



*Burdekin Shire Council  
Annual Report 2003/04*



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# **S h i r e P r o f i l e**

## **Local Government**

Burdekin Shire.

## **Area**

5,053 sq kms.

## **Location**

Latitude 19° 35' south, longitude 147° 24' east, approximately 80 kms south of Townsville.

## **Population**

18,487 estimated resident population as at 30<sup>th</sup> June, 2001. (2001 Census)

## **Status**

Categorised as a Rural Agricultural Very Large (RAV) Local Authority under the Australian Classification of Local Government.

## **Rateable Assessments**

8,466 as at June, 2004

## **The Burdekin Shire**

The community of the Burdekin Shire is centred on the rich farming land of the Burdekin Delta. The principal towns are the twin towns of Ayr and Home Hill, with smaller centres of Brandon, Giru, Jerona, Alva, Wunjunga, Clare, Millaroo and Dalbeg.

The Burdekin is the largest sugar cane producing area in Australia and boasts the nation's largest water development project – the mighty Burdekin Dam, which is capable of supplying more than 1 million megalitres of water each average year to the Lower Burdekin area.

A combination of favourable climatic factors, fertile, well drained soils and a plentiful supply of irrigation water has also resulted in the establishment of the Burdekin's multi-million dollar small crops industry, with crops grown including capsicums, beans, melons, pumpkins, tomatoes, eggplants and mangoes.

Adding to the strength of the local economy is the district's grazing industry and growing aquaculture industry.

The Shire is further complemented by a variety of educational, health and sporting resources. The Shire has three high schools, numerous primary schools, pre-schools and day care centres, as well as a TAFE College and the Burdekin Agricultural College. The State Government has also invested in a new \$12 million hospital for the area. Culturally, the Shire is home to the Burdekin Theatre, a well recognized cultural venue in Queensland, the Burdekin Memorial Hall, a modern well-equipped Library and active local arts and cultural associations. After hours, the Shire offers fabulous restaurants and night time entertainment for all ages.

The Burdekin Shire Council retains its progressive and innovative attitude to development. Current growth prospects are centred on value adding to the sugar industry, crop diversification and expansion of the area's aquaculture operations.

The Council is also nearing completion of a \$3 million joint State Government and Council project, which has seen the town centre of Ayr dramatically revitalized through tree plantings, street furniture and vibrant public art works. In Home Hill, the project has resulted in the building of a Comfort Stop, with parking amenities, barbecues and art works for the enjoyment of locals. Tourists can also enjoy the area's beautiful natural sights, top Barramundi fishing, dramatic cane fires, friendly, rural hospitality and 300 days of glorious sunshine a year!

## Mayor's Review

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It is with much pleasure that I write my first review as Mayor of Burdekin Shire Council for the 2004 Annual Report.

The Local Government Election resulted in a significant turnover of elected members and there is much commitment and enthusiasm amongst the Councillors. It is essential that we stay focused and in touch with the community and their needs.

I am pleased to report the Burdekin Shire Council has once again injected significant funds into the community with a total budget expenditure of \$26.9 million, including a Works and Maintenance Budget of \$6.3 million.

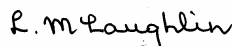
During the past year, the Ayr and Home Hill Central Business District Revitalisation Project has progressed and Stage 1 is nearing completion. Council will seek community input through a survey, prior to making a decision as to whether to proceed with Stage 2 of the project.

The activities of the Council Departments are detailed in separate reports in this document, and reflect the achievements of Council during the past year. These programmes will continue to be delivered and further developed, and Council looks forward to achieving positive outcomes for the Shire in the coming years.

The achievements of Burdekin Shire Council during the past year can be attributed to the commitment of Councillors and staff, who are dedicated to deliver outcomes beneficial to the district. I sincerely thank everyone for their contribution during the year, and acknowledge the efforts of the previous Mayor and Councillors.

I take this opportunity to thank those members of the community who have supported Council, and look forward to continued community participation in the future.

I look forward to elected members and staff working together in 2005 to ensure our Shire continues to thrive and prosper, making the Burdekin a great place to live.



Lyn McLaughlin  
Mayor



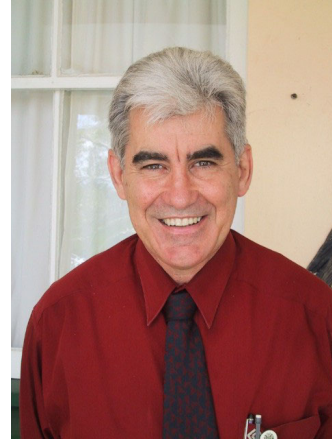
# Chief Executive Officer's Review

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The Year 2004 Annual Report represents the first "Report Card" following the March 2004 Local Government Elections.

There were significant changes to the composition of the Council at the March 27th Local Government Elections with the election of a new Mayor, Cr. Lyn McLaughlin and eight new Councillors.

As an organisation, we are challenged by change and collectively - Councillors, Management and Staff are committed to the delivery of quality Local Government services and value for money for our ratepayers and residents.



The Council's mission, vision, corporate goals and achievements are recorded in this report. We strive to create a culture and environment for a productive, highly skilled, motivated and empowered workforce that is team based, customer focused and which develops individual capability and encourages innovation.

There are a number of exciting opportunities for the Council and Burdekin community over the next few years with community input into the decision making process to proceed or otherwise with the next stage of the Ayr and Home Hill Central Business Revitalisation Programme. Council will also provide leadership within the community and continue to develop a relationship between all levels of Government and the community focused on employment opportunities, growth to ensure economic strategies are in place embracing sustainable development opportunities and nature based tourism.

The Burdekin has the space, the soil, abundant water supplies, the clean air, the 300 days of sunshine per year and importantly, a community willing to work with the Council to maximise the potential of our Local Government area.







The foundations are in place to conserve and enhance the natural and man-made environment and to move forward with the objective of further improving the quality of life for residents of a community regarded as one of the "best rural communities in Australia in which to live".





A handwritten signature in black ink, appearing to read "G.J. Webb".

G.J. Webb PSM, FLGMA (Life),  
CHIEF EXECUTIVE OFFICER.



# Councillors

	<p><b>CR. LYN MCLAUGHLIN</b></p> <p>Cr. McLaughlin was first elected in 1994 and served two terms. Cr McLaughlin did not seek re-election in 2000. Cr. McLaughlin stood and was elected as Mayor in March, 2004.</p> <p>Cr. McLaughlin is Chairman of Advisory Committees including Brandon Heritage Precinct Steering Committee, Aerodrome Advisory Committee, Burdekin Shire Council Disaster Management Group and Burdekin Cultural Complex Board.</p> <p>Cr. McLaughlin is also a member of a number of Regional based organisations and other Committees including the Enterprise Bargaining Committee and the Burdekin Shire Rivers Improvement Trust .</p>		<p><b>CR. MARK HAYNES</b></p> <p>Cr. Haynes was elected in March, 2004 and is the Deputy Mayor. Cr. Haynes is also a member of the Burdekin Cultural Complex Board, CBD Stage 2 – Community Reference Group, Ayr Chamber of Commerce and the Burdekin Neighbourhood Centre.</p>
	<p><b>CR. MARK CASTELANELLI</b></p> <p>Cr. Castelanelli was elected in March, 2004 and is a member of the Aerodrome Advisory Committee.</p> <p>Cr. Castelanelli is also a member of a number of external organisations including the South Burdekin Water Board, North Queensland Sports Foundation and the Regional Management Committee for Rural Water Use Efficiency.</p>		<p><b>CR. PIERINA DALLE CORT</b></p> <p>Cr. Dalle Cort was elected in March, 2004 and is a member of the Quality Improvement Team and Equal Employment Opportunity Committee.</p> <p>Cr. Dalle Cort is also a member of the Pest Management Working Group.</p>
	<p><b>CR. ROSS GAMBINO</b></p> <p>Cr. Gambino was elected in March, 2004 and is a member of the Enterprise Bargaining Committee.</p> <p>Cr. Gambino is also a member of the Tourism Advisory Committee to the Townsville Enterprise Ltd., the Burdekin Landcare Group and the Regional Arts Development Fund.</p>		<p><b>CR. JIM GIST</b></p> <p>Cr. Gist was elected in March, 2004 and is a member of the Enterprise Bargaining Committee and Internal Audit Committee.</p> <p>Cr. Gist is also a member of the Home Hill Chamber of Commerce.</p>

	<p><b>CR. ROSS LEWIS</b></p> <p>Cr. Lewis was elected in March, 2004 and is Chairman of the Burdekin Road Safety Advisory Committee.</p> <p>Cr. Lewis is also a member of the Burdekin Shire Council Disaster Management Group, Workplace Health &amp; Safety Committee and Internal Audit Committee.</p>		<p><b>CR. TREENA LIST</b></p> <p>Cr. List was first elected in 1988 and is currently serving her sixth term as a Councillor. Cr. List represented Division 1 for two terms. Cr. List was Deputy Mayor from 1994 to March 2004.</p> <p>Cr. List was a member of a number of Committees including the Enterprise Bargaining Committee and served as Chairman of the Internal Audit Committee and Health and Environment Committee.</p> <p>Cr. List is a current member of the Burdekin Cultural Complex Board, Brandon Heritage Precinct Steering Committee, Regional Arts Development Fund Committee and Health and Environmental Services Regional Organisation of Councils (HESROC).</p>
	<p><b>CR. LOU LOIZOU</b></p> <p>Cr. Loizou was first elected in 1991 and represented Division 2 for one term. He was re-elected to Council in 1997.</p> <p>Cr. Loizou has been a member of a number of organisations including the Burdekin Weeds Advisory Committee and Water Use Efficiency Management Group.</p> <p>Cr. Loizou is currently a member of the Burdekin Shire Council Disaster Management Group, Burdekin Shire Rivers Improvement Trust, North Burdekin Water Board and Burdekin Crimestoppers.</p>		<p><b>CR. ROBERT MARRIOTT</b></p> <p>Cr. Marriott was elected in March, 2004 and is a member of the Workplace Health &amp; Safety Committee and the Aerodrome Advisory Committee.</p> <p>Cr. Marriott is also a member of the Burdekin Cultural Complex Board and the Burdekin Bowen Integrated Flood Plain Management Advisory Committee (BBIFMAC).</p>

	<p><b>CR. LYNDY MCCATHIE</b></p> <p>Cr. McCathie was elected in March, 2004 and is a member of the Burdekin Cultural Complex Board, Local Authority Waste Management Advisory Committee (LAWMAC) and the Burdekin Community Association.</p>		<p><b>CR. JOHN WOODS</b></p> <p>Cr. Woods was first elected in 1988 and served two terms representing Division 2. In 1994, Cr. Woods was elected as Mayor and held Office until 2004.</p> <p>Cr. Woods was a member of all Council's Standing Committees, served as Chairman on the Burdekin Cultural Complex Board and Burdekin Local Government Counter Disaster Committee; was a member of the Burdekin Shire Rivers Improvement Trust, South Burdekin Water Board and a number of other Committees and Organisations.</p>
	<p><b>CR. GRAHAM ANDERSEN</b></p> <p>Cr. Andersen served a four year term on the Council until March, 2004. Cr. Andersen was a member of the Burdekin Local Government Counter Disaster Committee, Workplace Health &amp; Safety Committee, Enterprise Bargaining Committee and Signage Working Committee.</p> <p>Cr. Andersen was also a member of a number of external organisations including the Local Authority Waste Management Advisory Committee, Ayr Chamber of Commerce and Burdekin Landcare Group.</p>		<p><b>CR. LLEW DAVIES</b></p> <p>Cr. Davies served a four year term on the Council until March, 2004. Cr. Davies was a member of the Burdekin Local Government Counter Disaster Committee and Internal Audit Committee.</p> <p>Cr. Davies was also a member of the Burdekin Weeds Advisory Committee, Home Hill Chamber of Commerce and Burdekin Development Council.</p>
	<p><b>CR. MARLENE HENAWAY</b></p> <p>Cr. Henaway served a ten year term from 1994 to 2004. Cr. Henaway served as Chairman of the Burdekin Road Safety Advisory Committee and was also a member of the Signage Working Committee.</p>		<p><b>CR. ALDYTH (CHRIS) HYDEN</b></p> <p>Cr. Hyden was first elected in 1991 and served one term representing Division 4. From 1994 to 2004, Cr. Hyden was re-elected to Council and served on a number of Advisory Committees including the Internal Audit Committee and Aerodrome Advisory Committee.</p> <p>Cr. Hyden was also extensively involved as Chairman of the Burdekin Neighbourhood Centre for many years and the Burdekin Development Council.</p>



	<p><b>CR. DAVID JACKSON</b></p> <p>Cr. Jackson served a four year term until March, 2004. Cr. Jackson was a member of the Aerodrome Advisory Committee, Signage Working Committee and Burdekin Road Safety Advisory Committee.</p> <p>Cr. Jackson was also a member of other organisations including the Burdekin Cultural Complex Board, the Tourism Advisory Committee of Townsville Enterprise Ltd. and the North Queensland Sports Foundation.</p>		<p><b>CR. MARLENE PARISON</b></p> <p>Cr. Parison was first elected in 1994 and served three terms. Cr. Parison did not seek re-election in 2004.</p> <p>Cr. Parison served as Chairman of the Combined Works Committee and was also a member of the Burdekin Local Government Counter Disaster Committee, Burdekin Weeds Advisory Group and Burdekin Shire Rivers Improvement Trust.</p>
	<p><b>CR. PETER (HENRY) PETERSEN</b></p> <p>Cr. Petersen was elected at a By-Election held on 25<sup>th</sup> November, 2000 and served until March, 2004.</p> <p>Cr. Petersen was a member of the Workplace Health &amp; Safety Committee, Burdekin Cultural Complex Board and Burdekin Development Council.</p>		<p><b>CR. WARREN TAME</b></p> <p>Cr. Tame was appointed on 10<sup>th</sup> June, 1993 and served until March, 2004. Cr. Tame did not seek re-election in 2004.</p> <p>Cr. Tame was Chairman of the Planning &amp; Development Committee and a member of the Workplace Health &amp; Safety Committee, Burdekin Cultural Complex Board, Burdekin Community Association and Burdekin Development Council.</p>

# Council's Mission and Values

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## **Mission Statement**

"The role of the Burdekin Shire Council is to strive to make the Burdekin district the best rural community in Australia in which to live."

## **Values**

How we achieve our mission is as important as the mission itself. Fundamental to success for the Council are these basic values.

**Commitment to the Organisation** – a commitment by Councillors, management and employees to achieving the objectives of the Council.

**Openness, Honesty and Trust** – to provide an organisational culture that expects openness, honesty and trust and engenders these principles in its work with the community.

**Best Practice, Productivity, Innovation and Continual Learning**– a commitment to ongoing development of skills and knowledge of Councillors, management and employees to deliver outcomes underpinned by continuous improvement, best practice and innovation.

**Teamwork** – to recognise the importance of maintaining a stable work environment in which Councillors, management and employees work constructively together in a spirit of teamwork, trust and loyalty.

**Customer Focus** – to recognise and value the importance of our customers and to deliver excellence in services provided to both our external and internal customers.

**Community Awareness and Wellbeing** – to respond to the realistic and prioritised needs of the community and to embrace the principles of community wellbeing linked to ecological sustainable development and regard resource management as resource stewardship for the future, to help build an integrated, accessible community.

**Fairness, Equity and Ethical Behaviour** – to recognise that fairness, equity and ethical behaviour should underpin all decisions made by Council, management and employees in dealings with internal and external customers and is based on respect for others.

**Valuing People** – to recognise our ratepayers, citizens and employees as our greatest asset and to value their contribution and commitment to the Burdekin Shire.

# Corporate Governance

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## **Corporate Governance**

The Australian National Audit Office has defined Corporate Governance as follows :-

*“Corporate Governance is about formalising and making clear and consistent the decision making processes in the organisation. An effective system of corporate governance will help facilitate decision-making and appropriate delegation of accountability and responsibility within and outside the organisation. This should ensure that the varying needs of the stakeholders are appropriately balanced; that decisions are made in a rational, informed and transparent fashion; and that those decisions contribute to the overall efficiency and effectiveness of the organisation.”*

The Council is committed to high standards of corporate governance and accountability and seeks continuous improvement in this area.

## **Local Government Act 1993**

The Local Government Act 1993 is the legislation under which the Burdekin Shire Council is constituted and contains detailed reporting and operational requirements, which the Council has a duty to comply with.

The governance framework, applicable to Local Government, is generally more complex than in the private sector. Local Government tends to have broad objectives with wide reaching impacts on the community as distinct from private organisations where the overriding obligation is to maximise the return to shareholders. Local Government must recognise the wider public interest issues associated with the delivery of public services while still ensuring the efficient and effective delivery of services.

In common with the private sector, Local Government has to respond to a complex set of stakeholder and legal requirements, particularly regarding financial reporting. In addition, Local Government has to satisfy public accountability requirements.

The Local Government Act 1993 clearly distinguishes between the role of the elected members of the Council and the Chief Executive Officer. The separate roles of the elected members and the Chief Executive Officer are more fully described in the Local Government Act.

## **Committees and reporting structures**

The Council has the following basic meeting structure for managing its business:

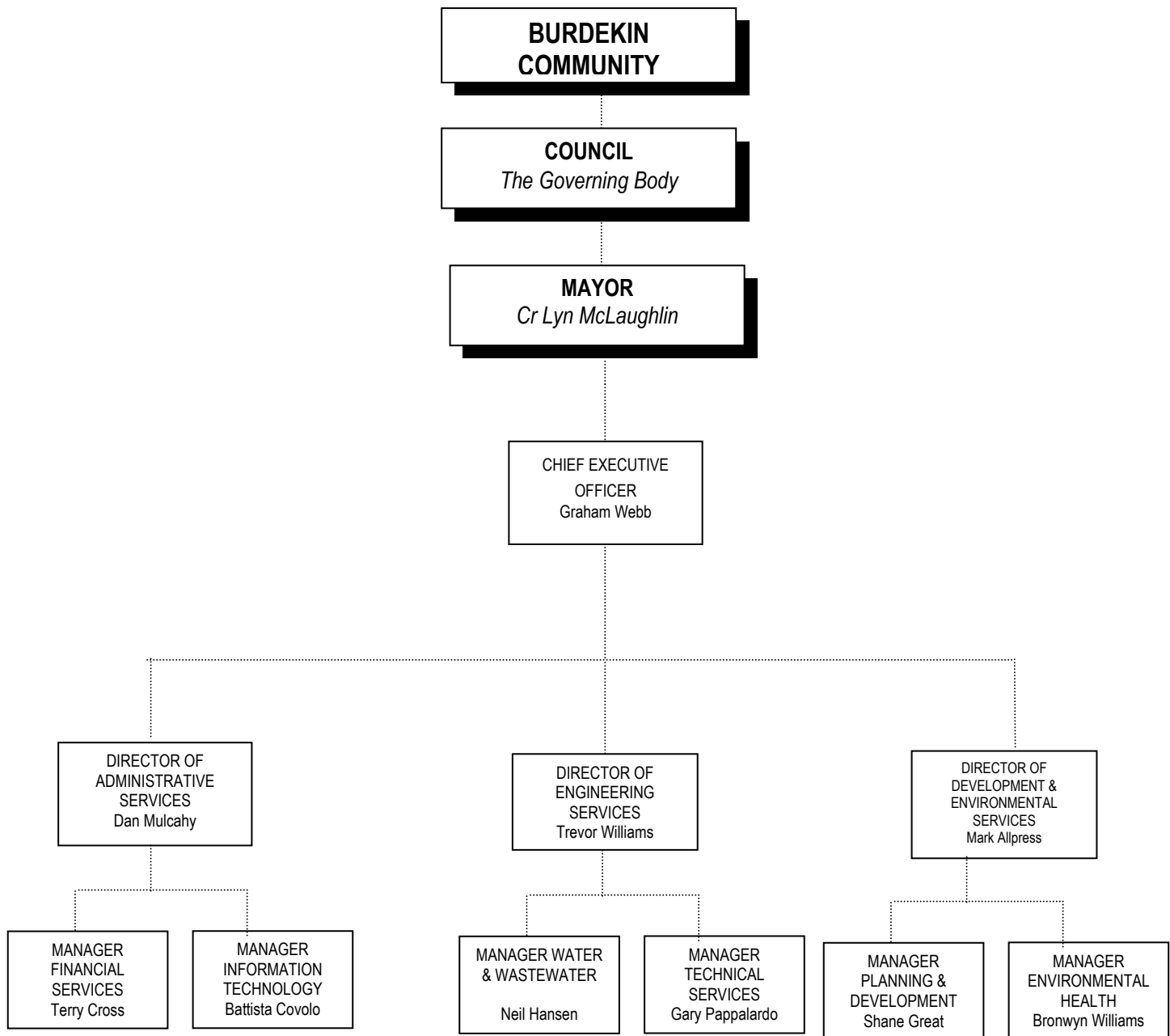
- Ordinary Council meetings – generally on the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> Tuesday of each month.

Other advisory committees have also been established. Any changes to meeting times and dates are advertised in the local media. All Council and Committee meetings are open to the public.

The organisational structure is shown diagrammatically on the next page.

# Organisational Structure

*The Organisational Structure as at 30<sup>th</sup> June 2004*





# Elected Members & Senior Executive Officers

*Elected Members & Senior Executive Officers as at 30<sup>th</sup> June, 2004*



Back (L to R) Mr. D Mulcahy (Director of Administrative Services), Cr R Marriott, Cr R Lewis, Cr M Castelanelli, Cr L Loizou, Cr J Gist, Cr R Gambino, Mr. T Williams (Director of Engineering Services), Mr. M Allpress (Director of Development & Environmental Services), Front (L to R) Cr. L McCathie, Cr. T List, Cr. M Haynes (Deputy Mayor), Cr. L McLaughlin (Mayor), Mr G Webb (Chief Executive Officer), Cr. P Dalle Cort

MAYOR  
Cr. Lyn McLaughlin  
M.S 54, Ayr  
(Telephone 4782 7155)

Cr. Mark Castelanelli  
P.O Box 648, Ayr  
(Telephone 4782 6783)

Cr. Pierina Dalle Cort  
19 Sydney Street, Ayr  
(Telephone 4783 4495)

Cr. Ross Gambino  
11 Cameron Street, Ayr  
(Telephone 4783 3939)

Cr. Jim Gist  
80 Ninth Avenue, Home Hill  
(Telephone 0427 101 392)

Cr. Mark Haynes  
(Deputy Mayor)  
74 Hillier Street, Brandon  
(Telephone 4782 5223)

Cr. Ross Lewis  
P.O Box 528, Ayr  
(Telephone 0418 180 274)

Cr. Treena List  
P.O Box 550, Ayr  
(Telephone 4783 6636)

Cr. Lou Loizou  
Daniel Road, Home Hill  
(Telephone 4782 0141)

Cr. Robert Marriott  
P.O Box 290, Home Hill  
(Telephone 4782 2961)

Cr. Lyndy McCathie  
130 Wilmington Street, Ayr  
(Telephone 4783 2932)

In addition to the above formal meeting structure, the Council at its discretion will appoint sub-committees of Councillors and staff to examine particular issues and/or consult with external stakeholders in relation to particular matters. Recommendations from these sub-committees are then brought to the Council for consideration.

Furthermore, the Chief Executive Officer also schedules executive meetings comprising of Directors and Managers to discuss organisational issues. These meetings usually occur monthly.

### **Leadership and strategy**

Elected Members as representatives of residents and ratepayers provide community leadership and guidance and facilitate communication between the community and the Council. The Mayor must ensure the carrying out of the local government's decisions and may provide advice to the Chief Executive Officer on the implementation of Council decisions.

A number of documents collectively guide the organisation. These are:

- **Corporate Plan**  
This plan has a five-year timeframe covering all of the major activities of the Council. It is influenced by the general community, elected members and staff views in setting medium term objectives. The Corporate Plan is reviewed annually by the Council.
- **Annual Budget**  
This document expresses the objectives, plans and resources associated with the first year of the Corporate Plan. The Budget is adopted each year by Council.

### **Support for Elected Members**

The Chief Executive Officer, through an effective support process provided by the Local Government Association of Queensland, ensures Elected Members understand their roles and responsibilities and are able to add value and bring independent, informed and objective judgements to bear on the governance and decision making process of the Council. An induction programme is provided to all new Councillors on appointment.

The Council's Budget enables elected members to attend conferences, seminars and/or workshops in order to improve their knowledge in the various areas that make up Local Government.

