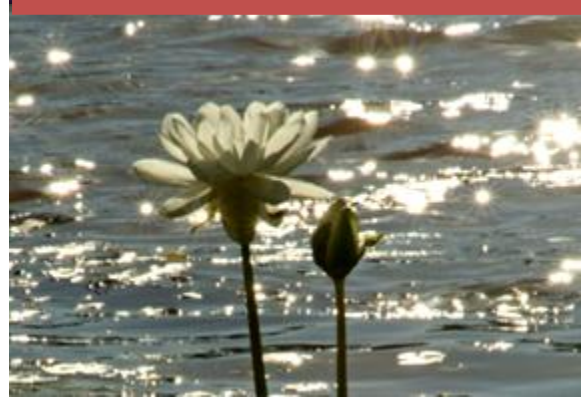


Quilpie Shire Council Annual Report



2011-2012



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Mission Statement

Quilpie Shire Council's mission is a guiding statement on how Council proposes to achieve the Corporate Plan. It is supported by key corporate values and it is an aspiration to achieve the best for the Quilpie Shire.

Mission

"Planning our future to promote sustainable, flexible business growth and quality services to our community."

Key Corporate Values

- ❖ *Responsible visionary leadership*
- ❖ *Working closely with the community to achieve our vision*
- ❖ *Open and honest communications; and*
- ❖ *Economic responsibility*

***Report from Mayor,
Cr Stuart MacKenzie***



The 2011-12 year has been a very positive year for the Quilpie Shire, a year of re-building and renewal. Another good season without some of the intense flooding of the previous years has assured the continual re-building of the pastoral industries, with stock numbers around the shire slowly getting back to levels that are historically seen as sustainable.

There has been quite a large turnover in rural properties in a shire where land is tightly held. Sadly, this has seen some old established families leave the district but the new landowners bring a sense of optimism and renewal to our shire and we welcome all newcomers wholeheartedly.

Mining, in particular the oil and gas industries, continue to prosper with extensive exploration activities underpinning increasing production levels in the future. In dollar terms, mining is, by far, the largest regional exporter, easily outstripping the other industries.

Tourism continues to grow with visitor numbers through the visitor centre in Quilpie up by 25% on the previous year. Tourism will continue to expand and, I believe, will drive new investment in the shire, especially in the towns.

The three industries of pastoral, mining and tourism will continue to drive this shire's future.

2012 was a local government election year and the mood for renewal and retirements saw 4 out of 5 new councillors elected. The early signs are good with the new council being a committed, cohesive and positive group. A special mention and congratulations should be extended to our long standing retirees, in particular, Dave Edwards, who gave 15 years of sterling service as mayor of the Quilpie Shire.

The council has undertaken a challenging work program and, in the process, adopted the largest budget ever by the Quilpie Shire. It includes a total expenditure of \$36 million. The figure is bloated somewhat by \$14.7M to be spent on state road flood damage repairs and \$7.6M to shire road flood damage.

The council has also developed 46 new residential blocks in Quilpie and as part of our future strategic planning will commence initial investigation in to a new council depot, new industrial and rural residential land developments, and new housing for Quilpie and Eromanga. Council is also open to well researched initiatives that will support existing or new industries in the shire.

It is an exciting time for the shire and the Quilpie Shire council and staff are looking forward to the challenges ahead.

Report from Chief Executive Officer, Dave Burges



Since commencing with Council in October 2011, it has certainly been a busy year...

The quadrennial Local Government Elections were held in March 2012 with a new Mayor and four Councillors elected for a four year term of governance.

The Councillors have been attending various workshops following the election to educate and familiarise themselves with the ever - changing world of Local Government.

The Council staff, in all areas have been striving to achieve a mammoth amount of works outlined in the annual Budget.

Highlights of major works and projects completed during the year include:

- The adoption of Council's first Community Plan which documents the vision of the community for the future, as well as the strategies required to achieve that vision.
- The adoption of Council's Corporate Plan 2012-2017 which is the primary strategic business and organisational planning document and forms the basis of Council's annual Operational Plan.
- The commencement of the implementation of the One Council Computer system
- The redesign of the Council Administration office foyer
- Installation of a new security shed at the Quilpie Airport
- Upgrade of John Waugh Park kiosk
- Stage 2 of the acquisition of Community Housing in Quilpie
- Construction of the Craft Shop
- Construction of skate park
- Purchase of 40ft refrigerated container for the storage of wild dog baiting meat
- RTR Projects -
 - Quilpie town street reseals
 - Floodways – Cooma Road, Congie Road Trinidad Road
 - Quilpie Airport Access Road
 - Paving - Brolga Street
 - Quilpie – Adavale Red Road 95%
- TIDS
 - Brolga Street paving
 - St Finbarr's School – school safety
 - Quilpie State School – school safety
 - Eromanga School – school safety

I would like to thank the Councillors who have worked diligently for the Shire Community and Council staff for their support, efforts and hard work during the year .

Elected Members

Prior to Election held 28th April 2012



***Cr PD Edwards (Mayor), Cr DP Murray (Deputy Mayor)
Cr RJ Nowland, Cr JC Hewson, Cr C Paulsen***

Mayor

<i>Cr David Edwards</i>	<i>PO Box 62, Quilpie Q 4480</i>	<i>07 46561185</i>
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Deputy Mayor

<i>Cr David Murray</i>	<i>Yambutta, Eromanga Q 4480</i>	<i>07 46564751</i>
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Councillors

<i>Cr Christine Paulsen</i>	<i>PO Box 99, Quilpie Q 4480</i>	<i>07 46561421</i>
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<i>Cr Jennifer Hewson</i>	<i>PO Box 202, Quilpie Q 4480</i>	<i>07 46561311</i>
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<i>Cr Ray Nowland</i>	<i>PO Box 280, Quilpie Q 4480</i>	<i>0746561823</i>
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Elected Members



*Cr AM Lilburne, Cr MS Milosevic, Cr SA MacKenzie (Mayor)
Cr JC Hewson (Deputy Mayor), Cr SC Sargent*

Mayor

Cr Stuart MacKenzie *"Plevna" Eromanga Q 4480* mayor@quilpie.qld.gov.au

Deputy Mayor

Cr Jennifer Hewson *6 Chulungra St Quilpie Q 4480* jhewson@quilpie.qld.gov.au

Councillors

Cr Stewart Sargent *"Granville" Adavale Q 4474* ssargent@quilpie.qld.gov.au

Cr Tony Lilburne *7 Jabiru St Quilpie Q 4480* tlilburne@quilpie.qld.gov.au

Cr Milan Milosevic *35 Winchu St Quilpie Q 4480* mmilosevic@quilpie.qld.gov.au

Council Meetings

Ordinary Meetings of the Quilpie Shire Council are held the second Tuesday of each month in the Quilpie Shire Boardroom, commencing at 8.30am unless otherwise changed by Council resolution.

The date and times of meetings other than special meetings are fixed in accordance with the Local Government Act and the Regulations.

The CEO must call a special meeting if:

- ✓ There is a prior Council resolution specifying that the meeting will be held
- ✓ The CEO has identified an urgent matter that needs to be decided before the next scheduled Ordinary Council meeting
- ✓ A written request has been received by the CEO which has been signed by the Mayor and two other Councillors and states a particular matter(s) to be discussed.

All meetings are open to the public, unless Council resolve, under Section 72 of the *Local Government Act*, that the meeting be closed whilst discussion takes place “in confidence” regarding specific issues such as staff, legal or industrial proceedings and contracts.

Correspondence

All correspondence is to be addressed to:

Chief Executive Officer
Quilpie Shire Council
PO Box 57
Quilpie Q 4480

Location

Office and Council Boardroom	50 Brolga Street Quilpie Q 4480	Telephone: 0746560500 Facsimile: 0746561441 Email: admin@quilpie.qld.gov.au
Works Depot, Store and Workshop	40 Winchu Street Quilpie Q 4480	Telephone: 0746560582 Facsimile: 0746561395
Library	52 Brolga Street Quilpie Q 4480	Telephone: 0746560550 Facsimile: 0746561683
Visitor Information Centre	51 Brolga Street Quilpie Q 4480	Telephone: 07 46560540 Facsimile: 0746561441
Youth Activity Centre	11 Brolga Street Quilpie Q 4480	Telephone: 0746562971
Quilpie Swimming Pool	10 Brolga Street Quilpie Q 4480	Telephone: 0746561201

Council Officers

Chief Executive Officer	Dave Burges	Phone:	0746560500
		Facsimile:	0746561441
		Email:	ceo@quilpie.qld.gov.au
Corporate Services Manager	Lisa Hamlyn	Phone:	0746560500
		Email:	dceo@quilpie.qld.gov.au
Community Services Manager	Monica James	Phone:	0746560500
			cdo@quilpie.qld.gov.au
Works Manager	Dennis Kerr	Phone:	0746560500
		Email:	works@quilpie.qld.gov.au
Senior Technical Officer	Paul Thomas	Phone:	0746560500
		Email:	PaulT@quilpie.qld.gov.au
Technical Co-ordinator	Ted Hennessy	Phone:	0746560500
		Email:	TedH@quilpie.qld.gov.au
Finance Officer	Marie Mawn	Phone:	0746560500
		Email:	accountant@quilpie.qld.gov.au

Councillor Remuneration

Councillors attend various committee meetings or training workshops routinely throughout the month. The Council is governed by the *Local Government Act 2009* and by a *Councillor Code of Conduct*.

The Local Government Remuneration Tribunal has decided to discontinue the practice of setting remuneration ranges and has established rates which are close to the mid-point of the previously established ranges

The rates for Quilpie Shire Council, being a category 1 council, are as follows:-

Mayor	52.5% of reference rate	\$72,003
Deputy mayor	22.5% of reference rate	\$30,859
Councillor	12.5% of reference rate	\$17,144

Councillor Remuneration – 1 January 2012 to 31 December 2012
Local Government (Finance, Plans & Reporting) Regulation 2010 S42 (5)

Resolution No: (11-02-12)

Moved by Cr Paulsen
Seconded by Cr Hewson

That Council adopt the following Councillor Remuneration Schedule:-

<i>Mayor</i>	<i>\$72,003</i>
<i>Deputy Mayor</i>	<i>\$30,859</i>
<i>Councillor</i>	<i>17,144</i>

That Council resolves to cancel Policy GA.12 0111

Carried 5/0

Delegated Officer: Chief Executive Officer

Councillor Expenses Reimbursement Policy

1. OBJECTIVE

The objective of this policy is to authorise the payment of reasonable expenses incurred, or to be incurred, by Councillors, and provision of facilities to assist Councillors in discharging their duties and responsibilities.

2. PURPOSE

The purpose of the policy is to ensure that Councillors, including the Mayor, can receive reimbursement of reasonable expenses and be provided with necessary facilities in performance of their role. The policy is made pursuant to Section 44-47 of the *Local Government (Operations) Regulation 2010*.

