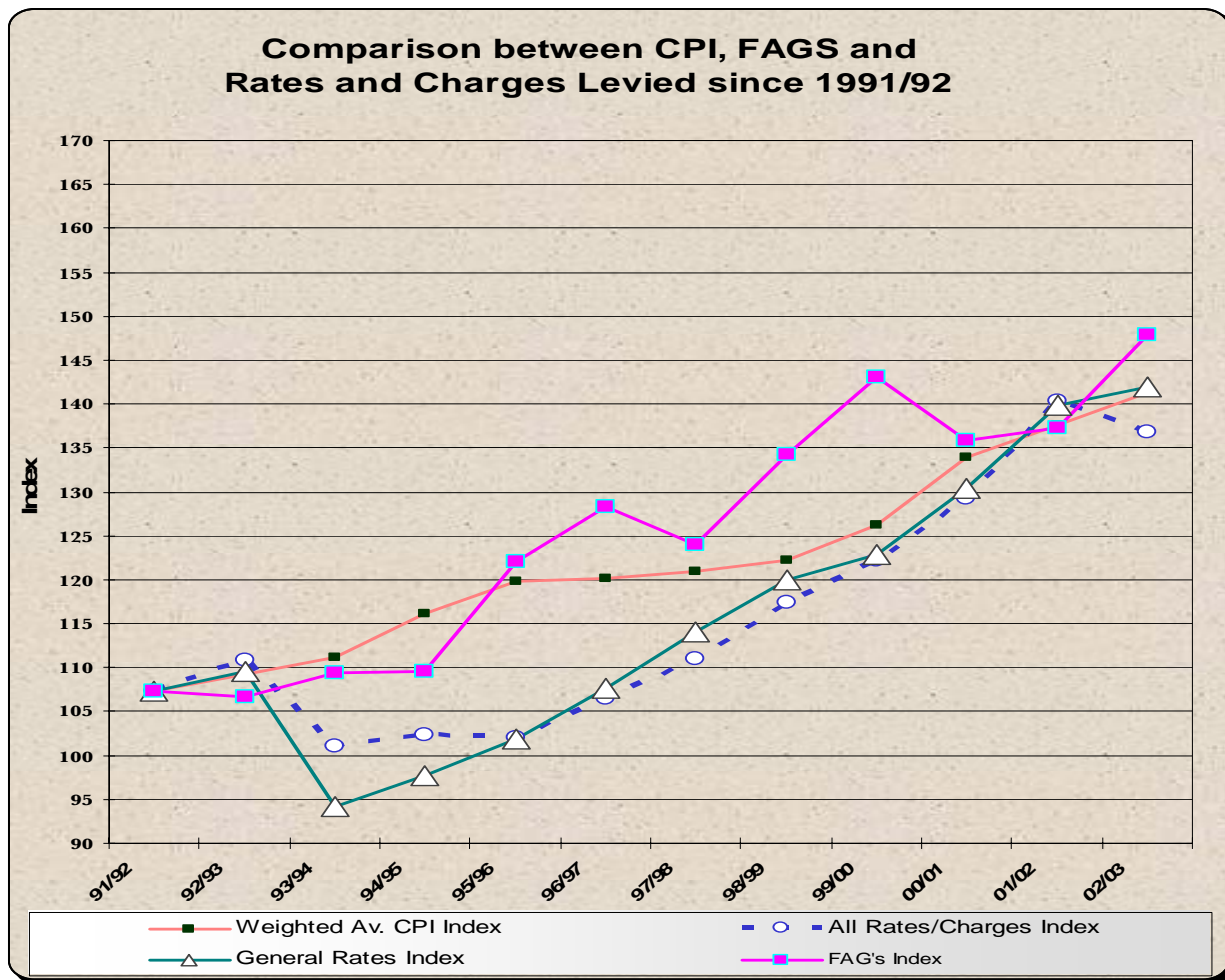


FIGURE 2



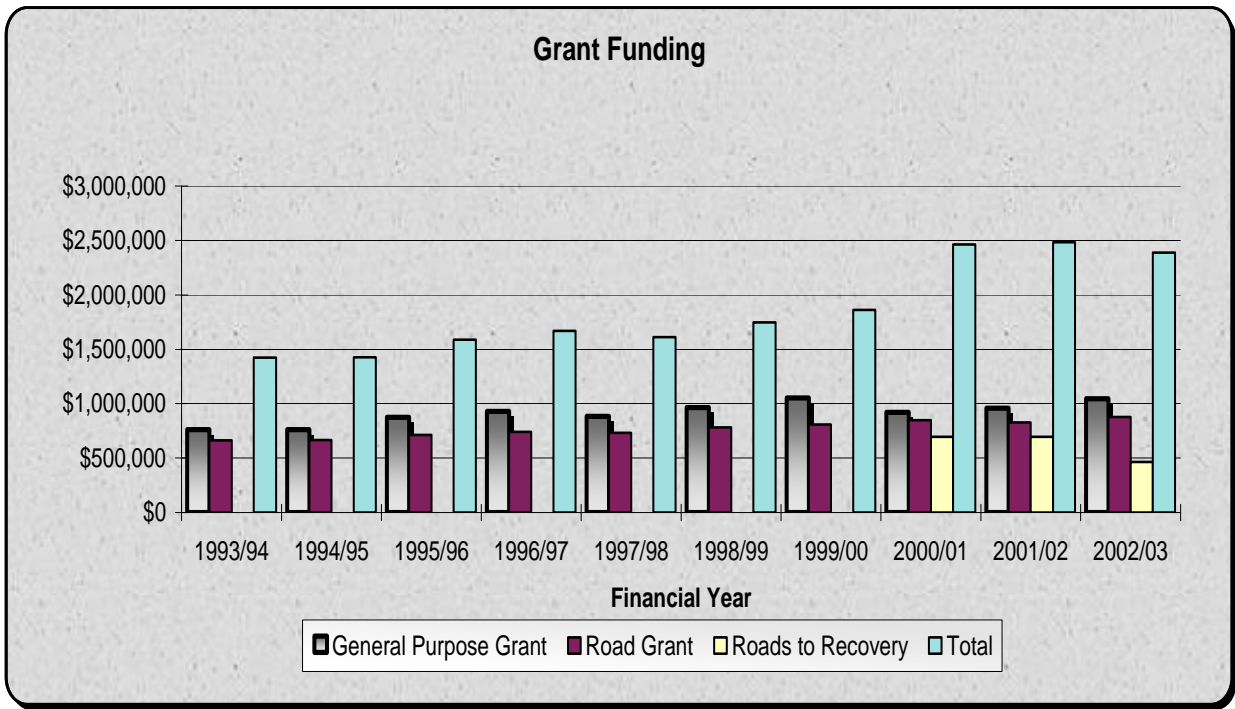
0100-2 Strategy: Maintain an equitable and effective system of general charges for miscellaneous services.

General charges are those levied on the users of miscellaneous Council facilities and services including the registration of dogs, hire of halls, showgrounds, purchase of Council documents and cemetery services etc. There is typically a significant level of cross-subsidisation built into general charges reflecting the Council's community service obligations. The Council has exercised restraint in the setting of general charges with minor increases to a few charges only in the 2002/2003 year. A register of these charges is kept by Council and is freely available for examination upon request.

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

The Local Government Grants Commission is the body responsible for administering the formulae for the distribution of local governments share of the federally funded general purpose and road grants and travels throughout Queensland explaining and receiving submissions on their methodology. As at the close of this financial year there remained significant uncertainty in regard to the level of Financial Assistance Grant to be received by the Council in 2003/2004. This uncertainty is due mainly to the impasse between the State and Federal Government regarding the phase-in of the new grant following the recent review of the Federal Financial Assistance Grants methodology. The new methodology will result in significantly more funding for Council and highlights the inadequacies of the old formula which has for many years seen some Councils receiving more funds than entitled under the principles of "Fiscal Equalisation" and other receiving less. The State Government is proposing a five year phase-in of the grant whilst the Federal Government is pushing for a three year phase-in.

The Council was also pleased to see the continuation of the Federal "Roads To Recovery" funding which will apply for a further two years, however it was disappointed to see the Federal Government defer some funding from this programme during the 2002/03 financial year. Local Government will however be arguing that the quantum of funding for local roads is inadequate and that the commitment needs to be in excess of the promised four years. The following graph details the movement in these grants over recent years: -

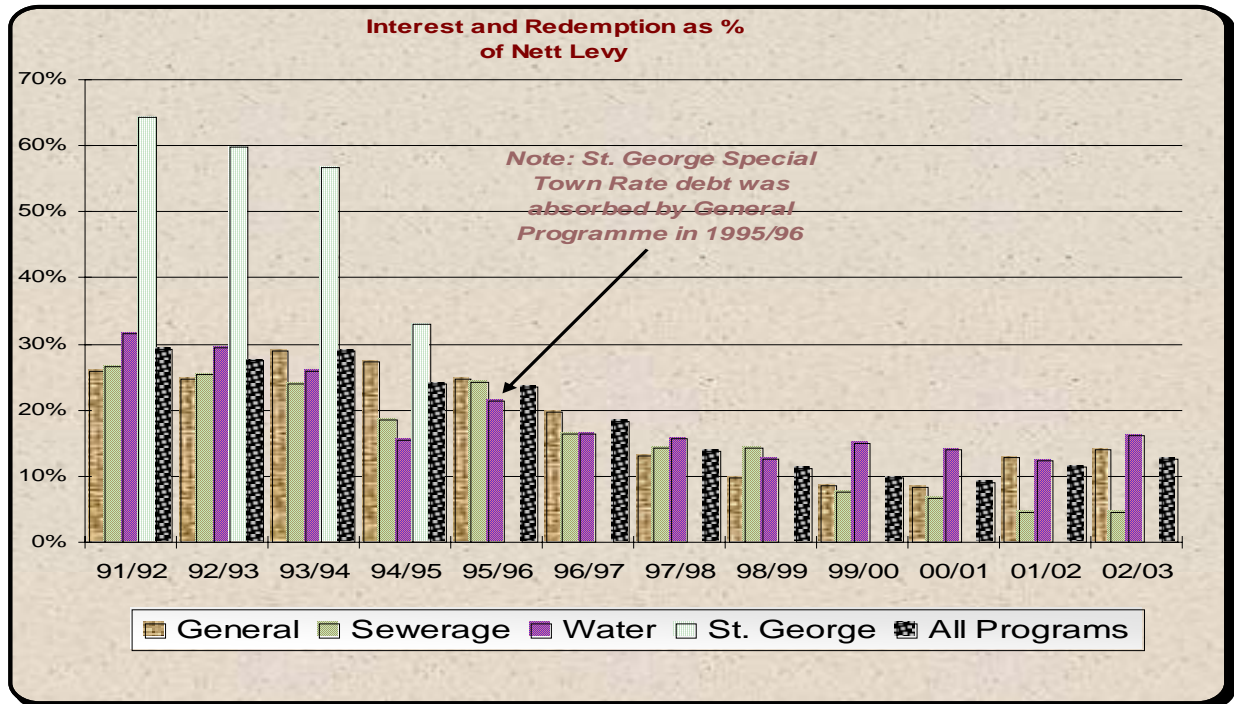


Total Subsidies and Grants received or receivable by Council for the year amounted to \$2,966,000 (\$3,291,000 in 2001/02) and are detailed in the Financial Statements (Appendix 2)

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

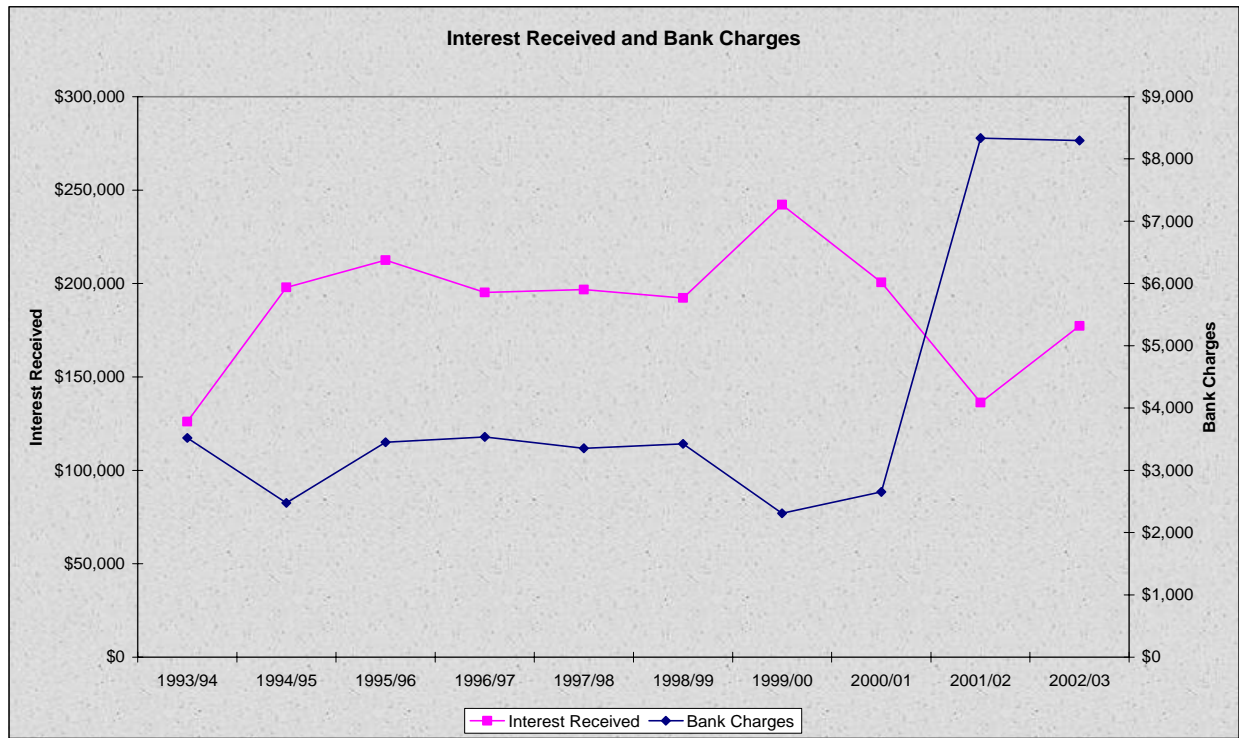
No new borrowings were raised during 2002/03, leaving Council with a total loan liability of \$4,140,606 at 30 June 2003. The graph at FIGURE 3 shows interest and redemption payments as a percentage of the nett rates and charges levied since 1991/92. It can be seen that the total interest and redemption payments for all funds is presently 12.5% (approx.) of nett rates and charges levied. The Council's Corporate Plan and Borrowing Policy require that this figure generally remains below a threshold of 30%. Council's Borrowing Policy is detailed in Appendix 5.

FIGURE 3



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

Council continues to maximise return on its investment of surplus cash through the use of the short term money market and the purchase of commercial bills. Interest Revenue has increased during the year due to the increased frequency of investments. Bank Charges have remained consistent with levels realised in the 2001/02 financial year which increased due to the introduction of credit card payments for Council rates/charges. Interest revenue from such investment over recent years is detailed in the following graph along with details of bank charges paid:-



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

The graphs at FIGURES 4 and 5 indicate in broad terms Council's principal sources of revenue and how that revenue was applied in 2002/2003. It can be seen that Council relies on external revenue to the extent of 37.1% and that rates and utility charges account for 54.2% of total revenue.

Revenue was applied in four broad categories as indicated below in Figure 4. It can be seen that 41.3% of operating revenue was applied to the funding of asset depreciation and 55.2% to operational expenditure. Finance costs represent the interest paid or payable on Council's debt.

FIGURE 4

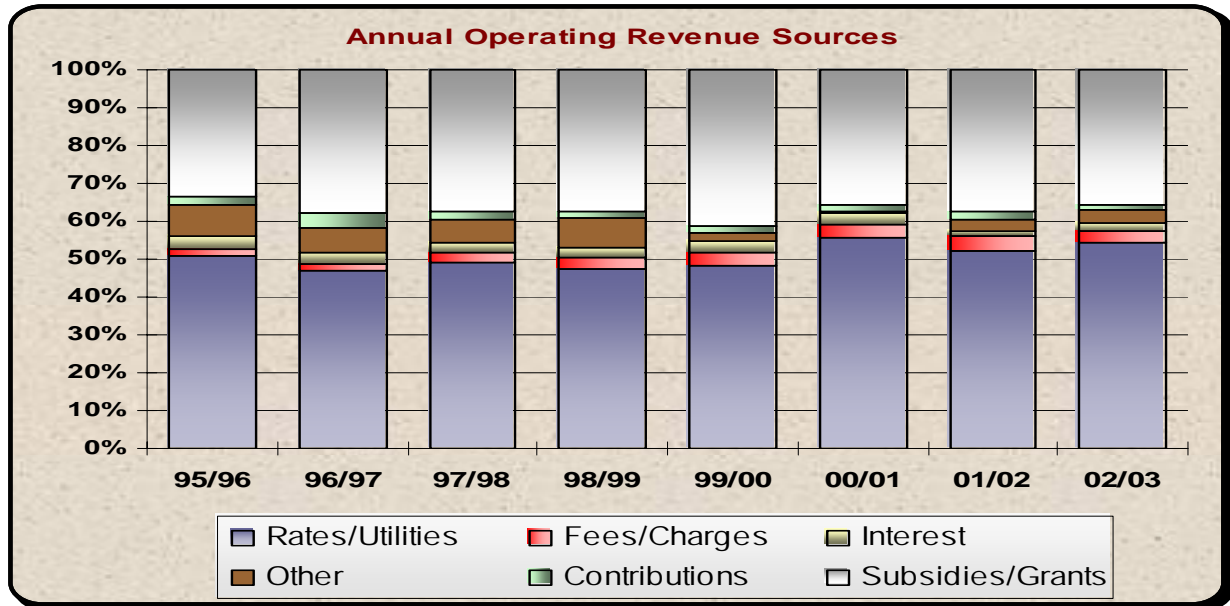
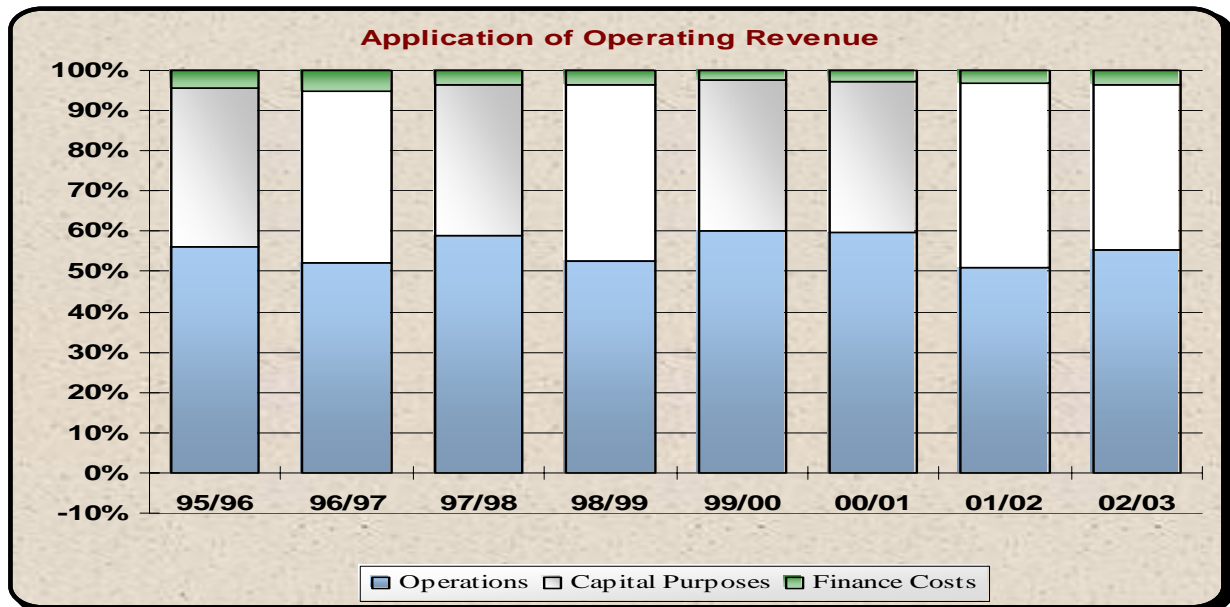


FIGURE 5



0200 - Administration/Corporate Services

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

Customer service is the primary focus of this programme and it is perhaps best understood by examining who are Council's customers. From a staff point of view, the Council's customers are its Shire Ratepayers and its Citizens, the Mayor and Councillors, the General Public, Government Departments (both State and Federal) including elected representatives, Community Organisations, Suppliers of Goods and Services and Fellow Employees. Whilst it is incumbent upon all staff to provide good customer service it is the primary role and reason for the existence of the Administration Section.