### **Ethics and values**

To ensure that the Council meets its obligations under the Act and to support its commitment to ethical behaviour, a draft Code of Conduct for Councillors and employees has been prepared. It is expected that consultation on the draft Code of Conduct will take place during 2004/05 and that a formal Code of Conduct will then be adopted.

The Chief Executive Officer and employees are required to follow all policies and guidelines adopted by Council, as well as the requirements of the Local Government Act. An important area for corporate governance and in the relationship between the Council and its stakeholders is in the area of purchasing, which the Council has a detailed policy to guide all employees in relation to procurement activities.

The Chief Executive Officer maintains Material Personal Interest Registers for all Councillors and designated senior officers. In addition, there is a register of gifts maintained to record any gifts offered to Councillors and staff.

## **Monitoring and review**

The Council has a number of instruments in place to ensure that performance is continually monitored and reviewed and that corrective action is taken where required.

- **Financial Reporting**  
Accrual based financial reports are normally prepared and submitted to Council on a monthly basis to satisfy financial accountability requirements. Following implementation of a new corporate wide software system, monthly financial reports have not been provided pending finalisation of the format and detail required for such reports. The Annual Budget is revised at least twice per year.
- **Operational Plan Reporting**  
Operational Plans are firstly adopted by the Council to reflect programmes, priorities and projects included in the Annual Budget. The operational plan is then reported on at quarterly intervals to the Council.
- **Annual Report**  
An Annual Report, which includes financial and activity statistics, as well as a full set of the audited financial statements, are produced for the Council and other interested parties.

## **Risk Management and Internal Control**

Council meetings are held regularly and elected members are given adequate notice of meetings, which comply with the prescribed statutory requirements. Where ever possible, agenda items and relevant material are provided prior to the meetings to enable informed discussion by the elected members. Minutes of meetings accurately reflect the decisions taken by the Council.

The Council has implemented other strategies and/or is developing other strategies to achieve effective risk management and internal control including the following:

- Limits of authority are delegated and appropriate processes are outlined in respect of purchasing.
- Position Descriptions are established for all staff positions.
- Policies are currently being documented in a policy register, which is accessible on the Intranet for all staff. Older policies require periodic review to determine their currency.
- An internal audit committee has been established to review external audit reports and monitor appropriate internal control frameworks.
- An auditor appointed by the Queensland Auditor-General audits Council annually. The Council's current auditor is Pickard Associates. This provides a statutory mechanism for an external review of Council's financial operations and other corporate matters affecting the sound management of the organisation.
- The adequacy of Council's insurance coverage is checked on an annual basis in consultation with our insurance brokers.
- The Council is a member of the QLD Local Government Workcare Scheme, which is a self insurance scheme for workers compensation claims. To remain a member of the scheme, the Council is committed to implement a Workplace Health & Safety Management Program titled SafePlan.
- A Workplace Health & Safety Committee made up of employees and Councillor representation monitors incidents in the workplace and recommends preventative action.

## **Legislative Administration and Compliance**

### **Legislative Responsibility**

The Council must comply with all of its statutory obligations, not only of the Local Government Act but also of the many other legislative requirements which impact on its activities. Examples of such legislation include elections, workplace health and safety, GST, fringe benefits tax, competitive neutrality, planning and building, freedom of information, employment and environmental legislation to name just a few.

Local Government has such a broad range of legislative requirements, more complex than the private sector or more narrowly focused organisations, so it is important Council can be assured compliance is taking place.

Industry bodies such as the Local Government Association of Queensland and the Department of Local Government play a significant role in communicating legislative requirements and changes.

### **Delegations and authorisations**

In accordance with the Local Government Act, the Council has delegated a broad range of powers, duties and functions to the Chief Executive Officer in order to expedite decision making and provide a high level of customer service. Where appropriate, the Chief Executive Officer has further delegated powers to staff and/or authorised particular officers to undertake certain activities.



## Activity Statistics

The following indicators have been selected as a guide or measure of the activities of the Council.

	2002/2003	2003/2004
Average Net Rates Per Residential Property ( <i>Excluding Fire Levy</i> )		
- Ayr	\$1,363	\$1,460
- Home Hill	\$1,203	\$1,198
- Brandon	\$1,325	\$1,423
- Giru	\$880	\$983
Level of Gross Rates Arrears ( <i>Excluding Fire Levy</i> ) *	\$1,062,681	\$1,153,618
Interest and Redemption Repayment Per Rateable Assessment	\$322	\$319
Loan Debt ( <i>Market Value Adjusted</i> ) Per Rateable Assessment	\$1,761	\$1,766
<hr/>		
Number of Building Approvals	331	343
Dollar Value of Building Approvals	\$9,308,569	\$9,860,769
Number of Building Approvals (Private Certifiers)	31	20
Dollar Value of Building Approvals	\$2,535,734	\$902,766
Number of Building Approvals (other Local Government Areas).	**69	249
Dollar value of Building Approvals.	\$2,344,871	\$11,376,935
<hr/>		
Number of Material Change of Use Impactment Assessment	10	13
Number of Material Change of Use Code Assessments	6	10
Number of Reconfiguration Applications	50	6

\* As at 30<sup>th</sup> June, the rates income and rates arrears (receivables) include the water consumption income for the second reading for the financial year. In past years this income was recognised in the following year when rate notices were levied and issued. The changed accounting treatment of accruing the water consumption income back to the current financial reporting year complies with the principle of matching incomes and expenses with the periods in which they are earned or incurred.

\*\* Work performed outside of Burdekin Shire by Council Officers from 5-11-02 to 30-6-03.

# Performance Indicators

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The following ratios and performance indicators have been calculated from the 2003/2004 Financial Statements.

## Financial

	2002/2003	2003/2004
<b>Revenue Ratio</b> The percentage of council's total operating income derived from rates and charges. Indicates Councils dependence on rates and charges revenue.	78.0%	79.4%
<b>Working Capital Ratio</b> Council's ability to meet current commitments	3.2	3.7
<b>Debt Servicing Ratio</b> The percentage of total operating income used to service debt	11.60%	11.0%
<b>Borrowing Ratio</b> The relationship between total borrowing and total operating income	62.4%	61.7%
<b>Rates Arrears Ratio *</b> The effectiveness of council's collections of rates and charges	5.7%	5.9%
<b>Capital Expenditure Ratio</b> Ratio of capital expenditure to depreciation	123.5%	113.9%
<b>Unfunded Depreciation Ratio</b> Percentage of annual depreciation expense not funded from current revenue	36.4%	18.5%
<b>Change in Community Equity Ratio</b> Percentage change in council's net wealth	26.3%	0.3%

\* Refer previous page for explanation of Rates Arrears for 2003/2004.

The following ratios and performance indicators have been submitted for the 2003/2004 Comparative Performance Information prepared by the Department of Communication, Information, Local Government, Planning and Sport.

## Personnel

	2002/2003	2003/2004
Number of employees per 100 capita	1.12	1.09
Wages and Salaries as a percentage of total operating expenditure	53.22%	52.61%
Number of employees per \$1,000,000 total operating expenditure	12.14	11.14
Percentage of work time lost due to accident	0.28%	0.20%

## Waste Management Services

	2002/2003	2003/2004
Waste collection costs per property serviced	\$139.92	\$143.05
Total tonnage of refuse collected per property serviced	0.62	0.61
Total tonnage of refuse collected per bin serviced	0.52	0.52

### Road Maintenance Services

	2002/2003	2003/2004
<b>Road Maintenance expenditure per laned kilometre – sealed roads</b>		
Urban	\$1,014	\$1,164
Rural	\$401	\$365
Total	\$524	\$524
<b>Road maintenance expenditure per laned kilometre – unsealed roads</b>	\$1,063	\$1,120
<b>Percentage of sealed roads 'resealed'</b>		
Urban	13.03%	8.21%
Rural	8.96%	10.52%
Total	9.77%	10.06%

### Water Services

	2002/03	2003/04
Properties served per 100km mains employed	2,096	2,098
Water OMA costs per properties served	\$293	\$288
Water OMA costs per 100km of mains	\$613,474	\$604,000
Water quality standard/guidelines Bacteriological compliance		
Faecal coliform compliance	100%	91.67%
Total coliform compliance	74.29%	66.67%

### Sewerage Services

	2002/2003	2003/2004
Properties served per 100km of main	4,560	4,566
Sewerage OMA costs per properties served	\$286	\$291
Sewerage OMA costs per 100km of main	\$1,302,880	\$1,329,677
Compliance with sewerage effluent standards for BOD	100%	100%
Compliance with sewerage effluent standards for Suspended Solids	100%	100%
Confirmed sewer chokes per 100km of main	1.3	2.6

### Parks and Gardens

	2002/2003	2003 /2004
Cost of maintaining parks and gardens per hectare maintained	\$18,231	\$20,348

## Burdekin Shire recognises achievers at Australia Day Celebrations on Monday, 26<sup>th</sup> January, 2004

The Burdekin community celebrated Australia Day at a ceremony held at the Burdekin Theatre and acknowledged the achievements, dedication and outstanding service of some of its prominent citizens and community groups.

**Terry Baxter – Citizen of the Year**  
**Shirley Gilmore – Achievement Award**  
**Kristen Tuffin – Young Citizen of the Year**  
**John Barbagallo – Senior Sports Award**  
**Kate Castelanelli – Junior Sports Award**  
**Christopher Perry – Sports Administrator Award**  
**Nat Dash – Junior Cultural Award**  
**Pat Harris – Senior Cultural Award**  
**Gino Paris Soccer Carnival – Community Event of the Year**  
**David Breen – Bravery Certificate**



**Terry Baxter, Citizen of the Year and Kristen Tuffin, Young Citizen of the Year**

### **Citizen of the Year**

The 2004 Australia Day Citizen of the Year, Terry Baxter, was nominated for his dedication and outstanding voluntary service to the Lower Burdekin Home for the Aged for the past 21 years.

He has been a member of the Lower Burdekin Home for the Aged Society Council of Management for the past 21 years of which 19 years he was President. He was a member of the former Apex Club of Ayr for 10 years. He has served as Treasurer and Committee member for the Presbyterian Church in Ayr. He is a long time member of the Ayr Golf Club and was involved with the Junior Cricket Association as an umpire for many years. He is a member of the North Queensland Law Association and a member of the Townsville Port Authority. He is also an Honorary Solicitor for various community organisations including the Vietnam Veterans Association.

It is very fitting to see someone of his calibre being recognised for his tireless efforts for the Burdekin Community.



### **Achievement Award**

The winner of the Achievement Award, Shirley Gilmore, was nominated for supporting women who have been diagnosed with Breast Cancer and for ongoing support and education for these women. She commenced a support group for women with breast cancer approximately 13 years ago and has regular meetings at her house to offer support, comfort and understanding to these women. This support has made a tremendous difference to the lives of many women diagnosed with breast cancer.

To raise money for breast cancer day on October, 2003, the recipient organised a Champaign breakfast at the Burdekin Theatre which was very successful. She has been a nursing sister at the Ayr Hospital for numerous years. She has been a member of the Queensland Cancer fund since 1994 and twice entered in the Nurse of the Year Quest.

She has given so much of herself to this community and is very worthy in deed of recognition.

### **Young Citizen of the Year**

The Young Citizen of the Year, Kristen Tuffin, was nominated for her broad range of involvement in school, cultural and community activities. Her achievements include:-

- Treasurer of the St. Vincent De Paul Committee at Burdekin Catholic High School
- Member of the Burdekin Catholic High School Interact Club
- Leader of the Edmond Rice Camps - a 5 day camp for disadvantaged teenagers
- Volunteer worker at the Lower Burdekin Home for the Aged Dementia Ward during each weekend in 2003
- Brandon Lions Club representative for Youth of the Year Quest
- Organist at Sacred Heart Catholic Church
- Endeavour Foundation Door Knock Appeal collector
- Voluntary work at the Ayr Hospital
- University of Queensland School Science Ambassador
- She was awarded the Ergon Energy prize for Academic Achievement at Burdekin Catholic High School in 2003
- She received the Christian Leadership Award at Burdekin Catholic High School in 2003
- She has been accepted to study Medicine at James Cook University in 2004

She is a young lady with a very promising future.



*(L to R) John Barbagallo, Senior Sports Award winner, Brian Gilmore, Alan Chatfield, Terry Baxter, Mayor John Woods, Kristen Tuffin, Christopher Perry, Pat Harris and Nat Dash*

### **Senior Sports Award**

The 2004 Australia Day Sports Awardee, John Barbagallo, was nominated for his outstanding achievement in the sport of Drag Car Racing. His achievements include:-

- Winner of the Australian National Drag Car Pro Stock Group A Championship in 2003
- Winner of the best "Paired Run" – Pro Stock at the Australian National Titles in 2003
- Runner-up at the Australian National Titles in 2002
- Runner-up and awarded best appearing car and crew at the "Sunstate Nationals" Super Stock 2002 Championships held in Mackay
- Plus many more competition wins, too many to mention.

He is a regular National competitor at the Willowbank Raceway in Brisbane and has also competed in Melbourne. His love of the sport of Drag Racing, combined with the specialist mechanical knowledge he has acquired, has led him to expand his workshop and build a State of the Art engine dyno facility. He is now involved in engine development of various high performance racers from South Queensland and most recently a customer from Perth.

He has devoted many years training for his chosen sport and deserves recognition.

### **Junior Sports Award**

The Awardee, Kate Castelanelli, was nominated for her participation and success in the sport of soccer. She was a member of Burdekin Junior Soccer from 1993 to 2002 and a member of Burdekin Senior Soccer from 2003-2003. She represented both the Burdekin and North Queensland in the boys and girls team during this time.

She represented Queensland in the U17 Women's Youth Team in 2002 and 2003, and also played with the Queensland Sting in the National Women's Soccer League. She was selected in both the juniors (U14) and the youth (U17) top 30 Australia All Stars in 2002.

She was a recipient of a regional achievement scholarship award with the Queensland Academy of Sport in 2002 and 2003. She was a recipient of the North Queensland Soccer Federation Female Player of the Year award in 2003 and recently achieved selection in the squad for the U19 Women's Soccer World Cup to be held on Thailand in November, 2004. She has attained all of these achievements at the tender age of 16.

She is a true sporting hero with a very promising future and deserves to be recognised for her achievements.

### **Sports Administrator Award**

The 2004 Australia Day Sports Administrator Awardee, Christopher Perry was nominated for his outstanding contribution, commitment and dedication to many sports.

He had been involved in many sports as a player including Senior Touch, Basketball, Rugby Union, Rugby League and Lifesaving. He has played Rugby League and Rugby Union since he was a Junior and has represented Townsville and North Queensland and was chosen in the Queensland Country Rugby Union Team. In addition, he has even played professional League in England and France from 1989 to 1993.

His greatest achievement in coaching occurred in the year 2000 when his team, the Burdekin Roosters won the Townsville and District Rugby League Grand Final. It was the first time the Burdekin has won a Premiership since 1954. In 2001, he again coached the Burdekin Roosters and the team played all season undefeated and won the grand final. In 2003, he co-coached the Burdekin Roosters with Mal Barnes, again winning the premiership for that year.

He now spends most of his time coaching sports that he and his children are involved with including Junior League and helping out at Lifesavers and Junior Touch.

He is someone who has devoted many years to his chosen sports and for this, he deserves recognition.



**Nat Dash, Junior Cultural Awardee, Mayor John Woods and Pat Harris, Senior Cultural Awardee**

### **Junior Cultural Award**

The 2004 Australia Day Junior Cultural Awardee, Nat Dash, was nominated for his outstanding achievement in Cultural Activities.

The awardee has high level of achievements in playing piano, trumpet and guitar. He voluntarily plays the “Last Post” and “Revielle” for the Anzac Day Celebrations at the Masonic Lodge and accompanied practice sessions for Burdekin Singers’ productions “Oklahoma” and “Copacabana”. He has participated in planning youth coffee shop sessions and was awarded the best performer at the “Battle of the Bands” held in 2003.

He has accompanied Nimila Heyes in various community functions and performed at the Burdekin Catholic High School Awards Night, and at the Burdekin Water Festival and Home Hill Harvest Festival.

He is a true role model for many of the Youth in our community and has been a very noteworthy ambassador for the Burdekin district.

### **Senior Cultural Award**

The 2004 Senior Cultural Awardee, Pat Harris, was nominated for her dedication, commitment and outstanding contribution to the cultural life of the Burdekin.

She has committed 20 years of service to the Burdekin District Junior Arts Association in helping to promote the Arts to Burdekin students. She was member of the Eisteddfod Committee for 20 years of which 5 years was served as President. Due to her outstanding commitment, she has achieved Life Membership of the Burdekin District Junior Arts Association. She has been involved with many organizations including the Brandon State School Choir, Burdekin Special School P & C, EDA Womens International, Brandon Lions Club, Home for the Aged and Meals on Wheels. She was a recipient of the Prime Ministers Centenary Award in 2002.

She had made an outstanding contribution to the cultural life in the Burdekin and has been a worthy ambassador for the district.



**Community Event of the Year, Gino Paris Soccer Carnival - award accepted by Alan Chatfield**

The 2004 Community Event of the Year recognises the efforts of a hard working Committee in organising a major Soccer Carnival in the Burdekin.

The Carnival was a week long competition held from 29<sup>th</sup> June to 5<sup>th</sup> July, 2003. 13 teams travelled to the Burdekin from as far north as Cairns, from Rockhampton in the south and Mr. Isa in the west. The carnival was part of the Queensland Junior Soccer calendar of events and was part of the State talent identification series.

Nine teams were boarded at Burdekin Catholic High School with parents and friends of both Burdekin Catholic High and St. Francis Schools catering and caring for them. The Burdekin Agricultural College hosted two teams, the Burdekin Lifesavers one team and another team were accommodated at a local Motel.

The Carnival was very successful and local businesses commented very positively regarding the financial benefits brought to the town during the week long carnival.



**Recipient of Bravery Certificate, David Breen**

### **Bravery Certificate – Mr. David Breen**

On 21<sup>st</sup> November, 2003, Jim and Deanne Hillery were travelling on the Bruce Highway near Inkerman. The couple were returning from Townsville, after Jim had eye surgery, when the vehicle driven by Mrs. Hillery left the road, hit and flipped over the Railway Line, landing upside down and caught on fire. Mr. Breen, who was travelling with his wife and son, after picking up mango boxes from Gumlu, stopped at the scene and responded instantly to a call for help to free Mr. Hillery who was trapped by his seat belt in the burning car.

Mr. Breen put his life on the line to climb into the burning car. Mr. Breen climbed through the window of the overturned car to release the seat belt that had trapped Mr. Hillery before dragging him through the window. Moments later ... the car exploded.

In recognition of Mr. Breen's bravery, Mrs. Hillery approached Council to recognise Mr. Breen's act of bravery and as a fitting gesture on Australia Day to publicly acknowledge the actions of a brave young man who saved her husband's life.

## Administrative & Financial Services

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### Achievements for the Year

#### Administrative Services

- Civic Receptions arranged during the year included the People to People Student Ambassador Programme; Australia Day Celebrations; Morning Melodies; National Youth Week Celebrations – Battle of the Bands; Centenary Medal Congratulatory Ceremony; Australia all Over – Macca on Sunday.
- Obtained Federal and State employment grants of \$133,550 in respect of trainees under the Breaking the Unemployment Cycle initiative and continuing apprenticeships.
- SES operations were funded in the amount of \$56,760 net of subsidies and contributions. a small proportion of these funds were directed to enhancing the operational capability of the new Headquarters in McCathie Street, Ayr.
- Maintenance and repair of various Council owned public buildings around the Shire including the Brandon Heritage Precinct, Clare and Millaroo Halls. Completed installation of a lift at the Burdekin Theatre, Ayr to assist elderly and disabled patrons.
- Two (2) blocks of land sold and one (1) block contracted to be sold at Ayr Industrial Estate.
- Completed Training Needs Analysis Project to determine the organisational training requirements of the Council's blue collar workforce. Final Report expected shortly.
- Preparation of funding submissions including: Security Lighting Program – Wallace Creek Boat Ramp. National Youth Week - Burdekin Band Fest; International Cities for Climate Protection Program; Department of Families Seniors' Week 2004; Green Reserves Assistance at Brandon Heritage Precinct.
- Completed the Rural Addressing project except for minor areas of Giru, south of Houghton River and Cromarty. External assistance being sought for installation of posts.
- Information Technology Staff were heavily involved with the upgrade of the Burdekin Theatre software system, installation of the new library software and installation of the new Corporate wide software system.

#### Financial Services

- Rating analysis and drafting and adoption of Council revenue policies, budget drafting and estimates within statutory requirements and timelines for early adoption of the 2003/04 Budget and two-year forward estimates on 17 July 2003.
- Full cost pricing budgeting and reporting for a selection of Council business activities including Water, Sewerage, Refuse Management, Caravan Parks, Plant Management, Workshop, Other Roads (Council Maintenance), Other Roads (Council Capital Works) and Recoverable Works.



- Annual financial statements for 2002/03 prepared within required statutory deadlines for “clean” audit opinion without qualification.
- Two comprehensive total budget reviews as at October and March undertaken and presented to Council.
- Significant project undertaken to identify, select and implement new corporate software system for whole of Council. Supplier chosen was Technology One. Implementation of Systems Finance One and People One went live on 1st July 2004 and now in “bedding in” phase with Proclaim implementation commencing in new financial year.
- Completion of all State Government requirements including annual & 5 year Works Programs and 10 year cash forecast to enable drawdown of Council’s \$2.155M loan program.
- Compiled relevant data for Local Government Department of Finance Review and Comparative Performance Indicators for submission to Department for collation and publication.
- Ongoing recognition, valuation and recording of Council’s Assets acquired and constructed during the year for the total asset base of \$261M.
- Prompt and accurate fortnightly processing of 14,700 creditors accounts throughout the year for in excess of 1500 customers.
- Prompt and ongoing provision of financial services to the Burdekin Cultural Complex Board Inc. staff and board members to support operations at the Burdekin Memorial Hall and Burdekin Theatre.
- Fortnightly salary and wages payments and related staffing matters dealt with accurately and promptly for workforce varying in size from 204 to 207 members including trainees.
- Staff and workforce vacancies totalling 35 processed through the year.
- Human Resource and payroll administrative support and advice provided to Enterprise Bargaining Team.
- Rates arrears result of \$1,153,618 (5.9%) compared with total net levies \$19.48M through prompt and effective collection and follow up procedures.
- Annual collections of Council rates and State Government fire levies of 12,038 transactions for \$12.95M at Council Chambers compared with 5,447 transactions for \$8.09M at collection agencies including Bpay for debit cards.
- Property transfers totalling 1,205 processed by Rates staff during the year to maintain Council’s rates and property record.
- Progressive procedures achieved frequent stocktaking checks with completion of the full year stocktake cycle by April and minor stock adjustment.

# Development & Environmental Services

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## Achievements for the Year

### **Departmental Operations**

The year has been very challenging as it has seen great change with a Departmental restructure, the loss of a number of key staff and a new Council.

This year has seen the amalgamation of Council's Development Department and the Environment and Health Services Department to form a co-ordinated Department of Development and Environmental Services. This move focuses the responsibilities for the management of all forms of both, the natural and built environment into the one common portfolio, and provides for improved coordination of the IDAS processes.

### **Environment and Health Operations**

The year has been very challenging with the restructure and a changing legislative environment. Greater burdens are being devolved onto Local Government's scarce resources often without the necessary support packages. Coping with these changes and the expectations of the community is placing strains on existing manpower and resource allocations. Many of these changes involve high levels of community consultation and it is increasingly a challenge to maintain a high level of service provision, participate in many of the community consultation processes that may have a direct impact on the Burdekin Community and training for new legislation.

## Key Achievements

- Food Safety Workshops were held for Community Service organisations with over 20 participants attending each of the two sessions.
- Bi-monthly distribution of a "Food For Thought" newsletter to all registered food premises.
- Construction of the Environment and Health Website.
- Council commenced a trial of the new insecticidal barrier treatment "Bistar", for the Australia Day Breakfast held at Brolga Park, Giru and for the "Nippers Carnival" at Alva Beach. This trial has shown many positive benefits for treatments of public areas and it is hoped that these treatments can be expanded for a number of key locations (playgrounds) and for key events across the shire.
- Signing of a Memorandum of Understanding with Queensland Parks and Wildlife for the reporting and identification of Crocodile habitats.
- 20 Stinger Warning Signs were erected at various locations.
- Completion of Milestone 1 of the Cities for Climate Protection scheme which involved the gathering of baseline emission data resulting from Council operations and the community as a whole.
- Commenced development of a Burdekin Shire State of Environment Report.
- "Beachmount Dune Protection Project" received funding of \$10,318 to provide a fence barrier of approximately four (4) km in length to protect the frontal dune area of Beachmount Beach against intrusion of vehicles and animals into the fragile dune area and stabilization plantings.
- "Alva Life and Dune Savers Project" received funding of \$18,764 to re-establish three (3) km of dunal protection fencing including the provision of fixed beach crossing points for both pedestrians and vehicles.
- Wild Dog Trapping Programme commenced with good success in rural locations.
- Consultation with Queensland's AVA PetPEP Education Officer a PetPEP Expo was successfully held at various schools.