3. SCOPE

This policy applies to the Mayor, Deputy Mayor and Councillors. This policy deals with reimbursement of expenses or provision of a facility to Councillors, but does not apply to the conduct of civic functions or the remuneration of Councillors.

It is the responsibility of Council to use its discretion and decide what is required by Councillors in carrying out their civic responsibilities taking into account the role of the Councillor, Council's annual budget and community expectations.

Council must be mindful of the Local Government principles and the legislative requirements of the Act when determining legitimate types of expenses and facilities for Councillors.

4. PRINCIPLES

This policy has been written to be compliant with the Local Government principles set out in the Act and the following five underpinning principles.

4.1. Reasonable expenses reimbursement to Councillors

Council has considered what is reasonable and fair, given the size and population of the Council and the responsibilities of Councillors. Councillors should not be financially disadvantaged when carrying out the requirements of the role of Councillor and should be fairly and reasonably compensated in this regard in accordance with community expectations. Councils should take into account considerations of economy and efficiency when developing their policies. Expenses are not designed to be used to supplement the remuneration levels determined by the Local Government Remuneration Tribunal and where practicable will only cover actual costs.

4.2. Public accountability and transparency

This policy and the process of approval ensure there is accountability and transparency in the reimbursement of expenses incurred, or to be incurred, by Councillors. The policy covers the specific expenses for which Councillors are entitled to receive reimbursement and is sufficiently clear in scope and easily understood by communities. Councillors can only receive the reimbursement for expenses included in the policy.

4.3. Public perceptions and community expectations

Council has considered public perceptions and community expectations when developing this policy. It is believed that the detail and range of expenses paid and facilities provided to Councillors by Council has been clearly and specifically stated, fully transparent and acceptable to the local community. The Council is confident that it has considered the community's needs and expectations in determining this policy.

4.4. No private benefit to be derived

Councillors incurring expenses should not gain personal funds as a result of their role servicing the community. All reimbursement of expenses or provision of facilities must be for legitimate business use only i.e. to enable Councillors to effectively and efficiently carry out their civic duties. Furthermore, 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.

4.5. Equity and Participation

Council's policy is non-discriminatory and provides an opportunity for full participation by all Councillors from a diverse range of backgrounds. The policy accounts for individual differences and is sufficiently inclusive to ensure participation of underrepresented groups. Councils has considered issues such as access and equity and have taken account of any barriers to participation for Councillors. This includes consideration of the needs of Councillors with disabilities and caring responsibilities.

5. BACKGROUND

5.1. Legislation

Division 2 Chapter 5 of the Local Government (Operations) Regulation 2010 requires Council to have an expense reimbursement policy. Such policy is to provide for the following:-

- Payment of reasonable expenses incurred, or to be incurred, by Councillors, for discharging their duties and responsibilities as Councillors; and
- Provision of facilities to the Councillors for that purpose.

Section 45 of the Regulation requires Council to adopt such a policy, by resolution. The policy must be consistent with the local government principles and the financial sustainability criteria under Section 102 of the Act.

Section 46 of the Regulation requires Council to give public notice of the adoption of such a policy. The public notice must be published in a newspaper circulating generally in the local government area and on the local government website.

Section 47 provides that a meeting at which a proposed expense reimbursement policy is discussed cannot be closed to the public.

5.2. Related Policies

See also: Procurement Policy

6. DEFINITIONS

Chief Executive of the Department: The Director-General of the Department of Local Government & Planning.

Council Business: Activities conducted on behalf of Council where a Councillor is required to undertake certain tasks to satisfy legislative requirements, perform ceremonial activities, or achieve business objectives of the Council. Council business should result in a benefit being achieved either for the local government and/or the local community. This includes:-

- Preparing for, attending and participating in Council meetings, committee meetings, workshops, deputations and inspections;
- Attending conferences of local government industry associations or professional bodies (ie LGAQ, UDIA, LGMA, etc);
- Attending civic ceremonies and community events such as representing Council at Anzac Day ceremonies or opening a school fete, where they have been formally invited in their capacity as Councillor to undertake the official duty;
- Attending public meetings, annual meetings or presentation dinners where invited as a Councillor;
- Attending meetings of community groups (Scout Associations, Progress Associations, etc) where invited to speak about Council Programs or initiatives.

Attending or participating in a community event, community group, private meetings or inspection with constituents, or being a representative on a board as a community member is not regarded as 'Official Council Business.'

Councillors: Includes the Mayor, Deputy Mayor and other Councillors, unless specifically identified.

Expenses: Expenses are payments reasonably incurred, or to be incurred, in connection with Councillors discharging their duties. The expenses may be either reimbursed to Councillors or paid direct by Council for something that is deemed a necessary cost or charge. Expenses are not included as remuneration.

Facility: Facilities provided to Councillors that are the "tools of trade" and required to enable them to perform their duties with relative ease and at a standard appropriate to fulfill the community expectation for their role.

Reasonable: Councils must make sound judgments and consider what is prudent, responsible and acceptable to the community when determining appropriate levels of facilities and expenditure.

7. PAYMENT OF EXPENSES

Expenses will be paid to a Councillor through administrative processes approved by Council's Chief Executive Officer subject to:-

- The limits outlined in this policy;
- Council endorsement by resolution, where required;
- In the case of reimbursement of expenses production of receipts and tax invoices or evidence that such expenses have been paid is required prior to reimbursement; and
- Expense reimbursement must be claimed within two (2) months of such expense having been paid by the Councillor and claims for reimbursements outside of this period will not be accepted.

8. EXPENSE CATEGORIES

Expense Category	Details
Council Business	<p>Council will reimburse expenses incurred in undertaking Council business which includes:-</p> <ul style="list-style-type: none"> ▪ attendance at Council meetings, committee meetings, Councillor Information Sessions and approved workshops, strategic briefings and deputations; ▪ attendance at pre-arranged meetings with the Chief Executive Officer and/or General Managers; ▪ attendance at seminars and conferences where Councillors are required to either deliver a paper and/or attend as a delegate of Council as per resolution, ▪ attendance outside the shire at public meetings and other community events such as presentation dinners and meetings with community groups where a formal invitation has been received inviting the Councillor in their official capacity to perform official duties or as an official Council representative as per resolution or with the prior approval of the Mayor; ▪ attendance outside the shire at civic functions and ceremonies on behalf of the Mayor as delegated by the Mayor. <p>Section 12(4)(i) of the <i>Local Government Act 2009</i> states that the Mayor has the extra responsibility of representing the local government at ceremonial or civic functions. Section 12(5) of the <i>Local Government Act 2009</i> states that a Councillor who is not the Mayor may perform the Mayor's extra responsibilities only if the Mayor delegates the responsibility to the Councillor.</p>
Conferences and Training	<p>Council will reimburse expenses incurred for:-</p> <ul style="list-style-type: none"> ▪ attendance at Regional, State or National Local Government associated conferences, subject to attendance approved by Council; ▪ attendance at Regional meetings and workshops associated with a Councillor's responsibilities; ▪ professional development and training as approved by Council
Travel Costs	<p>Council will reimburse travel expenses deemed necessary to achieve the business of Council where:-</p> <ul style="list-style-type: none"> ▪ a Councillor is an official representative of Council; and ▪ the activity / event and travel have been endorsed by resolution of Council. <p>Council will reimburse travel costs for attendance at Council meetings and Council business where a Council vehicle is not available for use and the distance travelled is more than 5km.</p> <p>Councillors are required to travel the most direct route, using the most economical and</p>

	<p>efficient mode of transport.</p> <p>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.</p> <p>All Councillor travel approved by Council resolution will be booked and paid for by Council.</p> <p>Any travel transfer expenses associated with Councillors travelling for Council approved business will be reimbursed.</p> <p>Councillor's private vehicle usage will be reimbursed at the Australian Taxation Office cents per kilometre rate if the:-</p> <ul style="list-style-type: none"> ▪ travel has been endorsed by Council resolution or no Council vehicle is available; and ▪ 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. <p>Any travel/transfer expenses associated with Councillors travelling for Council approved business will be reimbursed. Example: Trains, taxis, buses and ferry fees, toll fees. Cab charge vouchers may also be used if approved by Council where Councillors are undertaking duties relating to the business of Council. Council will provide reimbursement for parking costs paid by Councillors while attending to official Council business.</p> <p>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).</p>
Accommodation	<p>All Councillor accommodation for Council business will be booked and paid for by Council where possible. Council will pay for the most economical deal available where possible. Where possible the minimum standards for Councillor accommodation will be four star rating.</p> <p>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.</p>
Meals	<p>Council will reimburse costs of meals for a Councillor when:-</p> <ul style="list-style-type: none"> ▪ the Councillor incurs the cost personally; and ▪ the meal was not provided within the registration costs of the approved activity/event; and ▪ a copy of a tax invoice is provided. <p>Council reimbursement for meal expenses shall be interpreted as reasonable expenses incurred for the purchase of breakfast, lunch, dinner where these are not provided at the event. Any meal reimbursements shall not be more than \$40 per meal or more than \$100 per day. No alcohol will be reimbursed by Council.</p>
Hospitality and Entertainment Expenses	<p>The Mayor may have occasion to incur hospitality expenses while conducting official Council business. Hospitality expenses incurred will typically take the form of meals and beverages. The maximum amount of hospitality expenses that may be reimbursed is \$1000 / annum for the Mayor. The Mayor will be issued with a corporate credit card which may be used for this purpose or alternatively a copy of a tax invoice is required for reimbursement.</p>

9. PROVISION of FACILITIES

Councillors will be provided facilities as detailed in the table below and have been based on the principle that no private benefit is to be gained from the facilities provided. All facilities provided to Councillors remain the property of Council and must be returned to Council when a Councillor's term expires.

Council will be responsible for the ongoing maintenance and reasonable wear and tear costs of Council owned equipment that is supplied to Councillors for official business use. This includes the replacement of any facilities which fall under Council's asset replacement program.

Administrative Tools	Council will provide access to the following office equipment in the Council office to enable Councillors to carry out their role effectively: <ul style="list-style-type: none"> ▪ Laptop or computer ▪ Printer ▪ Fax ▪ Stationery ▪ Office space and meeting rooms ▪ Photocopier ▪ Publications ▪ Landline telephones and internet access ▪ Secretarial support
Mobile Phone	Council will provide a mobile telephone or alternative communication device to the Mayor with all costs payable by Council.
Credit Card	The Mayor will be provided with a corporate credit card for use in charging costs and expenses associated with the duties of Mayor.
Corporate Uniform and Ancillaries	Council will provide Councillors with the following corporate equipment:- <ul style="list-style-type: none"> ▪ Name badge ▪ Necessary safety equipment for use on official business e.g. safety helmet/boots ▪ Business Cards
Vehicles	Council may provide the Mayor with a suitable 4WD or SUV sedan vehicle for use during official Council business including travel to and from home to Council's place of business. Councillors may access a Council vehicle for use on official Council business. Private use of Council owned vehicles is permitted if prior approval has been granted by resolution of Council. Council will, in its resolution authorising private use, set out the terms for the Councillor to reimburse Council for such private use. The Mayor is authorised to use the Council owned vehicle for private use.
Fuel Costs	All fuel used in a Council owned vehicle on official Council business will be provided or paid for by Council. Fuel used in private use of a Council vehicle, including the Mayor's vehicle, will be paid for by the Councillor.
Insurance Cover	Council will insure Councillors in the event of injury sustained while discharging their duties. Council will pay the excess for injury claims made by a Councillor resulting from conducting official Council business.