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

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

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

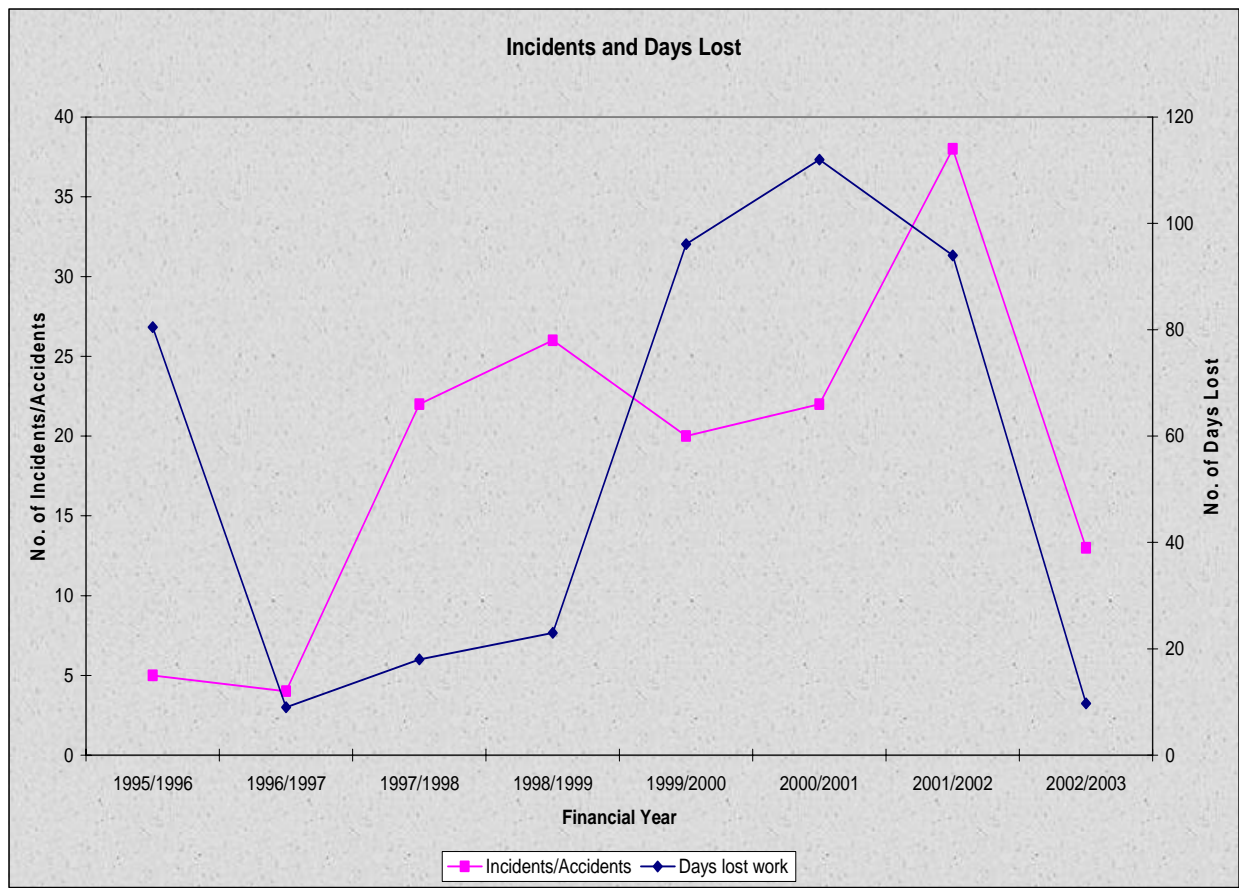
- the optimum use of talents, skills, resources and qualifications of employees;
- that no job applicant or employee is subject to direct or indirect discrimination on the grounds of gender, sexual preference, marital status, parenthood, physical or mental impairment, race, national origin, religious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

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

Enterprise Bargaining continues to be a major issue within the local government industry and is now well entrenched. Negotiations on a fourth State Award agreement were completed in 2001/2002, while the third Federal Award agreement was completed during 2002/2003.

Workplace Health and Safety is a most important issue in all areas of Council activity. Council continues to provide the necessary resources to meet its obligations under the Act but emphasis must continue to be given to health and safety considerations when staff carry-out their day to day duties. All staff have now undertaken safety induction training in an attempt to heighten awareness of their responsibilities in this regard. More specific training is ongoing. There is a joint Council and Staff responsibility to monitor, document and where necessary, adjust work procedures to ensure the health and safety of all concerned. Council's sub-contractors must also be fully aware of their responsibilities in regard to workplace safety issues and provisions to this effect have been incorporated into relevant tender documents and specifications.

Council's Workplace Health and Safety Officer reports that during the 2002/03 year some 13 reported incidents/accidents resulted in 9.7 days lost work. The following graph indicates performance in this important area during the last 6 years:-



The following table indicates staff turnover and staffing levels at the close of the year:-

Financial Year	Staffing as at close of year	Resignations etc.		Appointments
		Number	%	
1995/1996	79	20	25.3	19
1996/1997	84	9	10.7	6
1997/1998	90	14	15.6	10
1998/1999	89	25	28.1	23
1999/2000	94	23	24.5	25
2000/2001	84	11	13.1	6
2001/2002	85	20	23.5	18
2002/2003	87	16	18.4	18

During the year Council employed apprentices/trainees under the State Government Breaking the Unemployment Cycle initiative. This is proving to be a worthwhile initiative and will be continued in 2003/04.

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

Openness, Council awareness and accountability and the provision of maximum public information are the primary aims of this strategy.

Publication of newsletters summarising the annual budget commenced in 1996/1997. Every ratepayer now receives a copy of this newsletter with their first and second moiety rate notice.

The Council continued to maintain and update the website which was created by staff in 2001 and this can be viewed at www.balonne.qld.gov.au. The website contains a wide variety of information which residents and tourists alike will find interesting and relevant.

The "Request For Action" (RFA) system has now completed its sixth year of operation. This system was developed with the aim of providing better customer service in regard to the many small requests and complaints received on a daily basis. These requests are logged on a computer system which allows regular follow-up reporting to ensure that the job gets done, or if it is not done why this is the case. The system has been well received by the public and staff alike.

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

Important consultation, in the form of public meetings took place in the towns of Thallon and Bollon in regard to the proposed introduction of artesian bore water supplies in those towns. Public meetings were also held in the towns of St. George Dirranbandi, Bollon and Thallon regarding the proposed introduction of a new land use Planning Scheme for the Shire.

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

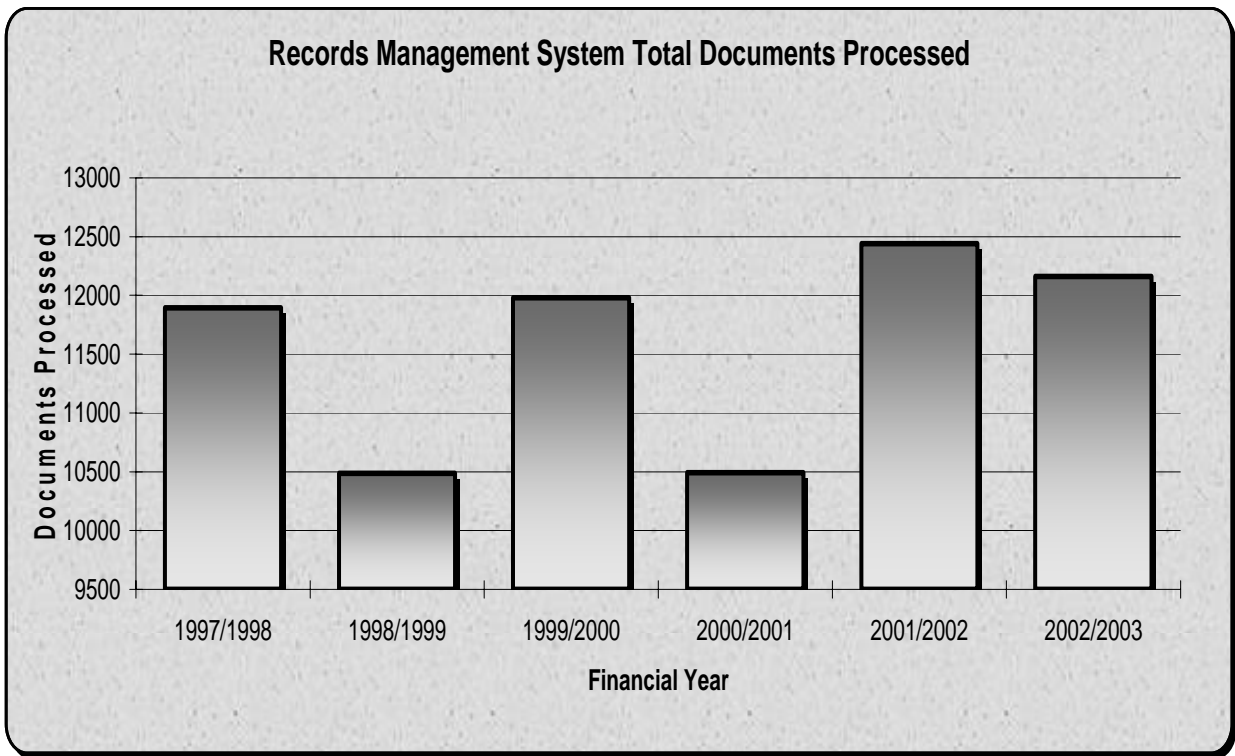
0200-3 Strategy: Provide appropriate office and information technology resources to help Council achieved it's corporate and administrative objectives.

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

The replacement/enhancement of the Council's data management systems, including computer hardware and software is an ongoing and important process. A total of \$53,557 (\$89,615 in 2001/02) was expended on computer system replacement/enhancement during the year.

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

The following graph indicates the number of documents (including incoming and outgoing correspondence) registered in the electronic filing system for each financial year since 1997/1998:-



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

The Balonne Shire Council continued to lobby both State and Federal Governments on behalf of the community to provide a better range of services within the Shire.

0300 - Planning and Development

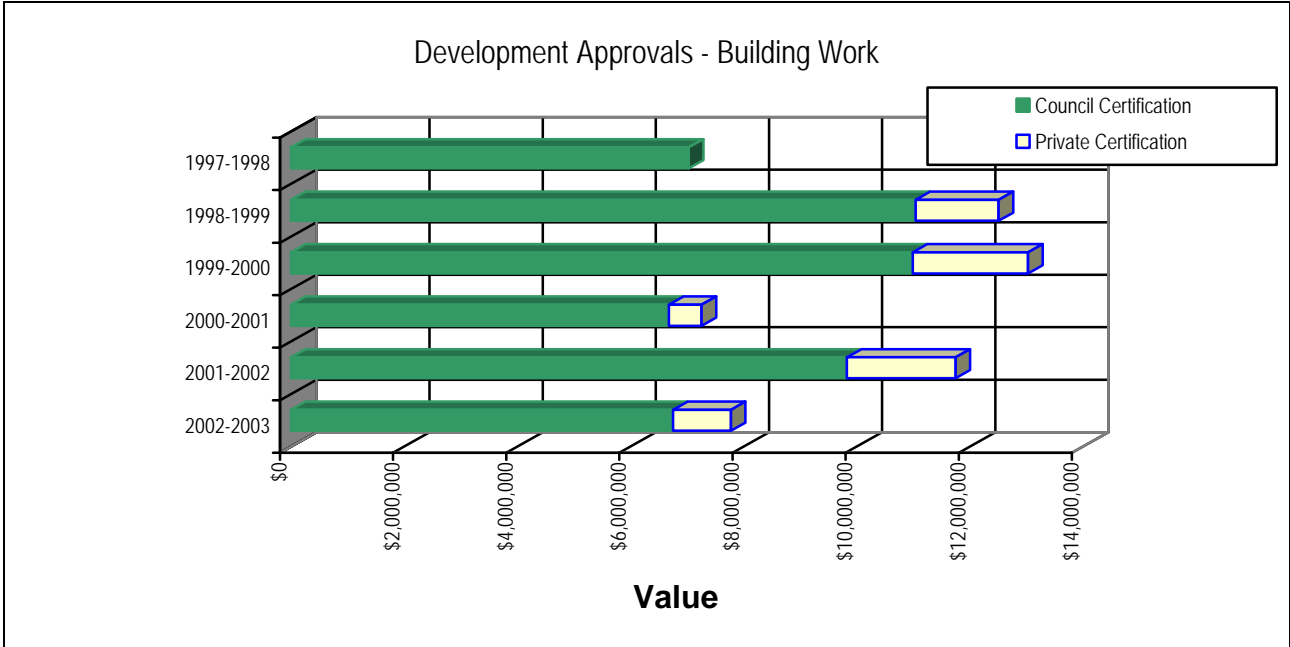
Goal: To implement appropriate planning controls to ensure and encourage the balanced quality development of the Shire and promote the Shire as a desirable place to live, work and visit.

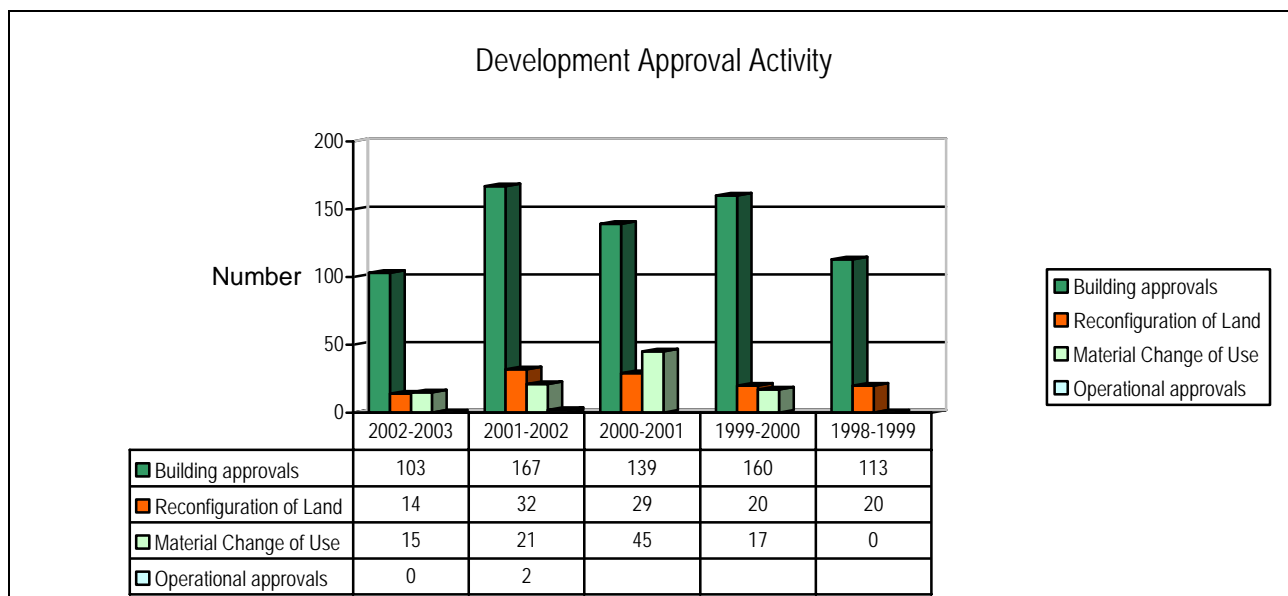
0300-1 Strategy: Implement, through the Shire Planning Scheme and the Integrated Planning Act, appropriate controls over development to foster land uses and attitudes that enhance the quality of the natural and built environment.

Planning and Development is essential to the future of our Shire and as such is seen as an important function of the Council. Many of the laws associated with land use and development are State legislation, which Council is obliged to administer. It is therefore incumbent upon Council to apply those laws and policies in such a way that the future of this Shire is sustainable. Difficult decisions, which balance up the need for economic growth and the need for sustainable, environmentally neutral development, must be made. The focus of Council must therefore be on the long term.

Whilst there was a reduction in the number and value of Development Application – Building Work approved during the year, activity in this department remained high.

Council continues to process most of the Building Applications within the Shire with only a few being processed by Private Certifiers.





Mr. R. Moore from Farr & Evrat Engineers has commenced work on Council's new IPA Planning Scheme for the Shire. A draft of this scheme was presented to Council for approval however; it was rejected by the Department of Local Government and Planning and is now being re-drafted.

Once accepted by the Department, the Draft Planning Scheme will be made available for public consultation.

The number of applications received was lower than the previous two years, reflecting the downturn in the local economy due to the prolonged drought.

Administrative costs associated with development approvals were \$20,712.37 with fees of \$14,484.32 received.

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

Although 2002/2003 has seen the continuation of the drought in the Balonne Shire there has been significant private investment, particularly in the St. George district. This continued investment has seen little need for the Council to actively pursue this strategy. Economic development in the Shire has been at a high level for a number of years as reflected by the Development Approval figures referred to previously.

The Council did however, support through the Maranoa Development Association, the employment of a coordinator to implement a business development program utilising the methods devised by Ernesto Sirolli. The Sirolli project is designed to assist new and existing business owners to implement their development goals/strategies through a community based facilitation process. The program has seen some positive results in the Maranoa, although mostly outside the Balonne Shire. Due to a change of coordinator his program has been extended longer than the initially expected 12 months into the 2003/2004 financial year.

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

Tourism is seen as a major source of additional external revenue to the Balonne Shire and this continues to grow.

Visitation to the Balonne Shire has seen a 15.6% increase on last year's numbers, based on the number of visitors to the Balonne Shire Visitor Information Centre. Visitors to the centre during July 2001 to June 2002 amounted to 9592 approximately compared to 11092 during the same period in 2003.

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

The figures above indicate that Tourism in the Balonne Shire will continue to grow as major access roads are increasing in standard and key development strategies are implemented. Increased awareness of the completed sealing of the St. George - Mitchell Road has encouraged additional visitors to the Shire as they venture to outback Queensland. The Great Inland Way is gaining popularity with travellers looking for an alternative route north. The recent completion of the Moonie Highway widening/resealing that is the main east-west arterial into the Shire is set to positively impact visitation numbers. The Major Mitchell Trail brings further visitation in conjunction with other key promotional strategies. Smaller communities within the Balonne Shire are also starting tourism initiative to encourage tourism in their community.

The Council undertakes a variety of promotional activities including assistance with the production of the tourism brochure 'Window of the West'.

The Balonne Shire benefits from membership of the Toowoomba and Golden West Regional Tourism Association (TGWRTA) and the representation they give us at various Camping and Motorhome Shows Australia wide. In 2002-2003, co-operation increased between the Shires represented by TGWRTA through the formation of the Western Downs Tourism Advisory Group. The goal of this group is one of better organization and coordinated promotion at a sub-regional level.

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

During the year Council renewed its membership of the Maranoa Development Association (MDA) which has the objective of collectively promoting the economic development of the region which covers the Shires of Balonne, Warroo, Booringa, Bungil and Bendemere. This organisation has now become the Maranoa and District Regional Organisation of Councils (M&DROC)

Key projects during the past year have included the implementation of workshops for businesses and community groups, the funding of a feasibility study to identify priority community health areas within the region, guidance from the Regional Business Advisor in assisting individual businesses to develop their business plans and funding to explore the feasibility of aquaculture in the region. Other initiatives such as the Enterprise Facilitation Project are proceeding.

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

It is clear that internet technology is and will continue to play a vital role in the transaction of business. The ability of our Shire's businesses to compete in the global economy will be directly impacted upon by our ability to communicate across the internet and other channels such as mobile telephone. 2001/2002 saw the introduction of a CDMA mobile phone service into Dirranbandi and district to complement the services already operating at St. George. Through the Council's efforts, the support of the Maranoa and District Regional Organisation of Councils and the co-operation of Telstra, the Federal Government provided funding for the installation of CDMA services in Thallon, Nindigully and Bollon during 2002/2003 and Westmar in the near future. Once installed every town in the Shire, except Hebel, and much of the surrounding rural areas will have mobile phone coverage. There will also be good highway coverage to the east via the Moonie and Barwon Highways.

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

The Council continued to lease the operation of the St. George Caravan Park to ensure this service continues to provide a range of accommodation options for itinerant workers, semi-permanent residents and visitors.

Problems continue with campers who attempt to camp on streets or parks within town areas of the Shire. This practice has caused some concern for owners of Caravan Parks throughout the Shire.

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

0400 - Transport and Drainage Infrastructure Services

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

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

Overall expenditure for the programme is summarised below:

	2002/2003	2001/2002	2000/2001	1999/2000
Total Expenditure	\$7.48 million	\$7.28 million	\$7.47 million	\$5.26 million

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

The major part of Council's road construction programme is funded from The Queensland Government Roads and Drainage Grant, the Federal Government Road Grant and the Federal Government Roads to Recovery Grant. Grant figures are summarised below.

	2002/2003	2001/2002	2000/2001	1999/2000
Qld. Gov. Roads and Drainage Grant	\$135,952	\$134,606	\$133,273	\$132,802
Fed. Gov. Road Grant	\$877,753	\$826,810	\$848,234	\$809,620
Fed. Gov. Roads to Recovery Grant.	\$464,083	\$696,120	\$348,060	



Cypress Tank Road

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

The major projects undertaken during the year included bitumen resurfacing of approximately 19 km of the Bollon-Dirranbandi Rd, construction and bitumen sealing of 3km of Bollon-Dirranbandi Rd past Bunglebree, construction and bitumen sealing of a further 6km of the Noondoo-Thallon Rd across the ridges to Dunroman, and reconstruction and paving of the footpath along St Georges Terrace in St George. All projects are and their completed costs are detailed below.

The development of Stormwater Drainage Development Plans for St George and Dirranbandi were completed during the year. These plans will form the basis for street and drainage works in future years for these towns.



