

Quilpie Shire Council



Annual Report

2010 - 2011

QUILPIE
Shire

"Simply Unique"

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 DAVID EDWARDS

Quilpie Shire has had another year of fluctuating weather, floods early in the year and then drying off with bushfires a probability. The early part of the year was very wet, causing problems throughout the Shire with significant damage to all roads in the Shire. On Shire roads, Council has claimed \$16 million in damage and \$28 million has been claimed on Main Roads. These road works have to be completed by June 2013. Our other construction work including the widening of the Windorah Road, continued sealing of the Adavale Red Road as well as the main roads work and Council roads maintenance also need to be completed.

Council installed a new skate park at Bi-Centennial Park in Quilpie which is proving to be very popular. We are continuing to upgrade our parks and gardens and also install public art in our open spaces. Many tourists and travellers comment on the neatness, tidiness and friendliness of the town.

The Adavale Hall has been refurbished with a new fenced area, Toompine has upgraded their Clay Target trap, upgraded lighting and added a new office building. Grants were accessed to carry out these upgrades with assistance from Council.

Council has commenced developing a further 46 new residential blocks south of Galah Street after many delays. We are still waiting for the State Government to release more land for mixed use, rural residential and industrial blocks around the aerodrome.



An agreement has been signed with Government to purchase some Community and public housing plus the Gyrica Gardens units over 5 years commencing 2010.

Rural addressing has commenced and the building of the craft shop in Quilpie is nearing completion. The water mains replacement program in Eromanga is ongoing as well as an extension and upgrade of the kiosk at John Waugh Park. Further paving in Quilpie and resealing of some streets plus a large amount of repairs and maintenance for community infrastructure throughout all the small communities is ongoing.

I would like to thank my fellow Councillors, senior management, office and outside staff, contractors and suppliers and you the community for the assistance and progress made throughout the year.

In closing, I would like to welcome our new Chief Executive Officer, David Burges, his wife Nina and family to Quilpie and hope they enjoy our community.

We all look forward to another wet summer and successful year.

Cr David Edwards – Mayor

Elected Members

Mayor	Address	Telephone	Facsimile
Cr David Edwards	PO Box 62 Quilpie 4480	(07) 46561185 Mob: 0428564981	(07) 46561441

Deputy Mayor

Cr David Murray	Yambutta Eromanga 4480	(07) 46564751	(07) 46564651
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Councillors

Cr Christine Paulsen	PO Box 99 Quilpie 4480	(07) 46561421	(07) 46562000
Cr Jennifer Hewson	PO Box 202 Quilpie 4480	(07) 46561311	(07) 46561311
Cr Ray Nowland	PO Box 280 Quilpie 4480	(07) 46561823	

Council Meetings

General Meetings of Council are held monthly on the second Tuesday of each month, commencing at 8.30a.m.

CORRESPONDENCE

All correspondence is to be addressed to:

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

LOCATION

Office and Council Chambers	50 Brolga Street Quilpie Q 4480	Phone: Fax:	(07) 46560500 (07) 46561441
Workshop and Works Depot	40 Winchu Street Quilpie Q 4480	Phone: Fax:	(07) 46560582 (07) 46561395
Library	52 Brolga Street Quilpie Q 4480	Phone: Fax:	(07) 46560550 (07) 46561683
Visitor Information Centre	51 Brolga Street Quilpie Q 4480	Phone : Fax :	(07) 46560540 (07) 46561441
Youth Activities Centre	11 Brolga Street Quilpie Q 4480	Phone:	(07) 46562971
Quilpie Swimming Pool	10 Brolga Street	Phone:	(07) 46561201

Council Officers

Chief Executive Officer	<i>Dave Burges</i>	Phone:(07) 46560500 Fax: (07) 46561441 Email: ceo@quilpie.qld.gov.au
Deputy Chief Executive Officer	<i>Lisa Hamlyn</i>	Phone:(07) 46560500 Email: dceo@quilpie.qld.gov.au
Works Manager	<i>Ted Hennessy</i>	Phone:(07) 46560500 Email: works@quilpie.qld.gov.au
Community Services Manager	<i>Monica James</i>	Phone:(07) 46560500 Email: cdo@quilpie.qld.gov.au
Finance Officer	<i>Marie Mawn</i>	Phone: (07) 46560500 Email: accountant@quilpie.qld.gov.au
Building & Environmental Planning Officer	<i>Angie Hennessey</i>	Phone:(07) 46560500 Email: eho@quilpie.qld.gov.au
Librarian	<i>Lyn Baxter</i>	Phone: (07) 46560550 Email: QSCLibrary@bigpond.com
Tourism Officer	<i>Janet Foley</i>	Phone: (07) 46560540 Email: tourism@quilpie.qld.gov.au
Stock Routes Supervisor	<i>Viv Byrne</i>	Phone: (07) 46560500
SW Healthy Communities Program Health Promotion Officer	<i>Kathryn Castles</i>	Phone: (07) 46562946

CORPORATE PLAN

Strategic Direction and Objectives of Quilpie Shire

Local Government Act 2009 requires that a Corporate Plan must contain the **strategic direction** of the local government. Quilpie Shire Council strategic direction is represented in 5 basic topics and each topic lists the strategic objectives that the Council wants to achieve for the Quilpie Shire community.

1. INFRASTRUCTURE

Council's infrastructure program includes all works involving roads, streets, drainage structures as well as water and sewerage services. The infrastructure program aim is to ensure that the Quilpie Shire public can use shire infrastructure and be confident in the safety and reliability of this infrastructure.

Strategic Direction

Broadly, Council's strategic direction of its infrastructure program is to conduct Council's works related programs on a cost-effective basis through the efficient utilisation of appropriate facilities, plant and machinery in the areas of road transport, water supply and sewerage disposal schemes.

Council regularly reviews and amends its strategic infrastructure plan however the following is a recently developed list of strategic objectives that underpin the continuous improvement and replacement of infrastructure assets that ensure satisfactory service to the community, with a summary of achievement of some of those objectives following.

Strategic Objectives

- New Quilpie town bore
- Upgrade water reticulation infrastructure
- New Sewerage treatment plant
- Widen the Diamantina Development Road to the Shire boundary
- Complete the seal of the Thargomindah Road
- Upgrade the state controlled road to Adavale
- Complete the sealing of the Kyabra Road to the Diamantina Development Road
- Deliver a long term solution to the South Comongin Crossing either by 1) Upgrade of the Napoleon and Old Charleville Road or 2) A New South Comongin bridge
- Continue to upgrade and/or maintain all shire roads
- Maintain and upgrade kerbing and channelling in Quilpie streets
- Seal Eromanga and Adavale streets
- Improve Sommerfield and Quarrior streets corner
- Investigate cold water for the streetscape plan on Brolga street
- Upgrade/relocate/construct of new council works depot and workshop
- Construct 2 to 5 new houses
- Plan for acquisition of community housing in Quilpie
- Plan for a day-care facility – whether it is a new facility or taking over the existing facility

OVERVIEW OF OPERATIONS

- New Quilpie Bore - Complete.
- Upgrade of water reticulation infrastructure - Works in progress, Sommerfield Road stage complete. Eromanga 50% complete. New subdivision –Works in Progress
- New Sewerage Treatment Plant - Options to be considered.
- Widen Diamantina Developmental Road to Boundary. - widening west of Thylungra completed in November. Sections to be widened under the RSDP program each year (4 year programme)-Year 1 completed Nov 2011.
- Complete seal of Thargomindah Road - Completed 2010.
- Upgrade of Quilpie Adavale Road. First stage commenced early in 2011.
- Complete sealing of Kyabra Road - Ongoing works planned.
- Long term solution to South Comongin Bridge - Ongoing.
- Continue to upgrade shire roads - Roads maintained and upgraded to Councils standards in accordance with standards and available funds.
- Maintain and upgrade kerb and channelling in Quilpie - Streets maintained and upgraded to Councils standards in accordance with standards and available funds.
- Seal Eromanga and Adavale Streets - Eromanga streets sealed. Adavale to be planned and budgeted.
- Improve Sommerfield and Quarrion Street intersection - Culvert installed and widened improving drainage and access.
- Investigate cold water for Brolga Street streetscape plan - Under investigation.
- Upgrade/ relocate shire works depot and workshop - Four post hoist installed, industrial blocks being developed by council which will allow relocation.
- Construct 2 to 5 new houses in Quilpie - Two houses completed.
- Plan for acquisition of community housing in Quilpie – Negotiations taking place
- Plan for a day care facility- new or take over existing facility – being investigated.
- Chipu Street Subdivision – Works commenced

2. ENVIRONMENT

- Clean environment
- Healthy community
- Integrated planning and development
- Parks, Gardens, beautification

Strategic Direction

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

To provide services to the community to maintain a healthy environment.

To encourage proper management, development and conservation of man-made resources for the purpose of promoting the social and economic welfare of the community.

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

Strategic Objectives

- To plant more trees and shade in towns.
- To plant flowers in the winter season.
- Upgrade the VIC garden area in co-operation with community groups such as the Cultural Society.
- Continue with the street beautification project beyond VIC garden area.
- Upgrade the aerodrome gardens.
- Upgrade and beautify cemeteries.
- Enforce local by-laws on animal control, including all or some of the following strategies: enforcement of registration, micro-chipping and de-sexing of dogs and cats
- Random enforcement of local law on the control of dogs and cats, with a warning system as follows: 1st infringement results in a warning, 2nd infringement is a fine, 3rd infringement and the animal is taken awaythe community has firmly stated that it wants this problem under control as it has become a nuisance and an eyesore
- Address the problem of rubbish being left behind at the river, possibly with signage at the river encouraging responsible behaviour.
- Upgrade the Eromanga and Adavale rubbish tips.
- Implement a rubbish tip maintenance program possibly as follows: tidy up the tips periodically, approximately every 3 months with the use of a low loader when the crew and plant are available, backfill an old hole and dig up a new hole.
- Continue to routinely clean streets and gutters.
- Plan for the sub-development of new rural residential and light industrial blocks west of the aerodrome, with a 1st phase of a survey plan in 08-09.
- Plan for the design of streets, roads, water, sewerage and power infrastructure in this sub-development
- Plan to include an area for the new Council workshop/works depot in this sub-development.

