

# Flinders Shire Council Annual Report

2012-2013



HUGHENDEN CENTRE FOR THE AGED 2013

*Discovery • Opportunity • Lifestyle*

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# 2012- 2013



## Annual Report Objectives

Welcome to the Flinders Shire Council's 2012-2013 Annual Report. The purpose of this document is to reflect on our achievements for the past financial year, and to share with you our plans for meeting the Shire's current and anticipated challenges and opportunities. Flinders Shire Council is proud to present this Annual Report, and we look forward to working with the local community to build a solid and successful Flinders Shire for all.



HUGHENDEN SWIMMING POOL

## Contacting Council

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HUGHENDEN QLD 4821

Postal PO Box 274  
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Opening Hours 8.30 am – 5.00 pm  
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2012 FLINDERS RIVER AGRICULTURAL PRECINCT  
FOR



## 1.0 OUR SHIRE IN 2012-2013

### 1.1 About our Shire



Land Area	41,422 <sup>2</sup> km
Annual Rainfall	492mm
Population	1997
Metres above sea level	324m
Rateable Valuation	\$282,618,450.00
Net Rate Revenue	\$3,071,810.61
Gross Actual Revenue	\$33,254,543.67
Gross Actual Expenditure	\$28,029,209.24

#### State Controlled Roads:

Sealed	541.63km
Gravelled	96.49km
Formed	123.18km
<b>Total</b>	<b>761.30km</b>

#### Shire Controlled Roads:

Sealed - Rural	84.60km
Sealed - Urban	35.49km
Gravelled - Urban	11.76km
Gravelled - Rural	285.0km
Formed	1575.15km
<b>Total</b>	<b>1992.0km</b>



2013 150 YEAR CELEBRATIONS

### 1.2 Tourist Attractions

- The area is famous for high quality discoveries of Dinosaur and Marine Fossils
- Flinders Discovery Centre - Information and Interpretive Centre
- Porcupine Gorge National Park
- White Mountains National Park
- Blackbraes National Park
- Moorinya National Park
- Flinders River - Queensland's longest river, flowing through Hughenden
- Kooroorinya Falls Nature Reserve - camping, fishing and race track
- Local arts and sculptures in parks and roadways
- Basalt Byway, Flinders River Byway and Eromanga Sea Byway - 4X4 self drive
- Mount Walker Scenic Lookouts over Hughenden and surrounding areas
- Australia's Dinosaur Trail - Themed trail linking Winton, Richmond and Hughenden townships
- Overlander's Way - Themed trail from Townsville to Tennant Creek
- Eco Walk on Flinders Riverbank
- Explorer's Tree, Hughenden Showgrounds
- Prairie Park - Old Gaol, now Public Toilets and 35 foot high Comet Windmill.

Flinders Shire is situated approximately half way between the cities of Townsville and Mount Isa and is named after Queensland's longest river - the Flinders River. The Flinders Shire is divided by the Flinders Highway - now known as the popular tourist drive 'Overlander's Way'. The Flinders Highway runs east and west through the Kennedy Developmental Road - which runs north and south through the Flinders Shire. Encompassing the townships of Hughenden, Prairie, Torrens Creek and Stamford, Flinders Shire has become a major hub for transports and travellers alike.

Lt. Stokes of the "Beagle" discovered the lower reaches of the Flinders River on July 30, 1841. In 1863 Ernest Henry was the first person in this area to select a pastoral holding which he named "Hughenden Station" after his Grandfather's Tudor Manor in Buckinghamshire, England. It was from this



Station the township of Hughenden took its name, however it was not officially surveyed until 1867.



PORCUPINE GORGE LOOKOUT 2013

The Flinders Shire has a population of 1,997 residents. Its main industries are cattle, sheep grazing and tourism. The Shire has three prominent geological features. Porcupine Gorge in the north, Flinders River which winds from the White Mountains in the north-east through to the west of the Shire. The Shire was also part of a Great Inland Sea and the centre of Dinosaur Country, home to many fossils including the great Muttaborrasaurus and the Queensland Pterosaur.

The Shire has four different bio-regions with ever-changing eco systems including the Desert Uplands, Einasleigh Uplands, Mitchell Grass Downs and a small portion of Gulf Plains.

While maintaining and improving Council's 1992km road network consumes a great deal of effort, Council actively strives to provide its residents with high quality sporting, cultural and recreational facilities.



ERECTION OF THE NEW ROTUNDA – FLINDERS RIVER BANK 2013

Major events held in the Flinders Shire include the Annual Hughenden Agricultural Show, Hughenden Country Music Festival, Hughenden Campdraft, Porcupine Gorge Challenge, Hughenden Races, bi-annual Dinosaur Festival and annual PBR Bull Ride as well as country race meetings held at Stamford, Prairie and Kooroorinya Falls Nature Reserve annually. The Shire welcomes over 15,000 visitors annually through the accredited Visitor Information Centre, The Flinders Discovery Centre.

This Centre houses a full skeletal replica of a Muttaborrasaurus as well as the Porcupine Gorge Light and Sound Show, Shearing the Stragglers display and other fossil and gem collections with some historical memorabilia and much more.





### 1.3 Highlights of 2012-2013

- Construction of the new Hughenden Aged Persons Accommodation (value \$5.3m)
- Footpaths and upgraded kerbing (value \$75,000)
- Upgrade street lighting (value \$30,000)
- Swimming Pool upgrade works (value \$100,000)
- Saleyard upgrade works (value \$30,000)
- Community Small Grants Program (value \$44,594)
- Tree planting project, Flinders Eco-walk
- Employee housing upgrade works (value \$25,000)
- Plant Fleet Purchases
- Old Landfill Restoration Works
- Flinders 159 years of Settlement – Chronicles of Flinders
- Signage audit
- Synthetic Grass in Gray Street Medians
- Disabled Ramp at the Library
- Purchase of Bar and Kitchen Equipment for the Showgrounds
- Caravan Park works
- Improved communication to the community and organisations e.g. regular updating of Council's website, introduction of a Council Facebook page, regular newsletters and e-newsletters from particular areas (Sport and Recreation, Community Care, Library), weekly Council mailout to Shire residents.



PORCUPINE GORGE CHALLENGE – PRESENTATION 2013



MAYOR GREG JONES INSPECTING THE CONSTRUCTION OF THE HUGHENDEN CENTRE FOR THE AGED, WHICH COMMENCED JULY 2012.

### Shire Roads

- Rural Roads Maintenance – (value \$305,000)
- Rural Roads Construction – (value \$800,000)
- Flood Damage works (value \$8,318,000)

## 2.0 THE COUNCIL

### 2.1 Mayor's Report

I would like to start by acknowledging the positive attitude I have seen in the community this year, in spite of the adversity caused by difficult weather conditions. Unfortunately drought is a part of life in this region and none of us get off scot-free. I'm proud of the way we have continued to make the most of our local businesses and community events and how we have all proved the country spirit is alive and well. I am also proud of the hard work put in by Council in working towards improving the lifestyle for all. I present to you the 2012-2013 Annual Report, which includes information on our achievements over the last 12 months. This information and other reports complies with the Local Government Act 2009 and Local Government Regulation 2012.

One of the major accomplishments in the 2012/13 year was the completion of the Hughenden Centre for the Aged. The biggest achievement has been the work of the Flinders Shire community in raising almost \$600,000 towards the \$5 million project, including the two major bequeaths. By March this year, the once empty dirt block on Betts Street had become a coloured landscape of painted buildings and gardened countryside in time for official opening of the Hughenden Centre for the Aged (HCA). The facility has 12 individual self-contained rental units, a separate two-bedroom caretaker's cottage, a communal dining room, a recreational area with audio visual equipment and a table and chairs, a respite care suite and office building, a catering kitchen suitable for meals on wheels, landscaped gardens, undercover pathways and room for further expansion. We now have a number of units occupied by residents and expect more in the near future.

Another major project in the 2012/13 financial year was the commissioning of the contracts for the upgrade of the sewerage treatment plant, gravity sewerage scheme for a significant area of North Hughenden and water upgrade works to direct all water bores through one central point to allow for fluoridation and chlorination to be introduced. These works will provide the basic infrastructure to support development well into the future. While an upgrade to the Hughenden sewerage scheme affecting properties on the southern side of the Flinders River was undertaken in 2009, creating a conventional gravity sewerage system for those residents, the north side remained as a septic system until 13 August this year. The contractors, North Queensland Excavations (NQE), have said the date for practical completion for stage one, being the installation of all sewers and pump stations, is 27 January 2014. Stage two involves the connection to sewer of all house drains, which will be scheduled to be completed once the sewerage treatment plant has been commissioned, by June 2014.

After a bumper tourism season in 2011/2012, where more than 20,000 people walked through the doors of the Flinders Discovery Centre, it was disappointing to see numbers down again this year. While this could be due to any number of reasons I would attribute a portion of it to the negative media surrounding the drought. However, with tourism a major focus of both our Council and the State Government into the future we have insured we are investing in projects to benefit this industry going forward. Part of the Flinders Shire Council 2013/2014 Budget was allocated to the purchase of new land at the Council-owned Hughenden Allen Terry Caravan Park. There will also be two new upgraded units and a park lighting upgrade at the caravan park. This follows on from work in the last 12 months, including \$155,000 in upgrades to the Allen Terry Caravan Park facilities, \$94,000 towards the Hughenden Showground's drainage works and equipment, \$85,000 in upgrades to the Hughenden Aquatic Centre, interpretive signage, paving of footpath and upgrading of street lighting and the new 150<sup>th</sup> celebrations rotunda in Robert Gray Park. Council has also invested significant funds into planning studies for the proposed new pool complex, master plan for the showgrounds, master plan for all the parks, master plan for the power house museum development and ongoing planning and development for a recreational lake. Completion and opening of the new lawn cemetery adjacent to the old cemetery on the Flinders Hwy west of Hughenden is also underway. This will include the irrigation system, concrete plinths and landscaping of the recently prepared area.

With roads in Flinders Shire heavily used by locals, tourists and industry, keeping the safety standards of these high is a priority for Council. Major road works completed during the 2012/13 year included Department of Main Roads work on the Hann Highway (12km of full construction & sealing), Shire road upgrades and flood damage repair for Prairie Road and the Basalt Byway, completion of the



Brodie Street reconstruction and sealing, the full reconstruction of Moran Street, construction of a new underground stormwater drain in Gray Street, upgrades and repairs to the Glendower and Spring Valley walls and upgrades and repairs to the Porcupine Gorge National Park and the White Mountains National Park access roads. Flood mitigation works included installation of flood warning gauges on the Upper Flinders and Porcupine Creek systems to provide early warning of flood events to the Hughenden township.

Council is constantly seeking opportunities for funding to develop our community into a place we want our children to grow up and be proud of as well as a place that we all want to grow old in. We look forward to the next 12 months in completing essential water & sewerage infrastructure and road work, along with plans for tourism growth that will continue to provide a bright future for local residents.

**Greg Jones**  
Flinders Shire Council Mayor



FLINDERS SHIRE PUBLIC LIBRARY



FLINDERS DISCOVERY CENTRE

## 2.2 Our Councillors



### COUNCILLORS 2012-2016

With the April 2012 local government elections, the Council changed from four Councillors and a Mayor, to six Councillors and a Mayor.

LEFT TO RIGHT: CR BILL BODE, CR NINIAN STEWART-MOORE (DEPUTY MAYOR), CR BARBARA GEISLER, CR GREGORY JONES (MAYOR), CR JANE CHARUBA, CR SHANE MCCARTHY, CR SEAN O'NEILL



## 2.3 Councillor Portfolios

**Cr Gregory Jones**  
Mayor – Flinders Shire  
PO Box 156  
HUGHENDEN 4821

### PORTFOLIOS

- Governance
- Finance
- Residential Facilities
- Workshop – Plant and Equipment

### STANDING COMMITTEES

- Mount Isa Townsville Economic Zone (MITEZ)
- North Queensland Local Government Association Inc (NQLGA)
- North West Regional Plan
- Regional Development Australia – Townsville and North West Queensland
- North West and Gulf Regional Roads Group

**Cr Ninian Stewart-Moore**  
Deputy Mayor – Flinders Shire  
"Dunluce"  
HUGHENDEN 4821

### PORTFOLIOS

- Governance
- Finance
- Local and Regional Economic Development and Planning
- Rural Roads and Town Streets –North and South West
- Rural Lands – Wild Dogs, Pests, Permits to Occupy and Leases
- Saleyards

### STANDING COMMITTEES

- Western Queensland Local Government Association Inc (WQLGA)
- Flinders River Agricultural Precinct
- Wild Dog Advisory Group



BIGGEST MORNING TEA - 2013

**Cr Sean M O'Neill**  
PO Box 125  
HUGHENDEN 4821

### PORTFOLIOS

- Governance
- Finance
- Tourism and Area Promotion
- Sport, Recreation and Parks
- Utilities – Water, Sewerage and Refuse
- Cemeteries / Undertaker

### STANDING COMMITTEES

- North West Outback Queensland Tourism Authority Group Inc
- North Queensland Games Foundation
- Australia's Dinosaur Trail



HUGHENDEN CAMPDRAFTER'S CUTTING CLINIC 2012

**Cr Bill Bode**  
"The Plains"  
PRAIRIE 4816

### PORTFOLIOS

- Governance
- Finance
- Workshop – Plant and Equipment
- Rural Roads and Town Streets – North East and South East
- Rural Lands – Wild Dogs, Pests, Permits to Occupy and Leases
- Small Towns
- Saleyards

### STANDING COMMITTEES

- Western Queensland Local Government Association Inc (WQLGA)
- Flinders River Agricultural Precinct
- Wild Dog Advisory Group
- Lake Eyre Basin Advisory Group
- Great Artesian Basin (GABAC)

**Cr Barbara Geisler**  
19 Little Avenue  
HUGHENDEN 4821

#### **PORTFOLIOS**

- Governance
- Finance
- Tourism and Area Promotion
- Arts and Culture
- Community Care and Aged Care

#### **STANDING COMMITTEES**

- Chamber of Commerce – Hughenden
- Regional Arts Development Fund (RADF)
- North West Outback Queensland Tourism Authority Group (NWOQTA)
- Australia's Dinosaur Trail
- RREAP Cluster

**Cr Jane Charuba**  
22 Little Avenue  
HUGHENDEN 4821

#### **PORTFOLIOS**

- Governance
- Finance
- Sport, Recreation and Parks
- Community Care and Aged Care



#### **STANDING COMMITTEES**

- Chamber of Commerce – Hughenden
- Flinders Shire Healthy Communities
- Porcupine Gorge Run
- North Queensland Games Foundation

**Cr Shane McCarthy**  
"Arrara Station"  
HUGHENDEN 4821

#### **PORTFOLIOS**

- Governance
- Finance
- Residential Facilities
- Rural Roads and Town Streets - South
- Rural Lands – Wild Dogs, Pests, Permits to Occupy and Leases
- Small Towns - Stamford
- Saleyards

#### **STANDING COMMITTEES**

- Western Queensland Local Government Association Inc (WQLGA)
- Wild Dog Advisory Group
- Southern Gulf Catchments Inc.



COUNCILLORS AND SENIOR STAFF INSPECTING THE SHIRE'S ROADS, AUGUST 2012

## 2.4 Councillor Remuneration 2012-2013

Details for Councillor Remuneration are outlined below, recognising the Election of new Councillors who commenced 14 May 2012.

<b>DETAILS FOR COUNCILLORS EFFECTIVE FROM 01 JULY 2012</b>						
<b>COUNCILLOR</b>	<b>COUNCIL MEETINGS ATTENDED</b>	<b>OTHER MEETINGS ATTENDED</b>	<b>EXPENSES AND FACILITIES</b>	<b>ALLOWANCE \$</b>	<b>TRAVEL \$</b>	<b>TOTAL \$</b>
MAYOR Cr. G J Jones	10	56	2537.05	72903.00		75440.05
DEPUTY MAYOR Cr. D N Stewart-Moore	11	60	5313.25	46244.58	2565.00	54122.83
Cr. S M O'Neill	11	37	382.45	19818.06		20200.51
Cr. A W Bode	11	41	1453.74	19818.06	3675.00	24946.80
Cr. J G Charuba	12	52	345.96	19818.06		20164.02
Cr. B L Geisler	12	87	1156.3	19818.06		20974.36
Cr. S T McCarthy	11	80	2912.63	19818.06	4092.00	26812.69
<b>TOTAL</b>			14101.36	<b>218237.88</b>	<b>10332.00</b>	<b>242661.24</b>

There is no superannuation paid to Councillors.

### Expense Reimbursement Policy

Council reports on the expenses incurred and facilities provided to Councillors during the year under the Expenses Reimbursement Policy.

