

Flinders Shire Council Annual Report

2010-2011



FLORA WHITE MOUNTAINS

Discovery • Opportunity • Lifestyle

Contents

Annual Report Objectives	2
Feedback.....	2
Contacting Council	2
1.0 OUR SHIRE IN 2010-2011	3
1.1 About our Shire	3
1.2 Tourist Attractions	3
1.3 Highlights of 2010-2011	5
2.0 THE COUNCIL	6
2.1 Mayor's Report	6
2.2 Our Councillors.....	7
2.3 Councillor Portfolios	8
2.4 Councillor Remuneration 2010-2011.....	11
3.0 THE COUNCIL ORGANISATION	13
3.1 Chief Executive Officer's Report	13
3.2 Strategic Direction	15
4.0 PERFORMANCE – PRIORITY PROJECTS.....	16
5.0 LEGISLATIVE INFORMATION.....	17
6.0 FINANCES FOR THE YEAR	36
6.1 Community Financial Report.....	36
6.2 Measures of Financial Sustainability	41
6.3 Financial Statements for the Year Ended 30 June 2011	42

2010- 2011



Annual Report Objectives

Welcome to the Flinders Shire Council's 2010-2011 Annual Report. This reporting requirement is a mandatory obligation under the Local Government Act 2009.

The purpose of this document is to reflect on our achievements and to share with you the challenges, the opportunities and our plans for the future. Flinders Shire Council is proud to reflect on these achievements and looks forward to continuing to build together a successful Flinders Community.

Feedback

Flinders Shire is committed to providing an easy to read Annual Report. We would appreciate your feedback by completing the Feedback Form at the end of this report and returning to Council.

Contacting Council

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Hughenden

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Hughenden QLD 4821

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Monday to Friday

Phone 07 4741 2900
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FODDER CROP



INDUSTRIAL ESTATE - HUGHENDEN

1.0 OUR SHIRE IN 2010-2011

1.1 About our Shire



Land Area	41,422 ² km
Annual Rainfall	492mm
Population	1997
Meters above sea level	324m
Rateable Valuation	\$285,661,360.00
Net Rate Revenue	\$2,860,048.43
Gross Actual Revenue	\$24,506,066.88
Gross Actual Expenditure	\$17,743,323.16

State Controlled Roads:

Sealed	411.7km
Gravelled	132.0km
Formed	215.1km
Total	758.8km

Shire Controlled Roads:

Sealed	67.2km
Gravelled	285.0km
Formed	1187.0km
Unformed	710.0km
Urban	30.6km
Total	2279.8km

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 Project
- Explorers Tree
- Prairie Park – Old Gaol now Public Toilets and 35 foot 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.



HUGHENDEN MANOR - BUCKINGHAMSHIRE

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 2279.8km road network consumes a great deal of effort, Council actively strives to provide its residents with high quality sporting, cultural and recreational facilities.



STAMFORD RACE CLUB MEETING

Major events held in the Flinders Shire include the Annual Hughenden Agricultural Show, Hughenden Country Music Festival, Hughenden Campdraft, Porcupine Gorge Challenge, Hughenden Races and 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.



**MUTTABURRASAUORIUS REPLICA
 CORNER STANSFIELD AND GRAY STREETS, HUGHENDEN**

1.3 Highlights of 2010-2011

- Brodie Street Playground
- Town Street Construction and Sealing of Mowbray, Murdoch and Savage Streets, Prairie
- Development New Refuse Tip – Partly constructed
- Emergency Services (SES) – Upgraded facilities
- Swimming Pool Landscaping Works
- Community Small Grants Scheme
- Upgrade of Aged Persons Cottages, Hammond Court
- Hughenden Racecourse Improvements
- Upgrade Saleyards Complex
- Showgrounds Outback Arena Fencing and Surface
- Upgrade Street Lighting
- Workshop Crib Room and Foremen/Overseer's Office Upgrade
- Depot Store Shelving Upgrade
- Airport Lighting Upgrade – provision of a backup generator
- Industrial Estate Infrastructure provision
- Implement new records Management and Accounting System
- Appointment of a Shire Recreation Officer
- Caravan Park Accommodation works

Main Roads Contracts

- Road Maintenance Contract
- Flinders Highway
- Flood Damage Works
- Hann Highway Construction and Sealing works

Shire Roads

- Prairie Road – Construction and sealing to Kooroonya
- Basalt Byway - Bean Tree Wall
- Construct Floodways
- Flood Damage Reinstatement to Shire Roads
- General Shire Road Maintenance
- Resealing Program – Mount Emu Road, Lerida Floodways, Pelican Wall, Jones Valley Wall, Driver Reviver and Saleyards area



HUGHENDEN SWIMMING POOL

2.0 THE COUNCIL

2.1 Mayor's Report

I am pleased to present the 2010/2011 Annual Report of the Flinders Shire Council.

It is our aim to make this report informative and reader-friendly. This report is the first year in which the Annual Report must conform with the new Local Government Act 2009 and associated regulations. We also see this report as a way of reporting our achievements back to the community.

The 2010-2011 financial period has been a busy one in which we have commenced or continued on with an array of programs. We commenced one of our biggest community engagement campaigns in consultation for our Community plan, and we value the input from our Community in the preparation of this plan.

On the Infrastructure front we have continued on with our consistent planned programmed works and you will have noticed the effort gone into improving facilities in sports, economic development, waste management, and road networks. We also have commissioned our new sewer network system. Planning has commenced for capital improvement to our water network and north side sewerage as well. We have also invested into planning for a new shire office.

Council's State Road priority is the sealing of the Hughenden to The Lynd section of the Kennedy Development road. The Flinders and Etheridge shires and the Hann Highway Action Group have continued to lobby for the upgrading of this road.

The State Government has allocated a further \$20 million towards the project which will be allocated to priority sections of the Hann Highway.

Council is working with a number of projects which have the potential to provide substantial economic benefit to the Shire. The Flinders River Agricultural Precinct project is working with graziers to develop mosaic irrigation farms along the Flinders River in the Flinders, Richmond and McKinlay Shires. The Copperstring high voltage power line from Woodstock to Cloncurry will provide substantial long term benefits to North West Queensland if it is built. The power line would allow for renewable projects such as the Windlab wind farm to be built north of Hughenden.

On a financial front we have had another successful year. We have continued to diligently plan and forecast for projects which allows for future developments to occur, whilst keeping rate rises to a minimum.

I would like to thank our CEO, Stephen McCartney, our executive team and Council's staff for their help during this period. Thanks to the Councillors for their support in setting priorities for the future and making some difficult decisions.

Council elections will be held in March 2012, and this time I will not be standing for Mayor. Therefore, this will be my final annual report. I would like to thank the Councillors and staff for their support during my 15 years as Mayor of the Flinders Shire. I sincerely hope that the Shire will continue to be as successful as it has been, and wish the incoming Council all the best with the challenges that local government will continue to face.

2.2 Our Councillors

COUNCILLORS 2008-2012



CR SEAN M O'NEILL

CR GREGORY J. JONES
CR KATHERINE M EGAN

CR BRENDAN V MCNAMARA (MAYOR)
CR CLARENCE N HAYDON

2.3 Councillor Portfolios

Brendan V McNamara
Mayor – Flinders Shire
“Abbotsford Station”
HUGHENDEN 4821

Administration and Finance

- Audit
- Budget
- Revenue and Purchasing
- Loan Raising and debt Management

Economic Development

- Strategic Planning
- Fast Train
- Water Infrastructure
- Industrial Relations

Roads

- South-West Quadrant (Winton Road-Hughenden-Muttaborra)
- South-West Quadrant (Winton Road-Flinders Highway)

Tourism

- Flinders Discovery Centre

Towns

- Stamford

Standing Committees

- Local Government Association of Queensland Executive
- State and Federal Governments
- North Queensland Local Government Association
- MITEZ
- Greater Northern Queensland Development Alliance(GNQDA)
- Australia’s Dinosaur Trail

Gregory J Jones
Deputy Mayor – Flinders Shire
PO Box 156
HUGHENDEN 4821

Communications

- Community Radio and TV Facilities

Community Services

- Council Houses
- Community Housing
- Chamber of Commerce
- Home for Aged Persons
- Intermediate Care Facility
- Home and Community Care
- Public Housing
- Shire Halls – Hughenden and Prairie
- Library
- Social Welfare
- Childcare
- Education
- General Cultural Activities
- Youth
- Regional Arts Development Fund

Council Undertakings

- Saleyards

Economic Development

- Water Infrastructure
- Fast Train
- All Economic Develop. Opportunities

Plant and Equipment

- Purchase
- Utilisation
- Maintenance

Town Planning and Building

- General Building Inspection & Legislation
- Plan/Develop. Control Regulations

Workshop and Depot Relations

- Council Depot Complex
- Maintenance Workshop
-

Standing Committees

- Western Queensland Local Government Assoc.
- MITEZ
- Chamber of Commerce
- Regional Arts Development Fund

Sean M O'Neill
PO Box 125
HUGHENDEN 4821

Area Promotion / Tourism

- Radio Segment
- Representative Tourism Bodies

Economic Regional Development

- Water Infrastructure
- All Economic Development Opportunities

Industrial Relations

Public Transport

- Aerodrome

Roads

- North-East Quadrant

Sport and Recreation

- Racecourse
- Showgrounds
- Diggers Entertainment Centre

Utilities

- Water and Sewerage Operations/Maintenance
- Water Quality
- Sewerage Effluent Quality
- Septic Tank Installation
- Capital Works
- Total Management Planning

Standing Committees

- NWOQ Tourism Authority Group
- NQ Games Foundation

Clarence H Haydon

"Penrice" Station

PRAIRIE 4816

Natural Environment

- Noxious Weeds
- Landcare

Parks and Gardens

- Footpath Maintenance
- Street Sweeping
- Parks and Gardens Operations
- Town Streets

Plant and Equipment

- Purchase
- Utilisation
- Maintenance

Roads

- North West Quadrant

Rural Services

- Stockroutes and Reserves
- Council Reserves
- Pest Management

Towns

- Prairie and Torrens Creek

Workshop Depot Operations

- Council Depot Complex
- Maintenance Workshop

Standing Committees

- Desert Uplands
- Southern Gulf Catchments
- Western Queensland Local Government Assoc.

**Katherine M Egan
PO Box 174
HUGHENDEN 4821**

Community Services

- ❑ Chamber of Commerce
- ❑ Intermediate Care Facility
- ❑ Public Housing
- ❑ Council Houses
- ❑ Community Housing
- ❑ Home for Aged Persons
- ❑ Home and Community Care
- ❑ Shire Halls – Hughenden and Prairie
- ❑ Library
- ❑ Social Welfare
- ❑ Childcare
- ❑ Education
- ❑ General Cultural Activities
- ❑ Youth

Council Undertaking

- ❑ Funerals
- ❑ Cemeteries
- ❑ Saleyards

Environmental Health

- ❑ Inspections and Administration
- ❑ Immunisation
- ❑ Mosquito and other Vermin Control
- ❑ Public Conveniences
- ❑ Garbage Collection
- ❑ Garbage Disposal Management
- ❑ Bulk Rubbish Collection
- ❑ Waste Management – Recycling
- ❑ Hazardous Waste
- ❑ Litter Control

Nuisance Control

- ❑ Animal Control
- ❑ Noise Abatement
- ❑ Air and Water Pollution
- ❑ Overgrown Allotments

Roads

- ❑ South Quadrant (Prairie-Muttaborra)
- ❑ South East Quadrant

Sport and Recreation

- ❑ Swimming Pool/Caravan Park

Standing Committees

- ❑ Chamber of Commerce
- ❑ Health Forum



**CHILDREN FROM ST FRANCIS SCHOOL
WORKING BEE ECO WALK ON FLINDERS**



**REESTABLISHING TREE
ECO WALK ON FLINDERS - BEFORE AND AFTER**



2.4 Councillor Remuneration 2010-2011

Section 114(1) Local Government (Finance, Plans and Reporting) Regulation 2011 requires Council to provide particulars of expenses, facilities and remuneration provided to each Councillor.

COUNCILLOR	COUNCIL MEETINGS ATTENDED	OTHER MEETINGS ATTENDED	EXPENSES AND FACILITIES	ALLOWANCE \$	TRAVEL \$	TOTAL \$
Mayor Cr B.V. McNamara	11	96	23,120.77	59,440.02	-	59,440.02
Deputy Mayor Cr G.J. Jones	9	81	4,397.80	26,415.00	-	26,415.00
Cr C.N. Haydon	11	2	1,459.64	19,815.00	1,445.50	21,260.50
Cr S.M. O'Neill	11	13	608.70	19,815.00	-	19,815.00
Cr K.M. Egan	11	53	2,313.65	19,815.00	-	19,815.00
TOTAL			31,900.56	145,300.02	1,445.50	146,745.52

There is no superannuation paid to Councillors.

Expense Reimbursement Policy

Section 114(1)(c) Local Government (Finance, Plans and Reporting) Regulation 2010 also requires Council to report 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:

- Personal Protective Equipment
- Home Office Facilities or Council Office Facilities
- Administrative Support
- Vehicle use

A full copy of the Councillor Expenses Reimbursement Policy can be found in Appendix A.