OVERVIEW OF OPERATIONS

- Upgrade and extension of the sewerage ponds has been completed.
- A scrap metal dealer cleared the refuse areas and other areas around the townships of Adavale, Quilpie and Toompine of scrap metal items during the year with a planned visit to Eromanga to take place during 2011. All dump sites in the shire are continuing to be maintained while Council plant is available and in the area.
- '*Do the Right Thing*' signage has been installed at identified problem sites throughout the Shire.
- The application for rural residential and light industrial land is progressing.
- Landscaping at the Visitor Information Centre is progressing with new grass growing well, garden beds created and various trees and shrubs planted. Tables and seating has also been installed with lighting to highlight the mural.
- Trees have been planted around town and flowers planted during the winter months.
- 211 dogs and 15 cats were registered in the Shire as at 30 June 2011. As part of the new Animal Management Cats & Dogs Act 2008 all dogs sold or given away after 10 December will be required to be micro chipped. Council has offered a 12 month amnesty to all cat registrations within the Shire.
- Pest weed control is ongoing.
- Control of Wild Dogs and Pigs ongoing with particular emphasis on a co-ordinated baiting program across the Shire.
- Development has commenced on the area of land between Chipu /Dukamurra / Pegler Streets and Sommerfield Road.

3. COMMUNITY SPIRIT AND SOCIAL LIFESTYLE

- Social and recreation services
- Cultural activities and services
- Recreation and cultural facilities

Strategic Direction

To provide community and cultural services that are accessible to all and which meet the needs of all the members of the community.

To encourage community participation, recreation and sports programs that promotes healthy lives.

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

Strategic Objectives

- Plan for a new aquatic centre that will include 3 pools and a gym
- Plan for a skate-park that includes a “skate-park” area of the Quilpie town
- Upgrade Bulloo Park building to an indoor sports facility
- Continue to enhance and promote existing partnerships with local cultural, arts, and community groups
- Encourage relationships with arts and cultural indigenous groups
- Continue to contribute to RADF
- Encourage and promote communication throughout the shire community
- Continue lobbying for services and facilities to enhance the Quilpie Shire lifestyle
- Encourage healthy living and physical activities
- Help people to help themselves including programs for our seniors that help promote healthy lifestyles

OVERVIEW OF OPERATIONS

Council has been proactive in lobbying support, promoting our Shire and lifestyle and seeking funding and support for community and economic development and services.

Continued funding has been received from Arts Queensland for Regional Arts Development Funding with the Council contribution of \$5,000 towards this program.

Funding has been received for the extension of the kiosk at John Waugh Park. This project should be completed by December 2011. The completion of the installation of skatepark equipment at Bi Centennial Park has certainly enhanced the area and it is extremely well used.

The upgrade to the Quilpie Memorial Swimming Pool has been mainly completed with a shade cover yet to be installed over the smaller pool. Numbers attending the pool have increased significantly since these upgrades.

The Active Inclusion program was completed with the wider community as well as tourists enjoying many activities and workshops throughout the year.

Council continues to support the Outback Gondwana Foundation in its efforts to have a preparation and museum building located outside of Eromanga.

Funding was received to renovate the Adavale Hall and provide a fenced in area for the community to use. This upgrade and fencing has been completed.

The Clay Target Trap at Toompine was upgraded allowing the Toompine Progress Association to hold a very successful Easter Clay Target Shoot.

Community events have been well attended throughout the year with a large number attending the ANZAC Day and Remembrance Day Services. This year again the Service of Light on the eve of ANZAC Day where a poppy, Australian Flag and candle were placed on the graves of all servicemen and women buried in the Quilpie Cemetery was held. This was very moving with great community participation. Australia Day again saw us involved with the Australia Day Ambassador Program with a visit from Mr Chris Scott OAM. The Quilpie and District Show and Rodeo, Quilpie Races and Pride of the West Races were well attended and a Quilpie Shire Council sub-committee organised the Annual Street Party with this event being well attended.

Council has introduced the Community Grants program and this has assisted with many of the community and sporting events held throughout the year plus has also provided a large amount of in-kind sponsorship.

The two community buses have been well used throughout the year with the Schools being able to provide transport both to educational events and sporting and social events as well as the not so young being able to participate in bus trips to various places and an enjoyable day out. The buses were well utilised by the Channel Country Caravan Park taking tourists to experiences around the area.

Quilpie Shire continues to auspice the Health Promotions Officer position as well as having a part time Community Activities Officer. Council applied for grant funding to host a Sport and Recreation Officer within the Shire. This has proven very beneficial to the sporting groups and organisations throughout the Shire. Other Allied Health services visit the Shire on a regular basis as does the Rural Financial Counsellor. The Community Garden has been well received and both the young and older people of the community have participated in this project.

This year again we have seen a marked increase in Tourism with the Centre being staffed by one full time officer, one part time officer two days per week as well as a trainee tourism officer. The Gallery has been well utilised with exhibition openings being held on a monthly basis with a focus on local art and craft especially during the peak of the Tourism season. This year two fund raising exhibitions were held with funds going towards Breast Cancer research, and Prostrate Cancer research. Library services are well patronised with this service being greatly appreciated especially by those living out of town.

Our sport and recreational facilities have been well patronised especially John Waugh Park where Quilpie fielded both Junior Rugby League and this year with the Senior Team making it to the finals.

Throughout the year Council received much positive feedback on the tidiness of the Shire, the friendliness of the community and the progressiveness of Council. All these contribute to our Shire being *"Simply Unique."*

4. BUSINESS AND ECONOMIC DEVELOPMENT

- Business development
- Economic development
- Tourism

Strategic Direction

To promote and expand the Shire branding project

To provide the services that support economic development such as housing and day-care facilities

To promote investment in the business and private sector

To promote and be involved in regional economic development, including OQTA, SWRED, and Corner Country Tourism Group.

Strategic Objectives

- Continue to promote and expand the shire branding project to include properties and Shire boundaries signage
- Expand the Rural addressing project
- Expand housing that supports economic development
- Augment existing or develop new day-care services that support economic development
- Promote investment in the business and private sector including advocating directly to industry such as QRAIL or investors and promoting through Country Week
- Continue to promote and be involved in regional economic development, including OQTA, SWRED, and SWTGA
- Continue to lobby and advocate for improved transport infrastructure, including retaining rail transport.
- Promote Shire attractions including the Eromanga dinosaur facility and the Hell Hole Gorge
- Develop tourism signage including points of interest
- Provide regular tourist presentations possibly in partnership with local tourism operators
- Develop an Artesian Bore scaled display
- Continue to support local artists' displays
- Develop historical profiles of people, locations, sites, and property stations

OVERVIEW OF OPERATIONS

Business and Economic Development

The Quilpie Shire Council business strategic aim is to see the continual economic development of the Quilpie Shire through business and private development to business infrastructure development such as housing and child-care services.

Review of Operations

Quilpie Shire Council continues to promote and expand signage throughout the Shire.

Council actively promotes tourism throughout the Shire enhancing the economic benefits to business and the community. This year the tourism numbers have increased significantly with many tourists staying for longer length stays. With regular radio broadcasts, community newsletters, the Shire website, excellent wildflowers and wild life, advertising in travellers/tourism magazines as well as television advertising in Victoria and New South Wales a marked increase in visitor numbers has been noted. This year has seen the Tourism Directory updated, and Facts and Tracks of Quilpie Shire being updated. This booklet shows visitors the flora and fauna of our Shire as well as other interesting facts and tracks that can be taken to visit the other smaller centres in the Shire. We continue to promote and be involved in regional economic development, including OQTA (Outback Queensland Tourism Association), SWRED (South West Regional Economic Development Association, Corner Country Tourism Group and the Dowling Track Group.

Council has also held the Secretariat for the South West Qld Local Government Association and the Regional Roads Group with these groups holding one conference and two Mayors and Chief Executive Officers meetings per year.

Council has supported the Eromanga dinosaur facility financially and this support is ongoing.

Local artists/cultural displays and cultural activities are well supported by Council with the monthly exhibitions and exhibition openings. Council is supportive to art and cultural activities in public spaces.

We continue to meet regularly with SkyTrans, and Department of Transport and Main Roads to ensure we maintain and improve business and private transport in and out of the Shire. Meetings have been held with coal and coal seam gas company representatives and Council will continue to actively promote the establishment of these opportunities and be aware of the fly in fly out activities. Further opportunities for the Royal Australian Air Force and Royal Australian Army to conduct exercises in the Shire have also been explored, and the attendance of the Defence Force staff at our ANZAC Day services are greatly appreciated.

Development of land for Industrial, Light Industrial, rural residential and general housing is ongoing as are future streetscape and enhancement programs for the Shire.

5. GOVERNANCE AND COUNCIL ADMINISTRATION

Council's corporate governance framework is the system by which the Council is directed and managed. This framework determines Council's strategic directions, sets policies from risk management to parks and reserves, and establishes the performance standards that monitor how Council's policies and decisions are implemented.

Council administration is the executive, works and administrative body responsible to carry out Council's decisions and policies. It comprises the Chief Executive Officer and all the staff appointed under the CEO. Council monitors the performance of the staff through the CEO.

Governance Objectives

The governance structure includes a full range of objectives to professionalise and upgrade the skills and knowledge of elected members and staff. The interaction between elected members and appointed staff requires professional and a continuous regard and understanding of the roles and responsibilities of Councillors and staff, and these strategies give everyone the resources to understand their roles.