- The RSPCA Million Paws Walk was once again successful with 27 dogs and their owners attending.
- Community Assistance has been substantially provided to various organisations and local events i.e. Groper Creek Markets, Home Hill Tennis Association, and "Australia All Over" Day in Anzac Park, Giru Show, St. Colmans Primary School and the Clare Cricket Carnival.
- Installation of bore water irrigation systems in Plantation Park, Arch Dunn Memorial Park and the Home Hill Diorama to conserve water and reduce labour costs.
- Construction of the Burdekin Skate Park in ANZAC Park which also coincided with the relocation of the half-pipe to Watson's Green in Home Hill.
- Safety audit of the shire's playground equipment was undertaken.
- A Master Plan for Plantation Park was developed.
- A Serpentine Sentinel was constructed in Plantation Park.
- Shire residents successfully reduced the amount of domestic waste going to landfill to 12,977.69m<sup>3</sup> and produced approximately 744.8 tonnes of recyclable materials.
- Approximately 10,659 m<sup>3</sup> mulch was processed for free distribution to the community.
- The drumMUSTER programme continues to operate to high standard with this year ensuring 5,498 agricultural and veterinary chemical containers being recovered and diverted from Council's waste stream. Council was able to receive funding to construct a secure drumMUSTER compound at the Ayr Transfer Station.
- An intense School education programme was undertaken throughout June. "KERBY", LAWMAC's inaugural Recycling Education Van was introduced allowing students to "...step aboard 'KERBY' and explore the wonders of waste and recycling." This was accompanied by the distribution of a Waste Education Teachers Resource Package "Providing the Links", developed through consultation with Envirocom Australia.
- Approximately 6,000 WeedDecks were developed and distributed to all participating organisations. The Burdekin Agricultural College and Barrier Reef Institute of Tafe each received 15 complimentary decks for educational purposes while landholders participating in Property Pest Management Planning were advised of the availability of weed decks for their use free of charge.
- The operation of the Aquatic Weed Harvester has continued this year with further works being undertaken on Munro's Lagoon under the Saltwater Creek Catchment Group, Ross River as requested by NQ Water, a small lagoon adjacent to Reedbed Road as requested by Sunwater
- 127 property owners took up Property Pest Management Plans.
- Weedbuster Day was again successful with approximately 45 students from various Primary Schools learning about aquatic and terrestrial weed management at Munro's Lagoon and at the Groper Creek Environmental Reserve.

### **Development Operations.**

The main challenge of the year has been in the development of Council's new IPA planning scheme. This is an extremely complex and specialist process and it has been difficult to keep this project to the required timelines imposed by the State Government. With only one certified Town Planner, it has highlighted that additional resources are needed in this area to ensure that day-to-day operational governance issues and strategic planning issues are addressed

Despite relatively low building activity in the Burdekin Shire, Council's Building Certification team has been busy and the year has seen increased certification activity out of the shire in particular in Bowen and Proserpine with over \$9,800,000 worth of building approved within the Burdekin and \$11,300,000 worth of projects approved outside of the shire.

Plumbing operations has continued with regular inspections of all new installations. The year saw the introduction of new legislation and new processes have had to be developed to address the legislative changes. Work continues on the digital capture of all house drainage plans. This has been a large project that has been running for just under two years and is due to finish December 2004. Although the project will not be complete, the existing staff will undertake the balance of plans not captured by that time in-house.

# Community and Cultural

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## Achievements for the Year

- Council has continued with its generous donations to welfare, cultural, sporting and community based organisations. A total of \$644,247 was provided to various organisations in the Shire in the form of cash or provision of services.
- Maintenance and upkeep was undertaken on the Burdekin Theatre, Memorial Hall, Library and the Support Centre.
- Subsidies for sporting and cultural excellence were offered in accordance with Council's policy. Nine (9) young people benefited from this subsidy totalling \$2,400.
- Regional Arts Development Fund (RADF) Grants totalling \$22,598 were provided to fifteen (15) organisation, comprising \$9,039 Council funds and \$13,559 State Government funding.
- General maintenance and repairs were also carried out to the Ayr, Home Hill, Clare and Millaroo Swimming Pools.
- \$70,644 was spent on Area Promotion which included donations to various bodies, Christmas decorations, promotional advertising and contributions to the Burdekin Development Council and Burdekin Tourism Association.
- Assistance was provided in the operation of the Rural Transaction Centre in Giru following its official opening on Thursday, 8 November 2001.
- Commissioning of Market Facts (QLD) Pty Ltd to undertake a general community survey of Council activities.
- Investigations commenced into the purchase of a new Library Management System for the Burdekin Libraries which will include more user-friendly search screens and make life easier for Library users including staff. It is expected that the new system will also improve operational efficiency and assist in future online access.
- Total number of visits to the Burdekin Library, Ayr was 66,524. In the Shire, 9,907 Library Members borrowed a total of 166,824 items. A total of 3,238 books, 26 talking books and 258 videos were the main purchases for Library shelves.
- 17 displays were set up by Government and community organisations and individuals, ranging from art and craft to upcoming events and awareness weeks and school displays.
- The BHP Billiton Roadshow provided free internet training to local residents for two (2) weeks in the Ayr and Home Hill libraries. It was a great success with 264 people attending 16 training sessions.

- 5 children attended 18 separate holiday activities conducted in the Ayr and Home Hill libraries. 42 School classes paid visits to the Library while the Children's Librarian made 76 visits to schools, pre-schools and kindergartens during the year. Approximately 439 children from 19 classes visited the library for Book Week celebrations.
- The Burdekin Library participated in Books North Children's Literature Festival by organising visits from author, Sofie Laguna and illustrator, Anne Spudvilas to local schools.

# Works & Services

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## Achievements for the Year

- Achievement of quality assurance to the ISO 9001 (2000) Standard for the Works Division. The principal aim of quality assurance is to improve productivity, and reduce waste and rework. It also is required for external works, including for State Government Department.
- Council has continued its Maintenance Contract with the Department of Main Roads. This contract services a total 186km covering sections of the Bruce Highway, Kirknie, Dalbeg and Ravenswood Roads. Maintenance income of \$513,428 was claimed during the 2002/03 financial year.
- All profits derived from contract works have been returned to Council for distribution and fund such areas as Shire roadworks, purchase of plant and equipment, and training.
- Council allocated in excess of \$4.39 million for new roads, drainage and reseals in the 2002/03 financial year.
- **Major projects completed include:-**
- Roads to Recovery  
The Federal Government has allocated just over \$1.65 million in a five year package under the Roads to Recovery Program. Council completed the following two projects in the third year of the project:-  
Rita Island Road (reconstruct Plantation Creek floodway)  
Barratta Road (bitumen construction).
- Major Traffic Management  
(funded by Council, Federal Blackspot and/or State Government TIDS)  
Construction of a cul-de-sac in Fifteenth Street (11<sup>th</sup> Avenue to 14A Avenue).
- Drainage  
Construction of the 12<sup>th</sup> Avenue Drainage Scheme in Home Hill.  
Construction of a Drainage Scheme in Little Drysdale/Henry Street, Ayr.  
Construction of a Bridge over Plantation Creek on the Rita Island Road.
- Flood and Drainage Schemes  
Completion of the Town of Home Hill Flood Study.
- Footpath Reconstruction  
Footpath construction on Elizabeth Street.
- Bitumen Reconstruction, Widening and Kerbing and Channelling were a major part of the works performed. Sections of Graham Street, Richard Street, Colevale Road, Woods Road, Linton Road, Shirbourne Road, Boundary Road and Coppo Road were able to be upgraded to improve community transport in these areas.
- Carried out maintenance on Shire Boat Ramps.
- Carried out maintenance of Shire Airstrips.
- Carried out reseals to shire roads to value of almost \$858,000.

# Water & Wastewater

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## Achievements for the Year

- Maintained the Water Supply and Sewerage System Total Management Plan, meeting regulatory review requirements. The plan provides for the management of these systems with a strong emphasis on maintenance of the asset to avoid unplanned future failures, ensure depreciation is accounted for, and to ensure future refurbishment or replacement funding is available when components of the system reach ultimate service life.
- Operated and maintained Council's Water Supply Systems for Ayr/Brandon, Home Hill, Giru and Mount Kelly with a high level of compliance for bacteriological and chemical standards with the Australian guidelines for water quality.

The systems provided a safe and reliable supply with only a limited number of unplanned interruptions.

- Operated and maintained the Sewerage System for Ayr/Brandon and Home Hill within the requirements of the environmental approvals.
- Continued with the installation of telemetry SCADA equipment to the water and wastewater operating area to improve management of and data acquisition from these systems.
- Continued program of property inspection and facilitated installation and maintenance of private land holder trade waste infrastructure.
- Maintenance and inspection of sewers continued using Council's high pressure cleaner and CCTV camera.
- Facilitated the options and feasibility study into providing sewerage facilities to the smaller communities of Groper Creek, Alva, Sutcliffe Estate and Giru. Study was carried out by Consulting Engineers and had a strong focus for low cost affordable schemes that would perform in a manner that achieved the environmental performance.
- Progressed the Strategic Review of the Ayr/Brandon and Home Hill Sewerage Treatment Plants to enable long term planning for infrastructure augmentation in conjunction with environmentally sustainable disposal of treated waste water.

Review carried out by Consulting Engineer and will identify the opportunities available to Council to make greater use of the waste water for beneficial re-use.

- Carried out installation of new replacement electrical switchboards to twelve sewerage pump stations due to the age and reliability concern with original switchboards.
- Commenced replacement programme of sewerage pumps at various pump stations due to concerns on service reliability as a consequence of the age and current condition of the pumps.



# Annual Report Photos



Ayr CBD under construction



Barratta Bridge during construction



Home Hill Comfort Stop



Giru Town Drainage



MacMillan/Soper Street Roundabout



During Construction



Completed

Edwards/MacMillan Street Roundabout



Soper/MacMillan Street Roundabout



Rossitter Street



Nuttall Road



Before



After

# C o m m u n i t y F i n a n c i a l R e p o r t

The framing of the Council's 2003/04 Budget was again an extremely difficult exercise considering the present state of the local economy. Average rates and charges increases across the residential, commercial & industrial, sugar cane and rural other categories ranged from 1.2% to 2.2%. The average increase for the grazing & livestock category was 18.2% largely as a result of a considerable shift in the valuation relativities between categories and isolated spikes within the category.

At year end, selected financial statistics were as shown in the table below:

	2002/2003	2003/2004
Rates and Charges Revenue (net)	\$18,502,640	\$19,478,949
Total Operating Revenue	\$23,718,707	\$24,542,642
Operating Expenses	\$24,919,584	\$25,652,106
Result from Ordinary Activities	\$756,437	\$929,172
Accumulated Surplus (deficiency) after Appropriations and Transfers	\$0	\$0
Total Debt (Book Value)	\$14,802,784	\$15,144,606
Reserves	\$9,144,795	\$8,197,214
Total Assets	\$208,663,618	\$210,030,263
Total Liabilities	\$18,047,672	\$18,757,814
Total Equity	\$190,615,946	\$191,272,449

As at 30<sup>th</sup> June 2004 our closing total debt (book value) with the Queensland Treasury Corporation was \$14,874,206. Our total debt (book value) in respect of the BRIA has decreased to \$270,400. Overall total debt (book value) is \$15,144,606.

The Council's overall debt is still considered to be satisfactory. Total debt as a percentage of total property, plant and equipment assets is 8% compared to 7.8% for 2002/03. Total interest and redemption payments as a percentage of total revenue is 11.0% compared to 11.6% in 2002/03.

Further bar charts and pie graphs showing relevant financial statistics follow.

The Statement of Financial Performance (page 3 of attached Financial Statements) indicates a surplus of \$929,172 from ordinary activities.

The Statement of Financial Position shows a slight increase in total community equity from \$190,615,946 to \$191,272,449.

The Statement of Cash Flows (page 6 of attached Financial Statements) simply tracks the cash flowing into and out of the Council as a result of its activities. The statement indicates an increase in cash at the end of 2003/04 from \$13,198,311 to \$14,307,203. Over the 12 month period there has been an increase in cash held of \$1,108,892. This could mean that there are carry over works to be completed next financial year and/or loan monies have been received and works not yet completed.

Cash balances held at the end of the year increased from \$6,838,534 to \$14,297,410. The major contributor to this increase was the "unspent loans and depreciation cash held" which increased \$5,005,366.

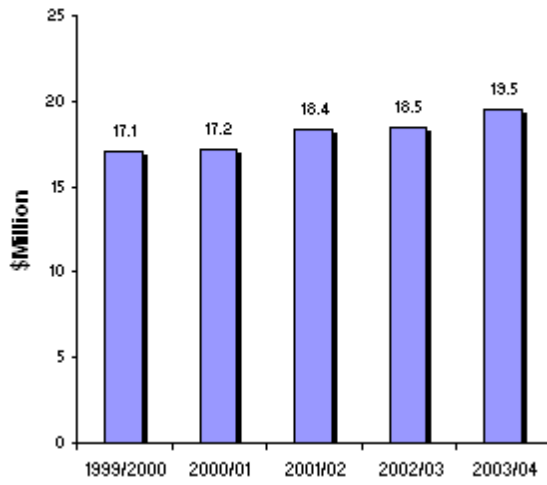


Major new capital items expended in 2003/04 included; road works - \$4,507,258; reseals - \$895,188 road maintenance - \$1,913,358; drainage projects - \$71,711; building programme - \$572,273; water supply - \$28,887; sewerage supply – \$164,476; other structures \$376,641 and plant and equipment \$444,717 (net of trades and sales).

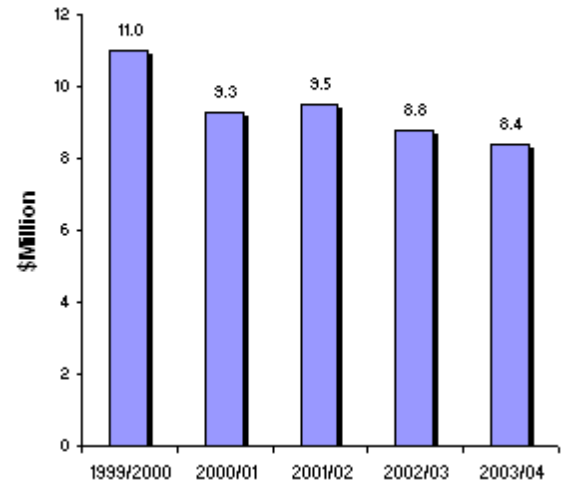
The Council has continued with its dedicated effort to seek out and obtain funding available from various Government and other sources. Funding approvals assist in getting extra value out of the ratepayers dollar and assist in achieving certain community objectives and milestones.

During 2003-04 the Council funded depreciation charges of \$5.4M out of the annual depreciation charge of \$6.6M leaving a balance of \$1.2M unfunded. This represents an improvement in the unfunded depreciation ratio from 36.4% in 2002/03 to 18.5% for 2003/04. Unfunding depreciation may have financial consequences for future generations if one is to assume that funds are to be accumulated over the life of the asset and that asset is to be replaced at the end of its life. In the longer term the Council cannot continue to unfund its depreciation unless supported by an analysis of future asset replacement needs coupled with identifiable strategies in relation to the alternative funding sources to be utilised for asset replacement.

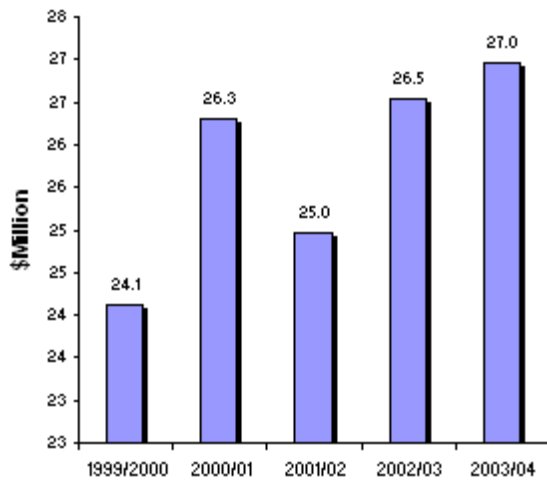
**Rates and Charges Levy Income**



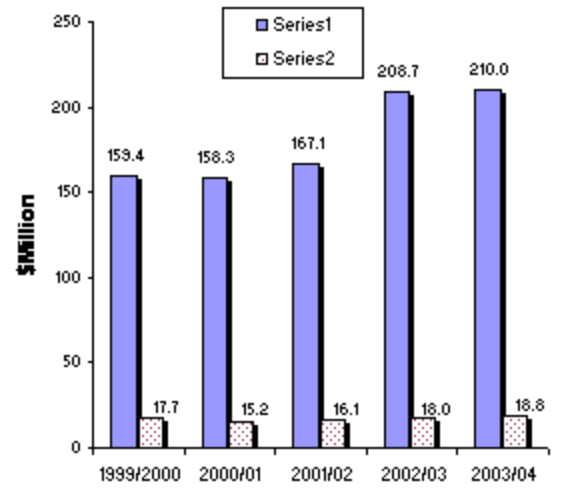
**Other Revenue**



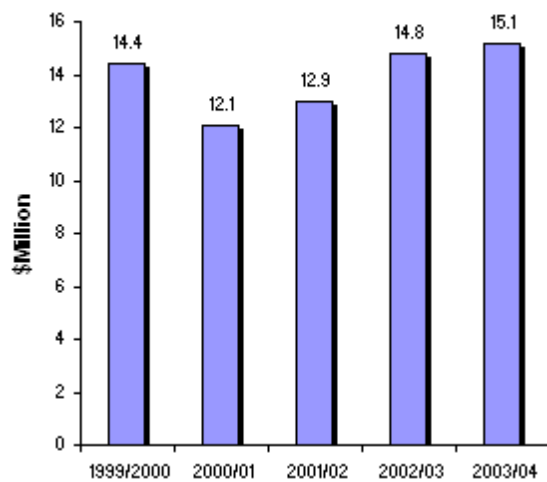
**Expenditure**



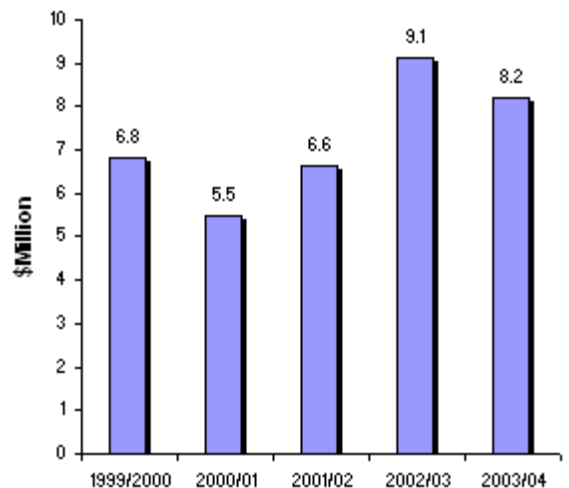
**Assets and Liabilities**



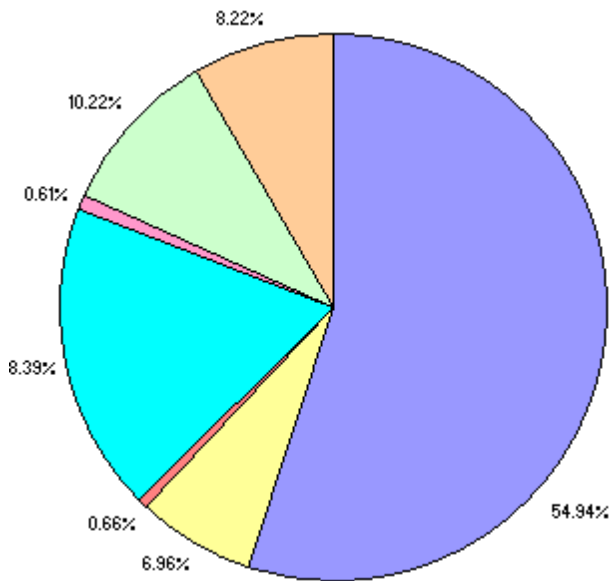
**Loan Debt**



**Reserves**

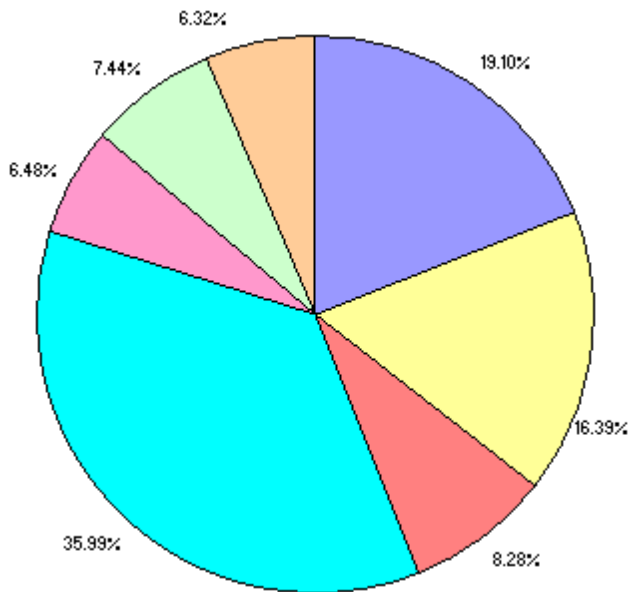


**REVENUE 2003/04 BY PROGRAM**



PROGRAM REVENUE	\$ '000	%
Corporate & Finance Services	15,324	54.94%
Environmental Services	1,940	6.96%
Community & Cultural	185	0.66%
Works & Services	5,130	18.39%
Technical Services	170	0.61%
Sewerage	2,850	10.22%
Water	2,293	8.22%
<b>TOTAL</b>	<b>27,892</b>	<b>100.00%</b>

**EXPENSES 2003/04 BY PROGRAM**



PROGRAM EXPENSES (less FCP adjustments)	\$ '000	%
Corporate & Finance Services	5,150	19.10%
Environmental Services	4,419	16.39%
Community & Cultural	2,232	8.28%
Works & Services	9,703	35.99%
Technical Services	1,747	6.48%
Sewerage	2,007	7.44%
Water	1,705	6.32%
<b>TOTAL</b>	<b>26,963</b>	<b>100.00%</b>

## What Did We Achieve 2003/2004

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From a budgeted amount of \$23,091,254, actual total operating revenue came in at \$24,542,642. A major contributor to this increase was revenue from unbudgeted recoverable works undertaken on behalf of the Department of Main Roads.

Total operating expenses also increased from \$25,071,183 (Budget) to \$25,652,106 (Actual). Major contributors to this increase were the expense of the recoverable works for the Department of Main Roads and additional depreciation expense from \$5,926,000 (Budget) to \$6,644,847 (Actual).

The Council's Budget was again focused towards road works and drainage with in excess of \$6.3 M incurred on new roads, roads maintenance, drainage and reseals. Reseals to Shire Roads were carried out to a value of almost \$893,000. This compares with a total actual expenditure of \$25.6M.

Under the Roads to Recovery Programme, the Council completed three (3) projects, being Rossiter Street (kerbing and channelling and bitumen widening); Wallace Road (bitumen reconstruction); and Trembath Road (bitumen construction).

Bitumen reconstruction, widening and kerbing and channelling were a major part of works performed. Major traffic management projects included the construction of roundabouts at the corners of MacKenzie/Graham Streets, MacMillan/Soper Streets and MacMillan/Edwards Streets.

Drainage works included the construction of a bridge over Barratta Creek and construction of drainage in the town of Giru. Easement acquisition associated with the Ayr Flood Study continued.

The Council has continued its maintenance contract with the Department of Main Roads. Maintenance income of \$794,217 was claimed during 2003/04.