Section 114(1)(f) Local Government (Finance, Plans and Reporting) Regulation 2010 also requires Council to report on the total number of the following during the year –

- Orders and recommendations made under section 180(2) or (4) of the Act;
- Orders made under section 181 of the Act; and

Section 114(1)(g) Local Government (Finance, Plans and Reporting) Regulation 2010 also requires Council to report each of the following during the year –

- The name of each Councillor in relation for whom an order or recommendation was made under section 180 of the Act or an order was made under section 181 of the Act;

STATE EMERGENCY SERVICES SHED



- A description of the misconduct or inappropriate conduct engaged in by each of the Councillors;

- A summary of the order or recommendation for each Councillor; and

Section 114(1)(h) Local Government (Finance, Plans and Reporting) Regulation 2010 also requires Council to report the number of each of the following during the

year –

- Complaints about the conduct or performance of Councillors assessed as frivolous or vexatious under section 177(4) of the Act;
- Complaints referred to the mayor under section 177(5)(b) of the Act;
- Complaints referred to the department's chief executive under section 177(6) of the Act;
- Complaints heard by a conduct review panel;
- Complaints heard by the tribunal;
- Complaints dealt with by the chief executive officer under section 177(8) of the Act

There were no breaches or complaints to report during 2010/2011 financial year.

3.0 THE COUNCIL ORGANISATION

3.1 Chief Executive Officer's Report

2010-2011 continued the recent trend of the ever increasing pace of change. The impacts on Council have come from all angles with State Laws and Regulations being implemented, stricter quality assurance and environmental controls and by necessity, our own changes to Records Management, Accounting Systems and Human Resource management.

Well obviously these changes could not be implemented without the professionalism and dedication of our employees. We have relied on our existing employees rising to the occasion and appointed personnel into roles that are now seen as essential to the efficient running of Local Government in the modern world. We have provided and will continue to provide extensive training opportunities to personnel throughout our organization. Councillors themselves continue to be caught in the "change web", where the laws and regulations have directed Councils to act far more strategically and get away from the more operational role that most Councillors were comfortable with. These changes have also necessitated Councillors being trained in their changing roles and responsibilities to ensure we remain a developing organization able to take advantage of the ever changing landscape and opportunities for our community.

We could sit back and accept the many improvements and opportunities we have made for our community, but as can be seen from our developing Community and Corporate Plans, there is much more to be achieved. Council has managed to juggle the many competing public infrastructure projects extremely well for a small under resourced Council. If we can reflect on recent years, this has seen Council construct a quality multiple purpose sports and entertainment complex, a quality shaded Skate Park, a modern upgraded Brodie Street Children's Playground, significant facilities provided in the Caravan Park with sixteen accommodation units of various styles, investment in the Showground, extensive public parks and walking track developments, promotion and display of our arts and culture including the Flinders Discovery Centre, streetscape developments in Hughenden and small towns with most town streets now sealed, significant improvements to the rural road network with sealing programs, concrete floodways and major culverts, investment in the local Race Clubs and sporting recreational clubs, improvements to our Works Depot with building upgrades, development of one of the best plant and equipment fleets in Queensland, significant funds to redevelop the Sewerage Network and significant investment in our most valuable resource, our employees.

We have managed these achievements only because of sound well thought out forward plans based on what the community needed, required and wanted. We still have much more to achieve as borne out by our current planning process, but with projects such as the new Shire Office Complex, Aged Persons Accommodation facility, bridge works over Galah Creek and significant kilometres of the Hann Highway to be constructed and sealed and completed over the next twelve months, we have the foundations of a bright future. We can still take advantage of major projects outside of Council's direct control, such as the development of an irrigation industry and a renewable energy hub by our continued lobbying for what our community needs and wants.

Our new corporate motto of "*Discovery, Opportunity, Lifestyle*" really does sum up the fact that we have the potential to achieve for our community - all we need is a positive attitude from all involved and the results will follow. I for one am looking forward to the challenges of the future for our organization.

Stephen McCartney
Chief Executive Officer



RM500 TRAINING IN HUGHENDEN

3.2 Strategic Direction

In April 2010, Flinders Shire adopted its Corporate Plan 2010-2015, and the financial year 2010-2011 is the first full year of operation and reporting against this Plan.

The Corporate Plan is Council's principal long-term planning document, which identifies the issues and priorities for Council over the next five years and beyond.

VISION

Flinders Shire is a vibrant centre-piece of sustainable activity.

MISSION

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

VALUES

- Equality of Opportunity
- Local Ownership
- Community Spirit
- Freedom
- Respect for National Symbols
- Pursuit of Excellence
- A Caring Philosophy
- Teamwork
- Law and Order
- Community Development through Education

• STRATEGIC OBJECTIVES

Corporate Governance

To perform responsibly - encouraging participation in its activities and decision-making.

Administration and Finance

To administer the affairs of Council, ensuring viability, effectiveness and accountability.

Planning and Development

To properly manage, develop and conserve resources for the purpose of promoting the social and economic welfare of the community.

Shire Roads and Drainage

To provide and maintain functional, safe and varied land transport infrastructure.

Environmental Services

To maintain an environment that is sustainable for future generations.

Community and Cultural

To provide a range of accessible community and cultural services.

Business Activities

To manage business activities for the social and economic benefit of the community.

Technical Services

To manage works-related programs and resources on a cost-effective basis.

4.0 PERFORMANCE – PRIORITY PROJECTS

A summary update of the priority projects is provided as a snapshot of the measurable outputs delivered for 2010-2011.

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 24km of full construction and sealing in Flinders Shire by 30 June 2014. Council has completed one section totalling 3.24km with three sections planned totalling 20.76km at Mount Sturgeon, Tattoos and White Cliffs. This will leave approximately 45km to be constructed and sealed on this link in Flinders Shire.

Tourism Development

Council has surveyed out and lodged an application with the Department of Environment and Resource Management for an access road into the White Mountains National Park and has some Transport Infrastructure Development Scheme (TIDS) funding available over the next two years for construction works.

New Rubbish Tip Development

The new Rubbish Tip will be opened prior to Christmas 2011 and then the old Rubbish Tip will be rehabilitated.

Hughenden Industrial Estate

All Lots available (fourteen) have been sold. Surveying of one new Lot in Seymour Street and six in Lammermoor Street will be completed shortly with an Auction planned prior to Christmas 2011. Four Lots have been built on with plans for new building works on two Lots due to commence in 2011-2012.

Refurbishment Works Depot

Plans and specifications for the Workshop roof extension have been completed and ready to go to tender. The new Crib room and upgraded Overseer's/Forman's Office has been completed.

Shire Office Complex

Plans for the new Shire Office Complex have been completed. Architect and Sub-Consultants have been appointed to go to tender early 2011-2012.

Irrigation Development

Works on the Flinders River Agricultural Precinct is continuing with the Project Officer completing the Agricultural Precinct Invest Profile and a number of graziers signing the MOU. Ongoing lobbying at State and Federal level will continue.

Hughenden Aged Persons Accommodation

An application for funding of the \$5.1m complex to the Federal Government was successful with \$4.4m allocated. Community fundraising stands at \$535,000 held in a Trust investment by Council. Tippet Schrock Architects are finalising the building plans and sub-consultants to be out for tender late 2011 for construction to commence in 2012.

Sewerage North Hughenden

Consultants will complete a planning report for the design and costs of a sewerage system in preparation for an application for funding of the estimated \$5m project for capital funding to be lodged with the State under the Capital Works Subsidy Program in 2011-2012.

Upgrade Hughenden Sewerage Treatment Plant (STP)

Consultants will complete a planning report for the design and costing of a new STP and an application for funding of the \$4.576m project for capital funding will be lodged with the State under the Capital Works Subsidy Program in 2011-2012.

Development of a Recreational Lake

Council will be appointing Consulting Engineers to undertake water balance modelling in the area of Station Creek to determine the feasibilities.

Develop Art/Cultural/Historical Centre

No further planning works have been progressed.

5.0 LEGISLATIVE INFORMATION



The new Local Government Act 2009 came into effect on the 1 July 2010. This Annual Report is the first under the new legislation.

Significant Business Activities

In compliance with Section 45 Local Government Act 2009, the 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.

Competitive Neutrality Complaints

In compliance with Section 176 Local Government (Business Enterprise and Business Activities) Regulation 2010, and Section 119(J and K) of the Local Government (Finance, Plans and Reporting) Regulation 2010, (Flinders Shire received no complaints that required investigation for its Business Undertakings of Water and Sewerage).

Commercial Business Unit

Section 32 of the Local Government (Business Enterprise and Business Activities) Regulation 2010 requires that the Annual Report of a Local

Government must include an annual operations report for each commercial business unit.

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

Senior Staff Remuneration

Section 201 of the Local Government Act 2009 requires that the Annual Report of a local government must state-

- (a) The total remuneration packages that are payable (in the year to which the annual report relates) to senior contract employees; and
- (b) The number of senior contract employees who are being paid each of the total remuneration packages.

Flinders Shire has the following to report for the 2010-2011 financial year:

One - senior contract employee with the total remuneration package in the range of \$160,000-\$200,000.

Two - senior contract employees with the total remuneration package in the range of \$120,000-\$160,000.

Land Under Roads

Section 113(b) of the Local Government (Finance, Plans and Reporting) Regulation 2010 requires that Council report a note about resolutions made during the year under Section 154(2) of the same Act. 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).

Council Decisions 2010-2011

In accordance with Section 113(a) of the Local Government (Finance, Plans and Reporting) Regulation 2010, Council is required to adopt annually, a resolution authorising payment of remuneration to Councillors. Council resolved as follows at the meeting held on the 17 December 2010:

Councillor Remuneration

The Remuneration Tribunal determined that Councillor Remuneration should be increased by 2.5% in line with Members of Parliament. Once the State Government publishes the changes in the Government Gazette, Council was required to resolve to either amend or keep the same Councillor Remuneration at a meeting in 2011.

Remuneration comparison –

Mayor	
Currently	\$58,670
Proposed Range	\$46,830 - \$60,210
Deputy Mayor	
Currently	\$26,070
Proposed Range	\$20,070 - \$26,760
Councillor	
Currently	\$19,560
Proposed Range	\$13,380 - \$20,070

Council resolved to amend the Councillor Remuneration fee to –

Mayor	\$60,210
Deputy Mayor	\$26,760
Councillor	\$20,070

Expense Reimbursement Policy

In accordance with Section 113(a) of the Local Government (Finance, Plans and Reporting) Regulation 2010 Council is required to record any resolution made during the year on the Reimbursement of Expenses and Provision of Facilities. This policy provides the mayor and Councillors with reimbursement of reasonable expenses incurred in the performance of the roles. A copy of the policy can be found in the Appendix.

Flinders Shire does not have any resolutions to report.

Administrative Complaints

In accordance with Section 115 of the Local Government (Finance, Plans and Reporting) Regulation 2010 Council is committed to dealing fairly with administrative action complaints. Council must also report on the number and particulars of complaints dealt with.

Flinders Shire does not have any particulars to report.

General Complaints

In accordance with Section 193 of the Local Government (Finance, Plans and Reporting) Regulation 2010 Council is required to report on the number of complaints resolved under the process during the period.

Council has continued to follow the general complaints process under the 1993 Act.

Overseas Travel

In accordance with Section 116 of the Local Government (Finance, Plans and Reporting) Regulation 2010 Council is required to record details of any overseas travel made by a Councillor or local government employee in an official capacity during the financial year.

During 2010-2011 no Councillor or employee undertook any work related overseas travel.

Grants to Community Organisations

In accordance with Section 117(a) of the Local Government (Finance, Plans and Reporting) Regulation 2010 Council is required to record a summary of the Council's expenditure for the financial year on grants to the community organisations.

During 2010-2011 Council paid \$36,925.81 as grants to community organisations to the following organisations:

- Flinders Tennis club \$15,000 – Surface Upgrade.
- Flinders Hack and Pony Club \$5,227.20 – Construct Day Yards
- QCWA \$8040.00 – Kitchen Upgrade.
- Prairie Jockey Club \$1,454.55 – Racing Compliance upgrade works.
- Stamford Race Club \$10,000 – Racing Compliance upgrade works.

Councillor's Discretionary Fund

In accordance with Section 117(b) of the Local Government (Finance, Plans and Reporting) Regulation 2010 Council is required to record details on Councillors' expenditure of its discretionary funds.

Flinders Shire does not have discretionary funds and therefore there is no report for 2010-2011.



NEW CABINS – ALLEN TERRY CARAVAN PAR

Reserves

In accordance with Section 118(a) of the Local Government (Finance, Plans and Reporting) Regulation 2010 Council is required to report on:-

(a) Land that is a Reserve under the Land Act 1994

RESERVE	DESCRIPTION OF RESERVE	AREA	LEASED
Stamford	Camping Water and Road Reserve	3362ha	Yes
15 Mile	Pasturage Reserve	1611ha	Yes
Torrens Creek	Reserve for Stock Trucking	1810ha	Yes
Prairie	Reserve for Stock Holding Paddock	319ha	Yes
Hughenden Town			
Common/Tailing Paddock	Pasturage Reserve	2415ha	Agisted/Rented
Prairie Common	Reserve for Pasturage	540ha	Agisted
<u>CEMETERIES</u>			
Cemetery (Hughenden)	Cemetery Reserve	10.6ha	No
Cemetery (Prairie)	Cemetery Reserve	2.023ha	No
Cemetery (Torrens Creek)	Cemetery Reserve	2.023ha	No
<u>RACECOURSES</u>			
Hughenden Racecourse	Reserve for Racecourse and Recreation	242ha	Partly Rented
<u>AERODROME</u>			
Hughenden Aerodrome	Reserve for Landing Ground Aircraft	305.4ha	Partly
<u>RECREATION</u>			
Torrens Creek (Golf Course and Cricket Field)	Reserve for Recreation	44.2ha	No
Prairie Cricket Field	Reserve for Recreation	6.74ha	No
Driver Reviver	Reserve for Park and Recreation	2.39ha	No
Bully Playford Park	Reserve for Park and Recreation	2.83ha	No
<u>RUBBISH TIPS</u>			
Rubbish Tip (Torrens Creek)	Reserve for Local Government Purposes	2ha	No
Bedford Street			
Torrens Creek Rubbish Dump - Russell Street	Reserve for Rubbish Depot	2.023ha	No
Flinders Highway - Torrens Creek	Sanitary Reserve	2.023ha	No
Prairie Rubbish Tip			
Hughenden R	Reserve for Sanitary	2.023ha	No
	Reserve for Local Government		No
Hughenden Rubbish Tip	purposes	11.72ha	

Controlled Roads

In accordance with Section 118(b) of the Local Government (Finance, Plans and Reporting) Regulation 2010 Council is required to report on roads that the Local Government does not own.