The facilities are required to reasonably perform the role of Councillor as follows:

- Uniform Entitlement
- Mobile Telecommunication Facilities
- Home Office Facilities
- Legal Costs and Insurance Cover
- Council Office Facilities
- Vehicle use
- Maintenance costs of Council owned equipment



**There were no breaches or complaints to report during 2012/2013 financial year in accordance with the following sections:**

Legislation	Reference	Number of Complaints
LGR 2012: S186 – Councillors (d)(i)	Number of orders and recommendations made under Section 180 (2) or (4) of the Local Government Act 2009	Nil
LGR 2012: S186 – Councillors (d) (ii)	Number of orders made Section 181 of the Local Government Act 2009	Nil
LGR 2012: S186 – Councillors (e) (i)	Each of the following for whom an order or recommendation was made under S180 or S181 of the Local Government Act 2009	Nil

LGR 2012: S186 – Councillors (f) (i)	Number of complaints about the conduct or performance of Councillors for which no further action was taken under Section 176 C (2) of the Local Government Local Government Act 2009	Nil
LGR 2012: S186 – Councillors (f) (ii)	Number of complaints referred to the Department Section 176 C (3) (a) (i) of the Local Government Act 2009	Nil
LGR 2012: S186 – Councillors (f) (iii)	Number of complaints referred to the Mayor under Section 176 C (3) (a) (ii) or (b) (i) of the Local Government Act 2009	Nil
LGR 2012: S186 – Councillors (f) (iv)	Number of complaints referred to the Department Section 176 C (4)(a) of the Local Government Act 2009	Nil
LGR 2012: S186 – Councillors (f) (v)	Complaints assessed by the Chief Executive Officer as being about official misconduct	Nil
LGR 2012: S186 – Councillors (f) (vi)	Complaints heard by a regional conduct review panel	Nil
LGR 2012: S186 – Councillors (f) (vii)	Complaints heard by the tribunal	Nil
LGR 2012: S186 – Councillors (f) (viii)	Complaints to which Section 176 (6) of the Act applies	Nil
LGR 2012: S250 – Requirement to Adopt Expenses Reimbursement Policy or Amendment	Amendments to the Expenses Reimbursement Policy	Nil
LGR 2012: - S206 – Valuation of Non-Current Physical Assets	Any Changes to the Minimum amounts for each different type of non-current assets	Nil

### ***Councillor Remuneration***

That, in accordance with the recommendation of the Local Government Remuneration and Discipline Tribunal, for the period commencing 1 January 2013 to 31 December 2013 unless otherwise resolved, Council authorise the payment of remuneration to a Councillor of the Flinders Shire Council, for carrying out the duties of the office as undermentioned at the rate of remuneration as

undermentioned and being an amount of remuneration as detailed in the Remuneration Schedule for the Category of Local Government to which Flinders Shire Council belongs:

Current remuneration fees are:

Mayor	\$73,803
Deputy Mayor	\$31,630
Councillor	\$22,492

### ***Councillor's Discretionary Fund***

Flinders Shire does not have discretionary funds and therefore there is no report for 2012-2013 for the purpose of allocation as community grants.

### 3.0 THE COUNCIL ORGANISATION

#### 3.1 Strategic Direction

The Flinders Shire Council Corporate Plan 2012-2017 has been used for reporting purposes for the last two financial years. The Corporate Plan is Council's principal long-term planning document, identifying the medium-term issues and priorities for Council to meet the wants and needs of the community.

#### VISION

Flinders Shire – a place of discovery, opportunity and lifestyle.

#### MISSION

To promote quality of life through leadership, attitude and respect.

#### VALUES

- A Caring Philosophy
- Pursuit of Excellence
- Teamwork
- Local Ownership
- Communication
- Leadership



AUSTRALIA DAY BREAKFAST 2013



REMEMBRANCE DAY HUGHENDEN 2013

#### • OUR GUIDING PRINCIPLES

At Flinders Shire we are committed to making decisions responsibly and sustainably acting with integrity, honesty and respect.

##### Our Governance

We will work as a team and act with pride, accountability, transparency and integrity to deliver services to our residents.

##### Our Economy

We will approach all business aspects of the Shire in a manner that promotes growth and sustainability to achieve the best possible outcome.

##### Our Environment

We will provide stewardship to maintain, protect and enhance our natural environment whilst supporting new and existing industries.

##### Our Community

We will work with our community to provide an appealing lifestyle with the available resources to build a healthy, happy and caring community.

##### Our Infrastructure

We will aim to continuously improve products, services and processes through sustainable management of Council's core assets.



#### 4.0 PERFORMANCE – PRIORITY PROJECTS

A summary update of the priority projects is provided as a snapshot of the measurable outputs delivered for 2012-2013.

##### **Cairns-Melbourne Inland Highway**

The Hann Highway section attracted \$20m from the State Government under the Regional Safety and Development Program (RSDP) Funding split 50/50 with Etheridge Shire Council. This will achieve approximately 20.20km of full construction and sealing in Flinders Shire by 30 June 2014. Council has completed two sections totalling 6.06km 2011/2012 with two sections planned totalling 14.10km at Mount Sturgeon, Tattoos and White Cliffs. This will leave approximately 49.10km to be constructed and sealed on this link in Flinders Shire.



MAYOR GREGORY JONES AND CR BARBARA GEISLER AT THE BUSINESS EXPO 2012

##### **Shire Office Complex**

Project is complete.

The main Office site was handed over on Friday, 20 July 2012 and we are now in the twelve month guarantee period. Detailed inspections and defect lists will be undertaken prior to the guarantee period ending. Council holds a Bank Guarantee that can only be cancelled when we do a final sign-off mid 2013.

##### **New Rubbish Tip Development**

Council's new Rubbish Tip was opened late 2011 and rehabilitation works have commenced on the old Rubbish Tip.

##### **Hughenden Industrial Estate**

All Lots available (fourteen) have been sold, and the construction of infrastructure is underway.

##### **Flinders River Ag Precinct**

Project update – The Minister for Natural Resources and Mines, Hon Andrew Cripps announced the release of the 80,000mg of water for tender in the Flinders River System and the amount was oversubscribed when tenders closed 26 October 2012. Tenders were announced in May 2013 with the 3 allocations totalling 80,000mg in the lower Flinders.

Council will continue to support the FRAP and Producer / Growers Group through joint funding (Flinders, Richmond and McKinlay Shire Councils) - Julie Harrison as secretariat to the group. We are currently exploring options for the FRAP to be constituted. MITEZ has advised they believe FRAP should a separate body to MITEZ.

A FRAP Meeting and Producers Meeting has been scheduled for Hughenden on Thursday 27th June 2013.

##### **Hughenden Centre for the Aged**

Construction on the Hughenden Centre for the Aged (HCA) commenced in July 2012. Located at 22 Betts Street next to the Hughenden Health Service, the HCA will consist of three accommodation blocks, the Harry Chivers Recreational Hall, the Gordon Hughden Dining Hall, a separate two-bedroom caretaker's cottage, a respite care suite and office building, a catering kitchen suitable for Meals on Wheels, landscaped gardens, undercover pathways and room for further

expansion. The HCA was progressed after obtaining funding of \$4.4m from the Federal Government in 2011/2012. Importantly, community fundraising has also resulted in almost \$600,000 for the project.

**Project update** – This construction project, by Northbuild Construction, commenced on the 9 July 2012, with a handover to Council on Friday, 12 April 2013.

Advertising for formal applications to reside in the complex has been undertaken and will be ongoing. All applicants will be assessed against the policy and will be assessed when there are vacancies, i.e. there will not be a prioritised waiting list - four tenants have been approved for admission so far with others going through the assessment process.

The Official Opening of the HCA is set for Saturday, 22 June 2013. An official invite list has been prepared and sent out. The Official Opening will be carried out by the Hon Bob Katter MP., Member for Kennedy with a plaque that includes and acknowledges all funding bodies.

Council has officially relocated Community Care Services from the RSL Hall to the HCA. As part of the relocation, joint meetings were held with the RSL Committee to keep them fully informed.

### **Irrigation Development**

Council formed the Flinders River Agricultural Precinct (FRAP) has a joint arrangement with Richmond Shire Council and McKinlay Shire Council, and has jointly funded the appointment of a Project Officer to assist with investigating and lobbying for irrigation development. Council assisted in coordinating a Forum held in Hughenden in 2012. Ongoing lobbying will continue at the State and Federal level.

### **North Hughenden Sewerage Treatment Plant Upgrade**

Through a tender process, the design and management of the upgrade project was awarded to GHD Pty Ltd. Funding of the

estimated \$5m project was successfully attained from the State Government Capital Works Subsidy Program, and the project is expected to be finalised January 2014.

### **Upgrade Hughenden Sewerage Treatment Plant (STP)**

Funding of the \$4.576m project was achieved by accessing the State Government Capital Works Subsidy Program, and the project is expected to be finalised June 2014.

### **Water Supply Fluoridation Project**

State legislation requires Council to add fluoride to the Hughenden drinking water. Council and the State Government have signed a funding agreement providing for the full funding of the program (\$1,437,000) upon successful completion of the project. The funding will provide for installation of a rising main to connect the existing four bores to the central treatment reservoir in Saleyards Road, as well as a set of inline pumps to feed the reticulation system. The introduction of a fluoride dosing system will allow Council to control water flow and pressure, and model the reticulation system accurately and modulate low pressure zones. Meanwhile, disinfection of the Hughenden Water Supply will ensure that any future E.coli outbreaks are prevented.

### **Development of a Recreational Lake**

Council-appointed consulting engineers have completed water balance modelling in the area of Station Creek and reported on feasibility issues. Council is currently investigating options for the location and design of a recreational lake.

Engeny Water Management completed the water balance model for a proposed Lake in the Station Creek area. They consider a Lake as an off-stream facility in the area of Station Creek as feasible. Initial planning indicates a Lake with a maximum area of 12ha and

approximately 350ml with a minimum depth of 2m in the main channel areas is possible. Currently with alternate water to the main Station Creek channel, they rate it has 70% probability of being at or above the minimum 2m level. This means for 70% of the year the water level will be above 2m. By topping the natural run of the creek with pumping from the Flinders River, they consider a probability of approximately 90% (i.e. thirty-seven days water level less than 2m) if we can pump from the Flinders at 50 to 300l/s at certain times of the year.

The proposed size, style and design of the Lake is conducive to safe water skiing with a minimum channel width of 40m and a one way circuit around an island. The Lake would have the capability of setting up a slalom water ski run that would comply with the national standard. The Lake design will take account of the existing contours in the area and will include substantial excavation.

Now that the Engeny Report is completed and confirms the suitability of the area as being feasible through the water balance model, the following steps are recommended to Council. This process needs to be followed carefully as there a number of obstacles/hurdles we will need to overcome.



## 5.0 LEGISLATIVE INFORMATION

The Local Government Act 2009 and associated regulations are the principal pieces of legislation guiding Council's operations as a government entity. This legislation also determines Council's reporting requirements.

## Significant Business Activities

Flinders Shire Council conducted Significant Business Activities for Water and Sewerage. The competitive neutrality principle was applied to these significant business activities.

These were not new business activities for Council.



MUTT AFTER HIS MAKE-OVER

## Competitive Neutrality Complaints

Flinders Shire received no complaints that required investigation for its Business Undertakings of Water and Sewerage.

## Commercial Business Unit

Flinders Shire does not have any commercial business units to report on.

## Senior Staff Remuneration

Flinders Shire has the following to report for the 2012-2013 financial year:

Three - senior contract employee's with the total remuneration package in the range of \$100,000-\$200,000.

## Land Under Roads

Council can report that it has not made any resolutions in relation to valuing land under roads and roads not owned by Council. (These are currently not valued).



### **Administrative Complaints**

Council is committed to dealing fairly with administrative action complaints. Council must also report on the number and particulars of complaints dealt with.

The Staff/Administrative Complaints Process policy was adopted by Council at the Ordinary Meeting of 19 April 2012. Otherwise, Flinders Shire does not have any complaint particulars to report.

*Copy of the resolution:*

*Recommendation – That the Council Policy – Staff Administrative Complaints Process as presented be adopted by Council. Moved Cr S.M. O'Neill Seconded Cr C.N. Haydon – that the Council Policy – Staff Administrative Complaints Process as presented be adopted by Council. Carried.*

### **Overseas Travel**

During 2012-2013 no Councillor or employee undertook any work related overseas travel.

### **Grants to Community Organisations**

During 2012-2013 Council paid \$24,343.58 as grants to community organisations to the following organisations:

- Prairie Jockey Club \$13,275.85 – Upgrade to water and power.
- Hughenden QCWA \$6,067.73 – Erection of Carport.
- Hughenden Kindergarten \$5,000.00 – Upgrade Playground Equipment.



BRODIE STREET, HUGHENDEN



COUNCIL FIELD STAFF TRAINING DAY, FEBRUARY 2012

### Council Registers

The listed registers open to inspection are:

- Cat and Dog Registry
- Environmentally Relevant Activities – DA's
- Development Approvals and Registrations
- Register of Delegations
- Authorised Persons
- Statement of Interests
- Register of Development Applications
- Register of Electoral Gifts
- Register of Interests – Councillors
- Register of Complaints
- Register of Local & Subordinate Local Laws
- Register of Roads and Road Maps
- Record of Rateable Parcels of Land
- Register of Regulatory Fees
- Register of Impounded Animals
- Register of Commercial Charges
- Cemetery Register.

Council also makes available other information, including copies of Minutes of Council on our website [www.flinders.qld.gov.au](http://www.flinders.qld.gov.au)

### Rating Rebates and Concessions

We have several policies with reference to rebate concessions, as detailed below:

#### Pensioner Remissions

The Council assists pensioner property owners that remain in their own homes by giving rate relief to ratepayers' who are in receipt of an aged pension payment from Centrelink or the Department of Veterans' Affairs. Flinders Shire provides a remission to eligible pensioners equivalent to 50% on general rates

and charges to a maximum of \$475 per annum.

#### Other Remissions

The Council allows a discount of 15% on Council Rates and Charges if the total amount is paid within thirty days of the date of issue of the Rate Assessment Notice.

The Fire Brigade Levy has been placed on all commercial, government, private dwellings and vacant land within the Fire Brigade District. Fire and Rescue Services have granted pensioners a discount of 20% on the levy for 2012/2013.

Flinders Shire Council provides remissions of General rate to some owners of land whose objectives do not include the making of a profit, charitable entities providing charitable purposes, under the Local Government Act and Regulations.

Council also provides for additional water allowance on community owned properties with the option of being refunded if the water allocated is not utilised.

#### Internal Audit

Following is the Chief Executive Officer's report on the Internal Audit which was submitted to the Ordinary Meeting held on 19 April 2012.

#### Control Measures Considered

The LGAQ considered a range of control measures in establishing the Internal Audit methodology and undertaking the Internal Audit. Care was taken not to duplicate the audit undertaken by the external financial auditors. Risks relating to financial audit matters therefore were not covered except where the items interfaced with a risk area identified in the methodology. Systems, processes, separation of duties, documentation, notifications, policy development procedures and use of technology were all considered as part of the

control measures that might be appropriately used by Council to reduce a range of risks.

### **Internal Audit Methodology**

Internal Audit working papers were prepared using the identified risk areas of:

Financial, Governance, Infrastructure, Community Engagement, Planning/Regulation and Workforce.

The internal auditor, an employee of the Local Government Association of Queensland (LGAQ), attended Flinders Shire Council office and undertook part of the audit onsite, with the remainder of the audit completed off site.

A full copy of the report was provided to Councillors.

Following the Chief Executive Officer's response to the Internal Audit Report, the comments relate to the identified risks and recommendations.

### **Financial Sustainability**

Council had a very low risk rating in this area with one risk identified:

- Best practice is to have a Budget Policy to drive the Budget process. We aim to develop one for the next Budget cycle for 2012-2013 to be adopted in May 2013.

### **Governance**

Council had one medium and two very low risks in this area:

- Council Policies – very low risk; will be removed when we provide evidence of the allocation of responsibilities for systematic reviews of all policies and reviews are completed;
- Administrative complaints process – very low risk; need to have the new revised policy adopted. The Staff/Administrative Complaints Process policy was in draft form at the date of the internal audit and was adopted by Council at the Ordinary Meeting of 19 April 2012; and
- Business continuity plan – medium risk; need to develop a formal plan that will include some of the current processes and new processes that will be implemented after moving into the new Council office complex e.g. new Information Technology contingency system.

### **Infrastructure**

Council had a medium risk rating with one risk identified:



BRYAN CORRIGAN CELEBRATES 44 YEARS WITH THE COUNCIL



- Controlling access to buildings and to Council facilities. Agreed that we need a full review of our key system with a view to putting it into an electronic format. Since moving into the new Council office complex, building access is restricted to password-authorised staff and representatives. Security cameras and an alarm system have commenced operation in the complex.

### ***Community Engagement***

Council had no identified risks.

- Future audits will focus on the implementation of the Community Engagement Policy.

### ***Planning Regulation***

Council had no identified risks.

- Future audits will focus on the implementation of regulatory authorities such as authorised officers, their appointments and record keeping.

### ***Workforce***

Council had no identified risks.

- Future audits will focus on the staff appointment process from approval to fill positions through to the appointment and inductions.

### ***Equal Employment Opportunity***

Council's Equal Employment Opportunity Policy remains unaltered from the previous year. The Flinders Shire is committed to the Equal Employment Opportunity principles. The Equal Opportunity Management Plan aims to implement employment practices that are based on fairness and equity.

### **Corporate Entities**

Flinders Shire has no separate corporate entities to report on.