Noondoo-Thallon Road

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

Maintenance

	2002/2003	2001/2002	2000/2001	1999/2000
Streets	\$469,835	\$457,809	\$530,719	\$505,747
Rural Roads	\$1,035,538	\$1,087,191	\$1,139,716	\$909,744
Bridge Maintenance	\$5,174	\$37,988	\$41,130	\$23,692
Depreciation	\$2,872,120	\$2,966,921	\$3,175,440	\$3,180,437

Flood Damage Restoration

	2002/03	2001/2002	2000/2001	1999/2000
Roads/Streets (Shire)	\$65,633	\$207,003	\$95,477	\$1,140,259

Capital Works

RURAL ROADS	2002/2003 Expenditure
2001/02 SHIRE ROADS CAPITAL WORKS	
Narine Rd – re gravelling sections	\$57,179
Fernlee Rd – gravelling 1.5km over sand hill	\$11,747
2001/2002 ROADS TO RECOVERY	
Ballangarry Rd – re-gravelling eastern end	\$39,727
Bollon-Dirranbandi Rd – 3km bitumen sealing	\$200,648
Jakelwar-Goodooga Rd – Loam resheeting	\$154,405
2002/03 SHIRE ROADS CAPITAL WORKS	
Wanganui Lane – re-gravel 2.5km sections	\$65,188
Cashel Vale Rd – Forming and gravelling sections near Bollon	\$38,665
Bollon-Dirranbandi Rd – Bitumen resealing from Castlereagh Hwy to Jakelwar- Goodooga Rd	\$265,105
Jakelwar-Goodooga Rd – loam re-sheeting of sections near Openbah Rd	\$5,496
Dalkeith Rd – gravelling of sections	\$7,355
Noondoo-Mungindi Rd – concrete invert to gully east of Moonie River	\$22,577
Flinton Rd – gravelling of sections	\$15,004
Kooroon Rd – gravelling of 2.4km section north of Teelba	\$2,631
Trackers Crossing Rd – re-gravel approaches to gully crossing	\$2,525
Warrie Rd – re-gravelling of sections 4km long	\$78,803
Whyenbah Rd – construction of 5km of black soil side tracks	\$10,191
Thuraggie Rd – construction and bitumen sealing of 500m to roo collection site (developer contribution 50%)	\$34,043
One Ton Post Rd – gravelling and widening to one ton post	\$4,595
Diamond Tank Rd – re-gravelling of sections 4km long	\$4,795
Cubbie Rd – supply of gravel for re-gravelling of sections 3 km long (Cubbie to process and lay gravel)	\$34,825
Cypress Tank Rd – loam re-sheeting of 3km long section past Belle Plains	\$91,288
Noondoo-Thallon Rd – construction and bitumen sealing of 6km east of Noondoo to join existing bitumen	\$366,738
Bollon- Mitchell Rd – Concrete invert to floodway in Greymare Swamp.	\$22,310
TOWN STREETS	2002/2003 Expenditure
2001/2002 TOWN STREETS CAPITAL WORKS	
St George – Stormwater survey and design of master plan	\$25,605
Alfred St, St George – Widening and kerb and channel from Roe St to Barlee St	\$17,508
Barlee St, St George – Widening and kerb and channel from Wilson St to Arthur St (One side)	\$13,211
Bowen St, St George – Bitumen sealing south of Arthur St (Developer contribution)	\$4,619
Scott St, St George – Bitumen sealing to kerb and channel from Alfred St to Charles St	\$16,559
Victoria St, St George – Concrete footpath from Murchison to Bowen St	\$1,490

RURAL ROADS	2002/2003 Expenditure
Victoria St – improvements at Daryl & Dan's entrance	\$752
Dirranbandi Stormwater Drainage – preparation of master plan	\$18,008
St George Stormwater Drainage – CBD area upgrade	\$19,933
2002/2003 TOWN STREETS CAPITAL WORKS	
Arthur St, St George – Forming and gravelling from Bowen St to Mitchell St	\$14,514
Balonne St, St George – Concrete footpath from Victoria St to Alfred St	\$15,167
Bowen St, St George – Forming and gravelling from Alfred St to Arthur St	\$24,676
St Georges Tce, St George – Footpath reconstruction and paving from Grey St to Henry St	\$193,514
Beeson Rd, St George – Gravelling 600m from Mitchell St to Kemp Rd	\$23,844
Mitchell St, St George – Gravelling 200 m from Arthur St to Beeson Rd	\$8,056
Cowildi St, Dirranbandi – Concrete footpath from Richardson St to Dawes St	\$8,409
Railway St, Dirranbandi – Footpath paving from Kirby to Richardson St (Stage 1)	\$12,204

Flood Damage

2000/2001 SHIRE ROADS FLOOD DAMAGE

Ballangarry Rd	\$386
Gunnindaddy Rd	\$6,774
Thomby Rd	\$5,966
Cubbie Rd	\$6,442
William St, Bollon	\$2,091
Bollon-Dirranbandi Rd	\$24,165
Jakelwar-Goodooga Rd	\$19,809

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

Buildings on the old Roe St depot site were sold for removal, and the site has been cleared. Due to the land being a crown reserve for Local Government Purposes, and the stringent requirement regarding decontamination, no action has been taken regarding the sale of the site.

Some refurbishment works were carried out at the Dirranbandi Depot on the camp facilities.

Major plant purchases during the year included:

- Four sedans / wagons,
- One 4WD wagon,
- Eight utilities,
- One truck with crane,
- One front deck ride on mower,
- One traction driven broom,

and One plant trailer for street sweeper.

Costings are detailed below:

PLANT	2002/2003	2001/2002	2000/2001	1999/2000
Plant Hire Revenue	\$2.20 million	\$2.24 million	\$1.82 million	\$2.14 million
Plant Maintenance/ Operation Expenditure	\$1.37 million	\$1.25 million	\$1.28 million	\$1.44 million
Plant Purchases	\$408,914	\$1.19 million	\$653,679	\$332,000
Plant Trade-in / Sales	\$276,151	\$515,454	\$260,977	\$115,000
Depreciation	\$439,335	\$427,149	\$431,406	\$214,320

DEPOTS	2002/2003	2001/2002	2000/2001	1999/2000
Works Depot Maintenance	\$104,851	\$95,926	\$103,486	\$100,571
Works Depot Capital	\$3,361	\$1.32 million	\$548,483	\$97,410
Depreciation	\$60,253	\$115,746	\$93,691	\$36,489

0400-3 Strategy: Facilitate the development of flood mitigation plans and the provision and maintenance of

necessary flood mitigation works.

Council constructs and maintains works to protect the Shire's towns from the effects of flooding. No capital works were undertaken during the year.

Costings are detailed below:

FLOOD MITIGATION	2002/2003	2001/2002	2000/2001	1999/2000
Expenditure – Capital			\$311,551	\$20,647
Expenditure – Special Maintenance	\$288	\$20,042		
Revenue (State Grants)			\$65,718	
Depreciation	\$11,189			

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

Regular inspections by Consultants, Aerodrome Operation Support, indicate that council's licensed aerodrome in St. George, and ALA's at Dirranbandi and Bollon continue to meet the required standards.

Funding from the Queensland Transport Rural and Remote Aerodrome funding scheme was received for the construction of animal proof fencing around the Dirranbandi Aerodrome. This funding was accelerated as a result of the RFDS accident with a kangaroo while on landing approach at Dirranbandi.

Other capital works included a new shed and automatic start generator at St George aerodrome. This will ensure that the runway lights remain fully operational during power failures.



Dirranbandi Aerodrome Fence

Costings are detailed below:

	2002/2003	2001/2002	2000/2001	1999/2000
Maintenance Expenditure	\$70,506	\$60,472	\$93,691	\$90,097
Depreciation	\$115,190	\$115,746		
Special Maintenance	\$9,860			
Capital Expenditure	\$61,374		\$220,546	
State Subsidy	\$22,500		\$35,000	
Lease Charges	\$10,801			

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

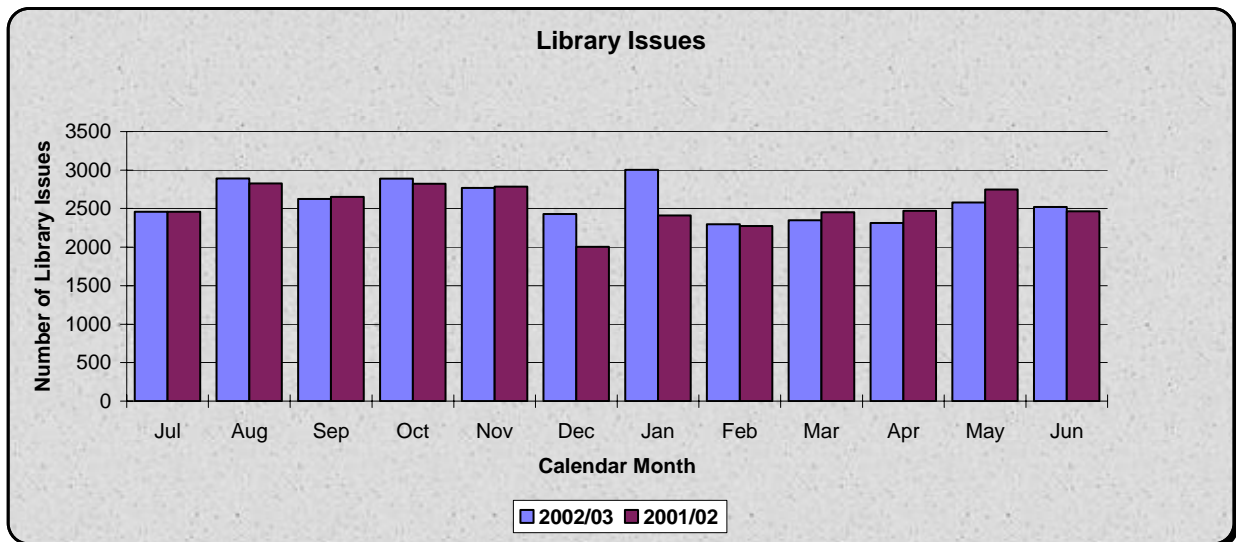
Council funds the installation and maintenance of street lighting in all Shire towns. Ergon Energy is the supplier in St. George, Dirranbandi, Bollon, Thallon and Hebel. Country Energy (NSW) is the supplier in Mungindi. Minor upgrading of lighting and installation of additional lights in a few locations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

0500 - Community and Cultural

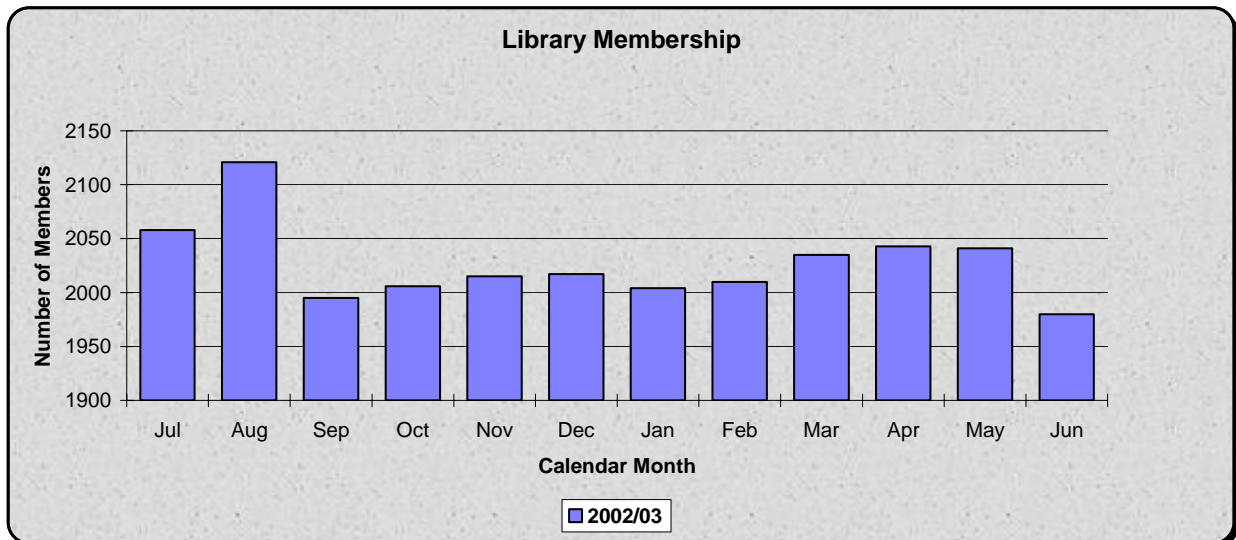
Goal: To encourage and participate in the continuing development of community services and cultural activities and to foster strong community spirit.

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

Total library borrowings for the year were 31,125. The following graph indicates the borrowings per month for the current and previous financial year:-



Member numbers decreased slightly over the course of 2002/03 due to the continued downturn in the rural sector, as indicated in the following graph:-



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

The publication "River Country", a history of the Balonne Shire was completed by Ms Carolyn Nolan and was launched at the Shire Centenary Celebrations in St George on 14th April, 2003. Appreciation must be expressed to Ms Nolan and the many Shire citizens and Councillors and Council Employees who played their part in the compilation of this wonderful

publication.

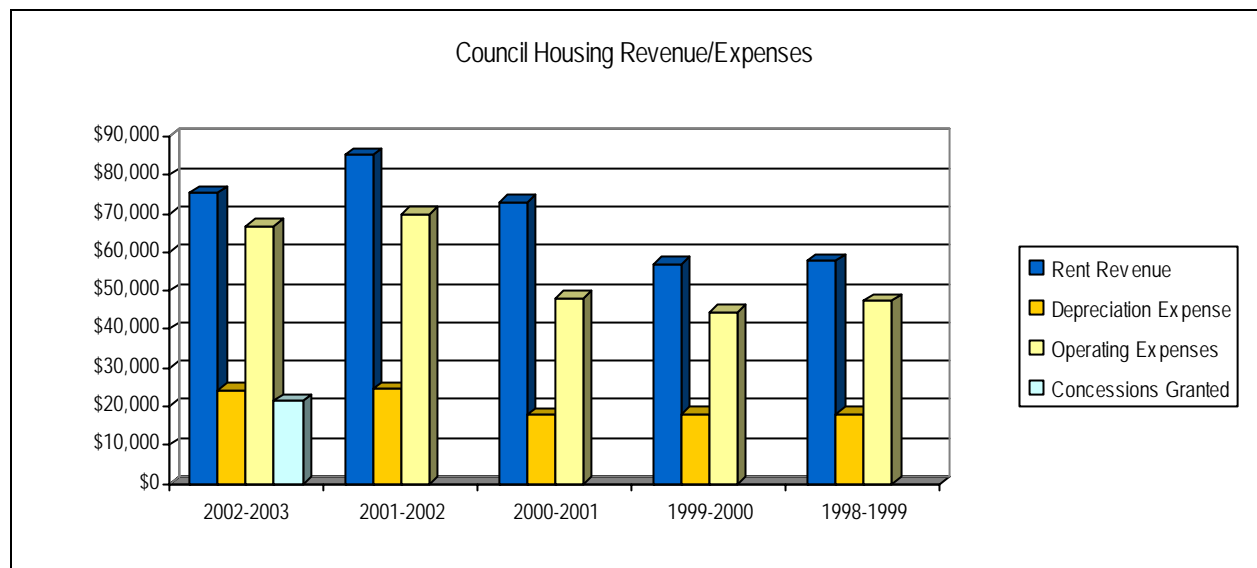
The books are now available for purchase at a number of outlets throughout the Shire.

0500-3 Strategy: Facilitate development of community housing on a needs basis in partnership with community organisations.

Council presently sees its role in this activity as one of a facilitator and during the year was represented on the Eastern Housing Sub-Region Steering Committee. There was little activity in this regard throughout the Shire during the year. Housing needs have abated, due again to the continuing drought.

0500-4 Strategy: Provide appropriate staff housing.

The Council owns thirteen houses and four flats throughout the Shire. Whilst these premises are intended primarily for staff accommodation, a number have been leased to the public. The occupancy rates for these houses and flats have been good although one of the houses at Bollon was vacant for a considerable period. The slow-down in the local economy has eased the public demand for these premises.



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

Council has for many years owned and operated television retransmission services in Bollon (ABC, 7 Central, Imparja and SBS) and Dirranbandi (7 Central, Imparja and SBS). During the year, the Council received a grant from the TV Black Spots Programme to install the SBS retransmission service in Bollon.

Costings are detailed below:

	2002/2003	2001/2002	2000/2001	1999/2000
Maintenance Expenditure	\$2,679	\$3,087	\$5,236	
Capital Expenditure	\$5,600	\$15,854	\$26,435	\$26,041
TV Black Spot Subsidy	\$5,600	\$24,139	\$9,285	
Depreciation	\$5,013	\$4,869	\$1,984	\$1,484

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

This strategy guides the ongoing development and maintenance of Council's recreation and sporting facilities, including showgrounds, in St. George, Dirranbandi, Bollon, Thallon and Hebel, Rowden Park, St George and contributions to similar privately owned and operated facilities.

During the year, a new mobile irrigator was purchase for the watering of Rowden Park. No other capital works were undertaken.

Planning is in abeyance pending a decision from Council, for the new multi purpose sports and recreation facility proposed to be

established and the sporting reserve in Alfred Street, St George.

Costings are detailed below:

SPORTING FACILITIES	2002/2003	2001/2002	2000/2001	1999/2000
Maintenance/Operations Expenditure	\$42,615	\$32,742	\$51,692	
Hire Charges	\$929	\$846		
Special Maintenance Expenditure	\$5,048	\$3,906		
Capital Expenditure / Contributions		\$148,476	\$19,767	\$186,998
State Subsidy	\$25,000	\$49,884	\$15,000	
Contributions	\$25,933			
Depreciation	\$20,721	\$17,803	\$13,161	\$9,095

Showgrounds development included the new pavilion at the St George showgrounds. This was a jointly funded project between the St George P & A Association, Balonne Shire Council and The Department of local Government and Planning. The huge contribution of the St George P & A who provided all of the labour on a voluntary basis must be acknowledged.

Construction of a new catering pavilion at the Bollon showgrounds and a new prefabricated ablutions block at the Dirranbandi Showgrounds were deferred due the difficult situations being faced by both communities in the current drought.

Costings are detailed below:

SHOWGROUNDS	2002/2003	2001/2002	2000/2001	1999/2000
Maintenance Expenditure	\$73,777	\$76,786	\$76,642	\$114,767
Hire Charges	\$6,239	\$9,562	\$21,500	\$30,279
Camping/Caravan rent	\$278	\$2,348		
Capital Expenditure	\$4,024	\$34,594	\$34,895	\$10,090
State Subsidy	\$20,800	\$26,600	\$13,145	
Contributions	\$4671			
Depreciation	\$72,908	\$76,382	\$72,280	\$78,481

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

The Corrective Services WORC Scheme is continuing to operate successfully within the Shire. During the year many worthwhile community related projects were undertaken by the WORC Scheme under direction from Council and other community organizations.

The benefits of having two WORC camps in the Shire are obvious with the vast improvement to the maintenance and establishment of Community owned facilities throughout the whole Shire.

The Dirranbandi camp has carried out work at Dirranbandi, Thallon and Hebel whilst the St. George camp has carried out work at St. George, and Bollon.

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

Expenditure on State Emergency operations for the year totalled \$8,244.00 with groups active in the areas of road accident rescue, land search and storm damage. The SES continues to enjoy a high level of support from dedicated volunteers amongst the communities throughout the Shire however, as with all voluntary organisations it is increasingly difficult to maintain membership.

Membership has remained steady in all groups throughout the Shire. A new unisex toilet and shower facilities were provided by the Council at the St George Headquarters at a cost of \$9842.99.

Volunteers have enjoyed a wide range of training opportunities throughout the year and were able to assist with Tara Bushfires and with a search for a missing person at Charleville.

The assistance of the district office at Roma and local instructors must be acknowledged in their efforts to continue the provision of a wide range of training.

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



St George Riverbank CDEP Park

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

Development of the Blondie Codrington Riverbank Parkland has continued in St George with the traditional assistance of the WORC, St George Cotton Grower Association, Rotary, Apex, Lions and the St George Gardeners and the St George CDEP. New sprinkler systems have been installed in some areas.

In other areas, the WORC is continuing development of the Dirranbandi river park. A new sprinkler system has been installed in Railway Park. A new shelter has been erected by the WORC in the Hebel River Park.

Costings are detailed below:

	2002/2003	2001/2002	2000/2001	1999/2000
Maintenance Expenditure	\$125,488	\$134,379	\$165,618	\$150,738
Hire Charges	\$1,738	\$616		
Special Maintenance	\$3,015			
Capital Expenditure	\$3,080	\$55,840	\$89,330	\$83,302
State Subsidy	\$3,080		\$4,545	
Contributions	6,547			
Depreciation	\$40,092	\$32,492	\$25,434	\$16,150

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

2001/2002 saw the adoption by Council of a new Art and Cultural Policy following consultation primarily with the Regional Art development Fund Committee.

The RADF Program completed another successful year with almost \$47,370 contributed to various qualifying Art/Cultural projects throughout the Shire. This program which has proven to be very popular within the community is funded generally on a 2/3 State, 1/3 Local Government basis. Submissions for RADF funding are invited in two rounds (May and November) each year. Applications are assessed by the RADF committee.

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

Council owns and operates a Cultural Centre at St. George and Halls in Dirranbandi, Hebel, Bollon and Thallon. Community groups are able to hire these facilities for various functions on a concessional rate. The revenue and expenditure on these facilities is shown on the graph below.

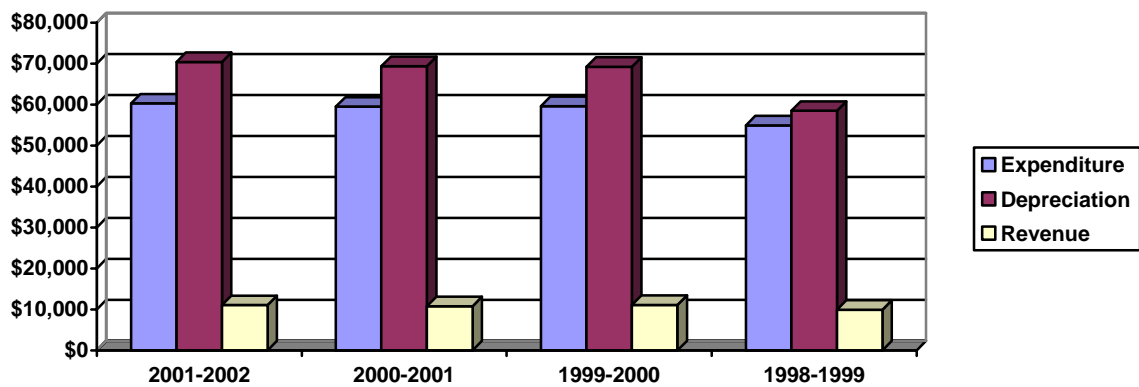
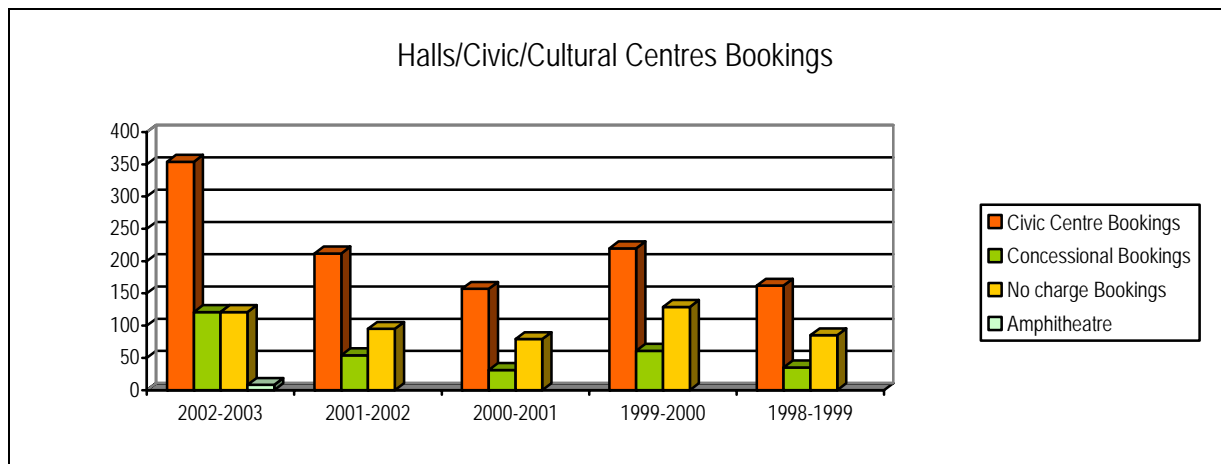
During the year, a dishwasher was installed and a shed erected at the St George Cultural Centre to store the portable stage, tables and chairs. The total cost of this work was \$13,077.73.