- Encourage professional development of Councillors and staff that will include LGAQ and other professional development workshops
- Strive to improve the community's confidence in the council by promoting transparency and good decision-making
- Ensure the existence of an appropriate organisational structure and procedural arrangements that support effective and efficient decision-making.
- Strive to improve staff confidence in their abilities and image of themselves as council employees within communities
- Continue to provide staff the opportunity to participate in training to enhance their employment/career
- Try to negotiate with staff on a 3 year EBA with staff which is mutually beneficial
- Try to recruit and retain the most suitable persons with qualifications, ability, experience, and performance and apply training and development to those persons
- Utilize technology wherever it is possible to enhance the efficiency and effectiveness of council operations and improve information access and distribution to council as a whole
- To provide efficient administration of council activities including dealings with the public
- Develop and produce a best of breed newsletters that communicates Council news, profiles, performance and decisions to the community.

Review of Operations

Quilpie Shire Councillors and staff continue striving to ensure that Council's governance framework is implemented and managed efficiently and effectively, whilst embracing the numerous changes to various Acts and Regulations relevant to the local government sector.

This year Council committed to seek an alternative financial management computer system and update the current ECM (Enterprise Content Management) System. The new systems will provide Council with the ability to develop and maintain quality processes and records, utilizing dependable and innovative information, knowledge and management.

Council is committed to providing optimum professional development opportunities to Councillors and staff relating to various section of Council operations and Local Government.

During 2010-2011, Council hosted the following traineeships and apprenticeships:

- Two (2) full time Mechanic Apprentices
- One (1) school based Mechanic Apprentice
- Two (2) full time Plumbing Apprentices
- One (1) full time Tourism Traineeship

Council works closely with Golden West Training Solutions to ensure that all apprentices are provided with the relevant training and skills development.

Twelve staff members are also undertaking a Certificate III in Civil Construction Plant being delivered onsite by Civiltrain Queensland.

Council continues to recruit skilled employees who are committed to providing excellent customer service and positive outcomes to Council, whilst meeting the communities' expectations.

COUNCIL MEETINGS AND OPERATIONS

Quilpie Shire Council holds its regular meeting on the second Tuesday of each month, unless otherwise changed by Council resolution. Individual Councillors attend various committee meetings routinely throughout the month. The Council is governed by the *Local Government Act 2009* and by a Council Code of Conduct.

Quilpie Shire Council Mayor & Councillors Remuneration Policy GA.12 0111

Council Policy

POLICY DETAIL:

That Council in accordance with *section 42 (3)(b)* of the *Local Government (Operations) Regulation 2010* and Remunerations Schedule which is to apply from 1 January 2011 as published in the Government Gazette. *Section 42 (5)* of the *Regulation* requires Council to make resolution about the levels of remuneration to be paid to its Local Government Councillors within 90 days of the Remuneration Schedule being gazetted. The authorised payment calculation is therefore for the whole of the year, even though during the year Council pays the minimum in the range and a meeting fee.

RESOLUTION:

Cr Paulsen moved and Cr Nowland seconded that the Quilpie Shire Council adopts the Annual Resolution to authorise Councillor payments as follows:

Council resolves to authorise payment of Councillors for the period 1 January 2011 to 31 December 2011 the following annual amount in accordance with Remuneration Schedule 1 of the Local Government Remuneration Tribunal Report gazetted 10 December 2010.

Mayor	Councillor <u>Peirce David Edwards</u>	<u>Up to 100%</u> of the upper bound provided in the report for Category 1 Councils
Deputy Mayor	Councillor <u>David Patrick Murray</u>	<u>Up to 100%</u> of the upper bound provided in the report for Category 1 Councils
Councillors	Councillor <u>Jennifer Catherine Hewson</u> Councillor <u>Christine Paulsen</u> Councillor <u>Raymond John Nowland</u>	<u>Up to 100%</u> of the upper bound provided in the report for Category 1 Councils

The remuneration tribunal increased the remuneration levels of all Councillors by 2.5%. The tribunal stated that it will undertake a complete review of classification levels for its 2011 review. The following are the remuneration rates for Category 1 Councils:

(% of Reference Rate of \$133,800) (in \$ rounded to nearest \$10)

Category 1

Mayor	35-45	\$46,830 - \$60,210
Deputy Mayor	15-20	\$20,070 - \$26,760
Councillor	10-15	\$13,380 - \$20,070

EXPENSES

Council adopted a reimbursements and expenses policy determined by the Department of Local Government. This policy will pay reasonable expenses such as accommodation costs including meals (no alcohol), taxi fares, telephone calls and transportation costs.

Council pays a travel allowance when the elected member travels in his/her privately owned vehicle during the course of his/her official duties. This allowance is based on rates described in Determination No 12 under the Queensland Public Sector Management Regulations as amended from time to time. Where elected members opt to use his/her own vehicle in lieu of a Council provided vehicle they will be reimbursed for the cost of fuel only, receipts are to be produced.

STATUTORY REPORTS

RECORD OF MEETING ATTENDANCE AND REMUNERATION PAID

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

NAME	REMUNERATION PAID	MEETINGS DAYS	EXPENSES INCURRED
Cr PD Edwards – Mayor	\$57,139.60	52	\$9595.56
Cr DP Murray – Deputy Mayor	\$27,926.10	17	
Cr JC Hewson	\$17,250.00	14	
Cr R Nowland	\$17,250.00	14	
Cr CC Paulsen	\$17,250.00	14	

There was no superannuation paid by Council for any Councillor for the year 2010-11.

Overseas travel undertaken by a councillor or employee of the Local Government did not apply with respect to Quilpie Shire Council during 2010-11.

Councillors do not have any discretionary funds.

TAKING DISCIPLINARY ACTION & INAPPROPRIATE CONDUCT

There were no orders and recommendations made under Sections 180 and 181 of the Local Government Act 2009.

COMPLAINT MANAGEMENT

Breaches and Complaints of Councillor Code of Conduct

Number of breaches of the Code of Conduct	Nil
Number of complaints referred to the Conduct Review Panel	Nil
Number of recommendations by the Conduct Review Panel that was adopted by Council.	Nil
Number of recommendations by the Conduct Review Panel that were not adopted by Council	Nil

Complaints Resolved under General Complaints Process

Number of complaints resolved under General Complaints Process	28
Number of complaints resolved under General Complaints Process and relating to an alleged breach of the Code of Conduct	Nil

Number of Complaints made to Ombudsman and Notified to Council

Number of complaints made to Ombudsman and notified to Council during the year about decisions made by the Local Government in relation to enforcement of its Code of Conduct	Nil
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Complaints and Investigations into Business Activities

During the year Council received NIL complaints in relation to its nominated Business Activities.

Quilpie Shire Council is committed to dealing with complaints fairly by the following procedure:-

COMPLAINTS / CUSTOMER WORKS REQUEST PROCEDURE

Customer Works Requests or Customer Complaints received must be in writing or a Complaints Form or Customer Works Requests Form must be completed

1. A copy of Complaint Form / Letter / Customer Works Request is included in the mail folder. A copy will be forwarded to the "Complaints Officer and the Manager / Supervisor of the area of complaint.
2. The Complaint Form / Letter / Customer Works Request will be placed in the Complaints / Customer Works Requests Folder in the appropriate works section.
(eg. Admin & Finance , Community Services etc)
3. Initial response action will be completed (in writing) by the Complaints Officer within 48 hours from receipt of the complaint.
4. The responsible Manager / Supervisor for the area of complaint will assist the Complaints Officer where necessary with a response to the complainant.
5. It is the responsible Manager / Supervisor's responsibility to follow up outstanding Complaints or Customer Works Request and advise the Complaints Officer of their status and hand in completed forms.

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 2010-11 : NIL

REGISTERS OPEN FOR PUBLIC INSPECTION

All registers required by law to be held by Council and to be available for the public inspection are held at the Council Chambers, 50 Brolga St, Quilpie.

SPECIAL RATE

Wild Dogs and dingoes are a Class 2 pest under the *Land Protection Pest and Stock Route Management / Regulation 2003* and present a concern for Council and landholders in terms of the devastating effect they can have on livestock and the overall carrying capacity of rural grazing land within Council's local government area.

As a result of a recommendation from the Quilpie Shire Wild Dog Advisory Committee, Council agreed to fully fund a trial shire wide baiting program in 2010/2011, provided there is 100% participation from landholders within the Shire.

REBATES AND CONCESSIONS

It is proposed that 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 and Councillors Code of Conduct and Discipline has been implemented by the Council.

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:

1. Other Roads
2. Roads
3. Community Services
4. Plant Operations and Maintenance

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.