### **Water Supply**

Refer to the following report on our Strategic Asset Management plan and customer Service Standard Review.



## STRATEGIC ASSET MANAGEMENT PLAN & CUSTOMER SERVICE STANDARDS REVIEW

FSC operates water supply schemes in Hughenden, Torrens Creek, Prairie and Stamford. It also operates a Sewerage scheme in Hughenden.

Basic statistics of the four water supply schemes controlled by Flinders Shire are:

Locality	Length of mains (klms)	No of connections
Hughenden	34.68	703
Prairie	4.3	38
Torrens Creek	3.43	21
Stamford	0.6	2

The number of connections captured this period differ from the last period due to the following:

- Audit of water meters in Hughenden, Torrens Creek, Prairie and Stamford.
- More efficient capture of data

The sewerage scheme operated by Flinders Shire comprises 20.11 klms of main with 694 connections (includes non-rateable assessments).

The Council is currently in possession of a SAMP and CSS for these services. Council's drinking water quality Management plan has been submitted to DEWS.

The Council's performance for the financial year for the services for which we are registered was satisfactory. Data capture is improving each year and Council is investigating other initiatives to assist them with this process. Overall the Council was compliant with the adopted Performance Indicators outlined in the CSS & SAMP (see tables below).

## WATER SUPPLY SERVICES – CONTINUITY & QUALITY HUGHENDEN

PERFORMANCE INDICATORS	HUGHENDEN TARGET	HUGHENDEN ACTUAL
Unplanned interruptions per 10 km of Mains per Year	4	
Restoration of Services due to unplanned interruptions	90% within 5 hours	100%
Response time to all events	90% within 2 hours	100%
Minimum Water pressure – head (m)	16m	Nil data
Drinking Water Complaints per 100 connections per year	2	0.004
Drinking Water incidents	2	0
Compliance with NHMRC Guidelines	Micro - 90% Chem – 90%	Micro – 100% Chem – 100 %

## PRAIRIE

PERFORMANCE INDICATORS	PRAIRIE TARGET	PRAIRIE ACTUAL
Unplanned interruptions per 10 km of Mains per Year	4	0
Restoration of Services due to unplanned interruptions	90% within 5 hours	NR
Response time to all events	90% within 2 hours	NR
Minimum Water pressure – head (m)	14	NR
Drinking Water Complaints per 100 connections per year	4	2
Drinking Water incidents	2	1
Compliance with NHMRC Guidelines	Micro -100% Chem – 100%	Micro - 93.1% Chem – 100%



## TORRENS CREEK

PERFORMANCE INDICATORS	TORRENS CREEK TARGET	TORRENS CREEK ACTUAL
Unplanned interruptions per 10 km of Mains per Year	4	0
Restoration of Services due to unplanned interruptions	90% within 5 hours	NR
Response time to all events	90% within 2 hours	NR
Minimum Water pressure – head (m)	12m	Nil data
Drinking Water Complaints per 100 connections per year	4	0
Drinking Water incidents	2	0
Compliance with NHMRC Guidelines	Micro -90% Chem – 90%	Micro -100% Chem – 100%

## STAMFORD

PERFORMANCE INDICATORS	STAMFORD TARGET	STAMFORD ACTUAL
Unplanned interruptions per 10 km of Mains per Year	4	6
Restoration of Services due to unplanned interruptions	90% within 5 hours	100%
Response time to all events	90% within 2 hours	100%
Minimum Water pressure – head (m)	5 m	Nil data
Drinking Water Complaints per 100 connections per year	4	0
Drinking Water incidents	2	0
Compliance with NHMRC Guidelines	Micro -90% Chem – 90%	Micro -100% Chem – 100%

## FLINDERS

PERFORMANCE INDICATORS	FLINDERS TARGET	FLINDERS ACTUAL
Water leaks/breaks per 10km of mains per year	4	5.5
System water loss/connection/day	No Data	No Data

## SEWERAGE SERVICE STANDARD – EFFECTIVE TRANSPORT OF WASTE EFFLUENT (SEWERAGE ONLY) & CONTINUITY

PERFORMANCE INDICATORS	HUGHENDEN TARGET	HUGHENDEN ACTUAL
Total Sewage overflows per 10 km of mains /year	1	0
Sewage blockages to customer property per 10 km of mains /year	10	3.48
Odour complaints per 100 connections/year	10	0.175
Response time to all events	2 hours	30 mins
Sewer main breaks and chokes per 10km/year	30	0.49
Sewer inflow/infiltration – ratio of peak day flow to average day flow	NA	NA

Confidence grading for the validity of the data reported is “B – reliable”. There has been an improvement in the capture of water and sewerage data for 2012/2013 financial year.

Actions taken:

- Sewering of the Northside of Hughenden (currently in progress).
- Building new Sewerage Treatment Plant (currently in progress).
- Upgrade of the Reticulation network.
- Securing funding for upgrades to Prairie and Torrens Creek water supply schemes.
- Preparation of a Drinking Water Quality Management Plan.

## APPENDIX A

### POLICY TITLE                      COUNCILLOR REIMBURSEMENT OF EXPENSES AND PROVISION OF FACILITIES POLICY

DATE OF ADOPTION:              21 JUNE 2012

DATE REVIEWED:                VERSION: 2

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#### 1.        PURPOSE

To provide the Mayor and Councillors with reimbursement of legitimate expenses incurred, or to be incurred, and the facilities necessary while carrying out civic duties as elected representatives of the Shire.

#### 2.        SCOPE

This Councillor Reimbursement of Expenses and Provision of Facilities Policy applies to the Mayor, Deputy Mayor and Councillors and is made pursuant to Section 44-47 of the Local Government (Operations) Regulation 2010.

#### 3.        PRINCIPLES

##### **Reasonable expenses reimbursement to Councillors**

Councillors should not be financially disadvantaged when carrying out the requirements of the role of Councillor and should be fairly and reasonably compensated in this regard in accordance with community expectations.

##### **Public accountability and transparency**

The Councillor Reimbursement of Expenses and Provision of Facilities Policy will be available to the public. The use of the provided facilities will be open for review to the extent appropriate to the proper performance of a Councillor's responsibilities.

##### **Public perceptions and community expectations**

The Council will provide only those facilities and reimbursements necessary for the efficient performance of a Councillor's responsibilities.

##### **No private benefit to be derived**

All reimbursement of expenses or provision of facilities must be for legitimate business use only; i.e to enable Councillors to effectively and efficiently carry out their civic duties. Facilities and resources provided to Councillors are for the sole use of Councillors in undertaking their duties and should be used responsibly and appropriately. Spouses, partners and family members of Councillors are not entitled to receive any reimbursement of expenses or provision of Council facilities.

##### **Equity and Participation**

To maximise equity and the participation of Councillors from diverse backgrounds and circumstances, this Councillor reimbursement of expenses and provision of facilities policy expressly permits the reimbursement of expenses that are necessarily incurred to allow the



participation of Councillors who experience unusual barriers to participation, such as disability or cultural responsibilities.

#### 4. DEFINITIONS

##### **Council Business**

This is official business of a Councillor as generally described in the Local Government Act 2009, conducted on behalf of and approved by Council where a Councillor is required to undertake certain tasks to satisfy legislative requirements or achieve business continuity for the Council. Council business should result in a benefit being achieved either for the Local Government and/or the Local Government area. Participating in a community group event or being a representative on a Board not associated with Council is not regarded as Council Business.

##### **Expense**

Expenses are payments made by Councils to reimburse Councillors for their reasonable expenses incurred or to be incurred when discharging their duties as Councillors. These payments are not regarded as remuneration. The expenses may be either reimbursed to Councillors or paid direct by Council for something that is deemed a necessary cost or charge when performing their roles.

##### **Facilities**

Facilities provided by Councils to Councillors are the 'tools of the trade' required to enable them to perform their duties with relative ease and at a standard appropriate to fulfil their professional role for the community.

##### **Reasonable**

Councils must make sound judgements and consider what is prudent, responsible and acceptable to their communities when determining reasonable levels of facilities and expenditure. The community expects limits and does not want to see excessive use or abuse of public funds.

#### 5. ROLES AND RESPONSIBILITIES

##### **Chief Executive Officer**

The Chief Executive Officer is responsible for ensuring this policy is understood and adhered to by the Mayor and Councillors.

#### 6. POLICY

The Council will reimburse Councillors for expenses and provide Councillors with facilities as set out in this policy. In addition to the expenses and facilities expressly referred to in the section of this Policy headed *Expense Categories*, the Council will reimburse other expenses that are necessarily incurred to allow the participation of Councillors who experience unusual barriers to participation, such as disability or cultural responsibilities.

## Expense Categories

### 1. Professional Development

The Council will reimburse expenses incurred for –

- All mandatory professional development – where Council resolved that all Councillors are to attend training courses or workshops for skills development related to a Councillor's role, the Council may reimburse the total costs of the course; and
- Discretionary professional development deemed essential for the Councillor's role subject to budget constraints – where a Councillor identifies a need to attend a conference, workshop or training to improve skills relevant to their role as a Councillor, other than mandatory training. Advantage to be taken of any early bird discounts where relevant.

### 2. Travel as required to represent Council

The Council will reimburse local and in some cases interstate and overseas travel expenses (e.g flights, car, accommodation, meals and associated registration fees) deemed necessary to achieve the business of Council where:

- a Councillor is an official representative of Council; and
- the activity/event and travel has been endorsed by resolution of Council.

If it is part of the Councillor's endorsed Standing Committee representation by Council then the Councillor is automatically endorsed to represent Council, with expenses reimbursed.

Councillors are to travel via the most direct route, using the most economical and efficient mode of transport.

Council will pay for reasonable expenses incurred for overnight accommodation when a Councillor is required to stay outside the Local Government's region.

#### **NOTE**

Any fines incurred while travelling in Council-owned vehicles or privately owned vehicles when attending to Council business, will be the responsibility of the Councillor incurring the fine.

#### **2.1 Travel Bookings**

All Councillor travel approved by Council will be booked and paid for by Council. Economy class is to be used where possible although Council may approve business class in certain circumstances.

Airline tickets are not transferable and can only be procured for the Councillor's travel on Council business. They cannot be used to offset other unapproved expenses. (e.g cost of partner or spouse accompanying the Councillor.)

#### **2.2 Travel transfer costs**

Any travel transfer expenses associated with Councillors travelling for Council approved business will be reimbursed.

Example: Trains, taxis, buses and ferry fares.

Cab charge vouchers may also be used if approved by Council where Councillors are required to undertake duties relating to the business of Council.

## 2.3 Private vehicle usage

When a Councillor has decided to not receive a Council vehicle, or a Council vehicle is not available, payment for use of the Councillors private vehicle usage on Council business will be reimbursed to the Councillor on a kilometre rate as set out in the Australian Taxation Office allowable deductions for motor vehicles. Councillors may instead choose to be reimbursed for fuel by presenting receipts. In other circumstances, Councillor's private vehicle usage will be reimbursed by Council if the:

- travel has been endorsed by Council Resolution;
- claim for mileage is substantiated with log book details; and
- total travel claim does not exceed the cost of the same travel using economy flights plus the cost of taxi transfers.

### ATO Rates per Business Kilometre

Engine capacity		Cents per kilometre
Ordinary car	Rotary engine car	2010-11 income year
1600cc (1.6 litre) or less	800cc (0.8 litre) or less	63 cents
1601cc - 2600cc - (1.601 litre - 2.6 litre)	801cc - 1300cc (0.801 litre - 1.3 litre)	74 cents
2601cc (2.601 litre) and over	1301cc (1.301 litre) and over	75 cents

## 2.4 Accommodation

All Councillor accommodation for Council business will be booked and paid for by Council. Council will pay for the most economical deal available. Where possible, the minimum standards for Councillors' accommodation should be three or four star rating.

Where particular accommodation is recommended by conference organisers, Council will take advantage of the package deal that is the most economical and convenient to the event.

## 2.5 Meals

Councillors will be reimbursed for the actual cost of meals when:

- the Councillor incurs the cost personally; and
- the meal was not provided –
  - within the registration costs of the approved activity/event
  - during an approved flight.

The following limits apply to the amount Council will reimburse for meals:



▪ Breakfast	\$21.15
▪ Lunch	\$24.20
▪ Dinner	\$41.65

No alcohol will be paid for by Council.

If private accommodation is provided by a relative or friend, then they are entitled to be reimbursed at a rate of \$70/night.

## **2.6 Incidental Allowance**

Up to \$20 per day may be paid by Council to cover any incidental costs incurred by Councillors required to travel, and who are away from home overnight for official Council business.

## **3. Hospitality**

Councillors may have occasion to incur hospitality expenses while conducting Council business apart from official civic receptions organised by Council. The Mayor will be reimbursed up to \$1,000 per annum for hospitality expenses deemed necessary in the conduct of Council business. Councillors will be reimbursed up to \$500 per annum for hospitality expenses deemed necessary in the conduct of Council business. These costs will be reimbursed on presentation of receipts.

## **4. Provision of Facilities**

Councillors will be provided with facilities as set out in this policy. In addition to the facilities expressly referred to in the section of this policy headed Facilities, the Council will provide other facilities that are necessary to allow the participation of Councillors who experience unusual barriers to participation such as disability or cultural responsibilities. All facilities provided to Councillors remain the property of Council and must be returned to Council when a Councillor's term expires.

The Facilities provided will include:

### **4.1 Uniform Entitlement**

Councillors will be entitled to receive a name badge and all necessary safety equipment to the standard supplied to employees. Councillors are expected to observe the appropriate Workplace Health and Safety measures when at any workplace. Councillors will also be provided with corporate uniform equivalent to that provided to staff and will be provided with a corporate jacket.

### **4.2 Mobile Telecommunication Facilities**

Council does not currently provide a mobile telephone or hand held device but may provide-

- A home landline at the Councillor's residence, including connection cost, monthly rental and call costs up to 50% of the total calls made. However, any STD or international calls made from the home telephone can only be reimbursed if a receipt and certification is provided by the Councillor that the call was related to Council business;
- Home internet access including monthly access fee and up to 50% of the package costs;
- Where Council deems it necessary to acquire new mobile devices these facilities may be approved by Council resolution;

- 
- 
- Mobile telephone, with or without a hands-free kit;
- Personal calls made by Councillors via the mobile telephone are to be reimbursed to Council via the appropriate administrative procedure; and
- If Councillors are using their personal mobile phone, they will be reimbursed for expenses over the plan value on production of the phone bill.

#### 4.3 Home Office Facilities

- Laptop with Windows software;
- Laser wireless printer/scanner/fax and all paper and cartridges; and
- Ipad and case.

#### 4.4 Council Office Facilities

Council will provide the following to Councillors -

- Facilities such as office space and Council meeting rooms;
- Secretarial support for Mayors and Councillors;
- Desktop and/or Laptop computer;
- Use of Council landline telephone and internet access;
- Fax and/or scanner;
- Printer, photocopier and paper shredder;
- Stationary;
- Publications – copies of the Act and other Legislation, books, journals considered necessary; and
- Other administrative necessities which Council consider necessary to meet the business of Council.

#### 4.5 Vehicle Use

Council approval of the home garaging by the Mayor of a Council supplied vehicle (4X4 Station Wagon or equivalent) for Council business purposes. Where home garaging is not suitable the vehicles will be housed at the Shire Office.

Councillors may claim reimbursement for business use of their own vehicle. Refer to Private Vehicle Usage - Item 2.3 of this Policy or elect to receive a Council vehicle on the following conditions:

- Councillors will be provided with a motor vehicle for Council business;
- No private use is allowed; and
- Fuel cards are provided for each vehicle and motor vehicle insurance is covered by Council.

#### 4.6 Maintenance costs of any Council owned equipment

Council will cover all ongoing maintenance costs associated with Council owned equipment to ensure it is operating for optimal professional use.

#### 4.7 Legal Costs and Insurance Cover

Council will insure Councillors in the event of injury sustained while discharging their civic duties. Council will pay the excess for injury claims made by a Councillor resulting from conducting official Council business.

Council will arrange to provide Permanent Disability Insurance with PBF Australia. This will cover Councillors and partners in the event that a Permanent Disability has occurred at any time. Councillors are to pay half the costs per annum. This amount is to be deducted in June each year, from the Monthly Salary.

**5. IMPLEMENTATION**

This Policy will be made available to all Councillors and corporate staff on Council's intranet site/network. Council reserves the right to vary, replace or terminate this Policy from time to time.

