



BURDEKIN SHIRE COUNCIL

Annual Report

2005 - 2006



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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 30th June, 2001. (2001 Census)

Status

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

Rateable Assessments

8,408 as at June, 2006

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 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 also recently constructed 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 completion of a \$3 million joint State Government and Council project 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. Another recently successful application for matching funding under the State Government's Regional Centres' Programme has seen the Council undertake a further \$1.3M revitalization project in the Shire. 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

Our annual report for 2005/2006 highlights the vast extent of Council's activities in the last twelve months and offers valuable information to the Burdekin community. The diverse activities and programmes outlined in each section of the report will continue to be delivered, with further improvements and efficiencies being the core goals of the organisation.

I am pleased to report that for the past twelve months, Council's total capital and operating expenditure was \$33.1 million.

With improved financial returns for the sugar industry and Council's investment in revitalisation, the Burdekin community displays a sense of energy and confidence not recently experienced by this community.

Council is working with State and Federal Governments as well as potential investors from both within and outside our community to enhance and develop our district. Our natural assets of water, fertile soils and sunshine, as well as our close proximity to a major city and easy access to an airport and sea port, places us in a good position to attract future development and investment.

It is an exciting time for the Shire and we are looking forward to new initiatives, new infrastructure and new service provision.

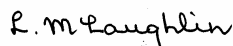
Burdekin is fortunate to have a caring involved community, clearly evidenced by the large number of service clubs, sporting clubs and other organisations offering support, opportunities and services to local residents.

I would like to thank the ratepayers and residents of the Burdekin for their support offered over the last twelve months.

Councillors and staff strive to provide ratepayers with the best possible service in the administration of the Shire. My thanks to my fellow Councillors, Chief Executive Officer, Mr Graham Webb, other Senior Officers and staff of the Council for their dedicated service to the people of the Burdekin during 2005/2006.

I take this opportunity to pay tribute to long serving Chief Executive Officer, Mr Graham Webb, who has served Burdekin Shire Council for 42 years. During this time, Graham has never wavered from his commitment, enthusiasm, professionalism and loyalty to the Burdekin Shire Council and genuine interest for the well being and advancement of the Burdekin community. Graham leaves the organisation in July and on behalf of Councillors and staff, I wish him well in his future endeavours.

I look forward to working with Council to serve the community and realise Burdekin as the best rural community in Australia in which to live and raise a family, whilst enjoying the best sporting, cultural and recreational activities, fantastic climate and wonderful lifestyle.



Lyn McLaughlin
Mayor



Chief Executive Officer's Review

It is with considerable satisfaction that I present my final report to Council as Chief Executive Officer.

Accountability through presentation of Annual Reports documenting Council's vision, strategic and policy objectives, corporate governance practices, outcomes, financial statements and management, administration and operational reviews were always a priority during my 20 years stewardship as Shire Clerk/Chief Executive Officer. Annual Reports were presented to Council and the Community before it was mandatory to do so with the proclamation of the Local Government Act 1993.

Good governance, leadership, and management demand exemplary standards of accountability. Our stakeholders expect nothing less.



The Burdekin Shire Council's Annual Report, Corporate and Operational Plans, Revenue Policies, and Policy decisions at open Council Meetings ensure residents and ratepayers, the State Government, Auditors and the media are able to review, reflect and comment on Council's past performances and the medium and long term strategic direction of Council for our community.

By any objective assessment, the current and previous Councils can be justifiably proud of the level of service delivery provided to this mid-sized rural Queensland Local Government.

Performance in Asset Management of Council's traditional services, including roads, drainage, river bank protection, water and sewerage services, waste management, community buildings, plant and equipment is of a very high standard.

The Burdekin Shire Council and community have long been recognised for an innovative, creative and businesslike approach and achievements in the areas of the Arts; Culture; Library; Sports and Recreation; Welfare Services; Central Business Revitalisation; Economic, Ecological & Environmental Sustainable Development and Social Programs; Weed Management; Industrial Estate Development; Area Promotion and Health, Fitness and Community Wellbeing Programmes.

In my direct area of Corporate Governance and responsibility in risk, emergency management, hazard mitigation, workplace, health & safety; and quality assurance programmes, I am extremely pleased at the excellent co-operation I received throughout the organisation and by volunteers in delivering and maintaining high and efficient service standards. It was always pleasing to receive positive recognition of these functions of Local Government by State Government Departments and Auditors.

The Council and community will continue to be challenged by the change and reform process and in particular the Size, Shape & Sustainability agenda.

More than most Local Governments, Burdekin Shire is better placed to improve the quality of life for its citizens and newcomers to our area; expand rural production in an economic and environmentally sustainable manner and in a social sense provide attractive business centres, community facilities and programmes. Through appropriate marketing and promotion of our lifestyle, community facilities, favourable climatic conditions, abundant water supply and excellent soils, our community will become a magnet for those from other parts of this State and Nation wanting to be part of a life experience in the best rural community in Australia in which to live.







Over the last 12 months there has been criticism across the State on issues concerning health services and water management. At the same time there has been major pressure on infrastructure services and traffic congestion as a result of substantial growth being experienced, particularly in the south-east corner of this State. We are fortunate in the Burdekin to have excellent health and welfare services, abundant water for urban and rural current circumstances and future growth without the traffic gridlock of major urban communities. I pose the question - is there any community in this nation better placed to provide economic, environmental and social programmes for its people than the Burdekin? Personally, I don't think so.

To the Council; my successor as Chief Executive Officer, Mr. Ken Holt; Senior Management; and the dedicated staff from across the whole organisation who supported me and whose loyalty, trust and commitment I will always value, I extend best wishes and success for the future in developing the outstanding potential of the Burdekin Shire and community.

A handwritten signature in black ink, appearing to read 'G.J. Webb', written in a cursive style.

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

Councillors

	<p>CR. LYN MCLAUGHLIN</p> <p>The Mayor, 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>CR. MARK HAYNES</p> <p>Cr. Haynes is the Deputy Mayor and is also a member of the Burdekin Cultural Complex Board, Ayr Chamber of Commerce and the Burdekin Neighbourhood Centre.</p>
	<p>CR. MARK CASTELANELLI</p> <p>Cr. Castelanelli is a member of the Aerodrome Advisory Committee.</p> <p>Cr. Castelanelli is also a member of a number of external organisations including the North and South Burdekin Water Boards, North Queensland Sports Foundation and the Regional Management Committee for Rural Water Use Efficiency.</p>		<p>CR. PIERINA DALLE CORT</p> <p>Cr. Dalle Cort 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>CR. ROSS GAMBINO</p> <p>Cr. Gambino 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>CR. JIM GIST</p> <p>Cr. Gist 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>CR. ROSS LEWIS</p> <p>Cr. Lewis 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 & Safety Committee and Internal Audit Committee.</p>		<p>CR. TREENA LIST</p> <p>Cr. List is a 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>CR. LOU LOIZOU</p> <p>Cr. Loizou is currently a member of the Burdekin Shire Council Disaster Management Group, Burdekin Shire Rivers Improvement Trust and Burdekin Crimestoppers.</p>		<p>CR. ROBERT MARRIOTT</p> <p>Cr. Marriott is a member of the Workplace Health & 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>CR. LYNDY MCCATHIE</p> <p>Cr. McCathie is a member of the Burdekin Cultural Complex Board, Local Authority Waste Management Advisory Committee (LAWMAC) and the Burdekin Community Association.</p>		

Council's Mission and Values

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

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:

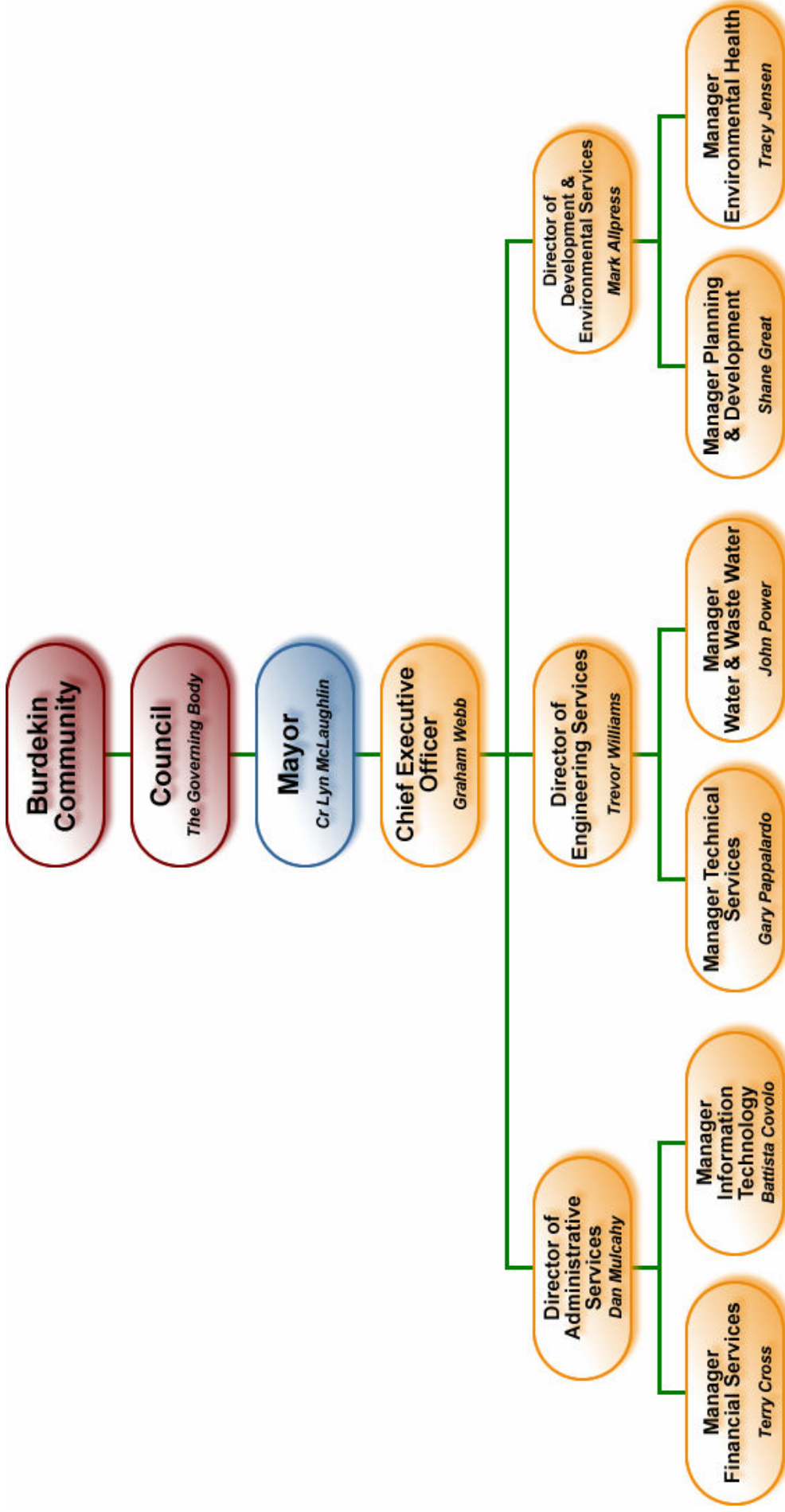
- Ordinary Council meetings – generally on the 1st, 2nd, 3rd and 4th Tuesday of each month.

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 30th June, 2006



Elected Members & Senior Executive Officers

Elected Members & Senior Executive Officers as at 30th June, 2006



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

MAYOR
 Cr. Lyn McLaughlin
 M.S 54, Ayr
 (Telephone 4782 6954)

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.

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

A Code of Conduct for Councillors was adopted by Council on 1 March, 2006. In addition a draft Code of Conduct for Employees was prepared. It is expected that consultation on the draft Code of Conduct will take place during 2006 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. 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.

	2004/2005	2005/06
Average Net Rates Per Residential Property <i>(Excluding Fire Levy)</i>		
- Ayr	\$1,460	\$1,546
- Home Hill	\$1,198	\$1,229
- Brandon	\$1,423	\$1,463
- Giru	\$983	\$1,043
Level of Gross Rates Arrears <i>(Excluding Fire Levy)</i>	\$902,936	\$546,940
<hr/>		
Number of Building Approvals	362	464
Dollar Value of Building Approvals	\$11,922,238	\$11,440,439
Number of Building Approvals (Private Certifiers)	42	30
Dollar Value of Building Approvals	\$837,851	\$2,151,747
Number of Building Approvals (other Local Government Areas).	270	425
Dollar value of Building Approvals.	\$15,514,211	\$28,825,793
<hr/>		
Number of Material Change of Use Impactment Assessment	9	13
Number of Material Change of Use Code Assessments	10	10
Number of Reconfiguration Applications	25	39
<hr/>		

Performance Indicators

The following ratios and performance indicators have been calculated from the 2005/2006 Financial Statements.

Financial

	2004/2005	2005/2006
Revenue Ratio The percentage of council's total operating income derived from rates and charges. Indicates Councils dependence on rates and charges revenue.	77.6%	73.3%
Working Capital Ratio Council's ability to meet current commitments	3.8%	3.9%
Debt Servicing Ratio The percentage of total operating income used to service debt	11.6%	11.4%
Borrowing Ratio The relationship between total borrowing and total operating income	58.3%	43.6%
Rates Arrears Ratio The effectiveness of council's collections of rates and charges	4.7%	2.7%
Capital Expenditure Ratio Ratio of capital expenditure to depreciation	164.6%	101.8%
Unfunded Depreciation Ratio Percentage of annual depreciation expense not funded from current revenue	0%	0%
Change in Community Equity Ratio Percentage change in council's net wealth	18.9%	1.8%

The following ratios and performance indicators have been submitted for the 2005/2006 Comparative Performance Information prepared by the Department of Communication, Information, Local Government, Planning and Sport.

Personnel

	2004/2005	2005/2006
Number of employees per 100 capita	1.07	1.06
Wages and Salaries as a percentage of total operating expenditure	51.81%	49.43%
Number of employees per \$1,000,000 total operating expenditure	10.95	9.97
Percentage of work time lost due to accident	0.27%	0.20%

Waste Management Services

	2004/2005	2005/2006
Waste collection costs per property serviced	\$135.67	\$117.73
Total tonnage of refuse collected per property serviced	0.70	0.60
Total tonnage of refuse collected per bin serviced	0.61	0.52

Road Maintenance Services

	2004/2005	2005/2006
Road Maintenance expenditure per laned kilometre – sealed roads		
Urban	\$1,157	\$1,329
Rural	\$640	\$451
Total	\$742	\$623
Road maintenance expenditure per laned kilometre – unsealed roads	\$982	\$1,240
Percentage of sealed roads 'resealed'		
Urban	4.64%	11.07%
Rural	11.29%	8.05%
Total	9.98%	8.64%

Water Services

	2004/2005	2005/2006
Properties served per 100km mains employed	2,096	2,147
Water OMA costs per properties served	\$274	\$243
Water OMA costs per 100km of mains	\$574,093	\$522,478

Sewerage Services

	2004/2005	2005/2006
Properties served per 100km of main	4,566	4,643
Sewerage OMA costs per properties served	\$283	\$157
Sewerage OMA costs per 100km of main	\$1,291,613	\$728,387
Compliance with sewerage effluent standards for BOD	100%	97.56%
Compliance with sewerage effluent standards for Suspended Solids	100%	100%
Confirmed sewer chokes per 100km of main	Nil	1.9

Parks and Gardens

	2004/2005	2005/2006
Cost of maintaining parks and gardens per hectare maintained	\$24,457	\$19,891

Burdekin Shire recognises achievers at Australia Day Celebrations on Wednesday, 26th January, 2006

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.

Esther McIntosh - Citizen of the Year
Gemma Baxter – Young Citizen of the Year
Amy Tuffin – Young Citizen Achievement Award
Brian McIntosh – Senior Sports Award
Kazzia Lammon – Junior Sports Award
Gary Pappalardo – Sports Administrator Award
Daniela Tama – Junior Cultural Award
David Comas – Junior Cultural Achievement Award
Christine Homewood – Senior Cultural Award
Burdekin Singers and Theatre Co. – Back to the 80's – Community Event of the Year Achievement Award
Triple J's One Night Stand – Community Event of the Year



2006 Citizen of the Year, Esther McIntosh and Mayor Lyn McLaughlin

Citizen of the Year

The 2006 Australia Day Citizen of the Year, Esther McIntosh, was nominated for her dedication and outstanding volunteering service to many community groups over a long period of time. The recipient in her humble and tireless manner has gone quietly about her daily community duties bringing happiness and support to many citizens of the Burdekin.