Flinders Shire has no roads to report on for 2010-2011.

Cooperation between Local Governments

In accordance with Section 119(c) of the Local Government (Finance, Plans and Reporting) Regulation 2010 Council is required to report details of any action taken for, and expenditure on, a service, facility or activity:

- (i) Supplied by another local government under an agreement for conducting a joint government activity; and
- (ii) For which the local government levied special rates or charges for the financial year.

Flinders Shire has no details to report for 2010-2011 financial year under this section.

Changes to Council Tenders

In accordance with Section 119(d) of the Local Government (Finance, Plans and Reporting) Regulation 2010 Council is required to report the number of invitations to change tenders under Section 177(7) during the year.

Flinders Shire has no details to report for 2010-2011 financial year under this section.

Council Registers

In accordance with Section 119(e) of the Local Government (Finance, Plans and Reporting) Regulation 2010 Council is required to report a list of registers kept by the Local Government.

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

Rating Rebates and Concessions

In accordance with Section 119(f) of the Local Government (Finance, Plans and Reporting) Regulation 2010 Council is required to report a summary of all concessions for rates and charges granted by the Local Government. 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 Veteran's 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 rate notice being issued.

Flinders Shire Council provides remissions of General rate to some owners of land whose objects 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

In accordance with Section 119(g) of the Local Government (Finance, Plans and Reporting) Regulation 2010 Council is required to report on the internal audit for the year. Following is the Chief Executive Officer's report on the Internal Audit to Council.

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 Sustainability, Governance, Infrastructure, Community Engagement, Planning/Regulation and Workforce. Sub-themes were also identified (58) and assessment elements (117) were used to

identify risks, improvement and better practice processes.

Face to face meetings were undertaken at the Flinders Shire Council Office on 28-29 July 2011. Staff were interviewed and copies of a range of documents inspected.

LGAQ had an onsite visit that included interviewing a number of Council Officers and reviewing documents such as the Annual Report, Operational and Corporate Plan, Budget document, Minutes, Agendas, Policies and the Disaster Management Plan. Some of the documents on Council's website were also reviewed. This was followed up by a draft report that was considered and commented on by the Director Corporate Services and the Chief Executive Officer.

A full copy of the report was provided to Councillors.

Following the Chief Executive Officer's response to the Internal Audit Report as required under Section 156 of the Local Government (Finance, Plans and Reporting) Regulation 2010, the comments relate to the identified risks and recommendations.

Financial Sustainability

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

Council will be developing a detailed check list to ensure all elements required are included in the annual budget documents.

Governance

Council had a medium risk rating in this area with eight risks identified.

- The Delegations Registers need to be brought in line with the new Local Government Act and Regulations. Council at this meeting will be considering a number of delegations that will be set up in the new Delegations Register. This process will be ongoing;
- MPI and COI a new process to prompt and record Councillor's interests has been introduced;
- Meeting Notices have been revamped to include a summary of Agenda items to be considered at Council Meetings. These will continue to be displayed at the Shire Office and on the website;
- Website information will be reviewed to include Unconfirmed Minutes within the statutory period and include a Contracts Register for all tenders/quotes over \$100,000;
- Council Policies will all be reviewed with Advice Guidelines for Councillors and the Confidentiality Procedure Policies presented to this meeting;
- Information Privacy Act will require Council to develop standard signage, email and letter footers, meeting procedures and telephone counter enquiry procedures;
- Administrative complaints process need to have the policy re-adopted under the new Act and Regulations; and
- Business needs to be developed to include all items in one location. e.g. IT.

Infrastructure

Council had a medium risk rating with one risk identified.

- Controlling access to buildings and Council facilities. Recommend a full review of our key system with a view to putting it into an electronic format.

Community Engagement

Council had a low risk rating with one risk identified.

- Annual Report needs to ensure the 2010-2011 Report is prepared in accordance with the new Local Government Act.

Planning Regulation

Council had a low risk rating with one risk identified.

- Landfill Strategy where we need to develop a long term strategy to ensure compliance, e.g. small towns.

Workforce

Council had a low risk rating with four risks identified.

- Training Plan, training policy and succession planning need to formalize training plans, succession planning and critical positions. We have commenced this process;
- Documenting procedures where we need to get more procedures documented electronically and review update as required;
- Licensing of Plant Operators where we have commenced recording and we are looking at the Authority HR package being suitable; and
- Acting Chief Executive Officer where Council has now adopted a policy delegating this power to the Chief Executive Officer.

Equal Employment Opportunity

In accordance with Section 119(h) of the Local Government (Finance, Plans and Reporting) Regulation 2010 Council is required to report on the Equal Employment Opportunity Plan.

The 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

In accordance with Section 119(i) of the Local Government (Finance, Plans and Reporting) Regulation 2010 Council is required to report on the names of the local governments' shareholder delegates for its corporate entities.

Flinders Shire has no separate corporate entities to report on.

Water Supply

In accordance with Section 142(1) of the Water Supply (Safety and Reliability) Act 2008 Council is required to report on their Strategic Asset Management Plan or System Leakage Management Plan.

In accordance with Section 142(2) of the Water Supply (Safety and Reliability) Act 2008 Council is required to report on the Drinking Water Quality Management Plan.

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



SENIOR'S LUNCH



AGRICULTURAL INVEST GROUP



COUNCIL'S CATERPILLAR FLEET

STRATEGIC ASSET MANAGEMENT PLAN (SAMP) AND CUSTOMER SERVICE STANDARD (CSS) REVIEW

Flinders Shire Council 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 (kms)	No of connections
Hughenden	33.8	712
Prairie	4.3	37
Torrens Creek	3.3	21
Stamford	0.6	5

The Sewerage scheme operated by Flinders Shire comprises 20.11 kms of main with five hundred and sixty-six connections.

The Council is currently in possession of a SAMP and CSS for these services. The Council does not require a Drinking Water Management Plan until 2013.

The Council's performance for the financial year for the services for which we are registered was satisfactory. There is still room for improvement as data for some of the performance indicators are not being captured to a satisfactory level or, in some cases, not captured at all. Overall the Council was compliant with the adopted Performance Indicators outlined in the CSS and SAMP (see tables below).

WATER SUPPLY SERVICES – CONTINUITY AND QUALITY

PERFORMANCE INDICATORS	HUGHENDEN TARGET	HUGHENDEN ACTUAL
Unplanned interruptions per 10 km of mains per year	4	0
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	1
Drinking Water incidents	2	1
Compliance with NHMRC Guidelines	Micro - 90% Chem – 90%	Micro - 90% Chem – 90 %
Water leaks/breaks per 10km of mains per year	4	2.4
System Water loss/connection/day	NA	NA

PERFORMANCE INDICATORS	PRAIRIE TARGET	PRAIRIE ACTUAL
Unplanned interruptions per 10 km of mains per year	4	27.9
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)	14	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%	100%
Water leaks/breaks per 10km of mains per year	4	0
System Water loss/connection/day	NA	NA
PERFORMANCE INDICATORS	TORRENS CREEK TARGET	TORRENS CREEK ACTUAL
Unplanned interruptions per 10 km of mains per year	4	3
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)	12m	Nil data
Drinking Water Complaints per 100 connections per year	4	19
Drinking Water incidents	2	0
Compliance with NHMRC Guidelines	Micro -90% Chem – 90%	100%
Water leaks/breaks per 10km of mains per year	4	0
System Water loss/connection/day	NA	NA

PERFORMANCE INDICATORS	STAMFORD TARGET	STAMFORD ACTUAL
Unplanned interruptions per 10 km of mains per year	4	216
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%	100%
Water leaks/breaks per 10km of mains per year	4	0
System Water loss/connection/day	NA	NA

**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	9
Odour complaints per 100 connections/year	10	1
Response time to all events	2 hours	30 mins
Sewer main breaks and chokes per 10km/year	30	0
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 are some shortcomings as some data is not being captured, for example, some complaints are directly reported to the Water and Sewerage Foreman and are not being logged correctly. Council’s difficulty in attracting and retaining staff to assist with their regulatory requirements and inadequate training of Water and Sewerage staff has impacted upon the collection of data and the implementation of some procedures outlined in the SAMP.

Actions taken

- Rehabilitation of part of the Sewerage Network in South Hughenden.
- Application for funding for sewage of northern side and Upgrade of Sewerage Treatment Plant.
- Fluoride/ chlorination for Hughenden (in progress).
- Upgrading of Torrens Creek treatment system (in progress).
- Chlorination of Torrens Creek, Stamford and Prairie water schemes (in progress).
- Installation of bulk water meter in Prairie.
- Development of Water Quality monitoring standards.
- Establishment of a new position in the Water and Sewerage team dedicated to water quality and sewage effluent testing.
- Development of a new Customer Service Standards System (next 12 months).

The SAMP was last reviewed in 2008 and several recommendations were made in order to assist the Council meet its regulatory requirements and obtain a greater understanding of its active and passive assets. Council has made an effort to implement some of the recommendations such as developing a CSS however, it is clear that both the SAMP and the CSS are now outdated and require replacement in order to reflect changes to both the water supply and sewerage infrastructure.



SEWERAGE UPGRADE 2010



SEWERAGE UPGRADE 2010

APPENDIX A:

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

DATE OF ADOPTION: 15 APRIL 2008

DATE REVIEWED: **VERSION:** 1

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. PRINCIPLES

This Councillor Reimbursement of expenses and provision of Facilities Policy complies with the Statement of Principles, set out in the Department of Local Government, Sport and Recreation Guidelines:

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 reasonable 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 ie: 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.

3. SCOPE

The policy applies to the Mayor and Councillors for the reimbursement of expenses incurred by them, and for the provision of Council owned facilities to assist them in undertaking their roles.

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 Council's 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.

Facility – Facilities provided by Council's 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 – Council's 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 o 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 up to a maximum of \$5000 during a single local government term – 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.

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 have been endorsed by resolution of Council.

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. (eg. 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, payment for use of the Councillor's 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. In other circumstances, Councillors 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.

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.

If a Councillor cannot produce a receipt for a meal they have purchased then a Statutory Declaration must be completed to claim the reimbursement.

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

- | | | |
|--------------------------|-----------|---------|
| <input type="checkbox"/> | Breakfast | \$19.60 |
| <input type="checkbox"/> | Lunch | \$20.05 |
| <input type="checkbox"/> | Dinner | \$34.55 |

No alcohol will be paid for by Council.

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 \$1000 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.

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 Personal Protective Equipment

- All necessary personal protective (safety) equipment for use on official Council business or inspections eg: safety helmets, boots, vests etc.

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 and or a hand held pda or Black berry device;
- Personal calls made by Councillors via the mobile telephone are to be reimbursed to Council via the appropriate administrative procedure.

4.3 Home Office Facilities

- Laptop with Windows software; and
- Laser Printers and all consumables.

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, paper shredder
- Stationary
- Publications – copies of the act and other legislation, books journals considered necessary
- Another administrative necessities which Council consider necessary to meet the business of Council

4.5 Vehicle Use

Council approved of the home garaging by the Mayor of a Council supplied vehicle (4x4 Station Wagon or equivalent) for Council business purposes.

Councillors may either claim reimbursement for business use of their own vehicle, refer to Private vehicle usage 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.
- 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

7. IMPLEMENTATION

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

8. APPROVAL

Chief Executive Officer.