**6. APPROVAL**

**Chief Executive Officer**

**Stephen McCartney**

**Date** \_\_\_\_/\_\_\_\_/\_\_\_\_

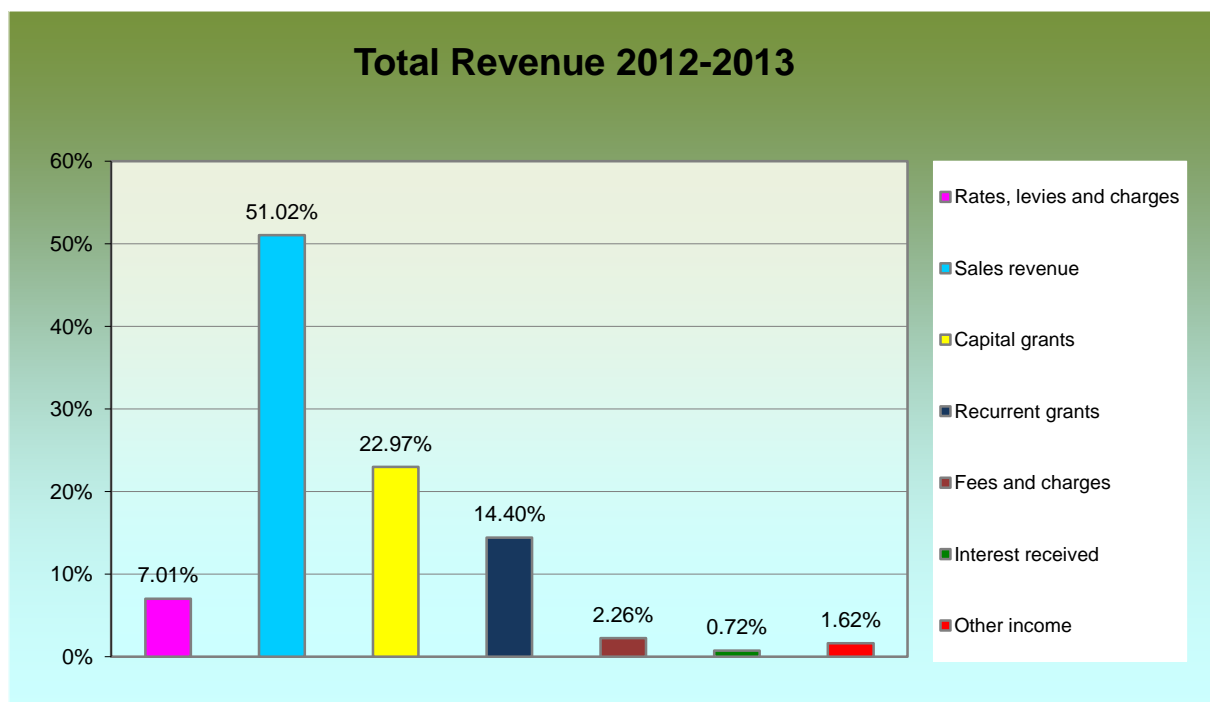


## 6.0 FINANCES FOR THE YEAR

### 6.1 Community Financial Report

Council finished the 2012-2013 financial years in a balanced position after turning over \$45.1m in total revenue. The following graph illustrates the main revenue sources by line item in the statement of comprehensive income.

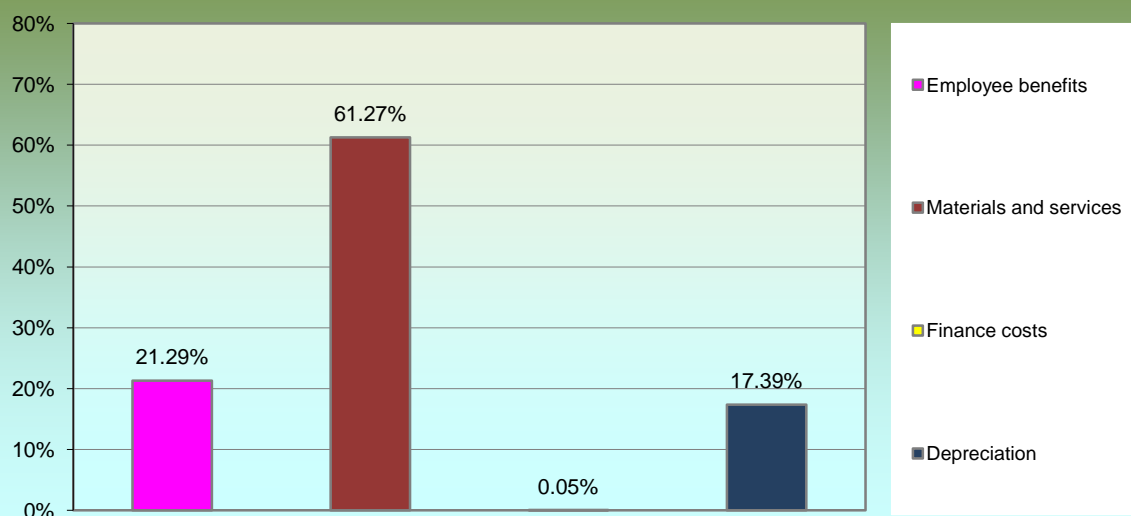
This simple view clearly illustrates Council's reliance on sales revenue totalling \$22.957m. A large amount of sales revenue is sourced through contracts and recoverable works from the Department of Main Roads. Government grants totalled \$6.481m. Rates, levies and charges formed only a small part of Council's total revenue.



Total recurrent expenses for the 2012-2013 financial year was \$30.15m. Materials and services amounted to \$18.474m of Council's expenses. Council currently has no debt so finance costs comprise only of bank fees and charges. Employee benefits amount to \$6.42m of Council's expenses. The level of expenditure is reviewed and set in the annual budget, which is constantly monitored throughout the year. Target indicators are set for various departmental sectors and reported to Councillors quarterly via an operational plan.



### Total Recurrent Expenses 2012-2013



The graph below shows Council's expenses by business function. A significant portion of Council's total recurrent expenses are attributed to the business activities function, "Our Economy" which comprises Water, Sewerage, Airport, Saleyards, Caravan Park, Main Roads Contract Works, Private Works and the Flinders Discovery Centre. 55.47% of business activities expense compared to 34.47% in 2011-2012 was incurred as a result of increased Main Roads Contract Works.

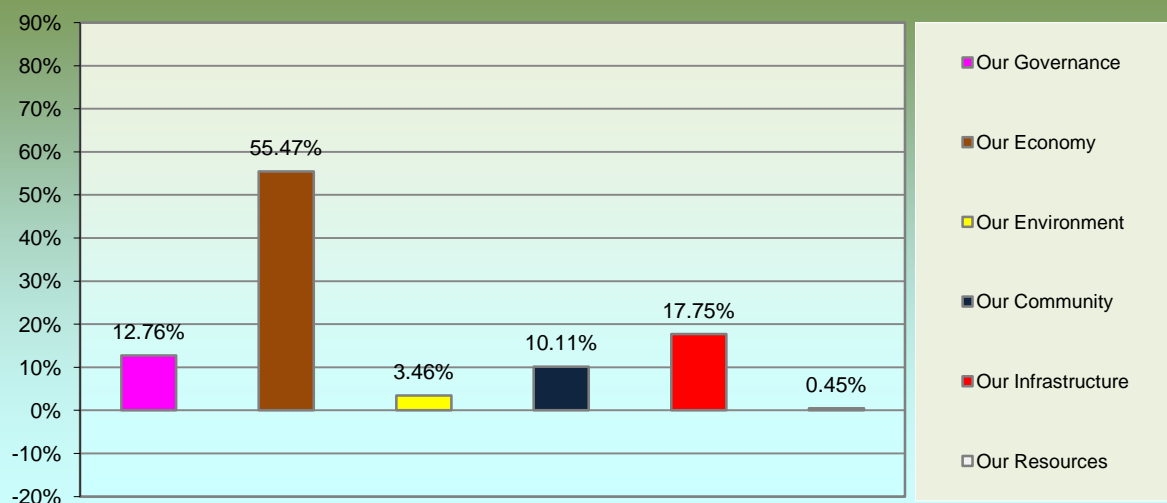
"Our Infrastructure" function represents maintenance and construction of Shire roads including flood damage works. It also includes the maintenance and construction of our Water and Sewerage Infrastructure.

"Our Governance" function includes Technical services area includes workplace health and safety, store, workshop and depot and plant, state emergency services, Office Administration and Governance.

The major areas under the "Our Community" function include HACC, Community Care Packages, Meals on Wheels, Veterans Home Care, Disability Services, Personal Helpers and Mentors Program, community halls, swimming pool, showgrounds, parks, reserves, skate park, employee housing, aged housing, and the library.

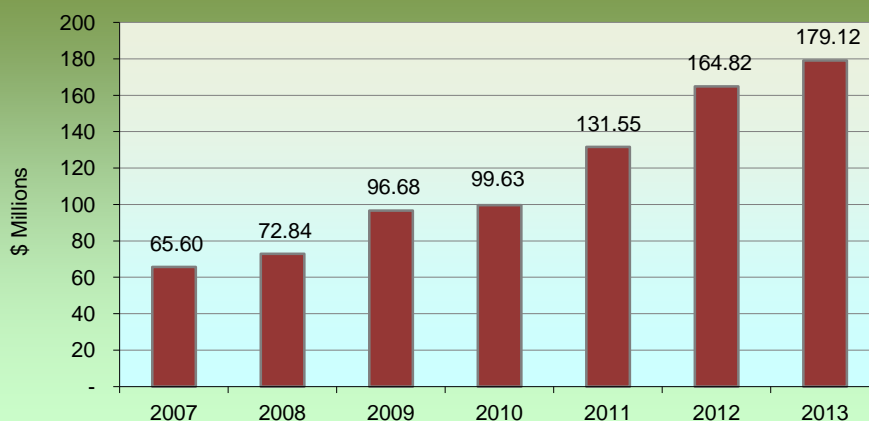


### Expenses by Function 2012-2013



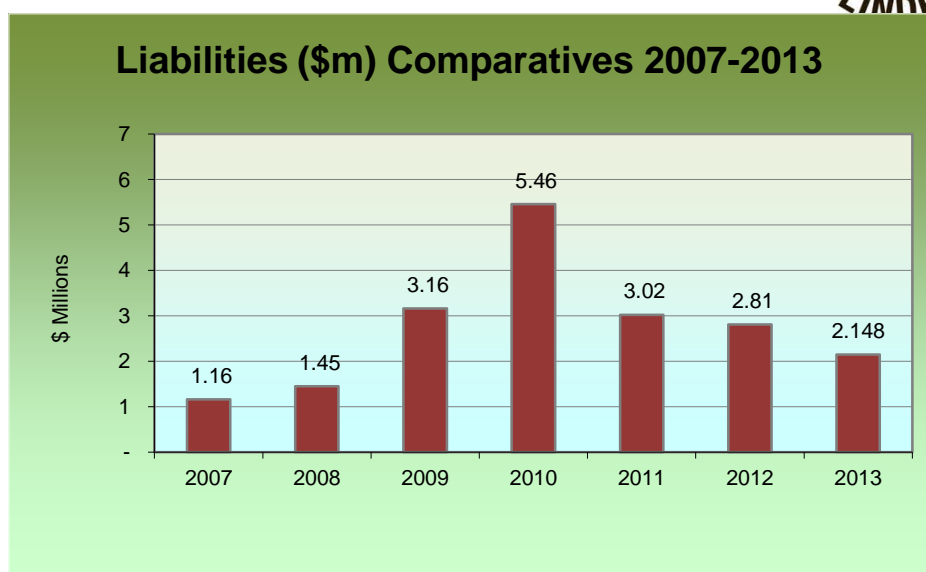
Total assets comprised of \$179.118m, total liabilities of \$2.148m and Council continues to remain debt free. This provides Council with the flexibility to borrow funds for future infrastructure needs. Council also revalued some of its asset classes and a significant impairment was recognised for road assets due to flood damage.

### Assets (\$m) Comparatives 2007-2013





The decrease in liabilities is attributable to the decrease in trade and other payables at the 30 June 2013.



## MEASURES OF COUNCIL'S FINANCIAL SUSTAINABILITY

The audited financial statements which follow this Community Financial Report, indicate that the Council has finished the 2012-2013 financial year in a strong financial position.

Council concluded the year with a net positive cash flow and council has sufficient funding to cover its present and future obligations into the foreseeable future.

Flinders Shire Council will continue a commitment to sound financial management through long term financial planning to ensure the success and stability of the region.

The following ratios help explain the financial position of the Council as at 30 June 2013.

Indicator	Council's Calculated Ratio		State Government Target*
	2011/2012	2012/2013	
Asset Sustainability ratio	339%	492.8%	Greater than 90%
Operating Surplus Ratio	19.62%	13.01%	Between 0% and 10%
Net Financial Liabilities Ratio	(57.36)%**	(37.43)%**	Not Greater than 60%

\*Target data has been sourced from the Financial management (Sustainability) Guideline 2013 prepared by the Department of Local Government, Community Recovery and Resilience.

\*\*The Financial Management (sustainability) Guideline 2013 states that a ratio less than zero (ie: Negative) indicates that current assets exceed total liabilities and therefore the local government appears to have significant financial capacity and the ability to increase its loan borrowings if necessary.

## 6.2 Measures of Financial Sustainability

10 Year Forecast @ March 2012	2011/12 \$'000	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Total Operating Revenue	\$23,161	\$18,927,800	\$19,305,100	\$19,680,950	\$25,565,050	\$26,784,700	\$22,003,300	\$21,434,300	\$21,803,550	\$22,304,050
Net Interest Expense on Debt Service	-	\$90,000	\$257,934	\$489,912	\$467,815	\$426,587	\$370,513	\$316,124	\$263,258	\$228,240
Net Operating Surplus (Deficit)	\$5,226	\$3,048,313	\$771,802	\$386,309	\$1,963,658	\$2,984,616	\$1,527,349	\$610,902	\$735,559	\$960,298
Current Assets	\$16,636	\$6,356,666	\$6,727,231	\$5,528,154	\$7,543,567	\$9,590,807	\$9,643,143	\$8,959,756	\$8,239,163	\$8,122,889
Current Liabilities	\$2,056	\$1,146,037	\$1,525,812	\$1,597,944	\$2,017,311	\$2,068,001	\$1,780,952	\$1,830,407	\$1,901,200	\$1,818,507
Total Assets	\$164,821	\$141,989,459	\$153,628,760	\$158,166,434	\$162,652,270	\$167,210,727	\$170,099,482	\$172,417,364	\$175,596,557	\$178,542,558
Total Liabilities	\$2,812	\$4,932,149	\$8,189,448	\$8,346,913	\$8,793,791	\$8,338,918	\$7,510,917	\$6,981,554	\$6,914,917	\$6,790,177
Proposed Loan Borrowings for period	-	\$ 2,250,000	\$ 3,250,000	\$500, 000	\$500,000	-	-	-	\$500 000	\$ 500 000
Proposed Loan Repayments	-	\$ 72,378	\$186,010	\$379,976	\$424,667	\$472,489	\$505,563	\$540,952	\$578,818	\$637,430

### Definitions:

Total Operating Revenue	The sum of all operating revenue as presented in the Income and Expenditure Statement less capital grants that have been recognised as operating revenue.
Net Interest Expense	Interest and finance expenses as disclosed in the Income and Expenditure Statement less Interest and Investment revenues as disclosed in the Income and Expenditure Statement.
Total Debt Service	Current year interest expense + current year principal payments on debts.
Net Operating Surplus (/Deficit)	The unadjusted operating surplus as presented in the Income and Expenditure Statement. This may be a deficit.
Current Assets	All current assets as identified in the Statement of Financial Position, including cash and cash equivalents, receivables, other financial assets and current inventories.