In the Technical Services area, a major project was the management of the Ayr and Home Hill CBD Project at a work value of approximately \$3M. Of major significance was the maintenance of Quality Assurance to the ISO 9001 (2000) Standard for the Works Division, which is a pre-requisite for external works including those works for State Government.

This year saw the amalgamation of Council's Development Department and the Environment & Health Services Department. Public health standards were maintained during the year by regular inspections of licensed premises to address Council responsibilities under the Health, Environment Protection, Dangerous Goods Safety Management and Food Acts.

The Parks and Gardens programme has been extremely active. The Shire's parks and gardens have been well maintained including maintenance of existing and new roundabouts. Bore water irrigation systems have been installed in Plantation Park, Arch Dunn Memorial Park and the Home Hill Diorama to conserve water and reduce labour costs. The new Skatepark was constructed in Anzac Park, Ayr and the existing half pipe was relocated to Watson's Green in Home Hill.

Shire residents produced 12,978 cubic metres of domestic waste and 745 tonnes of recyclable materials. The DrumMuster Programme continues to operate successfully and saw 5,498 drums being diverted from Council's waste stream. Approximately 10,659 cubic metres of mulch was processed for free distribution to the community.



In the Land Management Programme, approximately 6,000 WeedDecks were developed and distributed to all participating organisations. Operation of the weed harvester continued with work being carried out in Munro's Lagoon under the Saltwater Creek Catchment Group, Ross River as requested by NQ Water and a small lagoon adjacent to Reedbed Road as requested by Sunwater. 127 property owners took up Property Pest Management Plans.

There was an increased commitment to maintaining, protecting and restoring coastal vegetation and structure by fencing off stock and providing a single beach access point for vehicles. Envirofund applications were successful in both Beachmount and Alva Beach areas.

Council provided planning and development services to its customers. 363 building applications (including 20 applications from external Certifiers) and 131 plumbing and drainage applications were processed. 2003/04 saw the Council take large steps into providing Private Building Certifier Services in other Local Government areas, including a large proportion of certification within Bowen Shire, with 249 building applications processed.

Co-ordination continued for the development of a Planning Scheme to comply with the Integrated Planning Act 2000, with the objective of completion including all-of-government review and community notification and gazettal by 30<sup>th</sup> June, 2005. In the Planning Area, 23 Material Change of Use Applications and 6 Reconfiguration Applications were processed.

The Council's Water Supply Systems for Ayr/Brandon, Home Hill, Giru and Mount Kelly were operated and maintained with a high level of compliance for bacteriological and chemical standards with the Australian guidelines for water quality. The Ayr/Brandon and Home Hill Sewerage Systems are operated and maintained within the requirements of the environmental approvals.

Federal and State Employment Grants of \$133,550 were obtained in respect of trainees under the Breaking the Unemployment Cycle Initiative and continuing Apprenticeships. Maintenance and repair of various Council owned buildings was undertaken including re-roofing part of the Burdekin Theatre and repainting of the Support Centre. A lift was installed at the Burdekin Theatre, Ayr to assist elderly and disabled patrons.

The Local Authority Quadrennial Elections were arranged and held in March, 2004. The Council continued with its generous donations to welfare, cultural, sporting and community based organisations with a total of \$542,539 provided in the form of cash or provision of services. In addition, \$48,590 was spent on area promotion.

A new Library Management System for the Burdekin Libraries was installed in March, 2004 and the Library Angels Program commenced with the assistance of the Burdekin Neighbourhood Centre.

A significant project undertaken was the identification, selection and implementation of a new corporate wide software system to serve the needs of the Council now and well into the future. The chosen supplier was Technology One Pty Ltd. Implementation of sub systems Finance One and People One occurred on 1 July, 2004. Implementation of Proclaim One is currently underway.

# Statutory

# Information

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# Revenue Policy for Year 2003/2004

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## 1. PURPOSE

The purpose of the Council's Revenue Policy is to set out details of the principles applied by the Council for the following:

- a) Making of rates and charges;
- b) Levying of rates and charges;
- c) Exercising powers to grant rebates and concessions; and
- d) Recovery of unpaid rates and charges.

## 2. MAKING OF RATES AND CHARGES

### Revenue

In making general rates and charges, Council shall raise an amount of revenue it sees as being appropriate to maintain and improve assets and provide services to the Shire as a whole. In deciding how that revenue is raised, Council shall take into account the following factors –

- The rateable value of land, including valuation relativities between land, and the rates which would be payable if only one general rate was adopted; and
- The level of services provided to that land and the cost of providing the services compared to the rate burden that would apply under a single general rate; and
- The use of the land in so far as it relates to the extent of utilisation of Council services; and
- Location and access to services.
- With an increasing road network, particularly in rural areas of the Shire and demands on Council to upgrade the standard of roads for harvesting, transporting of rural product and processing associated with the sugar, grazing and horticulture industries, Council considers those areas benefiting from access to improved road and infrastructure standards should contribute appropriately to Council's revenue base to maintain the high level of road services expected.

In the case of sugar milling operations, Council has taken into account that the increased costs of infrastructure associated with maintaining and upgrading roads including tramway corridors, cane sidings and other infrastructure associated with these operations, contribute to Council's costs in maintaining and upgrading the standards of roads within the Burdekin Shire.

In the case of commercial water supply business, Council has taken into account that the existence of (predominately) above-ground water delivery and drainage infrastructure within or adjacent to road reserves impacts directly on Council roads and associated drainage, and contributes particularly to Council's costs in maintaining and upgrading the standard of roads and drainage.

At the same time, Council acknowledges and again has taken into account that improved services including recreation and sporting, swimming pools, community, cultural, library, and welfare services, public halls, environmental health services and amenities, parks and playgrounds, cemeteries, Council's public buildings, Council's industrial land, Council's economic development initiatives, improvements and development work in the Council's principal towns are Local Government services which should be met by the whole community.

## Valuations and General Rates

- (i) The Council has formed the opinion following the release of the Department of Natural Resources and Mines valuations of land report which became effective on 1st July 1996, that the valuations at that time would lead to rating inequities and a distortion of relativities in the amount of rates paid in various areas of the Shire, if only one general rate was adopted. With the introduction of new valuations to have force and effect from 30th June 2003, Council still maintains the view that the Department of Natural Resources and Mines' current valuations of the Shire which became effective from 30th June 2003 will continue to lead to rating inequities and unfairness in that a distortion of relativities in the amount of rates paid in various areas of the Shire will occur if only one (1) general rate is adopted. This outcome is reinforced in the particular case of the unimproved valuations recently issued for lands used for purposes of and incidental to the Burdekin-Haughton Water Supply Scheme, because those valuations are significantly lower than the valuations for similarly located and otherwise comparable rural land, thus leading to an unfair result in terms of equitable sharing of the overall revenue burden unless these lands are subject to differential rating treatment;
- (ii) Such an outcome is unacceptable to Council;
- (iii) For these reasons, the Council is of the opinion that a system of differential general rating will achieve a fairer and more equitable distribution of the rating burden, and exhibit the following features:
  - (1) It is flexible so that the Council can adapt its rating system to the economic circumstances of the community as a whole and/or the circumstances of particular sectors or groups of individuals as may arise in the future.
  - (2) It is equitable in relation both to the ratepayers' ability to pay or to the benefit he or she receives from the expenditure of rates;
  - (3) It is simple and easily understood;
  - (4) It is economical to administer relative to the revenue derived; and
  - (5) It ensures that ratepayers in similar situations are treated in a like manner.

## Charges

In general, Council will be guided by the principle of user pays and equitable taxing in the making of charges to minimise the impact of rating within the local economy.

Council will have regard to the principles of:

- Transparency in the making of charges;
- Having in place a charging regime that is simple and inexpensive to administer;
- Equity by taking into consideration the capacity to pay within the local economy; and
- Flexibility to take into account of local economic conditions.

In February, 1994 the Council of Australian Governments (COAG) agreed to a strategic framework for the efficient and sustainable reform of the Australian water industry. One aspect of this framework is the greater use of consumption based pricing (often referred to as two part tariffs) for water supplied to customers in urban areas.

In determining charges to apply in respect of the provision of water, the Council is cognisant of the fact that Queensland Local Governments have been given the responsibility to carry out an evaluation of the cost

effectiveness of charging for water services under a consumption based two-part pricing policy. Council has been encouraged to embrace the objectives of the reform and review their operations and, if shown to be cost effective, introduce a two-part pricing policy. The outcomes of this form of water supply demand management are aimed at community benefit from:

- Establishment of a charging system more closely aligned to equitable full cost pricing principles (user pays);
- Reduced water consumption resulting in:
  - reduced operational costs,
  - deferment of future augmentation works for water treatment plants and delivery systems, and
  - an improved environmental balance of ground water reserves for future generations.

In introducing reform, Council has resolved to eliminate any concessions for any section of the community in respect of consumption based charging.

The Council's policy is to apply Full Cost Pricing in accordance with the Code of Competitive Conduct under the Local Government Act for nominated business activities.

Commencing in 2003/04 with the sewerage undertaking, Council is moving towards full cost recovery, including a reasonable return on capital, as the basis for utility charges. This is another aspect of the Full Cost Pricing framework.

### **3. THE LEVYING OF RATES AND CHARGES**

In levying rates and charges Council will apply the principles of:

- Making clear Council's and each ratepayer's responsibility to the rating regime;
- Making the levying system simple and inexpensive to administer; and
- Equity through flexible payment arrangements for ratepayers with a lower capacity to pay.

### **4. EXERCISING POWERS TO GRANT REBATES AND CONCESSIONS**

In considering the application of concessions under Chapter 14, Part 6 of the Local Government Act, Council will be guided by the principles of:

- Equity by having regard to the different levels of capacity to pay within the local community;
- The same and consistent treatment for ratepayers receiving concessional rating; and
- Transparency by making clear the requirements necessary to receive concessions.

In accordance with the above principles, Council has developed policies in respect of the following:

- Rates Instalments
- Application for Relief on the Grounds of Hardship
- Remission of Rates and Charges for Pensioners

Council accepts that certain classes of pensioners have contributed rates over a period of time and/or are restricted by a fixed income and should be afforded a concession in respect of rates and charges.

Council also recognises that there are organisations which operate for the general benefit of the community with limited financial resources including private schools, churches, welfare, youth organisations and sporting organisations. Such organisations may receive a donation based on their sewerage charges.

## Community Service Obligations

Council's Corporate Plan refers to improving the transparency of Council's financial performance and operations including identification of Community Service Obligations such as Pensioner Remissions and in other community or cultural areas as appropriate (refer Strategy 5.5).

Notwithstanding Council's decision to apply business practices to the nominated business activities, Council desires to continue to fulfil its Community Service Obligations that are not commercially viable. Council resolves that the relevant Business Activities must provide these Community Service Obligations at the specified performance criteria.

### **5. RECOVERY OF UNPAID RATES AND CHARGES**

Council will exercise its rate recovery powers in order to treat all ratepayers equitably. It will be guided by the principles of:

- Transparency by making clear the obligations of ratepayers and the processes used by Council in assisting it to meet its financial obligations;
- Making the processes used to recover outstanding rates and charges clear, simple to administer and most effective;
- Capacity to pay in determining appropriate arrangements for ratepayers; and
- Equity by treating all ratepayers in the same way.

In accordance with the above principles, Council has developed a policy for the recovery of rates and charges.

## Policies on Rebates and Concessions

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The Council's Policy on remission of rates and charges for pensioners and donations to churches, sporting bodies and not for profit organisations is identified in Part 4 of the Revenue Policy.

## Particulars of Rebates and Concessions Allowed in Respect of Rates and Charges

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### Council Remissions

Rates and Charges Remitted to Pensioners.....	\$301,780
Number of Applications.....	947

### Donations

Standing Donations to Churches, Sporting Bodies etc .....	\$76,317
Number of Applications.....	50

## Library Statistics

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### Statistics.

	2002/2003	2003/2004
Membership	9,907	9,719
Membership as % of population	53.5%	52.5%
Total book stock	55,070	54,098
AV Sound (spoken word, music)	1,560	1,283
AV Videos	1,281	1,507
CD Roms	76	51
DVD's	2	244
Annual circulation – Issues (excluding renewals)	166,824	176,378
Discarded library stock - sale receipts	\$1,014.75	\$1,759.94



## Elected Members Meeting Attendances

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Councillor	Statutory Meetings Held	Statutory Meetings Attended	Meetings absent whilst on Council business	Leave of Absence	Other Meetings Attended
J.F. Woods *	59	50	6	2	24
G.H. Andersen *	59	54	5	-	64
L.R. Davies *	59	33	-	5	7
M.L. Henaway *	59	55	-	-	12
A.C.. Hyden *	59	56	-	-	12
D.R. Jackson *	59	59	-	-	31
T.P. List	69	69	-	-	38
L. Loizou	69	68	-	-	23
M.E. Parison *	59	54	-	-	12
P.J.H. Petersen *	59	47	-	7	13
W.F. Tame *	59	30	-	28	8
L.A. McLaughlin **	10	10	-	-	10
M.A. Castelanelli **	10	10	-	-	8
P.M. Dalle Cort **	10	7	-	3	10
R.J. Gambino **	10	10	-	-	11
J.R. Gist **	10	9	-	1	7
M.J. Haynes **	10	10	-	-	10
R.H. Lewis **	10	10	-	-	5
R.J. Marriott **	10	10	-	-	10

L.D. McCathie **	10	7	-	3	5
* Meetings for period 1/07/03 to 25/03/04					
** Meetings for period 13/04/04 to 30/06/04					

## Resolution on Elected Members' Remuneration

Pursuant to section 379 of the Local Government Act 1993, the Council at its meeting held on 28<sup>th</sup> September 2000 recorded a resolution fixing the remuneration of Councillors. The resolution authorises the payment to Councillors of remuneration for their services in respect of the following:

- Council Meetings.
- Committee Meetings.
- Meetings concerning Local Government and community matters.
- Deputations, inspections, conferences, training and educational seminars in relation to duties as Councillors.
- All other matters relating to the carrying out by Councillors of their duties.

The full text of the resolution is available for perusal at the office of the Chief Executive Officer.

At the Council Meeting held on 28<sup>th</sup> September 2000 it was further resolved that remuneration to Councillors shall be paid by comparing the duties of a Councillor with the role, duties, responsibilities and characteristics applicable to a Member of the Legislative Assembly, Queensland. The basic annual salary payable to an MLA will include any variations approved by the Queensland Parliament. At 1<sup>st</sup> July 2000 the annual salary for an MLA was \$91,500.

From 1<sup>st</sup> July 2003 the annual salary for an MLA was \$102,260. Annual % increase from \$98,300 to \$102,260 = 4.03% approximately. Thus allowances and meeting fees for 2003/2004 were as follows:

Mayor Allowance	\$71,582 p.a.
Deputy Mayor	\$ 7,158 p.a.
Meeting: 4-8 hours	\$ 295
Meeting: 2-4 hours	\$ 147
Meeting: 0-2 hours	\$ 74
Annual Allowance – Councillors including Deputy Mayor	\$ 1,022
Annual Allowance – Mayor	\$1,534
Annual Allowance – Rural Councillor	\$1,534

# Total Remuneration and Superannuation Contributions Paid to Councillors

*1st July 2003 – 30th June 2004*

Councillor	Mayor's Allowance	Meeting and Acting Mayor's Allowance	Car Allowance	Total	Council's 12% Superannuation Contributions Paid
<b>WOODS, J.F. *</b>	56,524.00	-	-	56,524.00	11,329.44
<b>ANDERSEN, G.H. *</b>	-	17,145.00	295.00	17,440.00	3,139.38
<b>DAVIES, L.R. *</b>	-	6,502.00	-	6,502.00	1,170.36
<b>HENAWAY, M.L. *</b>	-	12,713.00	-	12,713.00	2,369.94
<b>HYDEN, A.C. *</b>	-	19,231.00	1,260.00 (townstay) 4,327.00 (car)	24,818.00	4,467.30
<b>JACKSON, D.R. *</b>	-	14,993.00	1,255.00	16,248.00	2,924.75
<b>LIST, T.P.</b>	-	26,002.00	-	26,002.00	4,680.37
<b>LOIZOU, L.</b>	-	17,763.00	2,340.00	20,103.00	3,897.91
<b>PARISON, M.E. *</b>	-	12,048.00	1,482.00	13,530.00	2,435.49
<b>PETERSEN, P.J.H. *</b>	-	10,414.00	-	10,414.00	-
<b>TAME, W.F. *</b>	-	7,058.00	-	7,058.00	1,270.44
<b>MCLAUGHLIN, L.A. **</b>	14,623.00	-	-	14,623.00	438.70
<b>CASTELANELLI, M.A.**</b>	-	5,858.00	296.00	6,154.00	-
<b>DALLE CORT, P.M. **</b>	-	4,016.00	-	4,016.00	722.88
<b>GAMBINO, R.J. **</b>	-	4,664.00	111.00	4,775.00	-
<b>GIST, J.R. **</b>	-	5,050.00	203.00	5,253.00	-
<b>HAYNES, M.J. **</b>	-	7,369.00	-	7,369.00	1,326.45
<b>LEWIS, R.H. **</b>	-	5,269.00	-	5,269.00	-
<b>MARRIOTT, R.J. **</b>	-	5,934.00	263.00	6,197.00	-
<b>MCCATHIE, L.D. **</b>	-	4,457.00	-	4,457.00	809.21
<b>TOTAL</b>	\$71,147.00	\$186,486.00	\$11,832.00	\$269,465.00	\$40,982.62
* For period 1/07/03 to 25/03/04					
** For period 13/04/04 to 30/06/04					

## Changes to Tenders

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### List of Action taken Under Section 488(2) - Changes to Tenders during the Year

There were no Council resolutions made to change tender specifications.

## Calling for Expressions of Interest

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### List of all Resolutions during the Year Under Section 489(1) - Short Listing After Calling for Expressions of Interest

There were no Council resolutions made to change tender specifications.

## Equal Employment Opportunity

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The Council has a strong commitment to EEO. To support Council's aim of becoming an employer of choice, Council and its employees will act in a manner that instils confidence in all who come into contact with it that they will be treated fairly. Council is committed to :

- Ensuring selection for employment and promotion is undertaken on the basis of merit alone;
- Eliminating issues of harassment and discrimination in any form;
- Ensuring opportunities to learn and develop are open to all employees equally; and
- Improving the awareness and understanding of employees in relation to EEO issues.

## Public Sector Ethics Act Requirements

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A draft Code of Conduct for both Councillors and employees has been prepared. It is anticipated that consultation and adoption of the Code will be undertaken in 2004/05.

# Borrowings Policy

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## 2003/2004, 2004/2005 and 2005/2006 FINANCIAL YEARS

### Legislation

In accordance with S521 of the Local Government Act 1993 and S7 of the Local Government Finance Standard 1994 the following is a statement of the Burdekin Shire's policy about borrowings.

### New Borrowings

New borrowings from Queensland Treasury Corporation planned for the current financial year and the next two financial years are as follows:-

<i>Purpose</i>	<i>2003/2004</i>	<i>2004/2005</i>	<i>2005/2006</i>
Plant	200,000	100,000	520,000
Roadworks	1,650,000	1,000,000	1,050,000
Council Properties	-	50,000	50,000
Drainage	-	200,000	200,000
CBD Revitalisation Project	305,000	-	-
Total	\$2,155,000	\$1,350,000	\$1,820,000

The proposed borrowings are planned to be repaid over notional terms from six (6) up to fifteen (15) years as part of Council's consolidated debt with the Queensland Treasury Corporation.

### Existing Borrowings

Council's existing borrowings are held in debt pool accounts as follows:-

- A floating rate debt pools account (expected repayment terms from 0 to 0.99 years)
- A 3 year debt pool account (expected repayment terms from 1 to 4.75 years)
- Three 6 year debt pool accounts (expected repayment terms from 4.25 to 7.75 years)
- Four 9 year debt pool accounts (expected repayment terms from 7.25 to 10.75 years)
- One 12 year debt pool accounts (expected repayment terms from 10.25 to 13.75 years)
- Three 15 year debt pool accounts (expected repayment terms from 13.25 plus years)

As at 30<sup>th</sup> June 2003, the expected terms for repayment of Council's debt were:-

- 0.15 years for the floating debt pool
- 3.60 years for the three year debt pool
- 5.19, 5.61 and 5.63 years for the six year debt pools
- 8.10, 8.76, 9.24 and 9.39 years for the nine year debt pools
- 10.54 years for the twelve year debt pool
- 13.84, 13.95 and 14.42 years for the fifteen year debt pools

G.J. Webb,  
CHIEF EXECUTIVE OFFICER

## Donations - Other

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The Council makes various donations through the year to assist in community development. The table below summarizes the extent of donations made during 2003/04. These donations are in addition to the rebates and concessions allowed in respect of rates and charges.

Donations - Welfare Associations	\$ 41,900
Donations - Cultural Activities	\$ 50,186
Donations - Entrepreneurial Fund	\$ 51,000
Donations - Burdekin Cultural Complex Board	\$293,000
Donations - Sporting Clubs/Associations	\$ 7,793
Donations - Life Saving/Beach Patrol	\$ 7,109
Donations & In Kind - Economic Development, Tourism and Promotions	\$ 48,799
Donations & Inkind - Community Assistance	\$ 15,227

## Revenue Assistance Policy

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The Council has a Revenue Assistance Policy whereby funds are allocated to meet the costs of improvements on land owned or controlled by the Council or for the purchase of appropriate large items of specialised plant greater than \$5,000. This policy was amended by Council on 19 February, 2004 to include the latter category. Funds are provided usually to sporting and community based organisations in the form of interest free loans repayable over an agreed period of time.

Allocations approved during the 2003/04 financial year include the following:

- \$55,000 to Burdekin Rugby League to construct a canteen facility;
- \$8,800 to Burdekin Senior Soccer Club for a lighting upgrade; and
- \$15,000 to Home Hill Golf Club for a Greens Mower.

## Grants for Excellence in Sports & Cultural Activities

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The Council has a small fund from which to allocate subsidies to those individuals under the age of 18 years selected to represent the State or Nation in a sporting or cultural event. Certain criteria must be met.

***Recipients in 2003/2004 are as follows:***

<b>Kate Castellaneli</b> Queensland Under 16-18 Years Women's Soccer Team	\$225
<b>Amie Greenwood</b> 2003 BMX World Championships	\$300
<b>Russell Zonta</b> Queensland Open Secondary Schoolboys Hockey Team - New Zealand	\$300
<b>Carla Rigano</b> Under 13 Years Queensland Water Polo Team	\$225
<b>Joshua Falco</b> Queensland Country Under 15 Years Soccer Team for 2003	\$225
<b>Katrina Stevenson</b> Queensland Primary School Track & Field Team	\$225
<b>Joel Lewty</b> 15 Years & Under Age Division at 2003 Greg Norman Junior Masters	\$225
<b>Cameron Lewty</b> 13 Years & Under Age Division at 2003 Greg Norman Junior Masters	\$225
<b>Allissa Lewty</b> 17 Years & Under Age Division at 2003 Greg Norman Junior Masters	\$225
<b>Christopher Woods</b> Queensland Junior Boys Darts Team - Australian Junior Darts Averages	\$225
<b>Sharleen Gesah</b> Under 14 Years Queensland Vigoro Team	\$225
<b>Ellee List</b> 12 Years Queensland Primary School Swimming Team	\$150
<b>Dwayne Zanetti</b> Queensland School Sport Hockey Team	\$225

# National Competition Policy

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## Code of Competitive Conduct

In accordance with Section 766 of the Local Government Act, the Council at its meeting held on 24 June, 2003 resolved to continue to apply the Code of Competitive Conduct to each of the business activities listed below for the 2003-04 financial year:

Other Roads	Roads (Tendered MRD)
Recoverable Works	Refuse Management
Water & Sewerage	Workshop
Caravan park	Plant Management

A description of each of the business activities is provided below:

### **Other Roads**

The core activities of this activity include the construction and maintenance of Council controlled roads. Minor activities include cross-over construction and private works. The main client is the Burdekin Shire Council on behalf of its ratepayers. Competition is limited as budgeted works are provided to the business activity. Prices or the cost of works are based on actual cost plus overheads plus oncosts.

### **Recoverable Works**

The core activities of this activity include the construction and maintenance of roads for the Department of Transport/Main Roads and Sunwater. Works for DMR is carried out under a Road Maintenance Performance Contract (RMPC) or Agreed Price Performance Contract (APPC). The main client is the Department of Transport/Main Roads. Competition is limited as the above contracts are in place. An overhead calculation is carried out to reflect the full cost of the works being carried out. The pricing has been accepted by DMR. The overhead calculation includes an allowance for network stewardship, office overheads, contingencies and profit.