She is a driving force behind many community groups including –

- The Burdekin Community Association Senior Support Group
- Legacy – Burdekin Contact Group
- The Laurel Club
- Burdekin Uniting Church
- Burdekin Community Association – Roundabout Publication
- The Blue Care Cuppa Club

- Lower Burdekin Home for the Aged Craft Club

Esther willingly goes out of her way to visit the Burdekin elderly and sick residents on a regular basis and willingly transports them to Townsville for specialist appointments. She has been known to stay overnight with elderly who have no family in the district and are too ill to stay at home alone at night.

Many members of the community have been enriched by the kindness shown by Esther. She has done so much for the community and quietly participates, never contemplating receiving any praise.



**Esther McIntosh (Citizen of the Year), Mayor Lyn McLaughlin,
Gemma Baxter (Young Citizen of the Year) and Amy Tuffin (Young Citizen Achievement Award)**

Young Citizen of the Year

The 2006 Young Citizen of the Year, Gemma Baxter, was nominated for her all round achievements in sport, academic, community service, conduct, attitude and leadership.

Her achievements in 2005 include-

- Vice Captain – Community Service on the Student executive at Ayr State High School
- President of Ayr High's Interact Club
- Represented Ayr High in a two week National Youth Science Forum in Canberra
- Volunteered her service for doorknock appeals for the Guide Dogs, Red Cross, Endeavour Foundation, Salvation Army Red Shield Appeal and organised a 40 hour Famine and Clean up Australia Day
- An active member of the Burdekin Shire Youth Council and represented the Burdekin Youth at the Speak Out Youth Conference at Paluma
- She assisted in running a dance workshop for 40 Camp Quality children and their carers during a camp at the Burdekin Rural College

- She has been a member of Upbeat 2000 for six years performing for many community events and local charities
- She has competed in dance, speech and drama activities at the local eisteddfod and won many awards
- She plays the saxophone and was a member of the Ayr High School Concert and Stage Band
- In recent years, she represented her school, district and north Queensland in several sporting pursuits including athletics, cross country and touch football
- Her hobbies include fashion design, her flare winning the encouragement award at the Burdekin Fashion Bash in 2003
- She was a recipient of the academic achievement award as well as an academic excellence award and the Wayne Haller Award for a student who has made an impact on the school particularly through hard work and determined efforts. In addition, she was the recipient of the Caltex All Rounder Award
- For her academic efforts she was rewarded with an OP of 2, being the highest level awarded to an Ayr High student in 2005

She is a young lady with a very promising future and deserves recognition for her efforts.

Young Citizen Achievement Award

The recipient of the 2006 Young Citizen Achievement Award, Amy Tuffin, has been a very active member of her school community and was nominated for her academic and cultural achievements, and community activities.

Her achievements in 2005 include –

- Elected as her school Student Representative Council member
- Secretary of the Student Representative Council
- University of Queensland Science Ambassador for Burdekin Catholic High School
- Member of the Burdekin Catholic High School Saint Vincent De Paul Society
- Recipient of Academic Achievement Award Level One
- Recipient of Gerard Ham Memorial for Leadership and Character
- Recipient of Academic Excellence Award and Consistent Effort Award
- Participated in Annual Burdekin District Junior Eisteddfod in various categories
- Completed Sixth Grade of Piano
- Youth Mayor for Burdekin Shire Youth Council

Her contributions to the community prove that she is a very good role model for the youth of today's society.



Brian McIntosh (Senior Sports Awardee), Kazzia Lammon (Junior Sports Awardee), Gary Pappalardo (Sports Administrator Awardee) and Mayor Lyn McLaughlin

Senior Sports Award

The 2006 Australia Day Senior Sports Awardee, Brian McIntosh, was nominated for his outstanding achievement in the sport of weightlifting.

He has been participating in the sport for 12 years but only started competing recently and achieved incredible results in a short space of time.

In 2005 Brian won a national title in powerlifting. He competed in the Australian Masters Championships held in Brisbane and gained a national title in the 75 kg category. He participated in squat, bench press and deadlift sections to take out the Masters II category. In this he set a new Australian Masters record in the bench press, lifting 117.5 kilograms.

In 2004, he won two state titles in the JT Cup championships and won the bench press event in his weight category at the North Queensland Championships in 2005.

Through his involvement with his children and his position at Ayr State Primary School he has encouraged children to compete in a variety of sports and he has been involved with other sports such as soccer, basketball, rugby league and BMX riding.

He trains several times a week at the local weightlifting gym and he often encourages others to take up the sport and assists them with training.

He has devoted many years of training for his chosen sport .

Junior Sports Award

The 2006 Australia Day Junior Sports Awardee, Kazzia Lammon, was nominated for her participation and success in the sport of hockey. She was selected to play in the North Queensland hockey team and also the Queensland team at a national level. In addition, she has been selected in various hockey representative teams including:

- Under 11 representative team
- Under 13 representative team
- 2004 and 2005 National North Queensland team
- 2004 Queensland Primary School hockey national championships held in Canberra
- 2005 Hockey Under 13 talent identification squad
- 2005 School Sports Australia 12 years and under North Queensland exchange Queensland team, in which the team won national champion

She was School Captain of the Burdekin Christian College and also achieved an academic dux award. Furthermore she was involved in numerous school based community ventures.

She has demonstrated determination and commitment in her chosen sport by travelling to Townsville several times a week during the hockey season as there is no local competition in the district. She has worked hard to achieve her degree of skills and has shown dedication, determination and a strong work ethic in achieving her goals.

She is a true young sporting hero with a very promising future.

Sports Administrator Award

The 2006 Australia Day Sports Administrator Awardee, Gary Pappalardo, was nominated for his outstanding contribution, commitment and dedication to the sport of soccer.

During the past five years he has been involved on the committee of the Burdekin Soccer Club and was elected president of the Club for the past 12 months. He has been active in promoting the game on all levels including:

- Instrumental in gaining government grants for the Club
- Influential with integrating junior soccer with the seniors
- Represented the Burdekin at all North Queensland soccer meetings
- Assistant coach/manager of the Colts side that won two grand finals
- Setting up grounds for each home game
- Overseeing improvements made at the grounds including updating equipment, securing new sponsors, arranging for signage and maintaining ground speakers

The recipient has won Club Person of the Year twice and is known for his ability to get the job done and his “do whatever it takes” attitude. He puts the Club and others before himself week in and week out and builds great rapport with people within the Club and the soccer association. He has been an integral part of the success of the Burdekin Soccer Club for the past five years and has undertaken every role within the Club. He is someone who has devoted many hours towards the sport of soccer in the Burdekin and is very worthy of recognition.



Christine Homewood (Senior Cultural Awardee) and Mayor Lyn McLaughlin

Senior Cultural Award

The 2006 Senior Cultural Award recipient, Christine Homewood, has made an outstanding contribution to the district through her talent of applying make up.

She has volunteered numerous tireless hours to community groups and individuals as a make up consultant since the mid 1970's. Her dedication to maintaining a community make up box has been one of the best money saving services to community groups. She has assisted the Burdekin Singers and the Burdekin Theatre Players in all their shows. Some of these shows have had up to 40 in the cast.

In addition, she has been involved with Schools, Church and also the Burdekin Patchwork Association.

She is a quiet and unassuming person and has done so much for the community, never contemplating receiving any praise.

The Burdekin is very fortunate to have someone of her talent to make herself available for our Theatre productions.

Junior Cultural Award

The 2006 Junior Cultural Awardee, Daniela Tama, was nominated for a wide variety of cultural activities including music, dance and drama.

Her achievements include -

- Member of the Ayr State High School choir from 2002 – 2005
- Member of the Ayr State High School Stage and Concert Band from 2002 - 2005
- Participated in Burdekin Singers local productions from 2002 – 2005
- Participated in Ayr State High School Showcases

- Has been involved with many public performances, community choirs and community concerts
- Participated in Burdekin Junior Eisteddfod for over 10 years for Solo Piano and Vocals as well as group choirs and bands
- Participated in all ballet concerts until 2004. Due to injury in 2005 she was not able to perform on stage but assisted backstage
- Participated in the Burdekin Eisteddfod in art and literacy sections, visual arts and speech and drama
- In 2005 was awarded the Burdekin Junior Eisteddfod speech and drama tuition bursary
- She was a member of the Burdekin Shire Youth Council in 2004 and 2005
- She participated in a youth leadership program and participated in Anzac Day parades

Through her enthusiastic involvement in the Burdekin performing arts scene, Daniela has brought entertainment and pleasure to many residents and her peers as well as developing important community relations. Her wide involvement in music, dance and theatre has enabled her to be an inspiration to children throughout the district.



Mayor Lyn McLaughlin, David Comas (Junior Cultural Achievement Awardee) and Daniela Tama (Junior Cultural Awardee)

Junior Cultural Achievement Award

The 2006 Junior Cultural Achievement Award recipient, David Comas, was nominated for his outstanding achievements in cultural activities. He has had success in both the Burdekin and Townsville Junior Eisteddfods. As well as music he takes great interest in speech and drama, literacy and visual arts.

He has achieved honours in grade eight piano through the Australian Music Examination Board and grade five honours in musicianship exams through the Australian Music Examination Board. At the Townsville Junior Eisteddfod he was awarded the Mona Ward trophy for most promising pianist for 13 – 18 years for the second consecutive year having achieved various awards for popular piano solo, classical piano solo, bach solo for piano and instrumental championship. He was one of five high school students in the Townsville and Burdekin district to be invited to participate in The Australian Chamber of Music Winterschool.

Community Event of the Year Achievement Award

The 2006 Community Event of the Year Achievement Award recognises the dedication of members of the Burdekin Singers. The Burdekin Singers have received numerous accolades over many years for bringing entertainment and enjoyment to many Burdekin residents.

In 2005, local boy Neil Gooding came back to the Burdekin to produce his very own musical, "Back to the 80's". This production has become the highest performed musical in Australia and New Zealand and shows are also being performed in the USA, Canada and the United Kingdom.

The show played to packed houses and involved over 30 in the cast with another 40 involved with backstage technical assistance, making props, costumes and producing the show.



Mayor Lyn McLaughlin, John Woods (Burdekin Singers – Back to the 80's) and Eliza Zanella and Tony Vaccaro (Burdekin Shire Council – Triple J's One Night Stand)

Community Event of the Year

The 2006 Community Event of the Year, Triple J's One Night Stand, which was held on 18th May, 2006 made Ayr Australia's number one entertainment destination and the words on everyone's lips for one night of the year.

Due to the hard work and dedication of a small organising committee, Ayr won a nation wide competition to bring four of Australia's highest calibre bands to the district for one night.

The event almost doubled the population of the town and we were certainly the envy of all country towns around Australia. The Ayr Showgrounds was transformed into a music enthusiast's paradise and the town was claimed as the entertainment capital of the north.

The concert rewrote the record books and was a great example of our young people taking the initiative, with a positive approach and driving purpose to produce a safe and efficiently run event.

The event was a unique chance for a country area to experience a city-calibre concert. The concert generated an overwhelming sense of enthusiasm, excitement and hype in the district. Community cohesion was demonstrated very clearly, new experiences were had by the community and new skills were learnt by those involved. The whole community including local businesses, community groups, young and old all threw their full support behind the event.

The amount of national marketing exposure the district and the north Queensland region gained through the staging of the event was enormous. The district received extensive national, regional and local press and television coverage in the three week period leading up to and following the event. The economy of the district received a substantial boost, the promotional benefits received were invaluable and the flow-on effects immeasurable.

This was definitely the biggest event ever to be staged in the district and it will be talked about for years to come.



Triple J One Night Stand Concert

Programme

Achievements

Administrative & Financial Services

1.

Achievements for the Year

- Civic Receptions arranged during the year included the People to People Student Ambassador Programme; Australia Day Celebrations; Morning Melodies; Senior Citizens Afternoon Tea; National Youth Week Celebrations; and Freedom of Entry to the City for RAAF No. 1 Combat Logistics Squadron. Other events included Local Government Awareness Week and Adopt-a-Councillor.
- Obtained Federal and State employment grants of \$139,134 in respect of trainees under the Breaking the Unemployment Cycle initiative and continuing apprenticeships.
- Maintenance and repair of various Council-owned public buildings around the Shire including the Brandon Heritage Precinct.
- 118 meetings minuted and 715 invoices issued.
- Continued with implementation of core software systems including Proclaim – development of the Trade Waste invoicing process and refinement of the Animals Module and Exponare (Mapping) integration.
- Upgraded the Public Access Internet ADSL connections for Ayr Library from 512 Kb/s to 1.5Mb/s and Home Hill Library from 56 Kb/s dialup to 512 Kb/s. Installed a wireless information display at the Ayr Library.
- Upgraded Servers to latest operations systems and security applications systems.
- Completed Server and PC replacement program and reconfigured the network across the whole of the organisation.
- Co-ordination and installation of an innovative communications link between SES Emergency Co-ordination Centre and Radio Station Sweet FM 97.1.
- Rating analysis and drafting and adoption of Council budget, policies and estimates within statutory requirements and timelines to adopt the 2005/06 Budget and two-year forward estimates on 25 August 2005.
- Annual financial statements for 2004/05 prepared within required statutory deadlines for audit opinion.
- Completion of all State Government requirements including annual & Five (5) Year Works Programs.
- 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 as well as revaluations for significant assets in the total asset base of \$257M.

- Prompt and accurate fortnightly processing of 13,404 creditors accounts throughout the year to 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 205 to 211 members including trainees.
- Staff and workforce vacancies totalling 17 processed through the year.
- Rates arrears result of 5.7% (\$1,062,681) compared with total net levies (\$18.50M) through prompt and effective collection and follow up procedures.
- Annual collections of Council rates and State Government fire levies of 11,413 transactions for \$12.16M at Council Chambers compared with 6,196 transactions for \$7.15M at collection agencies including Bpay for debit cards.
- Property transfers totalling 854 processed by Rates staff during the year to maintain Council's rates and property record.
- Progressive stocktaking procedures achieved more frequent stocktake checks with completion of the full year stocktake cycle by May and minor stock write-off.

Successful Funding Applications and Nominations

- Arts Queensland's 2005 Project Grants – (with Delta Iron Works)
- Project - Installation of new war memorial at Spiller Street Park, Brandon - \$27,748
- Community Memorials' Restoration Program –
- Project - Repair Enhance and Re-Establish Brandon's War Memorial - \$2,582
- Emergency Management Australia – Working Together to Management Emergencies Local Grants Scheme
- Project – Establishment of Innovative Communications Link between Emergency Co-Ordination Centre and Local Radio Station - \$31,377
- Emergency Management Australia – Working Together to Manage Emergencies National Emergency Volunteer Support Fund
- Project – Production of emergency/Disaster Management CD –\$20,882.
- Nomination for Community of the Year Award
- Department of Local Government, Planning Sport and Recreation's Security Improvement Program
- Project – Burdekin Skatepark Security Solar Lighting - \$14,190
- Application for Ayr Pastoral Agricultural and Industrial Association to Gambling Community Benefit Fund
- Project – Purchase of Ride-on Mower - \$27,000.

- Australian Government Water Fund – Community Water Grant
- Project – Improving Irrigation Efficiency at Ayr Showgrounds - \$50,000

- Department of Communities – National Youth Week 2006
- Project – Burdekin Band Fest - \$1,285

- Department of Veteran’s Affairs – Saluting Their Service Commemoration Grants
- Project - Brandon War Memorial - \$4,000

- Queensland Transport’s Regional Airport Development Scheme
- Project – Installation of Solar Runway Lighting – Ayr Aerodrome - \$50,000

- Nomination for Queensland Multicultural Award – Radio 97.1 Sweet FM Inc.

- Emergency Management Australia – Working Together to Management Emergencies Local Grants Scheme
- Project – Enhancement of flood reporting system for Burdekin and Haughton Rivers - \$34,517

- Emergency Management Australia – Working Together to Manage Emergencies National Emergency Volunteer Support Fund
- Project – Construction of Co-Locate Headquarters for Clare State Emergency Service and Clare Rural Fire Brigade - \$72,080

- Department of Sport and Recreation Queensland’s Local Government Development Program
- Project – “Come and Try Day” - \$5,000

- Department of Fisheries, Forestry and Conservation’s Recreational Fishing Community Grants Program
- Project – Floating Pontoon – Plantation Creek Landing - \$100,000

TOTAL \$440,661

(Please note : Above amounts are exclusive of GST)

Community & Cultural

2.