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# Flinders Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2013

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*Discovery • Opportunity • Lifestyle*



# Flinders Shire Council

## General Purpose Financial Statements

For the year ended 30 June 2013

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### Overview

- (i) These financial statements are General Purpose Financial Statements and cover the consolidated operations for Flinders Shire Council.
  - (ii) All figures presented in these financial statements are presented in Australian Currency.
  - (iii) These financial statements were authorised for issue by the Council on 17/10/13.  
Council has the power to amend and reissue the financial statements.
-

# Flinders Shire Council

## Statement of Comprehensive Income

For the year ended 30 June 2013

\$ '000	Notes	2013	2012
<b>Income</b>			
<b>Revenue</b>			
<b>Recurrent Revenue</b>			
Rates, Levies and Charges	3a	3,155	3,072
Fees and Charges	3b	1,016	797
Rental Income	3c	92	72
Interest Revenue	3d	325	452
Sales Revenue	3e	22,957	11,275
Other Income	3f	635	431
Grants, Subsidies and Donations	4a	6,481	7,062
<b>Total Recurrent Revenue</b>		<b>34,661</b>	<b>23,161</b>
<b>Capital Revenue</b>			
Grants, Subsidies and Donations	4b	10,335	10,046
<b>Total Revenue</b>		<b>44,996</b>	<b>33,207</b>
Capital Income	5	138	48
<b>TOTAL INCOME</b>		<b>45,134</b>	<b>33,255</b>
<b>Expenses</b>			
<b>Recurrent Expenses</b>			
Employee Benefits	6	6,420	7,013
Materials and Services	7	18,474	7,009
Finance Costs	8	14	14
Depreciation	9	5,242	4,581
<b>Total Recurrent Expenses</b>		<b>30,150</b>	<b>18,617</b>
Capital Expenses	10	-	9,412
<b>TOTAL EXPENSES</b>		<b>30,150</b>	<b>28,029</b>
<b>NET RESULT</b>		<b>14,984</b>	<b>5,226</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to Net Result			
Increase/(Decrease) in Asset Revaluation Surplus	17	(23)	28,258
<b>Total Other Comprehensive Income for the year</b>		<b>(23)</b>	<b>28,258</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>14,961</b>	<b>33,484</b>



# Flinders Shire Council

## Statement of Financial Position

As at 30 June 2013

\$ '000	Notes	2013	2012
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	11	6,082	10,674
Trade and Other Receivables	12	8,623	5,570
Inventories	13	415	260
<b>Total Current Assets</b>		<b>15,120</b>	<b>16,504</b>
<b>Non-Current Assets</b>			
Trade and Other Receivables	12	-	1
Property, Plant and Equipment	14	163,998	148,316
<b>Total Non-Current Assets</b>		<b>163,998</b>	<b>148,317</b>
<b>TOTAL ASSETS</b>		<b>179,118</b>	<b>164,821</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	15	1,214	1,933
Provisions	16	228	206
<b>Total Current Liabilities</b>		<b>1,442</b>	<b>2,139</b>
<b>Non-Current Liabilities</b>			
Trade and Other Payables	15	190	211
Provisions	16	516	462
<b>Total Non-Current Liabilities</b>		<b>706</b>	<b>673</b>
<b>TOTAL LIABILITIES</b>		<b>2,148</b>	<b>2,812</b>
<b>NET COMMUNITY ASSETS</b>		<b>176,970</b>	<b>162,009</b>
<b>Community Equity</b>			
Asset Revaluation Surplus	17	87,374	87,397
Retained Surplus/(Deficiency)	18	89,596	74,612
<b>TOTAL COMMUNITY EQUITY</b>		<b>176,970</b>	<b>162,009</b>

# Flinders Shire Council

## Statement of Changes in Equity

For the year ended 30 June 2013

\$ '000	Notes	Asset		Retained Surplus	Reserves	Total
		Shire Capital	Revaluation Surplus			
2013						
Balance as at 30 June 2012		-	87,397	74,612	-	162,009
a. Net Operating Surplus		-	-	14,984	-	14,984
b. Other Comprehensive Income						
- Increase/(decrease) in Asset Revaluation Surplus		17	(23)	-	-	(23)
Total Comprehensive Income (a&b)		-	(23)	14,984	-	14,961
BALANCE AS AT 30 JUNE 2013		-	87,374	89,596	-	176,970

\$ '000	Notes	Shire Capital	Revaluation Surplus	Asset Retained Surplus	Reserves	Total
2012						
Balance as at 30 June 2011		66,422	59,139	2,012	952	128,525
a. Net Operating Surplus		-	-	5,226	-	5,226
b. Other Comprehensive Income						
- Increase/(decrease) in Asset Revaluation Surplus		17	-	28,258	-	28,258
Total Comprehensive Income (a&b)		-	28,258	5,226	-	33,484
c. Transfers from Reserves		-	-	952	(952)	-
d. Transfers to/from Capital		(66,422)	-	66,422	-	-
BALANCE AS AT 30 JUNE 2012		-	87,397	74,612	-	162,009

# Flinders Shire Council

## Statement of Cash Flows

For the year ended 30 June 2013

\$ '000	Notes	2013	2012
<b>Cash Flows from Operating Activities</b>			
Receipts from Customers		24,874	17,236
Payments to Suppliers and Employees		(25,468)	(14,833)
		(594)	2,403
<b>Receipts</b>			
Interest Received		325	452
Rental Income		92	72
Non Capital Grants and Contributions		6,481	7,062
<b>Payments</b>			
Finance Costs		(14)	(14)
<b>Net Cash Inflow (Outflow) from Operating Activities</b>	25	<b>6,290</b>	<b>9,975</b>
<b>Cash Flows from Investing Activities</b>			
<b>Receipts</b>			
Sale of Property, Plant and Equipment		898	511
Grants, Subsidies and Donations		10,335	10,046
<b>Payments</b>			
Purchase of Property, Plant and Equipment		(21,707)	(15,562)
<b>Net Cash Inflow (Outflow) from Investing Activities</b>		<b>(10,474)</b>	<b>(5,005)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents Held		(4,184)	4,970
plus: Cash and Cash Equivalents at the beginning of the financial year		10,266	5,296
<b>CASH AND CASH EQUIVALENTS CLOSING</b>	11	<b>6,082</b>	<b>10,266</b>

# Flinders Shire Council

## Notes to the Financial Statements

For the year ended 30 June 2013

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# Flinders Shire Council

## Notes to the Financial Statements

For the year ended 30 June 2012

### Note 1. Summary of Significant Accounting Policies

#### 1A Basis of preparation

These general purpose financial statements are for the period 1 July 2012 to 30 June 2013 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*. Consequently, these financial statements have been prepared in accordance with all Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board.

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

#### 1B Statement of Compliance

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

#### 1C Constitution

The Flinders Shire Council (Council) is constituted under the *Queensland Local Government Act 2009* and is domiciled in Australia.

#### 1D Date of Authorisation

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

#### 1E Currency

Council uses the Australian dollar as its functional currency and its presentation currency.

#### 1F Critical accounting judgements and key sources of estimation uncertainty

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

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

- Valuation and depreciation of Property, Plant & Equipment - Note 1M and Note 14;
- Impairment of Non-current Assets - Note 1N;
- Provisions - Note 1Q and 1R and Note 16; and
- Contingencies - Note 22.

#### 1G Revenue

Rates, levies, grants and other revenue are recognised as revenue on receipt of funds or earlier upon unconditional entitlement to the funds.

##### Rates and levies

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

##### Grants and subsidies

Grants and subsidies that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them. In the financial year ended 30 June 2013, and previous years, an

## Flinders Shire Council

### Notes to the Financial Statements

For the year ended 30 June 2013

#### Note 1. Summary of Significant Accounting Policies (continued)

equivalent amount was transferred from retained earnings to the relevant reserve until the funds were expended. Unspent non-reciprocal capital grants were placed in the Unspent capital grants reserve. Refer to Note 1X for further explanation. Internal restrictions that have been placed on Council's cash and cash equivalents are now disclosed in Note 11.

Where grants are received that are reciprocal in nature, revenue is recognised as the various performance obligations under the funding agreement are fulfilled. Council does not currently have any reciprocal grants.

##### Non-cash contributions

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

##### Rental income

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

##### Interest

Interest received from term deposits is accrued over the term of the investment.

##### Sales revenue

Sale of goods is recognised when the significant risks and rewards of ownership are transferred to the buyer, generally when the customer has taken undisputed delivery of the goods.

Council generates revenues from services including contracts for road and earthworks. Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. Contract revenue and associated costs are recognised by reference to the stage of completion of the contract activity at the reporting date. Revenue is measured at the fair value of consideration received or receivable in relation to that activity. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed.

##### Fees and Charges

Fees and charges are recognised upon unconditional entitlement to the funds. Generally this is upon lodgement of the relevant applications or documents, issuing of the infringement notice or when the service is provided.

#### **1H Financial assets and financial liabilities**

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

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

##### Financial assets

- Cash and cash equivalents (Note 1I); and
- Receivables - measured at amortised cost (Note 1J).

##### Financial liabilities

- Payables - measured at amortised cost (Note 1P).

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

The fair value of financial instruments is determined as follows:

The fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximate their carrying amounts and are not disclosed separately.

The fair value of trade receivables approximates the amortised cost less any impairment.

The fair value of payables approximates the amortised cost.

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

# Flinders Shire Council

## Notes to the Financial Statements

For the year ended 30 June 2013

### Note 1. Summary of Significant Accounting Policies (continued)

All other disclosures relating to the measurement and financial risk management of financial instruments are included in Note 27.

#### 1I Cash and Cash Equivalents

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

#### 1J Receivables

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

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

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

Because Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, Council does not impair any rate receivables unless it can be foreseen that the recoverable amount will be less than the outstanding rate debt.

Loans and advances are recognised in the same way as other receivables. Terms are usually a

maximum of five years with interest charged at commercial rates. Security is not normally obtained.

#### 1K Inventories

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

Inventories held for distribution are:

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

These goods are valued at cost, adjusted, when applicable, for any loss of service potential.

Land acquired by Council with the intention of reselling it (with or without further development) is classified as inventory. This land is valued at the lower of cost or net realisable value. As an inventory item, this land held for resale is treated as a current asset. Proceeds from the sale of this land will be recognised as sales revenue on the signing of a valid unconditional contract of sale.

#### 1L Investments

Term deposits in excess of six months are reported as investments, with deposits of less than six months being reported as cash equivalents. At 30 June 2013 Council did not have any term deposits in excess of six months.

#### 1M Property, Plant & Equipment

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. Items of plant and equipment with a total value of less than \$5,000, and infrastructure assets and buildings with a total value of less than \$10,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

# Flinders Shire Council

## Notes to the Financial Statements

For the year ended 30 June 2013

### Note 1. Summary of Significant Accounting Policies (continued)

The class and useful lives of property, plant and equipment recognised by the Council are:

- Land and Land Improvements – not depreciated;
- Buildings and Other Structures – 10-100 Years;
- Plant and Equipment – 3-5 Years;
- Recreation Facilities – 5-70 Years;
- Corporate and IT – 3-50 Years;
- Road Network – 10-100 Years;
- Water Network – 20-100 Years;
- Sewer Network – 5-60 Years;
- Stormwater Drainage Network – 50 Years;
- Waste / Landfill - 5 Years; and
- Work in Progress – not depreciated.

#### Acquisition of assets

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

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

#### Capital and operating expenditure

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

#### Valuation

Land and Land Improvements, Buildings and Other Structures, Recreation Facilities, Road Network, Water Network, Sewer Network and Stormwater Drainage Network assets are measured on the revaluation basis, at fair value, in accordance with AASB 116 Property, Plant & Equipment. Plant and

Equipment, Corporate and IT, Waste/Landfill and Work in Progress 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 is achieved by comprehensively revaluing these assets at least once every five years, with interim valuations using a suitable index being otherwise performed on an annual basis where there has been a material variation in the index.

An analysis performed by management has indicated that, on average, the variance between an indexed asset value and the valuation by an independent valuer when performed is not significant and the indices used by Council are sound. Further details in relation to valuers, the methods of valuation and the key assumptions used are disclosed in Note 14.

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

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

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

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

#### 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.

#### Depreciation

Land is not depreciated as it has an unlimited useful life. Depreciation on other property, plant and equipment assets is calculated on a straight-line basis



# Flinders Shire Council

## Notes to the Financial Statements

For the year ended 30 June 2013

### Note 1. Summary of Significant Accounting Policies (continued)

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. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

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

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

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

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

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The condition assessments performed as part of the annual valuation process for assets measured at depreciated current replacement cost are used to estimate the useful lives of these assets at each reporting date. Details of the range of estimated useful lives for each class of asset are shown above.

#### Land under roads

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

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

### 1N Impairment of Non-Current Assets

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

An impairment loss is recognised as an expense in the Statement of Profit and Loss and Other Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation 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 surplus increase.

### 10 Leases

Leases where substantially all the risks and benefits remain with the lessor are classified as operating leases.

#### Operating leases

Payments made under operating leases are expensed in equal instalments over the accounting periods covered by the lease term, except where an

## Flinders Shire Council

### Notes to the Financial Statements

For the year ended 30 June 2013

#### Note 1. Summary of Significant Accounting Policies (continued)

alternative basis is more representative of the pattern of benefits to be derived from the leased property.

#### 1P 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.

#### 1Q Liabilities - Employee Benefits

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

##### Wages and salaries

A liability for wages and salaries is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date. This liability represents an accrued expense and is reported in Note 15 as a payable.

##### Annual leave

A liability for annual leave is recognised. Amounts expected to be settled within 12 months (the current portion) are calculated on current wage and salary levels and includes related employee on-costs. Amounts not expected to be settled within 12 months (the non-current portion) are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values. This liability represents an accrued expense and is reported in Note 15 as a payable.

##### Superannuation

The superannuation expense for the reporting period is the amount of the contribution the Council makes

to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in Note 23.

##### Long service leave

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value. This liability is reported in Note 16 as a provision.

#### 1R Restoration Provision

A provision is made for the cost of restoration in respect of refuse dumps where it is probable the Council will be liable, or required, to incur such a cost on the cessation of use of these facilities. The provision is measured at the expected cost of the work required, discounted to current day values using the QTC lending rate with a maturity date corresponding to the anticipated date of the restoration.

##### Refuse dump restoration

The provision represents the present value of the anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for dump sites is

# Flinders Shire Council

## Notes to the Financial Statements

For the year ended 30 June 2013

### Note 1 Summary of Significant Accounting Policies (continued)

reviewed at least annually and updated based on the facts and circumstances available at the time.

A new refuse site has been constructed in McLaren Street and the old site been closed. Management estimates that restoration of the old site on the Hann Highway will occur over the next twelve months. Management expects that any costs beyond twelve months will be minimal and will be expensed as site maintenance in the year that they are incurred.

As refuse dumps are on state reserve land which the Council does not control, the provision for restoration is treated as an expense in the year the provision is first recognised. Changes in the provision are treated as an expense or income.

#### 1S Asset Revaluation Surplus

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

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

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

When an asset is disposed of, the amount in surplus in respect of that asset is retained in the asset revaluation surplus and not transferred to retained surplus.

#### 1T Retained Surplus

In reference to the comparative figures for the year ended 30 June 2013, this represents the amount of Council's net funds not set aside in reserves to meet specific future needs.

#### 1U National Competition Policy

The Council has reviewed its activities to identify its business activities. Details of these activities are disclosed in Note 28.

#### 1V Shire Capital

This represents the amount needed to be retained in the form of net assets to maintain the service level provided, less amounts held in asset revaluation surplus. Council made a decision during the year to transfer Shire Capital to Retained Profits. Details are disclosed at 1X.

#### 1W Reserves

##### Community facilities reserve

This reserve represents amounts set aside for the contribution towards the construction of Hughenden Centre for the Aged.

##### Water replacement reserve

This reserve represents amounts set aside for contribution towards new water infrastructure.

##### Constrained grants reserve (capital)

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

##### Plant replacement reserve

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

##### Constrained grants reserve (recurrent)

This reserve contains grants, subsidies and contributions of monetary revenue received during the reporting period which are constrained for the purpose of funding specific operating expenditure. As expenditure is incurred, the equivalent amounts are transferred to retained surplus.

Council's cash and cash equivalents are subject to a number of internal restrictions that limit the amount

## Flinders Shire Council

### Notes to the Financial Statements

For the year ended 30 June 2013

#### Note 1. Summary of Significant Accounting Policies (continued)

that is available for discretionary future use. In prior years Council accounted for these restrictions using a system of reserves. Council made a decision during the year to transfer all Reserves to Retained Profits. Details are disclosed at 1X.

#### 1X Change in Accounting Policy

Flinders Shire Council has changed its policy in relation to the creation of reserves for future expenditures. It is noted that whilst reserves are permitted in accordance with the Local Government (Finance, Plans and Reporting) Regulation 2010 for budgetary purposes, this however does not impose a specific requirement in respect of the Financial Statements.

The issue of disclosing non-IFRS financial information, such as reserve accounting, has also been raised by the Australian Securities and Investment Commission (ASIC) in its Regulatory Guide 230 (RG230). While RG230 is not mandatory for local governments, it reflects that non-IFRS financial information should not be reported prominently in the financial report.

Accordingly the Flinders Shire Council has now dispensed with its Shire Capital and Reserves and transferred these to the Retained Surplus as disclosed in Notes 18, 19 and 20.

#### 1Y Rounding and Comparatives

Amounts included in the financial statements have been rounded to the nearest \$1,000 unless otherwise indicated.

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

#### 1Z Trust funds held for outside parties

Funds held in the trust account on behalf of outside parties include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies (e.g. wages) paid into the trust account by the Council. The Council performs only a custodian role in respect of

these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements.

The monies are disclosed in the notes to the financial statements for information purposes only in Note 24.

#### 1AA 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.

#### 1AB Adoption of New and Revised Accounting Standards

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

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

##### Effective 1 January 2013:

- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 12 Disclosure of Interests in other entities
- AASB 13 Fair Value Measurement
- AASB 119 Employee Benefits (completely replaces existing standard)
- AASB 127 Separate Financial Statements (replaces the existing standard together with AASB 10)
- AASB 128 Investments in Associates and Joint Ventures (replaces the existing standard)
- AASB 2010-10 Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters



## Flinders Shire Council

### Notes to the Financial Statements

For the year ended 30 June 2013

#### Note 1. Summary of Significant Accounting Policies (continued)

- AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards
- AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13
- AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)
- AASB 2011-12 Amendments to Australian Accounting Standards arising from interpretation 20 (AASB 1)
- AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities
- AASB 2012-4 Amendments to Australian Accounting Standards – Government Loans (AASB 1)
- AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle (AASB 1, AASB 101, AASB 116, AASB 132 & AASB 134 and Interpretation 2)
- AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures (AASB 9, AASB 2009-11, AASB 2010-7, AASB 2011-7 & AASB 2011-8)
- AASB 2012-9 Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039
- AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments (AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Interpretation 12)
- Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

##### Effective 1 July 2013:

- AASB 1053 Application of Tiers of Australian Accounting Standards
- AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements
- AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements
- AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key

- Management Personnel Disclosure Requirements
- AASB 2011-6 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements
- AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements
- AASB 2012-1 Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements (AASB 3, AASB 7, AASB 13, AASB 140 & AASB 141)
- AASB 2012-7 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (AASB 7, AASB 12, AASB 101 & AASB 127)
- AASB 2012-11 Amendments to Australian Accounting Standards – Reduced disclosure Requirements and Other Amendments (AASB 1, AASB 2, AASB 8, AASB 10, AASB 107, AASB 128, AASB 133, AASB 134 & AASB 2011-4)

##### Effective 1 January 2014:

- AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (AASB 132)

##### Effective 1 July 2014:

- AASB 1055 Budgetary Reporting
- AASB 2013-1 Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements

##### Effective 1 January 2015:

- AASB 9 Financial Instruments (December 2009)
- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)

##### AASB 13 Fair Value Measurement (AASB 13)

AASB 13 applies to reporting periods beginning on or after 1 January 2013 and will therefore be applied by Council in the 2013-2014 reporting period. This standard is not required to be applied retrospectively; therefore there is no impact from the application of AASB 13 to values or other disclosures in the 2012-13 financial statements.