### **Roads Tendered (MRD)**

This activity solely refers to road construction and maintenance work carried out for DMR under a tendered process. The main client is the DMR. Competition includes other private and government road construction and maintenance companies. As with Recoverable Works, an overhead calculation is carried out to reflect the full cost of the works being carried out. The overhead calculation includes an allowance for network stewardship, office overheads, contingencies and profit.

### **Plant Management**

The core activities of this activity include the maintenance, repair, purchase, disposal and hire of plant and equipment. The main clients are the users of the plant and equipment, particularly the Other Roads Business Activity and other operations of the Burdekin Shire Council. Competition is limited as the Council has a present policy to purchase and use its own plant and equipment. Prices or plant hire rates are set by reference to the Main Roads rates where possible.

### **Refuse Management**

The core activities of this activity include the collection, transport and disposal of refuse. The collection and transport component of this activity is contracted out to a private firm. Council is responsible for the operations of the Transfer Stations and Landfill site. The client base is the domestic and commercial consumer that has or is required to have a refuse service. Competition is limited. Prices are based on actual cost plus overheads plus oncosts.



## **Water & Sewerage**

The core activities of this business activity is the collection, treatment and distribution of a domestic water supply to consumers and the collection, treatment and disposal of sewage effluent from consumers. The client base is the domestic consumer base in the Water Supply and Sewerage Supply areas. Competition is limited as there are no other suppliers in the area. Prices are based on actual costs plus overheads plus oncosts.

## **Workshop**

The core activities of this business activity include the repair and maintenance of Council's plant and equipment. Other minor activities may include fabrication work for other operations of the Council. The client base is the owners of the plant and equipment being the Burdekin Shire Council. Competition is limited as Council policy is to carry out this activity internally. Prices or the cost of repair and maintenance is based on actual costs plus overheads plus oncosts.

In respect of recoverable works carried out for the Department of Main Roads, an overhead calculation is carried out to reflect the full cost of the project being carried out. This pricing has been accepted by the Department of Main Roads. The overhead calculation includes an allowance for the following expenditures:

- Network Stewardship – Includes salary component for Executives, supervision, survey and design, costing, Workplace Health & Safety, Information Technology, Administration and associated plant.
- Office Overheads – Includes allowance for software upgrade, floor area, electricity, telephone, stationery and insurance.
- Contingencies and Profits.

## **Business Management Compliance Policy**

The Council at its meeting held on 24 June, 2003 further resolved to adopt a Business Management Compliance Policy and Manual to ensure business management principles that are receptive to the Code of Competitive Conduct requirements are adopted into Council's business processes.

## **COAG Water Reform**

The Council resolved to implement a two part tariff from 1 July, 2002.

Council resolved that the following pricing structure be adopted for water supply for 2003/04:

Access Charge -	\$240 for zero allocation
Consumption Charges -	10 cents per kilolitre for usage from 0 to 1,000 kls
	50 cents per kilolitre for usage over 1,000 kls

Council's volumetric charges are above the marginal cost of production, because the fixed (access) charge does not recover all of the fixed costs. Previous reports indicate a fixed charge of \$300 compared to the adopted access charge of \$240 and marginal cost is just below 10c per kilolitre.

It is considered that the short term marginal costs are the same as long term marginal costs as no demand driven augmentation is required at this time. Augmentation proposed is basically for security of supply.

### **Identification of Cross Subsidies**

The Local Government Finance Standards require the local authority in its Annual Report to state the amount of cross-subsidies between the different classes of consumers for water and sewerage provided. An analysis has been carried out in accordance with Queensland Government guidelines and Council has determined that there are no cross-subsidies between the different classes of consumers for water.

### **Business Activities Financial Performance**

The financial performance of the eight (8) business activities is highlighted on page 37 of the attached Financial Statements. The financial statements take into account Community Service Obligations (CSO's) in the business activities of Water and Sewerage, Refuse Management and Caravan Parks. These CSO's are also described and valued on page 37 of the Financial Statements.

### **Complaints Procedure**

Council at its meeting held on 26 June, 2002 resolved to establish a process for resolving complaints by affected persons about failure to comply with the competitive neutrality principles applying to the various business activities subject to the Code of Competitive Conduct. No complaints were received in 2003-04.

## Registers Kept Open for Inspection

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- Register of Councillors' Material Personal Interest
- Register of Delegation by Local Government
- Register of Delegation by Chief Executive Officer
- Register of Local Laws
- Register of Subordinate Local Laws
- Register of Authorisations
- Register of Fees and Charges
- Register of Enterprises
- Register of Gifts

Financial

**Statements**

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# Burdekin Shire Council



Financial Statements  
and Notes to the Accounts  
for the financial year  
2003/04

# BURDEKIN SHIRE COUNCIL

## ANNUAL FINANCIAL STATEMENTS

For the year ended 30 June 2004

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**Addendum to the financial statements**

The following unaudited statements and reports are attached to provide additional information that the Council considers will provide the reader with more useful information in the process of interpreting these financial statements. These additional reports are not required under the Australian Accounting Standards and therefore do not form part of the audited financial statements.

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**Statement of Financial Performance**

For the year ended 30 June 2004

		2004	2003
		Actual	Actual
	Note	\$	\$
Revenue from ordinary activities	3	27,223,733	26,260,908
Expenses from ordinary activities	4	(25,420,036)	(24,616,074)
Borrowing costs	5	(874,525)	(888,397)
<b>Result from ordinary activities</b>		<u>929,172</u>	<u>756,437</u>
Increase (decrease) in the asset revaluation reserve	25 (i)	(272,669)	38,876,697
<b>Change in community equity</b>		<u><b>656,503</b></u>	<u><b>39,633,134</b></u>

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

**Statement of Appropriations**

For the year ended 30 June 2004

		2004	2003
		Actual	Actual
	Note	\$	\$
Retained surplus (deficiency) from prior years		-	(100,185)
Net result for the period from the statement of financial performance		929,172	756,437
		<u>929,172</u>	<u>656,252</u>
<b>Transfers (to) from capital account:</b>			
(Gain) loss on the loan revaluation adjustment	27 (i)	49	753
(Profit) loss on sale of capital assets	8	360,308	72,259
Non monetary capital revenue	7 (ii)(b)	(36,387)	(690,869)
Unspent capital revenue transferred from capital	CFS*	-	241,775
Adjustment for unfunded depreciation		1,229,779	2,539,576
Adjustment from capital for assets revalued down	18	-	511,875
Other capital (income) expense in the period	9	282,098	-
Net capital account transfers		<u>1,835,847</u>	<u>2,675,369</u>
<b>Transfer from (to) the constrained works reserve</b>	26 (i)	(2,644,704)	(1,851,332)
		<u>120,315</u>	<u>1,480,289</u>
<b>Retained surplus (deficiency) available for transfer to reserves</b>			
Transfers (to) from reserves for future capital funding purposes:			
Water reserve	26 (ii)	(112,036)	(190,979)
Sewerage reserve	26 (iii)	179,233	(356,912)
Capital maintenance reserve	26 (iv)	(31,160)	(35,000)
Carryover capital works reserve	26 (v)	(240,000)	(125,000)
Transfers (to) from reserves for future general funding purposes:			
Recurrent maintenance reserve	26 (b)(i)	83,648	(772,398)
		<u>-</u>	<u>-</u>
<b>Retained surplus (deficiency) available for general funding</b>			

\*CFS - Denotes Capital Funding Statement

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



**Statement of Financial Position**

As at the 30 June 2004

		2004	2003
		Actual	Actual
	Note	\$	\$
<b>Current Assets</b>			
Cash assets	13	14,307,203	13,198,311
Receivables	14 (i)	2,293,195	1,559,293
Tax assets	15	183,115	127,250
Inventories	16 (i)	688,955	576,126
Other financial assets	17 (i)	68,068	95,842
		<u>17,540,536</u>	<u>15,556,822</u>
<b>Non-Current Assets</b>			
Receivables	14 (ii)	111,174	68,030
Inventories	16 (ii)	56,988	56,988
Other financial assets	17 (ii)	405	684
Property, plant and equipment	18 (a)	189,547,801	190,984,518
Capital works in progress	19	2,773,359	1,996,576
		<u>192,489,727</u>	<u>193,106,796</u>
TOTAL ASSETS		<u>210,030,263</u>	<u>208,663,618</u>
<b>Current Liabilities</b>			
Payables	20	804,637	519,489
Interest bearing liabilities	21	2,066,673	1,910,571
Provisions	22	1,407,872	1,654,665
Other	23	-	593
		<u>4,279,182</u>	<u>4,085,318</u>
<b>Non-Current Liabilities</b>			
Interest bearing liabilities	21	13,077,933	12,892,213
Provisions	22	1,400,699	1,070,141
		<u>14,478,632</u>	<u>13,962,354</u>
TOTAL LIABILITIES		<u>18,757,814</u>	<u>18,047,672</u>
<b>NET COMMUNITY ASSETS</b>		<b><u>191,272,449</u></b>	<b><u>190,615,946</u></b>
<b>Community Equity</b>			
Capital	24(i)	131,228,742	131,957,829
Unspent capital fund reserve	24(ii)(iii)	6,100,196	3,494,356
Asset revaluation reserve	25 (i)	45,746,297	46,018,966
Other reserves	26	8,197,214	9,144,795
<b>TOTAL COMMUNITY EQUITY</b>		<b><u>191,272,449</u></b>	<b><u>190,615,946</u></b>

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

**Statement of Cash Flows**

For the year ended 30 June 2004

	Note	2004 \$	2003 \$
<b>Cash flows from operating activities:</b>			
Receipts from customers		26,758,565	27,389,631
Payments to suppliers and employees		(19,260,295)	(18,214,029)
		7,498,270	9,175,602
Interest received		972,005	740,167
Borrowing costs		(874,525)	(888,397)
<b>Net cash inflow (outflow) from operating activities</b>	34	<u>7,595,750</u>	<u>9,027,372</u>
<b>Cash flows from investing activities:</b>			
Payments for property, plant and equipment	18	(7,452,810)	(7,920,479)
Net movement in loans to community organisations	14	(44,169)	41,818
Proceeds from sale of property plant and equipment	8	668,348	1,024,117
<b>Net cash inflow (outflow) from investing activities</b>		<u>(6,828,631)</u>	<u>(6,854,544)</u>
<b>Cash flows from financing activities:</b>			
Proceeds from borrowings	27	2,155,000	3,712,089
Repayment of borrowings	27	(1,813,227)	(1,857,975)
<b>Net cash inflow (outflow) from financing activities</b>		<u>341,773</u>	<u>1,854,114</u>
<b>Net increase (decrease) in cash held</b>		<u>1,108,892</u>	<u>4,026,942</u>
Cash at beginning of reporting period		13,198,311	9,171,369
<b>Cash at end of reporting period</b>	13	<u><u>14,307,203</u></u>	<u><u>13,198,311</u></u>

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

**BURDEKIN SHIRE COUNCIL**

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2004

	Total		Retained surplus Refer: Appropriation Statement		Capital & capital fund reserves Note 24		Asset revaluation reserve Note 25 (i)		Other Reserves Note 26	
	2004 \$	2003 \$	2004 \$	2003 \$	2004 \$	2003 \$	2004 \$	2003 \$	2004 \$	2003 \$
Balance at beginning of period	190,615,946	150,982,812	-	(100,185)	135,452,185	137,296,038	46,018,966	7,142,269	9,144,795	6,644,690
Net result for the period	929,172	756,437	929,172	756,437						
Transfers to capital and reserves	-	-	(3,183,614)	(4,113,286)	36,387	690,869	-	-	3,147,227	3,422,417
Transfers from capital and reserves	-	-	2,254,442	2,945,159	(1,872,234)	(2,854,363)			(382,208)	(90,796)
Transfers between capital and reserves	-	-			3,712,600	831,516	-	-	(3,712,600)	(831,516)
Asset revaluation adjustments	(272,669)	38,876,697	-	511,875	-	(511,875)	(272,669)	38,876,697		
Balance at end of period	191,272,449	190,615,946	-	-	137,328,938	135,452,185	45,746,297	46,018,966	8,197,214	9,144,795

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

**Capital Funding Statement**

For the year ended 30 June 2004

	Note	2004 \$	2003 \$
<b>Sources of capital funding</b>			
Excess capital revenue transferred from capital to retained surplus		-	(241,775)
Loan monies expended		2,022,878	4,242,870
Funded depreciation		2,941,350	3,921,726
Proceeds from the sale of capital assets	8	668,348	1,024,117
Donated and contributed physical assets		36,387	690,869
Developer contributions, grants and subsidies		3,226,116	720,807
Capital maintenance reserve		61,056	31,555
Carryover capital works reserve		425,428	79,154
		<u>9,381,563</u>	<u>10,469,323</u>
<b>Application of capital funding</b>			
Non current capital assets:	18		
Land and improvements		4,788	-
Buildings		629,405	40,562
Plant and equipment		1,278,411	1,661,938
Total infrastructure assets		4,639,984	5,656,670
Other assets		238,965	284,766
Movement in capital work in progress		776,783	967,412
		<u>7,568,336</u>	<u>8,611,348</u>
Principal loan redemptions:			
Other Bank Loans	27	134,271	72,905
Queensland Treasury Corporation	27	1,678,956	1,785,070
		<u>1,813,227</u>	<u>1,857,975</u>
		<u>9,381,563</u>	<u>10,469,323</u>

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

**BURDEKIN SHIRE COUNCIL**

Notes to the Financial Statements  
For the year ended 30 June 2004

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**1 Summary of significant accounting policies**

The significant accounting policies which have been adopted in the preparation of these financial statements are:

**(i) Basis of preparation**

These financial statements, which are general purpose financial statements, have been drawn up in accordance with the Accounting Standards, Urgent Issues Group consensus views, the Local Government Act 1993 and the Local Government Finance Standard 1994. The accrual basis of accounting has been applied in accordance with the convention of historical cost accounting and does not take into account changing money values, except where stated.

**(ii) Accounting policies**

Accounting policies adopted are consistent with those of the previous year except as stated.

**(iii) Taxation**

Income of local authorities and public authorities is exempt from income tax due to the provisions of Section 50-25 of the Income Tax Assessment Act 1997.

The Council's activities are exempt from all forms of Commonwealth taxation, except for the Fringe Benefits Tax and Goods and Services Tax.(GST). These taxes that are payable to and receivable from the Australian Tax Office are recognised and accrued in the financial statements. The cash flow arising from GST receipts from suppliers and payments to providers are included on a gross basis in the statement of cash flows.

**(iv) 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 custodial 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 33 to the Financial Statements for information purposes only.

**(v) Property, plant and equipment***(a) Non-current assets threshold*

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

*(b) Capital and operating expenditure*

As a general rule, wage and material expenditure incurred for the acquisition or construction of assets is treated as capital expenditure. Expenditure necessarily incurred in maintaining the operational capacity of the non-current asset is expensed as incurred, while expenditure to maintain the assets service potential is capitalised and funded from capital funding sources.

*(c) Acquisition*

Acquisitions of assets are initially recorded at cost. Cost is determined as a fair value of the assets given as consideration plus costs incidental to the acquisition, including architect's fees and engineering design fees and all other establishment costs.

Non-monetary assets, including property, plant and equipment, received in the form of grants or 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.

**(v) Property, plant and equipment (continued)**

*(d) Valuation*

Property, plant and equipment recognised, which excludes receivables, inventory land held for resale and cash investments are valued at their fair value except where stated in Note 18 (a). Where there is no active market in the assets, fair value is the replacement cost less depreciation. Where assets are not required and intended to be disposed of, fair value is the anticipated net sale proceeds. Assets within each class of property, plant and equipment are carried at fair value and are required to be revalued as necessary, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date.

*Valuation of property, plant and equipment*

The Council has adopted an asset valuation policy in accordance with section 36 (2) of the Local Government Finance Standard 1994 which states that a local government may value a non-current asset by using the cost basis if the asset has a useful life of not more than 10 years, or a carrying value of not more than \$50,000 or, if a lesser amount is decided by the local government, the lesser amount. This policy applies to the property, plant and equipment classes of asset in which assets are carried at both the depreciated original cost and the depreciated fair value.

The adoption of this policy does not comply with the new accounting standard AASB1041 Revaluation of Non-Current Assets, which in paragraph 5.1 requires that, subsequent to initial recognition as assets, each class of non-current assets must be measured on either the cost basis or the fair value basis. The Council is of the opinion that the difference in value between the reported value of assets at depreciated cost and their corresponding fair value is immaterial, based on their short useful life or minor capital value. Accordingly all property, plant and equipment is reported at fair value.

Details of valuers and methods of valuation are disclosed in Note 18 b.

In revaluing land and buildings, the potential capital gains tax in relation to such assets acquired after 19 September 1985 was not taken into account as the Council is not liable to this tax.

*(e) Depreciation of property, plant and equipment*

To achieve a systematic and rational allocation of the value of non-current assets over their estimated useful lives, depreciation represents the consumption of the service potential embodied in the non-current asset over its useful life to the Council. The straight line method of depreciation is used. The estimated useful life of assets are reviewed annually.

<b>Asset</b>	<b>Range of estimated useful life</b>
Land	not depreciated
Buildings	10 – 60 years
Plant and equipment	2 – 30 years
Roads	10 – 100 years
Stormwater drainage	80 years
Water supply network	20 – 90 years
Sewerage supply network	20 – 80 years
Other assets	5 – 50 years

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.

*(f) Funding of depreciation*

It is the policy of Council to allocate sufficient unrestricted funds, after meeting all other operating expenses, to the full funding of the annual depreciation expense. This will not apply to depreciation on capital assets that the Council has resolved not to replace on their ultimate demise. If insufficient funds are available, the Council may recover the shortfall in the next years budget allocation or resolve to unfund that portion of the depreciation expense that cannot be funded from available funding sources. Such a resolution will include the proposed steps that will be taken to correct the shortfall in depreciation funding.

**(vi) Capital works 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.

**(vii) Leased plant and equipment**

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

**(viii) Inventories**

Inventories are valued at the lower of cost and net realisable value and includes, 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.

**(ix) Investments**

Investments are brought to account at net fair value and interest income is recognised as it accrues.

**(x) Land held for resale***(a) Held as a non-current asset*

Land approved for resale is recorded as part of the Council's non-current assets (Note 30) and is valued at fair 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. Any change in the carrying value is reflected in the asset revaluation reserve. The Council may reclassify this land to an inventory asset when it determines that this land no longer forms part of the capital assets required to provide a future service delivery.

*(b) Held as an inventory asset*

Land approved by Council for resale and to be classified as inventory is recognised as a current asset where steps have been taken to ready this land for marketing and it is expected that the properties will be sold within a 12 months period. It is valued at the lower of cost or net realisable value (refer viii). That portion of the land that is not expected to be sold within 12 months is classified as a non-current asset.

Profit arising upon resale of land is recognised in the Statement of Financial Performance at settlement date.

**(xi) Employee benefits**

Employee benefits are accrued for such items as wages and salaries, annual leave, sick leave and long service leave in respect of services provided by the employees up to the reporting date. Liabilities for employee benefits are assessed at each reporting date.

Where it is expected that the leave will be taken in the next 12 months the liability is treated as a current liability, otherwise the liability is treated as non-current.

*(a) Wages and salaries*

A liability for wages and salaries 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 entitlement.

*(b) Annual leave and sick leave*

A liability for annual leave and sick leave is recognised and based on current wage and salary levels with an additional allowance being made for employee on-costs.

*(c) Superannuation*

The superannuation expense for the reporting period is the amount of the statutory contribution the local government makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in Note 31.

Notes to the Financial Statements  
For the year ended 30 June 2004

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**(xi) Employee benefits (continued)***(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 with an additional allowance for employee on-costs.

**(xii) Provision for doubtful debts**

The collectability of debts is assessed at the reporting date and provision is made for doubtful accounts where it is no longer probable that the amount owing will be collected.

*Credit risk*

The maximum credit risk exposure of receivables as at 30 June is the carrying amount of these assets as shown in Note 14. This credit risk exposure does not take into account that s.1040 of the Local Government Act allows a local government to sell land upon which rates and utility charges were levied to recover rates and charges owing and unpaid for over three years.

**(xiii) 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.

*(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 at that time.

*(b) Grants and subsidies*

Control over granted assets is normally obtained upon their receipt or upon prior notification that a grant has been secured.

*(c) Non-cash contributions*

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

*(d) Other revenue including contributions*

Unreceived revenue is recognised as a receivable when it is probable that the receipt will occur and it can be measured, 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 pertaining to those undischarged conditions are carried in Note 32.

Disclosure of the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the Council's operations for the current reporting period are also reported in Note 32.

**(xiv) Payables (trade creditors and accruals)**

Accounts payable have been recognised as a liability where an obligation to pay for goods and services received can be reliably measured and it is probable the account will have to be paid. This usually occurs at the time of the goods being received or the service being performed. The amount recognised for each creditor is based on purchase or contract costs. These amounts are unsecured and normally settled within 30 working days.

**(xv) Interest bearing liabilities**

Loans and borrowings have been recognised as a liability at their respective book values.



Notes to the Financial Statements  
For the year ended 30 June 2004

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**(xvi) Cash**

For purposes of the Statement of Cash Flows, cash includes cash on hand, short term investments and other cash equivalents, which are readily convertible to cash, and which are used in the cash management function on a day-to-day basis, net of borrowings which are integral to the cash management function and which are not subject to a term facility.

**(xvii) Components of equity**

*(a) Asset revaluation reserve*

The asset revaluation reserve is comprised of adjustments relating to changes in value of assets which arise primarily from changes in the purchasing power of money. Net incremental changes in the carrying value of classes of capital non-current assets, since their initial recognition, are accumulated in this reserve. Where a class of asset is revalued down, without a prior revaluation credit in the asset revaluation reserve, the asset revaluation decrement net of the corresponding adjustment to the accumulated depreciation are debited to the Statement of Financial Performance and then appropriated to the capital account.

*(b) Reserves held for future capital expenditure*

These 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.

*Constrained Works Reserve*

This reserve is credited with all grants, subsidies and contributions of monetary revenue received during the reported period and constrained for the purpose of funding specific capital expenditure. As the expenditure is incurred on specified capital assets the equivalent funds are transferred to the capital account. The closing balance reported at the period end represents funds not yet expended and must be retained until expended in the manner specified by the contributor.

*Water Reserve*

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

*Sewerage Reserve*

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

*Capital Maintenance Reserve*

This reserve was created to contribute to future funding for general infrastructure works including aerodrome, buildings and swimming pools.

*Carryover Capital Works Reserve*

This reserve was created for the purpose of holding carryover revenue funds for capital works yet to be completed.

*(c) Reserves held for funding future recurrent expenditure:*

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

*Recurrent Maintenance Reserve*

This reserve was created to contribute to future funding for operational and recurrent expenditures across Council programs and to provide a contingency amount to offset any major unforeseen operational expenditures which are required.

**(xvii) Components of equity (continued)***(d) Retained surplus*

This represents that part of the Council's net funds not required to meet immediate requirements or to meet specific future needs. The balance of this account at the end of each financial year represents the amount available to Council that may be used to offset against expenditure in the following year or, if a deficit, the additional amount of revenue needed to be raised in the following year. In accordance with the Queensland Local Government Finance Standards all Councils must budget to either expend or appropriate all revenue raised by the Council in each financial year. A budgeted retained surplus of zero in the Statement of actual compared to original budget shows this requirement has been complied with.

**(xviii) National competition policy**

The Council has one Type 3 business activity, that being the Refuse Services activity. Prior to 1 July, 2001 Council had not resolved to apply the Code of Competitive Conduct to such activity as the collection and transportation functions of such activity are outsourced.

Council resolved on 17 July, 2003 to apply the Code of Competitive Conduct to the following business activities by 30 June, 2004:

Water & Sewerage, Refuse Management, Caravan Parks, Plant Management, Workshop, Other Roads, Roads (tendered MRD), and Recoverable Works.

In respect of recoverable works carried out for the Department of Main Roads, an overhead calculation is carried out to reflect the full cost of the project being carried out. This pricing has been accepted by the Department of Main Roads. The overhead calculation includes an allowance for the following expenses:

- Network Stewardship - includes salary component for Executives, Supervision, Survey & Design, Costing, Workplace Health & Safety, Information Technology, Administration and associated Plant.
- Office Overheads - includes allowance for software upgrades, floor area, electricity, telephones, stationery and insurance.
- Contingencies and Profit.