Achievements for the Year

- Council has continued with its generous donations to welfare, cultural, sporting and community based organisations. A total of \$539,248 was provided to various organisations in the Shire in the form of cash or provision of services or sewerage charge rebates.
- 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. Six (6) young people benefited from this subsidy totalling \$1,200.
- SES operations were funded in the amount of \$55,618 net of subsidies and contributions. Received funding approval from Emergency Management Australia for (i) establishment of an innovative communications link between Emergency Co-ordination Centre and Radio Sweet FM 97.1 under the Local Grants Scheme for \$31,377 (inc. GST) and (ii) production of an emergency/disaster management CD under the National Emergency Volunteer Support Fund for \$20,882 (inc. GST).
- Regional Arts Development Fund (RADF) Grants totalling \$19,038 were provided to sixteen (16) individuals or organisations, comprising \$7,615 Council funds and \$11,423 State Government funding.
- \$47,082 was spent on Development and Tourism which included donations to various bodies, promotional advertising and contributions to the Burdekin Tourism Association and Burdekin Stockfeed Project.
- Assistance was provided in the operation of the Rural Transaction Centre in Giru.
- The final stage of our Art project to revitalise the entrance to the library in Graham Street was completed. Mosaic tiles were designed and created by Year Seven students from Ayr State School with the assistance of mosaic artist Claudia Williams. Artist Aicey Zaro completed the design with a mural surrounding the children's work and bench seats were added for library patrons.
- Total number of visits to the Burdekin Library was 64,328. In the Shire, 11,396 Library Members borrowed a total of 181,937 items. A total of 8,156 items were purchased for the libraries, including over 200 new DVD's.
- The Burdekin Library purchased a new Microfilm Reader Printer for the Local History Room. This enables patrons to access microfiche and microfilm records, in particular back issues of the local papers. They are able to print a copy of the information or save to a portable device.
- 228 children attended 13 holiday activities which were conducted in Ayr and 206 children attended 13 sessions in Home Hill. 26 classes paid visits to the Library (approximately 520 children) while the Children's Librarian made 66 visits to schools, pre-schools and kindergartens during the year (approximately 1320 children). Approximately 550 children from 22 classes visited the Library for Book Week celebrations.

- Approximately 964 children and 494 carers attended 42 Story Time sessions in Ayr, while 285 children and 165 carers attended 40 sessions in Home Hill.
- The Burdekin Library participated in Kids Book Biz for the second time, in partnership with Zonta and the Burdekin Theatre. This included a children's art exhibition, based on their favourite books in the theatre and library, and awards presentations in the Music Loft. Kids Book Biz coincided with Children's Book Week.
- The children's area had a refurbishment : brightly coloured painted book boxes (made and painted by Les and Robyn Elphinstone, respectively) for the Easy Fiction books (picture books), painted TV/video/DVD trolley and painted table/chair set, and new notice boards.
- The Burdekin Library won a special award at the Burdekin Area Business Association (BABA) Awards : "Expanding of Total Service to the Community" on 22 April, 2006.



Library staff pictured following completion of the final stage of the Art Project to revitalise the entrance to the Library in Graham Street, Ayr. Mosaic tiles were designed and created by Ayr State School Year Seven students with assistance of mosaic artist Claudia Williams. Artist, Aicey Zaro completed the design with a mural surrounding the children's work, and bench seats were added for library patrons.

Development & Environmental Services

3.

Achievements for the Year

2005/2006 year has been a year of significant change in the Development and Environmental Services area. The year saw a high turnover of staff with staff losses in the area of Plumbing Inspection, Building Certification, Environmental Health, Animal Control and Vector Control.

This has placed a significant strain on service delivery in this high public contact area and overall there have been minimal complaints about service delivery and the commitment of staff is to be congratulated.

Despite this, the Departments have still achieved a number of key projects:-

- Adoption of a new Burdekin Shire Council Town Planning Scheme (IPA Compliant). This very important document helps in the management of land usage across the shire. New legislation requirements did make this quite a challenging task.
- Implemented a new Playground Equipment policy and installed new upgraded play sets at Brolga Park (Giru); Alva Park (Alva Beach); Clare Park; Groper Creek foreshore; and Spiller Street Park (Brandon).
- Entered into a joint partnership arrangement with the Burdekin Dry Tropics Board which saw the placement of two fully funded project officers within Council. These two officers will be helping Council with the development of improved Coastal Management and in planning for the future impacts of Climate Change.
- Implemented a new supervision contract at Council's waste transfer stations which focuses on waste minimisation.
- Implemented a trial using a landfill compactor at the Kirknie Road Landfill. Initial results indicate up to 50% saving in landfill space which will increase the life of this site and improve environmental outcomes.
- Implemented new management arrangements for both the Ayr and Home Hill Swimming pools.
- Completed a review of the shire's Pest Management Plan. This involved working with a stakeholder group and promoting the key pests for the shire.
- Landscaping of the Road Safety Audit Works which has seen five new garden sites established in Ayr and Home Hill.
- Undertaking a major weed harvesting contract with NQ Water for the removal of floating aquatic weeds on the reaches of Ross River, Townsville.
- Undertaking mosquito control treatments to minimise the problem of nuisance mosquitoes for the towns of Ayr, Alva, Brandon and Home Hill.
- Maintained the shire's parks to a high standard ensuring they are regularly mowed and watered.
- Carried out regular patrols and investigation for problem animals to minimise the impact on the community.

- Successfully negotiated a pilot management agreement for the ongoing maintenance of Sheepstation Creek. This has seen stakeholders from the Burdekin Dry Tropics, North Burdekin Water Board, Burdekin Shire Council and 30 riparian landholders come together to trial a co-ordinated programme to control floating aquatic weeds in this creek.
- Processed over \$40M of building applications in both Burdekin and Bowen/Whitsunday Shires.
- Assessed and approved several major residential development applications across the shire. The development of these proposals will assist in addressing the current shortage in residential land within the urban footprint of the Burdekin Shire's major towns of Ayr, Home Hill and Brandon.



A major weed harvesting contract was undertaken with NO Water for the removal of floating aquatic weeds on the reaches of Ross River, Townsville
Photograph shows Launch of the Weed Harvester at Ross River

Works & Services

4.

Achievements for the Year

- Successful external audit of the Works Division Quality Assurance System (ISO 9001, 2000). 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 Departments.
- Completion of the Queen Street Road Safety Audit Works under contract to the Main Roads Department. The total contract was worth almost 2 million dollars, with 1.6 million dollars being constructed during the 2005/2006 financial year. The work involved construction of roundabouts, pram ramps, asphalt sealing and improved drainage in Queen Street (Kennedy Street – Edwards Street) and Edwards Street (Queen Street – Graham Street).
- Council has continued its Maintenance Contract with the Department of Main Roads. The RMPC services a total of 186 km covering sections of the Bruce Highway, Kirknie, Dalbeg and Ravenswood Roads. Almost \$657,000 worth of maintenance works was carried out during the 2005/2006 financial year.
- All profits derived from contract works and the RMPC have been returned to Council for distribution and fund such areas as Shire roadworks, purchase of plant and equipment, and training.
- Council completed approximately \$5.28 M in new roadworks, reseals and road maintenance in the 2005/2006 financial year.

Major projects completed include:-

- Roads to Recovery 2

The Federal Government has allocated just over 1.67 million in a four year package under the Roads to Recovery 2 Program. Council constructed the following two projects in the first year of the project:-

- Queen Street (contributed to Main Roads Safety Audit Works)
- Sayers Road (bitumen construction)

- Major Traffic Management

Funded by Council, Federal Blackspot and/or State Government TIDS

Construction of a roundabout at the corner of Soper and Munro Streets.
Construction of a roundabout at the intersection of Eleventh Avenue and Fourth Street.
Construction of a traffic management scheme adjacent to the Ayr Swimming Pool.

- Drainage

Completion of the Mackenzie Street Drainage Scheme.

- Footpath and Bikeway Construction

Footpath construction in Chippendale Street near the Ayr Christian College

Footpath Construction in Mackenzie Street (Queen – Wickham Street)

- Bitumen Construction and Reconstruction, Widening and Kerbing and Channelling was a major part of the works performed. Sections of Chippendale Street, Mackenzie Street, Beach Road, Laurelvale Road, Rose Road, Sayers Road, Groper Creek Road and Wallace Road were upgraded to improve standards in these areas.
- Carried out reseals to the Shire roads to the value of approximately \$680,000.
- Carried out general maintenance to roads to the value of \$2.25 million.



Mackenzie Street Drainage Works

Water & Wastewater

5.

Achievements for the Year

- Operated and maintained Council's Water Supply Systems for Ayr/Brandon, Home Hill, Giru and Mount Kelly with a high level of compliance with the Australian Drinking Water Guidelines.
- Operated and maintained the Wastewater Systems for Ayr/Brandon and Home Hill within the requirements of Environmental Licence.
- Both Water Supply and Wastewater Systems performed in compliance with adopted Customer Service Standards.
- Maintained and updated Water Supply and Wastewater System Total Management Plan, meeting regulatory review requirements. A ten year financial plan that ensures ongoing viability for the systems is included as part of this plan.
- Customer Service Standards were reviewed and adopted by Council.
- Council Website was updated to include information about the Water and Wastewater Department.
- Completed the installation of telemetry SCADA equipment to the water and wastewater operating area to improve monitoring and data collection for these systems.
- Continued program of property inspection and facilitated installation and maintenance of private landholder trade waste infrastructure. Updating of Council's Trade Waste Policy was commenced.
- Maintenance and inspection of sewers continued using Council's high pressure cleaner and CCTV equipment.
- Completed installation of replacement electrical switchboards to sewerage pump stations as required.
- Completed installation of replacement sewerage pumps as required.
- Completed repair/replacement of sewers and manholes in the vicinity of Brandon Pump Station No.1 due to sulphide attack.
- Completed replacement of several sewer manholes in Ayr due to sulphide attack.
- Substantially completed the modification of the Bypass Holding Pond at the Home Hill Sewerage Treatment Plant to enable correct and safe storage and retrieval of sewage during major maintenance of the Plant.
- Completed installation of an emergency generator at the Nelsons Lagoon Bore Site (Ayr/Brandon Water Supply) to provide greater security of supply during major power outages.
- Completed installation of a bulk flow meter at the Mount Kelly Reservoir.

Annual Report Photographs



Freedom of Entry to Burdekin Shire was granted to No. 1 Combat Logistics Squadron on 28th October, 2005



Flight Lieutenant Phil Jones, No. 1 Combat Logistics Squadron Presenting Appreciation Plaque to Mayor, Cr. Lyn McLaughlin

Annual Report Photographs



Stage 2 CBD Revitalisation Project



Bridging our Communities – Water for Life Mosaic outside Council's Engineering Department. Designed by students from St Francis, Clare, Giru & East Ayr Schools & created by local artists, Claudia Williams & June Bosel. Funded by Department of Natural Resources and sponsored by Council & Landcare



Council Parks Employees displaying Tidy Towns Awards



New Upgraded Playground Equipment at Groper Creek

Annual Report Photographs



Airville State School Students attending Council Meeting



New upgraded playground equipment at Alva Beach



Upgrade of road and drainage, Groper Creek Road



Completed upgrade of drainage, Groper Creek Road



Burdekin Road Safety Audit – Edwards Street, Ayr - guttering



Burdekin Road Safety Audit – Edwards Street, Ayr

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 2005-06 Budget was designed to contain major cost increases, whilst still maintaining the level of service and programmes currently enjoyed by the community.

The major community initiative was the commitment to the CBD Revitalisation Stage 2 Project which adds value to the towns of Ayr, Home Hill and Brandon.

From an original budgeted amount of \$27,786,310, actual total operating revenue came in at \$27,724,435.

Total operating expenses also decreased from a budgeted amount of \$27,440,847 to an actual amount of \$25,593,994. This can be mainly attributable to projects not fully completed in 2005/06 being carried over to the 2006/07 financial year.

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

	2004/2005	2005/2006
Rates and Charges Revenue (net)	\$19,207,152	\$20,323,748
Total Recurrent Revenue	\$24,758,121	\$27,724,435
Recurrent Expenses	\$23,853,315	\$25,593,994
Net Result	\$4,850,979	\$4,077,721
Retained Surplus (deficiency) at period end	(\$267,142)	\$510,332
Total Debt (Book Value)	\$14,425,730	\$12,075,625

Reserves	\$8,616,776	\$9,966,025
Total Assets	\$245,012,402	\$246,206,382
Total Liabilities	\$24,156,181	\$21,275,937
Total Equity	\$220,856,221	\$224,930,445

As at 30th June 2006 our closing total debt (book value) with the Queensland Treasury Corporation was \$11,981,060 which was a decrease of \$2,260,043 from last year's total debt of \$14,241,103. Our total debt (book value) in respect of the BRIA has decreased to \$94,565. Overall total debt (book value) is \$12,075,625.

The Council's overall debt is considered to be satisfactory. Total debt as a percentage of total community equity is 5.4% compared to 6.5% for 2004/05.

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

The Income Statement indicates a net result of \$4,077,721. The surplus is mainly attributable to an increase in the Sales of contract and recoverable works category. This significant increase is due to an increase in Main Roads contract work performed in 2005/06. This work however is estimated to decrease in 2006/07 with Council focusing on its widening program in the areas of Ayr, Home Hill & Brandon.

The Balance Sheet shows an increase in total community equity of \$4,074,224 from \$220,856,221 to \$224,930,445.

Major new capital items expended in 2005/06 included; road works - \$2,135,494; reseals - \$679,625; road maintenance - \$2,250,282; CBD roads - \$213,003; building programme - \$259,401; water supply - \$94,182; sewerage supply - \$152,257; other structures - \$249,074 and plant and equipment of \$839,534 (net of trades and sales).

The Statement of Cash Flows 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 2005/06 from \$15,120,566 to \$16,695,433. Over the 12 month

period there has been an increase in cash held of \$1,574,867. This increase is the result of works not completed in 2005-06 that are to be completed next financial year.

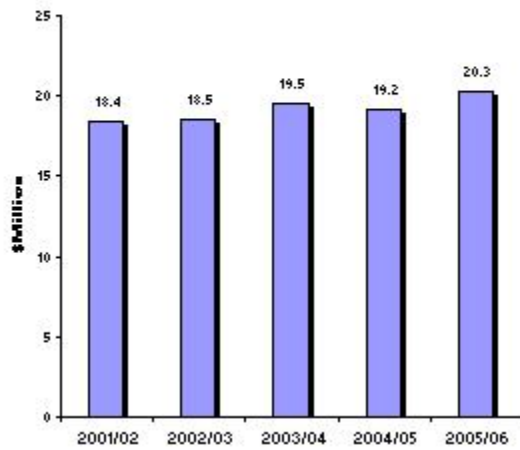
During 2005/06, the Council funded its depreciation of \$4,882,992 and amortisation charge of \$50,802. Due to changes in the finance and accounting standards this year, there was a requirement to recognise intangible assets separately. The amortisation charge represents a decline in value of intangible assets such as rehabilitation assets & computer software.

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 of the ratepayers dollar and assist in achieving certain community objectives and milestones.