10. CLAIMS FOR REIMBURSEMENT

All claims for reimbursement of expenses will be made on the approved form and submitted with original receipts to the Chief Executive Officer for approval. Failure to comply with this policy, falsifying claims or logbooks or the misuse of facilities may breach the Councillors' Code of Conduct and/or represent an offence under the Criminal Code and may be referred to the Crime and Misconduct Commission.

11. EFFECTIVE FROM

This policy will take effect from the commencement of the fortnight immediately following its adoption by Council. Any previous Expenses Reimbursement Policy will cease to have effect at this stage.

12. REPORTING

A report summarising all expenditure in relation to this policy shall be included in Council's Annual Report.

13. REVIEW

This policy will be reviewed within three (3) months of the Council's next quadrennial election.

14. DATE OF RESOLUTION

This policy was approved by the Chief Executive Officer and adopted by Quilpie Shire Council at the Ordinary Meeting of 14 February 2012.

Councillor Expenses Reimbursement Policy

Resolution No: (12-02-12)

Moved by Cr Hewson

Seconded by Cr Nowland

That Council adopts the Councillor Expenses Reimbursement Policy, with the following amendments:

9. Provision of Facilities Corporate Uniforms – "Corporate Wardrobe to the value of \$450 per annum" is omitted.
9. Provision of Facilities Vehicles – Amendment: "Council may provide the Mayor with a suitable vehicle for use during official Council business including travel to and from home to Council's place of business. Councillors may access a Council vehicle for use on official Council business."
9. Provision of Facilities Mobil Phone – "Council will contribute \$50 per month to each Councillor and the Mayor to cover costs involved with the provision and use of their private or business landline, mobile phone and internet costs" is omitted.

CARRIED 5/0

Record of Meeting Attendance and Remuneration Paid to Councillors

Local Government (Finance, Plans & Reporting) Regulation 2010 S114 (1)

Councillor Remuneration and Meeting Attendance – 1 July 2011 to 28th April 2012

Position	Name	Remuneration Paid to 28th April 2012	Meeting Days	Expenses Incurred	
Mayor	Cr PD Edwards	\$55,305.16	30	\$ 59.16	fuel
Deputy Mayor	Cr DP Murray	\$25,703.64	13	\$1,665.00 \$ 62.35	travel fuel
Councillor	Cr JC Hewson	\$15,839.68	16	\$ 347.00	fuel
Councillor	Cr R Nowland	\$14,039.68	6		
Councillor	Cr CC Paulsen	\$15,262.18	9	\$ 322.50	fuel

Councillor Remuneration and Meeting Attendance – 29th April to 30th June 2012

Position	Name	Remuneration Paid post 28th April 2012	Council Meeting Days	Other Meeting Days	Expenses Incurred
Mayor	Cr SA Mackenzie	\$12,000.5	2	7	\$1,119.00 travel
Deputy Mayor	Cr JC Hewson	\$5,143.16	2	6	
Councillor	Cr SC Sargent	\$2,857.32	2	6	\$ 696.00 travel
Councillor	Cr AM Lilburne	\$2,857.32	2	6	
Councillor	Cr MS Milosevic	\$2,857.32	2	6	

Superannuation

There was no superannuation paid by Council for any Councillor for the year 2011-2012.

Travel

Overseas travel undertaken by a Councillor or Employee of the Local Government did not apply with respect to Quilpie Shire Council during 2011-2012.

Discretionary Funds

Councillors do not have any discretionary funds.

Councillor's Code of Conduct

This Code of Conduct sets out the standards of behaviour expected of councillors of Quilpie Shire Council.

The requirements of this code are in addition to the roles, responsibilities and obligations of councillors, as set out in the Local Government Act 2009. Councillors are bound by the Code of Conduct to ensure that all decisions made are fair and in the best interest of the Council and the shire community.

Administrative Action Complaints

Council's Commitment to Dealing Fairly with Administrative Action Complaints

The complaints management process is established with the following objectives;

- ✓ The fair, efficient and consistent treatment of complaints about decisions and other administrative actions of the Council;
- ✓ A complaints management process that is easy to understand and is readily accessible to all;
- ✓ Detection and rectification, where appropriate, of administrative errors;
- ✓ Identification of areas for improvement in the Council's administrative practices;
- ✓ Increase in awareness of the complaints management process for the Council's staff and the community;
- ✓ Enhancement of the community's confidence in the complaints management process and the reputation of the Council as being accountable and transparent;
- ✓ Building the capacity of staff to effectively manage complaints in an environment of continuous improvement;
- ✓ Complaints will be acknowledged and resolved in a timely manner;
- ✓ Council will manage complaints confidentially and ensure that complainants do not suffer any form of reprisal for making a complaint;
- ✓ Council will abide by the principles of natural justice/procedural fairness when dealing with complaints.

Council's implementation of its' Complaints Management Process and Assessment

Council is committed to dealing with administrative action complaints fairly and have reviewed the and adopted the amended policy on 15th August 2012. Council's Complaints Management policy and process is available on Council's website and at the Administration office.

Number of Administrative Complaints made, resolved by Council, not resolved by Council and complaints not resolved in the previous year.

Number of administrative action complaints made to Council	Nil
Number of administrative action complaints resolved by Council (Under complaints management process)	Nil
Number of administrative action complaints not resolved by Council (under complaints management process)	Nil
Number of administrative action complaints not resolved by Council in the previous year	NIL

Complaints and Investigations into Business Activities

During the year Council received **NIL** complaints in relation to its nominated business activities.

Registers Held

Council is required to keep and make available for public inspection certain documents. These documents are generally available from the Quilpie Shire Council office.

Registers open for inspection during office hours are:

Item	Description	Access
Investment Register	Record details of Council's investments	Available to any person
Register of Local Planning Policies	To record the current policies as set by Council	Available to any person
Register of Delegations of Authority by Council	To record all powers delegated by the Local Government or the Chief Executive Officer's delegated powers.	Available to any person
Register of Delegations of Authority by the CEO	To record all powers delegated by the CEO	Available to any person
Register of Local Laws	To record all local laws set by Council	Available to any person
Register of Policies	To record the current policies as set by Council	Available to any person
Register of Roads	To record the details of the shire roads	Available to any person
Contract Register	To record the details of all contracts	Available to any person

Register of Legal Documents	To hold a record of all legal documents	Available to any person
Register of Charges	To record all charges levied by Council	Available to any person
Building Application Register	To record the details of all applications	Available to any person
Cemetery Register	To record all burial sites	Available to any person
Corporate & Operational Plan	To document the goals and strategies set by Council for the period specified in each plan	Available to any person
Annual Report	To document the financial position and report on attainment of goals specified in the Corporate Plan and Operational Plan.	Available to any person
Code of Conduct	To outline the behaviours expected by staff and Councillors	Available to any person

Registers accessible from the Executive Section during office hours are:

- Register of Interest of each Local Government Councillor
(Written applications must be made to the Chief Executive Officer to inspect Registers)
- Register of Disclosure of Electoral Gifts and Loans.
- Delegations by Council.
- Delegations by the Chief Executive Officer.
- Local Laws and Subordinate Local Laws Register.
- Register of Assets.
- Register of Burials.
- Register of Charges.
- Register of Lands.
- Register of Roads.
- Register of local government business entities to which competitive neutrality principles apply.

Register of Interests

It is a requirement under the *Local Government (Operations) Regulation 2010* (LGOR) that Council maintains a Register of Interest for the following persons:

- Councillors
- Chief Executive Officer
- Senior Contract Employees
- Related persons to a Councillor, Chief Executive Officer or Senior Contract Employee

The purpose of registers of interests is to introduce greater transparency to decision making by Councillors and Senior Staff. The Chief Executive Officer maintains the Register of Interest for the Councillors, Senior Staff and their related persons. The Mayor maintains the Register of Interest for the Chief Executive Officer and their related persons.

Rebates and Concessions

In accordance with Section 107 of the Local Government (finance, Plans and Reporting) 2010, Council offers a concession of 50% on rates and utility charges to recipients of Aged, Disability, Widows and Veteran Affairs in accordance with Council's Pensioner Rate Concession Policy.

Internal Audit

Council has engaged the services of the Local Government Association Queensland to carry out the internal audit function.

Statement on Equal Employment Opportunity

The Council has developed and adopted an Equal Employment Opportunity (EEO) Management Plan.

Statement on Implementation of Code of Conduct

The Public Sector Ethics Act 1994 requires Councils to develop and implement a Code of Conduct under which its employees will operate. An Employees Code of Conduct Policy has been implemented by Council and updated 20th September 2011.

Statement of Implementation of Education and Training

The Public Sector Ethics Act 1994 requires Council to identify and implement education and training activities. Staff appraisals are conducted annually and during this process employees identify areas in which they would benefit from further training or upskilling.

The Chief Executive Officer, in consultation with Managers and staff has developed a new training plan which will be regularly reviewed and amended as priority areas for education and training change.

Statement of Election to Apply the Code of Competitive Conduct

During the year Council elected to apply the Code of Competitive Conduct to the following activities:

- Other Roads
- Roads
- Community Services
- Plan Operations and Maintenance

Corporate and Operational plans

In accordance with the Local Government Act 2009, Council is required to adopt a Corporate Plan giving strategic direction to future planning within the Shire. Council's Corporate Plan is the primary strategic business and organisational planning document and forms the basis of Council's annual Operational Plan.

The plan is developed in consultation with the community and is a "living" document that is subject to on-going review and assessment. The plan is reviewed on an annual basis to ensure it remains relevant and effective. The five focus areas of Council's Corporate Plan are:

- Infrastructure
- Environment
- Community Spirit and Social Lifestyle
- Business and Economic Development
- Governance and Council Administration

The Operational plan translates our community's needs, expectations and aspirations into action. The plan sets out Council's work program for the financial year including costs, timelines and outcomes. It sets the overall strategic direction of the organisation and acts as a primary guide in decision making. The Operational Plan is reviewed quarterly at all times remaining consistent with the Corporate Plan.

An overview of the projects completed 2011-2012, extracted from Council's Operational Plan is attached on page 30

Community Plan

Quilpie Shire Council adopted its first Community Plan in December 2011 through consultation with the community and taking into account the following existing plans;

- Sport and Recreation Plan and Needs Study
- South West Regional Plan (Queensland Government)
- Asset Management Plan – Road Network
- Asset Management Plan – Building and Structures
- Integrated Environmental Management System

The communities of Adavale, Cheepie, Eromanga, Quilpie and Toompine all contribute to the overall identity of the Shire to make it 'Simply Unique'.