Air conditioning, new steps and landings were installed at the Thallon Hall at a cost of \$11,591.00

Bollon Hall floor was repaired and painting carried out in the Hall and toilets. The cost of this work was \$8,867.03.

The St George Pool proved to be a popular attraction during the summer months. It was disappointing that Council's Pool Attendant resigned during the season resulting in Council having to obtain a new pool attendant.

Statistics on the Cultural Centre, Civic Centres and Halls are summarised in the graphs below:-



Concessional rates and free use of the facilities are granted, upon application, to qualifying community organisation such as charities, service clubs, schools etc.

Capital Works and major maintenance works completed during the year totalled \$33,535.76.

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

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

Examples are the assistance of the St. George Bowls Club with their application for funding to install a synthetic grass green and the development, in conjunction with the community, of an application for funding for the "Daylight in Dirranbandi" and "St. George in the Spotlight" security improvement projects.

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

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

Although, some of the more extensive events are listed in detail below, the Council assists with many small community events both directly and indirectly by providing suitable facilities right across the Shire and through sponsorship, mentoring and in-kind support.

Each year the Council assists with the organization of Australia Day activities that are rotated through the towns in the Shire. During 2003 activities were held in Dirranbandi in the gardens at the Civic Centre. With the assistance of the Dirranbandi Progress Association many resident enjoyed a traditional morning tea, the flag raising ceremony and Australia Day Award presentations. The morning's festivities were enhanced by attendees witnessing a family being naturalized.



(Dirranbandi Naturalization Ceremony)



(Staff dressed for Shire Centenary Activities)

The Balonne Shire Council was fortunate to hold the Centenary of Shire during 2003. This year long celebration has involved coordination of a community group in cooperation with Balonne Shire Staff and Councillors. The Official Centenary Celebrations were held 10-13th April, 2003. Many activities were held during the four days with the highlights including a re-enactment of the first Council meeting. The Council was pleased to launch a 100 yrs Shire History Book titled "River Country". Throughout the 2003 Calendar year the Shire has been fortunate to hold many major events including the South West Local Government Association Conference, South West District Fire fighting Championships and the Guinness Book of World Record breaking event entitled Mungindi Big Rig Truck Pull.

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

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

Organisation	Grant
Queensland Bush Nurses Association	\$2,500
Beardmore Dam Youth Camp	\$2,500
Balonne Financial Advisory Service	\$3,000
St. George Youth and Community Association	\$4,000

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

0600 - Environmental Services

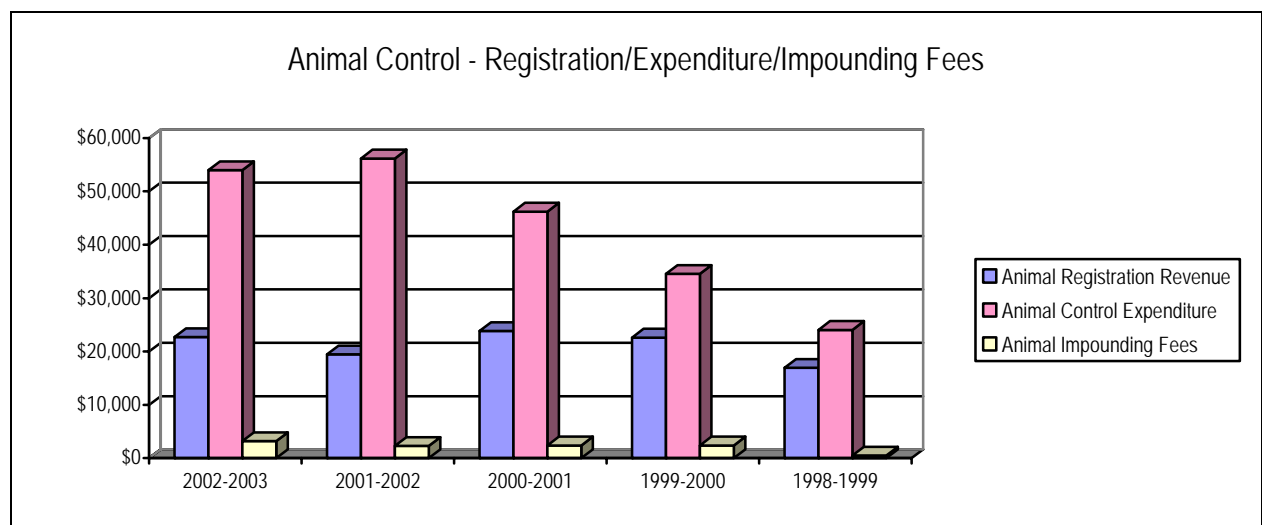
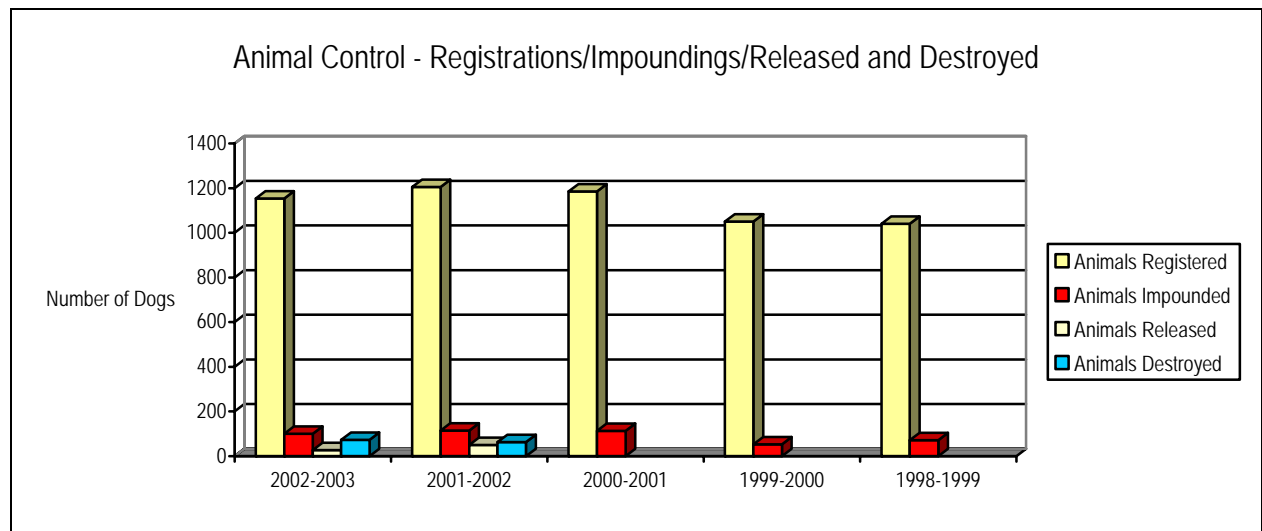
Goal: *To implement policies and operational programmes which will contribute to the environmental health and well-being of the community*

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

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

Council relies heavily upon animal owners to "do the right thing" by ensuring that their keeping of an animal or animals has a minimal effect on the people who live in our area, and in particular our towns. The Council believes that the keeping of animals in town areas must be seen as a privilege and not as a right and owners are asked to take more responsibility for their animals so as to minimise the risk of injury or harm to other persons and to avoid costly and unwanted legal action. Council has a full time Animal Control Officer who works throughout the Shire. It is a sad reflection on our community that during the year 100 dogs were impounded with 73 of these dogs being unclaimed and subsequently destroyed.

A direct result of Council's decision to police the local law has been that a total of one thousand, one hundred and fifty four (1154) dogs were registered during the 2002-2003 year. Expenditure on urban animal control amounted to \$53,970.73 including depreciation expense, with dog registration and impounding fees of \$25,902.75 received during the year.



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

A total of 123 licences were issued by Council under the Health Act and various other State legislation during the year. Premises licensed by Council include fuel, hairdressers, skin penetration, and food premises such as hotels, cafes, and businesses requiring a licence under the Environmental Protection Act.

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



0600-5 Strategy: Promote public immunisation

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

0600-6 Strategy: Promote recycling alternatives

The contract Wheelie Bin Garbage Service which includes a recycling service remains very successful and is widely accepted. Approximately 104.4 tonnes of recyclable materials has been collected and forwarded to Toowoomba for processing.

A large volume of scrap steel and car bodies were removed from the St George Garbage Depot by Scrap Metal Merchants. There was no cost incurred by Council in having these car bodies removed.

The chemical drum collection scheme Drum-muster which was introduced into the Shire in 1999, has proven to be difficult to administer due to the unavailability of contractors to crush and remove the drums from the site. The operation of the site has now been undertaken by Cotton Australia.

The local cotton industry has again been very co-operative and have had staff trained to inspect and receive drums into the depot.

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

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

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

Licensing under the Environmental Protection Act has continued with 42 Licences being issued during the year. Council will be working to ensure that businesses within the Shire receive the best treatment possible under this legislation and that a practical approach to its implementation is achieved. Indications are that the concept of this legislation has now been accepted to a large extent by the general public and in particular those who operate environmentally relevant activities. Those who do not co-operate must however be aware of their responsibilities under the Act and the Council will, where necessary, carry out its duty to ensure compliance.

Council is also the operator/owner of a number of environmentally relevant activities, has developed, and implemented an Integrated Environmental Management Plan for its own operations. No breaches of the licences issued for these Council activities such as the operation of water/sewerage treatment plants and operation of works depots were reported.

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

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

The Environmental Services Programme also funds Council rural services activities. Precepts totalling \$173,798 (\$168,170 in 2001/02) were paid to the Rural Lands Protection Board in 2002/2003. Most of this funding is used to maintain the Dingo Barrier Fence.

Council has continued its opposition to the formula used to calculate the barrier fence component of this precept. With such a large sheep/cattle population, this Council is paying the highest precept of all the Shires in the so called benefited area despite the fact that due to the Shire's remoteness from the fence it has probably the least to gain from its existence.

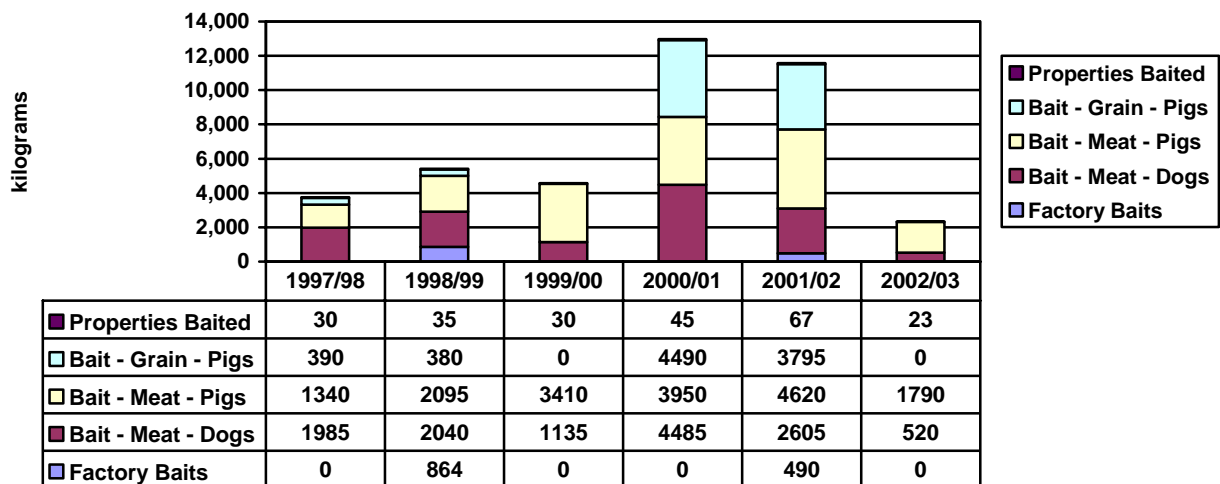
It is maintained that the Barrier Fence Precept money would be better spent on local coordinated dog control and that funding should be collected from landholders who are benefiting from a fully maintained boundary fence where applicable.

Expenditure on stock routes maintenance, watering facilities maintenance, local feral animal control, pest weed control and precepts totalled \$267,551 for the year. This figure includes recoverable expenditure of \$15,188 relating to works undertaken by the Council on behalf of the Department of Natural Resources (stock route watering facilities).

During the year a total of 7 travelling stock permits for 6,835 cattle, 120 calves, 21 bulls and 7 horses were issued. A further 16 permits for the agjstment of stock on stock routes and related reserves were issued for 690 cows, 400 calves and 1000 sheep. These figures reflect the continuing poor seasonal conditions experienced within the Shire.

Baiting of feral dogs and pigs continued during the year with some 23 properties involved in the placement of baits as detailed following:-

1080 Baiting



0700 - Business Services



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

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

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

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

The major project during the year was the widening and bitumen sealing of the Balonne Highway from the Jack Taylor Weir to the Mitchell Road intersection. Other projects included the construction of the heavy vehicle interception site on the Carnarvon Hwy near Thallon, widening of 5 km of the Carnarvon Hwy north of St George, bitumen resealing of long sections of the Castlereagh Hwy and completion of a number of other minor projects.

Costings are detailed below:

	2002/2003	2001/2002	2000/2001	1999/2000
RMPC and Bulk Maintenance	\$1.04 million	\$786,074	\$595,814	\$554,226
RPC Construction Works	\$1.19 million	\$1.43 million		

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

Council undertakes private works as requested from time to time during the year. Council's Private Works Policy, in general terms requires that Council not compete in any significant way with local private enterprise when accepting these usually minor requests for works. Hence, a considerable number of requests are referred to locally based contractors.

Costings are detailed below:

	2002/2003	2001/2002	2000/2001	1999/2000
Private Works Amount	\$78,115	\$79,599	\$111,678	\$145,618

4000 - Urban Waste Water

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

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

This programme funds the provision of sewerage services in the towns of St. George, Dirranbandi and Bollon.

All sewerage systems operated effectively during the year with normal maintenance only required.

A contract was let to INTERFLOW Pty Ltd for the relining of sections of the sewer mains in St George and Dirranbandi. This is a cost effective alternative to digging up and laying of new mains, which in many cases is near impossible due to lack of access, buildings over mains etc. The contract to a value of approximately \$400,000, will install a pvc liner in some 3,400 metres of mains using high technology processes. The contract should be completed early next financial year.

Special maintenance projects during the year included the installation of flow meters to some pump stations, and the replacement of some sewerage pumps.

Planning for the new Sewerage Treatment Plant in St George is well advanced. The proposed site is vacant land at the rear of the aerodrome. Expressions of interest for effluent re-use were received from two neighbouring properties and are being analysed in accordance with the Department of Natural Resources and Mines and Environmental protection Authority requirements. DNR approval for subsidy of the project will be forthcoming when this issue has been finalised.

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

Costings are detailed below:

	2002/2003	2001/2002	2000/2001	1999/2000
Operating Costs	\$186,113	\$220,763	\$320,271	\$312,977
Sewerage Charge Revenue	\$637,997	\$522,210	\$567,469	\$527,276
Finance Costs	\$20,327	\$10,263	\$29,500	\$66,816
Capital Costs	\$9,482		\$0	\$15,800
Special Maintenance	\$11,079	\$20,380		
Depreciation	\$129,824	\$142,607	\$144,107	\$145,000
Sewerage Charge (\$/unit) before 15% discount	\$6.21	\$5.58	\$5.42	\$5.29

5000 - Urban Water

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

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

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

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

The year was extremely difficult for all surface water supplies which were severely depleted due to drought. The St George river water and Bollon water supplies had to have severe watering restrictions imposed to extend the supplies. The Dirranbandi water supply had to revert to 100% bore supply as the level in the weir dropped to a level inaccessible to Council's pumps.

Funding to an amount of 80% has been approved under the Department of local Government and Planning's Capital Works Subsidy Scheme and Smaller Communities Assistance programmes for the installation of Artesian Bores in the towns of Bollon and Thallon. Tenders have now been called for these works. Similar funding has also been received for upgrading of the St George river water high lift pumping systems.

Capital expenditure during the year included the replacement of some water mains in St George and Dirranbandi. Upgrading of suction lines and intakes at the St George pump station were also commenced when the river was low to enable the larger pumps to operate at lower river levels. Planning is also underway for the duplication of the artesian bore in St. George. Once installed, events such as the failure of the pump in the existing bore during the year, will have little impact on the town supply.

Special maintenance works undertaken included the cleaning of water mains in Mungindi, Dirranbandi and Hebel, the completion of the St George river and bore network analysis planning report and the commencement of the preparation of the Total Management Plan and Strategic Asset Management Plan for the Council's water supply undertakings.



St George River Intake

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

Costings are detailed below:

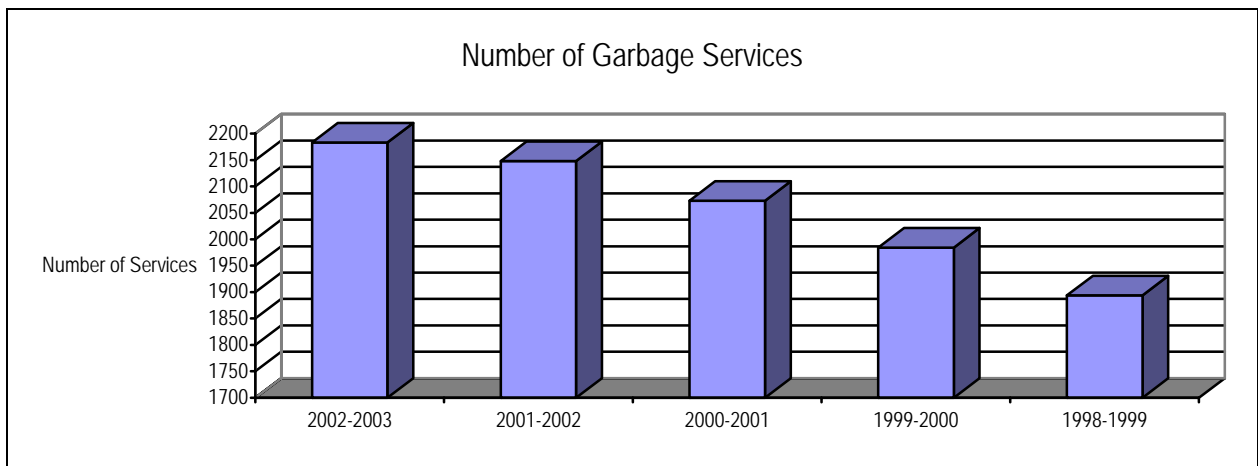
	2002/2003	2001/2002	2000/2001	1999/2000
Operating Costs	\$642,779	\$641,277	\$604,827	\$498,782
Water Charge Revenue	\$830,947	\$955,936	\$997,844	\$948,259
Interfund Transfer from General Fund	\$250,000			
Finance Costs	\$46,220	\$55,586	\$58,625	\$63,260
Capital Costs	\$30,100		\$208,808	\$46,000
Special Maintenance	\$12,702			
Depreciation	\$225,704	\$276,508	\$293,067	\$290,000
Water Charge (\$/unit) before 15% discount	\$4.49	\$5.98	\$5.82	\$5.68

6000 - Cleansing

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

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

JJ Richards and Sons continued throughout the year as Council's Garbage Contractors. Their service includes the supply and maintenance of 200 litre wheelie bins, and the transfer station at St. George to their depot in Toowoomba for sorting and recycling. Whilst the tonnage of recycled material has only increased marginally since the previous year, it appears to be consistent with that collected from other centres within the state. An education programme is however required to attempt to capture the recyclable waste that finds its way into Council's landfill. The growth within the urban areas of the Shire is also reflected in the increased number of garbage services provided.