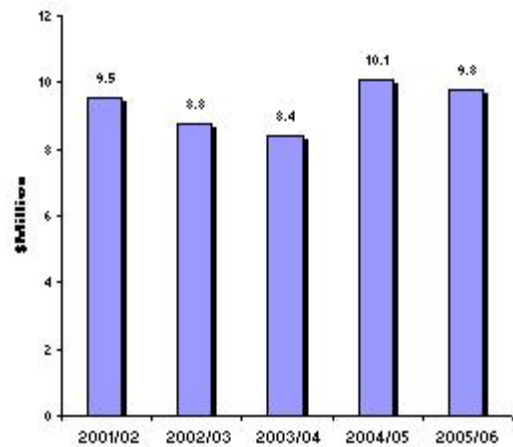
As stated earlier, Council has a healthy cash position of \$16,695,433. The majority of this cash position rests with the Water and Sewerage Programs (\$8.86M). The main components of the cash balance are as follows:

Reserves held of future capital expenditure	\$8,152,635
Reserves held for funding future recurrent expenditure	\$1,813,390
Unspent depreciation fund reserve	\$4,567,177

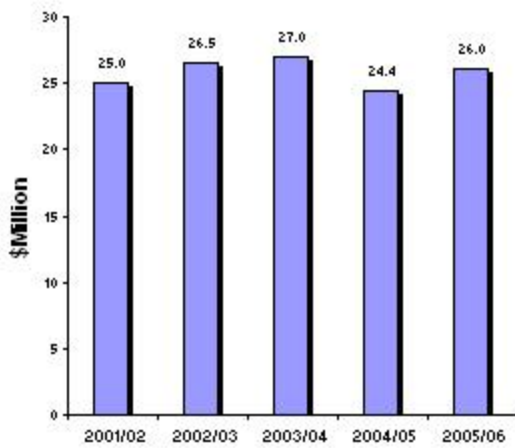
Rates and Charges Levy Income



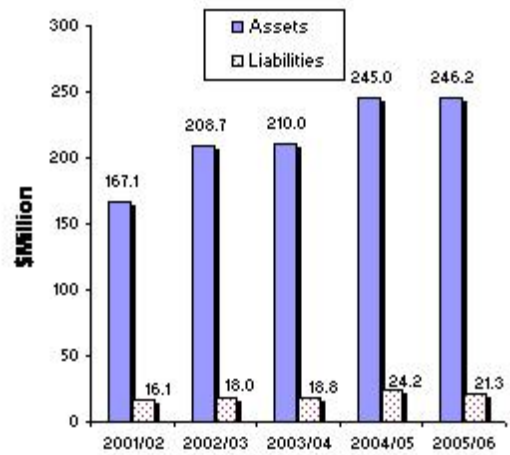
Other Revenue



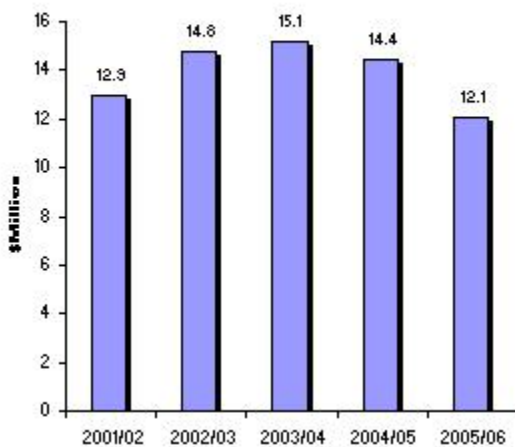
Expenditure



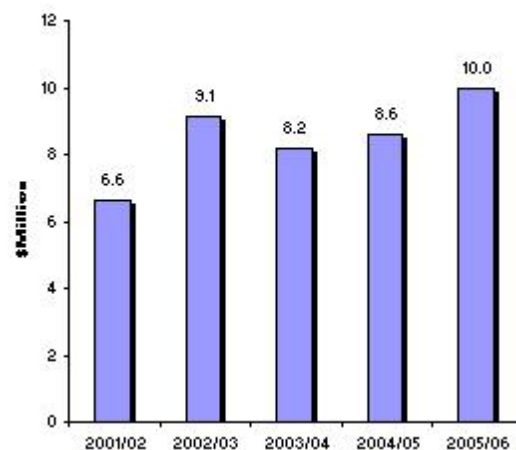
Assets and Liabilities



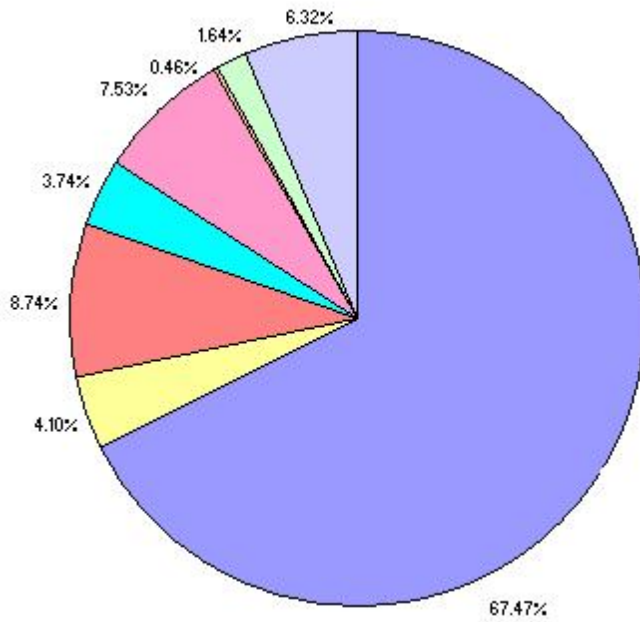
Loan Debt



Reserves

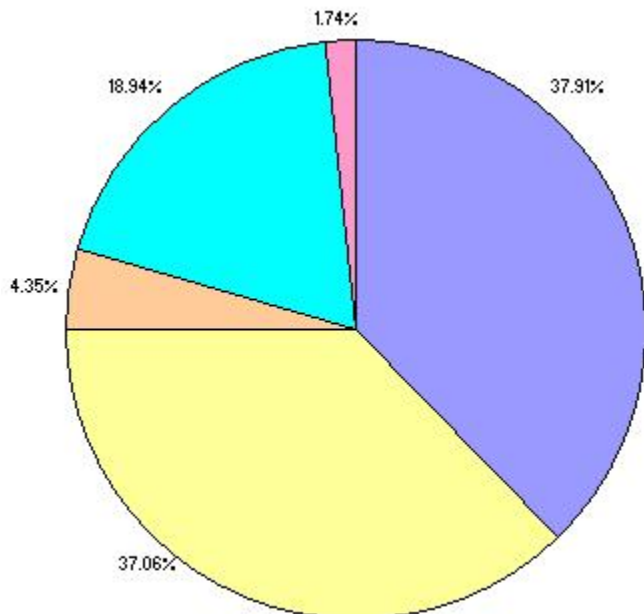


Where the Dollars Come From 2005/06



	\$	%
	'000	
Net rates & charges	20,324	67.47%
Fees & charges	1,234	4.10%
Sales - contract & recoverable	2,633	8.74%
Interest	1,128	3.74%
Govt grants & contributions	2,268	7.53%
Other income	138	0.46%
Proceeds from sale of assets	495	1.64%
Capital income	1,905	6.32%
TOTAL	30,124	100.00%

Where the Dollars Go To 2005/06



	\$	%
	'000	
Employee costs	9,875	37.91%
Materials & services	9,652	37.06%
Finance & borrowing costs	1,133	4.35%
Depreciation	4,934	18.94%
Book value of assets sold/written off	452	1.74%
TOTAL	26,046	100.00%

What Did We Achieve 2005/2006

The Council's Budget was again focused towards road works and drainage with close to \$6.9M incurred on new roads, roads maintenance, Main Roads work, drainage and reseals.

A major works initiative was the completion of the Queen Street Road Safety Audit Works under contract to the Main Roads Department. Works to the value of \$1.6M were carried out during 2005-06, such works including construction of roundabouts, pram ramps, asphalt sealing and improved drainage in Queen Street (Kennedy Street to Edwards Street) and Edwards Street (Queen Street to Graham Street).

Under the Roads to Recovery Programme, the Council constructed two (2) projects, being Queen Street (in conjunction with Main Roads Safety Audit Works) and bitumen construction of Sayers Road. 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 Soper and Munro Streets, Ayr; and Eleventh Avenue and Fourth Street, Home Hill; and construction of a traffic management scheme adjacent to the Ayr Swimming Pool.

Drainage works included the completion of the drainage scheme in Mackenzie Street, Ayr.

The Council has continued its maintenance contract with the Department of Main Roads. Almost \$657,000 worth of maintenance works was carried out during the 2005/06 financial year.

Council again retained its Quality Assurance status, to ISO 9001 (2000), in the Works Division, which is a pre-requisite for external works for State Government, and maintained the NATA accreditation for its Material Testing Laboratory.

Staff continued to monitor Council's responsibilities under the Health, Environment Protection, Dangerous Goods Safety Management and Food Acts.

The Parks and Gardens Programme had a heavy works programme with five (5) new garden sites established in Ayr and Home Hill. A new Playground Equipment policy was adopted and new upgraded playground sets were installed at Brolga Park, Giru; Alva Beach Park; Clare Park; Groper Creek foreshore and Spiller Street Park, Brandon.

Waste management continues to grow as a major issue across the shire. Over the year 18,720 M³ of domestic waste (compacted), 37,284 M³ (uncompacted) and 912 tonnes of recyclable materials were collected.

Green waste continues to be a problem and Council is continually exploring opportunities to reduce the cost burden of this waste and make better use of this currently untapped source. Council's focus on waste minimisation saw a number of changes included in the new Transfer Station Management contract which commenced on 1st July 2005.

Natural Resource Management is again highlighted as an important responsibility for Council. A major review of Council's Pest Management Plan has been completed. This review involved a large number of local stakeholders to ensure local priorities were identified.

Council entered into a joint partnership with the Burdekin Dry Tropics Board which saw the placement of two fully funded project officers within Council. These two officers will be helping Council with the development of improved Coastal Management and in planning for the future impacts of Climate Change.

Council successfully negotiated a pilot management agreement for the ongoing maintenance of Sheepstation Creek. This has seen stakeholders from the Burdekin Dry Tropics, North Burdekin Water Board, Burdekin Shire Council and 30 riparian landholders come together to trial a co-ordinated programme to control floating aquatic weeds in the creek.

Council's own Envirolevy again saw a number of programmes that resulted in positive benefits to the local environment. Funds were provided supporting the following projects:-

❖ Herbicide subsidy scheme	\$28,464
❖ Fish restocking	\$15,000
❖ Community quick spray unit	\$11,260
❖ Promotions	\$10,000
❖ Waterways	\$ 9,881
❖ Gudjuda community jobs plan	\$ 3,370
❖ Burdekin Dry Tropics Board Coastal & Natural Resource	\$ 2,676
❖ Burdekin Dry Tropics Board Landcare Regional Project	\$ 2,042
❖ Kirknie Road Lagoon cleanup	\$ 1,125

Council provided planning and development services to its customers. 494 building applications (including 30 applications from external Certifiers) were processed with a dollar value of \$13.6M. 2005/06 saw the Council continue to provide Private Building Certifier Services in other Local Government areas, including a large proportion of certification within Bowen Shire, with 425 building applications processed with a dollar value of \$28.8M.

Finalisation and adoption of a new Burdekin Shire Council Town Planning Scheme compliant with the Integrated Planning Act 1997 occurred in 2005-06. In the Planning Area, 23 Material Change of Use Applications and 39 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 \$139,000 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 alterations to the Brandon Heritage Precinct.

The Council continued with its generous donations to welfare, cultural, sporting and community based organisations with a total of \$539,249 provided in the form of cash, provision of services or sewerage charge rebates.

The Ayr and Home Hill Libraries continue to be well patronised with membership rising from 10,625 to 11,396 and annual issues (excluding renewals) decreased from 186,706 to 181,937. Approximately 1,700 children attended holiday activities and story time sessions in the Ayr and Home Hill Libraries. Public access internet ADSL connections were upgraded in both the Ayr and Home Hill Libraries.

Staff continued with the implementation of the new core corporate software systems, Finance One, People One and Proclaim. Successful funding applications submitted totalled in excess of \$484,000 (inc. GST).

Statutory

Information

Revenue Policy for Year 2005/2006

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 (predominantly) 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 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. 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.

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 with the sewerage fund, 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

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

Council Remissions

Rates and Charges Remitted to Pensioners.....	\$273,926
Number of Applications	870

Donations

Standing Donations to Churches, Sporting Bodies etc	\$78,065
Number of Applications	50

Library Statistics

Statistics.

	2004/2005	2005/2006
Membership	10,625	11,396
Membership as % of population	57.5%	61.5%
Total book stock	51,412	52,281
AV Sound (spoken word, music)	1,218	1,319
AV Videos	1,589	1,572
CD Roms	95	75
DVD's	665	889
Annual circulation – Issues (excluding renewals)	186,706	181,937
Discarded library stock - sale receipts	\$1,347	\$1,279

Elected Members Meeting Attendances

Councillor	Ordinary and Special Meetings Held	Ordinary and Special Meetings Attended	Meetings absent whilst on Council Business	Leave of Absence	Advisory Meetings Attended	Meetings of External Organisations Attended
L.A. McLaughlin	54	52	2	-	14	14
M.A. Castelanelli	54	43	6	4	2	22
P.M. Dalle Cort	54	50	-	3	15	4
R.J. Gambino	54	52	1	1	9	14
J.R. Gist	54	52	1	1	13	3
M.J. Haynes	54	49	-	5	2	17
R.H. Lewis	54	43	3	7	18	7
T.P. List	54	47	-	5	8	13
L. Loizou	54	51	1	2	6	14
R.J. Marriott	54	52	1	1	19	14
L.D. McCathie	54	53	1	-	1	18

Meetings for period 1/07/05 to 30/06/06

Advisory Meetings Include: Enterprise Partnership Consultative Committee; Burdekin Shire Council Local Disaster Management Group; Workplace Health & Safety Committee; Internal Audit Committee; Quality Improvement Team; Aerodrome Advisory Committee; Burdekin Road Safety Advisory Committee; Equal Employment Opportunity Committee; and Brandon Heritage Precinct Steering Committee.

Councillors also attend other miscellaneous meetings as part of their duties.

Resolution on Elected Members' Remuneration

Pursuant to section 379 of the Local Government Act 1993, the Council at its meeting held on 21st March 2006 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.
- Dealings with constituents and attendance at community meetings.
- Degree of responsibility and judgement required to act as a Councillor.
- 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 21st March 2006 it was further resolved that remuneration to Councillors shall be paid by comparing the duties of a Councillor with the role, duties and responsibilities with those of other Queensland Local Governments and Members of the Legislative Assembly, Queensland. The basic annual salary payable to an MLA will include any variations approved by the Queensland Parliament. At 1st July 2005 the annual salary for an MLA was \$110,650.

Allowances and meeting fees for 2005/2006 were as follows:

Mayor Allowance	\$77,455 p.a.
Deputy Mayor	\$ 7,745 p.a.
Councillor	\$24,343 p.a.
Annual Allowance – Councillors including Mayor	\$ 2,212

Total Remuneration and Superannuation Contributions Paid to Councillors

1st July 2005 – 30th June 2006

Councillor	Mayor's Allowance \$	Meeting and Acting Mayor's Allowance \$	Car Allowance \$	Total \$	Council's 12% Superannuation Contributions Paid \$
MCLAUGHLIN, L.A.	74,949.10	-	-	74,949.10	4,196.75
CASTELANELLI, M.A.	-	17,280.34	970.10	18,250.44	545.70
DALLE CORT, P.M.	-	19,960.97	-	19,960.97	2,395.31
GAMBINO, R.J.	-	22,159.34	921.05	23,080.39	-
GIST, J.R.	-	22,943.34	1,222.98	24,166.32	-
HAYNES, M.J.	-	25,892.36	-	25,892.36	3,107.10
LEWIS, R.H.	-	19,283.34	-	19,283.34	2,313.99
LIST, T.P.	-	20,113.60	-	20,113.60	2,413.63
LOIZOU, L.	-	19,832.34	2,302.08	22,134.42	2,656.11
MARRIOTT, R.J	-	20,137.34	1,127.06	21,264.40	-
MCCATHIE, L.D.	-	22,702.34	218.00	22,920.34	2,750.43
TOTAL	\$74,949.10	\$210,305.31	\$6,761.27	\$292,015.68	\$20,379.02
For period 1/07/05 to 30/06/06					

Changes to Tenders

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

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

The Council did not resolve to invite expressions of interest before inviting tenders.

Equal Employment Opportunity

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

In accordance with the Local Government Act, Council adopted a Code of Conduct for Councillors effective from 1st March, 2006. A draft Code of Conduct for Employees will be considered during 2006/07.

Borrowings Policy

2005/2006, 2006/2007 & 2007/2008 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

There are no new borrowings from Queensland Treasury Corporation planned for the current financial year and the next two financial years.

Existing Borrowings

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

- Four 3 year debt pool accounts (expected repayment terms from 1.375 to 4.625 years)
- Five 6 year debt pool accounts (expected repayment terms from 4.625 to 7.625 years)
- Three 9 year debt pool accounts (expected repayment terms from 7.625 to 10.625 years)
- Three 12 year debt pool accounts (expected repayment terms from 10.625 to 13.625 years)

As at 30th June 2005, the expected terms for repayment of Council's debt were:-

- 1.61, 3.14, 3.57 and 3.59 years for the three year debt pool
- 5.22, 6.06, 6.76, 7.24 and 7.39 years for the six year debt pools
- 8.49, 8.88 and 9.24 years for the nine year debt pools
- 11.80, 11.87 and 12.96 years for the twelve year debt pool

G.J. Webb,
CHIEF EXECUTIVE OFFICER

Donations - Other

The Council makes various donations through the year to assist in community development. The table below summarizes the extent of donations made during 2005/06. These donations are in addition to the rebates and concessions allowed in respect of rates and charges.

Donations - Welfare Associations	\$ 55,664
Donations - Cultural Activities	\$ 37,527
Donations – Burdekin Cultural Complex Board	\$304,600
Donations - Sporting Clubs/Associations	\$ 13,259
Donations - Life Saving/Beach Patrol	\$ 7,024
Donations & In Kind - Economic Development, Tourism and Promotions	\$ 25,187
Donations & In-kind – Community Assistance	\$ 17,923

Revenue Assistance Policy

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. 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 made during the 2005/06 financial year include the following:

- \$50,000 to Home Hill Tennis Association Inc. to upgrade court surfaces.

Current funds allocated to sporting bodies and community based organisations and to be repaid as at 30th June, 2006 total **\$157,203**.