Through the identification of various themes and the establishment of outcomes, the Quilpie Shire Community Plan 2021 defines the future for the Shire. The plan documents the vision of the community for the future, as well as the strategies required to achieve that vision. The Quilpie Shire Community Plan 2021 is a blueprint for residents, businesses and government, to ensure the uniqueness of the Shire is maintained while allowing for growth and enhancement. It will assist with future planning, both within the Shire and by those seeking to undertake partnerships with the Shire, such as governments and industry. It will ensure the Vision identified by the community is fully regarded in planning for the future of our unique Shire.

Revenue Policy Summary

The purpose of this revenue policy is:

- To identify the policy and framework within which Council operates in making rates and charges;
- To explain other material matters that guide the development and implementation of revenue practices within the Council;
- To comply in all respects with legislative requirements.

This document sets out the policy of the Quilpie Shire Council for setting and collecting rates and charges from its community. The policy covers:

- **Strategic Focus**
In determining its Revenue Policy for the 2011/2012 financial year the Quilpie Shire Council has considered the following:
 - the current economic climate, inflation and interest rates;
 - specific issues faced by our Community and
 - The impact of rates on the community
- **Annual Adoption of Policy**
Section 134 of the Local Government (Finance, Plans and Reporting) Regulation 2010 requires a Council to prepare and adopt a Revenue Policy each financial year. The policy is available for inspection at the Council Office.
- **Business Impact Statement**
The Council has considered the impact of rates on all classes of properties in its area, including businesses and primary producers.
- **Council Revenue Raising Powers**
A component of Council's revenue is derived from rates made and levied on the value of each parcel of rateable land. The Local Government Act 2009 provides for a Council to raise revenue for the broad purposes of the Council through a general rate, which applies to all rateable properties, or through differential general rates, which apply to classes of properties and minimum general rates. In addition, Council can raise special rates and charges, separate rates and charges and utility charges. The Council

also raises revenue through fees and charges, which are set giving consideration to the cost of the service provided and any equity issues. The list of applicable fees and charges is available at the Council Office.

- **Differential General Rates**
General rates are based on unimproved capital value on properties each year. A system of differential categories is equitably spread the cost of general services supplied. Categories are reviewed annually by Council.
- **Minimum Rate**
Council will impose a minimum amount payable by way of rates, with the following reason for imposing a minimum general rate: -
Council considers it appropriate that all rateable property make a base level contribution to:
 - the cost of administering the Council's activities; and
 - the cost of creating and maintaining the physical infrastructure that supports each property.
- **Utility Charges**
The Council provides an effluent drainage scheme, water supply schemes and garbage collection services and imposes Utility Charges for these services, based on a unit charge.
- **Cost Recovery Fees**
The Council's policy is to structure cost recovery fees so that the costs of each service, facility or activity provided are recovered, however, Council provides services, facilities or activities that are not fully cost recoverable but are deemed to be provided as a Community Service Obligation and are cross subsidized. Any cross subsidy will be clearly identified in accordance with Council's Community Service Obligation Policy.
- **Pensioner Concessions**
Council offers a concession on rates in accordance with Section 96 of the Local Government Act 2009, to recipients of an Aged, Disability, Widows and Veterans Affairs in accordance with Council's Pensioner Rate Concession Policy.
- **Payment of Rates**
Rates Notices will be issued bi yearly, payment to be made 30 days after the issue of the Rates Notice. Payments may be made by instalments upon application to Council.
- **Late Payment of Rates**
To encourage the prompt payment of rates and charges Council will in accordance with Section 64 of the Local Government (Finance, Plans and Reporting) Regulation 2010, allow a discount of 10% on the rate and charges if paid in full including any overdue rates by the due date printed on the current notice.

Long Term Financial Management Strategy

Financial sustainability ratios are included on page 28 for the next ten years which is the time frame for the long term financial forecast. Council recognises the importance of operating within the stricture that these financial sustainability ratios provide and as a result, actual results are measured against these parameters regularly.

Council pays due diligence to the strategies that are incorporated into its Budgets and financial activities and apply consideration to the following:

- Council's future and long term sustainability
- Services provided and cost recovery fees
- Current economic circumstances and risk factors
- Utilization of funding opportunities wherever possible to assist in Council activities
- Consideration of all existing plans and strategies in planning process

Non-current Asset Thresholds

In accordance with the Local Government (Finance, Plans and Reporting) Regulation 2010, Council has resolved to apply the following thresholds in recognizing non-current assets:

- the cost of the acquisition exceeds the materiality threshold of \$2,000 for items of plant and equipment and \$10,000 for infrastructure and buildings as established by Council.
- No capitalisation threshold is applied to the acquisition of land or interests in land, and
- the asset possesses a cost that can be measured reliably, and its value, at the time of Council gaining control over the asset, is in excess of \$2,000 for plant and equipment or \$10,000 for infrastructure and buildings.
- Acquisition costs of assets which total less than \$2,000 for plant and equipment and \$10,000 for infrastructure and buildings will be treated as operating expenses in the year they are incurred.

Reserves and Controlled Roads

Quilpie Shire Council has control of 278.8ha of land that are reserves under the Land Act 1994. This land does not have a value for Council's Financial Statements. Council does not control any roads it does not own.

Grants to Community Organisations

- Donations - \$26,253.00
- RADF - \$46,432.00

Total Remuneration Packages Payable to Senior Contract Employees

Local Government Act 2009 Section 201 (2)

The total remuneration packages available to senior contract employees:

- 5 senior contract employees with a total remuneration package in the range of \$0 - \$110,000
- 1 senior contract employee with a total remuneration package in the range of \$111,000 – \$190,000

Register of Prequalified Suppliers

- Adavale Plant Hire
- APV Contracting Pty Ltd
- B Hall, DJ & H Salmon T/A Ardoch Pastrol Company
- BHL & DA Hall Transport
- Brolga Contracting
- Coates Hire
- Eromanga Contracting Pty Ltd
- G.J. Cooney
- K.B. & D.J. Griffith
- Kev Richardson Welding
- SC & KG Bowen
- Schmidt Contracting Pty Ltd
- Sherrin Rentals Pty Ltd
- Southwest Contracting
- Steve Bonsey Transport
- W.D. Howell Road Construction Pty Ltd

Tender Management

Details of action taken under Section 177 (7) of the Local Government (Finance, Plans & Reporting) Regulation 2010 for invitations to change tenders during the year 2011-12: **NIL**

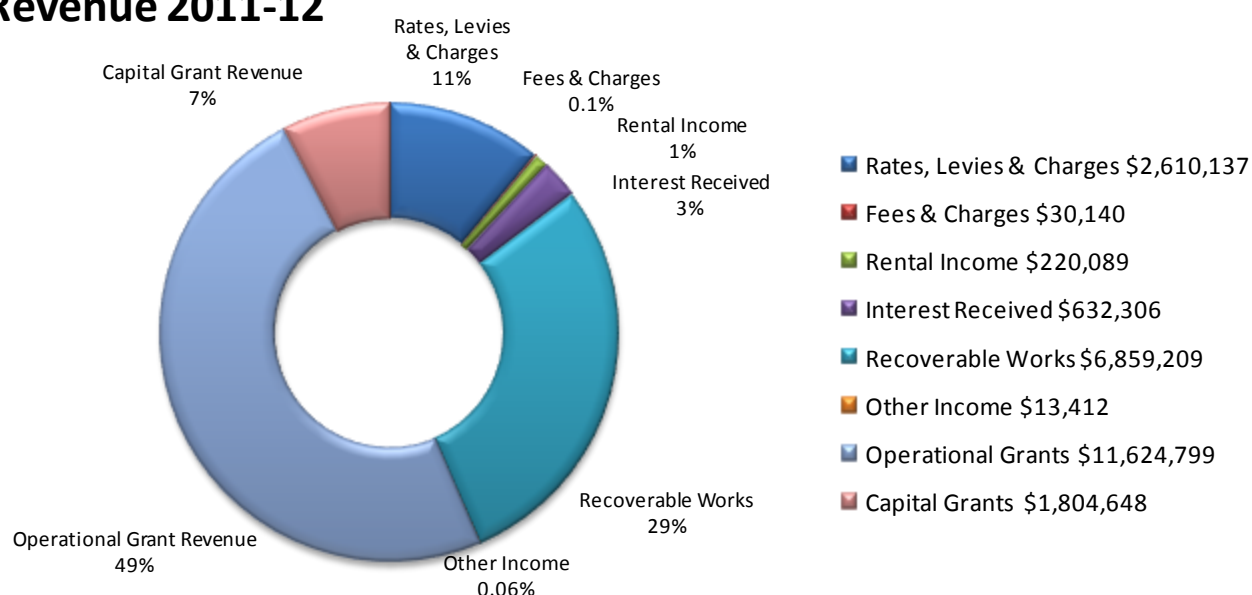
Community Financial Report

The purpose of the Community Financial Report is to summarise and simplify the General Purpose Financial Statements which are set out in detail at the end of the Annual Report.

Statement of Comprehensive Income - Revenue & Expenditure

Council's Total Revenue \$23,794,741

Revenue 2011-12



Rates, Levies & Charges

Rates, levies and charges increased by approximately 2% in 2011-12 financial year