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

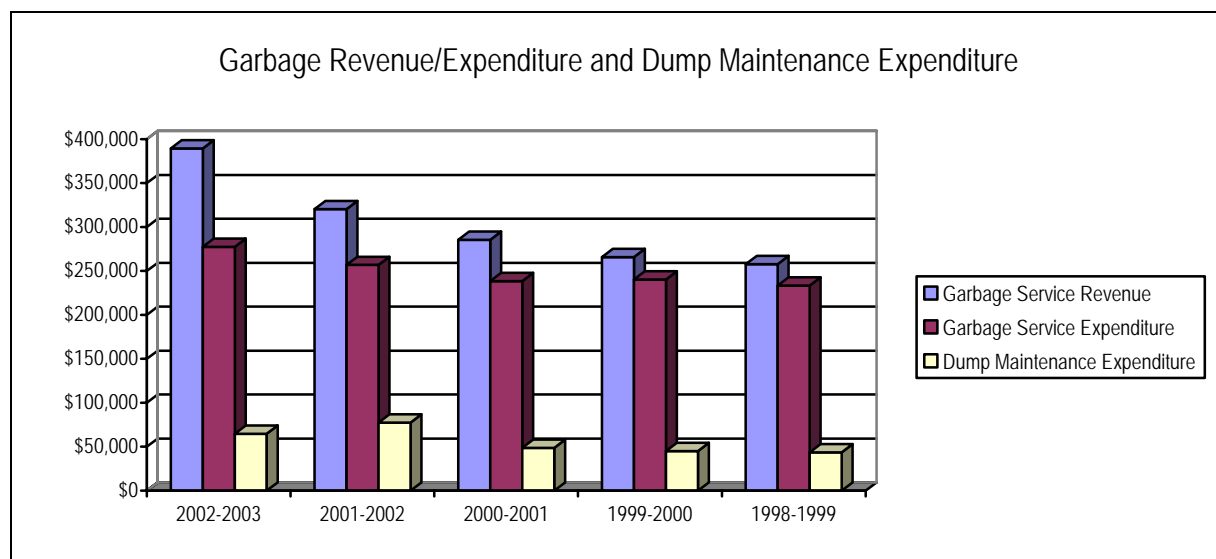
Council maintains a garbage dump at Hebel. The dump is open to the public twenty-four hours per day and is unmanned. The community of Hebel disposes of its own garbage and refuse into the pit. The Council maintains the pit as necessary.

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

All of Council's dumps remain open to the public twenty-four (24) day with no charges being made for dumping. Many people continue to use these facilities with large volumes of rubbish being dumped each week.

The problem of unauthorised burning of refuse at the St. George dump continues. Appeals to the public not to burn their rubbish are often being ignored. This action causes environmental harm and creates a danger to persons using the site.

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



Costings are detailed below:

	2002/2003	2001/2002	2000/2001	1999/2000
Cleansing Charge Revenue (Net)	\$389,322.35	\$274,235	\$285,370	\$265,869
Refuse Collection Contract Expenses	\$277,497.10	\$256,092	\$238,397	\$240,443
Dump Maintenance Expenses	\$64,796.31	\$77,381	\$48,647	\$43,804
Special Maintenance	NIL	\$10,817		
Cleansing Charge (\$/unit) before 15% discount – Wheelie Bin Service	\$8.00	\$7.42	\$7.20	\$7.02
Cleansing Charge (\$/unit) before 15% discount – Hebel, Mungindi	\$8.00	\$5.16	\$5.00	\$4.88

Appendices

<i>Appendix 1</i>	<i>Revenue Policy 2002/2003</i>
<i>Appendix 2</i>	<i>Audited Financial Statements 2002/2003</i>
<i>Appendix 2A</i>	<i>Community Financial Report 2002/2003</i>
<i>Appendix 3</i>	<i>Listing of Documents and Registers</i>
<i>Appendix 4</i>	<i>Remuneration Package for Councillors 2002/2003</i>
<i>Appendix 5</i>	<i>Borrowing Policy 2002/2003</i>

1.0 Background

The Local Government Act, 1993 imposes a requirement on Council to formalise its revenue raising policies which were previously documented in part in the minutes of the annual budget meeting and in various other documents.

Council's revenue policy must be reviewed annually and must be the basis of Council's decision making in the setting of its budget.

The revenue policy must be referred to in the setting of annual rates and charges and details of the policy must be included in the annual report of the Council.

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

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

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

2.0 General Rate or Differential General Rates

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

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

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

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

3.0 Minimum General Rate

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

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

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

Rateable lands which attract the minimum general rate are those lands whose charging value (V) is so low as to result in a calculated levy (L) less than the adopted minimum rate when the following formula is applied:-

$$L = V \times R$$

where R is the adopted general rate in the dollar.

4.0 Separate Rates and Charges

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

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

Council does not presently levy separate rates and charges.

5.0 Special Rates and Charges

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

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

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

5.1 Thallon Rural Fire Levy

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



This special charge shall be levied on the property assessment and not individual land parcels.

Properties will be classified in the same manner as that utilised by the Queensland Urban Fire Service Funding Scheme and detailed in the Fire Legislation Amendment Regulation applicable to the relevant financial year.

The following table details the charging units applicable to each property classification:-

Queensland Urban Fire Service Funding Scheme Property Classification	Charging Units
Group 1	10
Group 2	37
Group 3	90
Group 4	180
Group 5	295

Queensland Urban Fire Service Funding Scheme Property Classification	Charging Units
Group 6	531
Group 7	867
Group 8	1327
Group 9	2355
Group 10	4836
Group 11	8188
Group 12	15138
Group 13	17353
Group 14	26030
Group 15	43384
Group 16	72308

The Council, at it's budget meeting, after consultation with the Thallon Town Rural Fire Brigade, will set an annual per unit charge.

Nett funds (after discount) raised from the levy, less an administration charge, will be remitted to the Thallon Town Rural Fire Brigade who will apply such funds towards the continued operation of their service including maintenance, administration and capital replacement.

The administration charge will be set by Council annually but will not be more per property than that paid to Council for collection of the Urban Fire Levy.

Interest will be charged on overdue balances and retained by the Balonne Shire Council to offset the cost of debt recovery.

6.0 Utility Charges

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

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

6.1 Water Utility Charges

The Council has implemented a demand management strategy throughout it's urban water supplies. Central to this strategy is the installation of water meters on water services in the Towns of St. George (Bore Water Supply Only), Dirranbandi, Thallon, Mungindi, Hebel and Bollon.

Additionally, the Council imposes timed water restriction on the St. George River Water Supply to manage excessive demands on it's delivery infrastructure. Such restrictions vary throughout the year as determined by the Council.

Council considers that the principles of equity should apply in the pricing of it's water and that it has an obligation to all communities to charge a constant rate for similar consumers throughout it's urban water supplies.

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

the lowest cost water supply.

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

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

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

6.1.1 Base Water Charge

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

A specific number of "charging units" is assessed for each category of land use and a dollar charge per unit is set by Council annually at it's budget meeting.

Details of Council's current assessment of charging units are included in this policy as part of Appendix A.

6.1.2 Base Water Allocation

Each premises in the towns which are fully metered are assessed on the basis of their land use and are granted a base water allocation expressed in kilolitres per year per charging unit. This allocation is set annually by Council at it's budget meeting. Again, the principles of social equity, land use and capacity to pay are considered in setting this water allocation.

6.1.3 Excess Water Charge

The excess water charge is assessed annually by Council at it's budget meeting and is set at a level which will discourage excessive water usage. The excess water charge is expressed in terms of price per kilolitre of water used in excess of the base allocation.

Those town supplies which at the commencement of the financial year have water meters installed are St. George (Bore Water only), Dirranbandi, Thallon, Mungindi, Hebel and Bollon. Water charging for these supplies will be comprised of a base charge as detailed above which entitles the user to a specified base allocation of water. Any water usage in excess of this base allocation, calculated on a pro-rata basis, will be subject to a per kilolitre excess water charge.

6.1.4 Un-connected Property Charge

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

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

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

- a. Charitable, Not-for-Profit, Religious and Educational facilities including Aged and Child Care facilities, Student Hostels; and
- b. For a period of three (3) full financial years commencing after the date of registration of the survey plan, those lots of land in a development where the water supply reticulation was provided by the original developer and where such lots remain unsold by the original developer.

6.1.5 River Water Charge (St. George)

Charging for the river water supply in the town of St. George will comprise an annual base water charge only as defined in clause 6.1.1.

6.2 Sewerage Utility Charge

The towns of St. George, Dirranbandi and Bollon are each served by a sewerage system.

Premises in the towns of Thallon, Mungindi and Hebel have septic systems (on site sewerage treatment systems) in use. There are no utility charges levied in respect of premises serviced by septic systems.

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

Details of Council's current assessment of sewerage charge units are included in this policy as part of Appendix B.

6.2.1 Sewerage Charge

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

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

A specific number of "charging units" is assessed for each category of property and a dollar charge per unit is set by Council annually at it's budget meeting.

6.2.2 Un-connected Property Charge

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

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

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

- a. Charitable, Not-for-Profit, Religious and Educational facilities including Aged and Child Care facilities, Student Hostels; and
- b. For a period of three (3) full financial years commencing after the date of registration of the survey plan, those lots of land in a development where the sewerage reticulation was provided by the original developer and where such lots remain unsold by the original developer.

6.3 Cleansing Charge

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

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

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

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

Details of Council's current assessment of cleansing charge units are included in this policy as part of Appendix C.

7.0 General Charges

Section 974(1) of the Act empowers Council to fix, by local law or resolution, charges for services or facilities provided by it, including for example:-

- (a) supplying an entitlement, facility service or thing; or
- (b) giving approval, consent, licence, permission or registration; or
- (c) giving information; or
- (d) admitting a person to a structure or place; or
- (e) receiving an application; or
- (f) recording a change of ownership.

Section 974(2) provides that such charges be general charges and in accordance with Section 975, Council maintains a register of such charges which is open to public inspection.

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

8.0 Levying of Rates and Utility Charges

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

8.1 Rates and Utility Charges (other than Excess Water Charges)

Council levies it's rates and utility charges in two (2) moieties each financial year.

The amounts levied in respect of rates and utility charges for each moiety, represent one half of the amounts to be levied for the full financial year.

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

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

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

8.2 Excess Water Charges

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

Excess water charges will be levied annually after the final meter readings for the year which will take place on or about the 30th June. If payment is not received prior to the levy of the first rates and utilities charges moiety, the excess water charges will be appended to the first rate notice.

9.0 Discount for Prompt Payment

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

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

- (a) decides more than one (1) discount date or discount period for the rate; and
- (b) allows a different amount of discount or percentage discount for each discount date or discount period decided.

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

Discounts, at the rates and for the periods set by the Council at its annual budget meeting, is granted for prompt payment of:-

- General Rates; and
- Water Charges incl. Excess Water Charges; and
- Sewerage Charges; and
- Cleansing Charges; and
- Thallon Town Rural Fire Brigade Levy.

Payments received prior to 5:00pm on the first discount date (i.e. last day of first discount period) for each moiety will attract a percentage discount at the full rate.

Payments received after the first discount date but prior to 5:00pm on the second discount date (i.e. last day of second discount period) for each moiety will attract a percentage discount at one half of the full discount rate.

Discount will not be allowed on payments received after the second discount date applicable to each moiety unless Council is satisfied that payment was not made by the due date because of circumstances outside the ratepayers control.

Discount disallowed on the first moiety is not eligible for allowance even if payment is made by the due date of the second moiety.

No discount will be allowed if, after payment of current rates/charges, overdue rates/charges remain on the land.

10.0 Interest on Overdue Rates

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

The rate of interest is set by Council annually at its budget meeting.

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

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

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

11.0 Remission for Occupancy/Ownership by Pensioners

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

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

Date of Resolution: 21st June, 2002

Meeting Type: Special (Budget)

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

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.

This pensioner remission is applied as a percentage of the general rate only.

The percentage remission is set by Council annually at its budget meeting.

A maximum allowable remission is allowed each financial year and this amount is set annually by Council at its budget meeting.

Partial ownership or occupancy of the land will result in a proportional remission being granted except where the co-owners are:-

- (a) an approved pensioner and his/her spouse (including defacto relationships as recognised by the Commonwealth Departments of Social Security and Veterans' Affairs); or
- (b) an approved pensioner and a bank, other financial institution, or government department where the latter hold joint title for debt security purposes and has no responsibility for rates, charges or other costs of maintaining the property.

In either of these situations, the tenure may be treated as sole ownership and the remission approved in full.

It is not a requirement for the spouse/defacto spouse to also reside at the property but it must be established in these cases that the approved pensioner is wholly responsible for the payment of all rates and charges levied in respect of the property. The approved pensioner's responsibility for payment of all rates and charges in this circumstance must be established to the satisfaction of the Local Government by sighting and placing on file a copy of a court order or statutory declaration completed by the applicant.

Pensioner remissions are granted even if there are overdue rates on the land. This situation will be reviewed annually by Council.

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

12.0 Payment of Rates by Instalments

Section 1015 of the Act provides that a local government may, by resolution made at its budget meeting, authorise the payment of rates by instalments on the terms it determines. The terms may provide for the payment of a premium and for the application of interest charges on overdue rates and for the immediate payment of future instalments if such terms are not met.

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

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

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

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

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

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

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

13.0 Financial Assistance Grants

Balonne Shire Council
Revenue Policy 2002/2003

APPENDIX 1

Date of Resolution: 21st June, 2002

Meeting Type: Special (Budget)

Council receives an annual untied Financial Assistance Grant from the Federal Government. This grant comprises an Identified Road Component and a General Purpose Component.

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

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

14.0 Developer Contributions

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

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

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

APPENDIX A

WATER CHARGE UNITS AND WATER ALLOCATIONS - 2002/2003 - ST. GEORGE

TYPE OF SERVICE	UNITS	ANNUAL BORE WATER ALLOCATION (Kl per unit)	ANNUAL BORE WATER ALLOCATION (Kilolitres)
Airports	45	3	135
Any Other Building	57	3	171
Any Sawmill	360	3	1080
Boarding Schools/Student Hostels	180	5	900
Bore Water Connection Only (St. George)	35	8	280
Bowling Club	264	3	792
Butcher Shop	103	3	309
Café	103	3	309
Caravan Parks/Work Camps	10 units per serviced site. 200 units minimum	3	
Rental Accommodation with shared facilities	32 units per accommodation unit	3	
Church or Meeting Room	41	5	205
Cordial Factory	103	3	309
Council Depots	45	3	135
Fire Fighting Service	15	n/a	
Flat	98	3	294
Government Department	57	3	171
Hall (Council)	100	3	300
Hospitals	515	3	1545
Hostel not being used as such	51	3	153
Hotels/Motels	376	3	1128
Kindergartens	45	5	225
Land used for Commercial Gardening Purposes	153	n/a	
Laundry and/or Dry Cleaning	103	3	309

Balonne Shire Council
Revenue Policy 2002/2003

APPENDIX 1

Date of Resolution: 21st June, 2002

Meeting Type: Special (Budget)

Licensed Club	275	3	825
Other Business	57	3	171
Park or Camp	261	3	783
Pre-Schools	45	5	225
Public Swimming Pool	314	5	1570
Racecourse/Tennis Courts	45	3	135
Residence (Private)	98	3	294
Retirement Villages	376	5	1880
Schools	275	5	1375
Showgrounds	313	3	939
Slaughter Yard	149	3	447
Sporting Ground (St. Patricks School, St. George)		n/a	
Sports Centre	205	3	615
Vacant Land (with Connection)	98	3	294
Unconnected property	41	n/a	

WATER CHARGE UNITS AND WATER ALLOCATIONS - 2002/2003 - Dirranbandi, Bollon, Thallon, Mungindi and Hebel

TYPE OF SERVICE	UNITS	Water Allocation (kl)	
		per unit	per annum
Airports	45	10	450
Any Other Building	57	10	570
Any Sawmill	360	10	3600
Boarding House	121	10	1210
Bowling Club	264	10	2640
Butcher Shop	103	10	1030
Caravan Parks/Work Camps	10 units per serviced site. 200 units minimum	10	
Rental Accommodation with shared facilities	32 units per accommodation unit	10	
Café	103	10	1030
Church or Meeting Room	41	15	615
Cordial Factory	103	10	1030
Council Depots	45	10	450
Fire Fighting Service	15	10	150
Flat	98	10	980
Government Department	57	10	570
Hall (Council)	100	10	1000
Hostel not being used as such	51	10	510
Land used for Commercial Gardening Purposes	153	10	1530
Laundry and/or Dry Cleaning	103	10	1030
Licensed Club	275	10	2750
Other Business	57	10	570

Balonne Shire Council
Revenue Policy 2002/2003

APPENDIX 1

Date of Resolution: 21st June, 2002

Meeting Type: Special (Budget)

Park or Camp	261	10	2610
Private Post Office	44	10	440
Racecourse/Tennis Courts	45	10	450
Residence (Private)	98	10	980
Showgrounds	313	10	3130
Slaughter Yard	149	10	1490
Sports Centre	205	10	2050
Vacant Land (with Connection)	98	10	980
Unconnected property	41		

Balonne Shire Council
Revenue Policy 2002/2003

APPENDIX 1

Date of Resolution: 21st June, 2002

Meeting Type: Special (Budget)

WATER CHARGE UNITS AND WATER ALLOCATIONS - 2002/2003 - Dirranbandi, Bollon, Thallon, Mungindi and Hebel cont:-

Thallon	UNITS	Water	
		Alloc. (kl)	
		per unit	per annum
HOTELS/MOTELS	269	10	2690
SCHOOLS (Treated Water)	191	15	2865
RAILWAY DEPOT	57	10	570
PARK (Treated Water)	98	10	980
PARK (Raw Water)	163	30	4890
SHOWGROUNDS (Treated Water)	98	10	980
SHOWGROUNDS (Raw Water)	163	30	4890
Mungindi			
HOTELS/MOTELS	230	10	2300
SCHOOLS (Treated Water)	75	15	1125
PRE-SCHOOLS	45	15	675
Dirranbandi			
HOTELS/MOTELS	276	10	2760
KINDERGARTEN	45	15	675
SCHOOLS (Treated Water)	275	15	4125
BOWLING CLUB (Treated Water)	98	10	980
BOWLING CLUB (Raw Water)	166	30	4980
HOSPITAL (Treated Water)	245	10	2450
HOSPITAL (Raw Water)	146	30	4380
SHOWGROUNDS (Treated Water)	98	10	980
SHOWGROUNDS (Raw Water)	215	30	6450
Bollon			
HOTELS/MOTELS	269	10	2690
SCHOOLS (Treated Water)	121	15	1815
SCHOOLS (Raw Water)	70	30	2100
TENNIS CLUB (Treated Water)	98	10	980
TENNIS CLUB (Raw Water)	45	30	1350
BOARDING HOUSE	90	15	1350
Hebel			
HOTELS/MOTELS	113	10	1130
SCHOOLS (Treated Water)	75	15	1125

Balonne Shire Council
Revenue Policy 2002/2003

APPENDIX 1

Date of Resolution: 21st June, 2002

Meeting Type: Special (Budget)

APPENDIX B

SEWERAGE CHARGE BY LAND USE - 2002/2003

Land Use	Land Use Codes		Refer Table
	from	to	
Vacant Land	100	199	1
Residential Single Unit Dwelling	200	299	1
Multiple Dwelling (Flats)	300	399	2
Large Homesite - Vacant	400	499	1
Large Homesite - Dwelling	500	599	1
Outbuilding	600	699	1
Guest House/Private Hotel	700	799	2
Combined Multi Dwelling - Shops	1000	1099	2
Shop – Single	1100	1199	2
Shopping Group (2 to 6 shops)	1300	1399	2
Restaurant	1700	1799	2
Residential Institutions (Non-Medical Care)	2100	2199	2
Sales Area – Outdoor	2400	2499	2
Offices	2500	2599	2
Hospitals, Aged Peoples Home, Nursing Home	2700	2799	3
Transport & Storage Warehouse and Bulk Store	2800	2899	2
Transport Terminal	2900	2999	2
Service Stations	3000	3099	2
Oil Depots	3100	3199	2
Builder's Yard/Contractor's Yards	3300	3399	2
Cold Store/Ice Works	3400	3499	2
Industrial/General Industry	3500	3599	2
Light Industry	3600	3699	2
Noxious/Offensive Industry	3700	3799	2
Hotel/Tavern	4200	4299	2
Motel	4300	4399	2
Theatres/Cinemas	4500	4599	2
Licensed Clubs	4700	4799	2
Sports Clubs/Facilities	4800	4899	2
Caravan Parks	4900	4999	2
Other Clubs - Non Business	5000	5099	1
Special Uses - Religious	5100	5199	1
Library	5500	5599	3
Showgrounds/Racecourses/Airfields	5600	5699	3
Parks & Gardens	5700	5799	3
Educational	5800	5899	3
Vineyards	8200	8299	2
Small Crop - Fodder Irrigated	8300	8399	2
General Public Hospital	9600	9699	3
Community Protection Centre	9900	9999	3

SEWERAGE CHARGING UNITS - 2002/2003

TABLE 1 - Single Unit Dwellings etc..

Type of Service	Units	Concessional Units
Unconnected property	25	13
Connected Premises (no charge for additional pedestals)	60	30

TABLE 2 - Multi Unit Dwellings/Shops/Businesses etc..

Type of Service	Units	Concessional Units
Unconnected property	25	13
1st Pedestal	60	30
2nd to 10th additional Pedestal (per pedestal)	40	50% reduction
More than 10 Pedestals (per pedestal)	35	50% reduction

TABLE 3- Public Premises/Schools/Kindergartens/Showgrounds/Parks etc..