Grants for Excellence in Sports & Cultural Activities

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 2005/2006 are as follows:

Michael Coppo Queensland Country Under 14 Years' Soccer Team for 2005 – Sydney	\$225
Travis Heron Queensland Country Under 14 Years' Soccer Team for 2005 – Sydney	\$225
Kazzia Lammon Queensland 12 Years & Under Schools' Interstate Hockey Exchange 2005 – Toowoomba	\$150
Dwayne Zanetti Queensland Under 13 Years Boys' Hockey Team – Ipswich - 2005	\$150
Rebecca Moschella Represent Queensland (200m & 400m) Track & Field Events at 2005 IGA Australian All-Schools Track & Field Championships – Sydney	\$225
Joel Lewty 2005 Greg Norman Junior Masters – Coolangatta & Tweed Heads Golf Club.	\$225

National Competition Policy

Code of Competitive Conduct

In previous years the Council has resolved to apply the Code of Competitive Conduct to each of the business activities listed below in accordance with Section 766 of the Local Government Act. As a result of the implementation of new corporate software, a new budgeting process and a focus on work practices, procedures and systems, Council did not resolve to apply the Code of Competitive Conduct to the business activities listed below for the 2005-06 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.

Department of Main Roads

In respect of recoverable works carried out for the Department of Main Roads, costs incurred, whilst conducting contract works, are claimed in the form of unit rates and lump sum items and are inclusive of an overhead component. This component is derived to reflect the full cost of the projects being performed for the department. Following a negotiation process, the Department of Main Roads confirms the acceptance of the contracts. The overhead recovers costs on a proportional basis, for such items as, salary components for executives, supervision, survey and design, financial and expenditure services, workplace health & safety, information technology, environmental management, administration and associated plant. Cost recovery also includes a percentage for software upgrade, floor area, electricity, telephone, stationery and insurance. A profit component is included in the final agreed rates.

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 2005/06:

Access Charge -	\$252 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 \$252 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. It has been determined that there are no water cross-subsidies between the different classes of consumers for water, in accordance with Queensland Government Guidelines.

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 2005-06.

Registers Kept Open for Inspection

- 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

Burdekin Shire Council



Financial Statements
and Notes to the Accounts
for the financial year
2005/06

BURDEKIN SHIRE COUNCIL

Financial Report

For the year ended 30 June 2006

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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.

Statement of Operating Performance

Financial Ratios of the Accounts

Analysis of Cash Holdings

BURDEKIN SHIRE COUNCIL**Income Statement**

For the year ended 30 June 2006

		2006	2005
		Actual	Actual
	Note	\$	\$
Income			
Revenue			
Recurrent Revenue			
Net rate and utility charges	4 (a)	20,323,748	19,207,152
Fees and charges		1,233,745	1,152,258
Interest received	4 (b)	1,127,557	1,088,238
Sales of contract and recoverable works	4 (c)	2,633,316	1,232,095
Other recurrent income	4 (d)	137,843	116,934
Grants, subsidies and contributions	5 (i)	2,268,226	1,844,015
Proceeds from sales of land developed for resale	6	-	117,429
Total recurrent revenue		<u>27,724,435</u>	<u>24,758,121</u>
Capital revenue			
Grants, subsidies and contributions	5 (ii)	<u>1,904,511</u>	<u>1,285,285</u>
		<u>1,904,511</u>	<u>1,285,285</u>
Total revenue		<u>29,628,946</u>	<u>26,043,406</u>
Capital income	7	47,141	2,725,304
Total income		<u>29,676,087</u>	<u>28,768,710</u>
Expenses			
Recurrent expenses			
Employee benefits	9	(9,874,924)	(9,600,090)
Materials and services	10	(9,652,258)	(9,094,568)
Current cost of developed land sold		-	(56,988)
Finance costs	11	(1,133,018)	(1,165,787)
Depreciation and amortisation	12	<u>(4,933,794)</u>	<u>(3,935,882)</u>
Total recurrent expenses		<u>(25,593,994)</u>	<u>(23,853,315)</u>
Capital expenses	13	(4,372)	(64,416)
Total expenses		<u>(25,598,366)</u>	<u>(23,917,731)</u>
Net result attributable to council		<u>4,077,721</u>	<u>4,850,979</u>

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

BURDEKIN SHIRE COUNCIL**Statement of Appropriations**

For the year ended 30 June 2006

		2006	2005
		Actual	Actual
	Note	\$	\$
Retained surplus (deficiency) from prior years		(267,142)	109,247
Net result attributable to council for the period		<u>4,077,721</u>	<u>4,850,979</u>
		<u>3,810,579</u>	<u>4,960,226</u>
Transfers (to) from capital account:			
Transfer of capital income	7	(47,141)	(2,725,304)
Transfer of capital expenses	13	4,372	64,416
Transfer from / (to) capital to adjust the working capital cash		25,373	(145,141)
Element of change in discount rate relating to PV of restoration provision.		<u>(343,467)</u>	<u>349,945</u>
Net capital account transfers		<u>(360,863)</u>	<u>(2,456,084)</u>
Transfer from (to) the constrained works reserve	32 (i)	(1,884,511)	(1,081,494)
		<u>-</u>	<u>-</u>
Retained surplus (deficiency) available for transfer to reserves		<u>1,565,205</u>	<u>1,422,648</u>
Transfers (to) from reserves for future capital funding purposes:			
Water reserve	32 (ii)	210,403	83,031
Sewerage reserve	32 (iii)	722,742	(173,620)
Capital maintenance reserve	32 (iv)	(20,000)	(62,856)
Carryover capital works reserve	32 (v)	(1,007,000)	(1,524,453)
Transfers (to) from reserves for future general funding purposes:			
Recurrent maintenance reserve	32 (b)	(961,018)	(11,892)
		<u>510,332</u>	<u>(267,142)</u>
Retained surplus (deficit) at period end		<u><u>510,332</u></u>	<u><u>(267,142)</u></u>

*CFS - Denotes Capital Funding Statement

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

BURDEKIN SHIRE COUNCIL**Balance Sheet**

As at the 30 June 2006

		2006	2005
		Actual	Actual
	Note	\$	\$
Current Assets			
Cash assets and cash equivalents	15	16,695,433	15,120,566
Trade and other receivables	16 (a)	1,800,287	2,094,328
Inventories	17	821,448	602,561
Other financial assets	19 (a)	212,439	91,936
		<u>19,529,607</u>	<u>17,909,391</u>
Non-current Assets			
Trade and other receivables	16 (b)	119,078	106,778
Other financial assets	19 (b)	488	754
Property, plant and equipment	20 (a)	225,146,548	224,697,632
Capital works in progress	21	692,734	1,457,493
Intangible assets - rehabilitation costs	22	170,818	252,983
Other intangible assets	23	547,109	587,371
		<u>226,676,775</u>	<u>227,103,011</u>
TOTAL ASSETS		<u>246,206,382</u>	<u>245,012,402</u>
Current Liabilities			
Trade and other payables	24	2,378,939	2,336,474
Borrowings	25	2,245,233	2,236,832
Other	27	1,219	5,375
		<u>4,625,391</u>	<u>4,578,681</u>
Non-current Liabilities			
Trade and other payables	24	1,464,944	1,916,011
Borrowings	25	9,830,392	12,188,898
Provisions	26	5,355,210	5,472,591
		<u>16,650,546</u>	<u>19,577,500</u>
TOTAL LIABILITIES		<u>21,275,937</u>	<u>24,156,181</u>
NET COMMUNITY ASSETS		<u>224,930,445</u>	<u>220,856,221</u>
Capital	28	134,725,923	132,410,332
Restricted capital funds reserves	29	5,246,351	5,610,944
Asset revaluation reserve	30	74,481,814	74,485,311
Retained surplus	31	510,332	(267,142)
Other reserves	32	9,966,025	8,616,776
TOTAL COMMUNITY EQUITY		<u>224,930,445</u>	<u>220,856,221</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 2006

	Total		Retained surplus (deficit)				Other reserves				Restricted Capital Reserves				Councils Capital Equity comprises			
			Note 31		Note 32		Note 29		Note 30		Note 28		Note 30		Note 28			
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005		
Balance at beginning of period	\$ 220,856,221	\$ 186,512,033	(267,142)	109,247	8,616,776	8,197,214	5,610,944	6,100,196	74,485,311	44,992,102	132,410,332	127,113,274						
Net result for the period	4,077,721	4,850,979	4,077,721	4,850,979														
Transfers to capital	-	-	(360,863)	(2,456,084)														
Transfers to general reserves	-	-	(3,893,585)	(3,343,976)	3,893,585	3,343,976												
Transfer of funds expended	-	-			(1,590,135)	(2,351,722)	(364,593)	(489,252)							1,954,728	2,840,974		
Transfers from general reserves	-	-	954,201	572,692	(954,201)	(572,692)												
Asset revaluation adjustments:																		
Revaluations and impairments	(3,497)	29,493,209							(3,497)	29,493,209								
Balance at end of period	224,930,445	220,856,221	510,332	(267,142)	9,966,025	8,616,776	5,246,351	5,610,944	74,481,814	74,485,311	134,725,923	132,410,332						

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

BURDEKIN SHIRE COUNCIL**Statement of Cash Flows**

For the year ended 30 June 2006

	Note	2006 \$	2005 \$
Cash flows from operating activities :			
Receipts			
General rates and utility charges		20,334,772	19,457,834
Rental and levies, fees and charges		1,529,837	1,396,611
Grants, subsidies and contributions		2,268,226	1,844,015
Interest received		1,127,557	1,105,225
Proceeds from sales of land developed for resale		-	117,429
Other income		2,792,881	1,296,284
GST received		1,326,299	1,300,106
Payments			
Payments to suppliers		(10,470,872)	(8,487,781)
Payment to employees		(10,168,948)	(9,366,132)
Interest expense		(808,291)	(872,916)
GST paid		(1,392,020)	(1,263,717)
Net cash inflow (outflow) from operating activities	38	<u>6,539,441</u>	<u>6,526,958</u>
Cash flows from investing activities:			
Payments for property, plant and equipment		(5,023,110)	(6,249,479)
Payments for intangible assets		-	(536,348)
Proceeds from sale of property plant and equipment	8	495,233	510,167
Net movement in loans and advances		8,897	(4,344)
Net cash inflow (outflow) from investing activities		<u>(4,518,980)</u>	<u>(6,280,004)</u>
Cash flows from financing activities:			
Grants, subsidies and contributions for capital acquisitions:	5		
Commonwealth government grants		908,321	136,558
State Government subsidies & grants		852,301	1,082,994
Capital contributions		143,889	65,733
Proceeds from borrowings	25	-	1,290,333
Repayment of borrowings	25	(2,350,105)	(2,009,209)
Net cash inflow (outflow) from financing activities		<u>(445,594)</u>	<u>566,409</u>
Net increase (decrease) in cash held		<u>1,574,867</u>	<u>813,363</u>
Cash at beginning of reporting period		<u>15,120,566</u>	<u>14,307,203</u>
Cash at end of reporting period	15	<u>16,695,433</u>	<u>15,120,566</u>

BURDEKIN SHIRE COUNCIL**Capital Funding Statement**

For the year ended 30 June 2006

	Note	2006	2005
		\$	\$
Sources of capital funding			
Loan monies expended		4,550	1,385,868
Funded depreciation and amortisation		5,283,297	4,467,140
Proceeds from the sale of capital assets	8	495,233	510,167
Constrained grants, subsidies and contributions		1,252,995	2,111,791
Capital maintenance reserve		110,115	91,205
Carryover capital works reserve		227,025	148,726
		<u>7,373,215</u>	<u>8,714,897</u>
Application of capital funding			
Non current capital assets :			
Land and improvements		-	12,733
Buildings		115,437	1,301,083
Plant and equipment at cost		1,317,172	1,038,264
Road and bridge network		3,763,049	3,634,946
Water		12,280	114,203
Sewerage		299,107	241,778
Drainage		136,709	143,700
Other assets		144,115	998,499
Movement in capital work in progress		(764,759)	(1,315,866)
Intangible assets		-	536,348
		<u>5,023,110</u>	<u>6,705,688</u>
Principal loan redemptions :			
Other Bank Loans		90,062	85,773
Queensland Treasury Corporation		2,260,043	1,923,436
		<u>2,350,105</u>	<u>2,009,209</u>
		<u>7,373,215</u>	<u>8,714,897</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 2006

1 Basis of preparation

1.01 General

The financial statements have been prepared in accordance with Australian Equivalents to International Financial Reporting Standards (AEIFRS) for the first time. The disclosures required by AASB 1 First time Adoption of Australian Equivalents to International Financial Reporting Standards concerning the transition from previous Generally Accepted Accounting Principles (GAAP) to AEIFRS and other policy changes are provided in Note 40.

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (IFRS). Because the Council is a not-for-profit entity and the Australian accounting standards include requirements for not-for-profit entities which are inconsistent with IFRS, to the extent these inconsistencies are applied this Report does not comply with IFRS. The main impact is in refuse sites restoration provision, intangible assets and employee benefits.

This financial report has been prepared as a general purpose financial report and complies with the requirements of the Local Government Act 1993, the Local Government Finance Standard 2005, and the Australian Accounting Standards including AAS27.

Except where otherwise stated the financial report has been prepared in accordance with the historical cost basis.

1.02 Early adoption of new Accounting Standards.

The following Australian Accounting Standards are not mandatory for the financial year 2005-06 but, as permitted, have been applied in preparing this report.:

AASB7

AASB2005-1, 4, 5, 6, 9, 10

AASB2006-1

Application of these Standards does not result in a material difference to the information reported.

1.03 Currency

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

1.04 Constitution

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

1.05 Date of authorisation

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

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

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

2 Summary of Significant Accounting Policies

2.01 Rates, Grants and Other Revenue

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

(i) Rates

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

(ii) Grants and Subsidies

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

(iii) Non-Cash Contributions

Non-cash contributions in excess of the recognition thresholds set out in note 2.09 in value, are recognised as revenue and as non-current assets. Non-cash contributions below the thresholds are recorded as revenue only.

(iv) Other Revenue Including Contributions

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

2.02 Cash and Cash Equivalents

For the purposes of the Balance Sheet and the Cash Flow Statement, cash assets include all cash and cheques receipted but not banked as well as deposits at call with financial institutions. It also includes bank overdrafts and liquid investments with short periods to maturity that are readily convertible to cash at the Council's option without penalty and that are subject to a low risk of changes in value.

The Council considers all its term deposits, being for periods of less than one year to be cash equivalents.

2.03 Receivables

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

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

Loans and advances are recognised at cost. Terms are usually a maximum of ten years with no interest charged. Security is not normally obtained.

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

2.04 Other Financial Assets

Other Financial Assets are recognised at cost.

2.05 Inventories

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

Inventories held for distribution are:

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

These goods are valued at the lower of cost and replacement cost.

2.06 Land Held for Resale

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

Profit arising upon sale of land is recognised in the Balance Sheet at settlement date.

Land acquired for use by the Council which is no longer required is reclassified within property, plant and equipment to land held for development and resale. It continues to be measured at fair value until it is actively being marketed and expected to be sold within one year. When this occurs it is transferred to current assets held for resale and revalued at fair value less costs to sell.

2.07 Investments

Financial institution deposits at call and term deposits are treated as cash equivalents.

Interest and dividend revenues are recognised on an accrual basis.

2.08 Investment Property

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

2.09 Property, Plant and Equipment

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. Items of plant and equipment with a total value of less than \$5,000, and infrastructure assets, land, and buildings 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.

(i) Acquisition of Assets

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

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

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

(ii) Capital and operating expenditure

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

The Council has determined that individual items of plant and equipment with a cost in excess of \$1m are of high value to the local government. There are no items which meet this criteria. All other items of plant and equipment are measured on the cost basis.

(iii) Valuation

Land, buildings, infrastructure and heritage and cultural assets are measured on the revaluation basis, at fair value, in accordance with AASB116 Property, Plant and Equipment and the Local Government Finance Standard 2005. All other non-current assets, principally plant and equipment and intangibles, are measured at cost.

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

Details of valuers and methods of valuations are disclosed in Note 20 (b).

Plant and equipment, other than major plant and equipment, are measured at depreciated cost. The carrying amounts for plant and equipment measured at depreciated cost should not differ materially from their fair value.

(iv) Depreciation

Land is not depreciated as it has an unlimited useful life. Depreciation on other property, plant and equipment is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to the Council.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use.

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the Council.

Major spares purchased specifically for particular assets that are above the asset recognition threshold are capitalised and depreciated on the same basis as the asset to which they relate.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements to the Council or the unexpired period of the lease, whichever is the shorter.

The estimated useful lives of property, plant and equipment are reviewed annually. Details of the range of useful lives for each class of asset are shown in note 20.

(v) 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.

2.10 Intangible Assets

Only intangible assets which have a cost exceeding \$5,000 are recognised as intangible assets.

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

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

It has been determined that there is not an active market for any of the Council's intangible assets. As such, the assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses.

2.11 Capital Work in Progress

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

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

2.12 Biological Assets

The Council operates a nursery to produce bedding plants and trees for its own use. In view of the immaterial nature of this operation the accounting procedures related to biological assets have not been applied. The costs incurred in this operation are included in Councils general operations as they are incurred.