**(xix) Comparative figures**

Where required by Australian Accounting Standards, comparative figures for the preceding year have been reclassified on a basis consistent with current year disclosure.

**(xx) Actual figures**

All figures in the notes (except where otherwise stated) are actual amounts relating to the years ended 30 June 2004 and 30 June 2003 respectively.

**(xxi) Adoption of International Financial Reporting Standards (IFRS)**

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

These changes will require the council to adopt a number of different accounting policies and to present its financial reports differently for the year ending 30 June 2006 and subsequent years.

To manage the process the council has established an IFRS team which is examining all our accounting practices against the new requirements and establishing what changes we need to make in our accounting systems, what policies we should adopt and how these changes will impact on our reports.

When the new Standards are adopted all comparative amounts will be restated as though the policies which apply to that financial report have always applied (subject to some exceptions). The comparative amounts in the financial report for the year ended 30 June 2006 will therefore be different from the amounts in the financial report for the year ended 30 June 2005. A reconciliation will be included in the notes.

To date the Council has identified the following key differences in accounting policies which will arise from the adoption of the Australian Equivalents to IFRSs.

Notes to the Financial Statements  
For the year ended 30 June 2004

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**(xxi) Adoption of International Financial Reporting Standards (IFRS) (continued)**

*Property, plant and equipment*

The main area of impact is in recognition and measurement of property, plant and equipment. It is anticipated that the council will adopt permitted methods which will treat all property, plant and equipment as if it were acquired for its fair value at 30 June 2004. The property, plant and equipment will then be carried at its fair value. The effect of this is that the original cost figure or revaluations before 30 June 2004 will not appear in the financial reports for, or after the year ending 30 June 2006. The future depreciation expense is therefore likely to change as a result of a change in the asset's value and or useful life of the asset.

*Inventories*

The valuation of inventories will change from lower of cost and realisable value to the lower of cost and current replacement cost under the pending AASB 102 Inventories. This may lead to an increase in the valuation shown for inventories.

*Superannuation scheme*

The new provisions will require the council to assess the actuarial value of the liabilities to employees who are on defined benefit superannuation schemes, compare that value with the value of the relevant scheme assets, and account for the difference as an asset or liability.

*Impairment testing*

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

*Provisions for disposal and restoration of long lived assets*

The council will need to consider if it has any obligation to meet future costs for the disposal of its long lived assets, or for the restoration of land on which they stand. Any such obligation will be recognised as a liability and added to the cost of the asset. This will impact on depreciation charges during the life of such assets.

*Investment property*

Investment property may be recognised at fair value rather than at depreciated cost. It is not yet known what impact this may have.

## Notes to the Financial Statements

For the year ended 30 June 2004

## 2 Analysis of results by function

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

Functions	Revenue		Total revenue Ref- note 6	Total expenses Ref- note 6	Net result for period	Assets
	Grants	Other				
	2004 \$	2004 \$	2004 \$	2004 \$	2004 \$	2004 \$
Corporate Services	261,281	179,432	440,713	2,675,619	(2,234,906)	18,754,627
Finance	587,376	14,296,309	14,883,685	9,218,413	5,665,272	16,802,830
Environmental Services	33,082	1,907,187	1,940,269	4,654,140	(2,713,871)	-
Community & Cultural	105,543	79,140	184,683	2,231,995	(2,047,312)	2,365,008
Works & Services	3,092,635	2,037,250	5,129,885	1,629,192	3,500,693	137,930,440
Technical Services	-	169,943	169,943	1,747,236	(1,577,293)	-
Sewerage	-	2,850,103	2,850,103	2,640,550	209,553	18,942,684
Water	-	2,292,800	2,292,800	2,165,764	127,036	15,234,674
<b>Total</b>	<b>4,079,917</b>	<b>23,812,164</b>	<b>27,892,081</b>	<b>26,962,909</b>	<b>929,172</b>	<b>210,030,263</b>

## Prior Year

Functions	Revenue		Total Revenue Ref - Note 6	Total Expenses Ref- note 6	Net result for period	Assets
	Grants	Other				
	2003 \$	2003 \$	2003 \$	2003 \$	2003 \$	2003 \$
Corporate Services	767,743	317,820	1,085,563	4,059,809	(2,974,246)	18,246,887
Finance	583,749	13,355,167	13,938,916	180,360	13,758,556	14,933,249
Environmental Services	141,619	1,888,812	2,030,431	4,492,209	(2,461,778)	-
Community & Cultural	131,406	71,032	202,438	1,832,583	(1,630,145)	2,151,511
Works & Services	1,210,931	3,747,415	4,958,346	9,432,501	(4,474,155)	138,431,925
Technical Services	-	143,746	143,746	1,752,829	(1,609,083)	-
Sewerage	-	2,810,354	2,810,354	2,587,270	223,084	19,358,134
Water	-	2,115,231	2,115,231	2,191,027	(75,796)	15,541,912
<b>Total</b>	<b>2,835,448</b>	<b>24,449,577</b>	<b>27,285,025</b>	<b>26,528,588</b>	<b>756,437</b>	<b>208,663,618</b>

Notes to the Financial Statements  
For the year ended 30 June 2004

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## **2 (b) Components of council functions**

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

### **Corporate Services**

Includes recruitment, training and development, employee relations, public relations, computing services, secretarial and minutes support, records management, quality assurance, Council properties management, economic development.

### **Finance**

Includes revenue, purchasing, creditors, payroll, debtors, stores, budgeting, financial reporting, debt management, financial procedures development.

### **Environmental Services**

Includes health administration, health inspection, by-law enforcement, animal control, immunisation, refuse services, waste disposal, parks, caravan parks, street cleaning, public conveniences, beach restoration, cemeteries, CBD beautification.

### **Community & Cultural**

Includes libraries, theatre, memorial hall, art and cultural activities, recreation and sport facilities, area promotion, swimming pools, welfare.

### **Works & Services**

Includes roads and drainage construction and maintenance, road reseals, bicycle ways, aerodrome, boat ramps, recoverable works (Queensland Transport & Water Resources), depot and workshop operations, plant management.

### **Technical Services**

Includes engineering technical support, works estimating, drafting services, counter disaster co-ordination, flood forecasting, asset management, town planning, subdivision, building and plumbing inspections.

### **Sewerage**

Includes treatment, sewers and rising mains, pumping and reticulation, asset management.

### **Water**

Includes treating, pumping, reticulation, connections, metering and asset management.

Notes to the Financial Statements  
For the year ended 30 June 2004

	Note	2004 Actual \$	2003 Actual \$
<b>3 Ordinary revenue activity comprises:</b>			
<b>Operating income:</b>			
General rates		15,417,801	14,555,081
Environmental levy		129,370	130,306
Water		2,306,817	2,197,197
Sewerage		2,895,962	2,893,270
Garbage charges		1,222,223	1,154,222
Total rates and utility charge revenue		21,972,173	20,930,076
Less: Discounts		(1,973,945)	(1,907,874)
Less: Pensioner remissions		(519,279)	(519,562)
Net rates and utility charges		19,478,949	18,502,640
Fees and Charges		1,110,725	952,772
Sales - Contract and recoverable works		1,403,236	1,076,416
Government grants and contributions	7 (i)	1,525,175	2,233,358
Interest received from investments		901,869	737,432
Penalty interest from overdue rates and utility charges		35,011	21,992
Interest from trading bank interest income		-	1,346
Other Income		87,677	192,751
Total operating income		24,542,642	23,718,707
<b>Capital income:</b>			
Government grants and contributions	7 (ii)	2,681,091	2,542,201
Total capital income		2,681,091	2,542,201
<b>Revenue from ordinary activities</b>		<b>27,223,733</b>	<b>26,260,908</b>
<b>4 Ordinary expense activity comprises:</b>			
<b>Operating expenses:</b>			
Employee costs	10	9,593,041	9,386,248
Materials and services		8,477,854	7,625,056
Depreciation	11	6,644,847	6,973,512
Bank charges		11,477	12,325
Bad and doubtful debts		20,752	2,425
Other expenses	12	29,610	31,621
Total operating expenses before interest		24,777,581	24,031,187
<b>Capital expenses:</b>			
Loss on the sale of capital assets	8	360,308	72,259
Loss on market value adjustment to long term debt	27	49	753
Revaluation down of capital assets	18	-	511,875
Other capital expenses	9	282,098	-
Total capital expenses		642,455	584,887
<b>Expenses from ordinary activities</b>		<b>25,420,036</b>	<b>24,616,074</b>

Notes to the Financial Statements  
For the year ended 30 June 2004

		2004	2003
		Actual	Actual
	Note	\$	\$
<b>5 Borrowing costs</b>			
Finance costs charged by the Queensland Treasury Corporation		854,291	882,123
Finance costs relating to other bank loans		20,234	6,274
		<u>874,525</u>	<u>888,397</u>
<b>6 Reconciliation of revenues and expenses</b>			
<b>Total revenue for the period was derived from:</b>			
Total ordinary revenues	3	27,223,733	26,260,908
Add: Proceeds from disposal capital assets sold	8	668,348	1,024,117
Revenue per analysis of results by function	2 (a)	<u>27,892,081</u>	<u>27,285,025</u>
<b>Total expenses for the period were incurred as follows:</b>			
Expenses from ordinary activities	4	25,420,036	24,616,074
Borrowing costs	5	874,525	888,397
Deduct: Loss from disposal of capital assets sold	8	(360,308)	(72,259)
Add: Book value of capital assets sold	8	1,028,656	1,096,376
Expenses per analysis of results by function	2 (a)	<u>26,962,909</u>	<u>26,528,588</u>
<b>Result from ordinary activities</b>		<u>929,172</u>	<u>756,437</u>
<b>7 Grants, subsidies and contributions</b>			
(i) Operational government grants and contributions are analysed as follows:			
General purpose grants		587,376	583,749
State Government subsidies & grants		861,107	1,493,133
Contributions		76,692	156,476
Total operational revenue	3	<u>1,525,175</u>	<u>2,233,358</u>
(ii) Capital government grants and contributions are analysed as follows:			
(a) Monetary revenue constrained for capital purposes.			
State Government subsidies & grants		2,631,434	758,566
Contributions		13,270	1,092,766
Total constrained revenue		<u>2,644,704</u>	<u>1,851,332</u>
(b) Non-monetary revenue received is analysed as follows:			
Infrastructure from developers at fair value		36,387	690,869
Total non-monetary assets		<u>36,387</u>	<u>690,869</u>
Total capital revenue	3	<u>2,681,091</u>	<u>2,542,201</u>

Notes to the Financial Statements  
For the year ended 30 June 2004

	2004	2003
	Actual	Actual
Note	\$	\$
<b>8 Gain (loss) on the disposal of capital assets</b>		
(i) Proceeds from the sale of property, plant & equipment	594,742	961,625
Less: Book value of property, plant & equipment sold	<u>946,842</u>	<u>1,033,884</u>
	<u>(352,100)</u>	<u>(72,259)</u>
(ii) Proceeds from the sale of land	73,606	62,492
Less: Book value of land sold	<u>81,814</u>	<u>62,492</u>
	<u>(8,208)</u>	<u>-</u>
Total gain (loss) on the disposal of capital assets	<u><u>(360,308)</u></u>	<u><u>(72,259)</u></u>

### 9 Other capital income (expenses)

Capital income (expenses) recognised during the period arose from the following events. These adjustments do not give rise to a material mis-statement of prior period financial statements.

Correction to the recognition of road assets at gross value.	(324,239)	
Correction to the recognition of accumulated depreciation on road assets.	42,141	
Total adjustment to capital	<u><u>(282,098)</u></u>	<u><u>-</u></u>

### 10 Employee costs

Total wages and salaries	7,486,359	7,219,012
Councillors' remuneration	268,581	278,937
Annual, sick and long service leave entitlements	1,392,166	1,447,958
Superannuation	996,914	993,820
	<u>10,144,020</u>	<u>9,939,727</u>
Other employee related expenses	215,378	268,555
	<u>10,359,398</u>	<u>10,208,282</u>
Less: Capitalised employee expenses	<u>(766,357)</u>	<u>(822,034)</u>
	<u><u>9,593,041</u></u>	<u><u>9,386,248</u></u>

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

	2004	2003
Total Council employees at 30 June:		
Administration	<u>101</u>	<u>102</u>
Depot and outdoors	<u>103</u>	<u>105</u>
Total full time equivalent staff	<u><u>204</u></u>	<u><u>207</u></u>



Notes to the Financial Statements  
For the year ended 30 June 2004

	2004	2003
	Actual	Actual
Note	\$	\$
<b>11 Depreciation</b>		
Road and bridge network	4,159,957	4,514,298
Water	336,126	333,333
Sewerage	579,926	570,412
Drainage	135,436	125,925
Buildings	488,243	487,722
Plant and equipment	737,846	745,274
Other assets	207,313	196,548
	<u>6,644,847</u>	<u>6,973,512</u>

### Unfunded Depreciation

#### Accumulated Unfunded Depreciation

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

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

Net adjusted un-funded depreciation is calculated by taking the gross un-funded depreciation and deducting the amount of depreciation that will not require funding due to either non-replacement of the asset; contributions becoming available for funding the replacement; the replacement asset will cost less than the existing asset or the engineers assessment of depreciation funding is less than the depreciation expense in the period.

The gross un-funded depreciation across all assets for the period is \$1,229,779 ( 2003 - \$2,539,576 )

The net adjusted un-funded depreciation across all assets for the period is \$1,229,779 ( 2003 - \$2,539,576 )

Road and bridge network		
Balance at beginning of period	3,334,084	794,508
Net adjusted un-funded depreciation in the period	<u>1,229,779</u>	<u>2,539,576</u>
Accumulated un-funded depreciation at period end	<u>4,563,863</u>	<u>3,334,084</u>

### 12 Other expenses

Audit services	29,610	26,619
Rentals - Operating leases	-	5,002
	<u>29,610</u>	<u>31,621</u>

Notes to the Financial Statements  
For the year ended 30 June 2004

		2004	2003
		Actual	Actual
	Note	\$	\$
<b>13 Cash assets</b>			
Cash at bank and on hand		4,131,047	3,883,367
Deposits and investments at FIXED interest rates		10,176,156	9,314,944
		<u>14,307,203</u>	<u>13,198,311</u>
<b>Reconciliation to the statement of cash flows</b>			
Cash at the end of the period as shown in the statement of cash flows is reconciled to the statement of financial position as follows:			
Balances as above		<u>14,307,203</u>	<u>13,198,311</u>
Balance per statement of cash flows		<u>14,307,203</u>	<u>13,198,311</u>
Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:			
Unspent government grants and subsidies	26 (i)	273,504	52,644
Unspent developer contributions	26 (i)	830,358	1,632,630
Unspent loan monies		779,259	647,137
Total unspent restricted cash for capital projects		<u>1,883,121</u>	<u>2,332,411</u>
<b>14 Receivables</b>			
<b>(i) Current</b>			
Ratable revenue and utility charges		1,153,618	1,062,681
Less: Provision for doubtful debts		-	(1,870)
		<u>1,153,618</u>	<u>1,060,811</u>
Fees and charges		1,098,409	411,233
Other debtors		16,987	52,112
Less: Allowance for doubtful debts		(24,975)	(12,994)
		<u>1,090,421</u>	<u>450,351</u>
Loans and advances		49,156	48,131
		<u>2,293,195</u>	<u>1,559,293</u>
<b>(ii) Non-current</b>			
Loans and advances		<u>111,174</u>	<u>68,030</u>
		<u>111,174</u>	<u>68,030</u>

Interest is charged on outstanding rates at a rate of 11% per annum.

No interest is charged on other debtors.

All loans and advances related to loans made to various community bodies. These assets arise irregularly and are normally unsecured and interest free. The credit risk on these loans is considered low.

### 15 Tax assets

#### Current

GST recoverable	285,922	208,972
Less - GST payable	(90,587)	(69,502)
Less - Employee related tax payable	(12,220)	(12,220)
	<u>183,115</u>	<u>127,250</u>

Notes to the Financial Statements  
For the year ended 30 June 2004

		2004	2003
		Actual	Actual
	Note	\$	\$
<b>16 Inventories</b>			
<b>(i) Current</b>			
Stores and raw materials		<u>688,955</u>	<u>576,126</u>
		<u>688,955</u>	<u>576,126</u>
<b>(ii) Non-current</b>			
Land held for development and sale	30	<u>56,988</u>	<u>56,988</u>
		<u>56,988</u>	<u>56,988</u>
<b>17 Other financial assets</b>			
<b>(i) Current</b>			
Prepayments		<u>68,068</u>	<u>95,842</u>
		<u>68,068</u>	<u>95,842</u>
<b>(ii) Non-current</b>			
Prepayments		<u>405</u>	<u>684</u>
		<u>405</u>	<u>684</u>

# BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2004

## 18 (a) Property, plant and equipment

	Land held for resale	Land and improvements	Buildings	Plant and equipment	Road and bridge network	Water	Sewerage	Drainage	Other assets	Total
<b>Asset Values</b>	2004	2004	2004	2004	2004	2004	2004	2004	2004	2004
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening gross value at valuation	237,026	3,782,134	25,753,359	9,312,469	144,483,712	25,003,585	33,745,920	10,841,351	3,949,130	257,108,686
Additions at cost	-	4,788	593,018	1,278,411	4,061,232	31,335	275,135	272,282	238,965	6,755,166
Contributed assets at valuation	-	-	36,387	-	-	-	-	-	-	36,387
Disposals	(81,814)	-	-	(1,125,155)	(543,574)	-	-	-	-	(1,750,543)
Revaluations in period	-	-	-	-	(382,372)	-	-	-	-	(382,372)
Internal transfers	135,000	(135,000)	-	-	-	-	-	-	-	-
Correction of prior period error	-	-	-	-	(324,239)	-	-	-	-	(324,239)
Closing gross value at valuation	290,212	3,651,922	26,382,764	9,465,725	147,294,759	25,034,920	34,021,055	11,113,633	4,188,095	261,443,085
<b>Accumulated Depreciation</b>										
Opening balance	-	-	12,026,985	4,269,305	20,250,686	9,540,701	14,850,551	3,272,160	1,913,780	66,124,168
Depreciation provided in period	-	-	488,243	737,846	4,159,957	336,126	579,926	135,436	207,313	6,644,847
Written off on disposals	-	-	-	(523,053)	(198,834)	-	-	-	-	(721,887)
Adjustment on asset revaluation	-	-	-	-	(109,703)	-	-	-	-	(109,703)
Correction of prior period error	-	-	-	-	(42,141)	-	-	-	-	(42,141)
Accumulated depreciation at period end	-	-	12,515,228	4,484,098	24,059,965	9,876,827	15,430,477	3,407,596	2,121,093	71,895,284
Fair value at 30 June 2004	290,212	3,651,922	13,867,536	4,981,627	123,234,794	15,158,093	18,590,578	7,706,037	2,067,002	189,547,801
Fair value at 30 June 2003	237,026	3,782,134	13,726,374	5,043,164	124,233,026	15,462,884	18,895,369	7,569,191	2,035,350	190,984,518

Notes to the Financial Statements  
For the year ended 30 June 2004

	2004	2003
	Actual	Actual
Note	\$	\$
<b>18 b. Property, plant and equipment valuations were determined by reference to the following:</b>		
<b>Land</b>		
Land acquired at cost since 1 July 1994 and land acquired pre July 1994 has been revalued by independent valuer, Rushton (Qld) Pty. Ltd. as at 30 June 2001, and is recorded at the greater of current market buying price or current market value.		
Land held for development and sale is valued at the lower of cost or net realisable value.		
Land under infrastructure and reserve land does not have a value for the purpose of a Local Government's financial statements.		
<b>Buildings</b>		
All buildings have been revalued by independent valuer, Rushton (Qld) Pty. Ltd. as at 30 June 2001, and are recorded at fair value.		
<b>Plant and Equipment</b>		
All Plant and Equipment with an original useful life of more than ten years, or with an original cost/value in excess of the revaluation threshold of \$50,000, has been revalued by independent valuer, Rushton (Qld) Pty. Ltd. as at 30 June 2001.		
Plant and equipment under the value of \$50,000 and mobile plant and equipment with an expected life of under ten years was not revalued and is valued at fair value.		
<b>Infrastructure</b>		
Roads and drainage infrastructure has been valued by qualified Council Engineering staff as at 30 June 2003. Roads and drainage infrastructure acquired or constructed during the financial year ended 30 June 2004 are recorded at fair value.		
Water and sewerage infrastructure has been valued by qualified Council Engineering staff as at 1 July 2002. Water and sewerage infrastructure acquired or constructed during the financial year ended 30 June 2004 are recorded at fair value.		
<b>Other Assets</b>		
All Other Assets with an original useful life of more than ten years, or with an original cost/value in excess of the revaluation threshold of \$50,000, have been revalued by independent valuer, Rushton (Qld) Pty. Ltd. as at 30 June 2001.		
Other Assets under the value of \$50,000, with an expected life of under ten years were not revalued and are valued at fair value.		
<b>19 Capital work in progress</b>	2,773,359	1,996,576
	<u>2,773,359</u>	<u>1,996,576</u>

Notes to the Financial Statements  
For the year ended 30 June 2004

		2004	2003
		Actual	Actual
	Note	\$	\$
<b>20 Payables</b>			
<b>Current</b>			
Creditors and accruals		<u>804,637</u>	<u>519,489</u>
		<u>804,637</u>	<u>519,489</u>
<b>21 Interest bearing liabilities</b>			
<b>Current</b>			
Loans	27	<u>2,066,673</u>	<u>1,910,571</u>
		<u>2,066,673</u>	<u>1,910,571</u>
<b>Non-Current</b>			
Loans	27	<u>13,077,933</u>	<u>12,892,213</u>
		<u>13,077,933</u>	<u>12,892,213</u>
<b>22 Provisions</b>			
<b>Current</b>			
Employee benefits:			
Annual leave		882,794	1,105,448
Sick leave		285,879	299,741
Long service leave		<u>239,199</u>	<u>249,476</u>
		<u>1,407,872</u>	<u>1,654,665</u>
<b>Non-Current</b>			
Employee benefits:			
Annual leave		310,054	-
Long service leave		<u>1,090,645</u>	<u>1,070,141</u>
		<u>1,400,699</u>	<u>1,070,141</u>
<b>23 Other liabilities</b>			
<b>Current</b>			
Monies received in advance		<u>-</u>	<u>593</u>
		<u>-</u>	<u>593</u>

Notes to the Financial Statements  
For the year ended 30 June 2004

	2004	2003
	Actual	Actual
Note	\$	\$
<b>24 (i) Capital</b>		
Movements in the capital account were as follows:	-	-
Balance at beginning of period	131,957,829	133,783,111
Net value of capital assets written down	-	(511,875)
Transfer from (to) retained surplus profit (loss) on asset sales	(360,308)	(72,259)
Transfer from retained surplus non monetary capital revenue	36,387	690,869
Unspent capital revenue transferred to retained surplus	-	(241,775)
Transfer (to) / from retained surplus for loan valuation adjustment	(49)	(753)
Transfer (to) accumulated surplus for unfunded depreciation	(1,229,779)	(2,539,576)
Other capital (income) expense in the period	(282,098)	-
Total transfers (to) from Statement of Appropriation	(1,835,847)	(2,675,369)
Transfer (to) from the unspent depreciation capital fund reserve	(2,473,718)	(512,210)
Transfer (to) from the unspent loan capital fund reserve	(132,122)	530,781
Transfers from the constrained works reserve	3,226,116	720,807
Transfers from the capital maintenance reserve	61,056	31,555
Transfers from the carryover capital works reserve	425,428	79,154
Balance at the reporting date	<u>131,228,742</u>	<u>131,957,829</u>
<b>(ii) Unspent depreciation capital fund reserve</b>		
Movement in the funded depreciation cash was as follows:		
Opening balance	2,847,219	2,335,009
Cash unspent in period, (expended in period)	<u>2,473,718</u>	<u>512,210</u>
Balance at the reporting date	<u>5,320,937</u>	<u>2,847,219</u>
<b>(iii) Unspent loan capital fund reserve</b>		
Movement in unspent loan funds at period end were as follows:		
Opening balance	647,137	1,177,918
Cash unspent in period, (expended in period)	<u>132,122</u>	<u>(530,781)</u>
Balance at the reporting date	<u>779,259</u>	<u>647,137</u>
<b>Total capital</b>	<u><u>137,328,938</u></u>	<u><u>135,452,185</u></u>
<b>25 (i) Asset revaluation reserve</b>	1 (xvii)(a)	
Movements in the asset revaluation reserve were as follows:		
Balance 1 July 2003	46,018,966	7,142,269
Net adjustment to non-current assets at end of period to reflect a change in current fair value:		
Land and improvements	-	(5,000)
Plant and equipment	-	69,867
Road and bridge network	(272,669)	38,757,857
Water	-	53,973
Balance 30 June 2004	<u>45,746,297</u>	<u>46,018,966</u>