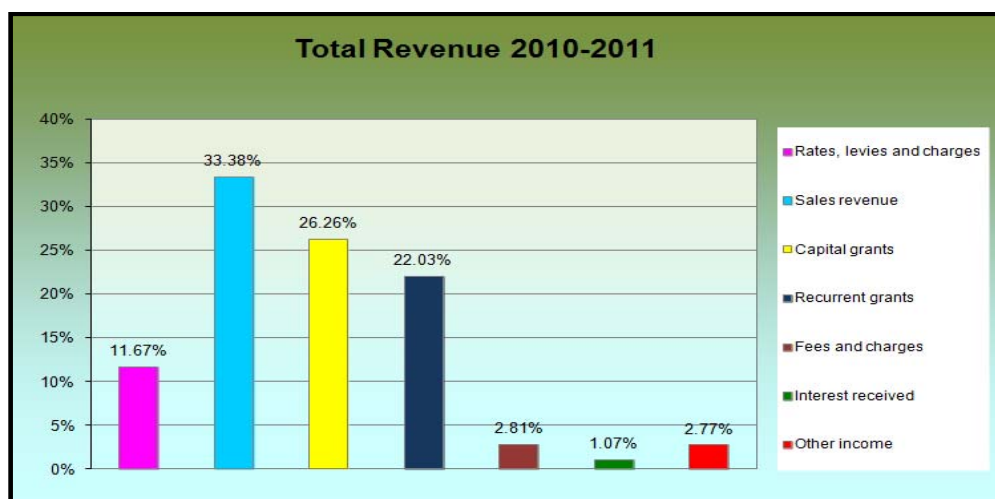
6.0 FINANCES FOR THE YEAR



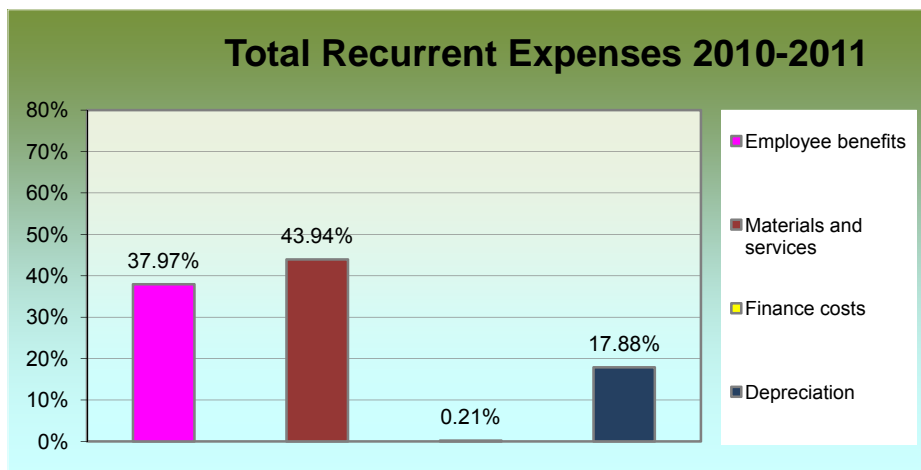
6.1 Community Financial Report

Council finished the 2010-2011 financial years in a balanced position after turning over \$24.5m 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 \$8.17m. A large amount of sales revenue is sourced through contracts and recoverable works from the Department of Main Roads. Government grants totalled \$5.39m. Rates, levies and charges formed only a small part of Council's total revenue.



Total recurrent expenses for the 2010-2011 financial year was \$17.74m. Materials and services amounted to \$7.79m of Council's expenses. Council currently has no debt so finance costs comprise only of bank fees and charges. Employee benefits amount to \$6.73m 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.

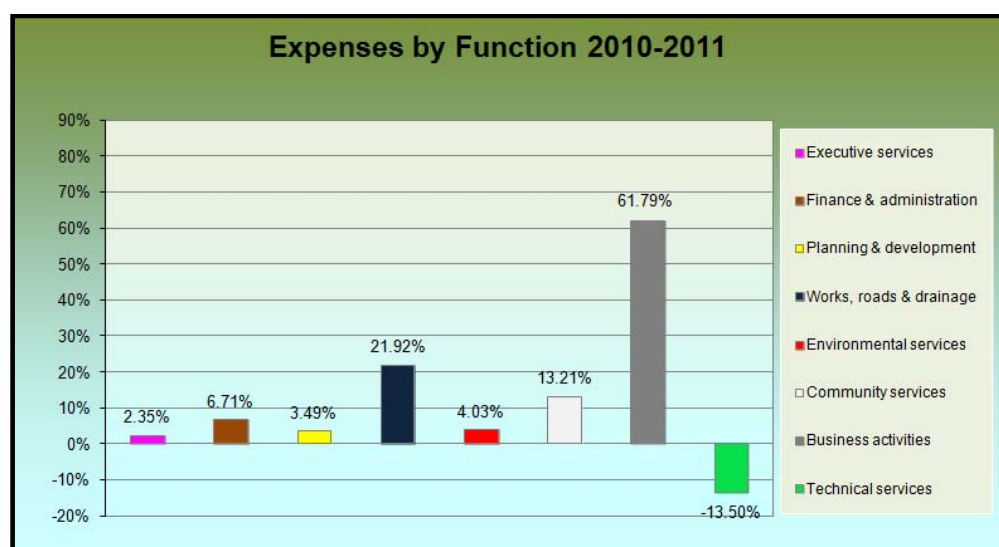


Discovery • Opportunity • Lifestyle

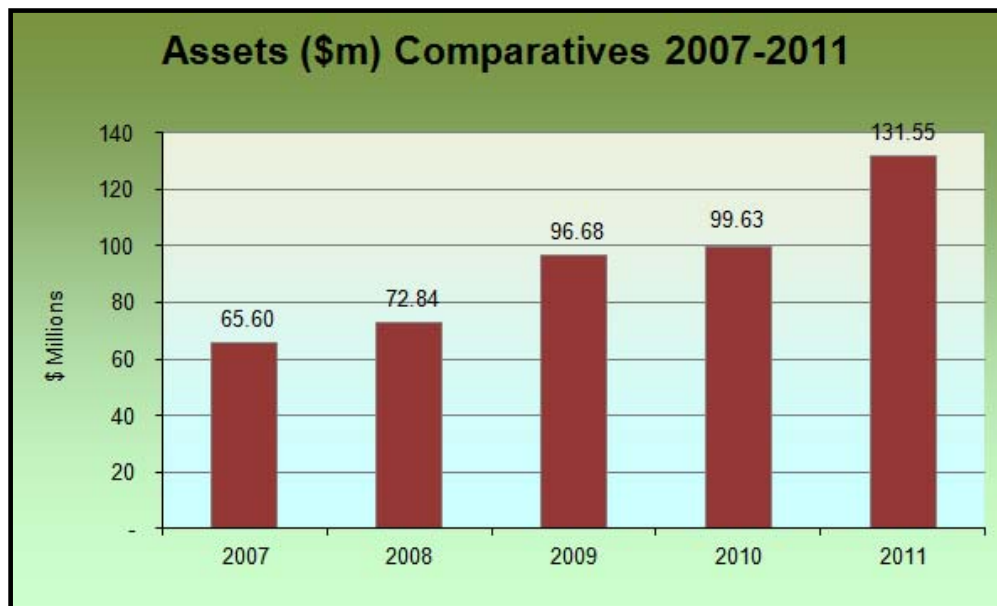
The graph below shows Council's expenses by business function. A significant portion of Council's total recurrent expenses are attributed to the business activities function which comprises Water, Sewerage, Airport, Saleyards, Caravan Park, Main Roads Contract Works, Private Works and the Flinders Discovery Centre. 61.79% of business activities expense \$9.32m was incurred as a result of Main Roads Contract Works.

Works, roads and drainage function represents maintenance and construction of Shire roads including flood damage works. Technical services area includes workplace health and safety, store, workshop and depot and plant. The negative indicates that we recovered all expenses through overheads.

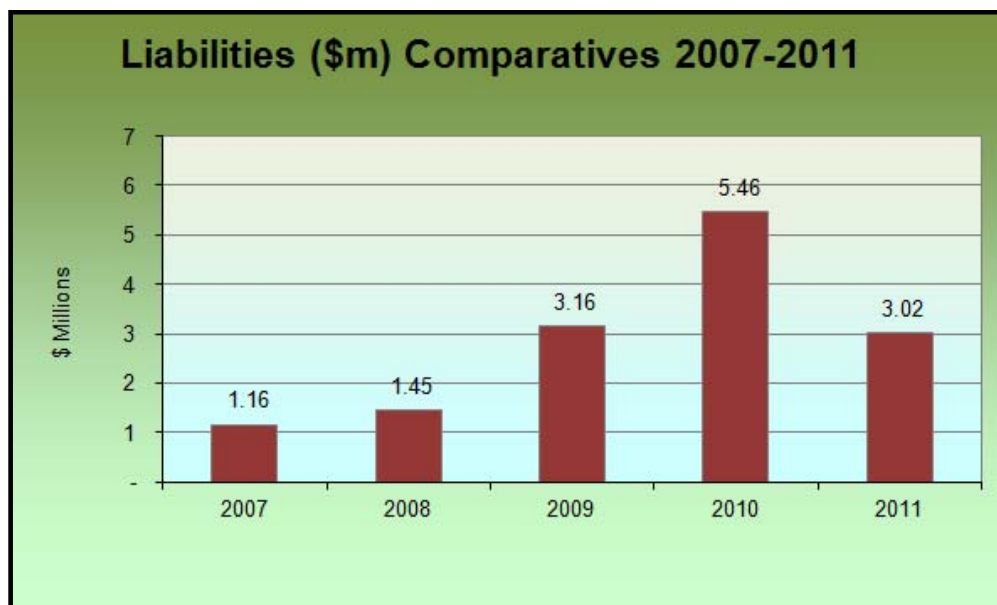
The major areas under the community services function include HACC, Community Care Packages, Meals on Wheels, Veterans Home Care, Disability Services, Personal Helpers and Mentors Program, community halls, swimming pool, showgrounds, parks, reserves, skate park, employee housing, aged housing, state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



Total assets comprised of \$131.54m, total liabilities of \$3.02m and Council continues to remain debt free. This provides Council with the flexibility to borrow funds for future infrastructure needs. Council's upgraded sewerage reticulation valued at \$10m was capitalised in 2009-2010. Council also revalued some of its asset classes and a significant impairment was recognised for road assets due to flood damage.

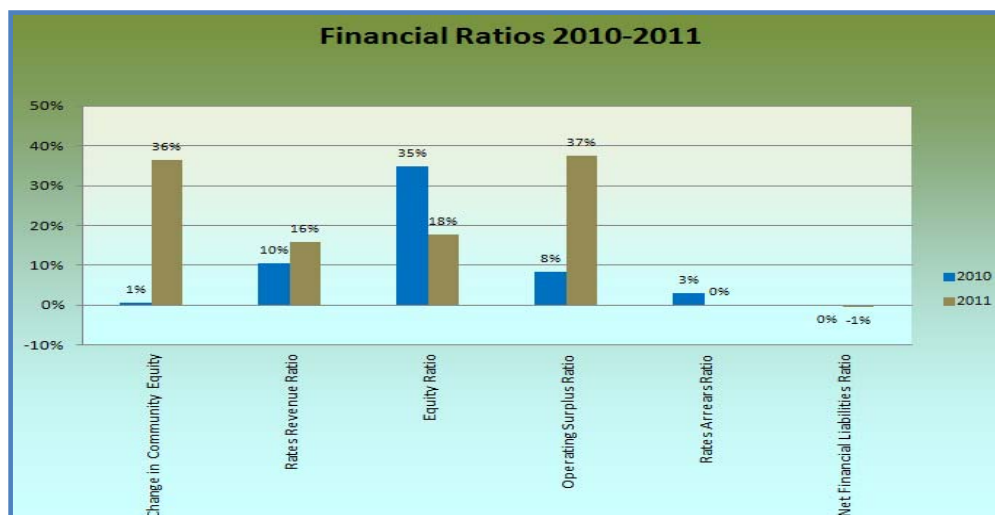


The increase in liabilities is attributable to the increase in main roads construction works and related trade and other payables at the 30 June 2011.



FINANCIAL REPORT – GRAPH – FINANCIAL RATIOS 2010 – 2011

The following ratios help explain the financial position of the Council as at 30 June 2011.



Change in Community Equity Ratio

This ratio represents the percentage change in the net wealth of the Council. The change in community equity is calculated as current year total community equity less prior year total community equity divided by prior year total community equity. The large increase in community equity in 2011 shows there was little in the ratio for 2009-2010.

Rates Revenue Ratio

This ratio represents the proportion of revenue that is directly sourced from Council's ratepayer base. The rate revenue ratio is calculated as net rates and charges revenue divided by total recurrent revenue.

Equity Ratio

This ratio shows current liabilities as a percentage of convertible current assets. The decrease in the equity ratio for 2011 was attributed to the decrease in capital works for the financial year.

Operating Surplus Ratio

This ratio is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes. The operating surplus ratio is the operating surplus (deficit) expressed as a percentage of general and other rates net of (excluding) rebates. The operating surplus ratio is calculated as net operating surplus divided by total operating revenue. Council's increase in this ratio is a result of accounting for grants received in prior years being in reserves.

Rate Arrears Ratio

This ratio calculates the percentage of net rates and charges receivable to net rates and charges revenue.

Net Financial Liabilities Ratio

This ratio is an indicator of the extent to which the net financial liabilities of Council can be serviced by its recurrent revenue. A ratio of greater than 0 (positive) indicates that Council's total liabilities exceed its current assets. These net liabilities must be serviced using recurrent revenues. A positive value less than 60% indicates Council has the capacity to fund the liabilities and appears to have the capacity to increase its loan borrowings.

Working Capital Ratio

This ratio is not shown in the graph as it is not expressed as a percentage as it measures the extent to which Council has liquid assets available to meet short term financial obligations. The working capital ratio is calculated as current assets divided by current liabilities. The working capital ratio for 2010 was 6.24 times and 5.61 times in 2011. The ratio for 2011 suggests that Council had current assets 3.24 times its current liabilities.