SERVICES RENDERED BY A CONSULTANT FOR 2010-11

- Asset Management Plan - \$74,050
- Community Engagement Plan - \$11,907

ENTERTAINING OR HOSPITALITY SERVICES

- Civic Receptions and Entertainment – \$3,183

ADVERTISING

- Advertising - \$8,541

GRANTS TO COMMUNITY ORGANISATIONS

- Donations - \$28,260
- RADF - \$22,333

TOTAL REMUNERATION PACKAGES PAYABLE TO SENIOR CONTRACT EMPLOYEES**LOCAL GOVERNMENT ACT 2009 SECTION 201(2)**

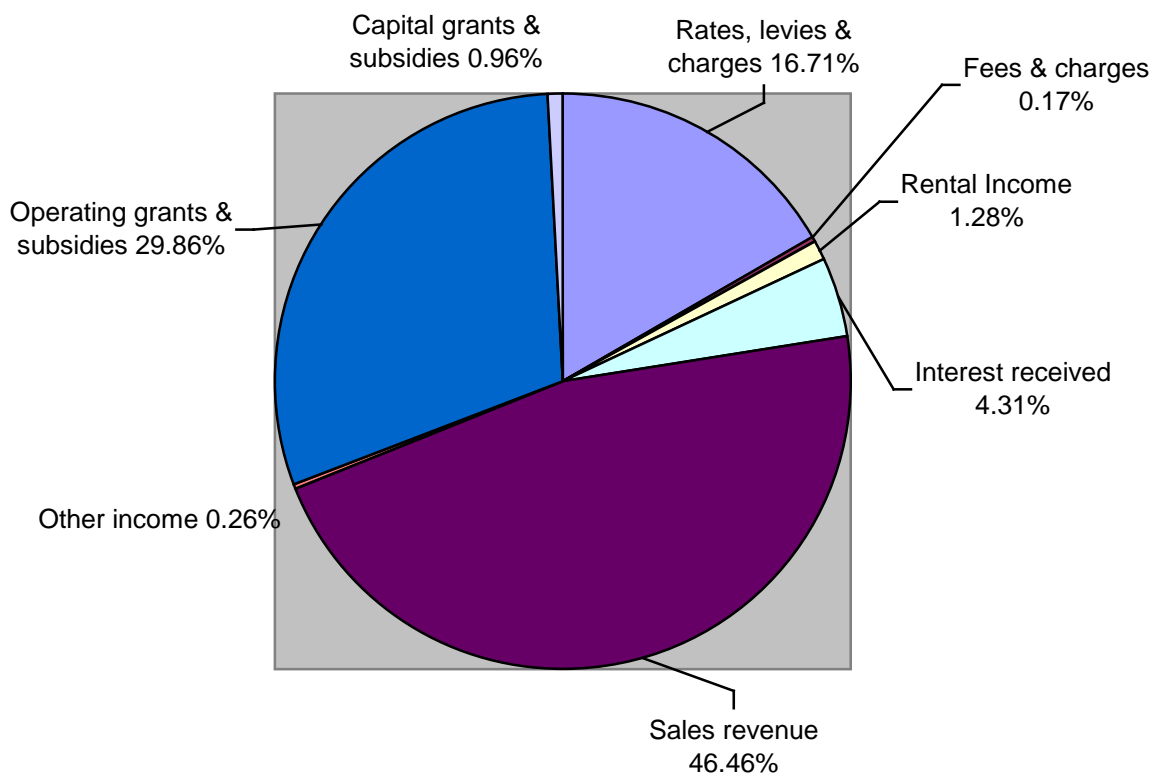
- 2 senior contract employees with a total remuneration package in the range of \$90,000–\$119,000
- 1 senior contract employee with a total remuneration package in the range of \$150,000–\$182,000

COMMUNITY FINANCIAL REPORT

Operating Statement – Revenue and Expenditure

Council's Total Revenue \$15,262,353

Council Revenue 2010-11



Rates, levies & Charges

Rates, levies & charges increased by approx 7% in 2010-11 financial year.

Rental income

Rental income increased by 12%

Interest Income

Income from investments increased by 36%

Capital Grants and Subsidies

Capital grants decreased by 86%

Operating Grants and Subsidies

There was an increase of 8%

Sales Revenue

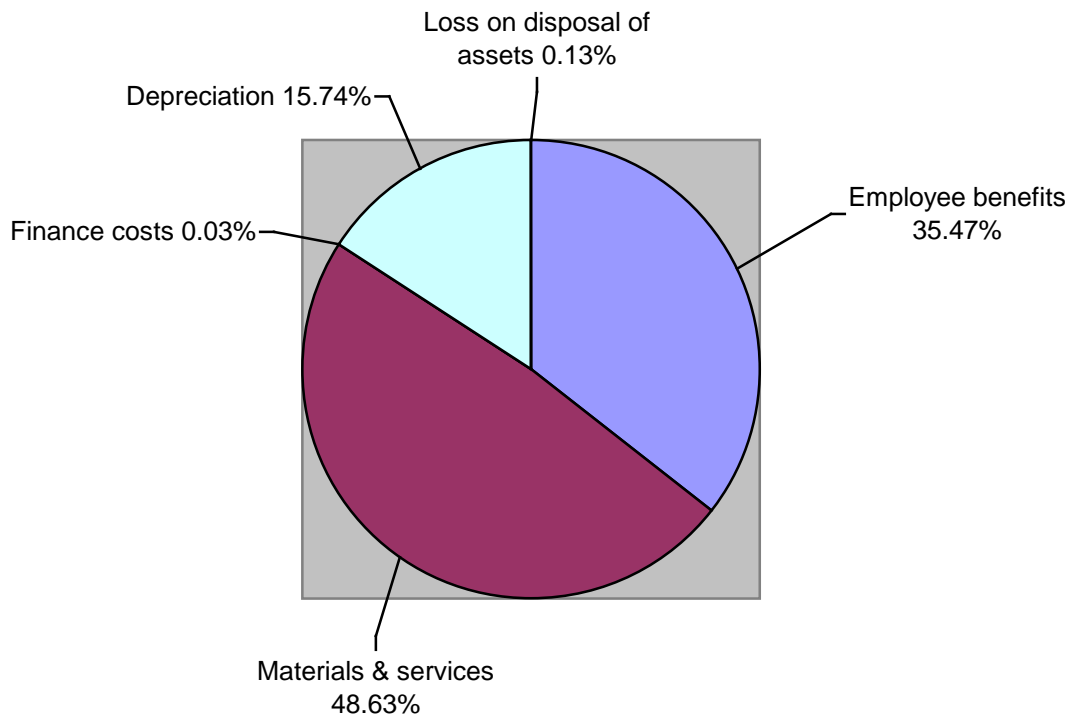
Sales revenue increased by 163%.

Other income

Other income increased by 12%.

Council's Total Expenditure \$11,942,062

Council Expenditure 2010-11

**Employee Costs**

The employee costs increased 5%.

Materials and Services

Material and services increased 4%.

Depreciation

Depreciation decreased by 1%.

Finance Costs

These costs decreased by 1%.

Loss on Disposal of Assets

This decreased by 78%.

Statement of Financial Position – Assets and Liabilities

Assets

Council has total assets of \$104.4 million dollars.

Liabilities

Council has no loans. Its liabilities decreased by 1% in 2010-11 financial year.

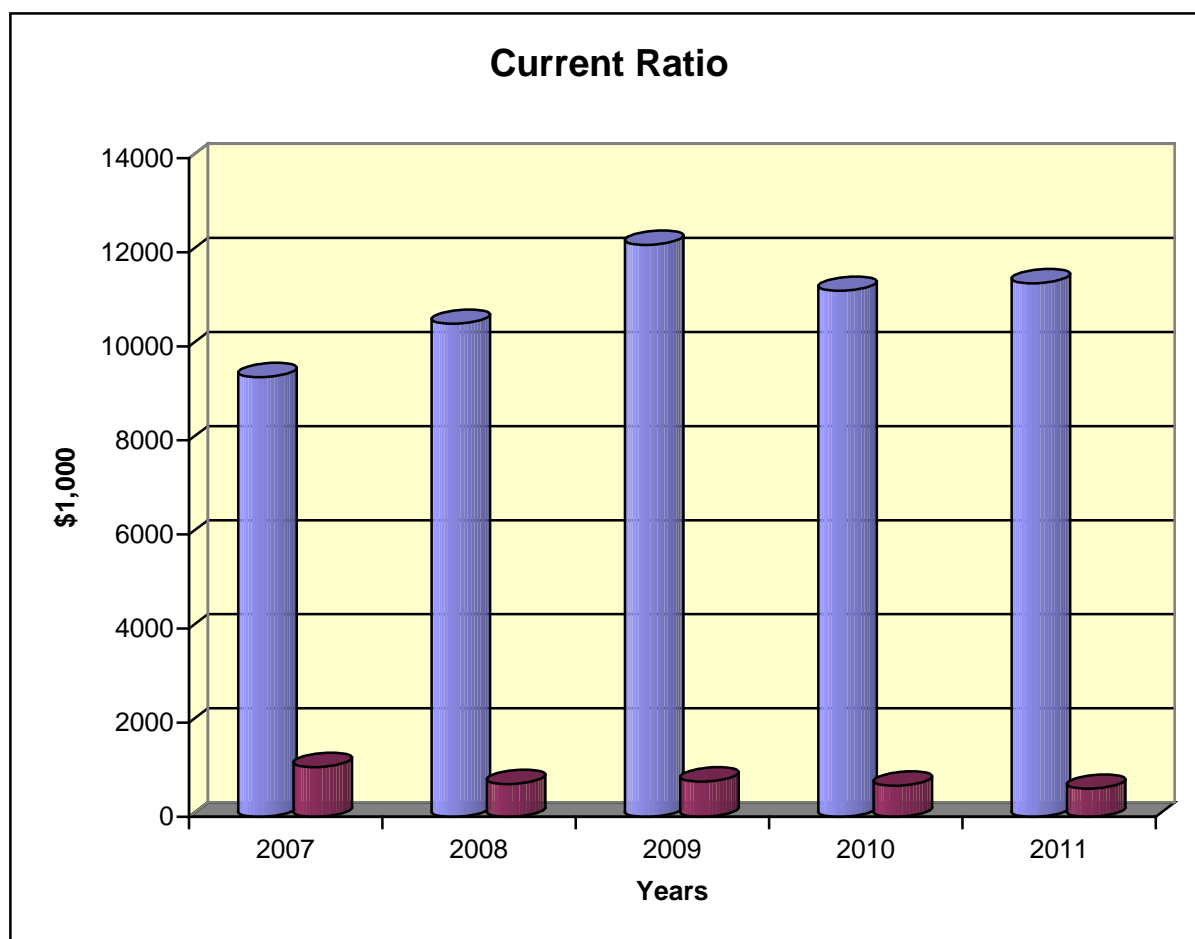
Community Equity

This represents the wealth of the Council, that is to say its assets less its liabilities. At 30 June 2011 this stood at \$103.4 million.