Fees & Charges

Fees and charges increased by 11%

Rental Income

Rental Income increased by 11%

Interest Received

Interest received decreased by 4%

Recoverable Works

Recoverable works decreased by 3%

Other Income

Other income decreased by 190%

Operational Grants

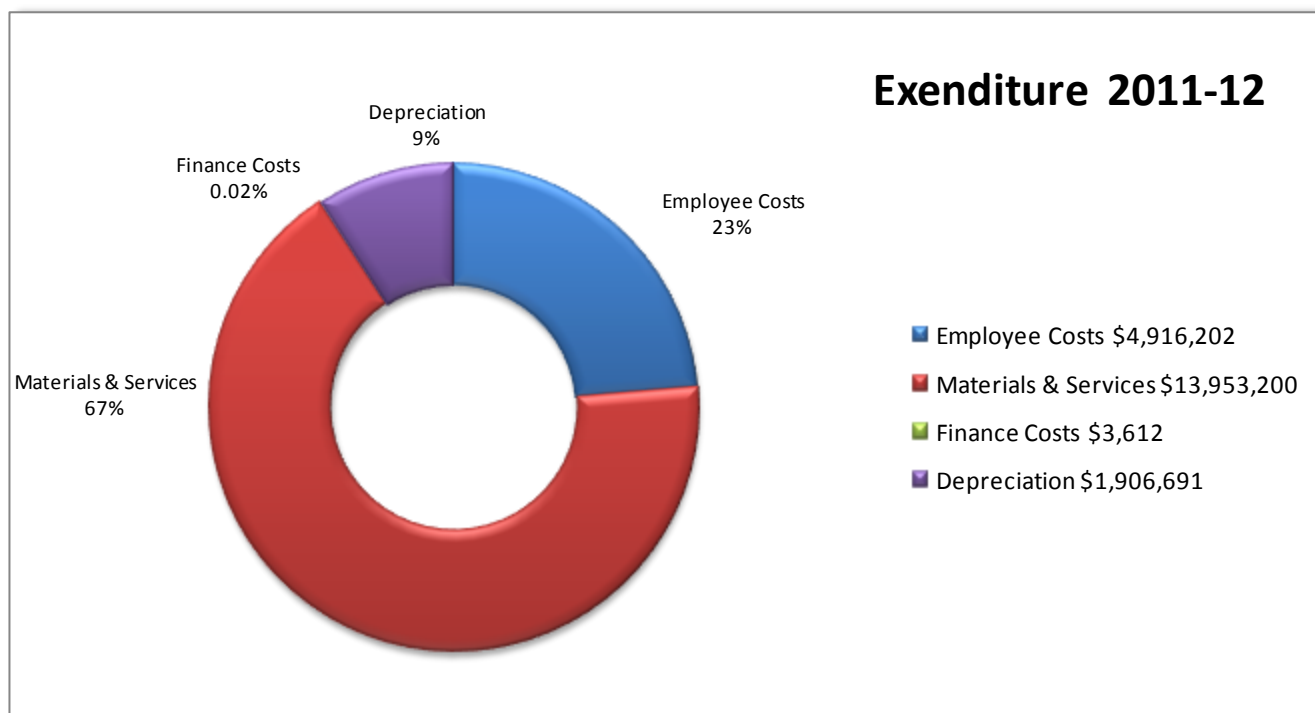
Operational grants increased by 61%

Capital Grants

Capital grants increased by 92%

TOTAL INCREASE FOR THE YEAR 2011-12 - 36%

Council's Total Expenditure \$20,779,705



Employee Costs

Employee costs increased by 14%

Material & Services

Material and services increased by 56%

Finance Costs

Finance costs increased by 3%

Depreciation

Depreciation increased by 1%

Statement of Financial Position – Assets & Liabilities

Assets

Council has total assets of \$109,260,679 an increase of 4%.

Liabilities

Council has no loans. Its liabilities increased by 50%.

Community Equity

This represents the wealth of the Council, that is, its assets less its liabilities. At 30 June 2012 this stood at \$107,168,420.

[illegible]

Definitions

Working Capital Ratio	<i>(Current Assets / Current Liabilities)</i>
Operating Surplus Ratio	<i>(Net Operating Surplus / Total Operating Revenue)</i>
Net Financial Liabilities Ratio	<i>((Total Liabilities – Current Assets) / Total Operating Revenue)</i>
Interest Coverage Ratio	<i>(Net Interest Expense / Total Operating Revenue)</i>
Asset Sustainability Ratio	<i>(Capital Expense for Replacement of Assets / Depreciation Expenses)</i>
Asset Consumption Ratio	<i>(Written Down Value of Infrastructure Assets / Gross Replacement Cost of Infrastructure Assets)</i>

Projects Completed in 2011 – 2012



Infrastructure

Strategic Direction:

To conduct Council's works related programs on a cost – effective basis through the efficient utilisation of appropriate facilities, plant and machinery.

Plan for acquisition of community housing in Quilpie (5 year plan)	DCEO	Transfer of housing to Council	Discuss with Department of Housing, assess for Council, set aside budget, transfer to Council	Stage 2 completed	\$330,000
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Strategic Direction:

To provide Engineering services and to construct and maintain roads within time and budget constraints.

Upgrade the state controlled road to Adavale.	CEO Works Manager	Improved road to Adavale	Investigate options with Qld Transport / Main Roads	2011/2012 works completed	\$985,430
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Strategic Direction:

To provide and maintain water supply and sewerage scheme to meet the current and future needs of our communities.

Upgrade water reticulation infrastructure	CEO Works Manager	Improved water infrastructure	Budget allocation	Eromanga main replacements commenced	\$180,000
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**Environment****Strategic Direction:**

To provide a healthy and natural environment that is sustainable for future generations that meets community expectations.

Upgrade Aerodrome gardens	Works Manager	More greenery	Investigate options, develop plans, implement	Completed	\$28,000
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Strategic Direction:

To develop required infrastructure and plan the future needs of the Shire.

Plan for the sub-development of new rural residential and light industrial blocks west of the aerodrome, with survey work outstanding.	CEO	New survey plan	Investigate options, implement	All survey works completed. Native Title issues finalised. Offer accepted by Council	\$175,000
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Community Spirit and Lifestyle

Strategic Direction:

To provide facilities that encourages Shire residents to participate in community and cultural activities.

Installation of skate Park	CEO CSM	New skate park	Investigate options, meet with government and the community	Completed	\$130,000
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Quilpie Shire Council
Financial Statements
2011 – 2012



Quilpie Shire Council

Financial statements

For the year ended 30 June 2012

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Quilpie Shire Council
Statement of Comprehensive Income
For the year ended 30 June 2012

		2012	2011
	Note	\$	\$
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3(a)	2,610,138	2,549,989
Fees and charges	3(b)	30,140	26,700
Rental income	3(c)	220,089	195,421
Interest received	3(d)	632,306	658,253
Sales revenue	3(e)	6,859,209	7,090,260
Other income	3(f)	13,412	38,922
Grants, subsidies, contributions and donations	4(a)	11,624,799	4,556,626
		<u>21,990,093</u>	<u>15,116,171</u>
Capital revenue			
Grants, subsidies, contributions and donations	4(b)	1,804,648	146,182
Total revenue		<u>23,794,741</u>	<u>15,262,353</u>
Capital income	5	(71,239)	(15,659)
Total income		<u>23,723,502</u>	<u>15,246,694</u>
Expenses			
Recurrent expenses			
Employee benefits	6	(4,916,202)	(4,234,214)
Materials and services	7	(13,953,200)	(6,107,979)
Finance costs	8	(3,612)	(3,488)
Depreciation and amortisation	9	(1,906,691)	(1,879,345)
		<u>(20,779,705)</u>	<u>(12,225,026)</u>
Total expenses		<u>(20,779,705)</u>	<u>(12,225,026)</u>
Net result		<u>2,943,797</u>	<u>3,021,668</u>
Other comprehensive income			
Increase / (decrease) in asset revaluation surplus	16	-	(2,499,039)
Total other comprehensive income for the year		<u>-</u>	<u>(2,499,039)</u>
Total comprehensive income for the year		<u>2,943,797</u>	<u>522,629</u>

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

Quilpie Shire Council
Statement of Financial Position
as at 30 June 2012

	Note	2012 \$	2011 \$
Current assets			
Cash and cash equivalents	10	15,998,624	12,768,127
Trade and other receivables	11	277,161	1,284,512
Inventories	12	360,402	286,457
Total current assets		<u>16,636,187</u>	<u>14,339,096</u>
Non-current assets			
Property, plant and equipment	13(a)	92,624,492	90,929,235
Total non-current assets		<u>92,624,492</u>	<u>90,929,235</u>
Total assets		<u>109,260,679</u>	<u>105,268,331</u>
Current liabilities			
Trade and other payables	14	1,590,956	581,145
Provisions	15	53,402	53,419
Total current liabilities		<u>1,644,358</u>	<u>634,564</u>
Non-current liabilities			
Trade and other payables	14	52,412	57,679
Provisions	15	395,489	351,465
Total non-current liabilities		<u>447,901</u>	<u>409,144</u>
Total liabilities		<u>2,092,259</u>	<u>1,043,708</u>
Net community assets		<u>107,168,420</u>	<u>104,224,623</u>
Community equity			
Shire Capital		59,610,179	59,610,179
Asset revaluation surplus	16	33,644,935	33,644,935
Retained surplus/(deficiency)		10,258,800	8,153,952
Reserves	17	3,654,506	2,815,556
Total community equity		<u>107,168,420</u>	<u>104,224,623</u>

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

Quilpie Shire Council
Statement of Changes in Equity
For the year ended 30 June 2012

	Shire Capital	Asset revaluation surplus 16	Retained Surplus	Reserves 17	Total
	\$	\$	\$	\$	\$
Balance as at 1 July 2011	59,610,179	33,644,935	8,153,953	2,815,556	104,224,623
Net operating surplus	-	-	2,943,797	-	2,943,797
Other comprehensive income for the year					
Increase / (decrease) in asset revaluation surplus	-	-	-	-	-
Available-for-sale-financial assets					
Current year gains/ (losses)	-	-	-	-	-
Reclassification to profit or loss	-	-	-	-	-
Cash flow hedging					
Current year gains/ (losses)	-	-	-	-	-
Reclassification to profit or loss	-	-	-	-	-
Share of comprehensive income of associates	-	-	-	-	-
Total comprehensive income for the year	-	-	2,943,797	-	2,943,797
Transfers to and from reserves					
Transfers to/from capital	-	-	-	-	-
Transfers to reserves	-	-	(7,954,943)	7,954,943	-
Transfers from reserves	-	-	7,115,993	(7,115,993)	-
Total transfers to and from reserves	-	-	(838,950)	838,950	-
Balance as at 30 June 2012	59,610,179	33,644,935	10,258,800	3,654,506	107,168,420

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

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

	Shire Capital	Asset revaluation surplus 16	Retained Surplus	Reserves 17	Total
	\$	\$	\$	\$	\$
Balance as at 30 June 2010	59,276,269	36,143,974	5,207,287	3,074,467	103,701,996
Effect of correction of error	-	-	-	-	-
Restated balances	59,276,269	36,143,974	5,207,287	3,074,467	103,701,997
Net operating surplus	-	-	3,021,668	-	3,021,668
Other comprehensive income for the year					
Increase / (decrease) in asset revaluation surplus	-	(2,499,039)	-	-	(2,499,039)
Available-for-sale-financial assets					
Current year gains/ (losses)	-	-	-	-	-
Reclassification to profit or loss	-	-	-	-	-
Cash flow hedging					
Current year gains/ (losses)	-	-	-	-	-
Reclassification to profit or loss	-	-	-	-	-
Share of comprehensive income of associates	-	-	-	-	-
Total comprehensive income for the year	-	(2,499,039)	3,021,668	-	522,629
Transfers to and from reserves					
Transfers to/from capital	333,910	-	(333,910)	-	-
Transfers to reserves	-	-	(328,572)	328,572	-
Transfers from reserves	-	-	587,482	(587,482)	-
Total transfers to and from reserves	333,910	-	(75,000)	(258,910)	-
Balance as at 30 June 2011	59,610,179	33,644,935	8,153,953	2,815,556	104,224,623

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

Page 4

Quilpie Shire Council**Statement of Cash Flows**

For the year ended 30 June 2012

	Note	2012 \$	2011 \$
Cash flows from operating activities			
Receipts from customers		10,447,069	8,903,994
Payments to suppliers and employees		(17,825,227)	(10,210,337)
		(7,378,158)	(1,306,343)
Interest received		632,306	648,586
Rental income		220,089	195,421
Non capital grants and contributions		11,624,799	4,556,626
Net cash inflow (outflow) from operating activities	21	5,099,036	4,094,290
Cash flows from investing activities			
Payments for property, plant and equipment		(3,780,210)	(1,902,164)
Proceeds from sale of property plant and equipment		107,023	118,773
Grants, subsidies, contributions and donations		1,804,648	146,182
Net cash inflow (outflow) from investing activities		(1,868,539)	(1,637,209)
Cash flows from financing activities			
Net cash inflow (outflow) from financing activities		-	-
Net increase (decrease) in cash and cash equivalent held		3,230,497	2,457,081
Cash and cash equivalents at the beginning of the financial year		12,768,127	10,311,046
Cash and cash equivalents at end of the financial year	10	15,998,624	12,768,127

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

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2012

1 Significant accounting policies

1.A Basis of preparation

These general purpose financial statements are for the period 1 July 2011 to 30 June 2012 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government (Finance, Plans and Reporting) Regulation 2010*. Consequently, these financial statements have been prepared in accordance with all Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board.