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6.2 Measures of Financial Sustainability

10 Year Forecast	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Total Operating Revenue	\$39 446 000	\$15 927 800	\$16 245 100	\$16 558 950	\$17 932 050	\$19 278 700	\$18 627 300	\$17 990 300	\$18 290 550	\$18 721 050
Net Interest Expense on Debt Service	-\$172 000	-\$7 500	\$39 934	\$ 83 212	\$121 046	\$101 623	\$80 911	\$58 819	\$35 251	\$46 102
Net Operating Surplus (Deficit)	\$ 3 917 047	\$ 6 339 275	\$ 5 907 321	\$ 4 938 194	\$ 4 290 499	\$ 4 818 034	\$ 4 274 011	\$ 3 397 294	\$ 3 787 542	\$3 233 961
Current Assets	\$ 9 662 582	\$ 5 822 416	\$ 5 366 362	\$ 5 081 273	\$ 6 556 804	\$ 8 507 258	\$ 9 522 316	\$ 9 501 902	\$ 9 451 237	\$ 9 653 558
Current Liabilities	\$ 2 920 693	\$ 1 091 754	\$ 1 290 766	\$ 1 410 740	\$ 1 450 156	\$ 1 499 489	\$ 1 503 756	\$ 1 536 697	\$ 1 608 007	\$ 1 669 273
Total Assets	\$ 132 143 362	\$ 137 279 471	\$ 143 948 072	\$ 149 503 059	\$ 153 551 370	\$ 158 117 421	\$ 162 073 291	\$ 165 158 550	\$ 169 112 088	\$ 172 481 112
Total Liabilities	\$ 4 635 315	\$ 3 432 149	\$ 4 193 429	\$ 4 810 222	\$4 568 034	\$ 4 316 051	\$3 997 910	\$ 3 685 875	\$ 3 851 871	\$ 3 986 934
Proposed Loan Borrowings for period	\$ 1 000 000	\$ 750 000	\$ 750 000	\$750 000	-	-	-	-	\$500 000	\$ 500 000
Proposed Loan Repayments	-	\$ 72 378	\$ 131 727	\$ 195 232	\$ 263 181	\$ 281 604	301 316	\$ 322 408	-\$ 344 976	- \$405 314

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.

FLINDERS SHIRE COUNCIL

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

Flinders Shire Council
Table of Contents

For the year ended 30 June 2011

Statement of Comprehensive Income
Statement of Financial Position
Statement of Changes in Equity
Statement of Cash Flows

Notes to the Financial Statements

- 1 Summary of significant accounting policies
- 2 Analysis of results by function
- 3 Revenue analysis
- 4 Grants, subsidies, contributions and donations
- 5 Capital income
- 6 Employee benefits
- 7 Materials and services
- 8 Finance costs
- 9 Depreciation
- 10 Capital expenses
- 11 Cash and cash equivalents
- 12 Trade and other receivables
- 13 Inventories
- 14 Property, Plant and Equipment
- 15 Trade and other payables
- 16 Provisions
- 17 Shire Capital
- 18 Asset revaluation surplus
- 19 Retained Surplus/(Deficiency)
- 20 Other Reserves
- 21 Commitments for Expenditure
- 22 Contingent Liabilities
- 23 Events After Balance Date
- 24 Superannuation
- 25 Trust Funds
- 26 Reconciliation of Operating Surplus to Net Cash Flow from Operating Activities
- 27 Financial Instruments
- 28 National Competition Policy

Management Certificate
Independent Audit's Report

Flinders Shire Council
Statement of Comprehensive Income

For the year ended 30 June 2011

	Notes	2011 Actual	2010 Actual
Income			
Revenue			
Recurrent Revenue			
Rates, levies and charges	3	2,860,048.43	2,693,526.27
Fees and charges	3	689,027.72	435,185.70
Rental income	3	64,969.12	77,345.98
Interest received	3	262,220.35	199,940.00
Sales revenue	3	8,179,807.53	14,975,285.31
Other income	3	614,237.26	625,627.45
Grants, subsidies, contributions and donations	4	5,398,899.19	5,207,509.39
Total Recurrent Revenue		18,069,209.60	24,214,420.10
Capital revenue			
Grants, subsidies, contributions and donations	4	6,435,843.63	3,357,979.66
Total Capital Revenue		6,435,843.63	3,357,979.66
Total Revenue		24,505,053.23	27,572,399.76
Capital income	5	1,013.65	112,649.28
TOTAL INCOME		24,506,066.88	27,685,049.04
Expenses			
Recurrent expenses			
Employee benefits	6	(6,735,508.25)	(5,724,864.49)
Materials and services	7	(7,794,266.65)	(16,656,959.96)
Finance costs	8	(38,046.51)	(29,031.81)
Depreciation and amortisation	9	(3,172,506.65)	(3,125,121.60)
Total Recurrent Expenses		(17,740,328.06)	(25,535,977.86)
Capital Expenses	10	(2,995.10)	(2,146.80)
Total Capital Expenses		(2,995.10)	(2,146.80)
TOTAL EXPENSES		(17,743,323.16)	(25,538,124.66)
NET OPERATING SURPLUS		6,762,743.72	2,146,924.38
Other comprehensive income			
Increase / (decrease) in asset revaluation surplus		27,585,698.06	(1,490,020.05)
Total Other Comprehensive Income for the Year		27,585,698.06	(1,490,020.05)
Total Comprehensive Income for the Year		34,348,441.78	656,904.33

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

Flinders Shire Council
Statement of Financial Position

As at 30 June 2011

	Notes	2011 Actual	2010 Actual
Current Assets			
Cash and Cash Equivalents	11	5,295,907.74	3,128,991.63
Trade and Other Receivables	12	7,009,468.74	10,441,039.79
Inventories	13	259,039.61	194,392.06
Total Current Assets		12,564,416.09	13,764,423.48
Non-current Assets			
Receivables	12	32,148.92	33,059.85
Property, Plant and Equipment	14	118,950,686.13	85,837,029.45
Total Non-current Assets		118,982,835.05	85,870,089.30
TOTAL ASSETS		131,547,251.14	99,634,512.78
Current Liabilities			
Trade and Other Payables	15	2,114,835.52	4,733,675.24
Provisions	16	121,124.74	63,253.43
Total Current Liabilities		2,235,960.26	4,796,928.67
Non-current Liabilities			
Trade and Other Payables	15	207,535.15	154,621.42
Provisions	16	579,157.94	506,806.68
Total Non-Current Liabilities		786,693.09	661,428.10
TOTAL LIABILITIES		3,022,653.35	5,458,356.77
NET COMMUNITY ASSETS		128,524,597.79	94,176,156.01
Community Equity			
Shire Capital	17	66,421,933.30	57,724,463.13
Asset Revaluation Surplus	18	59,138,637.52	31,552,939.46
Retained Surplus	19	2,012,112.28	1,150,576.82
Other Reserves	20	951,914.69	3,748,176.60
TOTAL COMMUNITY EQUITY		128,524,597.79	94,176,156.01

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

Flinders Shire Council
Statement of Changes in Equity
For the year ended 30 June 2011

	Shire Capital		Asset Revaluation Surplus		Retained Surplus		Other Reserves		Total	
	Note 17		Note 18		Note 19		Note 20			
	2011 Actual	2010 Actual	2011 Actual	2010 Actual	2011 Actual	2010 Actual	2011 Actual	2010 Actual	2011 Actual	2010 Actual
Opening Balance	57,724,463.13	54,744,313.74	31,552,939.46	33,042,959.96	1,150,576.82	817,721.25	3,748,176.60	4,914,257.18	94,176,156.01	93,519,252.13
Other Comprehensive Income for the Year										
Increase/(decrease) in Asset Revaluation Surplus	0.00	0.00	27,585,698.06	(1,490,020.50)	0.00	0.00	0.00	0.00	27,585,698.06	(1,490,020.50)
Net income recognised directly in equity	0.00	0.00	27,585,698.06	(1,490,020.50)	0.00	0.00	0.00	0.00	27,585,698.06	(1,490,020.50)
Net Operating Surplus	0.00	0.00	0.00	0.00	6,762,743.72	2,146,924.38	0.00	0.00	6,762,743.72	2,146,924.38
Total Comprehensive Income for the Year	0.00	0.00	27,585,698.06	(1,490,020.50)	6,762,743.72	2,146,924.38	0.00	0.00	34,348,441.78	656,903.88
Transfers to and from reserves										
Transfers to capital	8,697,470.17	2,980,149.39	0.00	0.00	(8,697,470.17)	(2,330,149.39)	0.00	(650,000.00)	0.00	0.00
Transfers to/from general reserves	0.00	0.00	0.00	0.00	(53,217.64)	(116,596.60)	53,217.64	116,596.60	0.00	0.00
Transfers to/from general reserves	0.00	0.00	0.00	0.00	2,849,479.55	632,677.18	(2,849,479.55)	(632,677.18)	0.00	0.00
Total Transfers to and from Reserves	8,697,470.17	2,980,149.39	0.00	0.00	(5,901,208.26)	(1,814,068.81)	(2,796,261.91)	(1,166,080.58)	0.00	0.00
Balance at 30 June	66,421,933.30	57,724,463.13	59,138,637.52	31,552,939.46	2,012,112.28	1,150,576.82	951,914.69	3,748,176.60	128,524,597.79	94,176,156.01

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

Flinders Shire Council
Statement of Cash Flows
For the year ended 30 June 2011

	Notes	2011 Actual	2010 Actual
Cash flows from operating activities:			
Receipts from customers		15,426,955.37	14,048,040.65
Payments to suppliers and employees		(16,722,519.93)	(19,833,440.80)
Interest received		262,220.35	199,940.00
Rental income		64,969.12	77,345.98
Non-capital grants and contributions		5,398,899.19	5,207,509.39
Net Cash Inflow from Operating Activities	26	4,430,524.10	(300,604.78)
Cash flows from investing activities:			
Payments for property, plant and equipment	14	(9,038,769.80)	(10,682,186.07)
Proceeds from sale of property, plant and equipment	5	339,318.18	789,584.72
Grants, subsidies, contributions and donations	4	6,435,843.63	3,357,979.66
Net Cash Outflow from Investing Activities		(2,263,607.99)	(6,534,621.69)
Net increase (decrease) in cash held		2,166,916.11	(6,835,226.47)
Cash at beginning of reporting period		3,128,991.63	9,964,218.10
Cash at end of Reporting Period	11	5,295,907.74	3,128,991.63

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

Note 1: Summary of Significant Accounting Policies

For the year ended 30 June 2011

1.A Basis of Preparation

These general purpose financial statements for the period 1 July 2010 to 30 June 2011 have been prepared in accordance with Australian Accounting Standards and comply with the requirements of the *Local Government Act 2009* and the *Local Government (Finance, Plans and Reporting) Regulation 2010*.

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

1.B Statement of Compliance

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

1.C Constitution

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

1.D Date of Authorisation

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

1.E Currency

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

1.F Adoption of new and revised Accounting Standards.

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

Flinders Shire Council

Note 1: Summary of Significant Accounting Policies (cont'd)

For the year ended 30 June 2011

New Pronouncement	Mandatory application date to annual reporting periods beginning on or after:
AASB 9 <i>Financial Instruments</i>	1 January 2013
AASB 124 <i>Related Party Disclosures (December 2009)</i>	1 January 2011
AASB 1053 Application of Tiers of Australian Accounting Standards	1 July 2013
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (December 2009)	1 January 2013
AASB 2009-12 Amendments to Australian Accounting Standards in relation to AASB 8 Operating Segments (December 2009)	1 January 2011
AASB 2009-14 Amendments to Australian Interpretation - Prepayments of a Minimum Funding Requirement (Interpretation 14) (December 2009)	1 January 2011
AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements	1 July 2013
AASB 2010-4 Amendments to Australian Accounting Standards arising from the Annual Improvements Project	1 January 2011
AASB 2010-5 Amendments to Australian Accounting Standards	1 January 2011
AASB 2010-6 Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets	1 July 2011
AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	1 January 2013
AASB 2010-8 Amendments to Australian Accounting Standards-Deferred Tax: Recovery of Underlying Assets	1 January 2012
AASB 2010-9 Amendments to Australian Accounting Standards-Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 July 2011
AASB 2010-10 Further Amendments to Australian Accounting Standards- Removal of Fixed Dates for First-time Adopters	1 January 2013

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.

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

In the application of Council's accounting policies, management is required to make judgments, 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.

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

Valuation of property, plant and equipment - Note 1.O and Note 14

Provisions - Note 1.T, Note 1.S and Note 16

Contingencies - Note 22

1.H 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.

Note 1: Summary of Significant Accounting Policies (cont'd)

For the year ended 30 June 2011

Grants and subsidies

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them. An equivalent amount is placed in a reserve until the funds are expended. Unspent non-reciprocal capital grants are placed in the Constrained Grants Reserve.

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

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

Interest and dividends

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

1.I Financial assets and financial liabilities

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

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 1.J

Receivables - measured at amortised cost Note 1.K

Financial Liabilities

Payables - measured at amortised cost Note 1.R

Financial lease liabilities - measured at amortised cost Note 1.Q

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

The fair value of financial instruments is determined as follows:

The fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximate their carrying amounts.

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.

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

1.J Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, all cash and cheques receipted but not banked at year end, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of 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.

Note 1: Summary of Significant Accounting Policies (cont'd)

For the year ended 30 June 2011

1.K Receivables

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

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

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

Because Council has the power to sell an owner's property to recover outstanding rate debts, Council does not impair any rate receivables, 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 negotiated rates. Security is not normally obtained.

1.L Inventories

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

Inventories held for distribution are:

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

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

1.M Land Held for Resale

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

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

1.N 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 2011 Council did not have any term deposits in excess of six months.

1.O Property, Plant and Equipment

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

The classes of property, plant and equipment recognised by the Council are:

- Land and improvements
- Buildings and other structures
- Plant and equipment
- Road infrastructure
- Water infrastructure
- Sewerage infrastructure
- Works in progress

Note 1: Summary of Significant Accounting Policies (cont'd)

For the year ended 30 June 2011

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

Valuation

Land and improvements, buildings and other structures and all infrastructure assets are measured on the revaluation basis, at fair value, in accordance with *AASB116 Property, Plant and Equipment*. Other plant and equipment and works 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. A full revaluation of land and improvements and building assets was conducted by APV Valuers & Asset Management on the 30th June 2011. The Local Government Cost Index is used for infrastructure assets.