Notes to the Financial Statements  
For the year ended 30 June 2004

	2004	2003
	Actual	Actual
Note	\$	\$
<b>(ii) Asset revaluation reserve analysis</b>		
The closing balance of the asset revaluation reserve is comprised of the following asset categories:		
Land and improvements	597,040	597,040
Buildings	754,195	754,195
Road and bridge network	38,485,188	38,757,857
Water	2,841,515	2,841,515
Sewerage	3,068,359	3,068,359
	<u>45,746,297</u>	<u>46,018,966</u>

## 26 Other Reserves

### (a) Reserves held for funding future capital expenditure:

(i) Constrained works reserve	1,103,862	1,685,274
(ii) Water reserve	3,148,998	3,036,962
(iii) Sewerage reserve	2,654,211	2,833,444
(iv) Capital maintenance reserve	237,703	267,599
(v) Carryover capital works reserve	211,960	397,388
	<u>7,356,734</u>	<u>8,220,667</u>

### (b) Reserves held for funding future recurrent expenditure:

(i) Recurrent maintenance reserve	840,480	924,128
	<u>840,480</u>	<u>924,128</u>

Total reserves	<u>8,197,214</u>	<u>9,144,795</u>
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### Movements in capital reserves are analysed as follows:

#### (i) Constrained works reserve

Balance at beginning of period	1,685,274	554,749
Transfers from retained earnings grants, subsidies and contributions, constrained for capital purposes, received in period.	-	-
Transfers to the capital account funds expended in the period	(3,226,116)	(720,807)
Balance at the reporting date	<u>1,103,862</u>	<u>1,685,274</u>

#### (ii) Water reserve

Balance at beginning of period	3,036,962	2,845,983
Transfer from retained earnings funds for future expenditure	112,036	241,775
Transfers of funds to retained earnings	-	(50,796)
Balance at the reporting date	<u>3,148,998</u>	<u>3,036,962</u>

#### (iii) Sewerage reserve

Balance at beginning of period	2,833,444	2,476,532
Transfer from retained earnings funds for future expenditure	-	356,912
Transfers of funds to retained earnings	(179,233)	-
Balance at the reporting date	<u>2,654,211</u>	<u>2,833,444</u>



Notes to the Financial Statements  
For the year ended 30 June 2004

	2004	2003
	Actual	Actual
Note	\$	\$
<b>26 Other Reserves (continued)</b>		
<b>(iv) Capital maintenance reserve</b>		
Balance at beginning of period	267,599	264,154
Transfer from retained earnings funds for future expenditure	58,212	50,000
Transfer to the capital account funds expended in the period.	(61,056)	(31,555)
Transfers of funds to retained earnings	<u>(27,052)</u>	<u>(15,000)</u>
Balance at the reporting date	<u>237,703</u>	<u>267,599</u>
<b>(v) Carryover capital works reserve</b>		
Balance at beginning of period	397,388	351,542
Transfer from retained earnings funds for future expenditure	240,000	150,000
Transfer to the capital account funds expended in the period.	(425,428)	(79,154)
Transfers of funds to retained earnings	<u>-</u>	<u>(25,000)</u>
Balance at the reporting date	<u>211,960</u>	<u>397,388</u>
<b>(d) Movements in general reserves are analysed as follows:</b>		
<b>(i) Recurrent maintenance reserve</b>		
Balance at beginning of period	924,128	151,730
Transfer from retained earnings funds for future expenditure	92,275	772,398
Transfers of funds to retained earnings	<u>(175,923)</u>	<u>-</u>
Balance at the reporting date	<u>840,480</u>	<u>924,128</u>
<b>27 Loans</b>		
<b>(i) Queensland Treasury Corporation</b>	14,874,206	14,398,113
<b>(ii) Other Bank Loans</b>	<u>270,400</u>	<u>404,671</u>
	<u>15,144,606</u>	<u>14,802,784</u>
Classified as:		
Current	2,066,673	1,910,571
Non-current	<u>13,077,933</u>	<u>12,892,213</u>
	<u>15,144,606</u>	<u>14,802,784</u>
<b>(i) Queensland Treasury Corporation</b>		
Opening balance	14,398,113	12,822,430
Loans raised	2,155,000	3,360,000
Principal repayments	(1,678,956)	(1,785,070)
Adjustment to loan value due to change in interest rates.	49	753
Book value at period end	<u>14,874,206</u>	<u>14,398,113</u>

The loan market value at the reporting date was \$14,901,950. This represents the value of the debt if the Council repaid it at that date. As it is the intention of the Council to hold the debt for its term, no provision is required to be made in these accounts. The loans are held in their respective program accounts. The interest rate on (i) Queensland Treasury Corporation borrowings range from 5.32% to 6.62%. Based on the current level of repayments the expected term of total debt is 13 years (Actual - 14 years). Borrowings are all in Australian dollars and are underwritten by the Queensland State Government.

Notes to the Financial Statements  
For the year ended 30 June 2004

	2004	2003
	Actual	Actual
Note	\$	\$
<b>27 Loans (continued)</b>		
<b>(ii) Other Bank Loans</b>		
Opening balance	404,671	125,487
Loans raised	-	352,089
Repayments	<u>(134,271)</u>	<u>(72,905)</u>
Book value at period end	<u>270,400</u>	<u>404,671</u>

The loans are underwritten by the Queensland State Government.

## 28 Commitments for expenditure

### Contractual Commitments

Contractual commitments at balance date but not recognised in the financial statements are as follows:

Service contracts over next 1 to 8 years	1,541,053	2,549,269
Donation Commitments from 1 to 3 years	<u>5,000</u>	<u>14,398</u>
	<u>1,546,053</u>	<u>2,563,667</u>

### Capital Commitments

Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities are as follows:

Infrastructure	476,423	132,521
Other Assets	<u>290,414</u>	<u>-</u>
	<u>766,837</u>	<u>132,521</u>

These expenditures are payable:

Within one year	<u>766,837</u>	<u>132,521</u>
	<u>766,837</u>	<u>132,521</u>

## 29 Contingent liabilities

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 solicitors, at this stage in proceedings the potential loss on all claims 30 June 2004 should not exceed:

<u>27,731</u>	<u>27,801</u>
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The Council has disclaimed liability and no provision has been made in the financial statements pertaining to these claims.

Potential excess amounts payable against various insurance claims as at 30 June 2004 should not exceed:

<u>6,000</u>	<u>32,356</u>
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The Burdekin 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>131,831</u>	<u>120,575</u>
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Notes to the Financial Statements  
For the year ended 30 June 2004

	2004	2003
	Actual	Actual
Note	\$	\$

**29 Contingent liabilities (continued)**

The Burdekin Shire Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises. As at June 2003 the financial statements reported an accumulated deficiency of \$2,128,579. The Board of Management has developed a long term financial strategy to address this deficit. As at the reporting date the Council's share of any liability can not be reliably estimated.

**30 Land held for development and sale**

Opening balance	<u>56,988</u>	<u>56,988</u>
	<u>56,988</u>	<u>56,988</u>
Classified as:		
Non-current	<u>56,988</u>	<u>56,988</u>
	<u>56,988</u>	<u>56,988</u>

Land held for development and sale is revalued when there is an adjustment required to net realisable value. 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 18.

**31 Superannuation**

The Burdekin Shire Council contributes to the local government superannuation scheme (the scheme). The scheme has both defined benefits and accumulation arrangements, provided for in accordance with statutory requirements. Assets accumulate in the fund to meet member's benefits as they accrue. If that portion of the assets of the plan, intended to support employees' defined benefits, is insufficient to satisfy such entitlements payable to scheme beneficiaries, then the level and form of such benefits would need to be revised. All persons becoming permanent employees as from 1 July 1998 contribute to the scheme for defined contribution entitlements; the defined benefit section of the scheme having been closed to new entrants from that date.

The Burdekin Shire Council's liability in respect of defined contribution superannuation arrangements is the amount of contribution that, under the terms of the Scheme, is payable to the fund as at the reporting date.

The audited general purpose financial statements of the scheme as at 30 June 2003 (the most recent available) which were not subject to any audit qualification, indicates that the assets of the scheme are sufficient to meet the accrued benefits. No liability for the Council has been recognised as at the reporting date in respect of superannuation benefits for its employees.

The general purpose financial statements disclose that the most recent actuarial assessment of the scheme was undertaken as at the 30 June 2003. 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.

Notes to the Financial Statements  
For the year ended 30 June 2004

	2004	2003
	Actual	Actual
Note	\$	\$
<b>31 Superannuation (continued)</b>		
The amount of superannuation contributions paid by Burdekin Shire Council to the superannuation scheme in this period for the benefit of employees was:	<u>970,267</u>	<u>964,444</u>
The Burdekin Shire Council also contributes to the scheme for the benefit of elected members. The amount of contributions paid for this benefit during the reporting period was:	<u>26,647</u>	<u>29,376</u>
The Queensland Local Government Superannuation Board, the trustee of the scheme, advised that the local government superannuation scheme was a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation.		
<b>32 Conditions over contributions</b>		
Contributions and grants which were recognised as revenues during the reporting period and which were obtained on the condition that they be expended in a manner specified by the contributor but had not been expended at the reporting date.		
Contributions of infrastructure assets to be expended in 2003/04	-	1,134,547
Contributions of infrastructure assets to be expended in 2004/05	<u>247,057</u>	-
	<u>247,057</u>	<u>1,134,547</u>
Contributions and Grants which were recognised as revenues in a previous reporting period and were expended during the current reporting period in accordance with the council's obligations.		
Contributions for infrastructure assets to be expended in 2002/03	-	4,022
Contributions for infrastructure assets to be expended in 2003/04	<u>828,469</u>	-
	<u>828,469</u>	<u>4,022</u>
Net increase (decrease) in restricted asset (cash) at period end	<u>(581,412)</u>	<u>1,130,525</u>
<b>33 Trust Funds</b>		
Monies collected or held on behalf of another entity yet to be paid out to or on behalf of that entity	1,496	1,394
Security deposits	<u>49,819</u>	<u>42,128</u>
	<u>51,315</u>	<u>43,522</u>
The Burdekin Shire Council performs only a custodial role in respect of these monies. As these funds cannot be used by the Council, they are not brought to account in these financial statements.		

Notes to the Financial Statements  
For the year ended 30 June 2004

	2004	2003
	Actual	Actual
Note	\$	\$
<b>34 Reconciliation of result from ordinary activities to net cash inflow (outflow) from operating activities</b>		
Result from ordinary activities	929,172	756,437
Non-cash operating items:		
Unrealised (gain) / loss on loan revaluation	49	753
Depreciation and amortisation	6,644,847	6,973,512
Non-cash donations subsidies and contributions	(36,387)	(690,869)
Provision for doubtful debts	10,111	2,425
Other capital income (expenses)	282,098	-
Revaluation down of capital assets	-	511,875
	<u>6,900,718</u>	<u>6,797,696</u>
Investing and development activities:		
Net (profit) loss on disposal of non current assets	360,308	72,259
Payment for land for sale and development costs in the period	-	-
	<u>360,308</u>	<u>72,259</u>
Changes in operating assets and liabilities:		
(Increase) decrease in receivables	(798,853)	1,276,939
(Increase) decrease in other operating assets	(84,776)	34,960
Increase (decrease) in payables	205,416	(56,532)
Increase (decrease) in employee provisions	83,765	145,613
Increase (decrease) in other provisions	-	-
	<u>(594,448)</u>	<u>1,400,980</u>
<b>Net cash inflow from operating activities</b>	<u><u>7,595,750</u></u>	<u><u>9,027,372</u></u>

### 35 Controlled Entity

Burdekin Shire Council provides representation on the Burdekin Cultural Complex Board Inc. which manages, administers and operates the Burdekin Theatre and Music Loft in Queen Street, Ayr and the Burdekin Memorial Hall in Ninth Avenue, Home Hill pursuant to a written contract with the Council. The membership of the Board consists of five (5) Councillor members including the Mayor as Chairman and four (4) other members appointed at public meetings. As the Chairman of the Board has a constitutional casting vote and because of the existence of the contract between the Council and the Board wherein the Local Government approves the required operating budget of the Board, the Board is a controlled entity. As the Board's financial year, of 1st May 2003 to 30th April 2004, is inconsistent with Council's, the Board's financial results are not consolidated into these statements but are reported by way of note as follows:-

Income		
Council Contributions	335,690	335,650
Other Income	175,035	141,406
Promotions/Rentals	189,782	157,498
	<u>700,507</u>	<u>634,554</u>

Notes to the Financial Statements  
For the year ended 30 June 2004

	2004	2003
	Actual	Actual
Note	\$	\$
<b>35 Controlled Entity (continued)</b>		
Expenditure		
Administration	113,758	102,480
Operating Expenditure	277,693	253,220
Promotions/Rentals	251,497	184,893
	<u>642,948</u>	<u>540,593</u>
Operating Surplus/(Deficit)	<u>57,559</u>	<u>93,961</u>
Accumulated Funds		
Balance at beginning of period	54,999	(38,962)
Plus/(less) Surplus/(deficit) for period	57,559	93,961
	<u>112,558</u>	<u>54,999</u>
Represented by		
Assets		
Current	<u>160,792</u>	<u>94,021</u>
Liabilities		
Current	37,055	24,259
Non Current	11,180	14,763
	<u>48,235</u>	<u>39,022</u>
Net Assets	<u>112,557</u>	<u>54,999</u>

Notes to the Financial Statements  
For the year ended 30 June 2004

### 36 Financial instruments

#### (a) Credit risk exposure

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	Total
		2004 \$	2003 \$	2004 \$	2003 \$	2004 \$	2003 \$	2004 \$	2003 \$
<b>Financial assets</b>									
Cash assets	13	-	-	10,176,156	9,314,944	4,131,047	3,883,367	14,307,203	13,198,311
Receivables	14	-	-	1,313,948	1,176,972	1,090,421	450,351	2,404,369	1,627,323
Tax assets	15	-	-	-	-	183,115	127,250	183,115	127,250
		-	-	11,490,104	10,491,916	5,404,583	4,460,968	16,894,687	14,952,884
<b>Financial liabilities</b>									
Payables	20	-	-	-	-	804,637	519,489	804,637	519,489
Loans - QTC *	27	14,874,206	14,398,113	-	-	-	-	14,874,206	14,398,113
Other Bank Loans	27	-	-	270,400	404,671	-	-	270,400	404,671
		14,874,206	14,398,113	270,400	404,671	804,637	519,489	15,949,243	15,322,273
Net financial assets		(14,874,206)	(14,398,113)	11,219,704	10,087,245	4,599,946	3,941,479	945,444	(369,389)

\* 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 any special circumstances pertaining to a particular investment.

**37 National Competition Policy****(a) Activities to which the code of competitive is applied**

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

**(a) Roads business activity:**

- (i) the construction or maintenance of State controlled roads for which the local government submits an offer to carry out work in response to a tender invitation, other than through a sole supplier arrangement.
- (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) Other business activity, referred to as type three activities, means the following:**

- (i) trading in goods and services to clients in competition with the private sector, or
- (ii) the submission of a competitive tender in the local government's own tendering process in competition with others for the provision of goods and services to its self. Excluded activities are (a) library services, and (b) an activity or part thereof prescribed by legislation.

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

The CSO value is determined by Council, and represents an activities cost(s) which would not be incurred if the activities primary objective was to make a profit. The Council provides funding from general revenue to the business activity to cover the cost of providing non-commercial community services or costs deemed to be CSO's by the Council. Notwithstanding CSO's, the council is committed to operating these activities as business activities in accordance with the CCC.

Water and Sewerage  
Refuse Management  
Caravan Parks  
Plant Management  
Workshop  
Other Roads  
Roads (Tendered MRD)  
Recoverable Works

The following table summaries the financial results for these, including competitive neutrality adjustments if applicable. Full information is available for inspection at the council offices.



**37 National Competition Policy - continued**

**(b) Financial performance of activities subject to competition reforms:**

	Water and Sewerage		Refuse Management		Caravan Parks	
	2004	2003	2004	2003	2004	2003
	\$	\$	\$	\$	\$	\$
Revenue for services provided to the Council	186,487	148,660	11,959	-	-	-
Revenue for services provided to external clients	5,005,900	4,823,853	1,318,016	1,271,079	188,474	148,478
* Community service obligations	681,048	265,725	508,123	404,600	86,676	-
	5,873,435	5,238,238	1,838,098	1,675,679	275,150	148,478
Less : Expenditure	3,379,159	3,352,271	1,781,260	1,676,837	209,303	140,136
Surplus (deficiency)	2,494,276	1,885,967	56,838	(1,158)	65,847	8,342

	Plant Management		Workshop		Other Roads	
	2004	2003	2004	2003	2004	2003
	\$	\$	\$	\$	\$	\$
Revenue for services provided to the Council	2,990,825	2,931,611	960,000	945,000	7,841,000	6,392,581
Revenue for services provided to external clients	-	-	4,738	10,700	444	1,313
* Community service obligations	-	-	-	-	-	-
	2,990,825	2,931,611	964,738	955,700	7,841,444	6,393,894
Less : Expenditure	2,628,244	2,700,319	849,654	857,059	7,689,248	6,200,390
Surplus (deficiency)	362,581	231,292	115,084	98,641	152,196	193,504

	Roads (Tendered MRD)		Recoverable Works	
	2004	2003	2004	2003
	\$	\$	\$	\$
Revenue for services provided to the Council	-	-	-	-
Revenue for services provided to external clients	-	-	1,403,236	1,076,417
* Community service obligations	-	-	-	-
	-	-	1,403,236	1,076,417
Less : Expenditure	-	-	1,083,964	851,642
Surplus (deficiency)	-	-	319,272	224,775

**(c) CSO's were paid during the reporting period to the following activities.**

Activities	CSO description	Actual
Water and Sewerage	Giru/Mt Kelly water supplies operating costs, uneconomic water connections, pensioner concessions and community groups sewerage costs donations	681,048
Refuse Management	Free refuse disposal vouchers, free refuse tips mulch, boat ramps bins, and operating costs of uneconomic additional transfer stations	508,123
Caravan Parks	Contribution to economic activity in shire and refurbishment costs for parks	86,676

# BURDEKIN SHIRE COUNCIL

## ANNUAL FINANCIAL STATEMENTS

For the year ended 30 June 2004

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### MANAGEMENT CERTIFICATE

For the year ended 30 June 2004

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

In accordance with Section 54 of the Standard we certify -

- (i) the requirements under the Local Government Act 1993 for the keeping of the accounts have been complied with in all material respects; and
- (ii) the financial statements for the year ended 30 June 2004 and supporting notes presents the Council's operating results, cash flows and financial position as required by the *Local Government Act 1993*.

Original signed on 22/10/04

**Mayor**

Original signed on 22/10/04

**Chief Executive Officer**

Date: 22 October 2004

Date: 22 October 2004

# INDEPENDENT AUDIT REPORT

## TO THE MAYOR OF BURDEKIN SHIRE COUNCIL

### **Matters relating to the electronic presentation of the audited financial statements**

The audit report relates to the financial statements of Burdekin Shire Council for the financial year ended 30 June 2004 included on Burdekin Shire Council's web site. The Council is responsible for the integrity of the Burdekin Shire Council's web site. The audit report refers only to the financial statements identified below and does not include a review of the integrity of this web site or provide an opinion on any other information which may have been hyperlinked to/from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements, available from Burdekin Shire Council, to confirm the information included in the audited financial statements presented on this web site.

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

### **Scope**

#### *The financial statements*

The financial statements of Burdekin Shire Council consist of the statement of financial performance, statement of financial position, statement of changes in equity, statement of cash flows, statement to which the code of competitive conduct applies, notes to and forming part of the financial statements for the year ended 30 June 2004.

#### *Council's responsibility*

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

#### *Audit approach*

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

#### *Audit procedures included -*

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

### **Independence**

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

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

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

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

## ***Audit Opinion***

In accordance with section 532 of the *Local Government Act 1993* -

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
  - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the statements have been drawn up so as to present a true and fair view in accordance with the prescribed accounting standards of the transactions of the Burdekin Shire Council for the financial year 1 July 2003 to 30 June 2004 and of the financial position as at the end of that year.

John Zabala CA  
(as Delegate of the Auditor-General of Queensland)

Townsville

(Original signed on 9 November 2004)

**THE FOLLOWING REPORTS DO NOT FORM PART OF THE  
AUDITED FINANCIAL STATEMENTS. THEY HAVE BEEN PROVIDED  
AS ADDITIONAL MANAGEMENT INFORMATION TO ASSIST THE  
READER IN THEIR ANALYSIS OF THE FINANCIAL STATEMENTS**

**Statement of Operating Performance**

For the year ended 30 June 2004

	2004	2003
	Actual	Actual
Note	\$	\$
<b>Operating Income</b>		
General rates	15,417,801	14,555,081
Environmental levy	129,370	130,306
Water	2,306,817	2,197,197
Sewerage	2,895,962	2,893,270
Garbage charges	1,222,223	1,154,222
	<u>21,972,173</u>	<u>20,930,076</u>
Less: Discounts	(1,973,945)	(1,907,874)
Less: Pensioner remissions	(519,279)	(519,562)
<b>Net rates and utility charges</b>	19,478,949	18,502,640
Fees and Charges	1,110,725	952,772
Sales - Contract and recoverable works	1,403,236	1,076,416
Government grants and contributions	1,525,175	2,233,358
Interest received from investments	901,869	737,432
Penalty interest from overdue rates and utility charges	35,011	21,992
Interest from trading bank interest income	-	1,346
Other Income	87,677	192,751
	<u>24,542,642</u>	<u>23,718,707</u>
<b>Operating Expenses</b>		
Employee costs	9,593,041	9,386,248
Materials and services	8,477,854	7,625,056
Depreciation	6,644,847	6,973,512
Bank charges	11,477	12,325
Interest on loans	874,525	888,397
Bad and doubtful debts	20,752	2,425
Other expenses	29,610	31,621
	<u>25,652,106</u>	<u>24,919,584</u>
<b>Surplus / deficit from operating activities</b>	<u>(1,109,464)</u>	<u>(1,200,877)</u>
<b>Capital income</b>		
Government grants and contributions	2,681,091	2,542,201
	<u>2,681,091</u>	<u>2,542,201</u>
<b>Capital expenses</b>		
Loss on the sale of capital assets	360,308	72,259
Loss on market value adjustment to long term debt	49	753
Revaluation down of capital assets	-	511,875
Other capital expenses	282,098	-
	<u>642,455</u>	<u>584,887</u>
<b>Net Result</b>	<u><u>929,172</u></u>	<u><u>756,437</u></u>

## Notes to the Financial Statements

For the year ended 30 June 2004

	2004	2003
	Actual	Actual
Financial Ratios of the Accounts	%	%
<b>Change in community equity ratio:</b>		
The percentage change in the net wealth of the Council.	0.3%	26.3%
<b>Interest cover:</b>		
The percentage of interest costs to total operating income	3.6%	3.7%
<b>Debt servicing ratio:</b>		
The percentage that the Council's total operating income that is used to service loan interest and principal repayments	11.0%	11.6%
<b>General rate revenue ratio:</b>		
The Council's dependence on general rate revenue as a percentage of total operating income	62.8%	61.4%
<b>Revenue ratio:</b>		
The Council's dependence on net rates and utility charges as a percentage of total operating income	79.4%	78.0%
<b>Debt exposure ratio:</b>		
The percentage of Council's capital debt to total community equity	7.9%	7.8%
<b>Working capital ratio:</b>		
The ratio of unrestricted current assets available to meet current liabilities	3.7 : 1	3.2 : 1
<b>Unfunded depreciation ratio:</b>		
The percentage of unfunded depreciation to the total depreciation expense	18.5%	36.4%
<b>Borrowing ratio</b>		
The total capital borrowing as a percentage of total operating revenue	61.7%	62.4%
<b>Capital expenditure ratio</b>		
The ratio of capital expenditure to depreciation	113.9%	123.5%
<b>Rate arrears ratio</b>		
The percentage of rates and charges receivable to net rate and charges revenue	5.9%	5.7%
The effectiveness of Council's collection of rates and charges		