2.13 Impairment

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

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

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

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

2.14 Leases

Leases of plant and equipment under which the Council assumes substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are classified as finance leases. Other leases, where substantially all the risks and benefits remain with the lessor, are classified as operating leases.

(i) Finance leases

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

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

(ii) Operating leases

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

2.15 Payables

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

2.16 Liabilities - Employee Benefits

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

(i) Salaries and Wages

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

(ii) Annual Leave

A liability for annual leave is recognised. The taking of accrued annual leave entitlements is subject to mutual agreement between the Council and officers concerned and is considered conditional for the purposes of identifying current and non-current portions. The current portion is based on current wage and salary levels and includes related employee on-costs. The non current portion is based on projected future wage and salary levels and related employee on-costs discounted to present values. This liability is treated as a payable and not as a provision.

(iii) Sick Leave

Sick leave taken in the future will be met by future entitlements and hence no recognition of sick leave has been made in these financial statements.

(iv) Superannuation

The superannuation expense for the reporting period is the amount of the contribution the local government makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in Note 36.

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

(v) Long Service Leave

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

2.17 Borrowings

Loans payable are measured at amortised cost. Interest is recognised as it accrues. Borrowing costs are treated as an expense and not capitalised.

2.18 Asset Revaluation Reserve

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

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

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

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

2.19 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 and holds funds to contribute to the future replacement of the Council's water infrastructure and to provide a contingency amount to offset any major unforeseen water supply works as required.

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

Sewerage reserve

This reserve was created and holds funds to contribute to the future replacement of the Council's sewerage infrastructure and to provide a contingency amount to offset any major unforeseen sewerage works as required.

Capital maintenance reserve

This reserve was created to contribute to the future replacement of Council's general infrastructure such as aerodrome, buildings, swimming pools, etc.

Carryover capital works reserve

This reserve was created to hold carryover revenue funds for capital works yet to be completed.

2.20 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 expenditure across Council and to provide a contingency amount to offset any major unforeseen operational expenditures as required.

2.21 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.

2.22 National Competition Policy

Council has discontinued the application of Code of Competitive Conduct to identified business activities and thus no financial results for this code have been calculated.

2.23 Rounding and Comparatives

Amounts included in the financial statements are actual amounts.

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

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

2.24 Financial Risk Management

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

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

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

When the Council borrows, it borrows from the Queensland Treasury Corporation unless another financial institution can offer a more beneficial rate, taking into account any risk.

Details of financial instruments and the associated risks are shown at Note 41.

2.25 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, security deposits lodged to guarantee performance and unclaimed monies (e.g. wages) paid into the Trust Account by the Council. The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements.

The monies are disclosed in the notes to the financial statements for information purposes only.

2.26 Taxation

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

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

3 Analysis of results by function**(a) Revenue, expenses and assets have been attributed to the following functions :**

Functions	Revenue		Total revenue	Total expenses	Net result for period	Assets
	Grants	Other				
	2006 \$	2006 \$	2006 \$	2006 \$	2006 \$	2006 \$
Administration Services	1,011,768	15,401,386	16,413,154	4,936,130	11,477,024	32,769,825
Community & Cultural Services	186,707	75,828	262,535	1,985,509	(1,722,974)	12,429,545
Development Services	-	368,510	368,510	526,367	(157,857)	-
Environmental Services	4,724	1,898,062	1,902,786	4,913,567	(3,010,781)	5,058,258
Engineering Services	2,734,704	2,779,216	5,513,920	9,300,753	(3,786,833)	154,154,974
Sewerage	-	2,996,326	2,996,326	1,915,781	1,080,545	22,978,668
Water	-	2,218,856	2,218,856	2,020,259	198,597	18,815,112
Total	3,937,903	25,738,184	29,676,087	25,598,366	4,077,721	246,206,382

Prior Year

Functions	Revenue		Total revenue	Total expenses	Net result for period	Assets
	Grants	Other				
	2005 \$	2005 \$	2005 \$	2005 \$	2005 \$	2005 \$
Administration Services	857,423	14,842,973	15,700,396	10,711,025	4,989,371	31,453,306
Community & Cultural Services	150,256	1,182,977	1,333,233	1,879,446	(546,213)	12,594,800
Development Services	-	229,134	229,134	548,304	(319,170)	-
Environmental Services	2,290	2,346,494	2,348,784	5,725,871	(3,377,087)	5,214,396
Engineering Services	1,897,678	2,012,290	3,909,968	327,167	3,582,801	152,896,559
Sewerage	25,660	2,929,531	2,955,191	2,555,430	399,761	23,610,524
Water	-	2,292,004	2,292,004	2,170,488	121,516	19,242,817
Total	2,933,307	25,835,403	28,768,710	23,917,731	4,850,979	245,012,402

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

3 (b) Components of council functions

The activities relating to the Council's components reported on in Note 3. (a) are as follows :

Administration 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, revenue, purchasing, creditors, payroll, debtors, stores, budgeting, financial reporting, debt management, taxation, financial, asset and systems management.

Community & Cultural Services

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

Development Services

Includes integrated planning administration, town planning, subdivision, building inspections and plumbing inspections.

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 and swimming pools.

Engineering Services

Includes roads and drainage construction and maintenance, road reseals, bicycle ways, aerodrome, boat ramps, recoverable works (including Queensland Transport), depot and workshop operations, plant management, engineering technical support, works estimating, drafting services, counter disaster co-ordination, flood forecasting and asset management.

Sewerage

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

Water

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

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

	2006	2005
	Actual	Actual
Note	\$	\$
4 Revenue analysis		
(a) Rate and charges		
General rates	16,088,817	15,222,954
Separate rates	241,499	5,055
Environmental levy	127,231	128,665
Water	2,166,487	2,265,006
Sewerage	2,993,899	2,890,196
Garbage charges	1,277,053	1,225,284
Rates and utility charge revenue	22,894,986	21,737,160
Less: Discounts	(2,082,585)	(2,025,383)
Less: Pensioner remissions	(488,653)	(504,625)
Net rates and utility charges	<u>20,323,748</u>	<u>19,207,152</u>
(b) Interest received		
Investments	1,101,801	1,063,931
Over due rates and utility charges	25,756	24,307
	<u>1,127,557</u>	<u>1,088,238</u>
(c) Sales of contract and recoverable works		
Revenue	2,633,316	1,232,095
	<u>2,633,316</u>	<u>1,232,095</u>
<p>The amount recognised as revenue from contract works during the period is the amount receivable in respect of invoices issued during the period.</p> <p>There are no contracts in progress at the year end.</p> <p>The contract work carried out is not subject to retentions.</p>		
(d) Other recurrent income		
Other Income	137,843	116,934
	<u>137,843</u>	<u>116,934</u>
5 Grants, subsidies and contributions		
(i) Recurrent - grants and subsidies, and other contributions are analysed as follows:		
General purpose grants	881,834	717,023
State Government subsidies & grants	1,295,447	996,732
Contributions	90,945	130,260
Total recurrent revenue	<u>2,268,226</u>	<u>1,844,015</u>

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

		2006	2005
		Actual	Actual
	Note	\$	\$
(ii) Capital - grants and subsidies, and other contributions are analysed as follows:			
Commonwealth government grants		908,321	136,558
State Government subsidies & grants		852,301	1,082,994
		-	-
Contributions		143,889	65,733
Total capital revenue		<u>1,904,511</u>	<u>1,285,285</u>
6 Gain (loss) on the disposal of land developed for resale			
Proceeds from sales of land developed for resale		-	117,429
Current cost of developed land sold		-	(56,988)
		-	<u>60,441</u>
7 Capital income			
Gain on the sale of capital assets	8	47,141	-
Recovery of prior revaluation down of property, plant and equipment	20	-	2,725,304
		<u>47,141</u>	<u>2,725,304</u>
8 Gain (loss) on the disposal of capital assets			
(a) Proceeds from the sale of plant & equipment		341,764	404,675
Less: Book value of plant & equipment disposed		(361,383)	(427,292)
	4	<u>(19,619)</u>	<u>(22,617)</u>
(b) Proceeds from the sale of land and improvements		153,469	105,492
Less: Book value of land and improvements sold		(86,709)	(99,788)
		<u>66,760</u>	<u>5,704</u>
Total gain (loss) on the disposal of capital assets		<u>47,141</u>	<u>(16,913)</u>
9 Employee benefits			
Total staff wages and salaries		7,885,170	7,613,429
Councillors' remuneration		309,023	290,609
Annual, sick and long service leave entitlements		1,122,553	1,399,360
Superannuation	36	975,415	943,320
		10,292,161	10,246,718
Other employee related expenses		279,265	261,550
		10,571,426	10,508,268
Less : Capitalised employee expenses		(696,502)	(908,178)
		<u>9,874,924</u>	<u>9,600,090</u>

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

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

	2006	2005
	Actual	Actual
Note	\$	\$
	2006	2005
Total Council employees at 30 June :		
Elected members	11	11
Administration staff	86	87
Depot and outdoors staff	112	110
Total full time equivalent employees	<u>209</u>	<u>208</u>
10 Materials and services		
Audit services	36,896	31,509
Refuse sites restoration provision - change in PV due to change in discount rate if not using asset m	(343,467)	349,945
Other material and services	9,958,829	8,713,114
	<u>9,652,258</u>	<u>9,094,568</u>
11 Finance costs		
Finance costs charged by the Queensland Treasury Corporation	799,063	859,396
Finance costs relating to other bank loans	9,228	13,520
Bank charges	29,366	24,305
Bad and doubtful debts	(2,564)	(18,455)
Other finance costs	214	1,070
Refuse sites restoration provision - change in PV over time	297,711	285,951
	<u>1,133,018</u>	<u>1,165,787</u>
12 Depreciation and amortisation		
(a) Depreciation of non-current assets		
Buildings	762,588	494,746
Plant and equipment at cost	494,513	531,923
Road and bridge network	1,910,881	1,563,974
Water	439,985	337,163
Sewerage	784,113	612,962
Drainage	205,144	142,392
Other assets	285,768	229,416
	<u>4,882,992</u>	<u>3,912,576</u>
(b) Amortisation of intangible rehabilitation assets		
Refuse sites	10,540	7,600
Total amortisation of intangible rehabilitation assets	<u>10,540</u>	<u>7,600</u>
(c) Amortisation of other intangible assets		
Computer software	40,262	15,706
Total amortisation of other intangible assets	<u>40,262</u>	<u>15,706</u>
Total depreciation and amortisation	<u>4,933,794</u>	<u>3,935,882</u>

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

		2006	2005
		Actual	Actual
	Note	\$	\$
13 Capital expenses			
Loss on the sale of capital assets	8	-	16,913
Loss on write-off of non-current assets	14	4,372	47,503
Total capital expenses		<u>4,372</u>	<u>64,416</u>
14 Write off of capital assets			
Buildings		-	27,909
Plant and equipment at cost		4,372	19,594
		<u>4,372</u>	<u>47,503</u>
15 Cash assets and cash equivalents			
Cash in operating bank account		-	-
Cash in other banks and on hand		3,511,055	3,828,488
Deposits and investments at fixed interest rates		13,184,378	11,292,078
Deposits and investments at variable interest rates		-	-
Balance per statement of cash flows		<u>16,695,433</u>	<u>15,120,566</u>
Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:			
Unspent government grants and subsidies	32 (i)	633,808	5,565
Unspent developer contributions	32 (i)	71,273	68,000
Unspent loan monies		679,174	683,724
Total unspent restricted cash for capital projects		<u>1,384,255</u>	<u>757,289</u>
16 Trade and other receivables			
(a) Current			
Rateable revenue and utility charges		546,940	490,006
Water charges yet to be levied		344,972	412,930
Fees and charges		555,945	852,099
GST recoverable		285,426	227,840
Other debtors		32,242	58,120
Less: Allowance for doubtful debts		(1,937)	(4,563)
		<u>1,763,588</u>	<u>2,036,432</u>
Loans and advances to community organisations		36,699	57,896
		<u>1,800,287</u>	<u>2,094,328</u>
(b) Non-current			
Loans and advances to community organisations		119,078	106,778
		<u>119,078</u>	<u>106,778</u>

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

	2006	2005
	Actual	Actual
Note	\$	\$
Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.		

All loans and advances relate to loans made to various community bodies. These loans arise from time to time and are subject to negotiated interest rates. The credit risk on these loans is considered low.

17 Inventories**Current**

Inventory for consumption is valued at the lower of cost and net realisable value

Inventories for distribution:

Stores and raw materials

821,448	602,561
<u>821,448</u>	<u>602,561</u>
<u>821,448</u>	<u>602,561</u>

18 Land purchased for development and sale

Opening balance

- 56,988

Less: Cost of developed land sold

- (56,988)

Closing balance at period end

- -

Land purchased for development and sale is valued at the lower of cost and net realisable value.

19 Other financial assets**(a) Current**

Prepayments

212,439	91,936
<u>212,439</u>	<u>91,936</u>

(b) Non-current

Prepayments

488	754
<u>488</u>	<u>754</u>

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

20 (a) Property, plant and equipment

	Land for development and future sale	Land and improvements	Buildings	Plant and equipment at cost	Road and bridge network	Water	Sewerage	Drainage	Other assets	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening gross value at cost				9,547,364	-	-	-	-	-	9,547,364
Opening gross value at valuation	190,424	5,764,033	41,356,483	161,111,709	32,466,771	44,169,509	12,049,732	5,924,645	303,033,306	
Additions at cost	-	-	115,437	1,317,172	3,763,049	12,280	299,107	136,709	144,115	5,787,869
Disposals	(86,709)	-	-	(923,512)	-	-	-	-	-	(1,010,221)
Write-offs	-	-	-	(105,422)	-	-	-	-	(75,837)	(181,259)
Revaluation adjustment to the ARR	-	-	-	-	-	-	-	(3,497)	-	(3,497)
Internal transfers	-	-	-	-	(34,080)	-	-	34,080	-	-
Closing gross value	103,715	5,764,033	41,471,920	9,835,602	164,840,678	32,479,051	44,468,616	12,217,024	5,992,923	317,173,562

Accumulated depreciation and impairment

Opening balance			16,054,775	4,573,011	27,248,809	13,223,954	20,728,292	3,839,189	2,215,008	87,883,038
Depreciation provided in period	-	-	762,588	494,513	1,910,881	439,985	784,113	205,144	285,768	4,882,992
Depreciation on disposals	-	-	-	(562,129)	-	-	-	-	-	(562,129)
Depreciation on write-offs	-	-	-	(101,050)	-	-	-	-	(75,837)	(176,887)
Closing accumulated depreciation and impairment balance	-	-	16,817,363	4,404,345	29,159,690	13,663,939	21,512,405	4,044,333	2,424,939	92,027,014

Fair value at 30 June 2006

Range of estimated useful life in years

103,715	5,764,033	24,654,557	5,431,257	135,680,988	18,815,112	22,956,211	8,172,691	3,567,984	225,146,548
Not depreciated	Not depreciated	10 - 60	2 - 30	10 - 100	15 - 90	20 - 80	80	5 - 50	

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2005

20 (a) Property, plant and equipment - prior year

	Land for development and future sale	Land and improvements	Buildings	Plant and equipment at cost	Road and bridge network	Water	Sewerage	Drainage	Other assets	Total
Asset Values	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening gross value at cost				9,334,677	-	-	-	-	-	9,334,677
Opening gross value at valuation	290,212	3,651,922	26,382,764	-	147,294,759	25,034,920	34,021,055	11,113,633	4,188,095	251,977,360
Additions at cost	-	12,733	1,301,083	1,038,264	3,634,946	114,203	241,778	143,700	998,499	7,485,206
Disposals	(99,788)	-	-	(776,814)	-	-	-	-	-	(876,602)
Write-offs	-	-	(102,000)	(48,763)	-	-	-	-	(120,533)	(271,296)
Revaluation adjustment to the ARR	-	2,099,378	10,833,079	-	10,182,004	7,317,648	9,906,676	224,313	834,622	41,397,720
Revaluation adjustment to Income	-	-	2,941,557	-	-	-	-	568,086	23,962	3,533,605
Closing gross value	190,424	5,764,033	41,356,483	9,547,364	161,111,709	32,466,771	44,169,509	12,049,732	5,924,645	312,580,670

Accumulated depreciation and impairment

Opening balance	-	-	12,515,228	4,419,779	24,059,965	9,876,827	15,430,477	3,407,596	2,121,093	71,830,965
Depreciation provided in period	-	-	494,746	531,923	1,563,974	337,163	612,962	142,392	229,416	3,912,576
Depreciation on disposals	-	-	-	(349,522)	-	-	-	-	-	(349,522)
Depreciation on write-offs	-	-	(74,091)	(29,169)	-	-	-	-	(120,533)	(223,793)
Revaluation adjustment to the ARR	-	-	2,326,233	-	1,624,870	3,009,964	4,684,853	194,410	64,181	11,904,511
Revaluation adjustment to the Income	-	-	792,659	-	-	-	-	94,791	(79,149)	808,301
Closing accumulated depreciation and impairment balance	-	-	16,054,775	4,573,011	27,248,809	13,223,954	20,728,292	3,839,189	2,215,008	87,883,038

Fair value at 30 June 2005

Range of estimated useful life in years

190,424	5,764,033	25,301,708	4,974,353	133,862,900	19,242,817	23,441,217	8,210,543	3,709,637	224,697,632
Not depreciated	Not depreciated	10 - 60	2 - 30	10 - 100	15 - 90	20 - 80	80	5 - 50	

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

	2006	2005
	Actual	Actual
Note	\$	\$
20 (b) Property, plant and equipment valuations were determined by reference to the following:		
Land		
Land acquired at cost since 1 July 1994 and land acquired pre July 1994 has been revalued using indices provided by independent valuer, Rushton (Qld) Pty. Ltd., as at 30 June 2005 and is recorded at the greater of current market buying price or current market value.		
Inventory 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.		
Buildings		
All buildings have been revalued using indices provided by independent valuer, Rushton (Qld) Pty. Ltd., as at 30 June 2005 and are recorded at fair value.		
Plant and Equipment		
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, was revalued using indices provided by an independent valuer, Rushton (Qld) Pty. Ltd., as at 1 July 2004. Due to AEIFRS these revaluations have been reversed and these assets are recognised at deemed cost.		
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.		
Infrastructure		
Roads and drainage infrastructure has been revalued using indices provided by independent valuer, Rushton (Qld) Pty. Ltd., as at 30 June 2005. Roads and drainage infrastructure acquired or constructed during the financial year are recorded at fair value. Water and sewerage infrastructure has been revalued by using indices from Rushton (Qld) Pty. Ltd. as at 30 June 2005. Water and sewerage infrastructure acquired or constructed during the financial year are recorded at fair value.		