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 14a.

Capital work in progress

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

Depreciation

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

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

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

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

Note 1: Summary of Significant Accounting Policies (cont'd)

For the year ended 30 June 2011

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

The estimated useful lives of property, plant and equipment are reviewed annually. Details of the range of useful lives for each class of asset are shown in Note 14b.

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.

1.P Impairment of Non-current Assets

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

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

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

1.Q Leases

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

Finance leases

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

Operating leases

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

1.R Payables

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

1.S 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.

Note 1: Summary of Significant Accounting Policies (cont'd)

For the year ended 30 June 2011

Salaries and wages

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

Annual leave

A liability for annual leave is recognised. The current portion (based on the expected payment date) is calculated on current wage and salary levels and includes related employee on-costs. The non-current portion is calculated on projected future wage and salary levels and related employee on-costs, discounted to present values. This liability represents an accrued expense and is reported in Note 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 24.

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.

1.T Restoration Provision

A provision is made for the cost of restoration of assets and other future restoration costs where it is probable the Council will be liable, or required, to incur such a cost on the cessation of use of the facility. This liability is provided in respect of Gravel Pits and Refuse dumps.

The provision is measured at the expected cost of the work required discounted to current day values using an appropriate rate. The current QTC lending rate is considered an appropriate rate.

Refuse dumps are on state reserves land which the Council does not control. The cost of the provisions for restoration of these is therefore treated as an expense in the year the provision is first recognised. Changes in the provision not arising from the passing of time are treated as an expense or income. The restoration is expected to occur in October 2012.

Changes to the provision resulting from the passing of time (the unwinding of the discount) are treated as a finance cost.

1.U 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 the surplus in respect of that asset is retained in the asset revaluation surplus.

1.V Retained surplus

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

Note 1: Summary of Significant Accounting Policies (cont'd)

For the year ended 30 June 2011

1.W 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.

1.X Reserves

Community facilities reserve

This reserve represents amounts set aside for the contribution towards the construction of Hughenden Aged Persons Accommodation (HAPA).

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 amounts set aside for the future replacement of the Council's plant fleet.

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.

1.Y Rounding and Comparatives

Amounts included in the financial statements have not been rounded.

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

1.Z 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 25.

1.AA 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.

1.AB National Competition Policy

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

Flinders Shire Council
Note 2a: Analysis of Results by Function
For the year ended 30 June 2011

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

Executive services

This comprises the support functions for the Mayor and Councillors, Council and committee meetings and statutory requirements.

Finance and administration

The support functions of Management of the Council's Finance, Information technology and administration.

Community Services

Community services and facilities including cultural, health, welfare, environmental and recreational services.

This function includes:

- Libraries
- Entertainment venues
- Public health services including vaccination clinics
- Parks, gardens and reserves

Planning and development

Management of the development of the shire and approval processes for development and building.

Works, roads and drainage

Providing and maintaining roads and drainage.

Environmental services

Providing refuse collection and disposal services, animal control, stock routes and noxious weeds control, environmental licenses and approvals, public conveniences and cemetery.

Business activities

Providing water and sewerage services, managing the airport, saleyards, caravan park, Main Roads RMPC and other contracts, Flinders Discovery Centre.

Technical Services

Workplace health and safety, workshop and depot, stores, plant and machinery.

Flinders Shire Council
Note 2b: Analysis of Results by Function

For the year ended 30 June 2011

	Gross income recurring grants	Gross income recurring other	Gross income capital grants	Gross income capital other	Total income	Gross recurring expenses	Gross capital expenses	Total expenses	Net result from recurring	Net operating surplus	Assets
	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011

Income and expenses defined between recurring and capital are attributed to the following functions:

Executive Services	0	127	0	0	127	417,008	0	417,008	(416,881)	(416,881)	0
Finance and administration	3,081,975	1,972,205	0	(9,877)	5,044,303	1,190,390	0	1,190,390	3,863,790	3,853,913	20,784,875
Community Services	889,605	341,922	151,428	(27,691)	1,355,264	2,344,763	0	2,344,763	(1,113,236)	(989,499)	14,360,362
Planning and Development	159,465	258,011	0	0	417,476	619,623	0	619,623	(202,147)	(202,147)	23,197
Works, Roads and Drainage	1,155,625	0	6,152,435	0	7,308,060	3,889,132	0	3,889,132	(2,733,507)	3,418,929	64,870,056
Environmental Services	6,000	255,251	0	0	261,251	712,385	2,995	715,380	(451,134)	(454,129)	892,805
Business Activities	0	9,822,074	70,000	0	9,892,074	10,963,126	0	10,963,126	(1,141,052)	(1,071,052)	22,432,390
Technical Services	106,229	20,721	61,980	38,582	227,512	(2,396,099)	0	(2,396,099)	2,523,050	2,623,612	8,183,567
Total Council	5,398,899	12,670,311	6,435,843	1,014	24,506,067	17,740,328	2,995	17,743,323	328,882	6,762,745	131,547,252

	Gross income recurring grants	Gross income recurring other	Gross income capital grants	Gross income capital other	Total income	Gross recurring expenses	Gross capital expenses	Total expenses	Net result from recurring	Net operating surplus	Assets
	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010

Income and expenses defined between recurring and capital are attributed to the following functions:

Executive Services	0	251	0	0	251	420,667	0	420,667	(420,416)	(420,416)	0
Finance and administration	2,801,542	1,853,847	0	2004	4,657,393	304,405	0	304,405	4,350,984	4,352,988	16,038,585
Community Services	652,024	314,933	293,289	0	1,260,246	2,166,705	0	2,166,705	(1,199,748)	(906,459)	13,540,703
Planning and Development	38,040	32,538	0	0	70,578	150,285	0	150,285	(79,707)	(79,707)	283,414
Works, Roads and Drainage	3,160,599	0	552,442	0	3,713,041	4,271,111	0	4,271,111	(1,110,512)	(558,070)	43,390,565
Environmental Services	16,515	280,307	0	0	296,822	702,001	2,147	704,148	(405,179)	(407,326)	473,027
Business Activities	7,500	16,514,281	919,370	0	17,441,151	19,142,870	0	19,142,870	(2,621,089)	(1,701,719)	19,568,894
Technical Services	124,169	10,753	0	110,645	245,567	(1,622,066)	0	(1,622,066)	1,756,988	1,867,633	6,339,324
Total Council	6,800,389	19,006,910	1,765,101	112,649	27,685,049	25,535,978	2,147	25,538,125	271,321	2,146,924	99,634,513

Flinders Shire Council
Note 3: Revenue Analysis

For the year ended 30 June 2011

	Notes	2011 Actual	2010 Actual
(a) Rates, levies and charges			
General rates/Community Levy		1,867,926.87	1,762,785.56
Separate rates		76,514.70	76,609.43
Water		690,906.36	653,604.82
Sewerage		558,249.01	538,769.40
Garbage charges		164,260.77	156,087.22
Total Rates, Levies and Charges Revenue		3,357,857.71	3,187,856.43
Less: Discounts		(449,415.29)	(446,403.73)
Less: Pensioner remissions		(48,393.99)	(47,926.43)
Net Rates, Levies and Charges Revenue		2,860,048.43	2,693,526.27
(b) Fees and charges			
Building and development fees		2,729.30	15,183.70
Infringements		243.00	1,391.00
Licenses and registrations		1,543.75	13,760.00
Airport landing fees		52,974.70	42,529.24
Other fees and charges		631,536.97	362,321.76
Total Fees and Charges		689,027.72	435,185.70
(c) Rental income			
Other rental income		64,969.12	77,345.98
Total Rental Income		64,969.12	77,345.98
(d) Interest received			
Interest received from term deposits		50,375.36	21,142.31
Other sources		193,517.15	167,254.76
Interest from overdue rates and utility charges		18,327.84	11,542.93
Total Interest Received		262,220.35	199,940.00
(e) Sales revenue			
Sales of services			
Contract and recoverable works		8,179,807.53	14,975,285.31
Total Sales Revenue		8,179,807.53	14,975,285.31
<p>The amount recognised as revenue for contract revenue during the financial year is the amount receivable in respect of invoices issued during the period. There are no contracts in progress at the year end. The contract work carried out is not subject to retentions</p>			
(f) Other income			
Merchandise income		79,732.02	90,015.00
Fundraising income		29,663.13	55,348.26
Land sales proceeds		24,800.64	16,000.00
Other income		480,041.47	464,264.19
Total Other Income		614,237.26	625,627.45

Note 4: Grants, Subsidies, Contributions and Donations

For the year ended 30 June 2011

	Notes	2011 Actual	2010 Actual
(a) Recurrent			
General purpose grants		4,182,600.03	3,763,262.00
State Government subsidies and grants		983,379.40	581,749.10
Commonwealth government subsidies and grants		232,919.76	757,998.29
Contributions		0.00	104,500.00
Total Recurrent Revenue		5,398,899.19	5,207,509.33
(b) Capital			
State Government subsidies and grants		6,435,843.63	3,337,979.66
Contributions		0.00	20,000.00
Total Capital Revenue		6,435,843.63	3,357,979.66
(c) Conditions over contributions			
Contributions recognised as income during the reporting period and which were obtained on the condition that they be expended in a manner specified by the contributor but had not been expended at the reporting date:			
Non-reciprocal grants for expenditure on services		0.00	100,000.00
		0.00	100,000.00
Contributions recognised as income during a previous reporting period that were obtained in respect of the current reporting period:			
Non-reciprocal grants for expenditure on services		0.00	0.00
Non-reciprocal grants for expenditure on infrastructure		0.00	0.00
		0.00	0.00

Note 5: Capital Income

	Notes	2011 Actual	2010 Actual
Gain on the disposal of non-current assets			
Proceeds from the sale of property, plant and equipment		339,318.18	789,584.72
Less: Book value of property, plant and equipment disposed of		(338,304.53)	(676,935.44)
Total Capital Income		1,013.65	112,649.28

Flinders Shire Council
Note 6: Employee Benefits

For the year ended 30 June 2011

	Notes	2011 Actual	2010 Actual
Total staff wages and salaries		5,576,652.09	4,782,231.40
Councillors' remuneration		146,745.52	143,466.14
Annual, sick and long service leave entitlements		680,306.12	494,191.66
Superannuation	24	516,396.54	457,055.62
Total Employee Related Expenses		6,920,100.27	5,876,944.82
Other employee related expenses		332,930.05	324,359.59
Total Other Employee Related Expenses		7,253,030.32	6,201,304.41
Less: Capitalised employee expenses		(517,522.07)	(476,439.92)
Total Employee Benefits		6,735,508.25	5,724,864.49

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

Total Council employees at period end

Elected members	5	5
Administrative staff	35	35
Depot and outdoors staff	71	58
Total Full Time Equivalent Employees	111	98

Note 7: Materials and Services

	Notes	2011 Actual	2010 Actual
Advertising and marketing		254,804.28	282,762.25
Community services		944,025.53	1,262,101.74
Audit services		40,171.69	30,123.67
Communications and IT		181,848.60	219,409.55
Recoverable works		3,518,939.60	11,991,723.95
Road construction		727,742.72	1,094,077.82
Donations paid		39,721.75	62,883.64
Special projects		609,413.68	166,369.85
Other materials and services		1,477,598.80	1,547,507.49
Total Materials and Services		7,794,266.65	16,656,959.96

Note 8: Finance Costs

	Notes	2011 Actual	2010 Actual
QTC Finance charges		3,481.97	3,801.55
Bank charges		7,917.63	8,798.77
Impairment of debts		26,646.91	16,431.49
Total Finance Costs		38,046.51	29,031.81

Flinders Shire Council
Note 9: Depreciation

For the year ended 30 June 2011

	Notes	2011 Actual	2010 Actual
Depreciation			
Buildings and other structures		327,824.55	331,974.24
Plant and equipment		1,176,598.17	1,131,472.59
Road infrastructure		1,235,088.33	1,232,786.94
Water infrastructure		125,034.18	57,650.42
Sewerage infrastructure		307,961.42	371,237.41
Total Depreciation of Non-current Assets		3,172,506.65	3,125,121.60

Note 10: Capital Expenses

	Notes	2011 Actual	2010 Actual
Provision for restoration of land			
Discount rate adjustment to refuse restoration provision		2,995.10	2,146.80
Total Provision for Restoration of Land		2,995.10	2,146.80

The discount rate adjustment to the refuse tip rehabilitation liability was adjusted against expenses as there was an insufficient asset revaluation surplus in the relevant asset class.

Note 11: Cash and Cash Equivalents

	Notes	2011 Actual	2010 Actual
Cash at bank and on hand		619,735.42	468,782.25
Deposits at call		2,625,796.96	2,660,209.38
Term deposits		2,050,375.36	0.00
Balance per Statement of Cash Flows		5,295,907.74	3,128,991.63
Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:			
Unspent government grants and subsidies		(377,525.08)	(3,079,605.12)
Total Unspent Restricted Cash for Capital Projects		(377,525.08)	(3,079,605.12)

Cash and deposits at call are held in Queensland Treasury Corporation capital guaranteed cash funds and National Australia Bank in normal term deposits, business cheque accounts and investment accounts. The Bank currently has a short term credit rating of A1+ and a long term rating of AA-.