Type of Service	Units	Concessional Units
Unconnected property	25	13
1st Pedestal	60	30
Each additional Pedestal (per pedestal)	25	50% reduction

SEWERAGE CHARGE UNITS - URINALS

Type	Size	Units
Auto	First 1.2 metres of Urinal or part thereof	120
	each additional 600 mm of Urinal or part thereof	60
Auto (CONCESSIONAL)	First 1.2 metres of Urinal or part thereof	60
	each additional 600 mm of Urinal or part thereof	30
Manual	First 1.2 metres of Urinal or part thereof	60
	each additional 600 mm of Urinal or part thereof	30
Manual (CONCESSIONAL)	First 1.2 metres of Urinal or part thereof	30
	each additional 600 mm of Urinal or part thereof	15

Balonne Shire Council
Revenue Policy 2002/2003

APPENDIX 1

Date of Resolution: 21st June, 2002

Meeting Type: Special (Budget)

APPENDIX C

CLEANSING CHARGE UNITS - 2002/2003

Type of Service	Units	Concessional Units
Minimum Cleansing Charge (per occupied premises) (Hebel)	5	3
Each Garbage Service (per Bin)	20	10

CLEANSING SERVICE METHODOLOGY - 2002/2003

Land Use	Minimum Services St. George	Minimum Services Other Towns (One commercial pickup per week)
Vacant Land	0	0
Residential Single Unit Dwelling	1	1
Multiple Dwelling (Flats)	1 per Dwelling Unit	1 per Dwelling Unit
Large Homesite - Vacant	0	0
Large Homesite - Dwelling	1	1
Outbuilding	0	0
Guest House/Private Hotel	1 per 3 rooms or part thereof	1 per 3 rooms or part thereof
Combined Multi Dwelling - Shops	2	2
Shop - Single	1	1
Shopping Group (2 to 6 shops)	1 per shop	1 per shop
Restaurant	2	1
Residential Institutions (Non-Medical Care)	1 per 3 rooms or part thereof	1 per 3 rooms or part thereof
Sales Area - Outdoor	1	1
Offices	1	1
Hospitals, Aged Peoples Home, Nursing Home	1 per 3 beds or part thereof	1 per 3 beds or part thereof
Transport & Storage Warehouse and Bulk Store	2	1
Transport Terminal	1	1
Service Stations	2	1
Oil Depots	1	1
Builder's Yard/Contractor's Yards	2	1
Cold Store/Ice Works	1	1
Industrial/General Industry	2	1
Light Industry	2	1
Noxious/Offensive Industry	1	1
Hotel/Tavern	4	2
Motel	1 per 3 rooms or part thereof	1 per 3 rooms or part thereof
Theatres/Cinemas	1	1
Licensed Clubs	4	2
Sports Clubs/Facilities	1	1
Caravan Parks / Work Camps	1 per 4 Serviced Caravan/Camp Sites	1 per 4 Serviced Caravan/Camp Sites
Other Clubs - Non Business	1	1

Balonne Shire Council
Revenue Policy 2002/2003

APPENDIX 1

Date of Resolution: 21st June, 2002

Meeting Type: Special (Budget)

Land Use	Minimum Services St. George	Minimum Services Other Towns (One commercial pickup per week)
Special Uses - Religious	1	1
Library	1	1
Showgrounds/Racecourses/Airfields	1	1
Parks & Gardens	1	1
Educational	1 per 20 students (rounded) or Minimum of 1 service	1 per 20 students (rounded) or Minimum of 1 service
Vineyards	1	1
Small Crop - Fodder Irrigated	1	1
General Public Hospital	1 per 3 beds or part thereof	1 per 3 beds or part thereof
Community Protection Centre	1	1

Balonne Shire Council



Annual Financial Statements
for the Year Ended
30 June 2003

**Annual Financial Statements
For the year ended 30 June 2003****TABLE OF CONTENTS**

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BALONNE SHIRE COUNCIL**STATEMENT OF FINANCIAL PERFORMANCE**
For the year ended 30 June 2003

	Note	2003 \$'000	2002 \$'000
Revenue from ordinary activities	3	8,377	<i>8,828</i>
Expenses from ordinary activities	4	(8,932)	<i>(8,563)</i>
Borrowing costs	5	(292)	<i>(277)</i>
Result from ordinary activities		(847)	<i>(12)</i>
TOTAL CHANGE IN COMMUNITY EQUITY		(847)	<i>(12)</i>

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

BALONNE SHIRE COUNCIL**STATEMENT OF FINANCIAL POSITION**

For the year ended 30 June 2003

	Note	2003 \$'000	2002 \$'000
Current Assets			
Cash Assets	13	2,986	2,311
Receivables	14	776	1,161
Inventories	15	262	146
Other Financial Assets	16	103	159
Total Current Assets		4,128	3,777
Non-Current Assets			
Inventories	15	439	463
Property, Plant and Equipment	17a	55,279	56,975
Capital Works-In-Progress	18	1,293	1,030
Total Non-Current Assets		57,011	58,468
TOTAL ASSETS		61,139	62,245
Current Liabilities			
Payables	19	172	281
Tax Liability	20	61	38
Interest Bearing Liabilities	21	292	294
Provisions	22	310	368
Other	23	5	-
Total Current Liabilities		840	981
Non-Current Liabilities			
Interest Bearing Liabilities	21	3,848	4,118
Provisions	22	816	668
Total Non-Current Liabilities		4,664	4,786
TOTAL LIABILITIES		5,505	5,767
NET COMMUNITY ASSETS		55,634	56,479
Community Equity			
Asset Revaluation Reserve	24	35,224	35,224
Other Reserves	25	2,613	2,254
Retained Surplus (Deficiency)		17,796	19,002
TOTAL COMMUNITY EQUITY		55,634	56,480

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

BALONNE SHIRE COUNCIL**STATEMENT OF CASH FLOWS**
For the year ended 30 June 2003

	Note	2003 \$'000	2002 \$'000
Cash flows from operating activities:			
Receipts from customers		9,770	8,451
Payments to suppliers and employees		(5,976)	(4,683)
Interest received		174	152
Borrowing costs		(292)	(277)
Net cash inflow (outflow) from operating activities	33	3,677	3,643
Cash flows from investing activities:			
Payments for property, plant and equipment		(3,062)	(5,970)
Proceeds from sale of property plant and equipment	9	332	659
Net cash inflow (outflow) from investing activities		(2,730)	(5,311)
Cash flows from financing activities:			
Proceeds from borrowings	26	-	570
Repayment of borrowings	26	(272)	(245)
Net cash inflow (outflow) from financing activities		(272)	325
Net increase (decrease) in cash held		675	(1,342)
Cash at beginning of reporting period		2,311	3,653
Cash at end of reporting period	13	2,986	2,311

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

BALONNE SHIRE COUNCIL**STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2003

	Total		Retained surplus		Asset revaluation Note 24		Other Reserves Note 25	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
<u>Council</u>								
Balance at beginning of period	56,480	56,493	19,002	19,338	35,224	35,224	2,254	1,931
Net result for the period	(847)	(12)	(847)	(12)	-	-	-	-
Transfers to reserves	0	-	(758)	(1,259)	-	-	759	1,259
Transfers from reserves	0	-	400	936	-	-	(399)	(936)
Balance at end of period	55,634	56,480	17,796	19,002	35,224	35,224	2,613	2,254

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

**Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2003****1. Statement of Significant Accounting Policies**

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

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

(a) Trust Funds Held for Outside Parties

Funds held in the Trust Account on behalf of outside parties include those funds from the sale of land for arrears 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 Note 32 to the financial statements for information purposes only.

(b) Taxation

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

(c) Inventories

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

**Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2003****1. Statement of Significant Accounting Policies****(d) Land Held for Resale****(i) *Land Held as an Inventory Asset***

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

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

(ii) *Land Held as a Non-Current Inventory Asset*

Land approved for resale is recorded as part of the Council's inventory assets (Note 15) and are valued at lower of cost or net market value based on current market prices of undeveloped land in the vicinity, or in a similar area, having similar characteristics of the land held, at the time the land development is proposed and approved by Council.

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

(e) Construction Contracts and Work in Progress

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

(f) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation. Items of property, plant and equipment with a total value of less than \$5,000, except for land, network assets and fleet items (an aggregate of interrelated assets) or \$1,000 in the case of Office Equipment & Furniture, are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

(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, engineering design fees and all other establishment costs

**Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2003****1. Statement of Significant Accounting Policies****(f) Property, Plant and Equipment (cont.)****(i) *Acquisition of Assets (cont.)***

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

(ii) *Capital and operating expenditure*

Wage and materials expenditure incurred for the acquisition or construction of assets are treated as capital expenditure. Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity of the non-current asset is expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

(iii) *Valuation*

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

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

Non-current physical assets measured at fair value are comprehensively revalued where required so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. Only those assets, the total values of which are material, compared to the value of the class of assets to which they belong, are comprehensively revalued.

(iv) *Depreciation*

Land is not depreciated as it has an unlimited useful life. Depreciation on property, plant and equipment is calculated on either a straight-line or reducing value 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.

**Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2003****1. Statement of Significant Accounting Policies****(f) Property, Plant and Equipment (cont.)****(v) Depreciation (cont.)**

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.

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

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

<u>Asset</u>	<u>Range of estimated useful life in years</u>
Land	Not depreciated
Buildings	30 – 100
Transport Infrastructure	10 – 50
Water Supply Infrastructure	15 – 60
Sewerage Supply Infrastructure	20 – 100

**Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2003****1. Statement of Significant Accounting Policies****(f) Property, Plant and Equipment (cont.)****(v) Depreciation (cont.)**

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

Plant & Equipment	7.5% – 25.0%
Furniture & Fittings	7.5% – 11.0%
Strategic Plan	20%
Other Non-Current Assets	7.5% – 11.0%

(g) Receivables

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

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

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

(h) Other Financial Assets

Other Financial Assets are brought to account at the lower of cost and recoverable amount and are disclosed at the fair values indicated in Note 21. Interest and dividend revenues are recognised on an accrual basis.

(i) Payables

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

**Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2003****1. Statement of Significant Accounting Policies****(j) Employee Benefits**

Employee benefits are accrued for such items as wages and salaries, annual leave and long service leave in respect of services provided by the employees up to the reporting date. Liabilities for employee entitlements are assessed at each reporting date. Sick leave taken in the future will be met by future entitlements and hence no recognition of sick leave has been made in these financial statements. Where it is expected that the leave will be taken in the next twelve months the liability is treated as a current liability. Otherwise the liability is treated as non-current.

(a) *Salaries and Wages*

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

(b) *Annual Leave*

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

(c) *Superannuation*

The superannuation expense for the reporting period is the amount of the contribution the local government makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in Note 30.

(d) *Long Service Leave*

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

(k) Interest Bearing Liabilities

Loans payable are recognised at the face value of the principal outstanding, interest being expensed or otherwise recognised as it accrues. The fair value of these loans is disclosed in Note 26.

**Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2003****1. Statement of Significant Accounting Policies****(I) Rates, Grants and Other Revenue**

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

(a) Rates

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

(b) Grants and Subsidies

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

(c) Non-Cash Contributions

Non-cash contributions in excess of \$5,000 in value, are recognised as revenue and as non-current assets. Non-cash contributions below \$5,000 are recorded as revenue only.

(d) Other Revenue including Contributions

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

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

**Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2003****1. Statement of Significant Accounting Policies****(m) Components of Equity****(a) *Asset Revaluation Reserve***

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

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

(b) *Reserves Held for Future Capital Expenditure*

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

(i) *Road Works Reserve*

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

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

(ii) *Main Roads Surplus Reserve*

Any surplus from Main Roads Works are put to this reserve for future use on Council roads.

(iii) *Sport & Recreation Reserve*

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

**Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2003****1. Statement of Significant Accounting Policies****(m) Components of Equity (cont.)****(b) *Reserves Held for Future Capital Expenditure*****(iv) *Sewerage Reserve***

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

(v) *Water Reserve*

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

(vi) *Cleansing Reserve*

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

(vii) *Plant Purchases Reserve*

This reserve was created to contribute to future plant purchases.

(viii) *Roads to Recovery Reserve*

This reserve comprises funds set aside by Council for Roads to Recovery expenditure.

(ix) *Housing Reserve*

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

(x) *Education Facilities Reserve*

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

(xi) *General Administration Reserve*

This reserve was created to contribute to the acquisition of a new exchange server.

(xii) *Development Planning & Control Reserve*

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

**Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2003**

1. Statement of Significant Accounting Policies**(m) Components of Equity (cont.)****(c) *Reserves Held for Future Capital Expenditure (cont.)*****(xiii) *Visitor Services Reserve***

This reserve was created to contribute to the cost of installing interpretative signage within the shire.

(xiv) *Works Depot Reserve*

This reserve was created to contribute to the costs involved in decontamination of the former Roe Street Depot site.

(xv) *Parks & Gardens Reserve*

This reserve was created to contribute to the costs involved in installation of pumping and irrigation equipment on the Riverside Parklands.

(xvi) *Showgrounds Reserve*

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

(xvii) *Emergency Services Reserve*

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

(d) *Retained Surplus*

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

(n) National Competition Policy

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

(o) Rounding and Comparatives

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

**Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2003****1. Statement of Significant Accounting Policies****(o) Rounding and Comparatives (cont.)**

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

(p) Cash Assets

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

BALONNE SHIRE COUNCILNotes to and forming part of the Financial Statements
For the Year Ended 30 June 2003

2. Analysis of results by function

(a) Revenue, expenses and assets have been attributed to the following functions :

Functions	Note	Revenue		Total revenue (Note 6) 2003 \$'000	Total expenses (Note 6) 2003 \$'000	Net result for period 2003 \$'000	Assets 2003 \$'000
		Grants	Other				
		2003 \$'000	2003 \$'000				
Administration / Corporate Services	-	72	72	675	(603)	1,641	
Business Services	-	136	136	6	130	-	
Cleansing	-	306	306	306	-	-	
Community and Cultural	141	255	397	1,045	(648)	5,988	
Environmental & Health Services	22	90	112	815	(703)	411	
Finance	1,046	3,130	4,176	250	3,927	3,818	
Planning & Development	9	105	114	278	(164)	302	
Sewerage	-	555	555	364	191	2,111	
Transport & Drainage Infrastructure Services	1,746	321	2,067	5,041	(2,973)	41,044	
Urban Water	-	746	746	749	(3)	5,824	
Total		2,965	5,717	8,682	9,529	(847)	61,139

Functions	Note	Revenue		Total revenue (ref note 6) 2002 \$'000	Total expenses (ref note 6) 2002 \$'000	Net result for period 2002 \$'000	Assets 2002 \$'000
		Grants	Other				
		2002 \$'000	2002 \$'000				
Administration / Corporate Services	30	169	199	657	(458)	1,544	
Business Services	-	200	200	5	195	41	
Cleansing	-	338	338	346	(9)	-	
Community and Cultural	210	223	433	1,048	(615)	6,030	
Environmental & Health Services	-	58	58	749	(691)	376	
Finance	960	3,019	3,979	-	3,979	3,588	
Planning & Development	60	168	228	296	(68)	300	
Sewerage	-	524	524	398	126	2,171	
Transport & Drainage Infrastructure Services	2,031	611	2,642	5,084	(2,442)	42,319	
Urban Water	-	983	983	1,011	(28)	5,879	
Total		3,291	6,292	9,583	9,595	(12)	62,248

**Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2003**

	Note	2003 \$'000	2002 \$'000
3. Ordinary Revenue Activity comprises:			
Operating Income:			
General rates		3,426	3,370
Rates received in advance		47	-
Water		775	1,042
Sewerage		634	596
Thallon Fire Levy		7	6
Excess Water		49	40
Cleansing		350	314
		5,287	5,368
Less: Discounts		(720)	(727)
Less: Pensioner remissions		(23)	(24)
Net Rates and Utility Charges		4,544	4,617
Fees and charges		259	317
Sales contracts and recoverable works		130	186
Government grants, contributions and donations	7 (i)	1,231	1,257
Gain on sale of developed land	8	17	(8)
Interest received from investments		156	136
Interest from rates and utility charges		21	15
Project Management		-	79
Insurance Recoupment		11	17
Other		91	77
Total Operating Income		6,460	6,695
Capital Income:			
Government grants and contributions	7 (ii)	1,879	2,221
Gain on disposal of capital assets	9	38	(88)
Total Capital Income		1,918	2,133
Total Revenue from Ordinary Activities		8,377	8,828
4. Ordinary Expense Activity comprises:			
Operating costs:			
Employee costs	10	3,050	3,161
Maintenance costs		2,541	2,344
Materials and services		1,164	1,028
Plant Hire from Capital Works		(330)	(339)
Depreciation	11	4,306	4,062
Oncosts		(2,094)	(2,067)
Other expenses	12	294	373
Total Expenses from Ordinary Activities		8,932	8,563

**Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2003**

	Note	2003 \$'000	2002 \$'000
5. Borrowing Costs			
Finance costs charged by the Queensland Treasury Corporation		292	277
Total Borrowing Costs		292	277
Total Expenses		9,224	8,840
6. Reconciliation of revenues and expenses			
Total revenue for the period was derived from:			
Total ordinary revenues	3	8,377	8,828
Plus: Current cost of developed land sold	8	41	80
Plus: Book value of property, plant & equipment sold	9	263	675
Revenue reconciled to Analysis of Results by Function	2 (a)	8,682	9,583
Total expenses for the period were incurred as follows:			
Total ordinary expenses	4	8,932	8,563
Plus Borrowing Costs	5	292	277
Plus: Current cost of developed land sold	8	41	80
Plus: Book value of property, plant & equipment sold	9	263	675
Expenses reconciled to Analysis of Results by Function	2 (a)	9,529	9,595
Net Results from Ordinary Activities		(847)	(12)
Proceeds from sale of assets included in revenue at net value, but included in results by function at gross values.			
7. Grants, Subsidies, Contributions and Donations			
7.(i) Operational government grants, contributions and donations are analysed as follows:			
Contributions		22	164
Specific project government subsidies & grants		162	-
General purpose government grants		1,046	1,093
Total Operational Revenue	3	1,231	1,257

**Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2003**

	Note	2003 \$'000	2002 \$'000
7.(ii) Capital government grants and contributions are analysed as follows:			
Monetary revenue constrained for capital purposes:			
Government grants and subsidies		1,757	2,198
Contributions		65	16
Total Constrained Revenue		1,821	2,214
Non-monetary revenue received is analysed as follows:			
LGAQ Networking the Nation Program		27	-
Pilots Memorial		16	-
New Showgrounds Pavillion		15	-
Swimming Pool - Disabled Persons Hoist		-	7
Total Non-Monetary Assets		58	7
Total Capital Revenue	3	1,879	2,221
8. Gain (loss) on Sale of Developed Land (inventory asset)			
Proceeds from sales of land developed for resale		58	72
Less: Current cost of developed land sold		(41)	(80)
	3	17	(8)
9. Gain (loss) on the Disposal of Non-Current Assets			
Proceeds from the sale of property, plant & equipment		274	587
Less: Book value of property, plant & equipment sold		(263)	(675)
Insurance Recovery on Plant #133		27	-
Total Gain on Disposal of Non-Current Assets	3	38	(88)

**Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2003**

	Note	2003 \$'000	2002 \$'000
10. Employee Costs			
Total wages and salaries		2,538	2,635
Councillors' remuneration		93	109
Annual, sick and long service leave entitlements		389	375
Superannuation		298	287
		<u>3,318</u>	<u>3,406</u>
Less : Capitalised employee costs		(268)	(245)
		<u>3,050</u>	<u>3,161</u>

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

<u>Total Council Employees as at 30 June</u>	<u>2003</u>	<u>2002</u>
Office	28	29
Depot	<u>59</u>	<u>56</u>
Total Staff	<u>87</u>	<u>85</u>

11. Depreciation

Depreciation and amortisation was charged in respect of:

Land improvements		-	-
Buildings		219	221
Plant and equipment		567	532
Furniture		11	9
Transport Infrastructure		3,002	2,781
Water Supply Network		245	277
Sewerage Network		142	143
Strategic Plan		1	2
Other assets		117	98
	4	<u>4,306</u>	<u>4,062</u>

12. Other Expenses

Included in other expenses are the following :

Audit services		37	26
Donations paid		14	44
Miscellaneous		55	98
Project Management		-	24
Rural Lands Protection		189	180
	4	<u>294</u>	<u>373</u>

**Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2003**

	Note	2003 \$'000	2002 \$'000
13. Cash Assets			
Cash at bank and on hand		986	811
Deposits at call		2,000	1,500
		2,986	2,311
Reconciliation to the statement of cash flows			
Cash at the end of the period as shown in the statement of cash flows is reconciled to the statement of financial position as follows:			
Balances as above		2,986	2,311
Balance per statement of cash flows		2,986	2,311
14. Receivables			
Current			
Rates and utility charges		369	223
Other debtors		412	944
Less: Provision for doubtful debts		(11)	(11)
Accrued Interest		5	2
Loans and advances		-	3
		776	1,161
Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on other debtors.			
15. Inventories			
Current			
Stores and raw materials		256	146
Visitor Information Centre		6	-
		262	146
Non-Current			
Land held for development and sale	29	439	463
		439	463
16. Other Financial Assets			
Prepayments		103	159
		103	159
Current portion - to be realised within 12 months:			
Unrestricted		103	159
		103	159

Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2003

17a Property, Plant and Equipment

Valuation Note	Land and	Buildings	Plant and	Furniture &	Transport	Water	Sewerage	Strategic	Other	Total
	Improvements		Equipment	Fittings	Infrastructure	Supply	Network	Plan	Non-Current	
	23b(i)	23b(ii)	23b(iii)	23b(iii)	23b(iv)	23b(v)	23b(v)	23b(vi)	23b(iii)	
	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Asset Values										
Opening balance	1,936	14,922	7,603	263	74,992	15,054	7,042	30	2,833	124,675
Additions at cost	-	164	545	1	1,963	100	9	0	46	2,828
Contributed assets at valuation	-	15	22	5	-	-	-	-	20	62
Disposals	(12)	(268)	(518)	-	-	-	-	-	-	(798)
Correction of prior period error	23	31	(148)	-	(130)	(53)	-	-	(9)	(285)
Closing balance	1,947	14,865	7,505	268	76,825	15,101	7,051	30	2,890	126,483
Accumulated Depreciation										
Opening balance	-	8,832	3,205	158	40,148	9,262	5,018	23	1,054	67,700
Depreciation provided in period	-	219	567	11	3,002	245	142	1	117	4,306
Written off on disposals	-	(251)	(263)	-	-	-	-	-	-	(514)
Correction of prior period error	-	31	(156)	-	(131)	(29)	-	-	(2)	(287)
Closing balance of accumulated depreciation	-	8,831	3,353	169	43,020	9,478	5,160	24	1,169	71,204
Total written down value at 30 June 2003	1,947	6,033	4,152	100	33,805	5,623	1,891	6	1,721	55,279
Total written down value at 30 June 2002	1,936	6,090	4,399	105	34,843	5,792	2,024	7	1,779	56,975

BALONNE SHIRE COUNCIL**Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2003**

17b Property, plant and equipment valuations were determined by reference to the following

(i) Land & Improvements

The valuation of land and improvements was performed by Mr AR Casagrande AVLE (Val) of Casagrande & Associates Pty Ltd as at 1st July, 1998.