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

	2006	2005
	Actual	Actual
Note	\$	\$
Other Assets		
<p>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 using indices provided by Rushton (Qld) Pty. Ltd. as at 30 June 2005.</p> <p>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.</p>		
21 Capital work in progress	<u>692,734</u>	<u>1,457,493</u>
	<u>692,734</u>	<u>1,457,493</u>
22 Intangible assets - rehabilitation costs		
Net carrying value at period end:		
Refuse sites	<u>170,818</u>	<u>252,983</u>
	<u>170,818</u>	<u>252,983</u>
Movement in assets during the reporting period:		
Refuse sites		
Opening gross carrying value at cost	2,663,017	2,592,439
Change in asset value due to change in the discount rate	<u>(71,625)</u>	<u>70,578</u>
Closing gross carrying value at cost	<u>2,591,392</u>	<u>2,663,017</u>
Accumulated amortisation		
Opening balance	2,410,034	2,402,434
Amortisation in current period	<u>10,540</u>	<u>7,600</u>
	<u>2,420,574</u>	<u>2,410,034</u>
Net carrying value at period end	<u>170,818</u>	<u>252,983</u>
Range of estimated useful life in years	10 - 35	10 - 35

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

	2006	2005
	Actual	Actual
Note	\$	\$
23 Other intangible assets		
Computer software		
Opening gross carrying value	667,396	131,048
Acquired at cost	-	536,348
Value of asset write off in the period	(38,903)	-
	<u>628,493</u>	<u>667,396</u>
Accumulated amortisation		
Opening balance	80,025	64,319
Amortisation in the period	40,262	15,706
Amortisation written off in period	(38,903)	-
	<u>81,384</u>	<u>80,025</u>
Net carrying value at the period end	<u>547,109</u>	<u>587,371</u>
Straight line amortisation has been used with no residual value.		
24 Trade and other payables		
Current		
Creditors and accruals	918,352	979,635
GST payable	60,759	68,894
Employee related tax payable	14,021	12,927
Annual leave	1,079,034	834,166
Sick leave	-	282,878
Long service leave	306,773	157,974
	<u>2,378,939</u>	<u>2,336,474</u>
Non Current		
Annual leave	383,744	683,020
Long service leave	1,081,200	1,232,991
	<u>1,464,944</u>	<u>1,916,011</u>

Non-current employee benefits are calculated at current pay levels as adjusted for inflation and likely future changes in salary level.

These estimates are then adjusted for the probability of the employee remaining in the council's employment or other associated employment which would result in the council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to the present value.

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

	2006	2005
	Actual	Actual
Note	\$	\$
25 Borrowings		
Current		
(i) Queensland Treasury Corporation	2,150,668	2,146,770
(ii) Other Bank Loans	94,565	90,062
	<u>2,245,233</u>	<u>2,236,832</u>
Non Current		
(i) Queensland Treasury Corporation	9,830,392	12,094,333
(ii) Other Bank Loans	-	94,565
	<u>9,830,392</u>	<u>12,188,898</u>
Details of movements in borrowings:		
(i) Queensland Treasury Corporation		
Opening balance	14,241,103	14,874,206
Loans raised	-	1,290,333
Principal repayments	(2,260,043)	(1,923,436)
Book value at period end	<u>11,981,060</u>	<u>14,241,103</u>
Classified as :		
Current	2,150,668	2,146,770
Non-current	9,830,392	12,094,333
	<u>11,981,060</u>	<u>14,241,103</u>
The loan market value at the reporting date was \$11,889,441. 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 full term, no provision is required to be made in these accounts.		
(ii) Other Bank Loans		
Opening balance	184,627	270,400
Repayments	(90,062)	(85,773)
Book value at period end	<u>94,565</u>	<u>184,627</u>
Classified as :		
Current	94,565	90,062
Non-current	-	94,565
	<u>94,565</u>	<u>184,627</u>

The loans are underwritten by the Queensland State Government.

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

		2006	2005
		Actual	Actual
	Note	\$	\$
26 Provisions			
Non-Current			
Property restoration:			
Refuse sites restoration provision	(i)	<u>5,355,210</u>	<u>5,472,591</u>
		<u>5,355,210</u>	<u>5,472,591</u>
Details of movements in provisions			
Refuse sites restoration provision			
Opening balance		5,472,591	4,766,117
Increase in provision - borrowing cost		297,711	285,951
Increase in provision - change in discount rate		<u>(415,092)</u>	<u>420,523</u>
Balance at the end of period		<u>5,355,210</u>	<u>5,472,591</u>
Current portion		-	-
Non-current portion		<u>5,355,210</u>	<u>5,472,591</u>
		<u>5,355,210</u>	<u>5,472,591</u>
<p>This is the present value of the estimated future cost of restoring the refuse sites under the State Government environmental regulations at the end of its useful life.</p> <p>The restoration costs are subject to further research to be done during 2006/07 financial year.</p>			
27 Other liabilities			
Current			
Unearned revenue		<u>1,219</u>	<u>5,375</u>
		<u>1,219</u>	<u>5,375</u>
28 Shire Capital			
Calculation of retained surplus:			
Cash and cash equivalents		16,695,433	15,120,566
Less restricted cash:			
Reserves (excluding the asset revaluation)		(9,966,025)	(8,616,776)
Unspent depreciation capital fund reserve		(4,567,177)	(4,927,220)
Unspent loan capital fund reserve		(679,174)	(683,724)
Revenue received in advance		(1,219)	(5,375)
Working capital cash at balance date (including employee entitlements)		<u>(971,506)</u>	<u>(1,154,613)</u>
Retained surplus (deficit) available for distribution	31	510,332	(267,142)
Shire capital	(i)	<u>134,725,923</u>	<u>132,410,332</u>
Total capital and retained surplus at end of period		<u>135,236,255</u>	<u>132,143,190</u>

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

	2006	2005
	Actual	Actual
Note	\$	\$
(i) Movement in capital account		
Balance at beginning of period	132,410,332	127,113,274
Adjustments from (to) retained surplus:		
Transfer from retained surplus capital income in the period	47,141	2,725,304
Transfer to retained surplus capital expenses in the period	(4,372)	(64,416)
Transfer from / (to) retained surplus to adjust the working capital cash	(25,373)	145,141
Element of change in discount rate relating to PV of restoration provision.	343,467	(349,945)
Total transfers (to) from retained surplus	360,863	2,456,084
Transfer (to) from the unspent depreciation fund reserve	360,043	393,717
Transfer (to) from the unspent loan capital fund reserve	4,550	95,535
Transfers from the constrained works reserve	1,252,995	2,111,791
Transfers from the capital maintenance reserve	110,115	91,205
Transfers from the carryover capital works reserve	227,025	148,726
Total transfers (to) from reserves	1,954,728	2,840,974
Balance at end of period	134,725,923	132,410,332

29 Restricted capital funds reserves

These reserves are part of shire capital and represent cash held at the reporting date restricted to the future funding of capital assets.

(i) Unspent depreciation fund reserve

Opening balance	4,927,220	5,320,937
Cash unspent (expended) in period	(360,043)	(393,717)
Balance at end of period	4,567,177	4,927,220

(ii) Unspent loan capital fund reserve

Opening balance	683,724	779,259
Cash unspent (expended) in period.	(4,550)	(95,535)
Balance at end of period	679,174	683,724

Total restricted capital funds reserves

5,246,351 5,610,944

30 (i) Asset revaluation reserve

Movements in the asset revaluation reserve were as follows:

Balance at beginning of period	74,485,311	44,992,102
Net adjustment to non-current assets at end of period to reflect a change in current fair value:		
Land and improvements	-	2,099,378
Buildings	-	8,506,846
Road and bridge network	-	8,557,134
Water	-	4,307,684
Sewerage	-	5,221,823
Drainage	(3,497)	29,903
Other assets	-	770,441
Balance at end of the year	74,481,814	74,485,311

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

	2006	2005
	Actual	Actual
Note	\$	\$
(ii) Asset revaluation reserve analysis		
The closing balance of the asset revaluation reserve is comprised of the following asset categories:		
Land and improvements	2,696,418	2,696,418
Buildings	8,506,846	8,506,846
Road and bridge network	47,042,322	47,042,322
Water	7,149,199	7,149,199
Sewerage	8,290,182	8,290,182
Drainage	26,406	29,903
Other assets	770,441	770,441
	<u>74,481,814</u>	<u>74,485,311</u>

31 Retained surplus**Movement in retained surplus**

Retained surplus (deficit) at the beginning of period	(267,142)	109,247
Net result attributable to council	4,077,721	4,850,979
Transfer of capital income	(47,141)	(2,725,304)
Transfer of capital expenses	4,372	64,416
Transfer from / (to) capital to adjust the working capital cash	25,373	(145,141)
Element of change in discount rate relating to PV of restoration provision.	<u>(343,467)</u>	<u>349,945</u>
Net capital account transfers	(360,863)	(2,456,084)
Transfer from (to) the constrained works reserve	<u>(1,884,511)</u>	<u>(1,081,494)</u>
Retained surplus (deficiency) available for transfer to reserves	1,565,205	1,422,648
Transfers (to) from reserves for future capital funding purposes:		
Water reserve	210,403	83,031
Sewerage reserve	722,742	(173,620)
Capital maintenance reserve	(20,000)	(62,856)
Carryover capital works reserve	(1,007,000)	(1,524,453)
	-	-
Transfers (to) from reserves for future general funding purposes:		
Recurrent maintenance reserve	(961,018)	(11,892)
	-	-
Retained surplus (deficit) at period end	<u>510,332</u>	<u>(267,142)</u>

32 Other reserves**(a) Summary of reserves held for funding future capital expenditure:**

(i) Constrained works reserve	705,081	73,565
(ii) Water reserve	2,855,564	3,065,967
(iii) Sewerage reserve	2,105,089	2,827,831
(iv) Capital maintenance reserve	119,239	209,354
(v) Carryover capital works reserve	<u>2,367,662</u>	<u>1,587,687</u>
	<u>8,152,635</u>	<u>7,764,404</u>

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

	2006	2005
	Actual	Actual
Note	\$	\$
(b) Summary of reserves held for funding future recurrent expenditure:		
Recurrent maintenance reserve	1,813,390	852,372
	<u>1,813,390</u>	<u>852,372</u>
Total reserves	<u>9,966,025</u>	<u>8,616,776</u>
Movements in capital reserves are analysed as follows:		
(i) Constrained works reserve		
Balance at the beginning of period	73,565	1,103,862
Transfer from retained earnings grants, subsidies and contributions received in the period for which the council has an obligation to spend on specific capital projects	1,904,511	1,285,285
Transfers to the capital account funds expended in the period	(1,252,995)	(2,111,791)
Transfers to retained earnings	(20,000)	(203,791)
Balance at end of period	<u>705,081</u>	<u>73,565</u>
(ii) Water reserve		
Balance at the beginning of period	3,065,967	3,148,998
Transfer to retained earnings	(210,403)	(83,031)
Balance at end of period	<u>2,855,564</u>	<u>3,065,967</u>
(iii) Sewerage reserve		
Balance at the beginning of period	2,827,831	2,654,211
Transfer from retained earnings for future expenditure	-	173,620
Transfer to retained earnings	(722,742)	-
Balance at end of period	<u>2,105,089</u>	<u>2,827,831</u>
(iv) Capital maintenance reserve		
Balance at the beginning of period	209,354	237,703
Transfer from retained earnings for future expenditure	20,000	62,856
Transfer to the capital account funds expended in the period	(110,115)	(91,205)
Balance at end of period	<u>119,239</u>	<u>209,354</u>
(v) Carryover capital works reserve		
Balance at the beginning of period	1,587,687	211,960
Transfer from retained earnings for future expenditure	1,007,000	1,524,453
Transfer to the capital account funds expended in the period	(227,025)	(148,726)
Balance at end of period	<u>2,367,662</u>	<u>1,587,687</u>
(d) Movements in recurrent reserves are analysed as follows:		
Recurrent maintenance reserve		
Balance at the beginning of period	852,372	840,480
Transfer from retained earnings for future expenditure	962,074	297,762
Transfer to retained earnings	(1,056)	(285,870)
Balance at end of period	<u>1,813,390</u>	<u>852,372</u>

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

	2006	2005
	Actual	Actual
Note	\$	\$
33 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.	<u>3,306,235</u>	<u>3,486,280</u>
	<u>3,306,235</u>	<u>3,486,280</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	<u>-</u>	<u>63,867</u>
	<u>-</u>	<u>63,867</u>
These expenditures are payable :		
Within one year	<u>-</u>	<u>63,867</u>
	<u>-</u>	<u>63,867</u>
34 Events after balance date		
There were no material adjusting events after balance date		
35 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 2006 should not exceed:	<u>15,239</u>	<u>40,835</u>
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 2006 should not exceed:		
	<u>47,418</u>	<u>20,001</u>
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>174,718</u>	<u>131,831</u>

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

	2006	2005
	Actual	Actual
Note	\$	\$
<p>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 proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises. As at June 2005 the financial statements reported an accumulated surplus of \$2,907,519. 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.</p>		
<p>36 Superannuation</p> <p>The Burdekin Shire Council contributes to the local government superannuation scheme (the scheme). The scheme has two elements referred to as the defined benefits scheme and the accumulation scheme.</p> <p>Both these schemes are defined contribution schemes as defined in the Australian Accounting Standard AASB119 Employee benefits. Council has no liability to or interest in the scheme other than the payment of the statutory contributions.</p> <p>Any amount by which either scheme is over or under funded would only affect future benefits and is not an asset or liability of the council.</p> <p>Accordingly there is no recognition in the financial statements of any over- or under-funding of the scheme.</p> <p>The audited general purpose financial report of the scheme as at 30 June 2005 (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.</p> <p>The general purpose financial statements disclose that the most recent actuarial assessment of the scheme was undertaken as at the 30 June 2005. The actuary indicated that without improvements to benefit conditions, or other unanticipated events, current contribution rates would be sufficient to meet members benefits as they accrue.</p> <p>The Queensland Local Government Superannuation Board, the trustee of the scheme, advised that the local government superannuation scheme was a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation.</p> <p>The amount of superannuation contributions paid by Burdekin Shire Council to the superannuation scheme in this period for the benefit of employees was:</p>	<u>955,036</u>	<u>927,321</u>
<p>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:</p>	<u>20,379</u>	<u>15,999</u>