Key Ratios

CURRENT RATIO

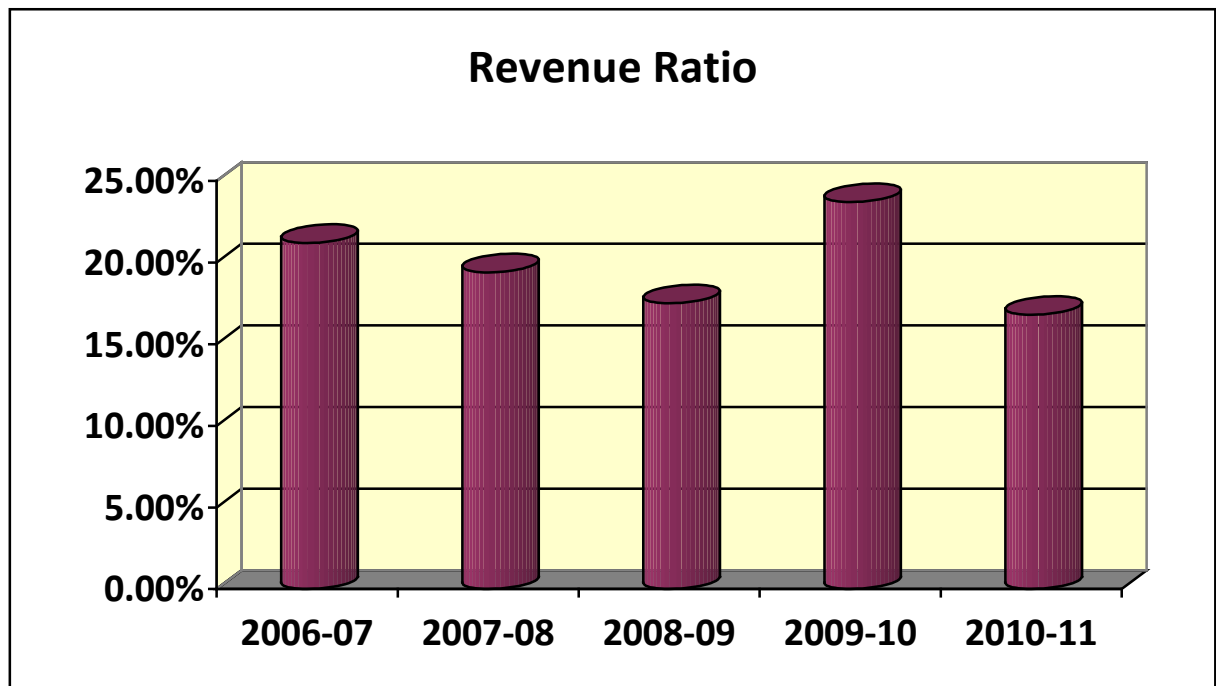
The current ratio assesses Council's ability to meet its current obligations when they fall due. Council continues to be secure financially.



Years		2006-07	2007-08	2008-09	2009-10	2010-11
Current Assets		9343	10477	12157	11178	11339
Current Liability		1056	696	747	661	596
Current Ratio		8.8	15.1	16.3	16.9	19.0

Revenue Ratio

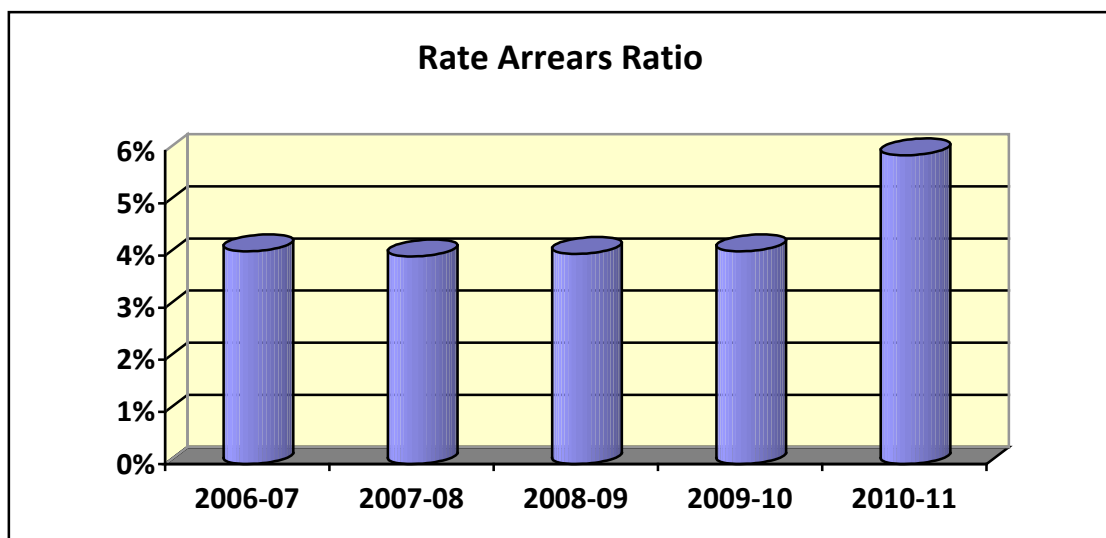
This discloses how reliant the Council is on Rates revenue to cover its operations. It can be seen that it is very reliant on other sources.



Years	2006-07	2007-08	2008-09	2009-10	2010-11
Net Rate Revenue	1891	1986	2082	2378	2550
Total Operating Revenue	8924	10237	11864	10018	15116
Revenue Ratio	21.2%	19.4%	17.5%	23.7%	16.8%

Rates Arrears Ratio

This ratio shows the proportion of current year's rates that remain outstanding.



Years	2006-07	2007-08	2008-09	2009-10	2010-11
Rates Debt	79	79	84	97	151
Net Rates Revenue	1891	1986	2082	2378	2550
Rates Arrears Ratio	4.18%	3.98%	4.03%	4.08%	5.92%

SUSTAINABILITY RATIOS

Annual Indicators	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
Working Capital Ratio	30.76	29.71	29.72	30.98	30.98	30.98	30.98	30.98	30.98
Operating Surplus Ratio	11.00%	7.77%	7.77%	7.81%	7.81%	7.81%	7.81%	7.81%	7.81%
Net Financial Liabilities Ratio	-88.93%	-63.64%	-100.55%	-106.66%	-45.70%	-43.52%	-41.45%	-39.47%	-37.59%
Interest Coverage Ratio	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Asset Sustainability Ratio	192.66%	96.88%	32.36%	192.66%	196.52%	138.8%	132.19%	125.90%	149.7%
Asset Consumption Ratio	76.50%	75.87%	75.27%	75.20%	74.4%	73.57%	72.70%	72.71%	71.78%

VALUATION OF NON-CURRENT PHYSICAL ASSETS – LOCAL GOVERNMENT (FINANCE, PLANS & REPORTING) REGULATION SECTION 154(2)

Resolution No: (20 -01-11)

Council resolved to accept the recommendation received from the Finance Officer and set the following thresholds as part of the review of Council's Asset Policy and Accounting Manual:

- Building and Other Structures \$ 5,000
- Furniture & Fittings \$ 2,000
- Plant & Equipment \$ 2,000
- Roads, Drainage & Bridges \$ 10,000
- Water Sewerage \$ 10,000

CARRIED



Financial Statements

2010 - 2011

Quilpie Shire Council

Financial statements

For the year ended 30 June 2011

Table of contents

Statement of Comprehensive Income

Statement of Financial Position

Statement of Changes in Equity

Statement of Cash Flows

Notes to the financial statements

1 Significant accounting policies

2(a) Components of council functions

2(b) Analysis of results by function

3 Revenue analysis

4 Grants, subsidies, contributions and donations

5 Capital Income / Loss on disposal of non-current assets

6 Employee benefits

7 Materials and services

8 Finance costs

9 Depreciation and amortisation

10 Cash and cash equivalents

11 Trade and other receivables

12 Inventories

13 Other financial assets

14(a) Property, plant and equipment

14(b) Property, plant and equipment valuations

15 Trade and other payables

16 Provisions

17 Shire capital

18 Asset revaluation surplus

19 Other reserves

20 Contingent liabilities

21 Superannuation

22 Trust funds

23 Reconciliation of net operating surplus for the year to net cash inflow (outflow) from operating activities

24 Events after the reporting period

25 Financial instruments

Management Certificate

Independent Auditor's Report

Quilpie Shire Council
Statement of Comprehensive Income
For the year ended 30 June 2010

	Note	2011 \$	2010 \$
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3(a)	2,549,989	2,378,604
Fees and charges	3(b)	26,700	29,149
Rental income	3(c)	195,421	173,852
Interest received	3(d)	658,253	484,388
Sales revenue	3(e)	7,090,260	2,696,274
Other income	3(f)	38,922	34,898
Grants, subsidies, contributions and donations	4(a)	4,556,626	4,221,583
		<u>15,116,171</u>	<u>10,018,748</u>
Capital revenue			
Grants, subsidies, contributions and donations	4(b)	146,182	1,071,396
Total income		<u>15,262,353</u>	<u>11,090,144</u>
Expenses			
Recurrent expenses			
Employee benefits	6	(4,234,214)	(4,035,502)
Materials and services	7	(6,107,979)	(5,566,552)
Finance costs	8	(3,488)	(3,451)
Depreciation and amortisation	9	(1,879,345)	(1,861,024)
Loss on disposal of assets	5	(15,659)	(71,181)
Total expenses		<u>(12,240,685)</u>	<u>(11,537,710)</u>
Net operating surplus		<u>3,021,668</u>	<u>(447,566)</u>
Other comprehensive income			
Increase / (decrease) in asset revaluation surplus	18	(2,499,038)	2,859,214
Total other comprehensive income for the year		<u>(2,499,038)</u>	<u>2,859,214</u>
Total comprehensive income for the year		<u>522,630</u>	<u>2,411,648</u>