(ii) Buildings

The valuation of buildings was performed by *Mr AR Casagrande AVLE (Val)* of Casagrande & Associates Pty Ltd as at 1st July, 1998. Buildings were valued based on their replacement cost to Council.

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

Items of plant and equipment acquired prior to 30th June, 1993 were valued by *Mr Anthony Sharpe AVLE (Val)* and *Mr Cliff Reade GI Mech. E FVLE (P & M)* of Edward Rushton Australia Pty Ltd. A single index rate (Consumer Price Index) was used as the basis for revaluation increments. Revaluation increments were credited directly to the Asset Revaluation Reserve.

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

(iv) Transport Infrastructure

The valuations of transport infrastructure were determined by *Mr Max Henderson*, Council's Resident Engineer as at 1st July, 1998. Assets were valued at current replacement cost in accordance with the "Road Asset Valuation" Policy adopted by Council in May 1999.

(v) Water Supply and Sewerage Network

The valuations of water supply and sewerage infrastructure assets were determined by *Mr J Deac B.Eng* of Casagrande & Associates Pty Ltd as at 1st July, 1998.

(vi) Strategic Plan

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

BALONNE SHIRE COUNCIL

APPENDIX 2

Notes to and forming part of the Financial Statements For the Year Ended 30 June 2003

	Note	2003 \$'000	2002 \$'000
18. Capital Works in Progress		1,293	1,030
19. Payables			
Current			
Creditors and accruals		172	281
		172	281
20. Tax Liability			
Current			
GST payable		31	51
Employee related tax payable		82	79
Less: GST recoverable		(52)	(92)
		61	38
21. Interest Bearing Liabilities			
Current			
Loans	26	292	294
		292	294
Non-Current			
Loans	26	3,848	4,118
		3,848	4,118
22. Employee Benefits			
Current			
Annual leave		280	359
Long service leave		30	9
		310	368
Non-Current			
Employee leave entitlements:			
Annual leave		260	127
Long service leave		556	540
		816	668
Total Provisions		1,126	1,036
23. Other Liabilities			
Current			
Unearned lease premiums received in advance		5	-
		5	-

Notes to and forming part of the Financial Statements For the Year Ended 30 June 2003

	Note	2003 \$'000	2002 \$'000
24. Asset Revaluation Reserve			
Movements in the asset revaluation reserve were as follows:			
Balance at beginning of period		35,224	35,224
Net adjustment to capital non-current assets at end of period to reflect a change in fair value:			
Buildings		-	-
Transport Infrastructure		-	-
Water		-	-
Sewerage		-	-
Balance at the reporting date		35,224	35,224
25. Other Reserves			
(a) Reserves held for future capital expenditure:			
(i) Road Works reserve		581	672
(ii) Main roads surplus reserve		-	61
(iii) Sport & recreation reserve		425	325
(iv) Sewerage reserve		697	464
(v) Water reserve		462	477
(vi) Cleansing reserve		1	-
(vii) Plant purchases reserve		-	-
(viii) Roads to Recovery reserve		0	105
(ix) Housing reserve		150	75
(x) Education facilities reserve		150	75
(xi) General Administration reserve		10	-
(xii) Development Planning & Control reserve		10	-
(xiii) Visitor Services reserve		8	-
(xiv) Works Depot reserve		45	-
(xv) Parks & Gardens reserve		40	-
(xvi) Showgrounds reserve		24	-
(b) Reserves held for future recurrent expenditure:			
(xvii) Emergency Services reserve		11	-
		2,613	2,254
Reserves held for future capital expenditure:			
(i) Road Works reserve (Formerly Financial Assistance Grants reserve)			
Balance at beginning of period		672	-
Transfers from the retained surplus grants, subsidies and contributions, constrained for capital purposes, received in period.		130	-
Transfers from the Main Roads surplus reserve received in period.		61	-
Transfers from the Roads to Recovery reserve received in period.		105	-
Transfers to retained surplus, funds expended in the period		(387)	672
Balance at the reporting date		581	672

BALONNE SHIRE COUNCIL**Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2003**

	Note	2003 \$'000	2002 \$'000
25. Other Reserves (cont.)			
Reserves held for future capital expenditure (cont.):			
(ii) Main roads surplus reserve			
Balance at beginning of period		61	400
Transfer from retained surplus, funds for future expenditure			186
Transfer to retained surplus, funds expended in the period.			(526)
Transfer of opening balance to the Road Works reserve.		(61)	-
Balance at the reporting date		-	61
(iii) Sport & recreation reserve			
Balance at beginning of period		325	200
Transfer from retained surplus funds for future expenditure		100	125
Transfer to retained surplus funds expended in the period.			-
Balance at the reporting date		425	325
(iv) Sewerage reserve			
Balance at beginning of period		464	338
Transfer from retained surplus funds for future expenditure		233	126
Transfer to retained surplus funds expended in the period.		-	-
Transfers of funds to retained surplus, funds no longer required		-	-
Balance at the reporting date		697	464
(v) Water reserve			
Balance at beginning of period		477	506
Transfer from retained surplus funds for future expenditure		-	-
Transfer to retained surplus funds expended in the period.		(15)	(29)
Balance at the reporting date		462	477
(vi) Cleansing reserve			
Balance at beginning of period		-	8
Transfer from retained surplus funds for future expenditure		1	-
Transfer to retained surplus funds expended in the period.		-	(8)
Balance at the reporting date		1	-
(vii) Plant purchase reserve			
Balance at beginning of period		-	165
Transfer from retained surplus funds for future expenditure		-	-
Transfer to retained surplus funds expended in the period.		-	(165)
Balance at the reporting date		-	-

**Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2003**

	Note	2003 \$'000	2002 \$'000
25. Other Reserves (cont.)			
Reserves held for future capital expenditure (cont.):			
(viii) Roads to Recovery reserve			
Balance at beginning of period		105	314
Transfer from retained surplus funds for future expenditure		-	-
Transfer to retained surplus funds expended in the period.		-	(209)
Transfer of opening balance to the Road Works reserve.		(105)	-
Balance at the reporting date		0	105
(ix) Housing reserve			
Balance at beginning of period		75	-
Transfer from retained surplus funds for future expenditure		75	75
Transfer to retained surplus funds expended in the period.		-	-
Balance at the reporting date		150	75
(x) Education Facilities reserve			
Balance at beginning of period		75	-
Transfer from retained surplus funds for future expenditure		75	75
Transfer to retained surplus funds expended in the period.		-	-
Balance at the reporting date		150	75
(xi) General Administration reserve			
Balance at beginning of period		-	-
Transfer from retained surplus funds for future expenditure		10	-
Transfer to retained surplus funds expended in the period.		-	-
Balance at the reporting date		10	-
(xii) Development Planning & Control reserve			
Balance at beginning of period		-	-
Transfer from retained surplus funds for future expenditure		10	-
Transfer to retained surplus funds expended in the period.		-	-
Balance at the reporting date		10	-
(xiii) Visitor Services reserve			
Balance at beginning of period		-	-
Transfer from retained surplus funds for future expenditure		8	-
Transfer to retained surplus funds expended in the period.		-	-
Balance at the reporting date		8	-
(xiv) Works Depot reserve			
Balance at beginning of period		-	-
Transfer from retained surplus funds for future expenditure		45	-
Transfer to retained surplus funds expended in the period.		-	-
Balance at the reporting date		45	-

Notes to and forming part of the Financial Statements For the Year Ended 30 June 2003

	Note	2003 \$'000	2002 \$'000
25. Other Reserves (cont.)			
Reserves held for future capital expenditure (cont.):			
(xv) Parks & Gardens reserve			
Balance at beginning of period		-	-
Transfer from retained surplus funds for future expenditure		40	-
Transfer to retained surplus funds expended in the period.		-	-
Balance at the reporting date		40	-
Reserves held for future recurrent expenditure:			
(xvi) Showgrounds reserve			
Balance at beginning of period		-	-
Transfer from retained surplus funds for future expenditure		24	-
Transfer to retained surplus funds expended in the period.		-	-
Balance at the reporting date		24	-
(xvii) Emergency Services reserve			
Balance at beginning of period		-	-
Transfer from retained surplus funds for future expenditure		11	-
Transfer to retained surplus funds expended in the period.		-	-
Balance at the reporting date		11	-
26. Loans			
(i) Queensland Treasury Corporation		4,141	4,412
(ii) Other bank loans		-	-
		4,141	4,412
Classified as :			
Current		292	294
Non-current		3,848	4,118
		4,141	4,412
(i) Queensland Treasury Corporation			
Opening balance		4,412	4,088
Loans raised		-	570
Principal repayments		(272)	(245)
Market value at period end		4,141	4,412

The loan market value at 30 June 2003 is \$4,449,224. This represents the value of the debt if the Council repaid it at that date. The loans are held in their respective program accounts. The interest rates on Queensland Treasury Corporation borrowings range from 6.16% to 12.14%. Based on the current level of repayments the expected term of total debt is 18.39 years. Borrowings are all in Australian dollars and are guaranteed by the Queensland State Government.

Notes to and forming part of the Financial Statements For the Year Ended 30 June 2003

	Note	2003 \$'000	2002 \$'000
27. Commitments for Expenditure			
(d) Capital Commitments			
Commitment for the construction of the following assets contracted for at the Reporting date but not recognised as liabilities payable:			
Crane Truck		121	-
		<u>121</u>	<u>-</u>
These expenditures are payable :			
Within one year		121	-
Later than 1 year but not later than 5 years		-	-
Later than 5 years		-	-
		<u>121</u>	<u>-</u>
28. Contingent Liabilities			
(a) Details and estimates of maximum amounts of contingent liabilities are as follows:			
Various claims are pending against the Council. In the opinion of the Council's solicitor the potential loss on all claims at 30 June 2003 should not exceed:			
		<u>-</u>	<u>-</u>
(c) The Balonne Shire Council is a member of the local government self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled because of insufficient funds being available to cover outstanding liabilities. Only Local Government Workcare may call on any part of the guarantee should the above circumstances arise.			
The Council's maximum exposure is:		<u>92,799</u>	<u>92,799</u>
29. Land Held for Development and Sale			
Opening balance		463	181
Land acquired for development in current period		3	310
Less: Cost of developed land sold		(26)	(28)
		<u>439</u>	<u>463</u>
Classified as:			
Non-Current	15	<u>439</u>	<u>463</u>
		<u>439</u>	<u>463</u>

Land held for development and sale is revalued when an adjustment required to net realisable value is required.

Where this land was originally classified as a non-current capital asset it has been revalued in accordance with the valuation criteria set out in Note 1.

BALONNE SHIRE COUNCIL**Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2003**

	Note	2003 \$'000	2002 \$'000
30. Superannuation			
<p>The Balonne Council contributes to the local government superannuation fund ("the Plan") in respect of its employees to a defined benefit superannuation plan, provided for in accordance with statutory requirements. Assets accumulate in the fund to meet member's benefits as they accrue. If the assets of the plan, intended to support employees' defined benefits, are insufficient to satisfy such entitlements payable to scheme beneficiaries, then the level and form of such benefits would need to be revised.</p>			
<p>The Balonne Shire Council's liability in respect of defined contribution superannuation arrangements is the amount of contribution that, under the terms of the Scheme, is payable to the plan as at the reporting date. The audited general purpose financial statements of the plan as at 30 June 2001, (the most recent available) which were not subject to any audit qualification, indicates that the assets of the plan are sufficient to meet the accrued benefits. No liability for the Council has been recognised as at the reporting date in respect of superannuation benefits for its employees. The general purpose financial statements disclose that the most recent actuarial assessment of the plan was undertaken as at 1 July 2000 and that the actuary indicated that without improvements to benefit conditions, or other unanticipated events, current contribution rates would be sufficient to meet members benefits as they accrue.</p>			
<p>The amount of superannuation contributions paid by Balonne Shire Council to the Superannuation Fund in this period for the benefit of employees was:</p>		298	289
<p>The Balonne Shire Council also contributes to the Local Government Superannuation Fund for the benefit of elected members. The amount of contributions paid for this benefit during the reporting period was:</p>		-	-
<p>The Queensland Local Government Superannuation Board, the trustee of the scheme, advised that the local government superannuation scheme was a complying superannuation fund for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation.</p>			

**Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2003**

31. Financial Instruments

(a) Credit Risk Exposures

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

(b) Interest Rate Risk

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

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

Financial Instruments	Note	Floating interest rate		Fixed interest rate		Non-interest bearing		Total	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Financial assets									
Cash assets	13	986	811	-	-	-	-	986	811
Receivables	14		-	363	223	412	949	776	1,172
Other financial assets include:									
Short term cash investments	13	-	-	2,000	1,500	-	-	2,000	1,500
		986	811	2,363	1,723	412	949	3,762	3,483
Weighted average interest rate		3.2%	3.4%	5.7%	5.8%	0.0%	0.0%		

**Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2003**

31. Financial Instruments (Cont.)

Financial Instruments	Note	Floating interest rate		Fixed interest rate		Non-interest bearing		Total	
		2003	2002	2003	2002	2003	2002	2003	2002
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial liabilities									
Payables	19	-	-	-	-	172	281	172	281
Tax liability	20	-	-	-	-	61	38	61	38
Loans - QTC*	26	-	-	4,141	4,412	-	-	4,141	4,412
		-	-	4,141	4,412	233	319	4,374	4,731
Weighted average interest rate		0.0%	0.0%	6.6%	6.3%	0.0%	0.0%		
Net financial assets		986	811	(1,777)	(2,689)	179	630	(612)	(1,248)

*QTC - denotes Queensland Treasury Corporation

(c) Net Fair Value of Financial Assets and Liabilities

The net fair value of cash, cash equivalents and non-interest bearing monetary financial assets and liabilities of the Council, approximates their carrying amounts.

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

The net fair value of non-traded equity investments is an assessment by the Council based on the underlying net assets, future maintainable earnings and any special circumstances pertaining to a particular investment.

**Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2003**

	Note	2003 \$'000	2002 \$'000
32. Trust Funds			
Monies collected or held on behalf of another entity yet to be paid out to or on behalf of that entity		23	57
Security deposits		5	14
		28	71
Weighted average interest rates		2.5%	2.7%
<p>The Balonne Shire Council performs only a custodial role in respect of these monies, and because the monies cannot be used for Council, they are not brought to account in these financial statements.</p>			
33 (a) Reconciliation of Result from Ordinary Activities to Net Cash Inflow (Outflow) from Operating Activities			
Result from ordinary activities	6	(847)	(12)
Non-cash operating items :			
Depreciation	17(a)(b)	4,306	4,062
Non-cash donations subsidies and contributions	7(ii)	(58)	(7)
		4,248	4,055
Investing and development activities :			
Net (profit) loss on disposal of non current assets	9	(38)	88
Cost of developed land sold in the period	29	41	(93)
Net Non-Cash Insurance Recoupment		-	
Payment for land for sale and development costs in the period	29	(3)	-
		(0)	(5)
Changes in operating assets and liabilities :			
(Increase) decrease in receivables		385	(536)
(Increase) decrease in other operating assets		(119)	(14)
Increase (decrease) in payables		(80)	165
Increase (decrease) in employee provisions		91	(10)
		276	(395)
Net cash inflow from operating activities		3,677	3,643

34. National Competition Policy

34(a) Type 1 and 2 Activities

Definitions of type 1 and 2 activities:

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

Type 1.

A significant business activity where the threshold expenditure has been set by the Minister for the year ended 30 June 2003 is as follows:-

- (a) for water and sewerage combined activities - \$32.4 million
- (b) for other activities - \$19.4 million

Type 2.

- (a) for water and sewerage combined activities - \$9.7 million
- (b) for other activities - \$6.5 million

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

**Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2003**

	Note	2003 \$'000	2002 \$'000
34(b) Activities to which the code of competitive conduct applies			

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

(a) Roads business activity means

(i) the construction or maintenance of State controlled roads for which the local government submits an offer to carry out work in response to a tender invitation other than through a sole supplier arrangement; or

(ii) submission of a competitive tender for construction or road maintenance on the local government's roads which the local government has put out to tender, or called for by another local government.

(b) Business activity means

(i) Trading in goods and services to clients in competition with the private sector; or

(ii) submission of a competitive tender in the local government's own tendering process in competition with others for the provision of goods and services to itself.

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

These business activities are referred to as type 3 activities.

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

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

BALONNE SHIRE COUNCIL

MANAGEMENT CERTIFICATE For the year ended 30 June 2003

This general purpose financial report has been prepared pursuant to section 532 of the *Local Government Act 1993* (the Act), the *Local Government Finance Standard 1997* (the Standard) and other prescribed requirements. In accordance with Section 54 of the Standard we certify -

- (i) the requirements under the *Local Government Act 1993* for the keeping of the accounts have been complied with in all material respects; and

- (ii) the financial statements for the year ended 30 June 2003 and supporting notes present the Council's operating results and financial position as required by the *Local Government Act 1993*.

.....
John Ruscoe Stone
Mayor

.....
Lee Ronald Voland
Chief Executive Officer

Date:

Date:

BALONNE SHIRE COUNCIL

INDEPENDENT AUDIT REPORT

Scope

I have audited the general purpose financial statements of the Balonne Shire Council prepared by the Council for the year ended 30 June 2003 in terms of the *Local Government Act 1993* and the *Local Government Finance Standard 1994*. The financial statements comprise the Statement of Financial Performance, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, Notes to and forming part of the financial statements and certificates given by the the Mayor and the Chief Executive Officer.

The Balonne Shire Council is responsible for the preparation and the form of presentation of the financial statements and the information they contain. I have audited the financial statements in order to express an opinion on them.

The audit has been conducted in accordance with QAO Auditing Standards, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included the examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with prescribed requirements in Australia which include Australian Accounting Standards so as to present a view which is consistent with my understanding of the entity's financial position and the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In accordance with s.532 of the *Local Government Act 1993*, I certify that I have received all the information and explanations I have required and, in my opinion: -

- the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and

- the statements have been drawn up so as to present a true and fair view, in accordance with prescribed accounting standards and other mandatory professional reporting requirements in Australia, of the transactions of the Balonne Shire Council for the financial year ended 30 June 2003 and of the financial position as at the end of that year.

P FITZGERALD, CA
Tooowoomba
(As Delegate of the Auditor General of Queensland)

COMMUNITY FINANCIAL REPORT 2002/2003

Purpose of this Report:

To provide information about the Council's Financial Statements in a form that is easily understood by the general public.

Brief Overview of Financial Statements for 2002/2003

(what do these reports actually state):

Statement of Financial Performance:

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

Operating Revenue (Income – includes Rates, Fees and Charges, State and Federal Governments Grants and Subsidies) - **\$8,377,000**

Operating Expenses (Maintenance of Councils Assets including Roads, Streets, Parks and Gardens, Water, Sewerage, Health and Environment Responsibilities) - **\$8,932,000**

Total Change in Community Equity (Revenue less Expenses) – **(\$847,000)**

Statement of Cash Flows:

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

Cash Receipts - \$10,276,000

Cash Payments - \$9,602,000

Net increase in Cash - \$675,000

Cash on Hand 30 June 2003 - \$2,964,000

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

Statement of Financial Position:

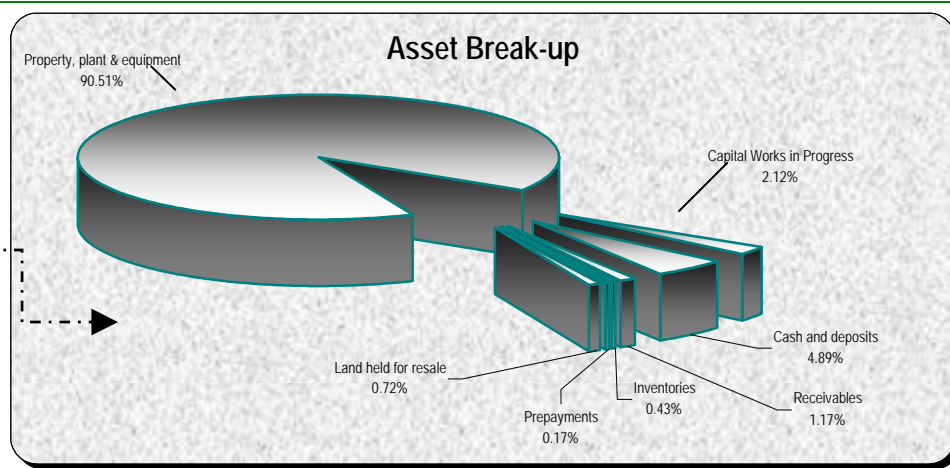
An updated version of the old Balance Sheet. This statement details Councils Assets (what it owns), Liabilities (what it owes) and Equity (which is the balance of Assets over Liabilities)

Total Assets - \$61,139,000

Total Liabilities - \$5,505,000

Total Community Equity - \$55,634,000

Accumulated Surplus (operating surplus/ deficit after funds have been appropriated to and from Reserves and adjustments made for unfunded depreciation) - **\$213,000**



This Graph is a Break-up of Council's Assets. **Capital Works in Progress** are assets that Council is currently constructing but not yet finished.