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

		2006	2005
		Actual	Actual
	Note	\$	\$
37 Trust funds			
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities		1,673	1,587
Security deposits		7,623	26,610
Unclaimed monies		150	150
		<u>9,446</u>	<u>28,347</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.			
38 Reconciliation of net result attributable to council to net cash flow from operating activities			
Net result attributable to council		<u>4,077,721</u>	<u>4,850,979</u>
Non-cash operating items:			
Depreciation and amortisation	12	4,933,794	3,935,882
Current cost of developed land sold		-	56,988
Change in restoration provisions expensed to finance costs		297,711	285,951
Change in restoration provisions expensed to materials and services	10	<u>(343,467)</u>	<u>349,945</u>
		<u>4,888,038</u>	<u>4,628,766</u>
Investing and development activities:			
Capital income	7	(47,141)	(2,725,304)
Capital expenses	13	<u>4,372</u>	<u>64,416</u>
		<u>(42,769)</u>	<u>(2,660,888)</u>
Financing activities:			
Capital grants, subsidies and contributions	5	<u>(1,904,511)</u>	<u>(1,285,285)</u>
		<u>(1,904,511)</u>	<u>(1,285,285)</u>
Changes in operating assets and liabilities :			
(Increase) decrease in receivables		272,844	493,529
(Increase) decrease in inventories (excluding land)		(218,887)	86,394
(Increase) decrease in other operating assets		(120,237)	(24,217)
Increase (decrease) in payables		(408,602)	432,305
Increase (decrease) in other liabilities		<u>(4,156)</u>	<u>5,375</u>
		<u>(479,038)</u>	<u>993,386</u>
Net cash inflow from operating activities		<u>6,539,441</u>	<u>6,526,958</u>

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

	2006	2005
	Actual	Actual
Note	\$	\$
39 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 2005 to 30th April 2006, 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	305,756	303,591
Other Income	195,179	175,050
Promotions/Rentals	222,831	173,938
	<u>723,766</u>	<u>652,579</u>
Expenditure		
Administration	112,941	116,338
Operating Expenditure	315,536	269,290
Promotions/Rentals	279,063	221,485
	<u>707,540</u>	<u>607,113</u>
Operating Surplus/(Deficit)	<u>16,226</u>	<u>45,466</u>
Accumulated Funds		
Balance at beginning of period	158,022	112,557
Plus/(less) Surplus/(deficit) for period	16,226	45,465
	<u>174,248</u>	<u>158,022</u>
Represented by:		
Assets		
Current	<u>227,311</u>	<u>196,586</u>
Liabilities		
Current	44,596	33,748
Non Current	8,467	4,816
	<u>53,063</u>	<u>38,564</u>
Net Assets	<u>174,248</u>	<u>158,022</u>

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

	2005 Actual \$	2004 Actual \$
40 Transition to International Financial Reporting Standards		
Changes have been made to the Australian Accounting Standards to align Australian practice more closely with accounting in the international community. These changes required 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.		
Property, plant and equipment		
The main area of impact is in recognition and measurement of property, plant and equipment. The Council has adopted permitted methods which measure Land, Buildings and infrastructure on the revaluation basis. Plant and equipment is measured at its depreciated actual or deemed cost.		
Intangible Assets		
The criteria for intangible assets have changed. This means that Computer Software which had been shown as part of Property Plant and Equipment is now recognised as an intangible asset.		
Impairment testing		
Most assets are subject to impairment testing. This means 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 has an obligation to meet future costs for the disposal of some of its long lived assets, or for the restoration of land on which they stand. This obligation is now recognised as a liability and added to the cost of the asset. In effect this change is reflected in the revaluation reserve in respect of those assets.		
Investment property		
Investment property is recognised at fair value rather than at depreciated cost. Community housing and residential property for staff accommodation are excluded from this classification.		
The following reconciliations show how the results and financial position as stated on the new basis differ from the amounts on the old basis.		
Result from ordinary activities (on old basis)	5,416,044	
Increase in profit on sale of plant and equipment. (Plant will be accounted for at cost rather than at a mixture of cost and fair value)	16,128	
Decrease in depreciation charge for plant. (Plant will be accounted for at cost rather than at a mixture of cost and fair value)	145,141	
Change in employee entitlements	(82,838)	
Change in materials cost due to change in discount rate	(349,945)	
Finance cost element of increase in provision for restoration of quarry and refuse site. (Provision for the eventual restoration costs of these sites will now be required)	(285,951)	
Increase in provision for depreciation on restitution assets	(7,600)	
Result from ordinary activities (on new basis)	<u>4,850,979</u>	

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

	2005	2004
	Actual	Actual
	\$	\$
Net Assets (on old basis)	227,433,049	191,272,449
Plant and equipment adjusted on reversion to cost basis	161,269	-
Change in employee entitlements	(267,142)	(184,304)
Refuse sites restoration provision	(5,472,591)	(4,766,117)
Intangible assets (restoration costs) recognised - gross value	2,663,017	2,592,439
Intangible assets (restoration costs) recognised - accumulated depreciation	(2,410,034)	(2,402,434)
Reversal of plant and equipment revaluation in 2004/05 to deemed cost	(384,461)	-
Reversal of revaluation adjustment to plant and equipment accumulated depreciation	(866,886)	-
Net Assets (on new basis)	<u>220,856,221</u>	<u>186,512,033</u>
Equity		
Shire Capital (on old basis)	-	-
Transfer from retained surplus	133,690,508	128,532,757
Opening balance of restoration provisions taken from capital	(2,523,623)	(2,173,678)
Asset revaluation reserve for plant eliminated	754,195	754,195
Transfer from (to) restricted capital funds reserve	489,252	-
On new basis	<u>132,410,332</u>	<u>127,113,274</u>
Restricted capital funds reserves	-	-
Transfer from retained surplus	6,100,196	6,100,196
Transfer from (to) capital	(489,252)	-
On new basis	<u>5,610,944</u>	<u>6,100,196</u>
Asset Revaluation Reserve (on old basis)	76,490,853	45,746,297
Asset revaluation reserve for plant eliminated	(754,195)	(754,195)
Reversal of revaluation on plant in 2004/05	(1,251,347)	-
On new basis	<u>74,485,311</u>	<u>44,992,102</u>
Retained Surplus (on old basis)	142,325,420	137,328,938
Transfer to Shire Capital	(133,690,508)	(128,532,757)
Transfer to restricted capital funds reserves	(6,100,196)	(6,100,196)
Opening balance of accumulated depreciation on restitution assets	(2,410,034)	(2,402,434)
Change in employee entitlement calculation	(267,142)	(184,304)
Change in restoration provision due to change in time	(285,951)	-
Plant and equipment adjusted on reversion to cost basis	161,269	-
On new basis	<u>(267,142)</u>	<u>109,247</u>
Other reserves (old basis)	8,616,776	8,197,214
On new basis	<u>8,616,776</u>	<u>8,197,214</u>
Total Equity (on new basis)	<u>220,856,221</u>	<u>186,512,033</u>

* These items are the result of policy changes rather than the result of AEIFRS changes

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

41 Financial instruments

(a) Credit risk exposure

The credit risk on financial assets of the Council (consolidated) which have been recognised on the balance sheet other than investments in shares, is generally the carrying amount, net of provision for doubtful debts.

The Council (consolidated) has no major concentration of credit risk to any single debtor or group of debtors.

(b) Interest rate risk

The Council's (consolidated) 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 (consolidated) intends to hold fixed assets and liabilities to maturity.

Financial Instruments	Note	Floating interest rate		Fixed interest rate		Non-interest bearing		Total	Total
		2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$
Financial assets									
Cash assets and cash equivalents	15	-	-	13,184,378	11,292,078	3,511,055	3,828,488	16,695,433	15,120,566
Trade and other receivables	16	-	-	155,777	164,674	1,763,588	2,036,432	1,919,365	2,201,106
Other financial assets:		-	-	-	-	212,927	92,690	212,927	92,690
		-	-	13,340,155	11,456,752	5,487,570	5,957,610	18,827,725	17,414,362
Weighted average interest rate				6.0%	6.5%				
Financial liabilities									
Trade and other payables	24	-	-	-	-	2,378,939	2,336,474	2,378,939	2,336,474
Queensland Treasury Corporation	25	11,981,060	14,241,103	-	-	-	-	11,981,060	14,241,103
Other Bank Loans	25	-	-	94,565	184,627	-	-	94,565	184,627
		11,981,060	14,241,103	94,565	184,627	2,378,939	2,336,474	14,454,564	16,762,204
Weighted average interest rate		5.8%	7.0%	4.0%	4.0%				
Net financial assets		(11,981,060)	(14,241,103)	13,245,590	11,272,125	3,108,631	3,621,136	4,373,161	652,158

(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 (consolidated), 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.

BURDEKIN SHIRE COUNCIL
ANNUAL FINANCIAL STATEMENTS

For the year ended 30 June 2006

MANAGEMENT CERTIFICATE

For the year ended 30 June 2006

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

In accordance with Section 48 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 2006 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 15/09/06

Mayor

Date: 15/09/06

Original Signed on 15/09/06

Chief Executive Officer

Date: 15/09/06

INDEPENDENT AUDIT REPORT

To the Mayor of Burdekin Shire Council

Matters Relating to the Electronic Presentation of the Audited Financial Report

The audit report relates to the financial report of Burdekin Shire Council for the financial year ended 30 June 2006 included on Burdekin Shire Council web site. The Council is responsible for the integrity of the Burdekin Shire Council's web site. We have not been engaged to report on the integrity of the Burdekin Shire Council's web site. The audit report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report, available from Burdekin Shire Council, to confirm the information included in the audited financial report presented on this web site.

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

Scope

The Financial Report

The financial report of Burdekin Shire Council consists of the Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and, notes to and forming part of the financial report and certificates given by the Burdekin Shire Council for the year ended 30 June 2006.

Council's Responsibility

The Council is responsible for the preparation and true and fair presentation of the financial report, 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 report.

Audit Approach

As required by law, an independent audit was conducted in accordance with *QAO Auditing Standards*, which incorporate the Australian Auditing Standards, to enable me to provide an independent opinion whether in all material respects the financial report is presented 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 report;
- 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 report.

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 audit powers are to be exercised.

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

Audit Opinion

In accordance with s.532 of the *Local Government Act 1993* I have audited the Council's financial report, and -

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report has been drawn up so as to present a true and fair view in accordance with the prescribed accounting standards of the transactions of the *[insert name of local government]* for the financial year 1 July 2005 to 30 June 2006 and of the financial position as at the end of that year.

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

Townsville

Dated 31 October 2006

BURDEKIN SHIRE COUNCIL

For the year ended 30 June 2006

**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**

BURDEKIN SHIRE COUNCIL
Statement of Operating Performance
For the year ended 30 June 2006

	Note	2006 Actual \$	2005 Actual \$
Operating Income			
Rates and utility charge revenue	4 (a)	22,894,986	21,737,160
Less: Discounts		(2,082,585)	(2,025,383)
Less: Pensioner remissions		<u>(488,653)</u>	<u>(504,625)</u>
Net rates and utility charges		20,323,748	19,207,152
Fees and charges		1,233,745	1,152,258
Interest received	4(b)	1,127,557	1,088,238
Sales of contract and recoverable works	4 (c)	2,633,316	1,232,095
Other recurrent income	4(d)	137,843	116,934
Grants, subsidies and contributions	5(i)	2,268,226	1,844,015
Proceeds from sales of land developed for resale	6	-	117,429
Total recurrent revenue		<u>27,724,435</u>	<u>24,758,121</u>
Operating Expenses			
Employee benefits	9	(9,874,924)	(9,600,090)
Materials and services	10	(9,652,258)	(9,094,568)
Current cost of developed land sold		-	(56,988)
Finance costs	11	(1,133,018)	(1,165,787)
Depreciation and amortisation	12	<u>(4,933,794)</u>	<u>(3,935,882)</u>
Total recurrent expenses	-	<u>(25,593,994)</u>	<u>(23,853,315)</u>
Operating surplus (deficit) for the period		<u>2,130,441</u>	<u>904,806</u>
Capital revenue			
Grants, subsidies and contributions	5 (ii)	1,904,511	1,285,285
Capital income			
Gain on the sale of capital assets	8	47,141	-
Recovery of prior revaluation down of property, plant and equipment	20	-	2,725,304
Total capital revenue and income	-	<u>1,951,652</u>	<u>4,010,589</u>
Capital expenses			
Loss on the sale of capital assets	8	-	(16,913)
Loss on write-off of non-current assets	14	<u>(4,372)</u>	<u>(47,503)</u>
Total capital expenses	-	<u>(4,372)</u>	<u>(64,416)</u>
Net result attributable to council		<u>4,077,721</u>	<u>4,850,979</u>

BURDEKIN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2006

	2006	2005
	Actual	Actual
Financial Ratios of the Accounts	%	%
Change in community equity ratio:		
The percentage change in the net wealth of the Council.	1.8%	18.4%
Interest cover:		
The percentage of interest costs to total recurrent revenue	2.9%	3.5%
Debt servicing ratio:		
The percentage that the Council's total recurrent revenue that is used to service loan interest and principal repayments	11.4%	11.6%
General rate revenue ratio:		
The Council's dependence on general rate revenue as a percentage of total recurrent revenue	58.0%	61.5%
Revenue ratio:		
The Council's dependence on net rates and utility charges as a percentage of total recurrent revenue	73.3%	77.6%
Debt exposure ratio:		
The percentage of Council's capital debt to total community equity	5.4%	6.5%
Working capital ratio:		
The ratio of unrestricted current assets available to meet current liabilities	3.9 : 1	3.7 : 1
Borrowing ratio		
The total capital borrowing as a percentage of total recurrent revenue	43.6%	58.3%
Capital expenditure ratio		
The ratio of capital expenditure to depreciation	101.8%	170.4%
Rate arrears ratio		
The percentage of rates and charges receivable to net rate and charges revenue	2.7%	2.6%
The effectiveness of Council's collection of rates and charges		

BURDEKIN SHIRE COUNCIL

Analysis of Cash Holdings

For the year ended 30 June 2006

	2006			2005		
	Actual			Actual		
	\$			\$		
CASH HOLDINGS AT PERIOD END	16,695,433			15,120,566		
Represented by :-						
(i) Constrained works reserve	705,081			73,565		
(ii) Water reserve	2,855,564			3,065,967		
(iii) Sewerage reserve	2,105,089			2,827,831		
(iv) Capital maintenance reserve	119,239			209,354		
(v) Carryover capital works reserve	2,367,662			1,587,687		
Recurrent maintenance reserve	1,813,390			852,372		
	9,966,025			8,616,776		
(i) Unspent depreciation fund reserve	4,567,177			4,927,220		
(ii) Unspent loan capital fund reserve	679,174			683,724		
Other Cash Balances held :-						
Revenue received in advance	1,219			5,375		
Refunds due	-			-		
Retained surplus (deficit) at period end	510,332			(267,142)		
Cash backing of rehabilitation provisions						
Refuse sites restoration provision	-	5,355,210	(5,355,210)	-	5,472,591	(5,472,591)
Quarry sites restoration provision	-	-	-	-	-	-
Contaminated sites restoration provision	-	-	-	-	-	-
Movement in Working Capital Cash						
	Capital A/c	Current Period	Movement	Capital A/c	Current Period	Movement
Assets	Analysis	Balances		Analysis	Balances	
Trade receivables	557,804	1,763,588	(1,205,784)	557,804	2,036,432	(1,478,628)
Loans to community assoc.	423,544	155,777	267,767	423,544	164,674	258,870
Inventories	253,803	821,448	(567,645)	253,803	602,561	(348,758)
Inventory land for devel. & sale	70,689	-	70,689	70,689	-	70,689
Other financial assets		212,927	(212,927)		92,690	(92,690)
Net movement in assets	1,305,840	2,953,740	(1,647,900)	1,305,840	2,896,357	(1,590,517)
Liabilities						
Creditors and accruals	337,062	993,132	656,070	337,062	1,061,456	724,394
0		-	-		-	-
Employee entitle- current	887,415	1,385,807	498,392	1,170,293	1,275,018	104,725
Entitlements - non current		1,464,944	1,464,944		1,916,011	1,916,011
Net movement in liabilities	1,224,477	3,843,883	2,619,406	1,507,355	4,252,485	2,745,130
Error in above capital a/c analysis	-			-		
Net Assets minus Liabilities	81,363	(890,143)		(201,515)	(1,356,128)	
Net working capital cash (deficit) at period end			A - B = 971,506			A - B = 1,154,613
CASH HOLDINGS AT PERIOD END	16,695,433			15,120,566		
Analysis of the Council's Capital A/c						
Non current capital assets		226,557,209			226,995,479	
Add - Unspent capital cash held		5,246,351			5,610,944	
Total capital assets		231,803,560			232,606,423	
Capital loans		12,075,625			14,425,730	
Rehabilitation provisions		5,355,210			5,472,591	
Net debt		17,430,835			19,898,321	
Net capital assets minus net capital debt	X	214,372,725		X	212,708,102	
		139,972,274			138,021,276	
Asset revaluation reserve		74,481,814			74,485,311	
Total balance of Council capital	Y	214,454,088		Y	212,506,587	
Working Capital balance in Capital A/c	Y - X = A	81,363		Y - X = A	(201,515)	