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

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 Quilpie 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 any material changes to Council's accounting policies.

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

	Effective for annual report periods beginning on or after:
AASB 9 <i>Financial Instruments</i> (December 2009)	1 January 2013
AASB 10 <i>Consolidated Financial Statements</i>	1 January 2013
AASB 11 <i>Joint Arrangements</i>	1 January 2013
AASB 12 <i>Disclosure of interests in other entities</i>	1 January 2013
AASB 13 <i>Fair Value Measurement</i>	1 January 2013
AASB 119 <i>Employee benefits</i> (completely replaces existing standard)	1 January 2013
AASB 127 <i>Separate Financial Statements</i> (replaces the existing standard together with AASB 10)	1 January 2013

Quilpie Shire Council
Notes to the financial statements

For the year ended 30 June 2012

AASB 128 <i>Investments in Associates and Joint Ventures</i> (replaces the existing standard)	1 January 2013
AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i>	1 July 2013
2009-11 <i>Amendments to Australian Accounting Standards arising from AASB 9</i> (December 2009)	1 January 2013
AASB 2010-2 <i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i>	1 July 2013
AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i> (December 2010)	1 January 2013
AASB 2010-8 <i>Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets</i>	1 January 2012
AASB 2010-10 <i>Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters</i>	1 January 2013
AASB 2011-2 <i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements</i>	1 July 2013
AASB 2011-3 <i>Amendments to Australian Accounting Standards – Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments</i>	1 July 2012
AASB 2011-4 <i>Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements</i>	1 July 2013
AASB 2011-6 <i>Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements</i>	1 July 2013
AASB 2011-7 <i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards</i>	1 January 2013
AASB 2011-8 <i>Amendments to Australian Accounting Standards arising from AASB 13</i>	1 January 2013
AASB 2011-9 <i>Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income</i>	1 July 2012
AASB 2011-10 <i>Amendments to Australian Accounting Standards arising from AASB 119</i> (September 2011)	1 January 2013
AASB 2011-11 <i>Amendments to AASB 119</i> (September 2011) arising from Reduced Disclosure Requirements	1 July 2013
AASB 2011-12 <i>Amendments to Australian Accounting Standards arising from Interpretation 20</i> (AASB 1)	1 January 2013
AASB 2011-13 <i>Amendments to Australian Accounting Standard - Improvements to AASB 1049 Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine</i>	1 July 2012
	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 judgements and key sources of estimation uncertainty

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

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

Valuation and depreciation of property, plant and equipment - Note 1.N and Note 13(b)
 Impairment of property, plant and equipment - Note 1.P and Note 13(b)
 Provisions - Note 1.S and Note 15
 Contingencies - Note 18.

Quilpie Shire Council
Notes to the financial statements
 For the year ended 30 June 2012

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 rating period.

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 transferred from retained earnings to the relevant reserve until the funds are expended. Unspent non-reciprocal capital grants are placed in the unspent capital grants reserve. Any unspent recurrent grants are placed in a reserve for this purpose.

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

Non-cash contributions

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

Rental income

Rental revenue from investment and other 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. Dividends are recognised once they are formally declared by the directors of the controlled entity.

Sales revenue

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

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

Fees and Charges

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

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.

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2012

Quilpie 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)

Other financial assets - measured at fair value (Note 1.Q)

Financial liabilities

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

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

The fair value of financial instruments is determined as follows:

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

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

Quilpie Shire Council recognises 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 23.

1.J Cash and cash equivalents

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

1.K Receivables

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

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

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

Because Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, Council does not impair any rate receivables.

Loans and advances are recognised in the same way as other receivables. Terms are usually a maximum of five years with interest charged at commercial rates. Security is not normally obtained.

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2012

1.L Inventories

Stores, raw materials and water 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 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 2012 Council did not have any term deposits in excess of six months.

1.N 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 furniture and fittings and plant and equipment with a total value of less than \$2,000, buildings and other structures with a total value of less than \$5,000 and infrastructure assets with a total value of less than \$10,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

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

Furniture & Fittings
Buildings & Other Structure
Plant and Equipment
Road, Drainage and Bridge Network
Water
Sewerage
Council Land
Work in Progress

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, major plant and all infrastructure assets are measured on the revaluation basis, at fair value, in accordance with AASB 116 *Property, Plant & Equipment*. Other plant and equipment and work in progress are measured at cost.

Quilpie Shire Council
Notes to the financial statements
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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 material variation in the index.

Council considers that there has been no material variation in the valuations of non-current physical assets and has not used any indexes. Council intends to carry out a comprehensive revaluation of all classes of assets before 30 June 2013.

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 of 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 13.

Major plant

The Council has determined that plant which has an individual cost in excess of \$500,000 is of high value to the Council. Plant which meets this criteria is major plant if it is prone to a high degree of price fluctuations or in danger of becoming obsolete. The Council does not have any major plant.

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. Buildings, other structures, roads, water and sewerage are depreciated on consumption based depreciation. Depreciation on other property, plant and equipment assets is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to the Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

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

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

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

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

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed annually.

Quilpie Shire Council
Notes to the financial statements
 For the year ended 30 June 2012

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 Quilpie 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.O Intangible assets

Intangible assets with a cost or other value exceeding \$10,000 are recognised as intangible assets in the financial statements, items with a lesser value being expensed.

Expenditure on research activities relating to internally-generated intangible assets is recognised as an expense in the period in which it is incurred.

Costs associated with the development of computer software are capitalised and are amortised on a straight-line basis over the period of expected benefit to Council.

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

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 as lessee 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 as lessee

Where Council enters into a finance lease as lessee, Council recognises an asset equal to the lower of fair value of the leased property and the present value of the minimum lease payments. The lease liability is recognised at the same amount. 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.

Quilpie Shire Council
Notes to the financial statements
 For the year ended 30 June 2012

Operating leases

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

1.R Payables

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

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.

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. Amounts not expected to be settled within 12 months (the non-current portion) are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values. This liability represents an accrued expense and is reported in Note 14 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 19.

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 15 as a provision.

1.T 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.

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2012

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

1.U Retained surplus

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

1.V Reserves

Plant Replacement Reserve

This reserve represents amounts put aside for the future replacement of Council's plant.

Water & Sewerage Capital Works Reserve

This reserve represents amounts put aside for the future replacement of Council's water and sewerage infrastructure.

IT Upgrade Reserve

This reserve represents amounts put aside for the future replacement of Council's accounting and asset management software.

Capital Grants Reserve

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

Non-Capital Grants Reserve

This reserve represents non-capital grants received for non-capital community related projects that have not yet been carried out or completed.

1.W Rounding and comparatives

The financial statements have been rounded to the nearest \$1.

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

1.X 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 20.

1.Y 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.

Quilpie Shire Council
Notes to the financial statements
 For the year ended 30 June 2012

2. Analysis of Results by Function

2(a) Components of council functions

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

Corporate Governance

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

Administration & Finance

The support functions of Management of the Council's finance, information technology and administration.

Community Services

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

This function includes:

Libraries

Entertainment and recreational venues

Public health services

Tourism

Housing

Environment & Health Services

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

Environmental licences and approvals.

Engineering & Works

Providing and maintaining roads and drainage.

Waste Management

Providing refuse collection and disposal services.

Water & Sewerage Infrastructure

Providing water supply and sewerage services.

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2012

- 2 Analysis of results by function
(b) Income and expenses defined between recurring and capital are attributed to the following functions:

Year ended 30 June 2012

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurrent operations	Net Result	Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
	2012 \$	2012 \$	2012 \$	2012 \$							
Corporate Governance					-	(458,120)		(458,120)	(458,120)	(458,120)	
Administration & Finance	4,574,376	2,839,252			7,413,628	(225,915)		(225,915)	2,613,337	7,187,713	17,871,016
Community Services	176892	232,468	144,670		554,030	(1,638,326)		(1,638,326)	(1,405,858)	(1,084,296)	14,729,627
Environment & Health	26000	21,238			47,238	(519,343)		(519,343)	(498,105)	(472,105)	
Engineering & Works	1373027	12,265,035	1,659,978		15,298,040	(16,436,181)	(71,239)	(16,507,420)	(4,171,146)	(1,209,380)	70,810,593
Waste Management		139,873			139,873	(227,586)		(227,586)	(87,713)	(87,713)	
Water & Sewerage Infrastructure		341,930			341,930	(338,115)		(338,115)	3,815	3,815	5,769,442
Total Council	6,150,295	15,839,796	1,804,648	-	23,794,739	(19,843,586)	(71,239)	(19,914,825)	(4,003,790)	3,879,914	109,180,678

Year ended 30 June 2011

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net Result	Assets
	Recurring		Capital			Recurring	Capital				
	Grants	Other	Grants	Other							
	2011 \$	2011 \$	2011 \$	2011 \$		2011 \$	2011 \$				
Corporate Governance					-	(367,457)		(367,457)	(367,457)	(367,457)	
Administration & Finance	3,141,038	2,847,451			5,988,489	(784,507)		(784,507)	2,062,944	5,203,982	16,264,378
Community Services	306,693	212,739	72,417		591,849	(1,677,932)		(1,677,932)	(1,465,193)	(1,086,083)	13,550,984
Environment & Health	39,000	14,529			53,529	(450,211)		(450,211)	(435,682)	(396,682)	
Engineering & Works	1,069,895	7,065,931	73,765		8,209,591	(8,399,684)	(15,659)	(8,415,343)	(1,333,753)	(205,752)	69,635,611
Waste Management		135,050			135,050	(215,497)		(215,497)	(80,447)	(80,447)	
Water & Sewerage Infrastructure		283,845			283,845	(329,737)		(329,737)	(45,892)	(45,892)	5,817,358
Total Council	4,556,626	10,559,545	146,182	-	15,262,353	(12,225,025)	(15,659)	(12,240,684)	(1,665,480)	3,021,669	105,268,331