Note 12: Trade and Other Receivables

For the year ended 30 June 2011

	Notes	2011 Actual	2010 Actual
(a) Current			
Rateable revenue and utility charges		129,665.32	83,554.59
Other debtors		6,932,787.97	9,873,798.98
Less: impairment		(54,018.66)	(28,797.22)
GST recoverable		(73,132.00)	434,820.58
Prepayments		74,166.11	77,662.86
Total Current Trade and Other Receivables		7,009,468.74	10,441,039.79
(b) Non-current			
Other debtors		2,148.92	3,059.85
Loans and advances to community organisations		30,000.00	30,000.00
Total Non-current Trade and Other Receivables		32,148.92	33,059.85

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.

A loan was made to Hughenden Bowls Club Incorporated. Repayment of the loan will occur on sale of any of the allotments of land held by the Hughenden Bowls Club. If no sale is made within 5 years the Hughenden Bowls Club is to transfer allotments of land equal to the commercial value of the debt into Flinders Shire Council's name and the debt will be cleared.

Movement in Accumulated Impairment Losses (other debtors) is as follows:

Opening Balance	(28,797.22)	(22,965.73)
Impairment	(25,251.44)	(5,831.49)
Closing Balance of Impairment Losses	(54,048.66)	(28,797.22)

Note 13: Inventories

	Notes	2011 Actual	2010 Actual
Inventories held for sale			
Miscellaneous saleable items		41,377.98	43,761.15
Inventories held for distribution:			
Plant and equipment stores		194,464.99	150,630.91
Land purchased for development and sale		23,196.64	0.00
This land was acquired for resale			
Total Inventories		259,039.61	194,392.06

Flinders Shire Council
Note 14a: Property, Plant and Equipment
For the year ended 30 June 2011

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

Land and improvements

Land has been included at current market value as at 30 June 2011 as determined by APV Valuers & Asset Management, Registered Valuers.

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

Buildings

Buildings and other structures were valued by APV Valuers & Asset Management, Registered Valuers on 30 June 2011.

Plant and equipment

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

Road infrastructure

Road Infrastructure has been revalued as at the 30 June 2011 as determined by Mr Hari Boppudi, Project Engineer, Flinders Shire Council.

Water infrastructure

Water Infrastructure has been revalued as at the 30 June 2011 as determined by Mr Hari Boppudi, Project Engineer, Flinders Shire Council.

Sewerage infrastructure

Sewerage Infrastructure has been included at the written down replacement cost as at the 30 June 2011 as determined by Mr Hari Boppudi, Project Engineer, Flinders Shire Council. During 2009 Council undertook a contract to replace most of its sewerage infrastructure with Principal Contractor RMS. The ABS Producer Price Index for Road and Bridge Construction Queensland was applied to sewerage infrastructure.

Flinders Shire Council
Note 14b: Property, Plant and Equipment
For the year ended 30 June 2011

	Land and Improvement	Buildings and Other Structures	Plant and Equipment	Road Infrastructure	Water Infrastructure	Sewerage Infrastructure	Work in Progress	Total
Asset values								
Basis of measurement	Valuation	Valuation	Cost	Valuation	Valuation	Valuation	Cost	
Opening gross value as at 1 July 2010	1,292,720.10	26,751,724.14	9,563,797.05	56,857,028.62	6,027,750.96	14,692,742.00	880,350.11	116,066,112.98
Additions	0.00	0.00	0.00	0.00	0.00	0.00	9,038,769.80	9,038,769.80
Disposals	(23,000.00)	(195,951.00)	(601,844.79)	0.00	0.00	0.00	0.00	(820,795.79)
Revaluation adjustment to the ARS	2,785,893.50	3,702,781.43	0.00	30,424,896.07	1,379,901.69	1,101,730.43	0.00	39,395,203.12
Transfers between classes	0.00	708,504.76	2,507,378.51	6,094,566.72	1,944.66	24,468.18	(9,336,862.83)	0.00
Closing gross value as at 30 June 2011	4,055,613.60	30,967,059.33	11,469,330.77	93,376,491.41	7,409,597.31	15,818,940.61	582,257.08	168,679,290.11
Accumulated depreciation and impairment								
Opening balance as at 1 July 2010	0.00	7,741,868.13	4,249,666.15	13,466,463.25	2,689,883.79	2,081,202.21	0.00	30,229,083.53
Depreciation provided in the period	0.00	327,824.55	1,176,598.17	1,235,088.33	125,034.18	307,961.42	0.00	3,172,506.65
Depreciation on disposals	0.00	(108,109.71)	(374,381.55)	0.00	0.00	0.00	0.00	(482,491.26)
Revaluation adjustment to the ARS	0.00	(2,930,640.55)	0.00	13,804,884.26	756,111.14	179,150.21	0.00	11,809,499.26
Accumulated depreciation as at 30 June 2011	0.00	5,030,942.42	5,051,882.77	28,506,435.84	3,571,029.11	2,568,313.84	0.00	44,728,598.18
Total written down value as at 30 June 2011	4,055,613.60	25,936,116.91	6,417,448.00	64,870,055.57	3,838,568.20	13,250,626.77	582,257.08	118,950,686.13
Residual value	1.00	12,572,908.00	10,467.00	31,102,483.52	0.00	0.00	0.00	43,685,859.52
Range of estimated useful life in years	Not Depreciated	10-100 Yrs	3-5 Yrs	10-100 Yrs	20-100 Yrs	5-60 Yrs		

Flinders Shire Council
Note 14b: Property, Plant and Equipment
For the year ended 30 June 2011

	Land and Improvement	Buildings and Other Structures	Plant and Equipment	Road Infrastructure	Water Infrastructure	Sewerage Infrastructure	Work in Progress	Total
Asset values								
Basis of measurement	Valuation	Valuation	Cost	Valuation	Valuation	Valuation	Cost	
Opening gross value as at 1 July 2009	1,282,613.60	26,026,341.14	9,025,141.10	60,357,547.03	5,933,344.02	2,192,404.98	5,597,827.73	110,415,219.60
Additions	0.00	0.00	0.00	0.00	0.00	0.00	10,682,186.08	10,682,186.08
Disposals	0.00	(366,187.50)	(1,316,140.15)	0.00	0.00	0.00	0.00	(1,682,327.65)
Revaluation adjustment to the ARS	0.00	30,763.06	0.00	(4,877,635.93)	63,152.48	1,434,755.34	0.00	(3,348,965.05)
Transfers between classes	10,106.50	1,060,807.44	1,854,796.10	1,377,117.52	31,254.46	11,065,581.68	(15,399,663.70)	0.00
Closing gross value as at 30 June 2010	1,292,720.10	26,751,724.14	9,563,797.05	56,857,028.62	6,027,750.96	14,692,742.00	880,350.11	116,066,112.98
Accumulated depreciation and impairment								
Opening balance as at 1 July 2009	0.00	7,651,979.96	3,868,654.32	14,735,972.78	2,501,915.12	1,209,776.50	0.00	29,968,298.68
Depreciation provided in period	0.00	307,050.04	1,158,211.94	1,232,786.94	57,650.42	369,422.26	0.00	3,125,121.60
Depreciation on disposals	0.00	(228,192.10)	(777,200.11)	0.00	0.00	0.00	0.00	(1,005,392.21)
Revaluation adjustment to the ARS	0.00	11,030.23	0.00	(10,264,828.86)	130,318.25	502,003.45	0.00	(9,621,476.93)
Impairment adjustment to ARS	0.00	0.00	0.00	7,762,532.39	0.00	0.00	0.00	7,762,532.39
Accumulated depreciation as at 30 June 2010	0.00	7,741,868.13	4,249,666.15	13,466,463.25	2,689,883.79	2,081,202.21	0.00	30,229,083.53
Total written down value as at 30 June 2010	1,292,720.10	19,009,856.01	5,314,130.90	43,390,565.37	3,337,867.17	12,611,539.79	880,350.11	85,837,029.45
Residual value	1	0	20	0	0	0	0	21
Range of estimated useful life in years	Not Depreciated	10-100 Yrs	3-5 Yrs	10-100 Yrs	20-100 Yrs	5-60 Yrs		

Note 15: Trade and Other Payables

For the year ended 30 June 2011

	Notes	2011 Actual	2010 Actual
Current			
Creditors and accruals		1,747,421.49	4,442,303.36
Annual leave		345,636.60	276,174.50
Other entitlements		21,777.43	15,197.38
Total Current Trade and Other Payables		2,114,835.52	4,733,675.24
Non-current			
Annual leave		207,535.15	154,621.42
Total Non-current Trade and Other Payables		207,535.15	154,621.42

Note 16: Provisions

	Notes	2011 Actual	2010 Actual
Current			
Long service leave		121,124.74	63,253.43
Total Current Provisions		121,124.74	63,253.43
Non-current			
Refuse restoration		81,813.40	78,818.30
Long service leave		497,344.54	427,988.38
Total Non-current Provisions		579,157.94	506,806.68

Details of movements in provisions:

(a) Refuse restoration

Balance at beginning of financial year	78,818.30	76,671.50
Increase(decrease) in provision due to change in discount rate	2,995.10	2,146.80
Balance at the end of the financial year	81,813.40	78,818.30

This is the present value of the estimated cost of restoring the refuse disposal site to a useable state at the end of its useful life. The projected cost is \$78,125.86 and this cost is now expected to be incurred in October 2012 due to unexpected delays in approvals from DERM.

(b) Long Service Leave

Balance at beginning of financial year	491,241.81	385,076.62
Long service leave entitlement arising	147,787.16	119,967.65
Long service leave entitlement paid	(20,559.69)	(13,802.46)
Balance at the end of the financial year	618,469.28	491,241.81

Long Service Leave is calculated at current pay levels as adjusted for inflation and likely future changes in salary level. The estimates are then adjusted for the probability of the employee remaining in the Council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. 100% of the Non-Current Liability is funded.

Flinders Shire Council
Note 17: Shire Capital
For the year ended 30 June 2011

	Notes	2011 Actual	2010 Actual
Calculation of Retained Surplus			
Cash and Cash Equivalents		5,295,907.74	3,128,991.63
Less:			
Reserves (other than Asset Revaluation Reserve)		(609,389.61)	(706,171.94)
Funded Depreciation Carried Forward		(6,454,310.29)	(3,291,156.01)
Cash Backed Rehabilitation Provisions		(81,813.40)	(78,818.30)
Funded Employee Entitlements (Non-Current)		(497,344.54)	(427,988.38)
Trade and Other Receivables to be collected		7,009,468.74	2,750,179.82
Working Cash Requirement (proportion rates / first collection date)		(2,650,406.36)	(224,460.00)
Retained Surplus/(Deficit)		2,012,112.28	1,150,576.82
Total Capital and Surplus		68,434,045.58	58,875,039.95
Capital Account		66,421,933.30	57,724,463.13
Capital Account Opening Balance		57,724,463.13	54,744,313.74
Transfer to/(from) Capital		8,697,470.17	2,980,149.39
Closing Balance		66,421,933.30	57,724,463.13

The decrease in funded depreciation is a result of utilising those funds for the sewerage capital upgrade and other capital works. At the 30 June Council had a large amount outstanding in Accounts Receivable. This affects the working cash requirement.

Note 18: Asset Revaluation Surplus

	Notes	2011 Actual	2010 Actual
(i) Asset revaluation surplus			
Movements in the asset revaluation surplus were as follows:			
Balance at beginning of financial year		31,552,939.46	33,042,959.96
Net adjustment to non-current assets at end of period to reflect a change in current fair value:			
Land and Improvements		2,785,893.50	0.00
Buildings and other structures		6,633,421.98	19,732.83
Roads		16,620,017.60	5,387,192.93
Water		623,790.55	(67,165.77)
Sewerage		922,580.22	932,751.89
Impairment:			
Roads		0.00	(7,762,532.38)
Balance at end of financial year		59,138,637.52	31,552,939.46
(ii) Asset revaluation surplus analysis			
The closing balance of the asset revaluation surplus is comprised of the following asset categories:			
Land and Improvements		2,785,893.50	0.00
Buildings and other structures		20,048,231.89	13,414,809.91
Roads		32,582,791.26	15,962,779.45
Water		1,827,112.04	1,203,321.49
Sewerage		1,894,608.83	972,028.61
Total Revaluation Surplus Analysis		59,138,637.52	31,552,939.46

Flinders Shire Council
Note 19: Retained Surplus / (deficiency)

For the year ended 30 June 2011

	Notes	2011 Actual	2010 Actual
Movements in the retained surplus were as follows:			
Retained surplus/(deficit) at the beginning of the financial year		1,150,576.82	817,721.25
Net result attributable to Council		6,762,743.72	2,146,924.38
Transfers (to) from capital reserves for future capital project funding, or from reserves funds that have been expended:			
Community facilities reserve		(45,818.13)	(68,996.11)
Constrained grants reserve		2,600.49	(37,600.49)
Water infrastructure reserve		(10,000.00)	(10,000.00)
Transfers (to) from recurrent reserves for future project funding, or from reserves funds that have been expended:			
Plant Replacement Reserve		150,000.00	0.00
Sewerage replacement reserve		0.00	550,000.00
Recurrent expenditure reserve		2,699,479.55	732,677.18
Transfers (to)/from Shire Capital		(8,697,470.17)	(2,980,149.39)
Retained surplus at the end of the financial year		2,012,112.28	1,150,576.82