## Flinders Shire Council

### Notes to the Financial Statements

For the year ended 30 June 2013

#### Note 1. Summary of Significant Accounting Policies (continued)

The standard sets out a new definition of "fair value", as well as new principles to be applied when determining the fair value of assets and liabilities (excluding leases) that are measured and/or disclosed at fair value or another measurement based on fair value. The new requirements will apply to all of the Council's assets and liabilities (excluding leases) that are measured and/or disclosed at fair value or another measurement based on fair value. The key changes will relate to the level of disclosures required.

The Flinders Shire Council has commenced reviewing its fair value methodologies (including instructions to valuers, data used and assumptions made) for all items of property, plant and equipment measured at fair value to determine whether those methodologies comply with AASB 13. To the extent that the methodologies don't comply, the necessary changes will be implemented. While the Council is yet to complete this review, no significant changes are anticipated, based on the fair value methodologies presently used. Therefore, at this stage, no consequential material impacts are expected for the Flinders Shire Council's property, plant and equipment in 2013-14.

AASB 13 will require an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. The recognised fair values will be classified according to the following fair value hierarchy that reflects the significance of the inputs used in making these measurements:

Level 1 – Fair values that reflect the unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 – Fair values that are based on inputs other than quoted prices that are directly or indirectly observable for the asset or liability

Level 3 – Fair values that are derived from data not observable in a market.

To the extent that any fair value measurement for an asset or liability uses data that is not "observable" outside the Council, the amount of information to be disclosed will be relatively greater.

#### Amendments to AASB 119 Employee Benefits

A revised version of AASB 119 Employee Benefits applies from reporting periods beginning on or after 1 January 2013. The revised AASB 119 is generally to be applied retrospectively.

The revised standard includes changed criteria for accounting for employee benefits as "short-term employee benefits". Had Flinders Shire Council applied the revised standard this year annual leave currently classified as a "short-term benefit" would have been reclassified as a "long-term benefit". However, no reported amounts would have been amended as the Council already discounts the annual leave liability to present value in respect of amounts not expected to be settled within 12 months (refer Note 1Q).

The concept of "termination benefits" is clarified and the recognition criteria for liabilities for termination benefits will be different. If termination benefits meet the timeframe criterion for "short-term employee benefits", they will be measured according to the AASB 119 requirements for "short-term employee benefits". Otherwise, termination benefits will need to be measured according to the AASB 119 requirements for "other long-term employee benefits". Under the revised standard, the recognition and measurement of employer obligations for "other long-term employee benefits" will need to be accounted for according to most of the requirements for defined benefit plans.

The revised AASB 119 also includes changed requirements for the measurement of employer liabilities/assets arising from defined benefit plans, and the measurement and presentation of changes in such liabilities/assets. Flinders Shire Council contributes to the Local Government Superannuation Scheme (QLD) as disclosed in Note 23. The revised standard will require Flinders Shire Council to make additional disclosures regarding the Defined Benefits Fund element of the scheme.

The reported results and position of the Council will not change on adoption of the other pronouncements as they do not result in any changes to the Council's existing accounting policies. Adoption will, however, result in changes to information currently disclosed in the financial statements. The Council does not intend to adopt any of these pronouncements before their effective dates.

## Flinders Shire Council

### Notes to the Financial Statements

For the year ended 30 June 2013

#### Note 1. Summary of Significant Accounting Policies (continued)

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##### **1AC Carbon Pricing**

In 2011 the Australian Government introduced a Clean Energy Legislation package. One aspect of this package, which impacts Council indirectly, is the introduction of a pricing mechanism for greenhouse gas emissions in the Australian economy.

Council operates a number of small landfill facilities that have annual emissions of carbon dioxide equivalent that are below the individual site threshold of 25,000 tonnes. Council modelling indicates that the facilities are unlikely to exceed this threshold in the foreseeable future therefore no direct liability has arisen, or is likely to arise as a result of this legislation.

Council has been, and will continue to be indirectly impacted through increased costs arising from the carbon pricing mechanism. The most significant of these will be electricity and fuel. Commonwealth Treasury modelling published in July 2011 in the document "Strong growth, low pollution modelling a carbon price" indicates that the carbon pricing is expected to increase electricity prices by 10% within 5 years from 1 July 2012 and increase other costs by 0.7% on inflation. In addition fuel tax credits will be progressively reduced over the initial fixed price period.

Council's modelling indicates that the impact of electricity and fuel increases, due to carbon pricing, is not material to overall expenses.

## Flinders Shire Council

### Notes to the Financial Statements

For the year ended 30 June 2013

## Note 2(a). Council Functions - Component Descriptions

**Details relating to the Council's functions / activities as reported in Note 2(b) are as follows:**

### OUR GOVERNANCE

We will work as a team and act with pride, accountability, transparency and integrity to deliver services to our residents. This function includes the following:

- Elected Members, Corporate Operations, Shire Office, Statutory Requirements;
- Finance, Rates, Information Technology, Risk Management, Employee Housing;
- Employee Provisions, Human Resources, Animal Control; and
- Engineering Technical Services, Store and Procurement, Plant Operations, Workshop and Depot Operations.

### OUR ECONOMY

We will approach all business aspects of the Shire in a manner that promotes growth and sustainability to achieve the best possible outcome. This function includes the following:

- Airports, Caravan Park, Saleyards, Cemeteries, Mitez Projects and Hann Highway Development;
- Main Roads Contracts, Private Works, Town Planning, Industrial Estate Development; and
- Area Promotion, Flinders Discovery Centre, Interpretive Signage, Porcupine Gorge Challenge, Tourism.

### OUR ENVIRONMENT

We will provide stewardship to maintain, protect and enhance our natural environment whilst supporting new and existing industries. This function includes the following:

- Refuse Collection & Disposal, Waste / Landfill, Environmental Health and Noxious Weeds Control.

### OUR COMMUNITY

We will work with our community to provide an appealing lifestyle with the available resources to build a healthy, happy and caring community. This function includes the following:

- Our Library, Community Bus, Centrelink Services, Arts & Culture, Emergency Services (SES);
- Swimming Pool, Racecourse, Skate Park, Showgrounds, Community Development, Community Small Grants;
- Hughenden Centre for the Aged, Aged Housing, Halls & Community Centres;
- Home and Community Care Over 65's, Meals on Wheels, Disability Services, CACPs, EACH, Veterans Home Care;
- Personal Helpers and Mentors Program (SOLAS), QCCS Under 65's; and
- TV & Radio Services, Street Lighting, Rural Lands Water Facilities, Parks, Gardens and Reserves.

### OUR INFRASTRUCTURE

We will aim to continuously improve products, services and processes through sustainable management of Council's core assets. This function includes the following:

- Shire Roads, Town Streets, Stormwater Drainage, Water Services and Sewer Services.

### OUR RESOURCES

This function includes the following:

- Rural Lands Stock Routes, Pest and Vermin Destruction, Irrigation Project and Flinders River Water Forum.



# Flinders Shire Council

## Notes to the Financial Statements

For the year ended 30 June 2013

### Note 2(b). Analysis of Results by Function

Functions - for the year ended 30 June 2013	Gross Program Income						Total Income	Gross Program Expenses		Net Result from Recurring Operations	Net Result	Total Assets
	Recurring		Capital		Recurring	Capital						
	Grants	Other	Grants	Other								
	2013	2013	2013	2013								
\$'000							2013	2013	2013	2013	2013	2013
Our Governance	4,169	2,570	58	138		6,935	(3,846)	-	2,893	3,089	26,222	
Our Economy	-	23,883	-	-		23,883	(16,725)	-	7,158	7,158	5,920	
Our Environment	20	191	-	-		211	(1,044)	-	(833)	(833)	546	
Our Community	1,092	263	2,246	-		3,601	(3,049)	-	(1,694)	552	22,187	
Our Infrastructure	1,180	1,211	8,031	-		10,422	(5,351)	-	(2,960)	5,071	124,243	
Our Resources	20	62	-	-		82	(135)	-	(53)	(53)	-	
Total	6,481	28,180	10,335	138		45,134	(30,150)	-	4,511	14,984	179,118	

Functions - for the year ended 30 June 2012	Gross Program Income						Total Income	Gross Program Expenses		Net Result from Recurring Operations	Net Result	Total Assets
	Recurring			Capital				Recurring	Capital			
	Grants	Other	2012	Grants	Other	2012						
\$'000	2012	2012	2012	2012	2012	2012	2012	2012	2012	2012	2012	2012
Our Governance	4,495	2,542		35	48		7,120	(3,144)	(849)	3,893	3,127	27,210
Our Economy	10	11,900		-	-		11,910	(7,093)	-	4,817	4,817	5,926
Our Environment	-	171		-	-		171	(707)	-	(536)	(536)	613
Our Community	1,062	295		2,246	-		3,603	(2,879)	-	(1,522)	724	20,356
Our Infrastructure	1,493	1,113		7,743	-		10,349	(4,509)	(8,563)	(1,903)	(2,723)	110,714
Our Resources	2	78		22	-		102	(285)	-	(205)	(183)	2
Total	7,062	16,099		10,046	48		33,255	(18,617)	(9,412)	4,544	5,226	164,821

# Flinders Shire Council

## Notes to the Financial Statements

For the year ended 30 June 2013

### Note 3. Revenue Analysis

\$ '000	2013	2012
<b>(a). Rates, Levies and Charges</b>		
General Rates / Community Levy	2,005	1,976
Separate Rates	77	77
Water	722	753
Sewerage	633	594
Garbage Charges	187	175
Other	70	3
<b>Total Rates, Levies and Charges</b>	<b>3,694</b>	<b>3,578</b>
Less: Discounts	(492)	(458)
Less: Pensioner remissions	(47)	(48)
<b>TOTAL RATES, LEVIES AND CHARGES</b>	<b>3,155</b>	<b>3,072</b>
<b>(b). Fees and Charges</b>		
Building and Development Fees	10	11
Infringements	2	1
Licences and Registrations	22	22
Airport Landing Fees	47	53
Caravan Park	484	200
Parks and Reserves	139	160
Saleyards	58	88
Community Care Packages	30	51
Private Works	20	47
Cemetery and Funeral	48	72
Other Fees and Charges	156	92
<b>TOTAL FEES AND CHARGES</b>	<b>1,016</b>	<b>797</b>
<b>(c). Rental Income</b>		
Rental Income	92	72
<b>TOTAL RENTAL INCOME</b>	<b>92</b>	<b>72</b>

## Flinders Shire Council

### Notes to the Financial Statements

For the year ended 30 June 2013

### Note 3. Revenue Analysis

\$ '000	2013	2012
<b>(d). Interest Received</b>		
Interest Received from Term Deposits	61	143
Interest Received from Other Sources	240	282
Interest from Overdue Rates and Utility Charges	24	27
<b>TOTAL INTEREST RECEIVED</b>	<b>325</b>	<b>452</b>

### (e). Sales Revenue

#### Sale of services

Contract and Recoverable Works	22,957	11,275
<b>TOTAL SALES REVENUE</b>	<b>22,957</b>	<b>11,275</b>

The amount recognised as contract and recoverable works revenue during the financial year is the amount receivable in respect of invoices issued during the period. The contract work carried out is not subject to retentions.

### (f). Other Income

Other Income	191	122
Merchandise Income	97	94
Insurance Claims Recoveries	62	131
Corporate Service Recoveries	198	84
Land Sales Income	87	-
<b>TOTAL OTHER INCOME</b>	<b>635</b>	<b>431</b>

## Flinders Shire Council

### Notes to the Financial Statements

For the year ended 30 June 2013

#### Note 4. Grants, Subsidies and Donations

\$ '000	2013	2012
<b>(a) Recurrent</b>		
General Purpose Grants	5,197	5,879
State Government Subsidies and Grants	444	772
Commonwealth Government Subsidies and Grants	831	397
Donations	9	14
<b>TOTAL RECURRENT GRANTS, SUBSIDIES, AND DONATIONS</b>	<b>6,481</b>	<b>7,062</b>

#### (b) Capital

State Government Subsidies and Grants	7,291	6,707
Commonwealth Government Subsidies and Grants	3,044	3,339
<b>TOTAL CAPITAL GRANTS, SUBSIDIES, AND DONATIONS</b>	<b>10,335</b>	<b>10,046</b>

#### Note 5. Capital Income

\$ '000	Notes	2013	2012
<b>Gain / Loss on Disposal of Non-Current Assets</b>			
Proceeds from the Sale of PP&E		898	511
Less: Book Value of PP&E Disposed	14	(760)	(463)
<b>TOTAL CAPITAL INCOME</b>		<b>138</b>	<b>48</b>



## Flinders Shire Council

### Notes to the Financial Statements

For the year ended 30 June 2013

#### Note 6. Employee Benefits

\$ '000	Notes	2013	2012
Wages and Salaries		6,125	6,695
Annual, Sick and Long Service Leave Entitlements		939	704
Superannuation	23	657	675
Councillors' Remuneration		233	152
<b>Subtotal Employee Related Expenses</b>		<b>7,954</b>	<b>8,226</b>
Other Employee Related Expenses		330	261
<b>Total Other Employee Related Expenses</b>		<b>8,284</b>	<b>8,487</b>
Less: Capitalised Employee Expenses		(1,864)	(1,474)
<b>TOTAL EMPLOYEE BENEFITS</b>		<b>6,420</b>	<b>7,013</b>

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

#### Total Council Employees at the reporting date:

Administration Staff	37	37
Depot and Outdoors Staff	65	66
Elected Members	7	7
<b>Total Elected Members and Full Time Equivalent Employees</b>	<b>109</b>	<b>110</b>

#### Note 7. Materials and Services

\$ '000	2013	2012
Advertising and Marketing	253	252
Audit Services	57	41
Communications and IT	271	259
Community Services	3,410	1,297
Donations Paid	6	19
Recoverable Works	12,841	3,360
Road Construction	708	465
Special Projects	278	136
Other Materials and Services	650	1,180
<b>TOTAL MATERIALS AND SERVICES</b>	<b>18,474</b>	<b>7,009</b>

## Flinders Shire Council

### Notes to the Financial Statements

For the year ended 30 June 2013

#### Note 8. Finance Costs

\$ '000	2013	2012
Finance Costs - Queensland Treasury Corporation	4	5
Bank Charges	12	9
Impairment of Debts	(2)	-
<b>TOTAL FINANCE COSTS</b>	<b>14</b>	<b>14</b>

#### Note 9. Depreciation

\$ '000	Notes	2013	2012
<b>Depreciation of Non Current Assets</b>			
Buildings and Other Structures		529	348
Recreation Facilities		23	22
Plant and Equipment		1,378	1,390
Corporate and IT		24	20
Road Network		2,440	1,993
Water Network		139	137
Sewer Network		578	575
Stormwater Drainage Network		5	-
Waste / Landfill		126	96
<b>TOTAL DEPRECIATION</b>	14	<b>5,242</b>	<b>4,581</b>

## Flinders Shire Council

### Notes to the Financial Statements

For the year ended 30 June 2013

### Note 10. Capital Expenses

\$ '000	Notes	2013	2012
<b>(a) Provision for Restoration of Refuse Facilities</b>			
	16		
Discount Rate Adjustment to Restoration Provision		-	1
<b>Total Provision for the Restoration of Refuse Facilities</b>		<b>-</b>	<b>1</b>

### (b) Other capital expenses

Write-Off of Flood Damaged Road Assets	-	8,565
Write-Off of Shire Office	-	846
<b>Total Other Capital Expenses</b>	<b>-</b>	<b>9,411</b>

The loss on Write-Off of Assets was in relation to Shire Roads that were flood damaged in December of 2011. This assessment was made on a condition basis by GHD Asset Managers in consultation with Council's Project Engineer.

Council's Shire Office was scheduled to be demolished on 13 August 2012. At the 30 June 2012 Council was still conducting daily business operations from the Old Office. Council reassessed the remaining life of the building asset to nil which resulted in the building being fully written off at year end.