**BURDEKIN SHIRE COUNCIL**

Statement of Actual Results compared to Budget by Program

For the year ended 30 June 2004

	Note	Total on Consolidation		Eliminations on consolidation and non-attributable adjustments	
		Actual \$	Original Budget \$	Actual \$	Original Budget \$
<b>Operating revenue</b>					
Rates and utility charges	3	21,972,173	21,844,500		
Less: Discounts & pensioner remissions	3	(2,493,224)	(2,514,800)		
User fees and charges		1,110,725	923,574		
Interest	3	936,880	543,000		
Operational contributions and donations	7	76,692	52,012		
Operational Government grants and subsidies	7	1,448,483	1,262,668		
Sales - Contract and recoverable works		1,403,236	895,000		
Internal service provider revenue		-	-	(9,393,216)	-
Other operating revenue		87,677	85,300		
Internal dividends received		-	-	(350,000)	(350,000)
Internal revenue distribution		-	-	-	-
<b>Total operating revenue</b>		<b>24,542,642</b>	<b>23,091,254</b>	<b>(9,743,216)</b>	<b>(350,000)</b>
<b>Operating Expenses</b>					
Employee costs	10	9,297,813	9,263,200		
Goods and services		8,477,854	8,557,649		
Internal service provider expenditure		-	-	(9,393,216)	-
Depreciation	11	6,644,847	5,926,000		
External finance and borrowing costs		906,754	940,234		
Other expenses	12	324,838	384,100		
<b>Total operating costs</b>		<b>25,652,106</b>	<b>25,071,183</b>	<b>(9,393,216)</b>	<b>-</b>
<b>Surplus (deficit) from operating activities</b>		<b>(1,109,464)</b>	<b>(1,979,929)</b>	<b>(350,000)</b>	<b>(350,000)</b>
Capital contributions		49,657	20,000		
Capital grants and subsidies		2,631,434	2,831,051		
Other capital income (expense)		(642,455)	-	(282,098)	
<b>Net result for the period</b>		<b>929,172</b>	<b>871,122</b>	<b>(632,098)</b>	<b>(350,000)</b>
Net result from above		929,172	871,122	(632,098)	(350,000)
Transfer from capital for unfunded depreciation		1,229,779	952,735		
From (to) capital items of capital income & expense		606,068	-	282,098	
Internal dividends paid		-	-	350,000	350,000
Other transfers between functions		-	-		
Surplus/(deficit) available for transfer to reserves		2,765,019	1,823,857		
Net transfers from (to) capital reserves	26	(2,848,667)	(2,091,207)		
Net transfers from (to) recurrent reserves	26	83,648	267,350		
<b>Retained surplus (deficit) funds at period end</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Funding Sources</b>					
Disposal proceeds of capital assets	8	668,348	476,500		
Funded depreciation expended		2,941,350	6,820,398		
Government capital grants and subsidies	7	2,410,574	2,831,051		
Developer contributions and capital donations	7	851,929	20,000		
Funds held in capital reserves	26	486,484	380,000		
Loans for capital purposes	27	2,022,878	2,830,512		
<b>Total capital funding sources</b>		<b>9,381,563</b>	<b>13,358,461</b>		
<b>Capital Funding Applications</b>					
Land and improvements		4,788	-		
Buildings		629,405	8,000		
Plant and equipment		1,278,411	1,566,500		
Total infrastructure assets		4,639,984	9,252,279		
Other assets		238,965	621,111		
Movement in capital work in progress		776,783	-		
Total asset acquisitions		7,568,336	11,447,890		
Loan redemptions		1,813,227	1,910,571		
Total capital applications		9,381,563	13,358,461		
<b>Cash balances held at beginning of period</b>					
Capital reserve balances		8,220,667	6,242,278		
Unspent loans and depreciation cash		3,494,356	3,617,475		
Recurrent reserve balances		924,128	908,620		
<b>Total reserve cash held at beginning of the period</b>		<b>12,639,151</b>	<b>10,768,373</b>		
<b>Cash balances held at the end of period</b>					
Capital reserve balances		7,356,734	5,102,434		
Unspent loan and depreciation cash held		6,100,196	1,094,830		
Recurrent reserve balances		840,480	641,270		
<b>Total reserve cash held at the end of the period</b>		<b>14,297,410</b>	<b>6,838,534</b>		



**BURDEKIN SHIRE COUNCIL**

Statement of Actual Results compared to Budget by Program

For the year ended 30 June 2004

	Sub-total of all Council programs		Corporate Services		Finance	
	Actual \$	Original Budget \$	Actual \$	Original Budget \$	Actual \$	Original Budget \$
<b>Operating revenue</b>						
Rates and utility charges	16,769,394	16,703,500	-	-	15,417,801	15,339,000
Less: Discounts & pensioner remissions	(1,925,063)	(1,947,300)	-	-	(1,784,974)	(1,806,000)
User fees and charges	982,933	827,574	29,902	27,624	87,350	43,800
Interest	576,132	342,000	-	-	576,132	342,000
Operational contributions and donations	57,823	40,212	-	-	-	-
Operational Government grants and subsidies	1,448,483	1,262,668	165,255	68,050	587,376	562,322
Sales - Contract and recoverable works	1,403,236	895,000	-	-	-	-
Internal service provider revenue	9,393,216	-	1,319,139	-	-	-
Other operating revenue	86,801	80,300	39,537	50,600	-	500
Internal dividends received	350,000	350,000	350,000	350,000	-	-
Internal revenue distribution	-	-	-	6,171,066	-	(21,018,795)
<b>Total operating revenue</b>	<b>29,142,955</b>	<b>18,553,954</b>	<b>1,903,833</b>	<b>6,667,340</b>	<b>14,883,685</b>	<b>(6,537,173)</b>
<b>Operating Expenses</b>						
Employee costs	7,816,327	7,706,900	1,268,541	1,372,400	978,324	925,500
Goods and services	7,181,298	6,925,649	1,552,513	1,217,623	115,394	107,500
Internal service provider expenditure	8,298,146	(1,095,070)	-	(1,319,139)	8,062,856	9,779,387
Depreciation	5,728,795	4,974,000	586,031	613,000	-	-
External finance and borrowing costs	889,604	923,034	209,202	209,300	32,229	15,500
Other expenses	324,838	384,100	295,228	349,100	29,610	35,000
<b>Total operating costs</b>	<b>30,239,008</b>	<b>19,818,613</b>	<b>3,911,515</b>	<b>2,442,284</b>	<b>9,218,413</b>	<b>10,862,887</b>
<b>Surplus (deficit) from operating activities</b>	<b>(1,096,053)</b>	<b>(1,264,659)</b>	<b>(2,007,682)</b>	<b>4,225,056</b>	<b>5,665,272</b>	<b>(17,400,060)</b>
Capital contributions	49,657	20,000	36,387	20,000	-	-
Capital grants and subsidies	2,631,434	2,221,051	96,026	6,447	-	-
Other capital income (expense)	(360,357)	-	(9,637)	-	-	-
<b>Net result for the period</b>	<b>1,224,681</b>	<b>976,392</b>	<b>(1,884,906)</b>	<b>4,251,503</b>	<b>5,665,272</b>	<b>(17,400,060)</b>
Net result from above	1,224,681	976,392	(1,884,906)	4,251,503	5,665,272	(17,400,060)
Transfer from capital for unfunded depreciation	1,229,779	952,735	-	-	-	-
From (to) capital items of capital income & expense	323,970	-	(26,750)	-	-	-
Internal dividends paid	-	-	-	-	-	-
Other transfers between functions	53,786	38,786	6,242,019	38,274	(24,313,071)	-
Surplus/(deficit) available for transfer to reserves	2,832,216	1,967,913	185,539	(128,553)	-	-
Net transfers from (to) capital reserves	(2,915,864)	(2,235,263)	(296,026)	(26,447)	-	-
Net transfers from (to) recurrent reserves	83,648	267,350	110,487	155,000	-	-
<b>Retained surplus (deficit) funds at period end</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Funding Sources</b>						
Disposal proceeds of capital assets	668,348	476,500	73,606	25,000	-	-
Funded depreciation expended	2,728,116	5,906,298	624,344	652,892	-	-
Government capital grants and subsidies	2,410,574	2,221,051	96,026	6,447	-	-
Developer contributions and capital donations	851,929	20,000	77,590	20,000	-	-
Funds held in capital reserves	463,566	330,000	402,510	300,000	-	-
Loans for capital purposes	2,022,878	2,530,512	60,131	375,512	-	-
<b>Total capital funding sources</b>	<b>9,145,411</b>	<b>11,484,361</b>	<b>1,177,014</b>	<b>1,079,800</b>	<b>-</b>	<b>-</b>
<b>Capital Funding Applications</b>						
Land and improvements	4,788	-	4,788	-	-	-
Buildings	629,405	8,000	629,405	8,000	-	-
Plant and equipment	1,278,411	1,566,500	238,953	640,000	-	-
Total infrastructure assets	4,333,514	7,420,979	-	-	-	-
Other assets	238,965	621,111	-	-	-	-
Movement in capital work in progress	889,889	-	303,868	-	-	-
Total asset acquisitions	7,374,972	9,616,590	1,177,014	648,000	-	-
Loan redemptions	1,770,439	1,867,771	-	431,800	-	-
Total capital applications	9,145,411	11,484,361	1,177,014	1,079,800	-	-
<b>Cash balances held at beginning of period</b>						
Capital reserve balances	2,252,873	-	393,703	352,500	-	-
Unspent loans and depreciation cash	2,218,686	-	128,574	463,664	-	-
Recurrent reserve balances	924,128	-	648,300	648,300	-	-
Total reserve cash held at beginning of the period	<b>5,395,687</b>	<b>-</b>	<b>1,170,577</b>	<b>1,464,464</b>	<b>-</b>	<b>-</b>
<b>Cash balances held at the end of period</b>						
Capital reserve balances	1,479,055	-	149,990	52,500	-	-
Unspent loan and depreciation cash held	4,121,708	-	30,130	48,260	-	-
Recurrent reserve balances	840,480	-	537,813	493,300	-	-
Total reserve cash held at the end of the period	<b>6,441,243</b>	<b>-</b>	<b>717,933</b>	<b>594,060</b>	<b>-</b>	<b>-</b>

## BURDEKIN SHIRE COUNCIL

## Statement of Actual Results compared to Budget by Program

For the year ended 30 June 2004

	Environmental Services		Community & Cultural		Works & Services	
	Actual \$	Original Budget \$	Actual \$	Original Budget \$	Actual \$	Original Budget \$
<b>Operating revenue</b>						
Rates and utility charges	1,351,593	1,364,500	-	-	-	-
Less: Discounts & pensioner remissions	(140,089)	(141,300)	-	-	-	-
User fees and charges	637,357	603,100	54,306	45,400	25,657	18,500
Interest	-	-	-	-	-	-
Operational contributions and donations	48,504	31,000	9,062	8,212	257	1,000
Operational Government grants and subsidies	33,082	78,729	63,897	21,500	598,873	532,067
Sales - Contract and recoverable works	-	-	-	-	1,403,236	895,000
Internal service provider revenue	-	-	-	-	8,074,077	-
Other operating revenue	9,822	6,800	9,792	2,600	6,068	6,700
Internal dividends received	-	-	-	-	-	-
Internal revenue distribution	-	8,267,309	-	5,634,118	-	(4,161,435)
<b>Total operating revenue</b>	<b>1,940,269</b>	<b>10,210,138</b>	<b>137,057</b>	<b>5,711,830</b>	<b>10,108,168</b>	<b>(2,708,168)</b>
<b>Operating Expenses</b>						
Employee costs	1,498,692	1,499,900	542,288	496,300	1,871,245	1,622,100
Goods and services	2,920,158	3,164,232	1,482,394	1,239,813	1,020,840	996,411
Internal service provider expenditure	235,290	235,290	-	-	-	(9,790,608)
Depreciation	-	-	207,313	200,000	4,935,451	4,161,000
External finance and borrowing costs	-	-	-	-	648,173	698,234
Other expenses	-	-	-	-	-	-
<b>Total operating costs</b>	<b>4,654,140</b>	<b>4,899,422</b>	<b>2,231,995</b>	<b>1,936,113</b>	<b>8,475,709</b>	<b>(2,312,863)</b>
<b>Surplus (deficit) from operating activities</b>	<b>(2,713,871)</b>	<b>5,310,716</b>	<b>(2,094,938)</b>	<b>3,775,717</b>	<b>1,632,459</b>	<b>(395,305)</b>
Capital contributions	-	-	5,980	-	7,290	-
Capital grants and subsidies	-	-	41,646	106,000	2,493,762	2,108,604
Other capital income (expense)	-	-	-	-	(350,720)	-
<b>Net result for the period</b>	<b>(2,713,871)</b>	<b>5,310,716</b>	<b>(2,047,312)</b>	<b>3,881,717</b>	<b>3,782,791</b>	<b>1,713,299</b>
Net result from above	(2,713,871)	5,310,716	(2,047,312)	3,881,717	3,782,791	1,713,299
Transfer from capital for unfunded depreciation	-	-	-	-	1,229,779	952,735
From (to) capital items of capital income & expense	-	-	-	-	350,720	-
Internal dividends paid	-	-	-	-	-	-
Other transfers between functions	8,039,936	-	5,823,618	15,860	(437,289)	(15,348)
Surplus/(deficit) available for transfer to reserves	92,275	(74,800)	38,350	47,662	2,516,052	2,123,604
Net transfers from (to) capital reserves	-	-	(103,786)	(85,212)	(2,516,052)	(2,123,604)
Net transfers from (to) recurrent reserves	(92,275)	74,800	65,436	37,550	-	-
<b>Retained surplus (deficit) funds at period end</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Funding Sources</b>						
Disposal proceeds of capital assets	-	-	-	-	594,742	451,500
Funded depreciation expended	-	-	93,893	401,141	2,009,879	4,852,265
Government capital grants and subsidies	-	-	41,646	106,000	2,272,902	2,108,604
Developer contributions and capital donations	-	-	5,980	-	768,359	-
Funds held in capital reserves	-	-	61,056	30,000	-	-
Loans for capital purposes	-	-	(50,000)	-	2,012,747	2,155,000
<b>Total capital funding sources</b>	<b>-</b>	<b>-</b>	<b>376,641</b>	<b>621,111</b>	<b>7,591,756</b>	<b>9,783,450</b>
<b>Capital Funding Applications</b>						
Land and improvements	-	-	-	-	-	-
Buildings	-	-	-	-	-	-
Plant and equipment	-	-	-	-	1,039,458	926,500
Total infrastructure assets	-	-	-	-	4,333,514	7,420,979
Other assets	-	-	238,965	621,111	-	-
Movement in capital work in progress	-	-	137,676	-	448,345	-
Total asset acquisitions	-	-	376,641	621,111	5,821,317	8,347,479
Loan redemptions	-	-	-	-	1,770,439	1,435,971
Total capital applications	-	-	376,641	621,111	7,591,756	9,783,450
<b>Cash balances held at beginning of period</b>						
Capital reserve balances	-	-	144,420	142,178	1,714,750	121,406
Unspent loans and depreciation cash	-	-	150,000	201,141	1,940,112	1,644,000
Recurrent reserve balances	101,222	74,800	174,606	185,520	-	-
<b>Total reserve cash held at beginning of the period</b>	<b>101,222</b>	<b>74,800</b>	<b>469,026</b>	<b>528,839</b>	<b>3,654,862</b>	<b>1,765,406</b>
<b>Cash balances held at the end of period</b>						
Capital reserve balances	-	-	139,524	91,390	1,189,541	136,406
Unspent loan and depreciation cash held	-	-	313,420	-	3,778,158	-
Recurrent reserve balances	193,497	-	109,170	147,970	-	-
<b>Total reserve cash held at the end of the period</b>	<b>193,497</b>	<b>-</b>	<b>562,114</b>	<b>239,360</b>	<b>4,967,699</b>	<b>136,406</b>

## BURDEKIN SHIRE COUNCIL

## Statement of Actual Results compared to Budget by Program

For the year ended 30 June 2004

	Technical Services		Sewerage		Water	
	Actual \$	Original Budget \$	Actual \$	Original Budget \$	Actual \$	Original Budget \$
<b>Operating revenue</b>						
Rates and utility charges	-	-	2,895,962	2,911,000	2,306,817	2,230,000
Less: Discounts & pensioner remissions	-	-	(318,792)	(324,000)	(249,369)	(243,500)
User fees and charges	148,361	89,150	83,892	69,500	43,900	26,500
Interest	-	-	180,374	104,000	180,374	97,000
Operational contributions and donations	-	-	8,667	7,900	10,202	3,900
Operational Government grants and subsidies	-	-	-	-	-	-
Sales - Contract and recoverable works	-	-	-	-	-	-
Internal service provider revenue	-	-	-	-	-	-
Other operating revenue	21,582	13,100	-	500	876	4,500
Internal dividends received	-	-	-	-	-	-
Internal revenue distribution	-	5,107,737	-	-	-	-
<b>Total operating revenue</b>	<b>169,943</b>	<b>5,209,987</b>	<b>2,850,103</b>	<b>2,768,900</b>	<b>2,292,800</b>	<b>2,118,400</b>
<b>Operating Expenses</b>						
Employee costs	1,657,237	1,790,700	885,130	902,300	596,356	654,000
Goods and services	89,999	200,070	541,568	662,500	754,988	969,500
Internal service provider expenditure	-	-	633,926	633,926	461,144	461,144
Depreciation	-	-	579,926	601,000	336,126	351,000
External finance and borrowing costs	-	-	-	-	17,150	17,200
Other expenses	-	-	-	-	-	-
<b>Total operating costs</b>	<b>1,747,236</b>	<b>1,990,770</b>	<b>2,640,550</b>	<b>2,799,726</b>	<b>2,165,764</b>	<b>2,452,844</b>
<b>Surplus (deficit) from operating activities</b>	<b>(1,577,293)</b>	<b>3,219,217</b>	<b>209,553</b>	<b>(30,826)</b>	<b>127,036</b>	<b>(334,444)</b>
Capital contributions	-	-	-	-	-	-
Capital grants and subsidies	-	-	-	250,000	-	360,000
Other capital income (expense)	-	-	-	-	-	-
<b>Net result for the period</b>	<b>(1,577,293)</b>	<b>3,219,217</b>	<b>209,553</b>	<b>219,174</b>	<b>127,036</b>	<b>25,556</b>
Net result from above	(1,577,293)	3,219,217	209,553	219,174	127,036	25,556
Transfer from capital for unfunded depreciation	-	-	-	-	-	-
From (to) capital items of capital income & expense	-	-	-	-	-	-
Internal dividends paid	-	-	(350,000)	(350,000)	-	-
Other transfers between functions	4,698,573	-	(38,786)	(38,786)	(15,000)	-
Surplus/(deficit) available for transfer to reserves	-	-	(179,233)	(169,612)	112,036	25,556
Net transfers from (to) capital reserves	-	-	179,233	169,612	(112,036)	(25,556)
Net transfers from (to) recurrent reserves	-	-	-	-	-	-
<b>Retained surplus (deficit) funds at period end</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Funding Sources</b>						
Disposal proceeds of capital assets	-	-	-	-	-	-
Funded depreciation expended	-	-	151,247	487,000	61,987	427,100
Government capital grants and subsidies	-	-	-	250,000	-	360,000
Developer contributions and capital donations	-	-	-	-	-	-
Funds held in capital reserves	-	-	13,229	50,000	9,689	-
Loans for capital purposes	-	-	-	-	-	300,000
<b>Total capital funding sources</b>	<b>-</b>	<b>-</b>	<b>164,476</b>	<b>787,000</b>	<b>71,676</b>	<b>1,087,100</b>
<b>Capital Funding Applications</b>						
Land and improvements	-	-	-	-	-	-
Buildings	-	-	-	-	-	-
Plant and equipment	-	-	-	-	-	-
Total infrastructure assets	-	-	275,135	787,000	31,335	1,044,300
Other assets	-	-	-	-	-	-
Movement in capital work in progress	-	-	(110,659)	-	(2,447)	-
Total asset acquisitions	-	-	164,476	787,000	28,888	1,044,300
Loan redemptions	-	-	-	-	42,788	42,800
Total capital applications	-	-	164,476	787,000	71,676	1,087,100
<b>Cash balances held at beginning of period</b>						
Capital reserve balances	-	-	2,903,226	2,780,211	3,064,568	2,845,983
Unspent loans and depreciation cash	-	-	642,337	796,009	633,333	512,661
Recurrent reserve balances	-	-	-	-	-	-
Total reserve cash held at beginning of the period	-	-	<b>3,545,563</b>	<b>3,576,220</b>	<b>3,697,901</b>	<b>3,358,644</b>
<b>Cash balances held at the end of period</b>						
Capital reserve balances	-	-	2,710,764	2,310,599	3,166,915	2,511,539
Unspent loan and depreciation cash held	-	-	1,071,016	910,009	907,472	136,561
Recurrent reserve balances	-	-	-	-	-	-
Total reserve cash held at the end of the period	-	-	<b>3,781,780</b>	<b>3,220,608</b>	<b>4,074,387</b>	<b>2,648,100</b>

## Analysis of Cash Holdings

For the year ended 30 June 2004

	2004			2003		
	Actual			Actual		
	\$			\$		
<b>Cash Holdings</b>						
Cash balance per Cash Flow Statement			14,307,203			13,198,311
Cash investments			-			-
<b>CASH HOLDINGS AT PERIOD END</b>			<b>14,307,203</b>			<b>13,198,311</b>
Represented by :-						
(i) Constrained works reserve		1,103,862			1,685,274	
(ii) Water reserve		3,148,998			3,036,962	
(iii) Sewerage reserve		2,654,211			2,833,444	
(iv) Capital maintenance reserve		237,703			267,599	
(v) Carryover capital works reserve		211,960			397,388	
(i) Recurrent maintenance reserve		840,480			924,128	
			8,197,214			9,144,795
(ii) Unspent depreciation capital fund reserve			5,320,937			2,847,219
(iii) Unspent loan capital fund reserve			779,259			647,137
Other Cash Balances held :-						
Monies received in advance			-			593
Retained surplus (deficiency) available for general funding			-			-
						-
<b>Movement in Working Capital Cash</b>						
		Actual 2004			Actual 2003	
	Capital A/c	Current Period	Movement	Capital A/c	Current Period	Movement
<b>Assets</b>	Analysis	Balances		Analysis	Balances	
Receivables	557,804	2,244,039	(1,686,235)	557,804	1,511,162	(953,358)
Inventories	253,803	688,955	(435,152)	253,803	576,126	(322,323)
Tax assets		183,115	(183,115)		127,250	(127,250)
Inventory land for devel. & sale	70,689	56,988	13,701	70,689	56,988	13,701
Prepayments		68,473	(68,473)		96,526	(96,526)
Loans and advances	423,544	160,330	263,214	423,544	116,161	307,383
Net movement in assets	1,305,840	3,401,900	(2,096,060)	1,305,840	2,484,213	(1,178,373)
<b>Liabilities</b>						
Creditors and accruals	337,062	804,637	467,575	337,062	519,489	182,427
Provisions - current	1,170,293	1,407,872	237,579	1,170,293	1,654,665	484,372
Provisions - non current		1,400,699	1,400,699		1,070,141	1,070,141
Net movement in liabilities	1,507,355	3,613,208	2,105,853	1,507,355	3,244,295	1,736,940
Net Assets minus Liabilities	(201,515)	(211,308)		(201,515)	(760,082)	
<b>Net working capital cash (deficit) at period end</b>			A - B = 9,793			A - B = 558,567
<b>CASH HOLDINGS AT PERIOD END</b>			<b>14,307,203</b>			<b>13,198,311</b>
<b>Analysis of the Council's Capital A/c</b>						
Non current capital assets			192,321,160			192,981,094
Equity Share Investments			-			-
Add - Unspent capital cash held			6,100,196			3,494,356
Total capital assets			198,421,356			196,475,450
Capital loans			15,144,606			14,802,784
Net debt			15,144,606			14,802,784
Net capital assets minus net capital debt		X	183,276,750		X	181,672,666
<b>Capital</b>			137,328,938			135,452,185
Asset revaluation reserve			45,746,297			46,018,966
Total balance of Council capital		Y	183,075,235		Y	181,471,151
<b>Working Capital balance in Capital A/c</b>		Y - X = A	(201,515)		Y - X = A	(201,515)