Flinders Shire Council
Note 20: Other Reserves
For the year ended 30 June 2011

Notes	2011 Actual	2010 Actual
(a) Reserves held for Future Capital Expenditure:		
(i) Community facilities reserve	534,389.61	488,571.48
(ii) Water replacement reserve	40,000.00	30,000.00
(iii) Sewerage replacement reserve	0.00	0.00
(iv) Constrained grants reserve	35,000.00	37,600.49
(v) Plant replacement reserve	0.00	150,000.00
Total Reserves held for Future Capital Expenditure	609,389.61	706,171.97
(b) Reserves held for Funding Future Recurrent Expenditure:		
(i) Future recurrent expenditure reserve	342,525.08	3,042,004.63
Total Reserves held for Funding Future Capital Expenditure	342,525.08	3,042,004.63
Total reserves	951,914.69	3,748,176.60
(c) Movements in Capital Reserves:		
(i) Community Facilities Reserve		
Balance at beginning of financial year	488,571.48	419,575.37
Transfer from retained surplus for future expenditure	45,818.13	68,996.11
Balance Community Facilities Reserve at Year End	534,389.61	488,571.48
(ii) Water Replacement Reserve		
Balance at beginning of financial year	30,000.00	20,000.00
Transfer from retained surplus for future expenditure	10,000.00	10,000.00
Balance of Water Replacement Reserve at Year End	40,000.00	30,000.00
(iii) Sewerage Replacement Reserve		
Balance at beginning of financial year	0.00	550,000.00
Transfer to the retained surplus/capital funds expended in the period	0.00	(550,000.00)
Balance of Sewerage Replacement Reserve at Year End	0.00	0.00
(iv) Constrained Grants Reserve		
Balance at beginning of financial year	37,600.49	0.00
Transfer from retained surplus for future expenditure	30,000.00	37,600.49
Transfer to the retained surplus/capital funds expended in the period	(32,600.49)	0.00
Balance of Constrained Grants Reserve at Year End	35,000.00	37,600.49
(v) Plant Replacement Reserve		
Balance at beginning of financial year	150,000.00	150,000.00
Transfer to the retained surplus/capital funds expended in the period	(150,000.00)	0.00
Balance of Plant Replacement Reserve at Year End	0.00	150,000.00
(d) Movements in Recurrent Reserves:		
(iv) Constrained Grants Reserve		
Balance at beginning of financial year	3,042,004.63	3,774,681.81
Transfer from retained surplus for future expenditure	826,674.60	1,183,121.28
Transfer to retained surplus	(3,526,154.15)	(1,915,798.46)
Balance of Constrained Grants Reserve at Year End	342,525.08	3,042,004.63

Flinders Shire Council
Note 21: Commitments for Expenditure
For the year ended 30 June 2011

	Notes	2011 Actual	2010 Actual
Operating Leases			
Minimum lease payments in relation to non-cancellable operating leases are as follows:			
Within one year		2,180.76	37,160.76
One to five years		3,998.06	148,643.04
Total Operating Leases		6,178.82	185,803.80
Contractual Commitments			
Contractual commitments at balance date but not recognised in the financial statements are as follows:			
Contracts for Grading Shire Roads		221,595.33	296,388.25
Civica Software Implementation & Licenses		144,850.00	125,000.00
Other Commitments		1,210,739.14	212,404.40
Total Contractual Commitments		1,577,184.47	633,792.65

Grading contracts are written as the maximum outlay Council could expect to pay out for the year. However the maximum amount is rarely paid out since some roads may not require grading. Council had taken delivery of a truck which was to be paid for after 30 June 2011. The truck was valued at \$455,000.

Note 22: Contingent Liabilities

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

A claim for damages in the sum of \$1,000,000 has been lodged in relation to a motorcycle accident against Council. The amount of the claim is not expected to exceed \$100,000.

A claim has been lodged in relation to a workplace incident that occurred on 4th July 2002. The amount claimed is \$1,231,395.31. This claim is not expected to succeed, at this level. Stephen McCartney (CEO) and Leanne Rogers (Director of Corporate Services) met with David Perrin from Liability Adjusters on 7th September 2010 to discuss this claim. Law investigations are continuing.

Local Government Mutual:

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

As at June 2011 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare:

The Flinders Shire Council is a member of the Queensland Local Government workers compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance license 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 \$189,416.61.

Note 23: Events after Balance Date

For the year ended 30 June 2011

There were no events after balance date.

Note 24: 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 two elements referred to as the Defined Benefits Fund (DBF) and the Accumulation Benefits Fund (ABF). The ABF is a defined contribution scheme as defined in AASB 119. Council has no liability to or interest in the ABF other than the payment of the statutory contributions as required by the Local Government Act 2009.

The DBF is a defined benefit plan as defined in AASB119. The Council is not able to account for the DBF as a defined benefit plan in accordance with AASB119 because the scheme is unable to account to the Council for its proportionate share of the defined benefit obligation, plan assets and costs. Any amount by which either fund is over or under funded would only affect future benefits and contributions to the DBF, and is not an asset or liability of the Council. Accordingly there is no recognition in the financial statements of any over or under funding of the scheme.

The audited general purpose financial report of the scheme as at 30 June 2010 (the most recent available) which was not subject to any audit qualification, indicates that the assets of the scheme are sufficient to meet the vested benefits.

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

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

Council has been advised by the trustee of the scheme, following advice from the scheme's actuary, that additional contributions may be imposed in the future at a level necessary to protect the entitlements of DBF members. Under amendments to the Local Government Act 2009 the trustee of the scheme has the power to levy additional contributions on councils which have employees in the DBF when the actuary advises such additional contributions are payable - normally when the assets of the DBF are insufficient to meet members' benefits.

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

Notes	2011 Actual	2010 Actual
The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of employees was:	516,396.54	457,055.62

Flinders Shire Council
Note 25: Trust Funds
For the year ended 30 June 2011

Notes	2011 Actual	2010 Actual
Trust Funds held for Outside Parties		
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities	23,350.00	25,495.00
Security deposits	12,043.39	2,560.00
Total Funds held for Outside Parties	35,393.39	28,055.00

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 26: Reconciliation of Operating Surplus to Net Cash Inflow from Operating Activities

Notes	2011 Actual	2010 Actual
Net Operating Surplus	6,762,743.72	2,146,924.38
Non-cash Operating Items:		
Depreciation	3,172,506.65	3,125,121.60
Total Non-cash Operating Items	3,172,506.65	3,125,121.60
Investing and Development Activities:		
Net (profit) / loss on disposal of property, plant and equipment	(1,013.65)	(112,649.28)
Capital grants and contributions	(6,435,843.63)	(3,357,979.66)
Total Investing and Development Activities	(6,436,857.28)	(3,470,628.94)
Changes in Operating Assets and Liabilities:		
(Increase) decrease in trade and other receivables	3,432,481.98	(4,412,014.71)
(Increase) decrease in inventories	(64,647.55)	14,430.63
Increase (decrease) in trade and other payables	(2,565,925.99)	2,187,250.27
Increase (decrease) in provisions	130,222.57	108,311.99
Total Changes in Operating Assets and Liabilities	932,131.01	(2,102,021.82)
Net Cash Inflow from Operating Activities	4,430,524.10	(300,604.78)

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 can offer a more beneficial rate, taking into account any risk. Borrowing by the Council is constrained by the provisions of the Statutory Bodies Financial Arrangements Act 1982.

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

RISK EXPOSURE	MEASUREMENT METHOD
Credit risk	Ageing analysis
Liquidity risk	Maturity
Interest rate risk	Sensitivity analysis

Note 27: Financial Instruments (cont'd)

For the year ended 30 June 2011

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 other banks or 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 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 agricultural, there is also a concentration in the agricultural 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 inclusive of any provisions for impairment.

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

Financial Assets	Notes	2011 Actual	2010 Actual
Council's maximum exposure to credit risk is as follows:			
Cash and cash equivalents - QTC	11	2,625,796.96	2,660,209.38
Cash and Equivalents - NAB Term Deposits	11	2,050,375.36	0.00
Cash and cash equivalents - NAB	11	619,735.42	468,782.25
Receivables - rates	12	129,665.32	83,554.59
Receivables - other	12	6,878,769.31	9,845,001.76
Other credit exposures:			
Guarantee	22	189,416.61	225,324.25
Total Exposure to Credit Risk		12,493,758.98	13,282,872.23

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amounts as indicated.

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

Receivables	Notes	2011 Actual	2010 Actual
<30 days		6,236,203.31	5,595,893.15
30 to 60 days		708,915.10	4,115,707.62
61 to 90 days		9,297.56	188,138.36
Impaired		54,018.66	28,797.22
Total Receivables		7,008,434.63	9,928,536.35

Liquidity risk

Liquidity risk refers to the situation where the Council may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Council is exposed to liquidity risk through its trading in the normal course of business.

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

Flinders Shire Council
Note 27: Financial Instruments (cont'd)
For the year ended 30 June 2011

Trade and Other Payables	Notes	2011 Actual	2010 Actual
0 to 1 year	15	1,747,421.49	4,442,303.36
1 to 5 years	16	81,813.40	78,818.30
Over 5 years	16	0.00	0.00
Total Trade and Other Payables		1,829,234.89	4,521,121.66

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.

Interest rate risk

The Council is exposed to interest rate risk through its finance lease borrowings and investments held with financial institutions.

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

The following interest rate sensitivity analysis is based on a report similar to that which would be provided to management, depicting the outcome to profit and loss should there be a 1% increase in market interest rates.

The calculations assume that the rate would be held constant over the next financial year, with the change occurring at the beginning of that year. It is assumed that interest rates on overdue rates would not change. If the rates decreased by 1% the impact would be equal in amount in the reverse direction.

Financial Assets	2011 Actual	2010 Actual
Net Carrying Amount	0.00	0.00
Net Total – Net Carrying Amount	0.00	0.00
Profit	52,959.07	31,289.92
Net Total - Profit	52,959.07	31,289.92
Equity	52,959.07	31,289.92
Net Total - Equity	52,959.07	31,289.92

Flinders Shire Council
Note 28: National Competition Policy
For the year ended 30 June 2011

(a) Activities to which the code of competitive conduct is applied

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

Roads business activity:

- (i) the construction or maintenance of State controlled roads for which the local government submits an offer to carry out work in response to a tender invitation other than through a sole supplier arrangement
- (ii) submission of a competitive tender for construction or road maintenance on the local government's roads which the local government has put out to tender, or called for by another local government

Other business activity, referred to as type three activities, means the following:

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

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

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

	2011 Actual	2010 Actual
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(b) Description of CSO's provided to business opportunities:

Water Activities

For providing free services to public areas	183,000.00	183,000.00
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Sewerage Activities

For providing free services to public areas	101,000.00	101,000.00
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Flinders Shire Council
Note 28: National Competition Policy (cont'd)
For the year ended 30 June 2011

	Roads		Water		Sewerage	
	2011 Actual	2010 Actual	2011 Actual	2010 Actual	2011 Actual	2010 Actual
(c) Financial performance of activities subject to competition reforms						
Revenue for services provided to the Council	0.00	0.00	67,815.54	68,612.70	52,958.72	54,021.76
Revenue for services provided to external clients	8,414,117.49	15,036,241.65	632,209.75	594,514.75	508,801.76	1,406,642.08
Community service obligations	0.00	0.00	183,000.00	183,000.00	101,000.00	101,000.00
	8,414,117.49	15,036,241.65	883,025.29	846,127.45	662,760.48	1,561,663.84
Less: Expenditure	9,325,188.27	17,326,472.59	635,842.52	1,271,178.96	736,381.69	783,352.07
Surplus / (deficiency)	(911,070.78)	(2,290,230.94)	247,182.77	(425,051.51)	(73,621.21)	778,311.77

Flinders Shire Council
Management Certificate
For the year ended 30 June 2011


These general purpose financial statements have been prepared pursuant to Section 102 of the *Local Government (Finance, Plans and Reporting) Regulation 2010* (the Regulation) and other prescribed requirements.

In accordance with Section 161 of the Regulation we certify that these general purpose financial statements:


- (i) have been prepared in accordance with the relevant accounting documents; and
- (ii) accurately reflect the local government's financial performance and position for the financial year.

In addition we certify that, in our opinion:

- (i) the prescribed requirements of the Local Government Act 2009 and associated Regulations 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 2 to 35, have been prepared in accordance with Australian accounting standards (including Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board); and
- (iii) the general purpose financial statements present a true and fair view of the Council's financial position as at 30 June 2011 and of its financial performance and cash flows for the financial year ended on that date.


.....
Brendan McNamara
Mayor

Date: 16 / 11 / 2011


.....
Stephen McCartney
Chief Executive Officer

Date: 16 / 11 / 2011

Flinders Shire Council
Independent Auditor's Report

For the year ended 30 June 2011

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 2011, 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 Mayor and the Chief Executive Officer.

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 (Finance, Plans and Reporting) Regulation 2010, 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 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 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 only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

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 2010 to 30 June 2011 and of the financial position as at the end of that year.

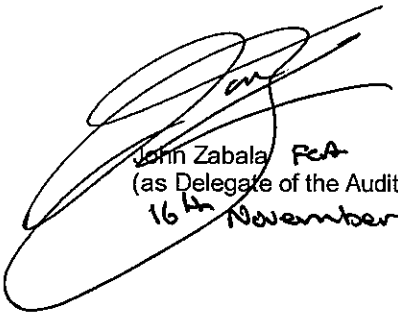
Flinders Shire Council
Independent Auditor's Report (cont'd)

For the year ended 30 June 2011

Other Matters - Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of Flinders Shire Council for the year ended 30 June 2011. Where the financial report is included on Flinders Shire Council's website the Council is responsible for the integrity of Flinders Shire Council's website and I have not been engaged to report on the integrity of Flinders Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statement or otherwise included with the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

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



John Zabala *Per A*
(as Delegate of the Auditor-General of Queensland)
16th November 2011

Townsville