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

Quillpie Shire Council
Statement of Financial Position
as at 30 June 2011

	Note	2011 \$	2010 \$
Current assets			
Cash and cash equivalents	10	12,768,127	10,311,046
Trade and other receivables	11	1,284,512	530,642
Inventories	12	286,457	257,616
Other financial assets	13	-	79,195
Total current assets		<u>14,339,096</u>	<u>11,178,499</u>
Non-current assets			
Property, plant and equipment	14(a)	90,929,235	93,539,886
Total non-current assets		<u>90,929,235</u>	<u>93,539,886</u>
Total assets		<u>105,268,331</u>	<u>104,718,385</u>
Current liabilities			
Trade and other payables	15	581,145	636,673
Provisions	16	53,419	25,000
Total current liabilities		<u>634,564</u>	<u>661,673</u>
Non-current liabilities			
Trade and other payables	15	57,679	36,066
Provisions	16	351,465	318,850
Total non-current liabilities		<u>409,144</u>	<u>354,716</u>
Total liabilities		<u>1,043,708</u>	<u>1,016,389</u>
Net community assets		<u>104,224,623</u>	<u>103,701,996</u>
Community equity			
Shire capital	17	59,610,179	59,276,269
Asset revaluation surplus	18	33,644,936	36,143,974
Retained surplus/(deficiency)		8,153,952	5,207,287
Other reserves	19	2,815,556	3,074,466
Total community equity		<u>104,224,623</u>	<u>103,701,996</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 2011

	Shire Capital	Asset revaluation surplus	Retained surplus	Other Reserves	Total
Note	17	18		19	
	\$	\$	\$	\$	\$
Balance as at 1 July 2010	59,276,269	36,143,974	5,207,287	3,074,467	103,701,996
Net operating surplus	-	-	3,021,668	-	3,021,668
Other comprehensive income for the year					
Increase / (decrease) in asset revaluation surplus	-	(2,499,038)	-	-	(2,499,038)
Total comprehensive income for the year	-	(2,499,038)	3,021,668	-	522,630
Transfers to and from reserves					
Transfers to/from capital	333,910	-	(333,910)	-	-
Transfers to other reserves	-	-	(328,572)	328,572	-
Transfers from other 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
Balance as at 1 July 2009	58,769,459	33,284,760	5,704,852	3,531,275	101,290,346
Net operating surplus	-	-	(447,566)	-	(447,566)
Other comprehensive income for the year					
Increase / (decrease) in asset revaluation reserve	-	2,859,214	-	-	2,859,214
Total comprehensive income for the year	-	2,859,214	(447,566)	-	2,411,648
Transfers to and from reserves					
Transfers to/from capital	506,810	-	(506,810)	-	-
Transfers to other reserves	-	-	(71,843)	71,843	-
Transfers from other reserves	-	-	528,652	(528,652)	-
Total transfers to and from reserves	506,810	-	(50,000)	(456,809)	-
Balance as at 30 June 2010	59,276,269	36,143,974	5,207,287	3,074,467	103,701,996

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

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

	Note	2011	2010
		\$	\$
Cash flows from operating activities			
Receipts from customers		8,903,994	5,716,028
Payments to suppliers and employees		(10,210,337)	(9,583,504)
		(1,306,343)	(3,867,476)
Interest received		648,586	385,804
Rental income		195,421	173,852
Non capital grants and contributions		4,556,626	4,221,583
Net cash inflow (outflow) from operating activities	23	4,094,290	913,763
Cash flows from Investing activities			
Payments for property, plant and equipment		(1,902,164)	(2,865,614)
Proceeds from sale of property plant and equipment		118,773	415,617
Grants, subsidies, contributions and donations		146,182	1,071,396
Net cash inflow (outflow) from investing activities		(1,637,209)	(1,378,601)
Cash flows from financing activities			
Net cash inflow (outflow) from financing activities		-	-
Net increase (decrease) in cash held		2,457,081	(464,838)
Cash at beginning of the financial year		10,311,046	10,775,885
Cash at end of the financial year	10	12,768,127	10,311,046

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 2011

1 Significant accounting policies

1.A Basis of preparation

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

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

1.B Statement of compliance

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

1.C Constitution

The 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 resulted in the following 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 124 <i>Related Party Disclosures</i> (December 2009)	1 January 2011
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
2009-12 <i>Amendments to Australian Accounting Standards in relation to AASB 8 Operating Segments</i> (December 2009)	1 January 2011
2009-14 <i>Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement (Interpretation 14)</i> (December 2009)	1 January 2011
AASB 2010-2 <i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i>	1 July 2013
AASB 2010-4 <i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i>	1 January 2011
AASB 2010-5 <i>Amendments to Australian Accounting Standards</i>	1 January 2011
AASB 2010-6 <i>Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets</i>	1 July 2011
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 2010-9 <i>Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i>	1 July 2011
AASB 2010-10 <i>Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters</i>	1 January 2013

Management have yet to assess the impact that AASB 9 *Financial Instruments* and 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* is likely to have on the financial statements of Council as it is anticipated that further amendments will occur. Council does not expect to implement the amendments prior to the adoption date of 1 January 2013.

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2011

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 of property, plant and equipment - Note 1.O and Note 14(b).
Impairment of property, plant and equipment - Note 1.Q and Note 14(b)
Provisions - Note 1.T and Note 16
Contingencies - Note 20.

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 placed in a 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 over the term of the funding arrangements. Council does not currently have any reciprocal grants.

Non-cash contributions

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

Rental income

Rental revenue from council 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.

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 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 amortised cost

Financial liabilities

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

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

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2011

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 25.

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 has the power 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.

1.L Inventories

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

Inventories held for distribution are:

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

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

1.M Land held for resale

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

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

1.N Investments

Term deposits in excess of six months are reported as investments, with deposits of less than six months being reported as cash equivalents. At 30 June 2011 Council did not have any term deposits in excess of six months.

1.O Property, plant and equipment

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. Items of 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.

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2011

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

Furniture & Fittings
Buildings & Other Structures
Plant & Equipment
Roads, Drainage & Bridge
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 AASB116 *Property, Plant and Equipment*. Other plant and equipment is measured at cost.

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by comprehensively revaluing these assets at least once every five years, with interim valuations using a suitable index being otherwise performed on an annual basis where there has been a material variation in the index.

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

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

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

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

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 is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to the Council.

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

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.

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2011

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

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

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 Council currently does not have any such land holdings.

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

1.P 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.Q 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.R 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

Where Council enters into a finance lease, 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.

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.S 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.T 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.

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2011

Salaries and wages

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

Annual leave

A liability for annual leave is recognised. The current portion (based on the expected payment date) is calculated on current wage and salary levels and includes related employee on-costs. The non-current portion is calculated on projected future wage and salary levels and related employee on-costs, discounted to present values. This liability represents an accrued expense and is reported in Note 15 as a payable.

Sick leave

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

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 21.

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 recorded in Note 16 as a provision.

1.U Shire Capital

This represents the amount of community equity.

1.V Asset revaluation surplus

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

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

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

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

1.W Retained surplus

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

1.X Reserves

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

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 of completed.

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2011

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.Y Rounding and comparatives

Amounts included in 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.Z Trust funds held for outside parties

Funds held in the trust account on behalf of outside parties include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies (e.g. wages) paid into the trust account by the Council. The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements.

The monies are disclosed in the notes to the financial statements for information purposes only in Note 22.

1.AA Taxation

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

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2011

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, environmental and recreational services.

This function includes:

Libraries

Entertainment venues

Public health services

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 2011

2(b) Analysis of results by function

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

Year ended 30 June 2011

Functions	Gross program income		Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net operating surplus	Assets		
	Recurring	Capital		Recurring	Capital						
		2011			2011					2011	2011
		\$			\$					\$	\$
Corporate Governance			-	(367,457)		(367,457)	(367,457)				
Administration & Finance	5,988,489		5,988,489	(784,507)		(784,507)	5,203,982	5,203,982	16,264,378		
Community Services	519,432	72,417	591,849	(1,677,932)		(1,677,932)	(1,158,500)	(1,086,083)	13,550,984		
Environment & Health Services	53,529		53,529	(450,211)		(450,211)	(396,682)	(396,682)			
Engineering & Works	8,135,826	73,765	8,209,591	(8,399,684)	(15,659)	(8,415,343)	(263,858)	(205,753)	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	15,116,171	146,182	15,262,353	(12,225,025)	(15,659)	(12,240,684)	2,891,146	3,021,668	105,268,331		

Year ended 30 June 2010

Functions	Gross program income		Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net operating surplus	Assets
	Recurring	Capital		Recurring	Capital				
		2010			2010				
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Corporate Governance	-	-	-	(371,880)	-	(371,880)	(371,880)	(371,880)	-
Administration & Finance	5,311,556	-	5,311,556	(642,209)	(17,433)	(659,642)	4,669,347	4,651,914	30,790,949
Community Services	617,266	30,683	647,949	(1,429,611)	-	(1,429,611)	(812,345)	(781,662)	1,549,347
Environment & Health Services	75,550	-	75,550	(511,328)	-	(511,328)	(435,778)	(435,778)	-
Engineering & Works	3,635,634	839,928	4,475,562	(7,994,391)	(53,748)	(8,048,139)	(4,358,757)	(3,572,577)	66,551,000
Waste Management	135,261	-	135,261	(170,227)	-	(170,227)	(34,966)	(34,966)	-
Water & Sewerage Infrastructure	243,480	200,785	444,265	(346,882)	-	(346,882)	(103,402)	97,383	5,827,089
Total Council	10,018,747	1,071,396	11,090,143	(11,466,528)	(71,181)	(11,537,709)	(1,447,781)	(447,566)	104,718,385

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2011

	Note	2011 \$	2010 \$
3 Revenue analysis			
(a) Rates, levies and charges			
General rates		2,382,880	2,236,362
Water		166,633	159,586
Sewerage		125,201	119,620
Garbage charges		145,531	139,294
Total rates and utility charge revenue		2,820,245	2,654,862
Less: Discounts		(253,134)	(257,995)
Less: Pensioner remissions		(17,122)	(18,264)
		<u>2,549,989</u>	<u>2,378,604</u>
(b) Fees and charges			
Fees and charges		26,700	29,149
		<u>26,700</u>	<u>29,149</u>

The amount of \$9,987 being Landfill Fees has been reclassified from Other Income to Fees and Charges in the 2010 reporting period.