Analysis by Function:

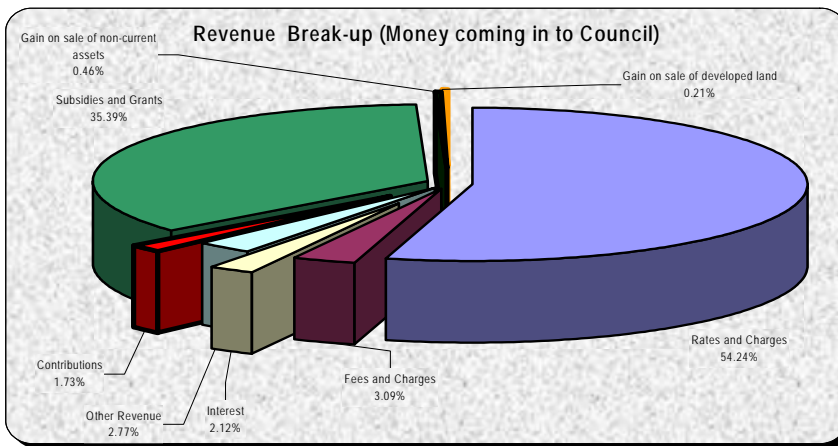
States how different sections of Council are performing. This graph represents the revenue and expenditure of each Council's Function. Council's largest Function is Transport Infrastructure which includes roads, streets, aerodromes, storm water drainage and flood mitigation.

Revenue and Expenditure by Function (\$'000)

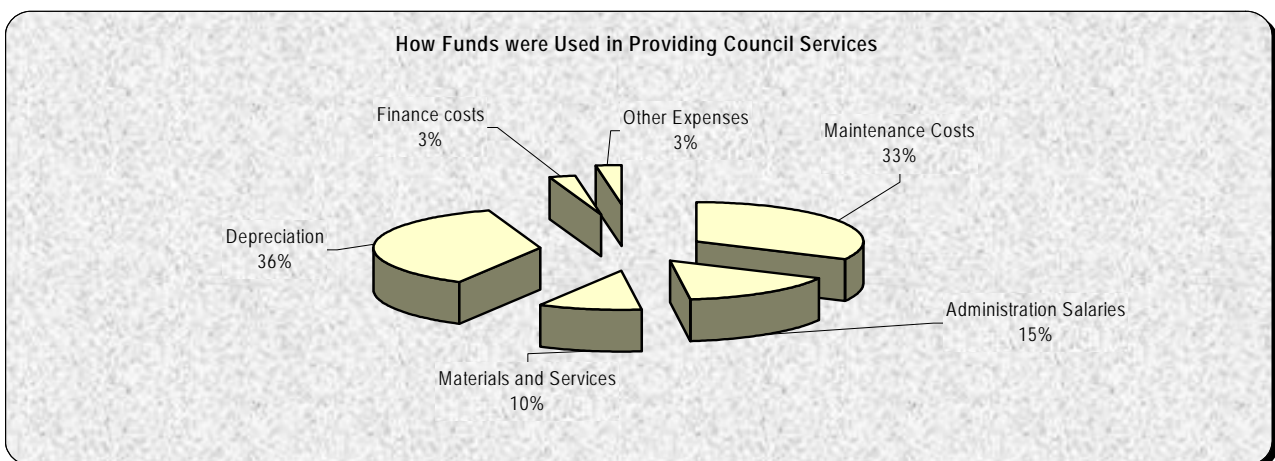
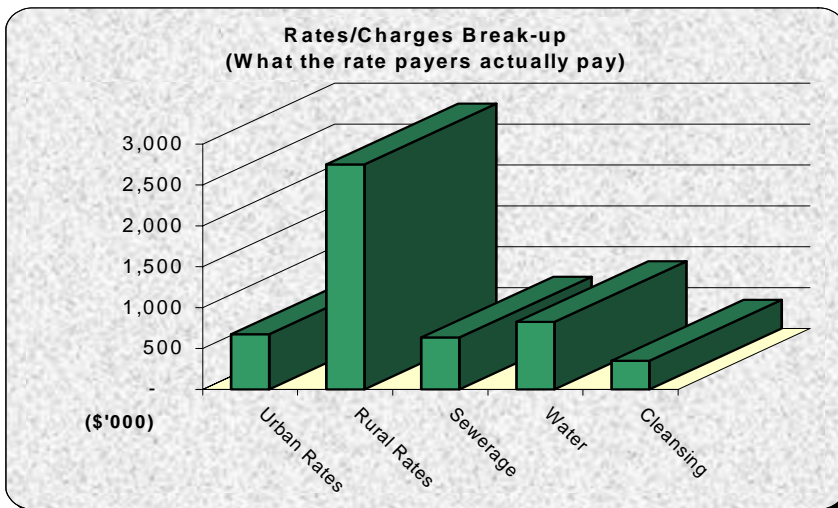
	Administration / Corporate Services	Business Services	Cleansing	Community and Cultural	Environmental & Health Services	Finance	Planning & Development	Urban Waste Water	Transport & Drainage Infrastructure Services	Urban Water
Revenue	72	136	306	397	112	4,176	114	555	2,067	746
Expenses	675	6	306	1,045	815	250	278	364	5,041	749

COMMUNITY FINANCIAL REPORT 2002/2003

FINANCIAL HIGHLIGHTS



Fees & Charges Received by Council (Money Coming In)	(\$'000)
Search Fees	9
Printing/Stationery/Misc	3
Council Documents	2
Development Planning	14
Building Fees/Permits	27
House Removal Inspection	1
Streets - Fees & Charges	4
Aerodromes Lease	5
Libraries - Fees	1
Housing - Rent	75
Caravan Park - Lease	7
Sport/Rec Facility	3
Hall/Cultural Centre Hire	10
Showgrounds	6
Animal Registrations Urban	23
Impounding Urban Animals	3
Cemetery	17
Disposal Fees	2
EPA Licence/Legal	12
Health Inspection	10
Impounding Stock	2
Water Tower Rental	6
Water	15



Capital Expenditure (\$'000) - Assets that Council Capitalised during 2002/2003								
Land	Buildings	Plant & Equipment	Furniture	Transport	Water	Urban Waste Water	Strategic Plan	Other Assets
-	179	568	5	1,963	100	9	-	66

COMMUNITY FINANCIAL REPORT 2002/2003

30 June 2003 Vital Signs	
Number of rateable Properties	2,219
Valuation of rateable properties	\$170 Million
Minimum General Rate for 2002/2003	\$260
Dogs Registered	1,154
Library Membership	1,980
Library Borrowings	31,125
Correspondence Registered (Incoming and Outgoing)	12,150.00
Development Approvals:	
<i>Building</i>	103
<i>Material Change of Use</i>	15
<i>Operational Works</i>	-
<i>Reconfiguration of Lot</i>	14
Garbage Recycled	104.4 Tonnes
Permanent Employees	76
Casual/Part Time Employees	11
Queensland Treasury Corporation (QTC) Loans (<i>monies owed to QTC</i>) (refer to <i>Borrowing Position Table</i>)	\$4.141 Million
Capital Expenditure (<i>including Work in Progress</i>)	\$3.20 Million
Depreciation (<i>The charge made to allocate the cost of an asset over its expected useful life.</i>)	\$4.31 Million
Unfunded Depreciation	\$1.60 Million
Total Area of Parks and Gardens <i>Maintained by Council</i>	65 Hectares
Parks and Gardens Expenditure (<i>including depreciation</i>)	\$172,887
Number of Showgrounds <i>Maintained by Council</i>	5
Showground Expenditure (<i>including depreciation</i>)	\$150,617
Number of Halls/Cultural Centres <i>Maintained by Council</i>	5
Hall/Cultural Centre Expenditure (<i>including depreciation</i>)	\$164,357
Sport/Recreation Facilities Expenditure (<i>including depreciation</i>)	\$64,670
Swimming Pool Expenditure (<i>including depreciation</i>)	\$98,263
Tennis Court Expenditure (<i>including depreciation</i>)	\$5,324
Cash Donations to Community Groups	\$13,800
Population (2001 Census)	5,564
Total Pensioner Rate Remission	\$23,375
Length of Council Roads (<i>does not include Roads owned by Main Roads</i>)	2,428 Kilometres

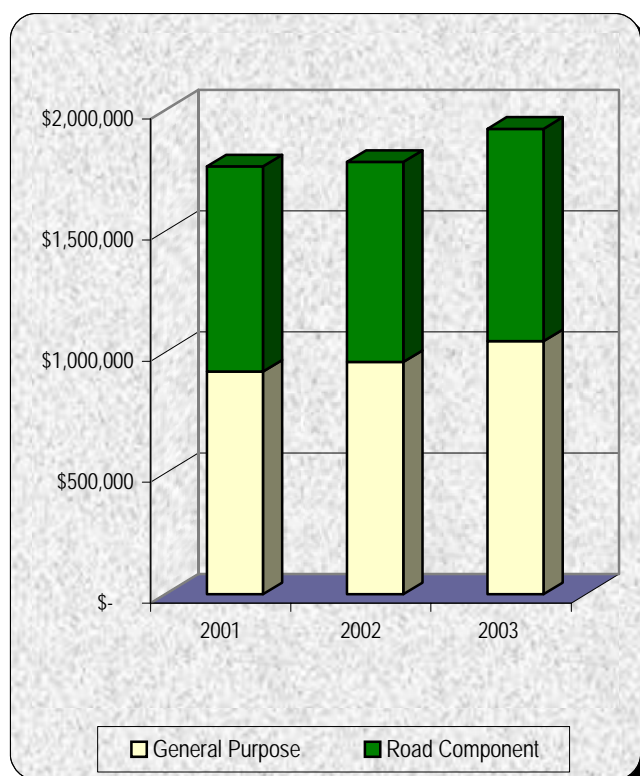
Trend Analysis

- How Council is Performing over a 3-Year Period:

	2002 /2003	2001 /2002	2000 /2001
Net Rate and Utility Charges Revenue/Total Revenue (The percentage of monies from rate payers out of total Council Revenue - Basically how much does Council rely on Rate Payers for Revenue)	54.24%	52.31%	55.76%
Interest and Redemption / Rates and Charges (The percentage of Total Rates and Utility Charges that is required to meet Council's annual loan repayments including both interest and redemption)	12.40%	11.33%	8.92%
Debt Servicing and Redemption Cost / Total Revenue (The percentage of Total Revenue that is required to meet Council's annual loan repayments including both interest and redemption)	6.73%	5.91%	4.97%
Total Liabilities / Total Assets (The percentage of Council's Total Liabilities (Monies owing to Creditors and Queensland Treasury Corporation) divided by Council's Net Total Assets (the property that Council owns after they have been depreciation)).	7.63%	9.26%	8.62%
Net Debt /Total Revenue (The percentage of Council's Total Debt including long term borrowings divided by Council's Total Revenue)	65.72%	65.33%	68.13%

COMMUNITY FINANCIAL REPORT 2002/2003

Federal Assistance Grant's Graph



This graph shows the funds that Council has received from the Federal Government. This Grant is broken up into General Purpose (which is put into Council's General Fund) and Road Component (which is specifically for capital road/street/bridges expenditure).

Balonne Shire Council's Borrowing Position as at 30th June 2003

Program	Interest Payments 2002/2003	Redemption Payments 2002/2003	Total Payments 2002/2003	Closing Loan Balance as at 30 June 2003
Roads	4,621	5,110	9,731	35,912
Bridges	113,893	113,879	227,772	1,624,334
Stormwater Drainage - U/Ground	2,438	6,383	8,821	42,485
Works Depots	91,725	42,331	134,057	1,418,943
Halls/Civic/Cultural Centres	12,391	16,899	29,290	145,995
Urban Waste Water	20,327	18,367	38,694	254,481
Urban Water	46,221	68,894	115,115	618,456
Total	\$ 291,616	\$ 271,863	\$ 563,479	\$ 4,140,606

Legend: R = Regulatory Fee; C = Commercial Charge; * = GST Inclusive

LEGEND

LGA – Local Government Act
IPA – Integrated Planning Act
EPA – Environmental Protection Act
WA – Water Act

Documents Available for Inspection/Sale

Document	Price	R/C	Act/Section
Council Agenda	\$0.20 per single A4 page \$0.40 per double-sided A4 page	R	LGA - s.1071A (c)
Council Meeting Minutes	\$5 per Meeting	R	LGA - s.1071A (c)
Standing Committee Agendas	\$0.20 per single A4 page \$0.40 per double-sided A4 page	R	LGA - s.1071A (c)
Standing Committee Minutes	\$0.20 per single A4 page \$0.40 per double-sided A4 page	R	LGA - s.1071A (c)
Administrative Policy Manual	\$0.20 per single A4 page \$0.40 per double-sided A4 page	R	LGA - s.1071A (c)
Annual Budget Statement	\$10 per copy	R	LGA - s.1071A (c)
Council Local Laws and Local Law Policies	\$0.20 per single A4 page \$0.40 per double-sided A4 page	R	LGA - s.1071A (c)
Annual Report	\$5 per copy	R	LGA - s.1071A (c)
Shire Planning Scheme Document	\$10 per copy	R	LGA - s.1071A (c)
Development Application Register	\$0.20 per single A4 page \$0.40 per double-sided A4 page	R	LGA - s.1071A (c)
Rating/Property/Building Search	\$70 per property \$100 per property urgent (within 2 days)	R	LGA - s.1071A (c)
Town Planning Certificate	\$65 per property	R	LGA - s.1071A (c)
Shire Street/Road Register	\$0.20 per single A4 page \$0.40 per double-sided A4 page	R	LGA - s.1071A (c)
Cemetery Register	* \$1.10 per single sheet or part thereof (Computer Printout)	C	
Sewerage House Drainage Plans	\$2.50 each	R	LGA - s.1071A (c)
Shire Organisations - Address Book (8x3 Address Label Format)	* \$0.06 per record (Minimum charge * \$1.10) No charge for charitable organisations	C	
Shire Promotional Video	* \$22 each includes postage in Australia	C	

Documents Available via Subscription Service

Minutes of all Council Meetings	\$60 per year	R	LGA - s.1071A (c)
Building Approval Lists	\$60 per year	R	LGA - s.1071A (c)

Refer also to Council's Freedom of Information Statement of Affairs.

Balonne Shire Council
Local Government Act 1993 - Sections 237 and 465
Remuneration Package for Councillors
2002/2003

APPENDIX 4

The following Councillors' remuneration package was adopted by the Council at its 2002/2003 Budget Meeting held on 21st June, 2002:-

1. PURPOSE OF THE REMUNERATION PACKAGE.

This remuneration package has the following objectives:

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

2. PRINCIPLES ON WHICH REMUNERATION PACKAGE IS TO BE BASED

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

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

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

2.1 Meeting Attendance Fees

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

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

	Councillor			Mayor		
	Where the meeting or meetings, inclusive of travel time, are:-					
	greater than 4 hours duration	less than 4 hours but greater than 2 hours duration	less than 2 hours duration	greater than 4 hours duration	less than 4 hours but greater than 2 hours duration	less than 2 hours duration
	(100%)	(60%)	(40%)	(110%)	(66%)	(44%)
Meeting Fees (per day)	\$ 150	\$ 90	\$ 60	\$ 165	\$ 99	\$ 66

2.2 *Mayoral Allowance*

- (a) The annual allowance payable to the Mayor shall be \$15,000.
- (b) This allowance will be in addition to the Meeting Fees.
- (c) To facilitate administrative matters, the Council shall maintain and pay all telecommunication charges with respect to a facsimile machine installed at the Mayor's residence.

2.3 *Deputy Mayoral Allowance*

- (a) The annual allowance payable to the Deputy Mayor shall be \$5,000.
- (b) This allowance will be in addition to Meeting Fees.
- (c) This allowance provides for Acting Mayoral duties, as required in the absence of the Mayor.

2.4 *Councillor Allowance*

- (a) The annual allowance payable to a Councillor, other than the Mayor and Deputy Mayor, shall be \$2,000.
- (b) This allowance will be in addition to Meeting Fees.

2.5 *Communication Allowance*

- (a) Elected Members shall receive an annual Communication Allowance of \$550 to help defray additional telephone, facsimile and postage costs associated with their duties.
- (b) This allowance will be in addition to Meeting Fees.

3. *MOTOR VEHICLE EXPENSES*

- (a) Elected Members will be entitled to a mileage allowance on actual mileage travelled in attending to the abovementioned meetings where the Elected Member is required to use his/her private vehicle. Mileage allowance will be paid for necessary use of a private vehicle for Council business only. Council will, where possible, provide a Council vehicle or vehicles for travelling necessary for official duties and where such vehicles are made available, mileage allowance will not be paid.
- (b) The mileage rate applicable will be that of the "over 2000cc Engine Capacity" rate referred to in Clause 17 of the Queensland Local Government Officers' Award, which currently stands at 54.5 cents per kilometre.

4. *REIMBURSEMENT OF EXPENSES*

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

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

5. METHOD OF PAYMENT

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

Balonne Shire Council
Local Government Act 1993 - Sections 237 and 465
Remuneration Package for Councillors
2002/2003

APPENDIX 4

- (c) Payment of the Mayoral, Deputy Mayoral, Councillor and Communication Allowances shall be made quarterly **by direct credit to a bank account of the Councillor's nomination.**

6. DATE AND PERIOD OF EFFECT

- (a) The remuneration package as listed above will have effect from 1st July, 2002, and will remain constant until 30 June, 2003.

7. BASIS FOR ADOPTING THE REMUNERATION PACKAGE

It is considered that the more extensive duties of the Mayor and Deputy Mayor justify higher remuneration than the remuneration appropriate for Elected Members.

From time to time Elected Members are required to represent the Council at Meetings of the various Local Government Associations and other Regional Associations and Committees, of which Council is an affiliate.

The fees proposed are considered to provide a reasonable level of remuneration for elected Members having regard to their statutory duties, expected accessibility to Ratepayers and Citizens of the Shire and other community expectations of Elected Members and are based on the premise that an Elected Member should not be out-of-pocket for attending to their duties of Office.

L.R. Vohland,
CHIEF EXECUTIVE OFFICER

1.0 BACKGROUND

Section 7 of the Local Government Finance Standard, 1994 requires Local Governments to adopt a policy about borrowings. Such a policy must, as a minimum, include:-

- new borrowings planned for the current financial year and the next two (2) financial years; and
- the purpose of the new borrowings; and
- the time over which it is planned to repay existing and proposed borrowings.

2.0 POLICY

2.1 Purposes for which borrowing is allowable.

Council shall, where necessary, undertake borrowing for the following purposes only:-

- Roadworks/ Streetworks construction/reconstruction
- Bridgeworks construction/reconstruction
- Water Supply Infrastructure construction/reconstruction
- Sewerage Infrastructure construction/reconstruction
- Aerodrome construction/reconstruction
- Building construction/reconstruction
- Drainage works construction/reconstruction
- Community Services Infrastructure construction/reconstruction

Borrowing for the above purposes is subject to the following restrictions in addition to those imposed elsewhere in this policy:-

2.1.1 Roadworks construction/reconstruction

*Construction/Reconstruction to bitumen or equivalent standard
Construction/Reconstruction of major road drainage works*

2.1.2 Bridgeworks construction/reconstruction

Construction/Reconstruction of major bridges

2.1.3 Water Supply Infrastructure construction/reconstruction

Any construction/reconstruction which can not be funded from revenue

2.1.4 Sewerage Infrastructure construction/reconstruction

Any construction/reconstruction which can not be funded from revenue

2.1.5 Aerodrome construction/reconstruction

Aerodrome pavement reconstruction etc..

2.1.6 Building construction/reconstruction

Major public building construction/reconstruction

2.1.7 Drainage works construction/reconstruction

Major stormwater drainage works / flood mitigation works

2.1.8 Community Services Infrastructure

Major Recreation/Sport/Economic Development/Cultural infrastructure construction/reconstruction which can not be funded from revenue.

2.2 Financial constraints on borrowing.

2.2.1 General Programmes

Borrowing shall not be undertaken if the effect of such borrowing will result in annual Interest and Redemption payments exceeding 30% of Council's general rate revenue unless specifically authorised otherwise by resolution of Council.

2.2.2 Urban Water Programme

Borrowing shall not be undertaken if the effect of such borrowing will result in annual Interest and Redemption payments exceeding 30% of Council's urban water utility charge revenue unless specifically authorised otherwise by resolution of Council.

2.2.3 Sewerage Programme

Borrowing shall not be undertaken if the effect of such borrowing will result in annual Interest and Redemption payments exceeding 30% of Council's sewerage utility charge revenue unless specifically authorised otherwise by resolution of Council.

2.2.4 Special Rate Programmes

No further loan funds shall be raised under the St. George Special Rate Programme.

No loan funds shall be raised under the Dirranbandi Special Rate Programme.

2.3 Method of borrowing.

Council will borrow from the Queensland Treasury Corporation.

2.4 Terms of borrowing.

The repayment period of a loan shall not exceed the useful life of the asset being created.
For example:- A loan for the construction of a bitumen road with an expected life of 15 years shall not have a repayment period in excess of 15 years.

2.5 Borrowing programme

Council's borrowing programme for the current financial year and the proposed borrowing programme (tentative) for the next two (2) financial years is as provided in Appendix "A".

2.6 Existing Borrowings

Council's existing borrowings shall be redeemed over the period originally negotiated, excepting that Council may negotiate new repayment schedules which shorten the term of the loan.

Where the provisions of this borrowing policy allow, loans which fall due for conversion shall be fully redeemed at the time specified for conversion.

Loans which fall due for conversion, and are to be renegotiated, shall be renegotiated as if they are new loans under this borrowing policy.

Balonne Shire Council
Borrowing Policy 2002/2003

APPENDIX 5

Resolution Date: 21st June, 2002

Meeting Type: Special (Budget)

APPENDIX "A"

PROPOSED BORROWING PROGRAMME

Financial Year	Programme	Term (years)	Purpose
2002/03	4410	20	\$900,000 - St. George Sewage Treatment Plant Augmentation
2002/03	4410	20	\$120,000 - Sewerage Reticulation Extensions/Replacement
<i>2003/04</i>	<i>4410</i>	<i>20</i>	<i>\$200,000 - Sewerage Reticulation Extensions/Replacement</i>
<i>2003/04</i>	<i>520</i>	<i>10</i>	<i>\$400,000 - Multi-purpose Sporting Facility - St. George</i>
<i>2003/04</i>	<i>5410</i>	<i>20</i>	<i>\$200,000 - Water Reticulation</i>
<i>2004/05</i>	<i>205</i>	<i>20</i>	<i>\$1,000,000 - Administration Building</i>