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2012

	2012	2011
Note	\$	\$
3 Revenue analysis		
(a) Rates, levies and charges		
General rates	2,384,888	2,382,880
Water	174,692	166,633
Sewerage	131,418	125,201
Garbage charges	153,001	145,531
Total rates and utility charge revenue	2,843,999	2,820,245
Less: Discounts	(218,555)	(253,134)
Less: Pensioner remissions	(15,306)	(17,122)
	<u>2,610,138</u>	<u>2,549,989</u>
(b) Fees and charges		
Other fees and charges	30,140	26,700
	<u>30,140</u>	<u>26,700</u>
(c) Rental income		
Other rental income	220,089	195,421
	<u>220,089</u>	<u>195,421</u>
(d) Interest received		
Interest received from term deposits	620,350	652,701
Interest from overdue rates and utility charges	11,956	5,552
	<u>632,306</u>	<u>658,253</u>
(e) Sales revenue		
Sale of services		
Contract and recoverable works	6,859,209	7,090,260
Total sales revenue	<u>6,859,209</u>	<u>7,090,260</u>
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.		
(f) Other income		
Other Income	13,412	38,922
	<u>13,412</u>	<u>38,922</u>
4 Grants, subsidies, contributions and donations		
(a) Recurrent		
General purpose grants	11,624,799	4,556,626
	<u>11,624,799</u>	<u>4,556,626</u>
(b) Capital		
State government subsidies and grants	1,804,648	146,182
	<u>1,804,648</u>	<u>146,182</u>

Conditions over contributions

AASB 1004 defines contributions as "non-reciprocal transfers to the entity". A "non-reciprocal transfer" is defined in AASB 1004 as "a transfer in which the entity receives assets or services or has liabilities extinguished without directly giving approximately equal value in exchange to the other party or parties to the transfer." Therefore, in relation to grants, only non-reciprocal grants will be disclosed in the following notes.

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2012

Note	2012 \$	2011 \$
The requirement to separately disclose grants for services versus grants for capital purposes (i.e. infrastructure) is not mandated in local government legislation or Australian Accounting Standards.		
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 infrastructure (if applicable)	164,348	185,668
	<u>164,348</u>	<u>185,668</u>

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 infrastructure (if applicable)	422,970	442,508
	<u>422,970</u>	<u>442,508</u>

5 Capital income

Gain / loss on disposal of non-current assets

Proceeds from the sale of property, plant and equipment	90,614	85,091
Less: Book value of property, plant and equipment disposed of	(167,862)	(101,432)
	<u>(77,248)</u>	<u>(16,341)</u>

Proceeds from sale of land and improvements	16,409	33,682
Less: Book value of land sold	(10,400)	(33,000)
	<u>6,009</u>	<u>682</u>

Revaluations

Revaluation up of property, plant and equipment reversing previous revaluation down	13(b)	-	-
		<u>-</u>	<u>-</u>

Total capital income		<u>(71,239)</u>	<u>(15,659)</u>
----------------------	--	-----------------	-----------------

6 Employee benefits

Total staff wages and salaries		3,682,756	3,101,719
Councillors' remuneration		120,822	116,002
Annual, sick and long service leave entitlements		647,641	552,615
Superannuation	19	424,952	371,548
		<u>4,876,171</u>	<u>4,141,884</u>
Other employee related expenses		202,634	134,901
		<u>5,078,805</u>	<u>4,276,785</u>
Less: Capitalised employee expenses		(162,603)	(42,571)
		<u>4,916,202</u>	<u>4,234,214</u>

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

Total Council employees at the reporting date:

Elected members	5	5
Administration staff	17	16
Depot and outdoors staff	45	48
Total full time equivalent employees	<u>67</u>	<u>69</u>

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2012

	Note	2012 \$	2011 \$
7 Materials and services			
Administration Costs		100,738	79,823
Audit of annual financial statements by the Auditor-General of Queensland		31,925	55,175
Communications & Information Technology		203,532	114,117
Community housing pay out		-	260,123
Community and recreational services		923,258	762,077
Consultants/contractors		89,681	148,207
Donations paid		25,155	27,934
Engineering and works		11,021,086	3,430,985
Rental property expenses		193,035	150,109
Repairs and maintenance		1,046,987	1,058,322
Other materials and services		317,803	21,107
		<u>13,953,200</u>	<u>6,107,979</u>
8 Finance costs			
Bank charges		3,612	3,488
		<u>3,612</u>	<u>3,488</u>
9 Depreciation and amortisation			
Depreciation of non-current assets			
Furniture & Fittings		4,549	3,422
Buildings		366,075	322,481
Plant & Equipment		511,653	545,803
Road, drainage and bridge network		898,827	882,758
Sewerage		55,162	55,163
Water		70,425	69,718
	13(a)	<u>1,906,691</u>	<u>1,879,345</u>
10 Cash and cash equivalents			
Cash at bank and on hand		1,998,624	1,239,286
Term deposits		14,000,000	11,528,841
Balance per Statement of Cash Flows		<u>15,998,624</u>	<u>12,768,127</u>
Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:			
Unspent government grants and subsidies		2,476,348	1,637,398
Total unspent restricted cash		<u>2,476,348</u>	<u>1,637,398</u>

Cash and deposits at call are held in the National Australia Bank and Rural Bank in normal term deposits and business cheque accounts. The National Australia Bank currently has a short term credit rating of A1+ and long term rating of AA- and the Rural Bank has a short term rating of A2- and long term rating of BBB.

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2012

	2012	2011
Note	\$	\$
11 Trade and other receivables		
Current		
Rateable revenue and utility charges	84,366	150,938
Other debtors	171,579	1,022,113
Less Provision for doubtful debt	(5,000)	(5,000)
Prepayments	26,216	116,461
	<u>277,161</u>	<u>1,284,512</u>

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.

12 Inventories

Inventories held for distribution

Plant and equipment stores	360,402	286,457
Total inventories	<u>360,402</u>	<u>286,457</u>

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2012

13(a) Property, plant and equipment

Council - 30 June 2012

Basis of measurement

Asset values

Opening gross value as at 1 July 2011

Adjustment to opening value

Additions

Disposals

Revaluation adjustment to asset revaluation surplus

Revaluation adjustment to income

Assets classified as held for sale

Transfers between classes

Closing gross value as at 30 June 2012

Accumulated depreciation and impairment

Opening balance as at 1 July 2011

Depreciation provided in period

Depreciation on disposals

Revaluation adjustment to asset revaluation surplus

Impairment adjustment to asset revaluation surplus

Impairment adjustment to income

Assets transferred to investment property

Transfers between classes

Accumulated depreciation as at 30 June 2012

Book value as at 30 June 2012

Residual value

Range of estimated useful life in years

Note	Furniture & Fittings	Buildings & Other Structures	Plant and Equipment	Road, Drainage and Bridge	Sewerage	Water	Council Land	Work in progress	Total
	Cost	Revaluation	Cost	Revaluation	Revaluation	Revaluation	Revaluation	Cost	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
	118,361	25,971,755	9,869,821	82,262,138	3,842,739	5,054,332	1,128,033	393,977	128,641,156
	38,048	1,165,445	484,130	366,636		74,477	53,400	1,598,074	3,780,210
5		(42,834)	(238,350)				(10,400)		(291,584)
16									-
									-
									-
									-
									-
		126,741	36,547	207,746		3,194		(374,228)	-
	156,409	27,221,107	10,152,148	82,836,520	3,842,739	5,132,003	1,171,033	1,617,823	132,129,782
	97,921	5,263,624	5,409,900	23,860,763	1,180,441	1,899,272	-	-	37,711,921
9	4,549	340,451	537,277	898,827	55,162	70,425			1,906,691
5		(12,563)	(100,759)						(113,322)
16									-
16									-
									-
									-
									-
	102,470	5,591,512	5,846,418	24,759,590	1,235,603	1,969,697	-	-	39,505,290
	53,939	21,629,595	4,305,730	58,078,930	2,607,136	3,162,306	1,171,033	1,617,823	92,624,492
	-	10,389,124	-	49,808,150	-	-	-	-	-
	2 - 20	10 - 100	2 - 20	5 - 100	20 - 60	20 - 80			

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Quilpie Shire Council
Notes to the Financial Statements
For the year ended 30 June 2011

Council - 30 June 2011

Basis of measurement

Asset values

Opening gross value as at 1 July 2010

Adjustment to opening value

Additions

Disposals

Revaluation adjustment to asset revaluation surplus

Revaluation adjustment to income

Assets classified as held for sale

Transfers between classes

Closing gross value as at 30 June 2011

Accumulated depreciation and impairment

Opening balance as at 1 July 2010

Depreciation provided in period

Depreciation on disposals

Revaluation adjustment to asset revaluation surplus

Impairment adjustment to asset revaluation surplus

Impairment adjustment to income

Assets transferred to investment property

Transfers between classes

Accumulated depreciation as at 30 June 2011

Book value as at 30 June 2011

Residual value

Range of estimated useful life in years

Note	Furniture & Fittings	Buildings & Other Structures	Plant and Equipment	Road, Drainage and Bridge	Sewerage	Water	Council Land	Work in progress	Total
	Cost	Revaluation	Cost	Revaluation	Revaluation	Revaluation	Revaluation	Cost	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
	109,892	23,377,167	9,561,833	87,211,738	3,842,739	4,939,182	1,161,033	567,992	130,771,576
		1,109,129							1,109,129
	8,469	1,046,064	539,133			43,118		265,380	1,902,164
5			(231,145)				(33,000)		(264,145)
16				(4,949,600)		72,032			(4,877,568)
									-
									-
									-
		439,395						(439,395)	-
	118,361	25,971,755	9,869,821	82,262,138	3,842,739	5,054,332	1,128,033	393,977	128,641,156
	94,499	4,941,143	4,993,810	25,356,535	1,125,278	1,829,554	-	-	38,340,819
9	3,422	322,481	545,803	882,758	55,163	69,718			1,879,345
5			(129,713)						(129,713)
16				(2,378,530)					(2,378,530)
16									-
									-
									-
									-
	97,921	5,263,624	5,409,900	23,860,763	1,180,441	1,899,272	-	-	37,711,921
	20,440	20,708,131	4,459,921	58,401,375	2,662,298	3,155,060	1,128,033	393,977	90,929,235
	-	10,389,124	-	49,808,150	-	-	-	-	-
	2 - 20	10 - 100	2 - 20	5 - 100	20 - 60	20 - 80			

Opening balance adjustment to Buildings of \$1.1 incorrectly booked to Impairment Adjustment in prior period, should be a contingent liability to Department of Communities (Housing and Homelessness Services) to recognise pay out of houses over five year period.

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Quilpie Shire Council
Notes to the financial statements
 For the year ended 30 June 2012

13(b) Property, plant and equipment valuations were determined by reference to the following:

Buildings and other structures

Buildings and other structures were valued by APV Valuers and Asset Management, Registered Valuers as at 30 June 2009. Since this date, council has reviewed the fair value of the buildings and other structures by applying indexation rates. On 30 June 2011 the council had determined that there was a material adjustment to the value of the buildings and other structures as a result of applying indexation and this resulted in council adjusting the fair value of these assets. Subsequent review of the indexation rates of the building and other structures resulted in no significant movements in the fair value and as such no adjustment has been made to the financial statements.