(c) Rental Income			
Other rental income		195,421	173,852
		<u>195,421</u>	<u>173,852</u>
(d) Interest received			
Interest received from term deposits		652,701	478,035
Interest from overdue rates and utility charges		5,552	6,353
		<u>658,253</u>	<u>484,388</u>
(e) Sales revenue			
Sales - Contract & recoverable works		7,090,260	2,696,274
		<u>7,090,260</u>	<u>2,696,274</u>

The amount of \$346 being Avgas Sales has been reclassified from Other Income to Sales Revenues in the 2010 reporting period.

(f) Other income			
Other income		38,922	34,898
		<u>38,922</u>	<u>34,898</u>

4 Grants, subsidies, contributions and donations

(a) Recurrent			
General purpose grants		4,556,626	4,221,583
		<u>4,556,626</u>	<u>4,221,583</u>
(b) Capital			
State government subsidies and grants		146,182	1,071,396
		<u>146,182</u>	<u>1,071,396</u>

(c) Conditions over contributions

Contributions recognised as income during the reporting period and which were obtained on the condition that they be expended in a manner specified by the contributor but had not been expended at the reporting date:

Grants for specified expenditure	185,668	1,458,499
	<u>185,668</u>	<u>1,458,499</u>

Contributions recognised as income during a previous reporting period that were obtained in respect of the current reporting period:

Grants for specified expenditure	442,506	1,887,164
	<u>442,506</u>	<u>1,887,164</u>

Quillpie Shire Council
Notes to the financial statements
For the year ended 30 June 2011

	2011	2010
Note	\$	\$
5 Capital Income / Loss on disposal of non-current assets		
Gain / loss on disposal of non-current assets		
Proceeds from the sale of property, plant and equipment	85,091	297,890
Less: Book value of property, plant and equipment disposed of	(101,432)	(347,832)
	<u>(16,341)</u>	<u>(49,942)</u>
Proceeds from sale of land	33,682	117,727
Less: Book value of land sold	(33,000)	(138,966)
	<u>682</u>	<u>(21,239)</u>
Revaluations		
Revaluation up of property, plant and equipment reversing previous revaluation down	-	-
Revaluation decrement	-	-
	<u>-</u>	<u>-</u>
Total Gain / (Loss) on Disposal of Assets	<u>(15,659)</u>	<u>(71,181)</u>
6 Employee benefits		
Total staff wages and salaries	3,101,719	3,051,814
Councillors' remuneration	116,002	116,526
Annual, sick and long service leave entitlements	552,615	501,850
Superannuation	371,548	346,182
	<u>4,141,884</u>	<u>4,016,372</u>
Other employee related expenses	134,901	120,139
	<u>4,276,785</u>	<u>4,136,511</u>
Less: Capitalised employee expenses	(42,571)	(101,009)
	<u>4,234,214</u>	<u>4,035,502</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	16	16
Depot and outdoors staff	48	47
Total full time equivalent employees	<u>69</u>	<u>68</u>
7 Materials and services		
Administration costs	193,940	261,364
Audit services	55,175	45,146
Consultants / contractors	148,207	62,648
Donations paid	27,934	9,131
Rental property expenses	150,109	129,532
Community and recreational services	762,077	885,730
Community housing pay out	260,123	-
Engineering and works	3,430,985	3,297,382
Repairs and maintenance	1,058,322	861,732
Other materials and services	21,107	13,887
	<u>6,107,979</u>	<u>5,566,552</u>
8 Finance costs		
Bank charges	3,488	3,451
	<u>3,488</u>	<u>3,451</u>

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2011

	2011	2010
Note	\$	\$
9 Depreciation and amortisation		
Depreciation of non-current assets		
Furniture & Fittings	3,422	1,714
Buildings	322,481	319,830
Plant & Equipment	545,803	534,033
Road, Drainage and Bridge	882,758	885,849
Sewerage	55,163	68,826
Water	89,718	50,772
14(a)	<u>1,879,345</u>	<u>1,861,024</u>

10 Cash and cash equivalents

Cash at bank and on hand	1,239,286	861,046
Term deposits	11,528,841	9,450,000
Balance per Statement of Cash Flows	<u>12,768,127</u>	<u>10,311,046</u>

Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:

Unspent government grants and subsidies	1,637,398	1,471,308
Total unspent restricted cash	<u>1,637,398</u>	<u>1,471,308</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.

11 Trade and other receivables

Current

Rateable revenue and utility charges	150,938	97,496
Other debtors	1,022,113	343,406
Less: Provision for doubtful debt	(5,000)	(33,737)
Prepayments	116,461	123,477
	<u>1,284,512</u>	<u>530,642</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	286,457	257,616
	<u>286,457</u>	<u>257,616</u>

13 Other financial assets

Accrued Revenue	-	79,195
	<u>-</u>	<u>79,195</u>

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2011

14(a) Property, plant and equipment

Council - 30 June 2011

Basis of measurement	Land improvements	Furniture & fittings	Buildings & other structures	Plant and equipment	Road, drainage and bridge	Sewerage	Water	Council Land	Work in progress	Total
	Revaluation	Cost	Revaluation	Cost	Revaluation	Revaluation	Revaluation	Revaluation	Cost	Cost
Asset values	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening gross value as at 1 July 2010	-	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
Adjustment to opening value			1,109,129							
Additions		8,469	1,046,064	539,133			43,118		265,380	1,902,164
Disposals				(231,145)	(4,949,600)		72,032	(33,000)		(264,145)
Revaluation adjustment to asset revaluation surplus										(4,877,568)
Revaluation adjustment to income										-
Assets classified as held for sale										-
Transfers between classes			439,395						(439,395)	-
Closing gross value as at 30 June 2011	-	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

Note

5

18

Accumulated depreciation and impairment

Opening balance as at 1 July 2010	-	94,499	4,941,143	4,993,810	25,356,535	1,125,278	1,829,554	-	-	38,340,819
Depreciation provided in period		3,422	322,481	545,803	882,758	55,163	69,718			1,879,345
Depreciation on disposals				(129,713)						(129,713)
Revaluation adjustment to asset revaluation surplus					(2,378,530)					(2,378,530)
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	-	97,921	5,263,624	5,409,900	23,860,763	1,180,441	1,899,272	-	-	37,711,921

9

5

18

18

Book value as at 30 June 2011	-	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
Residual value	-	-	10,389,124	-	49,808,150	-	-	-	-	-
Range of estimated useful life in years	7 - 40	2 - 20	10 - 100	2 - 20	5 - 100	20 - 60	20 - 80			

Operating 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.

Quilpie Shire Council

Notes to the Financial Statements

For the year ended 30 June 2010

Council - 30 June 2010

Basis of measurement

Asset values

Opening gross value as at 1 July 2009

Adjustment to opening value

Additions

Disposals

Revaluation adjustment to asset revaluation surplus

Revaluation adjustment to income

Assets classified as held for sale

Assets transferred from investment property

Transfers between classes

Closing gross value as at 30 June 2010

Accumulated depreciation and impairment

Opening balance as at 1 July 2009

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 2010

Book value as at 30 June 2010

Residual value

Range of estimates

1. Introduction

Investment property is property held for the primary purpose of earning rentals and/or capital appreciation. However, properties rented to employees are classified as owner occupied property rather than investment property. Therefore the council does not have investment property as previously stated in prior years. These properties (buildings and land) have been transferred and are now listed within Buildings at a value of \$296,000 and Council Land at a value of \$274,000.

Land improvements	Furniture & Fittings	Buildings & Other Structures	Plant and Equipment	Road, Drainage and Bridge	Sewerage	Water	Council Land	Work in progress	Total
Revaluation	Cost	Revaluation	Cost	Revaluation	Revaluation	Revaluation	Revaluation	Cost	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
75,306	106,256	23,168,196	9,325,234	70,691,024	4,372,583	3,586,121	910,694	1,548,386	113,783,800
	3,636	556,880	923,821	243,719	27,781	501,785	40,000	567,992	2,895,614
		(231,000)	(687,222)				(138,967)		(1,057,189)
		(1,050,385)		15,496,211	(658,538)	836,665			14,623,953
					(14,602)				(14,602)
									-
		296,000					274,000		570,000
(75,306)		637,476		780,784	115,515	14,611	75,306	(1,548,386)	-
-	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

9	19,963	92,785	3,836,689	4,927,878	12,539,880	1,288,326	1,470,997	-	24,176,318
		1,714	319,830	534,033	885,849	68,826	50,772		1,861,024
5			(102,489)	(467,901)					(570,390)
18	(19,963)		(222,016)		2,277,681	(231,874)	307,785		2,111,613
18			1,109,129		9,653,125				10,762,254
									-
									-
									-
	-	94,499	4,941,143	4,993,810	25,356,535	1,125,278	1,829,554	-	38,340,819

-	15,393	18,436,024	4,568,023	61,855,203	2,717,461	3,109,628	1,161,033	567,992	92,430,757
-	-	10,369,124	-	49,808,150	-	-	-	-	-
7 - 40	2 - 20	10 - 100	2 - 20	5 - 100	20 - 60	20 - 80	-	-	-

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2011

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

Land improvements

There are currently no items in this classification.