<b>TOTAL CAPITAL EXPENSES</b>	<b>-</b>	<b>9,412</b>
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# Flinders Shire Council

## Notes to the Financial Statements

For the year ended 30 June 2013

### Note 11. Cash and Cash Equivalents

\$ '000	Notes	2013	2012
<b>Cash and Cash Equivalents</b>			
Cash at Bank and on Hand		8	1
Cash Equivalent Assets			
- Deposits at Call		4,950	8,480
- Term Deposits		1,124	2,193
<b>TOTAL CASH AND CASH EQUIVALENTS</b>		<b>6,082</b>	<b>10,674</b>

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:

Cash at Bank and on Hand		8	1
Cash and Cash Equivalents		6,074	10,673
Bank Overdraft	15	-	(408)
<b>BALANCE AS PER STATEMENT OF CASH FLOWS</b>		<b>6,082</b>	<b>10,266</b>

### Restricted Cash and Cash Equivalents

Council's Cash and Cash Equivalents are subject to a number of Internal and External Restrictions that limit amounts available for discretionary or future use. These include:

Externally imposed Expenditure Restrictions at the reporting date relate to the following cash assets:

Unspent Government Operating Grants - Various	93	751
Unspent Government Operating Grants - Commonwealth HACC Program	19	-
Unspent Government Operating Grants - Qld Community Care Services (QCCS)	20	-
Unspent Government Capital Grants - Various	45	-
Unspent Government Capital Grants - Sewerage		643
Unspent Government Capital Grants - RTR	245	429
<b>Total External Restrictions</b>	<b>422</b>	<b>1,823</b>

\*Internally imposed Expenditure Restrictions at the reporting date (previously allocated to Reserves):

Water Infrastructure Reserve	60	50
<b>Total Internal Restrictions</b>	<b>60</b>	<b>50</b>
<b>TOTAL UNSPENT RESTRICTED CASH</b>	<b>482</b>	<b>1,873</b>

Unspent Government Operating Grants represent the total amount of grants held in cash not yet used. Government Capital Grants are retained as they are required to be spent on specific purpose projects.

Cash and term deposits are held in the National Australia Bank in normal term deposits and business cheque accounts. The bank currently has a short term credit rating of A1+ and long term rating of AA-.

Deposits at call are held with Queensland Treasury Corporation in a capital guarantee cash fund.



## Flinders Shire Council

### Notes to the Financial Statements

For the year ended 30 June 2013

#### Note 12. Trade and Other Receivables

\$ '000	2013	2012
<b>Current</b>		
Rateable Revenue and Utility Charges	173	226
Less: Impairment	(27)	(29)
Other Debtors	8,003	4,682
GST Recoverable	349	493
Prepayments	127	198
Other	(2)	-
<b>TOTAL CURRENT TRADE AND OTHER RECEIVABLES</b>	<b>8,623</b>	<b>5,570</b>

#### Non-Current

Other Debtors	-	1
<b>TOTAL NON-CURRENT TRADE AND OTHER RECEIVABLES</b>	<b>-</b>	<b>1</b>

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

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

#### Note 13. Inventories

\$ '000	2013	2012
<b>Current Inventories</b>		
<b>(a) Inventories held for sale</b>		
Miscellaneous Saleable Items	42	38
<b>(b) Inventories held for distribution</b>		
Plant and Equipment Stores	295	199
<b>(c) Land purchased for development and sale</b>	<b>78</b>	<b>23</b>
<b>TOTAL CURRENT INVENTORIES</b>	<b>415</b>	<b>260</b>

## Financial Statements 2013

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## Flinders Shire Council

### Notes to the Financial Statements

For the year ended 30 June 2013

#### Note 14. Property, Plant & Equipment (continued)

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

##### Land and Land Improvements

Land and Land Improvements have been included at current market value as at 30 June 2011 as determined by APV Valuers & Asset Management, Registered Valuers. In their methodology APV determined that an analysis of available market evidence indicated that the direct comparison approach to the land valuations was the most appropriate method. Specific considerations were given to land where the land was not representative of surrounding land uses. For example zonings or contaminated sites.

No index was applied for the year ended 30 June 2013 to Land and Land Improvements as the movement in recent land sales has not resulted in an increase in land values.

Land under infrastructure and reserve land does not have a value for the purpose of the Flinders Shire Council's Financial Statements.

##### Buildings and Other Structures

There is no market for Council's buildings as these are held to provide essential services to the community. Accordingly the fair value of all building assets is measured at written down current replacement cost. The fair value of buildings Buildings and Other Structures were valued by APV Valuers & Asset Management, Registered Valuers as at 30 June 2011. The valuation of the buildings, structural improvements and site services includes those items which form part of the building services installation. The value was derived from reference to costing guides issued by the Australian Institute of Quantity Surveyors, Rawlinson's Construction Handbook and APV's internal market research and costings.

##### Recreation Facilities

Recreation Facilities were valued by APV Valuers & Asset Management, Registered Valuers as at 30 June 2011. The value was derived from reference to costing guides issued by the Australian Institute of Quantity Surveyors, Rawlinson's Construction Handbook and APV's internal market research and costings.

##### Plant and Equipment

Plant and Equipment is measured at original cost less accumulated depreciation.

##### Corporate and IT

Corporate and IT (Information Technology) is measured at original cost less accumulated depreciation.

##### Road Network

Road Network assets have been revalued at the 30 June 2012 as determined by Mr Harold Lancaster, GHD, Asset Management, Building & Structures and Water, Gympie. GHD were commissioned by Council to revise and update the valuation rates for its road network.

In their methodology GHD determined the unit rates through the research of various sources including Flinders Shire Council unit rates for existing capital works, GHD unit rates developed for Local Government Infrastructure Services (LGIS) flood affected restoration works across Queensland, Queensland Reconstruction Authority (QRA) benchmarked unit rates and Rawlinsons Construction Handbook.

## Flinders Shire Council

### Notes to the Financial Statements

For the year ended 30 June 2013

#### Note 14. Property, Plant & Equipment (continued)

##### Road Network (continued)

The unit rates adopted for the revaluation of Flinders Shire Council's road network were predominantly from QRA. Where unit rates were not available from QRA, the rates developed for the LGIS flood restoration works were used. Condition assessments were also determined by GHD identifying defects and quantifying the defects and their location. The condition matrix below was applied.

Score	Terminology	Description
1	Excellent	Asset has no defects. Condition and appearance as new.
2	Good	Asset exhibits superficial wear and tear, minor defects and minor signs of deterioration but does not require any major maintenance. No major defects exist and there is no backlog of maintenance work.
3	Average	Asset is in average condition. Services are functional, but require attention. A backlog of maintenance work exists, which will be addressed through scheduled maintenance activities.
4	Poor	Asset has deteriorated badly, serious structural problems, general appearance is poor, elements are defective, services frequently failing. A significant number of major defects exist and/or safety compromised.
5	Very Poor	Asset has or will fail, is not operational and/or is unfit for normal use and/or safety compromised. Immediate Replacement or Renewal is required.

The average unit rates used in the valuation are shown in the table below.

Description	Unit Rate	Unit
Formation	\$29.71	m3
Pavement	\$61.68	m3
Bitumen Seal	\$12.63	m2
Concrete Floodway	\$458.77	m2
Bridge	\$1,407.37	lm

##### Water and Sewer Network

Water and Sewer Network was revalued by Council's Project Engineer as at 30 June 2011. The unit rates for this valuation were determined from Council's existing capital works. In 2012 after reviewing the ABS Construction Index, Council's engineers decided not to apply the index to water and sewer assets as the index movement was not considered material.

##### Stormwater Drainage Network

Stormwater Drainage is a new asset brought into the Statement of Financial Position at cost in 2013. This asset will be valued at fair value in future years.

##### Waste / Landfill

Waste / Landfill is measured at original cost less accumulated depreciation.



## Flinders Shire Council

### Notes to the Financial Statements

For the year ended 30 June 2013

#### Note 15. Trade and Other Payables

\$ '000	2013	2012
<b>Current</b>		
Creditors and Accruals	560	1,080
Bank Overdraft	-	408
Annual Leave	465	355
Goods Received not yet Invoiced	149	66
Security Bonds, Deposits and Retentions	1	-
Payments Received in Advance	22	-
Other Employee Entitlements	17	24
<b>TOTAL TRADE AND OTHER PAYABLES</b>	<b>1,214</b>	<b>1,933</b>
<b>Non-Current</b>		
Annual Leave	190	211
<b>TOTAL NON-CURRENT TRADE AND OTHER PAYABLES</b>	<b>190</b>	<b>211</b>

#### Note 16. Provisions

\$ '000	2013	2012
<b>Current</b>		
Long Service Leave	170	123
Refuse Restoration	58	83
<b>TOTAL CURRENT PROVISIONS</b>	<b>228</b>	<b>206</b>
<b>Non-Current</b>		
Long Service Leave	516	462
<b>TOTAL NON-CURRENT PROVISIONS</b>	<b>516</b>	<b>462</b>

#### Details of movements in Provisions:

Class of Provision	Opening Balance as at 01/07/2012	Additional Provision	Decrease due to Payments	Remeasure-ment due to Discounting	Unused Amounts Reversed	Closing Balance as at 30/06/2013
Long Service Leave	585	114	(17)	(148)	(58)	686
Refuse Restoration	83	-	(25)	-	-	58
<b>TOTAL</b>	<b>668</b>	<b>114</b>	<b>(42)</b>	<b>(148)</b>	<b>(58)</b>	<b>744</b>

#### Refuse restoration

This is the present value of the estimated cost of restoring the refuse disposal site to a rehabilitated state. Rehabilitation commenced in 2013 and will continue over the next twelve months. The projected cost of the future works is \$58,186.48.

## Flinders Shire Council

### Notes to the Financial Statements

For the year ended 30 June 2013

### Note 17. Asset Revaluation Surplus

\$ '000	2013	2012
<b>Movements in the Asset Revaluation Surplus:</b>		
Balance at beginning of financial year	87,397	59,139
<b>Net adjustment to non-current assets at end of period to reflect a change in current fair value:</b>		
Buildings and Other Structures	(23)	-
Road Network	-	28,258
<b>BALANCE AT END OF THE FINANCIAL YEAR</b>	<b>87,374</b>	<b>87,397</b>

### Asset Revaluation Surplus Analysis

The closing balance of the Asset Revaluation Surplus comprises the following asset categories:

Land and Land Improvements	2,786	2,786
Buildings and Other Structures	20,025	20,048
Road Network	60,841	60,841
Water Network	1,827	1,827
Sewer Network	1,895	1,895
<b>Balance at end of the financial year</b>	<b>87,374</b>	<b>87,397</b>

## Flinders Shire Council

### Notes to the Financial Statements

For the year ended 30 June 2013

#### Note 18. Retained Surplus/(Deficiency)

\$ '000	2013	2012
<b>Movements in the retained surplus:</b>		
<b>Retained Surplus/(Deficit) at Beginning of Financial Year</b>	74,612	2,012
Net Result Attributable to Council	14,984	5,226
<b>Transfers (to)/from Capital Reserves for Future Capital Project Funding, or from Reserves Funds that have been Expended or Closed:</b>		
Unspent Capital Grants Reserve	-	35
Constrained Works Reserve	-	534
Water Infrastructure Reserve	-	40
Shire Capital	-	66,422
<b>Transfers (to)/from Recurrent Reserves for Future Project Funding, or from Reserves funds that have been Expended or Closed:</b>		
Recurrent Expenditure Reserve	-	343
<b>RETAINED SURPLUS AT END OF THE FINANCIAL YEAR</b>	<b>89,596</b>	<b>74,612</b>

#### Note 19. Shire Capital

\$ '000	2013	2012
Capital Account Opening Balance	-	66,422
Transfer to/(from) Retained Surplus	-	(66,422)
<b>TOTAL SHIRE CAPITAL</b>	<b>-</b>	<b>-</b>

In 2012 Council decided to combine Shire Capital previously disclosed separately with Retained Surplus in the Financial Statements as Council believes this presents users with more meaningful information as outlined in Note 1X.

## Flinders Shire Council

### Notes to the Financial Statements

For the year ended 30 June 2013

#### Note 20. Reserves

\$ '000

Council's Cash, Cash Equivalents and Investments are subject to a number of External and Internal Restrictions that limit the amount that is available for discretionary or future use. In prior years Council accounted for these Restrictions using a system of Reserves.

The Reserves that have been transferred to Council's Cash, Cash Equivalents and Investment Restrictions are disclosed in Note 11.

There were no movements in reserves in 2013.

#### Movements in reserves in 2012:

	Opening Balance as at 01/07/2011	Tfr from Retained Surplus	Tfr to Retained Surplus	Funds Expended	Other Movement	Closing Balance as at 30/06/2012
<b>Capital Reserves</b>						
Unspent Capital Grants Reserve	35	-	-	(35)	-	-
Community Facilities Reserve	534	-	-	(534)	-	-
Water Infrastructure Reserve	40	-	-	(40)	-	-
<b>Total Capital Reserves</b>	<b>609</b>	<b>-</b>	<b>-</b>	<b>(609)</b>	<b>-</b>	<b>-</b>
<b>Recurrent Reserves</b>						
Future Recurrent Expenditure Reserve	343	-	-	(343)	-	-
<b>Total Recurrent Reserves</b>	<b>343</b>	<b>-</b>	<b>-</b>	<b>(343)</b>	<b>-</b>	<b>-</b>
<b>TOTAL RESERVES</b>	<b>952</b>	<b>-</b>	<b>-</b>	<b>(952)</b>	<b>-</b>	<b>-</b>



# Flinders Shire Council

## Notes to the Financial Statements

For the year ended 30 June 2013

### Note 21. Commitments for Expenditure

\$ '000	2013	2012
<b>(a) Operating leases (Non Cancellable)</b>		
<b>a. Minimum lease payments in relation to non-cancellable operating leases are as follows:</b>		
Within one year	2	2
One to five years	2	4
<b>TOTAL OPERATING LEASES</b>	<b>4</b>	<b>6</b>

### (b) Contractual commitments

Contractual commitments at end of financial year but not recognised in the financial statements are as follows:

Contracts for Grading Shire Roads	-	269
Civica Software Implementation and Licenses	47	74
Civica Software Management and Support	120	-
Other Commitments	345	609
Shire Office	-	2,335
Hughenden Centre for the Aged	192	4,959
Contract and Recoverable Works	260	795
Road Construction	162	383
North Hughenden Sewerage	5	643
Sewerage Treatment Plant	199	-
<b>TOTAL CONTRACTUAL COMMITMENTS</b>	<b>1,330</b>	<b>10,067</b>

## Flinders Shire Council

### Notes to the Financial Statements

For the year ended 30 June 2013

## Note 22. Contingent Liabilities

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### Local Government Mutual

The Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or 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 30 June 2011 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

### Local Government Workcare

The Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$300,038.44

### Details and estimates of maximum amounts are as follows:

Council does not have any Contingent Liabilities.

## Flinders Shire Council

### Notes to the Financial Statements

For the year ended 30 June 2013

#### Note 23. Superannuation

The Council contributes to the Local Government Superannuation Scheme (Qld) (the scheme). The scheme is a Multi-employer Plan as defined in the Australian Accounting Standard AASB119 *Employee Benefits*.

The Queensland Local Government Superannuation Board, the trustee of the scheme, advised that the local government superannuation scheme was a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation.

The Scheme has three elements referred to as:

The City Defined Benefits Fund (CDBF) which covers former members of the City Super Defined Benefits Fund

The Regional Defined Benefits Fund (Regional DBF) which covers defined benefit fund members working for regional local governments; and

The Accumulation Benefits Fund (ABF)

The ABF is a defined contribution Scheme as defined in AASB 119. Council has no liability to or interest in the ABF other than the payment of the statutory contributions as required by the *Local Government Act 2009*.

The Regional DBF is a defined benefit plan as defined in AASB119. The Council is not able to account for the Regional DBF as a defined benefit plan in accordance with AASB119 because the scheme is unable to account to the Council for its proportionate share of the defined benefit obligation, plan assets and costs.

Any amount by which either fund is over or under funded would only affect future benefits and contributions to the Regional DBF, and is not an asset or liability of the Council. Accordingly there is no recognition in the financial statements of any over or under funding of the scheme.

The audited general purpose financial report of the scheme as at 30 June 2012 (the most recent available) which was not subject to any audit qualification, indicates that the assets of the scheme are sufficient to meet the vested benefits.

The most recent actuarial assessment of the scheme was undertaken as at 1 July 2012. The actuary indicated that "the Regional DBF is currently in a satisfactory but modest financial position and remains vulnerable to adverse short and medium term experience."

Following the previous actuarial assessment in 2009, councils were advised by the trustee of the scheme, following advice from the scheme's actuary, that additional contributions may be imposed in the future at a level necessary to protect the entitlements of Regional DBF members. In the 2012 actuarial report the actuary has recommended no change to the employer contribution levels at this time.

Under the *Local Government Act 2009*, the trustee of the scheme has the power to levy additional contributions on councils which have employees in the Regional DBF when the actuary advises such additional contributions are payable - normally when the assets of the DBF are insufficient to meet members' benefits.

The next actuarial investigation will be made as at 1 July 2015.