Plant and Equipment

Plant and equipment are measured at original cost less accumulated depreciation and impairment.

Council has in place a plant replacement policy that manages the assets of the Council to ensure asset value is maintained and to optimise plant and equipment replacement to ensure value for money whilst maintaining asset value.

Road, Drainage and Bridge

Road, drainage and bridge infrastructure have been included at their current depreciated cost as at 30 June 2012 valued by George Bourne & Associates.

Impairment represents the damage to roads due to the disaster events (Monsoonal Flooding and Tropical Cyclones Olga, Neville and Paul) that occurred in January through to the end of April in 2010.

Water and Sewerage

Water and sewerage infrastructure have been included at their current depreciated cost as at 30 June 2012 valued by George Bourne & Associates.

Council Land

Land has been included at market value as determined by APV Valuers and Asset Management, Registered Valuers as at 30 June 2009.

Publicly available data on sales of similar land in nearby localities in the six months prior to 30 June 2012 indicated no significant change.

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2012

14 Trade and other payables

	Note	2012 \$	2011 \$
Current			
Creditors and accruals		1,301,607	308,079
Annual leave		289,349	273,066
		<u>1,590,956</u>	<u>581,145</u>
Non-current			
Annual leave		52,412	57,679
		<u>52,412</u>	<u>57,679</u>

15 Provisions

Current			
Long service leave		53,402	53,419
		<u>53,402</u>	<u>53,419</u>
Non-current			
Long service leave		395,489	351,465
		<u>395,489</u>	<u>351,465</u>
Long service leave			
Balance at beginning of financial year		404,884	343,650
Long service leave entitlement arising		130,632	72,483
Long Service entitlement extinguished		(86,622)	(11,249)
Long Service entitlement paid		-	-
Balance at end of financial year		<u>448,894</u>	<u>404,884</u>

16 Asset revaluation surplus

Movements in the asset revaluation surplus were as follows:

Balance at beginning of financial year	33,644,935	36,143,974
Net adjustment to non-current assets at end of period to reflect a change in current fair value:		
Council Land	-	-
Buildings	-	-
Road, drainage and bridge network	-	(2,571,070)
Water	-	72,031
Balance at end of financial year	<u>33,644,935</u>	<u>33,644,935</u>

Asset revaluation surplus analysis

The closing balance of the asset revaluation surplus comprises the following asset categories:

Council Land	496,816	496,816
Buildings	11,587,726	11,587,726
Road, drainage and bridge network	20,290,935	20,290,935
Water	1,269,459	1,269,459
Sewerage	-	-
	<u>33,644,936</u>	<u>33,644,936</u>

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2012

17 Reserves		2012	2011
Reserves held for funding future capital expenditure	Note	\$	\$
Aquatic Centre Reserve		-	-
Plant Replacement Reserve		131,096	131,096
Water & Sewerage Capital Works Reserve		922,062	922,062
IT Upgrade Reserve		125,000	125,000
Capital Grants Reserve		37,364	422,970
		<u>1,215,522</u>	<u>1,601,128</u>
Reserves held for funding future recurrent expenditure			
Non Capital Grants Reserve		2,438,984	1,214,428
		<u>2,438,984</u>	<u>1,214,428</u>
Total reserves		<u><u>3,654,506</u></u>	<u><u>2,815,556</u></u>
Movements in capital reserves:			
Aquatic Centre Reserve			
Balance at beginning of financial year		-	500,000
Transfer from retained surplus for future expenditure		-	-
Transfer to the retained surplus/capital funds expended in the period		-	(500,000)
Balance at end of financial year		<u>-</u>	<u>-</u>
Plant Replacement Reserve			
Balance at beginning of financial year		131,096	131,096
Transfer from retained surplus for future expenditure		-	-
Transfer to the retained surplus/capital funds expended in the period		-	-
Balance at end of financial year		<u>131,096</u>	<u>131,096</u>
Water & Sewerage Capital Works Reserve			
Balance at beginning of financial year		922,062	922,062
Transfer from retained surplus for future expenditure		-	-
Transfer to the retained surplus/capital funds expended in the period		-	-
Balance at end of financial year		<u>922,062</u>	<u>922,062</u>
IT Upgrade Reserve			
Balance at beginning of financial year		125,000	50,000
Transfer from retained surplus for future expenditure		-	75,000
Transfer to the retained surplus/capital funds expended in the period		-	-
Balance at end of financial year		<u>125,000</u>	<u>125,000</u>
Capital Grants Reserve			
Balance at beginning of financial year		422,970	442,505
Transfer from retained surplus for future expenditure		1,804,648	30,000
Transfer to the retained surplus/capital funds expended in the period		(2,190,254)	(49,535)
Balance at end of financial year		<u>37,364</u>	<u>422,970</u>

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2012

	Note	2012 \$	2011 \$
Movements in recurrent reserves:			
Non-Capital Grants Reserve			
Balance at beginning of financial year		1,214,428	1,028,803
Transfer from retained surplus for future expenditure		6,150,295	223,572
Transfer to retained surplus		(4,925,739)	(37,947)
Balance at end of financial year		<u>2,438,984</u>	<u>1,214,428</u>

18 Contingent liabilities

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

Local Government Mutual

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

As at 30 June 2011 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare

The Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$120,000.

The indemnity amount provided by Quilpie Shire Council as at 30 June 2012 in relation to the Local Government Workcare Bank Guarantee is \$73,782.

The latest audited financial statements for Local Government Workcare are as at 30 June 2011 and show accumulated member funds (equity) of \$22,008,045.

Community Housing

\$1.1 million is an expected claim on buildings owned by the Department of Communities and is expected to be repaid during the next four annual reporting periods. It is expected that no expenditure will be incurred in the next annual reporting period, and all will be incurred within four years of the end of the reporting period.

19 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*.

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2012

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 2011 (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 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.

	Note	2012 \$	2011 \$
The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of employees was:	6	424,952	371,548

20 Trust funds

Trust funds held for outside parties

Road Alliance Program	31,640	32,423
Security deposits	1,397	1,469
	<u>33,037</u>	<u>33,892</u>

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.

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2012

	Note	2012 \$	2011 \$
21 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities			
Net result		<u>2,943,797</u>	<u>3,021,668</u>
Non-cash items:			
Depreciation & amortisation		<u>1,906,691</u>	<u>1,879,345</u>
		<u>1,906,691</u>	<u>1,879,345</u>
Investing and development activities:			
Net (profit)/loss on disposal of non-current assets		71,239	15,659
Capital grants and contributions		<u>(1,804,648)</u>	<u>146,182</u>
		<u>(1,733,409)</u>	<u>161,841</u>
Changes in operating assets and liabilities:			
(Increase)/ decrease in receivables		1,007,351	(753,870)
(Increase)/decrease in inventory		(73,945)	(28,841)
Increase/(decrease) in other financial assets		1,004,544	79,195
Increase/(decrease) in other provisions		<u>44,010</u>	<u>(265,048)</u>
		<u>1,981,960</u>	<u>(968,564)</u>
Net cash inflow from operating activities		<u><u>5,099,039</u></u>	<u><u>4,094,290</u></u>

22 Events after the reporting period

There were no material adjusting events after the balance date.

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2012

23 Financial instruments

Quilpie 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.

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

Risk exposure	Measurement method
Credit risk	Ageing analysis
Liquidity risk	Maturity analysis
Interest rate risk	Sensitivity analysis

Credit risk exposure

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

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

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

The Council is exposed to credit risk through its deposits held with the National Australia Bank and the Rural Bank. Deposits are held with highly rated/regulated banks/financial institutions and whilst not capital guaranteed, the likelihood of a credit failure is remote.

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

Council's maximum exposure to credit risk is as follows:

	Note	2012	2011
Financial assets		\$	\$
Cash and cash equivalents	10	15,998,624	12,768,127
Receivables - rates	11	84,366	150,938
Receivables - other	11	166,579	1,017,113
		<u>16,249,569</u>	<u>13,936,178</u>

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

30-Jun-12	Fully performing	Past due			Total
		Less than 30 days	30-60 days	61-90 days	
	\$	\$	\$	\$	\$
Receivables	137,010	-	98,443	15,492	250,945
Less impairment	-	-	-	-	-
Net Receivables	137,010	0	98,443	15,492	250,945

30-Jun-11	Fully performing	Past due			Total
		Less than 30 days	30-60 days	61-90 days	
	\$	\$	\$	\$	\$
Receivables	1,008,051	-	656	159,344	1,168,051
Less impairment	-	-	-	-	-
Net Receivables	1,008,051	0	656	159,344	1,168,051

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 and borrowings from the Queensland Treasury Corporation for capital works or borrowings from other financial institutions (if applicable).

Council manages its exposure to liquidity risk by maintaining sufficient undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in the Note 21.

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:

	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows
	\$	\$	\$	\$
2012				
Trade and other payables	1,590,956	52,412	-	1,643,368
	1,590,956	52,412	0	1,643,368
2011				
Trade and other payables	581,145	57,679	-	638,824
	581,145	57,679	0	638,824

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 deposits and investments held with financial institutions.

The Quilpie Shire Council is currently debt free and proposes to maintain that status into the foreseeable future.

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.

	Net carrying amount		Profit		Equity	
	2012	2011	2012	2011	2012	2011
	\$	\$	\$	\$	\$	\$
Financial assets	15,998,624	12,768,127	159,986	127,681	159,986	127,681
Financial liabilities	-	-	-	-	-	-
Net total	15,998,624	12,768,127	159,986	127,681	159,986	127,681

Quilpie Shire Council
Financial statements
For the year ended 30 June 2012

Management Certificate
For the year ended 30 June 2012

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 1 to 5, 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 2012 and of its financial performance and cash flows for the financial year ended on that date.



Mayor
Stuart Mackenzie

Date: 27 / 11 / 12



Chief Executive Officer
David Burges

Date: 27 / 11 / 2012

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Quilpie Shire Council

Report on the Financial Report

I have audited the accompanying financial report of Quilpie Shire Council which comprises the statement of financial position as at 30 June 2012, 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 CEO.

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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Independence

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

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

Opinion

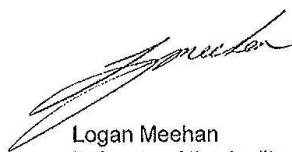
In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of Quilpie Shire Council for the financial year 1 July 2011 to 30 June 2012 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of Quilpie Shire Council for the year ended 30 June 2012. Where the financial report is included on Quilpie Shire Council's website the Council is responsible for the integrity of Quilpie Shire Council's website and I have not been engaged to report on the integrity of Quilpie 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 statements 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.



Logan Meehan
Delegate of the Auditor-General of Queensland

Toowoomba

18/01/2013