Buildings and Other Structures

Buildings and other structures have been included at fair value at 30 June 2011 based on independent valuation conducted by APV Valuers and Asset Management, Registered Valuers as at 30 June 2009 indexed for movements in the asset revaluation index for non-residential construction.

Asset Revaluation Index (Implicit Price Deflator): Non-residential construction, Queensland - Source: Australian Bureau of Statistics, Construction Work Done, Australia Preliminary, Cat no. 8755.0.

Impairment represents the interest owned by the Department of Communities in eight community housing properties.

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 replacement cost as at 30 June 2011 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 replacement cost as at 30 June 2011 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 2011 indicated no significant change.

15 Trade and other payables

	Note	2011 \$	2010 \$
Current			
Creditors and accruals		308,079	367,087
Annual leave		273,066	269,586
		<u>581,145</u>	<u>636,673</u>
Non-current			
Annual leave		57,679	36,066
		<u>57,679</u>	<u>36,066</u>

16 Provisions

Current			
Long service leave		53,419	25,000
		<u>53,419</u>	<u>25,000</u>
Non-current			
Long service leave		351,465	318,650
Total Provisions		<u>404,884</u>	<u>343,650</u>

Qulpie Shire Council
Notes to the financial statements
For the year ended 30 June 2011

16 Provisions (continued)

	2011	2010
Note	\$	\$
Details of movements in provisions:		
Long service leave		
Balance at beginning of financial year	343,650	280,598
Long service leave entitlement arising	72,483	63,052
Long Service entitlement extinguished	(11,249)	-
Balance at end of financial year	<u>404,884</u>	<u>343,650</u>

17 Shire capital

Calculation of Shire Capital		
Cash and cash equivalents	12,768,127	10,311,046
Less:		
Reserves (other than asset revaluation surplus)	(2,815,556)	(3,074,486)
Unearned income	(5,740)	(2,671)
Funded employee entitlements (non-current)	(409,144)	(294,586)
Working cash requirement (proportion of rates to first collection date)	(1,383,735)	(1,732,037)
Retained surplus/(deficit)	8,153,952	5,207,286
Total capital and surplus	<u>67,764,131</u>	<u>64,483,555</u>
Capital account	<u>59,610,179</u>	<u>59,276,269</u>
Capital account opening balance	59,276,269	58,769,459
Adjustment to opening balance	-	-
Adjusted opening balance	59,276,269	58,769,459
Transfer to/(from) capital	333,910	506,810
Closing balance	<u>59,610,179</u>	<u>59,276,269</u>

18 Asset revaluation surplus

Movements in the asset revaluation surplus were as follows:

Balance at beginning of financial year	36,143,974	33,284,760
Net adjustment to non-current assets at end of period to reflect a change in current fair value:		
Council Land		19,963
Buildings		(828,369)
Road, drainage and bridge network	(2,571,070)	3,565,406
Water	72,032	528,880
Sewerage		(426,666)
Balance at end of financial year	<u>33,644,936</u>	<u>36,143,974</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	20,290,935	22,862,005
Water	1,269,459	1,197,427
Sewerage	-	-
	<u>33,644,936</u>	<u>36,143,974</u>

Prior period adjustment to Buildings of \$1.1 incorrectly booked to Asset Revaluation Reserve should be a contingent liability to Department of Communities (Housing and Homelessness Services) to recognise pay out of houses over five year period.

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2011

	Note	2011 \$	2010 \$
19 Other reserves			
Aquatic Centre Reserve		-	500,000
Plant Replacement Reserve		131,096	131,096
Water & Sewerage Capital Works Reserve		922,062	922,062
IT Upgrade Reserve		125,000	50,000
Capital Grants Reserve		422,970	442,505
Non-Capital Grants Reserve		1,214,428	1,028,803
Total Reserves		2,815,556	3,074,466
Movements in capital reserves:			
Aquatic Centre Reserve			
Balance at beginning of financial year		500,000	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		-	500,000
Movements in capital reserves:			
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		131,096	131,096
Movements in capital reserves:			
Water & Sewerage Capital Works Reserve			
Balance at beginning of financial year		922,062	1,000,206
Transfer from retained surplus for future expenditure		-	-
Transfer to the retained surplus/capital funds expended in the period		-	(78,144)
Balance at end of financial year		922,062	922,062
IT Upgrade Reserve			
Balance at beginning of financial year		50,000	-
Transfer from retained surplus for future expenditure		75,000	50,000
Transfer to the retained surplus/capital funds expended in the period		-	-
Balance at end of financial year		125,000	50,000
Capital Grants reserve			
Balance at beginning of financial year		442,505	803,682
Transfer from retained surplus for future expenditure		30,000	-
Transfer to the retained surplus/capital funds expended in the period		(49,535)	(361,177)
Balance at end of financial year		422,970	442,505
Movements in recurrent reserves:			
Non-capital Grants reserve			
Balance at beginning of financial year		1,028,803	1,096,291
Transfer from retained surplus for future expenditure		223,572	21,843
Transfer to retained surplus		(37,947)	(89,331)
Balance at end of financial year		1,214,428	1,028,803

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2011

20 Contingent liabilities

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

Local Government Mutual

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

The latest audited financial statements for LGM Queensland are as at 30 June 2010 and show accumulated member funds (equity) of \$16,218,220.

Local Government Workcare

The Quilpie Shire 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 2010 in relation to the Local Government Workcare Bank Guarantee is \$67,580.

The latest audited financial statements for Local Government Workcare are as at 30 June 2010 and show accumulated member funds (equity) of \$18,302,794.

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 five annual reporting periods. It is expected that no expenditure will be incurred in the next annual reporting period, and all will be incurred within five years of the end of the reporting period.

21 Superannuation

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

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

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

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

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

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

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

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

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2011

21 Superannuation (continued)

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.

	Note	2011 \$	2010 \$
The next actuarial investigation will be made as at 1 July 2012.			
The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of employees was:	6	371,548	346,182

22 Trust funds

Trust funds held for outside parties

Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities

Security deposits	1,469	1,366
Charity Collections	-	1,020
Road Alliance Program	32,423	77,522
	<u>33,892</u>	<u>79,908</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.

23 Reconciliation of net operating surplus for the year to net cash inflow (outflow) from operating activities

Net operating result	3,021,668	(447,566)
Non-cash operating items:		
Depreciation and amortisation	1,879,345	1,861,024
Revaluation adjustments	-	14,602
Impairment of property plant and equipment	-	-
Change in future rehabilitation and restoration costs	-	-
	<u>1,879,345</u>	<u>1,875,626</u>
Investing and development activities:		
Net (profit)/loss on disposal of non-current assets	15,659	71,181
Capital grants and contributions	146,182	(1,071,396)
Profit retained in joint venture	-	-
	<u>161,841</u>	<u>(1,000,215)</u>
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	(753,870)	539,888
(Increase)/decrease in other financial assets	79,195	(61,369)
(Increase)/decrease in inventory	(28,841)	36,018
Increase/(decrease) in other provisions	(265,048)	(28,619)
	<u>(968,564)</u>	<u>485,918</u>
Net cash inflow from operating activities	<u>4,094,290</u>	<u>913,763</u>

24 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 2011

25 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.

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

Risk exposure	Measurement method
Interest rate risk	Sensitivity analysis
Liquidity risk	Maturity analysis
Credit risk	Ageing 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	2011	2010
Financial assets		\$	\$
Cash and cash equivalents	10	12,768,127	10,311,046
Receivables - rates	11	150,938	97,496
Receivables - other	11	1,133,574	433,146
Other financial assets	13	0	79,195
		<u>14,052,639</u>	<u>10,920,883</u>

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

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

Quilpie Shire Council
Notes to the financial statements
For the year ended 30 June 2011

	Fully performing	Past due			Impaired	Total
		Less than 30 days	30-60 days	61-90 days		
	\$	\$	\$	\$	\$	\$
Receivables	1,124,512	0	656	159,344	-	1,284,512
Other financial assets	-	-	-	-	-	0
	1,124,512	0	656	159,344	0	1,284,512

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.

Council manages its exposure to liquidity risk by maintaining sufficient term deposits, both short and long term, to cater for unexpected volatility in cash flows. These term deposits are disclosed in the Note 10.

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
	\$	\$	\$	\$
2011				
Trade and other payables	581,145	57,679		638,824
	581,145	57,679	0	638,824
2010				
Trade and other payables	636,673	36,066	-	672,739
	636,673	36,066	0	672,739

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	
	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$
Financial assets	12,768,127	10,311,046	127,681	103,110	127,681	103,110
Financial liabilities	-	-	-	-	-	-
Net total	12,768,127	10,311,046	127,681	103,110	127,681	103,110

Quillpie Shire Council
Financial statements
For the year ended 30 June 2011

Management Certificate
For the year ended 30 June 2011

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

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

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

In addition we certify that, in our opinion:

- (i) the prescribed requirements of the Local Government Act 2009 and associated Regulations for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages to , 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 and the consolidated entity's financial position as at 30 June 2011 and of their financial performance and cash flows for the financial year ended on that date.

P. Edwards
Mayor

Date: 29 / 11 / 11

D G J
Chief Executive Officer

Date: 29 / 11 / 2011

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Quilpie Shire Council

Report on the Financial Report

I have audited the accompanying financial report of the Quilpie Shire Council, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Mayor and the Chief Executive Officer.

The Council's Responsibility for the Financial Report

The Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Local Government Act 2009* and *Local Government (Finance, Plans and Reporting) Regulation 2010*, including compliance with Australian Accounting Standards. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on 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 only be removed by Parliament.

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

Opinion

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

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of the Quilpie Shire Council for the financial year 1 July 2010 to 30 June 2011 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of the Quilpie Shire Council for the year ended 30 June 2011. 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.



M R Hyman CA
as Delegate of the Auditor-General of Queensland



Queensland Audit Office
Brisbane