\$ '000	Notes	2013	2012
The amount of Superannuation Contributions paid by Council to the Scheme in this Period for the benefit of employees was:	6	657	675

## Flinders Shire Council

### Notes to the Financial Statements

For the year ended 30 June 2013

#### Note 24. Trust Funds

\$ '000	2013	2012
<b>Trust funds held for outside parties</b>		
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities	29	28
Security Deposits	12	12
<b>TOTAL TRUST FUNDS HELD FOR OUTSIDE PARTIES</b>	<b>41</b>	<b>40</b>

The Council performs only a custodial role in respect of these monies. As these funds cannot be used by the Council, they are not brought to account in these financial statements.

#### Note 25. Reconciliation of Net Result for the year to Net Cash Inflow/(Outflow) from Operating Activities

\$ '000	2013	2012
Net Result	14,984	5,226
<b>Non Cash Items:</b>		
Depreciation	5,242	4,581
Unwinding of Discount Rates on Reinstatement Provisions	(148)	-
Write Offs of Property, Plant and Equipment	-	9,411
<b>Total Non Cash Items</b>	<b>5,094</b>	<b>13,992</b>
<b>Investing and Development Activities Non Current:</b>		
Net Losses/(Gains) on Disposal of Assets	(138)	(48)
Non Cash Capital Grants and Contributions	(10,335)	(10,046)
<b>Total Investing and Development Activities</b>	<b>(10,473)</b>	<b>(10,094)</b>
<b>Changes in operating assets and liabilities:</b>		
(Increase)/Decrease in Receivables	(3,052)	1,471
(Increase)/Decrease in Inventories	(155)	(1)
Increase/(Decrease) in Payables and Accruals	(520)	(587)
Increase/(Decrease) in Other Liabilities	188	-
Increase/(Decrease) in Employee Leave Entitlements	101	(33)
Increase/(Decrease) in Other Provisions	123	1
<b>Total Changes in Operating Assets and Liabilities</b>	<b>(3,315)</b>	<b>851</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>6,290</b>	<b>9,975</b>

## Flinders Shire Council

### Notes to the Financial Statements

For the year ended 30 June 2013

#### Note 26. Events Occurring After Balance Sheet Date

Council is unaware of any material or significant "non adjusting events" that should be disclosed.

#### Note 27. Financial Instruments

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

Exposure to financial risks is managed in accordance with Council approved policies on financial risk management. These policies focus on managing the volatility of financial markets and seek to minimise potential adverse effects on the financial performance of the Council. The Council minimises its exposure to financial risk in the following ways:

Investments in financial assets are only made where those assets are with a bank or other financial institution in Australia. The Council does not invest in derivatives or other high risk investments

When the Council borrows, it borrows from the Queensland Treasury Corporation unless another financial institution offers a more beneficial rate, taking into account any risk. Borrowing by the Council is constrained by the provisions Council does not enter into derivatives.

Flinders Shire Council measures risk exposure using a variety of methods as follows:

Risk Exposure	Measurement Method
Credit risk	Ageing analysis
Liquidity risk	Maturity analysis
Interest rate risk	Sensitivity analysis

#### Credit Risk Exposure

Credit risk exposure refers to the situation where the Council may incur financial loss as a result of another party to a financial instrument failing to discharge their obligations.

In the case of rate receivables, the Council has the power to sell the property to recover any defaulted amounts. In effect this power protects the Council against credit risk in the case of these debts.

In other cases, the Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

The Council is exposed to credit risk through its investments with the Queensland Treasury Corporation (QTC) and deposits held with banks or other financial institutions. The QTC Cash Fund is an asset management portfolio that invests with a wide variety of high credit rating counterparties. Deposits are capital guaranteed. Other investments are held with highly rated regulated banks and whilst not capital guaranteed, the likelihood of a credit failure is remote.

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

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the gross carrying amount of those assets including of any provision for impairment.

No collateral is held as security relating to the financial assets held by the Council.



## Flinders Shire Council

### Notes to the Financial Statements

For the year ended 30 June 2013

#### Note 27. Financial Instruments (continued)

\$ '000	Notes	2013	2012
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Council's maximum exposure to credit risk is as follows:

#### Financial Assets

Cash and Cash Equivalents	11	6,082	10,674
Receivables - Rates	12	173	226
Receivables - Other	12	7,974	4,654
<b>Subtotal Financial Assets</b>		<b>14,229</b>	<b>15,554</b>

#### Other Credit Exposures

Guarantee	22	300	219
<b>Total Other Credit Exposures</b>		<b>300</b>	<b>219</b>
<b>TOTAL FINANCIAL ASSETS</b>		<b>14,529</b>	<b>15,773</b>

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

\$ '000	Notes	2013	2012
---------	-------	------	------

#### Receivables

Fully Performing		5,196	4,719
Past due:			
- 30 to 60 days overdue		343	102
- 61 to 90 days overdue		2,603	29
- Impaired		27	29
<b>TOTAL RECEIVABLES</b>	<b>12</b>	<b>8,169</b>	<b>4,879</b>

#### Movement in Provision for Impairment of Receivables

Balance at the beginning of the year		29	54
+ new provisions recognised during the year		4	-
- amounts already provided for & written off this year		(2)	-
- amounts provided for but recovered during the year		(2)	-
- previous impairment losses reversed		(2)	(25)
<b>Balance at the end of the year</b>	<b>12</b>	<b>27</b>	<b>29</b>

## Flinders Shire Council

### Notes to the Financial Statements

For the year ended 30 June 2013

#### Note 27. Financial Instruments (continued)

##### Liquidity Risk

Liquidity risk refers to the situation where the Council may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The following table sets out the liquidity risk of financial liabilities held by the Council in the format as it may be provide to management. The amounts disclosed in the maturity analysis represents the contractual undiscounted cash flows at balance date:

\$ '000	0 to 1 year	1 to 5 years	Over 5 years	Total Contractual Cash Flows	Carrying Amount
<b>2013</b>					
Trade and Other Payables	749	-	-	749	749
				749	749
<b>2012</b>					
Bank Overdraft	408	-	-	408	408
Trade and Other Payables	1,170	-	-	1,170	1,170
				1,578	1,578

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

## Flinders Shire Council

### Notes to the Financial Statements

For the year ended 30 June 2013

#### Note 27. Financial Instruments (continued)

##### Interest Rate Risk

The Council is exposed to interest rate risk through investments held with financial institutions.

Council currently has no borrowings.

The Council does not undertake any hedging of interest rate risk.

The following interest rate sensitivity analysis is based on a report similar to that which would be provided to management, depicting the outcome to profit and loss should there be a 1% increase in the market interest rates. The calculations assume that the rate would be held constant over the next financial year, with the change occurring at the beginning of that year. It is assumed that interest rates on overdue rates would not change. If the rates decreased by 1% the impact would be equal in amount in the reverse direction.

\$ '000	Profit & Loss		Equity	
	1% increase	1% decrease	1% increase	1% decrease
<b>2013</b>				
Financial Assets	66	65	66	65
<b>Net Total</b>	<b>66</b>	<b>65</b>	<b>66</b>	<b>65</b>
<b>2012</b>				
Financial Assets	108	107	108	107
<b>Net Total</b>	<b>108</b>	<b>107</b>	<b>108</b>	<b>107</b>

## Flinders Shire Council

### Notes to the Financial Statements

For the year ended 30 June 2013

#### Note 27. Financial Instruments (continued)

##### Fair Value

The fair value of trade and other receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

The fair value of borrowings with QTC is based on the market value of debt outstanding. The market value of a debt obligation is the discounted value of future cash flows based on prevailing market rates and represents the amount required to be repaid if this was to occur at balance date. The market value of debt is provided by QTC and is discussed below.

QTC applies a book rate approach in the management of debt and interest rate risk, to limit the impact of market value movements to clients' cost of funding. The book value represents the carrying value based on amortised cost using the effective interest method.

\$ '000	Notes	Carrying Value		Fair Value	
		2013	2012	2013	2012
Financial Assets					
Cash and Cash Equivalents	11	6,082	10,674	6,082	10,674
Receivables	12	8,623	5,571	8,623	5,571
Total Financial Assets		14,705	16,245	14,705	16,245
Financial Liabilities					
Bank Overdraft	15	-	408	-	408
Payables	15	749	1,170	749	1,170
Total Financial Liabilities		749	1,578	749	1,578

Fair Value is determined as follows:

- **Cash & Cash Equivalents, Receivables, Payables** - are estimated to be the carrying value which approximates mkt value.
- **Borrowings & Held to Maturity Investments** - are based upon estimated future cash flows discounted by the current market interest rates applicable to assets & liabilities with similar risk profiles, unless quoted market prices are available.
- Financial Assets classified (i) "**at fair value through profit & loss**" or (ii) **Available for Sale** - are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

# Flinders Shire Council

## Notes to the Financial Statements

For the year ended 30 June 2013

### Note 28. National Competition Policy

#### Business activities to which the code of competitive conduct is applied

Flinders Shire Council applies the competitive code of conduct to the following activities:

Roads                      Water                      Sewerage

This requires the application of full cost pricing, identifying the cost of community service obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity.

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

The following activity statements are for activities subject to the competitive code of conduct:

	Roads	Water	Sewerage
\$ '000			
<b>2013</b>			
Revenue for services provided to the Council	-	79	64
Revenue for services provided to external clients	22,957	738	636
Community service obligations	-	183	101
	22,957	1,000	801
Less : Expenditure	(21,301)	(983)	(1,020)
<b>Surplus/(Deficit)</b>	<b>1,656</b>	<b>17</b>	<b>(219)</b>

#### Description of CSO's provided to business activities:

Activities	CSO Description	Actual
Water Activities	Providing free services to public areas	183
Sewerage Activities	Providing free services to public areas	101

	Roads	Water	Sewerage
\$ '000			
<b>2012</b>			
Revenue for services provided to the Council	-	69	59
Revenue for services provided to external clients	11,245	657	1,187
Community service obligations	-	183	101
	11,245	909	1,347
Less : Expenditure	(11,594)	(803)	(983)
<b>Surplus/(Deficit)</b>	<b>(349)</b>	<b>106</b>	<b>364</b>

#### Description of CSO's provided to business activities:

Activities	CSO Description	Actual
Water Activities	Providing free services to public areas	183
Sewerage Activities	Providing free services to public areas	101



## Flinders Shire Council

### Notes to the Financial Statements

For the year ended 30 June 2013

#### Note 29. Council Information & Contact Details

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**Principal Place of Business:**

34 Gray Street  
HUGHENDEN QLD 4821

**Contact Details****Mailing Address:**

PO Box 274  
HUGHENDEN QLD 4821

**Opening Hours:**

8:30 am to 5:00 pm

**Telephone:** 07 4741 2900

**Facsimile:** 07 4741 1741

**Internet:** [www.flinders.qld.gov.au](http://www.flinders.qld.gov.au)

**Email:** [flinders@flinders.qld.gov.au](mailto:flinders@flinders.qld.gov.au)

**Officers**

**ACTING CHIEF EXECUTIVE OFFICER**  
Graham King

**Elected Members**

**MAYOR**  
Cr Gregory Jones

**AUDITORS**

Crowe Horwath NQ  
22 Walker Street (PO Box 537)  
TOWNSVILLE QLD 4810

**COUNCILLORS**

Cr Ninian Stewart-Moore  
Cr Bill Bode  
Cr Barbara Geisler  
Cr Sean O'Neill  
Cr Shane McCarthy  
Cr Jane Charuba

**Other Information**

**ABN:** 24 420 911 643

## Flinders Shire Council

### General Purpose Financial Statements

For the year ended 30 June 2013

### Management Certificate

for the year ended 30 June 2013

These General Purpose Financial Statements have been prepared pursuant to sections 176 and 177 of the *Local Government Regulation 2012* (the Regulations) and other prescribed requirements.

In accordance with Section 212(5) of the Regulation, we certify that:

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulations 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the General Purpose Financial Statements, as set out on pages 1 to 51, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's and the Consolidated Entities transactions for the financial year and financial position at the end of the year.

  
\_\_\_\_\_  
Cr Gregory Jones

MAYOR

12/12/2013

  
\_\_\_\_\_  
Graham King

ACTING CHIEF EXECUTIVE OFFICER

12/12/2013

## INDEPENDENT AUDITOR'S REPORT

To the Mayor of Flinders Shire Council

### Report on the Financial Report

I have audited the accompanying financial report of Flinders Shire Council, which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Acting Chief Executive Officer and the Mayor

### The Council's Responsibility for the Financial Report

The Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Local Government Act 2009* and Local Government Regulation 2012, including compliance with Australian Accounting Standards. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Independence

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

#### Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
  - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of Flinders Shire Council for the financial year 1 July 2012 to 30 June 2013 and of the financial position as at the end of that year.

#### Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



B MACRAE FCPA  
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office  
Brisbane

## Flinders Shire Council

### Current Year Financial Sustainability Statement

For the year ended 30 June 2013

#### Measures of Financial Sustainability

Council's performance at 30 June 2013 against key financial ratios and targets.

	Actual 2013	Target 2013
<b>Performance Indicators</b>		
<b>1. Operating Surplus Ratio</b>		
Net Result (excluding capital items) <sup>(1)</sup>		
Total Operating Revenue (excluding capital items) <sup>(2)</sup>	13.01%	0 - 10%
An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.		
<b>2. Asset Sustainability Ratio</b>		
Capital Expenditure on the Replacement of Assets (renewals) <sup>(3)</sup>		
Depreciation Expense	119.84%	more than 90%
An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.		
<b>3. Net Financial Liabilities Ratio</b>		
Total Liabilities less Current Assets		
Total Operating Revenue (excluding capital items) <sup>(2)</sup>	-37.43%	less than 60%
An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.		

#### Note 1 - Basis of Preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2013. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2013.



## Flinders Shire Council

### Current Year Financial Sustainability Statement

For the year ended 30 June 2013

#### Measures of Financial Sustainability (continued)

##### Notes

- <sup>(1)</sup> Includes only Recurrent Revenue and Recurrent Expenditure disclosed in the Income Statement. Excludes Capital Revenue Grants, Subsidies and Donations received for capital acquisitions, Capital Income items such as Profit from the Sale of: PP&E, Financial Assets, Real Estate & Investment Properties (refer to Note 5 for exclusions), and any Capital Expenditure such as Write Off of Assets, movements in Provisions for Restoration and Rehabilitation and Revaluation Decrements that hit the Statement of Comprehensive Income.
- <sup>(2)</sup> Includes only Recurrent Revenue disclosed in the Income Statement. Excludes Capital Revenue Grants, Subsidies and Donations received for capital acquisitions. Also excludes any Capital Income items such as Profit from the Sale of: PP&E, Financial Assets, Real Estate & Investment Properties (refer to Note 5 for exclusions).
- <sup>(3)</sup> Asset Renewals are defined as expenditure on an existing asset, which returns the service potential or the life of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time. For example resurfacing a part of Council's Road Network, replacing a material section of a Drainage Network with pipes of the same capacity, or resurfacing the Arena. Where capital projects involve a combination of renewal, new and/or upgrade expenditures, the total project cost is allocated accordingly.

These ratios are the relevant measures of financial sustainability required to be reported under section 178(1) of the *Local Government Regulation 2012*.

Definitions are sourced from the Financial Management (Sustainability) Guideline issued by the Department of Local Government, Community Recovery and Resilience.

## Flinders Shire Council

### Current Year Financial Sustainability Statement

For the year ended 30 June 2013

### Certificate of Accuracy

for the year ended 30 June 2013

This current-year financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this Current-Year Financial Sustainability Statement has been accurately calculated.



Cr Gregory Jones

MAYOR

12/12/2013



Graham King

ACTING CHIEF EXECUTIVE OFFICER

12/12/2013

## INDEPENDENT AUDITOR'S REPORT

To the Mayor of Flinders Shire Council

### **Report on the Current-Year Financial Sustainability Statement**

I have audited the accompanying current-year financial sustainability statement, which is a special purpose financial report of Flinders Shire Council for the year ended 30 June 2013, comprising the statement and explanatory notes, and certificates given by the Mayor and Acting Chief Executive Officer.

#### *The Council's Responsibility for the Current-Year Financial Sustainability Statement*

The Council is responsible for the preparation and fair presentation of the current-year financial sustainability statement in accordance with the *Local Government Regulation 2012*. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation and fair presentation of the statement that is accurately calculated and is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the statement.

My responsibility is to form an opinion as to whether the statement has been accurately calculated based on the Council's general purpose financial report. My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the Council's future sustainability.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

### *Independence*

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

### *Opinion*

In accordance with s.212 of the *Local Government Regulation 2012*, in my opinion, in all material respects, the current-year financial sustainability statement of *Flinders Shire Council* for the year ended 30 June 2013, has been accurately calculated.

### *Emphasis of Matter – Basis of Accounting*

Without modifying my opinion, attention is drawn to Note 1 which describes the basis of accounting. The current-year financial sustainability statement has been prepared in accordance with the *Financial Management (Sustainability) Guideline 2013* for the purpose of fulfilling the Council's reporting responsibilities under the *Local Government Regulation 2012*. As a result, the statement may not be suitable for another purpose.

### **Other Matters - Electronic Presentation of the Audited Statement**

Those viewing an electronic presentation of this special purpose financial report should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



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